

Shelby City Council Agenda  
Regular Meeting  
February 19, 2024 at 6:00 p.m.

Don Gibson Theater  
318 South Washington Street  
Shelby, North Carolina

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. Public Comment:**

1

*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.*

**C. Public Hearings:**

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcel 66481 (Metcalf/Magness): Ordinance No. 14-2024

2 - 16

**D. 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 February 5, 2024

17 - 30

**Shelby City Council Agenda  
February 19, 2024  
Page 2**

- |  |                  |
|--|------------------|
| <b>2) Approval of the Minutes of the Special Meeting of January 27, 2024</b>   | <b>31 - 52</b>   |
| <b>3) City Of Shelby FY 2023-2024 Budget Ordinance Amendment (911 Grant): Ordinance No. 15-2024</b>  | <b>53 - 79</b>   |
| <b>4) Approval of a resolution adopting the City Of Shelby’s Customer Services Policy: Resolution No. 13-2024</b>  | <b>80 - 113</b>  |
| <b>5) Approval of a resolution approving the contract for the performance of the City Of Shelby’s annual audit and preparation of financial statements for the Fiscal Year ended June 30, 2024: Resolution No. 14-2024</b> | <b>114 - 136</b> |
| <b>6) Approval of a resolution directing the City Clerk to determine sufficiency of a voluntary annexation petition from Caleb Peeler: Resolution No. 15-2024 (Eaves Road)</b>   | <b>137 - 143</b> |
| <b>7) Approval of a resolution accepting property from the Optimist Club of Shelby, N.C., Inc.: Resolution No. 16-2024</b>   | <b>144 - 170</b> |
| <b>8) Approval of a resolution accepting a dedication of land for the Relocation of Juan Place and Justice Place: Resolution No. 17-2024</b>   | <b>171 - 175</b> |
| <b>9) Adoption of a budget ordinance amendment for the City Of Shelby’s Carolina Thread Trail Project: Ordinance No. 16-2024</b>   | <b>176 - 183</b> |
| <b>10) Acceptance of the Certificate of Sufficiency regarding Petition of Annexation of applicant, Piedmont Amistad</b>  | <b>184 - 196</b> |
| <b>11) Management Reports:</b>   |                  |
| <b>a) Shelby City Park Economic Impact Report – 2023</b>   | <b>197 - 198</b> |
| <b>b) Financial Report – January 2024</b>  | <b>199 - 241</b> |

**E. Unfinished Business:**

- 1) Adoption of an ordinance establishing a capital project ordinance and budgets for the city of Shelby's O. Max Gardner Home Acquisition and Restoration Project: Ordinance No. 17-2024 242 - 244

**F. New Business:** 245

None

**G. City Manager's Report** 245

**H. Council Announcements and Remarks** 245

**I. Closed Session:** 245

- 1) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including 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).

**J. Adjournment:** 245

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

- 1) Motion to adjourn

**B. 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.*

***A reminder that it has been past practice of City Council to only listen to public comment without reply except to refer citizens with requests and concerns to the Office of the City Manager so that they may be addressed in a timely fashion or included on a future agenda for consideration by Council, if this is warranted and directed by City Council.***

C. Public Hearings:

Agenda Item: C-1 **Legislative**

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcel 66481 (Metcalf/Magness): Ordinance No. 14-2024

**Presenting: (Justin Longino, Assistant City Manager)**

---

Summary of Available Information:

- Memorandum dated February 14, 2024, from Justin Longino, Assistant City Manager to Rick Howell, City Manager
  - General Application
  - Staff Report
  - Future Land Use Map, Location Map, and Zoning Map
  - Notice of Public Hearing
  - Public Notice recipient name and addresses
  - Ordinance No. 14-2024
- 

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 recommendation from the Planning and Zoning Board is included as part of the packet. I would call attention to Mr. Longino's memorandum noting that the zoning map amendment is **inconsistent** with the City's current land use plan, and the Planning and Zoning Board recommend denying this amendment. 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. City Council has adopted plans and established an advisory board for the purpose 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.

See Next Page

**§ 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. 14-2024**

**Possible actions:**

**Motion to approve Ordinance No. 14-2024 as presented.**

**OR**

**Motion to deny approval of Ordinance No. 14-2024 as presented.**

## MEMORANDUM

To: Rick Howell – City Manager

From: Justin Longino – Assistant City Manager

Date: February 14, 2024

Subject: Metcalf/Magness Townhomes – Zoning Map Amendment

### **Background**

The subject property is located at the intersection of Metcalf Road and Magness Road north of Shelby. The subject property is approximately 1.3 acres and is currently zoned R20 Residential. The applicant is proposing to rezone the parcel to R6 Residential to allow for townhomes. The surrounding zoning is R10 and R20. Utilities are available to the site.

### **Review and Comments**

The Comprehensive Land Use Plan identifies this property as being Low Density Residential area. The requested district is our highest density district. Therefore, this proposal is inconsistent with the Comprehensive Future Land Use Plan.

### **Recommendation**

Staff and the Planning Board recommend denial of this proposed zoning change.

