

## MINUTES

Regular Meeting  
City Hall Council Chamber

May 15, 2023  
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony, III, presiding; Council Members Andrew L. Hopper, Sr., David Causby, David White, Violet Arth, Charles Webber, and Emilie Bullock.; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Ben Yarboro, Interim City Attorney Julie Hooten, City Clerk Carol Williams, Deputy City Clerk Breanna Jones, Director of Finance Elizabeth (Beth) Beam, CPA, Assistant Fire Chief David Vanhoy, Interim Police Chief Brad Fraser, Director of Planning and Development Services Walter (Walt) Scharer, Public Works Director Scott Black, Public Information and Communications Officer Chip Nuhrah, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections;

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

Mr. Causby led the Pledge of Allegiance.

### A. Approval of agenda:

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

**ACTION TAKEN:** Upon a motion by Ms. Arth, City Council voted unanimously to approve the agenda as amended acknowledging the addition of Item J – Closed Session.

### B. Public Comment:

Tott Griffin who resides at 407 East Grover Street, Shelby, North Carolina addressed Council about the Mobley-Raper Community Garden (MRCG) he started located at 505 Weathers Street, Shelby, North Carolina. Mr. Griffin spoke about the benefits of such a project and the community outreach he hopes to develop. Mr. Griffin stated he hopes to educate the community citizens about growing their own food and delivering food to those without transportation. Mr. Griffin concluded that he has had great response from the community in helping establish the garden.

Montana Judd who is here on behalf of the Rogers Theater located at 213 East Marion Street, Shelby, North Carolina spoke passionately about the Rogers Theater restoration project and the fundraiser she hopes is approved

by Council. Ms. Judd stated the event will be patriotic in nature but also raise money for their grant with the National Park Service. Ms. Judd hopes the event will be fun and bring awareness to the Rogers Theater restoration project.

**D. Public Hearing:**

- 1) **Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina at 810 West Dixon Boulevard: Ordinance No. 21-2023**

**Mr. Scharer presented a zoning map amendment for property located at 810 W. Dixon Blvd. from RO zoning to General Business with Conditional Zoning (GBCZ). Mr. Scharer stated the amendment is consistent with the Shelby Comprehensive Land Use Plan, however it is inconsistent with development patterns in the area. Mr. Scharer further noted that the Planning and Zoning Board does not recommend this proposed zoning amendment due to the proximity of single-family dwellings surrounding the site.**

**Mr. Scharer referred to the Appendix of the rezoning application which lists the uses that will not be allowed if the zoning changes to GBCZ. Mr. Scharer further stated that the list of uses in the Staff Report are allowable uses in GBCZ, however, some uses still require a Special Use Permit.**

**Mr. Scharer elaborated on the conditions the applicant has proposed by showing pictures of the fencing, shrubbery, parking, and hours of operation which will hopefully reduce the concerns of the neighborhood.**

**Mayor Anthony opened the public hearing at 6:07 p.m. and invited comments from the public.**

**Lavonda Huskey who owns the home located at 903 W. Elm Street, Shelby, North Carolina submitted a written comment to City Council stating that she was opposed to the rezoning. She listed several concerns:**

- **The aesthetic, safety and socio-economic impact that the rezoning could have on the surrounding neighborhood**
- **More intensive land use under GB-CZ could negatively affect and degrade the property value**
- **Rezoning could produce discomfort and fear around the clientele and unwarranted activity that negatively affects the neighborhood residents**

**John Russell whose business is at 301 S. York Street, Gastonia, North Carolina is the attorney for the applicant, Gus Diacolios. Mr. Russell acknowledged that this rezoning is different because this application is voluntarily limiting the uses for this property, to alleviate the concerns of the**

neighborhood. Mr. Russell continued by stating the current zoning as RO is not allowing this property any usefulness or viability. Mr. Russell acknowledged the applicant is aware of the many uses GB can bring to a property, so the applicant has voluntarily removed some of those uses from consideration. Mr. Russell explained the need for office space greatly declined due to the pandemic, so with the RO classification it is difficult to obtain a viable user of the property. Mr. Russell concluded by stating the applicant has voluntarily proposed additional buffering, reduced hours of operation and limited the uses of the property to aid in the decision to rezone and make this property useful again.

