

**MINUTES**

**Regular Meeting  
Don Gibson Theatre**

**July 19, 2021  
Monday, 6:00 p.m.**

**Present: Mayor Pro Tempore Eric B. Hendrick, presiding; Council Members David W. White, David Causby, Violet Arth Dukes, and Charles Webber; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin S. Merritt, MPA, City Attorney Andrea Leslie-Fite, City Clerk Bernadette A. Parduski, Public Information and Communications Officer Chip Nuhrah, Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Director of Parks and Recreation Charlie Holtzclaw, and Stan Lowery, Executive Director, Don Gibson Theatre**

**Absent: Mayor O. Stanhope Anthony III and Council Member Andrew Hopper, Sr.**

**Mr. Hendrick called the meeting to order at 6:00 p.m.**

**Mr. Webber delivered the invocation and Mr. White led the Pledge of Allegiance.**

**A. Approval of agenda:**

- 1) Motion to adopt the proposed agenda**

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

**B. Special Presentations:**

- 1) 2021 Tar Heel Leagues Girls Softball State Tournaments – Charlie Holtzclaw, Director of Shelby Parks and Recreation**

**Mr. Holtzclaw was pleased to announce Shelby City Park will host the 2021 Tar Heel Leagues Girls Softball Tournaments beginning July 22 and running through July 25, 2021. These four tournaments (Age groups: 8 and under, 10 and under, 12 and under, and 15 and under) will feature three Shelby host teams and combine for a total of 30 girls' softball teams with over 400 players and coaches participating in the four-day events.**

**In terms of economic development and travel tourism, Mr. Holtzclaw stated several hundred spectators are expected daily until the Sunday championship games. There will be a total of nearly 45 games played at both the Recreation and Sports Complex 1 and Sports Complex 2. The vast majority of these teams and families will be staying in the local hotels. The**

teams will come from across the state, from the coast to the mountains, and will also patronize Shelby's restaurants and businesses.

Mr. Holtzclaw extended his personal invitation to attend the opening ceremonies for all teams on Thursday, July 22, 2021, at 1:00 p.m. at the City Park Recreation and Sports Complex 1.

Mr. Holtzclaw concluded by stating this tournament would not be possible without the recreational facilities at City Park including the multiple fields at the Recreation and Sports Complexes.

Lastly, Mr. Holtzclaw mentioned Holly Oak Park is planning to celebrate its 62<sup>nd</sup> anniversary on Saturday, July 24, 2021, at the park.

Council received the information. No action was required.

- 2) Mr. Hendrick recognized Senator Ted Alexander in attendance to make a presentation. Senator Alexander formally read and presented a Certificate of Congratulations from the Senate of the North Carolina General Assembly to Fire Chief William Hunt in honor of his being named 2021 Career Fire Chief of the Year.

Chief Hunt expressed his appreciation to many including his Fire and Rescue Department staff, the entire City staff, the elected officials, and City Manager Rick Howell.

C. Public Comment: None

D. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of June 21, 2021
- 2) Approval of Special Event Permit Applications:
  - a. 7<sup>th</sup> Inning Stretch Road to Hope 5K, requested date: August 7, 2021
  - b. Host City Welcome, requested date: August 11, 2021
- 3) Adoption of Fiscal Year (FY) 2020-2021 Budget Ordinance Amendment No. 13: Ordinance No. 27-2021

- 4) Adoption of an ordinance amending the City of Shelby's Schedule of Fees: Ordinance No. 28-2021
- 5) Approval of a resolution for the City of Shelby's application for United States Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program: Resolution No. 44-2021

**E. Unfinished Business:**

- 1) Consideration of appointments to City advisory boards and commissions:
  - a. Shelby Planning and Zoning Board

Mrs. Parduski reported the terms of five incumbents, Marlene Peeler, Rick Washburn, Mark Carter, Bob Cabiness, and Emanuel Hunt Jr., concluded June 2021. All the incumbents wish to continue their service.

There is one application provided by the Cleveland County Clerk's Office on file:

- Richard Nelson Francis

Mr. White nominated Marlene Peeler, Rick Washburn, Mark Carter, Bob Cabiness, and Emanuel Hunt Jr. for reappointment.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to close the nominations and accept the nominees for reappointment by acclamation.