### **Attachments**

Location Map  
Current Zoning Map  
Future Land Use Map  
Staff Report (from Planning Board)  
Zoning Map Amendment Application  
Notice of Public Hearing (Letter to Adjacent Property Owners & Newspaper Advertisement)  
Addresses of Notified Property Owners



# Location

Metcalf Rd at Magness Rd - parcel 66481



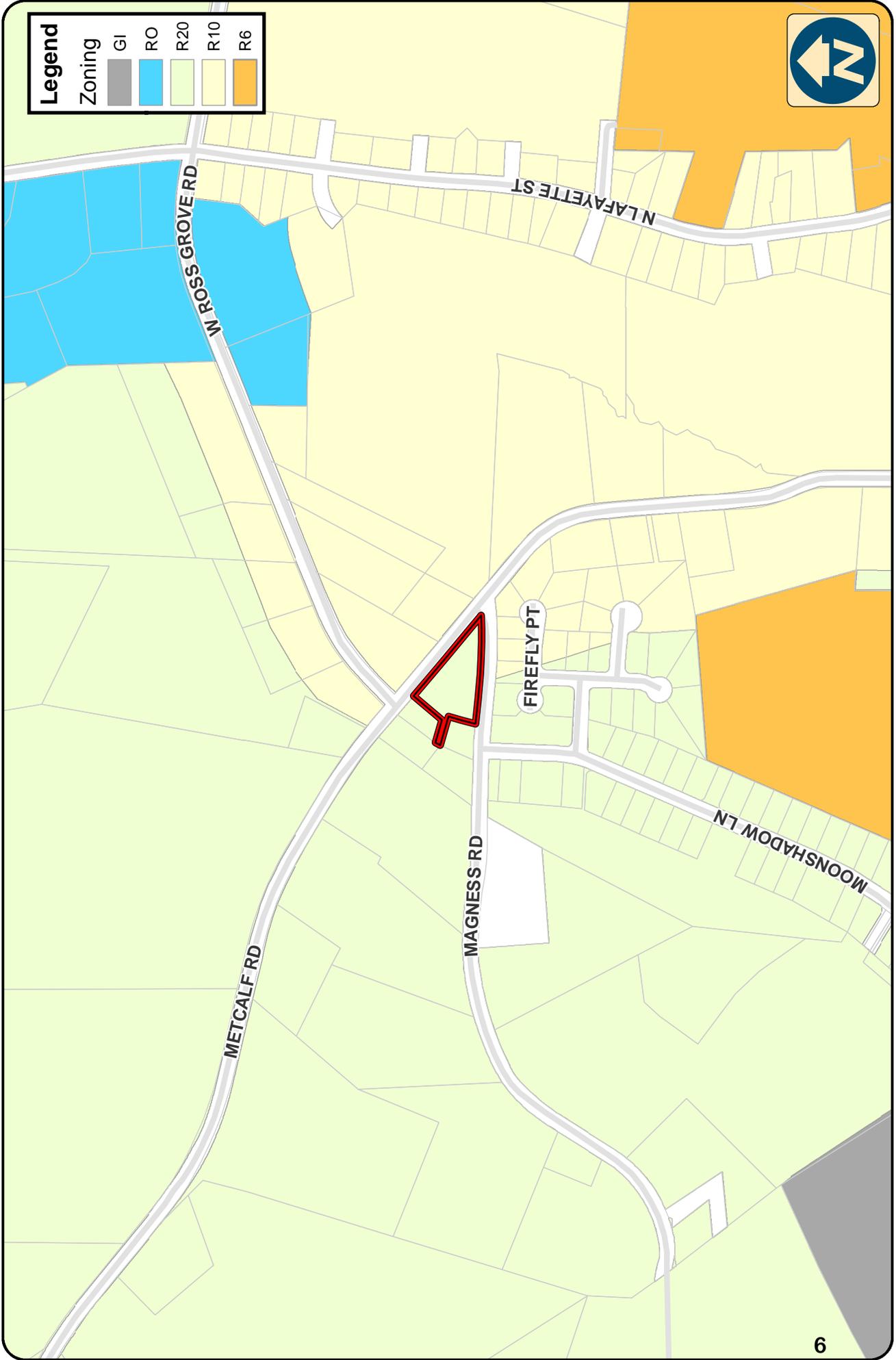
Scale 1:6,000 1 inch = 500 feet

Date: 1/11/2024



# Zoning Map

## Metcalf Rd at Magness Rd - parcel 66481



Scale 1:6,000 1 inch = 500 feet



Date: 1/11/2024



# Future Land Use

## Metcalf Rd at Magness Rd - parcel 66481



Scale 1:6,000 1 inch = 500 feet

0 250 500 1,000 Feet

Date: 1/11/2024

# Staff Report



To: Shelby Planning & Zoning Board  
From: Audrey Whetten Godfrey  
Senior Planner

Date: January 11, 2024  
Meeting: January 18, 2024  
File: #1194

---

**OWNER/APPLICANT:** Vernon Baumrind, BVJ Properties LLC

**LOCATION:** Metcalf Road at Magness Road

**PARCEL ID #:** 66481

**PRESENT ZONING:** R20

**REQUESTED ZONING:** R6

**SURROUNDING ZONING:**

**North:** R10

**South:** R20

**East:** R10

**West:** R20

**UTILITIES:**

**Water:** Yes **Sewer:** Yes **Floodplain:** No **Watershed:** Yes (WSIV)

**ANALYSIS:** The subject property is located at the intersection of Metcalf Road and Magness Road north of Shelby. The subject property is approximately 1.3 acres and is currently zoned R20 Residential. The applicant is proposing to rezone the parcel to R6 Residential in order to allow for townhomes.

The R20 residential district is primarily intended to accommodate very low density single-family detached dwellings, modular homes, two-family dwellings, and manufactured homes on individual lots in areas that generally do not have access to public water supplies and are dependent upon septic tanks for sewage disposal. Maximum densities within the R20 district are approximately two dwelling units per gross acre for single-family and two-family dwellings. Manufactured home parks are permitted within the R20 district by conditional use permit. 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 R20 district.

The R6 residential district is primarily intended to accommodate a variety of high density single-family detached dwellings, modular homes, apartments, townhomes, and condominiums. Maximum densities within the R6 district range from approximately seven dwelling units per gross acre for single-family detached dwellings to over 19 dwellings per gross acre for multifamily dwellings. Public water and sewer service is generally available in areas zoned as R6. Nonresidential uses permitted within this district include customary accessory, recreational, educational, and institutional land uses that are compatible with the high-density residential character of the R6 district.

