MINUTES

Regular Meeting March 7, 2022

City Hall Council Chamber Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members David W. White, David Causby, Violet Arth, Charles Webber, Andrew L. Hopper Sr., and Emilie Bullock.; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin S. Merritt, MPA, Assistant City Manager of Utilities Benjamin (Ben) Yarboro, City Attorney Andrea Leslie-Fite, Interim City Clerk Carol Williams, Public Information and Communications Officer, Chip Nuhrah, Director of Finance Elizabeth B. (Beth) Beam, CPA, Fire Chief William P. Hunt, MPA, EFO, Chief of Police Jeffrey H. (Jeff) Ledford, Director of Planning and Development Services Walter (Walt) Scharer, AICP, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections

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

Council member David Causby led the Pledge of Allegiance.

1. Approval of agenda:
2. Motion to adopt the proposed agenda

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

B. Special Presentations:

1. Recognition of James V. (Vic) Branton on the occasion of his retirement from employment with the City of Shelby
2. Recognition of Don Loucks on the occasion of his retirement from employment with the City of Shelby
3. Recognition of Gary L. Cleary on the occasion of his retirement from employment with the City of Shelby

C. Consent Agenda:

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

1. Approval of the Minutes of the Regular Meeting of February 21, 2022
2. Approval of the Minutes of the Special Meeting of January 29, 2022
3. Acceptance of the Certificate of Sufficiency regarding Petition of Annexation of applicant, Southwood Realty Company
4. Management Reports - Financial Summary – January 2022

D. Unfinished Business:

1. Resolution Awarding the Contract for the City of Shelby Transportation Asset Management Plan Phase 1 Resurfacing Project: Resolution

No. 20-2022

Mr. Howell introduced Resolution No. 20-2022 for Council’s consideration. If approved this resolution would award the bid and contract for the first phase of the street resurfacing being paid for by the voter approved bonds passed in November 2021. This is the first of three phases that will be brought to Council. Mr. Howell acknowledged the hard work of Mr. Yarboro, Mr. Merritt and Mrs. Beam and everyone involved with this project. On average the City usually resurfaces approximately 3.2 miles each year but with the bond funds the City will be able to resurface an additional 17.8 miles this year. This resolution will award the bid to Asphalt Paving of Shelby, Inc. A great deal of planning has gone into this resurfacing project. City staff has to look at and be aware of utility improvements that are scheduled so that those projects can be completed before the street resurfacing in that area takes place. Mr. Howell stated that the City tries to avoid tearing up streets that are recently resurfaced.

ACTION TAKEN: Upon a motion made by Mr. Hopper, City Council voted unanimously to approve and adopt Resolution No. 20-2022 entitled, “A RESOLUTION AWARDING THE CONTRACT FOR THE CITY OF SHELBY TRANSPORTATION ASSET MANAGEMENT PLAN PHASE 1 RESURFACING PROJECT”.

1. Resolution Approving a Financial Agreement Authorized by North

Carolina General Statute 160A-20: Resolution No. 21-2022

Mr. Howell introduced Resolution No. 21-2022 for Council’s consideration. All of the City’s rolling stock equipment and vehicles are purchased through a 59-month financing agreement. This resolution would award a financial agreement to United Financial (a Division of HomeTrust Bank) at an interest rate of 1.58% over a 59-month term for a total principal amount of $2,284,000.

ACTION TAKEN: Upon a motion made by Mr. Webber, City Council voted unanimously to approve and adopt Resolution No. 21-2022 entitled, “A RESOLUTION APPROVING A FINANCIAL AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20”.

E. New Business:

1. Adoption of Fiscal Year (FY) 2021-2022 Budget Ordinance Amendment

No. 7: Ordinance No. 11-2022

Mr. Howell presented Ordinance No. 11-2022 for Council’s consideration. Huesker, Inc. did an expansion project several years ago and Council awarded an incentive grant to them at that time. The approved grant covers a five-year period at 40% incentive payment back to the company. No local government provides an incentive upfront to a company, instead, NC statute allows a grant agreement with the company. After the company makes the investment and it is certified by the County tax office, the company has to request payment from the local government within the year that it is due. The company’s taxes have to be paid and up to date. This ordinance appropriates money from the fund balance to pay the tax incentive for 2021 back to Huesker, Inc. This is the fifth year of a five-year agreement with Huesker, Inc. Mr. Howell further stated that we may only have two active incentive agreements. The City has not had to award any incentive agreements recently which is a good sign of our economic development standpoint.

ACTION TAKEN: Upon a motion made by Mr. Causby, City Council voted unanimously to approve and adopt Ordinance No. 11-2022 entitled, “ADOPTION OF FISCAL YEAR (FY) 2021-2022 BUDGET ORDINANCE AMENDMENT NO. 7”.