- 2) Proposed issuance of Street and Sidewalk Improvement General Obligation (GO) Bonds:
  - a. Consideration of approval of an Order authorizing \$10,000,000 Street and Sidewalk Improvement Bonds

Mr. Howell stated that previously, as directed by Council, City staff has submitted the required General Obligation Bond application to the North Carolina Local Government Commission. He introduced the Order authorizing \$10,000,000 for Street and Sidewalk Improvement Bonds. If approved, this document is the next step toward getting this matter before the voters for consideration on November 2, 2021. All documents have been prepared by the City's bond attorney, Paul Billow, of Womble Bond Dickinson LLP.

Mr. Howell explained the Bond Order is the document that authorizes the sale and issuance of Street and Sidewalk Improvement Bonds, subject to voter approval. Approving this Bond Order will allow the City to move forward with the next steps in the General Obligation Bond process. A staff presentation regarding the proposed use of the bonds and a public hearing on this matter will be scheduled for Monday, August 2, 2021, if the Order is approved by Council.

Mr. Howell reviewed the specifics of the Statement of Debt and the Statement of Total Estimated Interest to be filed under the Local Government Bond Act showing the appraised value of the City of Shelby to be \$2,584,164,424 and the net debt, including the proposed bonds, to be \$10,000,000. The percentage which the net debt bears to the assessed value is .387 percent.

The Finance Director has also filed a statement estimating the total amount of interest that will be paid on the bonds over the expected term of the bonds, if issued, which is \$4,200,000. The estimate is preliminary and is for general informational purposes only and may differ from the actual interest paid on the bonds. No tax rate increase is expected to be necessary to pay debt service on the proposed debt.

Mr. Howell explained the bonds will be issued in the aggregate principal amount of \$10,000,000 in three separate series of \$5,000,000, \$3,000,000, and \$2,000,000 each. The bonds will bear interest payable semiannually at an average interest rate of 4 percent per annum. Such interest rate is a conservative rate as compared to current market rates and is being used by the City of Shelby for planning purposes.

Mr. Howell concluded by recapping the following documents furnished in support of the City of Shelby's Application for Approval of the Issuance of General Obligation Bonds to the Local Government Commission:

- Certified copy of resolution of Council making necessary findings related to proposed bonds, authorizing filing of application, and designating authorized representative
- Letter setting forth fee arrangement with bond counsel
- Publisher's Affidavit of Notice of Intent if voter approval required
- Selected Fiscal Information as certified by Finance Officer
- Capital budget and related information
- Preliminary copy of sworn statement of debt
- Statement of estimated interest including assumptions

**ACTION TAKEN:** Mr. Causby moved to approve an Order authorizing \$10,000,000 Street and Sidewalk Improvement Bonds. The vote was unanimous.

**3) Shelby-Cleveland County Regional Airport T-Hangar and Taxilane Phase II Project:**

- a. Consideration of a budget ordinance amendment for the City of Shelby's Airport T-Hangar No. 4 Project: Ordinance No. 29-2021**

Mr. Howell introduced Ordinance No. 29-2021 for Council's consideration. If approved, this ordinance would appropriate funding for the construction of T-Hangar Building No. 4 at the Shelby-Cleveland County Regional Airport in the amount of \$1,363,100. Ninety percent of this funding (\$1,226,790) will come from the City's annual Non-primary Entitlement (NPE) funding received from the NC Division of Aviation each year. The remaining 10 percent (\$136,310) will be split equally between the City and Cleveland County. Although the airport has been a City owned and operated property since the late 1950s, the County has for the last 15 years contributed half of the usual 10 percent local match required to receive the NPE funding.

Mr. Howell noted in Mr. Yarboro's memo, the City currently has a waiting list of 26 aircraft wishing to lease space in the new hangar. Only 10 units are available with each renting for \$250-\$275 per month and generating approximately \$30,000 per year for airport operations. He reminded Council that it is a City goal to make the airport self-sustaining financially. The construction of the first three T-Hangars and now a fourth, moves the City closer to meeting that goal.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council vote unanimously to approve and adopt Ordinance No. 29-2021 entitled, "A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S AIRPORT T-HANGAR NO. 4 PROJECT".