**STAFF COMMENTS:** The Comprehensive Land Use Plan identifies this property as being Low Density Residential area. This proposal is inconsistent with the Comprehensive Future Land Use Plan. Staff does not recommend this proposed zoning change.



City of Shelby  
Planning and Development Services Department

General Application

Address of Subject Property:

1.86 Ac Magness Rd- Metcalf Rd

Applicant(s) Name:

BVJ PROPERTIES, LLC

Address:

3508 PARK ROAD #133 CHARLOTTE NC 28210

Email:

VBAUMRIND@gmail.com

Phone:

704-643-6300

Owner(s) Name:

BVJ Properties, LLC

Email:

VBAUMRIND@gmail.com

Phone:

704-643-6300

Relationship to Property:  Owner

Developer, Contractor, etc.

Other:

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: 66481

Proposed Zoning: 10 TOWNHOMES

Proposed Land Use: TOWNHOMES

Previous Use: Residential Single family

Approx. Building Sq. Ft.:

Approx. Project Acreage: 1.86 Ac

Business Name: BVJ Properties LLC

Construction Sq. Ft.:

Valuation: \$50,000

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

MAXIMUM NUMBER OF TOWNHOMES ALLOWABLE

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

November 6, 2023  
Date

Received by:

Date



January 31, 2024

«OwnerName1» «OwnerName2»

«OwnerAddr1»

«OwnerAddr2»

RE: Parcel 66481 – 1341 Metcalf Road – Proposed Zoning Map Amendment

Dear «OwnerName1», «OwnerName2»

The City Council of the City of Shelby will conduct a public hearing during its regular meeting on **February 19, 2024**, at 6:00 p.m. at 318 South Washington Street in the Don Gibson Theatre to consider a proposed zoning map amendment from R20 Residential to R6 Residential Zoning District for property located at 1341 Metcalf Road with the Cleveland County Parcel Number 66481.

Enclosed are the application, location map, and zoning map.

If you have any questions or require additional information, please contact me at [audrey.godfrey@cityofshelby.com](mailto:audrey.godfrey@cityofshelby.com) or 704-484-6829.

Sincerely,

A handwritten signature in black ink that reads "Audrey Whetten Godfrey". The signature is written in a cursive, flowing style.

Audrey Whetten Godfrey  
Senior Planner

Enclosures

## **NOTICE OF PUBLIC HEARING 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, February 19, 2024 in the Don Gibson Theatre at 318 South Washington Street, Shelby, North Carolina to consider a proposed conditional zoning map amendment from R20 Residential Zoning to R6 Residential Zoning for property located at the intersection of Metcalf Road and Magness Road, with the Cleveland County Parcel Number 66481.

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.

Persons interested in being heard on this matter are invited to comment on the proposed conditional zoning district 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.

---

Carol Williams  
City Clerk

---

**The Shelby Star:**

**Please publish this notice as a legal line ad on Monday, February 5, 2024 and the same ad again on Wednesday, February 14, 2024.**

**Mail invoices with affidavits to Audrey Whetten Godfrey, City of Shelby, PO Box 207, Shelby, NC 28151. Thank you.**

HOYLE FRANK MHOYLE MYRA B 1330 METCALF RD SHELBY NC 28150	EAVES MYRA 1348 MOONSHADOW LN SHELBY NC 28150	THOMAS ROBERT E JRTHOMAS LYNN L 1346 MOONSHADOW LN SHELBY NC 28150
PRICE BONNEY 1344 MOONSHADOW LN SHELBY NC 28150	QUINN BEVERLY 1342 MOON SHADOW LN SHELBY NC 28150 7920	STEBBINS WILLIAM PFAULKNER BRENDA K 1340 MOONSHADOW LN SHELBY NC 28150
O CONNER SEAN FRANCIO CONNER TRACI MISHELLE 1338 MOONSHADOW LN SHELBY NC 28150	SHAH NIHIRSHAH PINAL N 1334 MOONSHADOW LN SHELBY NC 28150	MCCOY QUINT HMCCOY JEANETTE 1332 MOON SHADOW LN SHELBY NC 28150
HAMRICK CAMERON STREHAMRICK DANIELLE ALEXANDRIA 1330 MOONSHADOW LN SHELBY NC 28150	KIRBY MICHAELKIRBY KAILA 1328 MOONSHADOW LN SHELBY NC 28150	BROWN DESHAWN E 1326 MOONSHADOW LN SHELBY NC 28150
SMITH ROBERT HAROLDSMITH LINDA ELAINE 1324 MOONSHADOW LN SHELBY NC 28150	NEWBERY PETERNEWBERY TAMMY 1322 MOONSHADOW LN SHELBY NC 28150	JONES JOHN MICHAELJONES BETTY JONES 1320 MOONSHADOW LN SHELBY NC 28150
MOYER RONALD LMOYER DONNA L 1316 MOONSHADOW LN SHELBY NC 28150	ESKRIDGE ANNIE LAURI 1306 TURTLE CROSSING SHELBY NC 28150-8406	FUNDERBURKE RONALD EFUNDERBURKE JOY C 1300 TURTLE CROSSING SHELBY NC 28150
RUBIN SEANRUBIN JULIE 1301 TURTLE CROSSING SHELBY NC 28150	ALLEN WILLIAM C 1308 MOONSHADOW LN SHELBY NC 28150	BEAM CHAD LBEAM TERRANCE 1306 MOONSHADOW LN SHELBY NC 28150
MARTIN CHRISTIAN EMARTIN MELISSA L 1300 MOONSHADOW LN SHELBY NC 28150	BROWN DESHAWN 1326 MOONSHADOW LN SHELBY NC 28150-7920	UTSMAN MICHAEL EUGENUTSMAN MARY BETHANY 1303 MOONSHADOW LN SHELBY NC 28150
MCINTYRE DOROTHY 1305 MOONSHADOW LN SHELBY NC 28150	HELMS BRYAN SCOTTHELMS NICOLE D 1307 MOONSHADOW LN SHELBY NC 28150	GOODWIN ROY A JRGOODWIN MARY H 1309 MOONSHADOW LN SHELBY NC 28150
SECU*RE INC 1000 WADE AVE RALEIGH NC 27605	PERING GREGORY ALLENPERING JUTTA PERING 1315 MOONSHADOW LN SHELBY NC 28150	HOPPER ANDREW JR 1317 MOONSHADOW LN SHELBY NC 28152