Ric Francis who resides at 844 W. Marion Street, Shelby, North Carolina spoke in favor of the proposed rezoning. Mr. Francis noted that due to the pandemic it has become harder to find clients for the property due to the RO zoning. A GBCZ classification would open the door to making this property usable.

Mayor Anthony closed the public hearing at 6:21 p.m.

Mr. White asked for clarification regarding several of the uses that were listed and if they were allowed or not. Mr. Scharer explained the lists and what was allowed under GBCZ and what was not.

Mayor Anthony stated that the applicant has pared down the list of possible uses; Mr. Scharer agreed and then stated that many of the possible uses allowed would not work at this site due to parking, or size of building, etc.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted unanimously to deny Ordinance No. 21-2023 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA AT 810 WEST DIXON BOULEVARD: ORDINANCE NO. 21-2023 due to it being inconsistent and unreasonable with the neighborhood."

2) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina at 230 South Post Road: Ordinance No. 22-2023

Mr. Scharer presented a zoning map amendment for property located at 230 South Post Road from R10 zoning to General Business 2. Mr. Scharer stated this property is inconsistent with the Comprehensive Land Use Plan; however, it is consistent with the intensity of South Post Road. Mr. Scharer concluded by stating the Planning and Zoning Board does recommend this zoning amendment.

Mayor Anthony opened the public hearing at 6:34 p.m. and the public offered no comments.

Mayor Anthony closed the public hearing at 6:35 p.m.

**ACTION TAKEN:** Upon a motion made by Ms. Arth, City Council voted unanimously to approve Ordinance No. 22-2023 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA AT 230 SOUTH POST ROAD: ORDINANCE NO. 22-2023 due to it being consistent with the development of the area and reasonable for the area."

- 3) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina at 827 West Marion Street and 107 Bowman Street: Ordinance No. 23-2023

Mr. Scharer presented a zoning map amendment for property located at 827 West Marion Street and 107 Bowman Street from R6, R8, and General Business (GB) zoning to Residential Office (RO) zoning. Mr. Scharer stated Cleveland County owns the site and has plans to move the Board of Election offices into this property, therefore, the change in zoning is necessary since it is going to be a government office. The proposed rezoning is consistent with the Comprehensive Land Use Plan , and the Planning and Zoning Board recommends the zoning change.

Mayor Anthony opened the public hearing at 6:36 p.m. and invited the public for comments.

Kerri Melton, Assistant County Manager, 311 E. Marion Street, Shelby, North Carolina acknowledged that in 2018 Cleveland County did a facility master plan and concluded that the existing Board of Elections building was considered end of life. Mrs. Melton continued that when the County acquired Shelby Rescue and consolidated the Emergency Management Services this property on Bowman Street and W. Marion Street became available and made sense for the Board of Election.

Mayor Anthony closed the public hearing at 6:39 p.m.

**ACTION TAKEN:** Upon a motion made by Mr. Hopper, City Council voted unanimously to approve Ordinance No. 23-2023 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA AT 827 WEST MARION STREET AND 107 BOWMAN STREET due to it being consistent with the development of the area and reasonable for the area."

- 4) **Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina at Airline Avenue Extension and 212-214 Dover Street: Ordinance No. 24-2023.**

**Mr. Scharer presented a zoning map amendment for property located at Airline Avenue Extension and stated this property is along the CSX railroad track. Mr. Scharer further stated that this property has been zoned Light Industrial (LI) for many years and the applicant proposes to amend the zoning to R6 to allow for new residential units. Mr. Scharer continued by explaining the two lots adjacent to this property (212-214 Dover Street), which are owned by the City of Shelby, are also zoned LI and the City wishes to also have these properties zoned R6. Mr. Scharer stated this amendment is consistent with Comprehensive Land Use Plan and the Planning and Zoning Board recommends this amendment.**

**Mayor Anthony opened the public hearing at 6:43 p.m. and invited the public for comments.**

**Michael Janisch who resides at 387 Talbert Road, Shelby, North Carolina is here as the contractor of the residential units proposed for the Airline Avenue property. Mr. Janisch is in favor of the zoning amendment to allow for subdividing the property and build three additional residential units.**