- b. Consideration of a resolution of award for the T-Hangar and Taxilane – Phase II Project at the Shelby-Cleveland County Regional Airport to Quinn Sales, Inc.: Resolution No. 45-2021**

Mr. Howell introduced Resolution No. 45-2021 for Council's consideration. If approved, this resolution would award the T-Hangar and Taxilane construction contract to Quinn Sales, Inc. of Gastonia, North Carolina in the amount of \$1,363,072.18. He concluded by stating it is anticipated the project will be complete by the first quarter of 2022.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 45-2021 entitled, "A RESOLUTION OF AWARD FOR THE T-HANGAR AND TAXILANE – PHASE II PROJECT AT THE SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT TO QUINN SALES, INC.".

**F. New Business:**

**1) Consideration of a resolution for the City of Shelby's acceptance of American Rescue Plan Funding: Resolution No. 46-2021**

**Mr. Howell introduced Resolution No. 46-2021 for Council's consideration. If approved, this resolution would simply authorize acceptance of funding allocated to the City from the Coronavirus State and Local Fiscal Recovery Funds (CSLRF) of the HR (House of Representatives) 1319 American Rescue Plan Act of 2021. There are some specifics to note about these funds. The City will account for these funds in a separate accounting fund along with any accrued investment income. The City is agreeing that it must be spent for the limited purposes spelled out in US Treasury guidance and in accordance with the NC General Statutes and that appropriate reporting for accountability purposes be made as directed. These funds must all be spent or encumbered by December 31, 2024 and completely expended by December 31, 2026 or they must be paid back to the US Treasury. The City has already received the first payment from the Office of the State Controller in the amount of \$3,191,117.50 and will receive the second half of the money not sooner than one year from now. The total amount expected is \$6,382,235.01.**

**Mr. Howell stated the City has focused its efforts on Water and Sewer infrastructure investments which are expressly permitted by both the US Treasury and the North Carolina State Treasurer guidance. He anticipates placing this matter on a future Council agenda for discussion soon.**

**ACTION TAKEN: Upon a motion made by Mrs. Arth Dukes, City Council voted unanimously to approve and adopt Resolution No. 46-2021 entitled, "A RESOLUTION FOR THE CITY OF SHELBY'S ACCEPTANCE OF AMERICAN RESCUE PLAN FUNDING".**

**2) City of Shelby's Windsor Drive and Montrose Drive Natural Gas System Infrastructure Improvement Project:**

- a. Consideration of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's Windsor Drive and Montrose Drive Natural Gas System Infrastructure Improvement Project: Ordinance No. 30-2021**

**Mr. Howell introduced Ordinance No. 30-2021 for Council's consideration. If approved, this ordinance would establish a capital project budget ordinance and appropriate \$337,260 from the Natural Gas Fund Balance for the replacement of steel natural gas line, constructed in 1955, on Windsor Drive and Montrose Drive. He added this project is included as part of the Natural Gas Distribution System Assessment approved by Council in 2020.**

**ACTION TAKEN:** Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Ordinance No. 30-2021 entitled, “AN ORDINANCE ESTABLISHING A CAPITAL PROJECT ORDINANCE AND BUDGETS FOR THE CITY OF SHELBY’S WINDSOR DRIVE AND MONTROSE DRIVE NATURAL GAS SYSTEM INFRASTRUCTURE IMPROVEMENT PROJECT”.

- b. Consideration of a resolution awarding the bid for replacement of natural gas lines on Windsor Drive and Montrose Drive: Resolution No. 47-2021

Mr. Howell introduced Resolution No. 47-2021 for Council’s consideration. If approved, this resolution would award the bid for the described construction project to Appling Boring Company of Forest City, North Carolina in the amount of \$304,960.

**ACTION TAKEN:** Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 47-2021 entitled, “A RESOLUTION AWARDED THE BID FOR REPLACEMENT OF NATURAL GAS LINES ON WINDSOR DRIVE AND MONTROSE DRIVE”.