ROOS JULIA KIRSTEN 1321 MOONSHADOW LN SHELBY NC 28150	FRY JOSHUA SMICKALIS MEREDITH A 1323 MOONSHADOW LN SHELBY NC 28150	EXEMPLAR HOLDINGS LL PO BOX 3965 MOORESVILLE NC 28117
PHILLIPS SETH LEE 1327 MOONSHADOW LN SHELBY NC 28150	PATEL JAGDISHPATEL BHARATI 1335 MOON SHADOW LN SHELBY NC 28150	ELMORE CARA A 1337 MOONSHADOW LANE SHELBY NC 28150
ANGE SALLIE BARTLETT 1339 MOONSHADOW LN SHELBY NC 28150	SALMONS SARA ELIZABETRUST DTD 11/20/20 1402 STONEGATE DR SHELBY NC 28150	IZOKOVIC JOSHUA KYLEIZOKOVIC LINDSAY LEIGH 1343 MOONSHADOW LN SHELBY NC 28150
KEE SHERMAN A 1345 MOONSHADOW LN SHELBY NC 28150	LIQUID MANAGEMENT LL 231 POST OFFICE DR S INDIAN TRAIL NC 28079	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28117
HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115	PEARMAN BARRY WPEARMAN BETTY B 311 FIREFLY PATH SHELBY NC 28150	TYREE LINNEY MIRANDATYREE TIMOTHY MATTHEW 309 FIREFLY PATH SHELBY NC 28150
ROYSTER MEREDITH A 307 FIREFLY PATH SHELBY NC 28150	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115	POWELL APRIL L 308 FIREFLY PATH SHELBY NC 28150
KRIEGER VICKY L 310 FIREFLY PATH SHELBY NC 28150	FUNDERBURKE KRISTYN 1352 HARVEST MOON WA SHELBY NC 28150	HORSLEY RICHARDHORSLEY LAURIE 1350 HARVEST MOON WA SHELBY NC 28150
DAVIS DANIELDAVIS ANNA DRAKE 309 GOLDFINCH CT SHELBY NC 28150	CHERRY JUAN LCHERRY ANNETTE D PO BOX 1572 SHELBY NC 28151-1572	BUCHANAN AMANDA WBUCHANAN MICHAEL C 305 GOLDFINCH CT SHELBY NC 28150
EXEMPLAR HOLDINGS LL PO BOX 3965 MOORESVILLE NC 28117	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115	MOREHOUSE BRIAN D 1344 HARVEST MOON WA SHELBY NC 28150
CARTER CHRISTOPHER MCARTER LACEY 1342 HARVEST MOON WA SHELBY NC 28150	TEDFORD SANDRA P 1340 HARVEST MOON WA SHELBY NC 28150	TUNG THANH LE 1339 HARVEST MOON WA SHELBY NC 28150

HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28115
GREY FOX FOREST PROPOWERS ASSOC ATTN: HOMEOWNER PRES SHELBY NC 28150	GREY FOX FOREST PROPOWERS ASSOC ATTN: HOMEOWNER PRES SHELBY NC 28150	WOODY ROGER DALEWOODY KATHY L 1347 MOONSHADOW LN SHELBY NC 28150
RUMFELT STACY L 1351 MOONSHADOW LN SHELBY NC 28150	HELMSMAN HOMES LLC PO BOX 3965 MOORESVILLE NC 28117	G5 LAND MANAGEMENT L 520 S RIDGE ST SOUTHERN PINES NC 28387
GREY FOX FOREST PROPOWERS ASSOCIATION C/O JOSHUA FRY SHELBY NC 28150	GREY FOX FOREST PROPOWERS ASSOCIATION C/O JOSHUA FRY SHELBY NC 28150	GAMMONS STEVEN PATRI 145 ROSS GROVE RD SHELBY NC 28150
BVJ PROPERTIES LLC 8508 PARK RD #133 CHARLOTTE NC 28210	POP HOMES LLC 3514 SAVANNAH WAY MONROE NC 28110	POP HOMES LLC 3514 SAVANNAH WAY MONROE NC 28110
POP HOMES LLC 3514 SAVANNAH WAY MONROE NC 28110	POP HOMES LLC 3514 SAVANNAH WAY MONROE NC 28110	SHELBY CONGREGATIONWITNESSES TRUSTEES 324 LAMAR AVE APT 1 SHELBY NC 28150
MANGUM & MULL LLC 209 PATTON DR SHELBY NC 28150		
	I certify that the letter to adjacent property owners was mailed to the above referenced addresses on February 1st and 2nd, 2024.	
	<i>Bru Jones</i>	

**ORDINANCE NO. 14-2024**

**A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF  
THE CITY OF SHELBY, NORTH CAROLINA FOR PARCEL 66481**

**WHEREAS**, the City of Shelby has received an application requesting the rezoning of property at the intersection of Metcalf Road and Magness Road, north of Shelby (Parcel 66481) located within Cleveland County and contiguous to the City of Shelby; 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 inconsistent with the Comprehensive Land Use Plan for the proposed land use; and,

**WHEREAS**, in accordance with GS 160D-602, a public hearing on this proposed zoning was held by City Council on February 19th 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 reasonable and in the public interest despite a finding that the request is inconsistent with the City of Shelby Comprehensive Land Use Plan for the proposed land use.

