

MINUTES

**Regular Meeting
Don Gibson Theatre**

**October 4, 2021
Monday, 6:00 p.m.**

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

Absent: Council Member Eric B. Hendrick

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

Miss Arth led the Pledge of Allegiance.

A. Approval of agenda:

- 1) Motion to adopt the proposed agenda**

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

B. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of September 20, 2021**
- 2) Approval of Special Event Permit Applications:**
 - a. Shelby High School Homecoming Parade, requested date: October 15, 2021**
 - b. Cleveland County Veterans Parade, requested date: November 11, 2021**
 - c. Shining in Shelby 2022, requested dates: May 5 – May 6, 2022**

- 3) Approval of a resolution supporting the City of Shelby's application for trail construction funds for the Carolina Thread Trail: Resolution No. 59-2021

C. Unfinished Business:

- 1) Consideration of approval of an Order authorizing the sale and issuance by the City of Shelby, North Carolina of a not to exceed \$12,000,000 combined enterprise system revenue refunding bond, Series 2021 and authorizing the execution and delivery of certain documents in connection therewith

Mr. Howell introduced the matter by stating Council previously approved Resolution No. 58-2021 which authorized the filing of an application with the North Carolina Local Government Commission seeking to refund certain City utility system debt. Council's approval of the Bond Order is also a necessary step in the refunding process as it sets forth the terms and provisions of the bond purchase and authorizes City staff to proceed with the execution of the required documents.

Next, Mr. Merritt further explained the Bond Order authorizes the sale and issuance of Series 2021 refunding bonds in accordance with two documents which were provided to Council for review:

- Tenth Supplemental Trust Agreement between the City of Shelby, North Carolina and U.S. Bank National Association – Mr. Merritt stated each time the City issues a revenue bond, the Supplemental Trust Agreement is updated, setting out the general terms and conditions and defining the roles of the respective parties.
- Bond Purchase Agreement among the City of Shelby, North Carolina and the Local Government Commission and Truist Bank – Mr. Merritt stated this agreement is essentially a contract between the issuer, the City of Shelby, and the underwriter/purchaser, Truist Bank, which defines the terms and conditions to be followed by the parties throughout the process.

Mr. Merritt reiterated the lending is a direct bank placement. A proposal from Truist Bank has been received and accepted for the Series 2021 Bond contingent on Local Government Commission approval of the transaction on October 5, 2021 with the closing to take place on November 1, 2021. As Mr. Merritt stated before, this refunding does not extend the terms of current Combined Utility Debt and does take advantage of favorable market interest rates. The City is estimated to realize total net present value savings of \$512,000 over the repayment period of the refunded bonds.

ACTION TAKEN: Mr. White moved to adopt an Order authorizing the sale and issuance by the City of Shelby, North Carolina of a not to exceed \$12,000,000 combined enterprise system revenue refunding bond, Series 2021 and authorizing the execution and delivery of certain documents in connection therewith. The vote was unanimous.

D. New Business: None

E. City Manager's Report:

- 1) Mr. Howell reported the natural gas system improvements needed to meet the needs of the new Ames Copper facility on Old Boiling Springs Road, which included the installation of 8-inch steel gas main along Highway 74 from Polkville Road to Old Boiling Springs Road and 6-inch steel gas main along Old Boiling Springs Road to the Ames Copper facility and the meter set for the facility, are nearing completion.
- 2) Mr. Howell reported the replacement project of the natural gas lines on Montrose Drive and Windsor Drive is largely complete. The section of gas lines on Montrose Drive from Montrose Circle to East Graham Street, originally installed in 1955, including the replacement of 2-inch steel gas main, and the tying in of seven services, is nearing completion.
- 3) Regarding the Shelby-Cleveland County Regional Airport T Hangar Building No. 4 Project, Mr. Howell stated the pre-construction meeting was held on August 17, 2021 and the Notice of Proceed is dated October 11, 2021. He noted a 20 to 24 week building order for the steel delivery and site work will begin in October or November 2021.
- 4) Regarding Shell Building No. 4, Mr. Howell stated the project is in the design phase with the architect who is determining the final dimensions and square footage of the building.
- 5) Regarding the Randolph Road Industrial Park Sewer Lift Station Project, Mr. Howell stated it supports the Shell Building No. 4 Project and will provide capacity to serve the surrounding areas as well. The City did receive a grant in the amount of \$750,000 awarded by the North Carolina Department of Commerce through the Industrial Development Fund Utility Account. However, the cost of the project has gone up to \$1.2 million. Mr. Howell has requested consideration for the additional funding from the North Carolina Department of Commerce.
- 6) Regarding US Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants formerly known as BUILD and TIGER grants, Mr. Howell anticipates learning as soon as November 22, 2021 about this \$25 million grant award. This is a

very competitive federal grant with over 700 applications submitted and historically only 70 awarded.

F. Council Announcements and Remarks:

- 1) Mayor Anthony mentioned the City of Shelby Primary Election Day is October 5, 2021 and the City's bond referendum regarding the approval of the \$10 million Street and Sidewalk Improvement Bonds will be held on Election Day, November 2, 2021.
- 2) Council members collectively urged the public to exercise their right to vote on Primary Election Day, October 5, 2021.
- 3) Mayor Anthony and Council members discussed the referendum question which will appear on the November 2, 2021 ballot. Mr. Howell reminded all that the City cannot, by North Carolina law, spend any City resources to promote and encourage voters to pass the referendum. The City can educate and provide information and City staff will be so over the coming weeks. He added elected officials can individually promote and advocate for passage.

G. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 6:20 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

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