**Mayor Anthony closed the public hearing at 6:44 p.m.**

**ACTION TAKEN: Upon a motion made by Mr. Webber, City Council voted unanimously to approve Ordinance No. 24-2023 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA AT AIRLINE AVENUE EXTENSION AND 212-214 DOVER STREET due to it being consistent with the development of the area and reasonable for the area."**

- 5) **Consideration of a resolution and order permanently closing a portion of Justice Place: Resolution No. 33-2023**

**Mr. Scharer stated Justice Place would dissect the new proposed Law Enforcement complex; therefore, Cleveland County is proposing closing a portion of Justice Place. Mr. Scharer continued by showing an initial site plan which shows traffic flow will be improved with this portion of Justice Place permanently closed.**

**Mayor Anthony opened the public hearing at 6:46 p.m. and invited the public for comments.**

**Kerri Melton, Assistant County Manager, 311 E. Marion Street, Shelby, North Carolina addressed Council and thanked City staff for being a part of the**

planning process for the Law Enforcement Center project. Mrs. Melton also stated that an aspect of this property being one building will allow for an underground tunnel from the detention center to the courthouse to be built for safety reasons. Mrs. Melton noted this building project will be approximately 350,000 square feet and this road closure is necessary for the new complex design to work.

Mayor Anthony closed the public hearing at 6:49 p.m.

**ACTION TAKEN:** Upon a motion made by Ms. Arth, City Council voted unanimously to approve Resolution No. 33-2023 entitled, "A RESOLUTION AND ORDER PERMANENTLY CLOSING A PORTION OF JUSTICE PLACE."

### C. Special Presentation:

#### 1) Fiscal Year 2023-2024 Budget Message, City Manager Rick Howell

Mr. Howell began his presentation of the proposed fiscal year 2023-2024 annual budget by stating this budget is just short of \$100 million. Mr. Howell thanked City staff for all their hard work and time that it takes to put a budget together.

Mr. Howell listed the funds the City operates and stated that they are intended to be self-supporting, especially the utility funds. Mr. Howell continued by stating these funds do not receive tax dollars; they are supported by customer charges. The budgeted expenditures are over \$100 million but after subtracting the interfund transfers, the total budget for 2023-2024 is \$96,377,830.00 which is a 7.4% increase from last year's budget.

Mr. Howell listed a few points regarding this year's budget:

- The General Fund budget is \$34,764,753 which is a 15.8% increase due mainly to:
  - the purchase of a new 100' ladder truck for the Shelby Fire and Rescue Department
  - the substantial recurring increases in personnel pay
  - and debt service of \$570,000 to pay back the first phase of the street bonds approved in 2021
- The tax rate will remain the same at 51.75 cents per \$100 valuation
- There are two new positions funded for this year, a Building Inspections position and a Parks and Recreation position
- Water Fund spending increases 4.5% in this 2023-2024 budget due to equipment, chemicals, staff salaries, and utilities

- A 4% rate increase is recommended for the Water Fund
- Sewer Fund budget increases 5.5% due to staff salaries, operational costs, and an increase in debt service
- A 4% rate increase is recommended for the Sewer Fund
- Electric Fund is down 3.6%
- A 5% decrease is recommended for all customers (residential and commercial)
- Wholesale power costs are reduced by \$438,000 therefore passing those savings on to our customers
- Natural Gas Fund is up 4.1%
- No rate increase is recommended
- Stormwater Fund is down 32.5% overall in operational spending
- No rate increase is recommended for the Stormwater Fund, however, there is a 5.3% CPI adjustment to these rates
- Stormwater revenues are expected to increase due to growth in customer charges generated by new private development

#### Challenges:

- Investments made in Economic development and growth need to continue to increase our tax base
- Retention and attraction of high-quality employees is essential and paying a fair wage is necessary

#### Ongoing Pressures:

- Supply chain issues
- Inflation
- Competitive labor market

#### Opportunities:

- Upgrades in our Wastewater and Water Treatment Plants, Shell Buildings 3 and 4, and all of our systems have seen improvements to aging systems
- Starting to see some residential and commercial growth
- Carolina Harmony Trail has potential to be transformational when completed
- Visitor Attractions revenue is up (Hanna Park, city Park, Earl Scruggs Center, Don Gibson Theater, First Broad River Trail) all bring in revenue

The budget is balanced, and basic services have been maintained, which is always our focus. Mr. Howell acknowledged former Assistant City Manager, Justin Merritt and his work on this year's budget and Beth Beam, our Finance

Director and her staff, who have worked diligently on getting this budget prepared.