**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), at the intersection of Metcalf Road and Magness Road, (Parcel 66481) is hereby amended from R20 Zoning District to R6.

**Section 3.** The parcels amended by this ordinance are subject to the following conditions:

1. This site must be developed in accordance with the submitted site plan and development standards.

**Section 4.** 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 5.** This ordinance shall become effective on February 19<sup>th</sup>, 2024 upon its adoption and approval.

**ADOPTED AND APPROVED** this the 19th day of February 2024.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

APPROVED AS TO FORM:

---

Jason Lunsford  
City Attorney

D. Consent Agenda:

Agenda Item: D-1

- 1) Approval of the Minutes of the Regular Meeting of February 5, 2024

**Consent Agenda Item: (Carol Williams, City Clerk)**

---

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Regular Meeting of February 5, 2024

---

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 of Shelby City Council  
Don Gibson Theatre

February 5, 2024  
Monday, 6:00 p.m.

**Present:** Mayor O. Stanhope Anthony, III, presiding; Council Members Andrew L. Hopper, Sr., David Causby, Violet Arth, David White, Charles Webber, and Emilie Bullock; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Ben Yarboro, Assistant City Manager Justin Longino, MBA, City Attorney Jason Lunsford, City Clerk Carol Williams, Deputy City Clerk Breanna Jones, Director of Human Resources Deborah (Deb) Jolly, Fire Chief William Hunt, EFO, Chief of Police Brad Fraser, Public Works Director Scott Black, Director of Water Resources Brian Wilson, and Public Information and Communications Officer Chip Nuhrah

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

Mrs. Bullock led the Pledge of Allegiance.

### A. Approval of agenda:

- 1) Motion to adopt the proposed agenda presented.

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

### B. Public Hearings:

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcels 21879, 22277, 63473, and 63932 (Thrift Road/Nancy Dr.): Ordinance No. 8-2024

Mr. Longino presented this item to Council and stated this property is unique because it's mostly in Cleveland County, but it is adjacent to our ETJ, so we have authority to annex and apply zoning regulations to the parcels. Mr. Longino continued by stating tonight's Public Hearing is a conditional zoning request which means the developer follows an approved site plan.

Mr. Longino reviewed how density is calculated and that our UDO allows certain density in each of our zoning districts. According to Mr. Longino the amendment request is for R6-CZ with a density of 2.67 dwelling units per acre

and no more than 213 single-family homes. Mr. Longino further stated the developer wishes to use the provision allowed in the UDO that is known as a cluster development, which makes the lot sizes smaller but keeps the open space, natural areas and stream buffers. Mr. Longino stated that this site plan has been reviewed by our Police, Fire, Public Works, and Utilities Departments and all have said they can handle services to this development.

Mr. Longino updated Council on improvements the developer and Mr. Rucker have decided on to help alleviate concerns:

- A third entrance located on Nancy Drive to help traffic flow
- A 50' buffer behind the lots on Nancy Drive
- Increasing the lot width from 41' to 51' on those lots located behind the existing parcels on Nancy Drive

If approved the zoning changes will not take effect until after an annexation decision is made, which will be determined tonight. Mr. Longino clarified that if the zoning amendment is not approved then the annexation request will be withdrawn.

Mr. Longino concluded by stating the Planning and Zoning Board recommends the proposed zoning amendment.

Mayor Anthony opened the public hearing at 6:09 p.m. and invited comments from the public.

Delton Barnes who resides at 911 W. Marion Street, Shelby, North Carolina is a local attorney that is representing several property owners of Nancy Drive. Mr. Barnes stated this board is bound by the requirements of Section 8.4(h) that requires a statement of consistency and reasonableness if a zoning amendment is approved. Mr. Barnes gave three reasons why Council cannot satisfy these requirements:

- The largest tract of land is outside of the corporate city limits and the ETJ
- Conditional zoning is dangerous and not in the best interest of the community; right now, in Pinnacle Estates there are 30 newly built vacant homes, which shows there is a surplus over demand. True Homes, LLC has 22 complaints listed with the Better Business Bureau since 2021, mainly for quality of work and warranty issues; this could lead to a surplus of substandard homes that would bring down the property values of the existing neighborhood.
- Future Land Use Plan identifies this property as Residential Medium density; the proposed zoning request of R6 is not Medium density, it is considered high density, therefore, this requested zoning goes against the Land Use Plan. Voting for this zoning amendment would

be going against the adopted Land Uses Plan. R10 and R8 zoning districts are more accommodating to this neighborhood.

Mr. Barnes concluded with the statement that because of these reasons, City Council should vote no for this zoning amendment.

Terry Thomas who resides at 212 Nancy Drive, Shelby, North Carolina commended the developers for addressing the concerns of residents and making the changes, but it doesn't go far enough. Mr. Thomas says he's not opposed to growth and annexation, but he's not in favor of this rezoning. Mr. Thomas states that too much emphasis is being put on the DUA (dwelling units per acre) which covers the entire area of the project, but all the area of the project is not being developed which makes the 2.67 density number misleading. Mr. Thomas says the average proposed lot size is 7,100 square feet and if you divide that into the acre size (43,560 sq. ft.) then you get 6.13 homes per acre. Mr. Thomas also believes the 18 acres of trees that are being preserved is also misleading because a majority of those trees are in a 50' stream buffer which makes that area less cost effective to develop. Mr. Thomas concluded by asking Council if they would want this in their backyard.