F. City Manager’s Report:

1) Regarding an update from NCDOT on some projects:

a) R707 – Section C of the Bypass - the completion date as of right now is December 31, 2023. This could be delayed due to changes at Airport Road since the plan is now to create a bridge.

b) R707 - Sections D and E of the Bypass – the schedule is to put this out to bid in 2023 and it’s a four-year contract, so at best 2027. Of course, this could change.

c) The roundabout at Joe’s Lake Road and Hwy. 180 has been advertised and the bids will be opened on March 8, 2022.

d) U5775 – Marion Street/Cherryville Rd/Peach Street intersection – the let date was rescheduled to April 26, 2022 to address some sign removal and signal plan revision.

2) A reminder for March 30th at 11:30 at the Don Gibson Theater the Employee Service Awards will be held. The employees will be recognized for their years of service.

3) A reminder of the CAGO meeting on March 17th at 6:30 at the Grover Town Hall.

4) Some good news on health insurance. Our utilization this year was at 124% which means Municipal Insurance Trust paid out more than the City paid in. Our rate for next year was sent out today and the increase will only be 7.81%. Mr. Howell stated that he was anticipating a 20-30% increase so this is very good news. Several of our claims were episodic and not long-term health issues.

5) Cleveland County was added to the Appalachian Regional Commission which opens up a variety of opportunities for grants to our area. A resolution will be brought to Council for approval to join the ARC. Applications for grant funding are due in April.

6) The City applied to the Industrial Development Fund for a grant to assist with the sewer liftstation at the Randolph Road property. We were originally awarded a $562,000 grant for the project that we thought was going to cost about $750,000 but the project costs soared to $1.169 million. We were fortunate to receive an additional $709,530 for a total of $1.172 million. The City’s portion will be $424,000 which will be split with Cleveland County.

7) Staff will provide Council an update in April about the residential development that is being proposed. Some are further along than others but want to show Council all the work that staff is undertaking. These residential development projects can have a significant impact on Shelby and surrounding areas.

8) The ARP priority list will be brought to Council on March 21st, this is the federal funding of $6.32 million the City was rewarded.

9) Regarding Phase 1 of the Rail Trail from approximately Grover St. to

Marion St. this will be bid in mid-March with a bid opening in mid-April. This project will need to be aligned with Water Resources which is planning the 24” Crosstown waterline which will tear streets up. These two projects will need staff coordination.

10) The Mayor inquired about the timeline for the new State Employee’s Credit Union. Mr. Howell said he did not have that information but will find out.

 City Attorney update – Andrea Leslie-Fite:

1) 421 E. Marion Street – a demolition ordinance was adopted by Council last year to demolish the property due to the owner’s failing to follow through on their agreement to repair the property. The owner’s have recently filed a legal action to enjoin the demolition. This will allow the Court to review our process to determine whether or not the steps were handled correctly. Mrs. Leslie-Fite does not have any concern about our legal process, but it will be an opportunity for the owner’s to provide the Court with their plans to try to repair the property. The City’s position is that the property is a danger to the community and will ask the Court to follow through with the demolition order. Ms. Leslie-Fite anticipates a late March or April court date.

2) 822 Jefferson Street – Council authorized the proceedings for imminent domain for the City to pursue demolition of that property so the repairs for the waterline can be effectuated. The action has been filed and the owners have 120 days to respond to our complaint. Upon filing of the action, the City was able to take possession of the property so preliminary groundwork is being prepared by Mr. Hux and his department. At this point, if the owners are satisfied with the amount on deposit at the Clerk of Court’s office, they can access those monies and that would be the end of that proceeding. If they decide to challenge the amount on file then it would go to trial to determine the value of the property. The owners did not respond to an earlier demand letter sent this year. Mrs. Leslie-Fite will keep Council updated.

3) There are other legal matters that will be wrapping up shortly so Mrs. Leslie-Fite will update Council on those matters soon.

G. Council Announcements and Remarks:

1) Mr. Webber stated he was glad to hear the great financial news and that it

was encouraging.

2) Mr. White asked where the American Legion celebration was being held this year, uptown or at the pavilion? Mr. Howell stated he wasn’t sure since it wasn’t a City event.

3) Ms. Arth stated that the City lost 76 years of experience with the retirements that were recognized today.

4) Mayor Anthony stated that HR was going to be busy filling vacant positions.

H. Closed Session:

1) To establish, or to instruct the public body’s staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract pursuant to North Carolina General Statute 143-318.11 (a)(5).

ACTION TAKEN: Mr. White made a motion to enter a closed session pursuant to the appropriate North Carolina General Statute as cited. Mayor Anthony consulted with Mrs. Fite who advised the topic met the statutory requirements for a closed session. The Mayor invited all Council members present along with Mr. Howell, Mr. Merritt, Mr. Yarboro, Mrs. Fite, and Mrs. Williams to attend. The motion passed unanimously, and Council moved into closed session at 6:41 p.m.

Council returned to the regular session at 7:07 p.m.

I. Adjournment:

1. Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Causby, City Council voted unanimously to adjourn the meeting at 7:07 p.m.

Respectfully submitted,

 Carol S. Williams

 Interim City Clerk

 O. Stanhope Anthony III

 Mayor

Minutes of March 7, 2022