**C. Consent Agenda:**

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

- 1) Approval of the Minutes of the Regular Meeting of May 1, 2023
- 2) Approval of a resolution authorizing the execution of a purchase and sale agreement for real property located at 200 West Graham Street: Resolution No. 34-2023
- 3) Purchase and Sale Agreement for Real Property located at West Sumter Street:
  - a) Adoption of FY 2022-2023 Budget Ordinance Amendment #8: Ordinance No. 25-2023
  - b) Approval of a resolution authorizing the execution of purchase and sale agreement for real property located at West Sumter Street: Resolution No. 35-2023
- 4) Adoption of FY 2022-2023 Budget Ordinance Amendment #7: Ordinance No. 26-2023
- 5) 2023 Electric Underground Cable Replacement Project:
  - a) Adoption of FY 2022-2023 Budget Ordinance Amendment #9: Ordinance No. 27-2023
  - b) Approval of a resolution awarding the contract for the 2023 Electric Underground Cable Replacement Project to River City Construction, Inc.: Resolution No. 36-2023
- 6) Approval of a resolution authorizing the City of Shelby's authorized allocation of American Rescue Plan Funding: Resolution No: 37-2023
- 7) Approval of Special Event Application:
  - a) Red, White and Blue Bash, requested date: July 1, 2023
- 8) Management Reports:
  - a) Raper-Roark Trust Fund Financial Report, dated April 30, 2023



## END OF CONSENT AGENDA

### D. Unfinished Business:

- 1) Approval of a resolution and order permanently closing Ella Street and a portion of South Washington Street between Textile Street and East Shannonhouse Street: Resolution No. 38-2023

Mr. Scharer reminded Council that this property has been discussed with the developer for nine years and with the most recent plan the permanent closing of these streets is best for the redevelopment. Mr. Scharer also stated that Council held a public hearing in February, 2023 on this matter.

**ACTION TAKEN: Upon a motion by Mr. White, City Council voted unanimously to adopt Resolution No. 38-2023 entitled, "A RESOLUTION AND ORDER PERMANENTLY CLOSING ELLA STREET AND A PORTION OF SOUTH WASHINGTON STREET BETWEEN TEXTILE STREET AND EAST SHANNONHOUSE STREET"**

### E. New Business

None

### F. City Manager's Report

Regarding the Aquatics Center – The pool should be finished and ready to open on Memorial Day weekend. The dive towers have been delayed, but that won't keep the pool from opening. The plastering is complete and both pools are full of water. Great management of this pool project from Justin Merritt and Charlie Holtzclaw.

Regarding the City Hall roof replacement – 90% of the shingles are complete. Mr. Howell stated he hopes we've saved some money due to fewer boards having to be replaced. Great management of this project from Justin Merritt, Todd Frashier and Beth Beam. Mr. Howell stated the windows and doors will be the next project.

### G. Council Announcements and Remarks:

Mayor Anthony acknowledged some upcoming events:

- Law Enforcement Memorial event at Raper-Roark Park, 11:00 on May 19<sup>th</sup>
- Shell Building #4 Ribbon Cutting on May 22<sup>nd</sup>

- Aquatics Center Ribbon Cutting also on May 22<sup>nd</sup>
- Tarheel Tournament kick-off is July 20<sup>th</sup>

Mr. Hopper gave kudos to the North Carolina Combative Sports for the UFC event held at the Spectrum Center in Charlotte with 18,000 in attendance. This was the first major event held since before COVID.

**Closed Session:**

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

**ACTION TAKEN:** Mr. White made a motion to enter a closed session pursuant to the appropriate North Carolina General Statute as cited. The Mayor invited all Council members present along with Mr. Howell, Mrs. Williams, Mrs. Jones, and Mr. Yarboro to attend. The motion passed unanimously, and Council moved into closed session at 7:33 p.m.

Council returned to the regular session at 8:03 p.m.

**J. Adjournment:**

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 8:04 p.m.

Respectfully submitted,

Carol Williams  
City Clerk

O. Stanhope Anthony, III  
Mayor