Allison Hodges who resides at 215 Nancy Drive, Shelby, North Carolina brought up the fact that the CDC's guidelines declare that to help stop the transmission of COVID-19 people should stay 6' apart. Ms. Hodges stated the buffer between homes is only going to be 5' apart if this zoning is approved.

Gayle Welch who resides at 209 Nancy Drive, Shelby, North Carolina researched True Homes, LLC on the Better Business Bureau website and is concerned about the 22 complaints against them. He stated there is a neighborhood in Landis, NC that was developed by True Homes, LLC and had raw sewage issues. Mr. Welch also stated that True Homes, LLC sued Union County and wondered if that's the type of company the city wants to deal with. Mr. Welch gave his opinion on the proposed density and thinks the number of acres going towards green space and roads needs to be subtracted from the density equation. He believes the traffic in his neighborhood will quadruple what it is now. Mr. Welch stated that growth in the 1990's in Shelby was R20 zoning districts, now it's R6 which is like Charlotte. Mr. Welch mentioned the commute to Charlotte is terrible so why would people move here for the same lot sizes they can get in Charlotte, especially since Shelby doesn't offer the amenities that Charlotte does.

Carol Wiegand who resides at 210 Nancy Drive, Shelby, North Carolina is a retired general contractor and fell in love with the quality of homes and the quality of neighborhood when she moved to Rucker Downs. Ms. Wiegand stated she's concerned about the asphalt on the roads and how it will hold up with the increase in traffic and the heavy construction equipment tearing up

the roads and tracking mud onto the street; she wondered if the developer would consider putting a tire washing station during construction to alleviate that issue. Ms. Weigand wondered if it's possible to put the access roads to the new development outside of Rucker Downs which would lessen the traffic in her neighborhood. Ms. Weigand stated there are no sidewalks in Rucker Downs right now and she is concerned for the safety of kids playing, seniors walking, and pets being walked in the neighborhood. Ms. Weigand stated she shares the other concerns that her neighbors have already spoken of.

Will Rucker who resides at 110 Edgewater Drive, Shelby, North Carolina stated he is a family member of the property owner. Mr. Rucker stated that due to the uncertainty of the location of the 74 Bypass further development in the Rucker Downs area stalled for several years, but the vision and intent never wavered. With family members aging and having other interests, a decision was made that now was the time to look at the options available for this property. Mr. Rucker is confident that True Homes, LLC is a good partner for this development; and the homes are not going to be "cookie-cutter." Mr. Rucker stated the changes in the development were made after the concerns of the residents at the previous Council meeting. Mr. Rucker stated that Shelby needs to grow in a controlled and appealing manner that will attract new residents and keep our residents here. Mr. Rucker mentioned that today's homeowners want good property value, ease of maintenance, little yard work, and they enjoy other activities that don't involve weekends tending to yards and housework. Today's homeowners enjoy walking trails and gathering spaces to connect with neighbors. Mr. Rucker stated that this tract of land could have been rezoned for many other uses, however, his family decided to keep it residential.

Eddie Moore whose business address is 2100 S. Tryon Street, Charlotte, North Carolina is employed with McAdams Engineering and is working with the developer of this property. He is available for any questions.

Shaun Gasparini who is employed by True Homes, LLC located at 2649 Brekonridge Centre Drive, Monroe, North Carolina addressed Council as the applicant. Mr. Gasparini answered some of the concerns brought up tonight:

- The 22 Better Business Bureau complaints in three years is outstanding considering True Homes, LLC builds over 2,000 homes a year. ProBuilder Magazine named True Homes, LLC the 2020 Builder of the Year.
- For clarification, the raw sewage situation in Landis, NC occurred five years after the home was built
- Medium density as stated in the Comprehensive Land Use Plan is a single family detached development with approximately 4 units per acre – the plan presented tonight is 2.67 units per acre, so well within the guidelines

- Pinnacle Estates is a completely different development model from a national builder that builds homes without a buyer in mind (spec homes); so, they probably do have vacant new homes available. True Homes, LLC builds a home with specific buyer's choices that they've made through the design center in Monroe, North Carolina.
- A tire washing station is a fine idea and they will try to implement it.

Mr. Gasparini concluded by proudly stating that True Homes, LLC values the relationship with the home buyer.

Mayor Anthony closed the public hearing at 6:54 p.m.

Mr. Howell and Mr. Lunsford clarified for Council the zoning and annexation issue brought up by Mr. Barnes. North Carolina allows a municipality to rezone a property outside of their jurisdiction and pursue the annexation of that same property simultaneously. According to NCGS 160D-202, the zoning has to be attached to an annexed property within 60 days. If the rezoning is approved, then an annexation hearing can be conducted in the same meeting. The date of the rezoning ordinance will be after the date of the annexation; therefore, the property is annexed into the municipality, and the approval of the zoning is dated the following day.

Mr. White addressed the lack of growth for many years in the City of Shelby and how the current price of land and materials have made developers rethink how to make a profit, which has resulted in smaller lot sizes.

Ms. Arth asked for clarification on the possible road damage that was brought up and Mr. Howell stated the City would hold the developer accountable for any destruction of city streets during the building process. The City and NCDOT have standards that are in place that will be adhered to. Mr. Howell continued by stating once the development is complete the city will maintain the roads.

Mr. Howell addressed the issue of esthetics and stated the General Assembly has stripped cities from having authority to regulate esthetics. Secondly, the city does not have authority to regulate anything but the building codes which are state regulated. Mr. Howell mentioned that some builders do just the minimum and others do much more. Mr. Lunsford stated this is a conditional zoning which will have requests from both the developer and the city until a final plan is approved; and there is going to be an HOA with this development which will provide its own obligations for homeowners that buy into the development.