**G. City Manager’s Report:**

- 1) Rail Trail Project – With regard to the US Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant, Mr. Howell reported the City’s application was submitted on July 12, 2021. He acknowledged the assistance of Representative Virginia Foxx, Senator Thom Tillis, and Senator Richard Burr’s staffs, the City’s Grant Consultant Alice Briggs of WithersRavenel, and Assistant City Manager Justin Merritt with the City’s second submission, seeking funding in whole for all three sections or in part for the Shelby section, should an award be made. Regarding the engineering and design, the engineering and design of the Shelby section from Grover Street to South Dekalb Street is underway. It is expected the segment design from Marion Street to Grover Street will be completed to allow bidding in the fall. Completion of the entire design is expected by the end of the year. Regarding the North Carolina Parks and Recreation Trust Fund (NCPARTF) Grant, the grant application was submitted in April 2021. Award notifications for both RAISE and NCPARTF grants is anticipated in November 2021.
- 2) American Rescue Plan Funding (Total \$6,382,235.01) – Mr. Howell reported the City has recently received half of this funding (\$3,191,117.50) through the Office of the State Controller. Allowed uses of this funding are limited by official guidance from the US Treasury Department. There

is guidance from the State Treasurer that also applies. He is carefully reviewing this guidance and developing recommendations with staff. The matter will be brought to Council for discussion soon so that there is a supported plan moving forward. The focus has been on water and sewer infrastructure investments which are expressly permitted by both US Treasury and NC State Treasurer guidance.

- 3) **Planning and Development Monthly Report – Mr. Howell informed Council that this report will be produced monthly and will be routinely included as a consent agenda item for Council’s consideration.**
- 4) **Airport Layout Plan (ALP) – Mr. Howell stated the draft ALP is being reviewed by staff and will be shared with Council once complete. He anticipates a formal presentation to Council and subsequent consideration by Council for adoption. This plan is required by the NC Division of Aviation as well as the Federal Aviation Administration to qualify for future funding opportunities.**

**Mr. Howell added he is drafting a Memorandum of Understanding (MOU) with Cleveland County that will lay out the terms of the City’s agreement with Cleveland County to share the annual 10 percent match for Non-primary Entitlement (NPE) grants received through the NC Division of Aviation. To date, this has been an informal understanding and it has been agreed it needs to be more formal going forward.**

- 5) **State Employees Credit Union (SECU) – Mr. Howell was made aware by the Regional Manager of the State Employees Credit Union that since the closing of County Home Road by City Council in December 2019 that SECU has experienced a significant amount of cut through traffic in the SECU parking lot and the adjoining vacant (formerly Honda Motorsports) lot. City staff has verified that up to 1,500 cars a day have used the vacant lot to cut through from US Highway 74 Frontage Road to Kings Road. The SECU also informed him that they will block the US 74 Frontage Road entrances to these two lots, effective July 27, 2021. All construction projects by SECU were put on hold due to the pandemic and there is no definite timetable as to when the new branch will be constructed. Mr. Howell mentioned a new connector road was negotiated with SECU and would be part of their new project.**
- 6) **City Park Aquatic Center – Mr. Howell will be bringing a recommendation forward to Council for consideration, proposing a recommended funding solution for the rebuild of the City Park Aquatic Center facility.**
- 7) **Regulation of golf carts on streets, roads, and highways – Mr. Howell informed Council he has received inquiries from citizens regarding allowing golf cars on public streets in the City of Shelby. Previously, he**



provided a copy of the North Carolina General Statute to Council which regulates golf carts on public streets for their review.

- 8) Mr. Howell stated the American Legion World Series Host City Welcome event was approved; however, an amendment to the application to close a portion of South Washington Street may be pending.

**H. Council Announcements and Remarks:**

- 1) Council members collectively praised Mr. Hendrick for the excellent job in carrying out his duties as Mayor Pro Tempore.
- 2) Council members collectively congratulated Fire Chief William Hunt being recognized as 2021 Career Fire Chief of the Year with a Certificate of Congratulations from the Senate of the North Carolina General Assembly.

**I. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 6:48 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC  
City Clerk

Eric B. Hendrick  
Mayor Pro Tempore

Minutes of July 19, 2021