**ACTION TAKEN:** Upon a motion made by Mr. White, City Council voted 4-3 (Anthony, White, Causby, Hopper) to approve Ordinance No. 8-2024 entitled, "A PROPOSED ORDINANCE AMENDING THE

**ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCELS 21879, 22277, 63473, AND 63932 (THRIFT ROAD/NANCY DR.)” due to the proposed subdivision being consistent with the surrounding neighborhood and reasonable due to being compatible with the neighborhood.”**

**2) Consideration of an ordinance to extend the corporate limits of the City of Shelby, North Carolina (Thrift Road/Nancy Dr.): Ordinance No. 9-2024**

**Mr. Longino explained to Council that if this annexation ordinance is approved it will be dated February 5, 2024 and the zoning ordinance that was just approved will have a date of February 6, 2024; therefore, the property will be annexed and then the next day approval of the zoning amendment. Mr. Longino presented to Council the annexation petition by stating this is two parcels with the larger parcel being in Cleveland County and the smaller parcel is also in Cleveland County but is contiguous with two small parcels that are in the city limits.**

**Mr. Longino concluded by stating city departments are able to provide services and are capable of serving the development; and staff recommends the proposed annexation.**

**Mayor Anthony opened the public hearing at 7:15 p.m. and invited comments from the public.**

**Allison Hodges who resides at 215 Nancy Drive, Shelby, North Carolina stated to Council that instead of focusing on growth, they should consider the constituents that already live here. Ms. Hodges reminded Council that they are elected officials, voted in by their constituents.**

**Will Rucker who resides at 110 Edgewater Road, Shelby, North Carolina expressed his appreciation to Council for the zoning approval. Mr. Rucker also stated that he'd like this property to be annexed into the city and receive city services and pay city taxes.**

**Eddie Moore whose business address is 2100 S. Tryon Street, Charlotte, North Carolina is employed with McAdams Engineering and is working with the developer of this property. He is available for any questions.**

**Shaun Gasparini who is employed by True Homes, LLC located at 2649 Brekonridge Centre Drive, Monroe, North Carolina stated he is available for any questions regarding the annexation.**

**Mayor Anthony closed the public hearing at 7:18 p.m.**

**Ms. Arth stated that since the zoning request had passed, then she feels it is in the best interest of the area to have city sewer and water services.**

**ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve Ordinance No. 9-2024 entitled, “AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SHELBY, NORTH CAROLINA (THRIFT ROAD/NANCY DR.)” due to its consistency that it conforms to the surrounding area.”**

- 3) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcels 49302 and 27806 (S. Lafayette St./Melrose Dr.): Ordinance No. 10-2024**

**Mr. Longino presented to Council the zoning map amendment of approximately 60 acres on South Lafayette Street and Melrose Drive; stating this is a conditional zoning request.**

**Mr. Longino reminded Council that these same parcels were rezoned R6-CZ (Conditional Zoning, townhomes) and CPD (Corridor Protected District) in 2022 to allow for the development of 201 townhomes; however, the developer now wishes to build 137 single-family homes instead of the townhomes. Mr. Longino continued by stating the newly requested zoning is R6-CZ (single-family homes) for the South Lafayette Street parcel and CPD-CZ for the Melrose Drive parcel. Mr. Longino presented the revised site plan showing the layout of the single-family development, including buffers and open spaces.**

**Mr. Longino concluded by stating that staff and the Planning and Zoning Board recommend this zoning amendment request.**

**Mayor Anthony opened the public hearing at 7:22 p.m. and invited comments from the public.**

**Scott Stone whose business address is 8008 Corporate Center Drive, Charlotte, North Carolina is with American Engineering and is representing BRD Land & Investment, LP which is the applicant. Mr. Stone stated this new plan is for fewer number of lots and he is available if any questions.**

**Kyle DiPretoro whose business address is BRD Land & Investment, LP, located at 8008 Corporate Center Drive is the applicant for this rezoning amendment. Mr. DiPretoro stated that after the previous rezoning in 2022 the development team concluded that single-family homes were preferred and would sell better; therefore, they have come back to Council for this new rezoning.**

**Mayor Anthony closed the public hearing at 7:24 p.m.**

Ms. Arth stated she remembered this zoning amendment of 201 townhomes and voted against it. She further stated this is a good illustration of conditional zoning and was glad to see the developer revise the plans to accommodate the area.

Mr. Hopper also stated that the developers listened to the people and Council and this revised zoning amendment is a direct result of that.

**ACTION TAKEN:** Upon a motion made by Mr. Hopper, City Council voted unanimously to approve Ordinance No. 10-2024 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCELS 49302 AND 27806 (S. LAFAYETTE ST. /MELROSE DR" due to its consistency to conform with the current Land Use Plan and is reasonable to what is in the community."

**4) Consideration of a resolution granting a Special Use Permit to McMurry Co, Royster Marital Trust Et al for parcel 19678 on Gidney Street: Resolution No. 10-2024**

Mr. Longino presented this item to Council by addressing the criteria for a Quasi-Judicial hearing. To find facts, Council conducts a formal evidentiary hearing. Due process mandates that all parties must present factual evidence under sworn testimony. Each finding, requested to be stated by the speaker, must be supported by competent, material, and substantial evidence, not unsupported allegations, inadmissible hearsay, or lay opinions. Council must make findings of fact and then apply the existing laws and policies to those facts to arrive at a decision. The information provided by Mr. Longino within the agenda packet is to be considered evidence to be factored in as part of the decision-making process.

Mr. Longino presented the site plan to Council and gave the following details:

- The parcel consists of 42 acres and is currently zoned R6
- Our UDO states any townhome development with 25 units or more requires a Special Use Permit
- 159 townhomes are proposed with 31 buildings that will consist of 2 – 8 townhome units per building
- The density for the proposed townhome development is 3.57 units/per acre and the typical lot size would be 2,400 square feet
- There is a 50' buffer around the townhomes that abut nearby residential areas, so that applies to Deerfield Drive and off of Grice Street
- The development connects to Deerfield Drive and Gidney Street

- There will be sidewalks in the internal network of the development and streets will be built to the City's standards; the developer is agreeable in paying a fee in lieu for a sidewalk along Gidney Street as well
- The developer will also dedicate an easement for future greenway alignment with the Carolina Thread Trail plan
- The proposed sewer line plan that is still pending staff review is that the existing sewer line will be abandoned, and a new sewer line will be redirected to follow along the residential path of the development.
- For clarification Mr. Longino pointed out that one entrance to the development lines up with the existing road that goes into the Lowe's parking lot; and Hickory Creek runs along the area
- Mr. Longino stated the Planning and Zoning Board does not approve Special Use Permits, these are approved by Council
- Also, to clarify for Council, Mr. Longino pointed out that there are three access points: two on Gidney Street and one off of Deerfield Drive.
- Mr. Longino stated a traffic impact analysis is not a requirement and has not been conducted

Mayor Anthony opened the public hearing at 7:35 p.m. and invited comments from the public.

Kevin Wilke-Nadler whose business address is 3700 South Blvd., Charlotte, North Carolina stated he is a representative for V3 Southeast and was available if there were any technical questions or questions about the site plan.

Carlos Oates who resides at 329 Gidney Street, Shelby, North Carolina stated most of his questions have already been answered. He stated a few years ago this property was labeled non-developable and wonders what changed. Mayor Anthony stated Council will make note of that, but this is not the time to answer questions. Mr. Oates stated that the sidewalk would be a good addition to the area but was concerned about the increase in traffic in the area. Mr. Oates thought a traffic impact study would be a good idea and possible lane redesign. Mr. Oates mentioned the community is made up of mainly older, more established individuals with many females and he is concerned for the safety of residents. Mr. Oates concluded by stating he hoped there would be an increase in police presence.

Mayor Anthony closed the public hearing at 7:38 p.m.

Council was presented with the application and testimony from staff and Mr. Wilke-Nadler and having heard no opposition testimony in relation to the required findings enumerated 1 – 13, Council took a vote on the Special Use Permit application:

1. The applicant for the property submitted the required application and site plan for special use permit.
2. The subject parcels lay within the City of Shelby fronting Gidney Street in the R6 Residential zoning district between Deerfield Drive and Kenwood Drive.
3. According to Article 9-3-1, a townhome development is permitted in R6 Residential.
4. Land Use in the surrounding area is a mixture of Industrial, Institutional, Commercial, and Residential.
5. The petitioner has declared that the intended use of the property is for townhomes.
6. Other than what is shown on the site plan, no other changes to the site are planned.
7. To the best of staff's knowledge, no non-conformities currently exist on the property, and none will be created by the requested special use permit.
8. The use will not materially endanger the public health or safety if located where proposed and developed according to the plan.
9. The use will not substantially injure the value of adjoining or abutting property .
10. The location and character of the use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is to be located and will be in general conformity with the Comprehensive Land Use Plan.
11. That existing and/or proposed infrastructure to support the development including, but not limited to, public and private streets, utilities and storm drainage is sufficient.
12. That the design as proposed will result in a viable community that will add to the quality and choice of housing in Shelby.
13. That approving the location of the development does not have the effect of concentrating higher density housing in a particular area of the city.

**ACTION TAKEN:** Upon a motion made by Mr. Causby, City Council voted unanimously to approve Resolution No. 10-2024 entitled, "A RESOLUTION GRANTING A SPECIAL USE PERMIT TO MCMURRY CO, ROYSTER MARITAL TRUST ET AL FOR PARCEL 19678 ON GIDNEY STREET due to being consistent with the Comprehensive Land Use Plan and reasonable because of the size and benefits the neighboring property."

**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 January 8, 2024

- 2) Adoption of a budget ordinance amendment for the City of Shelby's Depot Project: Ordinance No. 11-2024
- 3) Adoption of FY 2023-2024 budget ordinance amendment #4 (Sumter St. property): Ordinance No. 12-2024
- 4) Adoption of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's American Rescue Plan Stormwater Asset Management and Modeling Project: Ordinance No. 13-2024
- 5) Approval of a resolution directing the City Clerk to determine sufficiency of a voluntary annexation petition from Piedmont Amistad, LLC: Resolution No. 11-2024
- 6) Approval of Special Event Applications:
  - a) Uptown Block Party, requested date: May 18, 2024

#### **END OF CONSENT AGENDA**

#### **D. Unfinished Business:**

None

#### **E. New Business:**

- 1) Approval of a resolution authorizing the selection of McGill Associates, PA for engineering services for the First Broad River Sewer Outfall Improvements Project: Resolution No. 12-2024

Mr. Howell introduced this agenda item and reminded Council that this is a \$12.5 million dollar project that we asked Senator Ted Alexander to include in the state budget. This project will replace a significant portion of the First Broad River Outfall. If this resolution is approved, it will authorize McGill Associates, PA to be the design engineer for the project.

Mr. Yarboro provided details of this project which include:

- Sewer outfall is the main line with many tributary lines coming to it, then it carries that flow from the area and drainage basin to the Waste Treatment Plant.

- Extensive modeling has been conducted in the last three months and have identified hydraulic flow issues that are caused by undersized lines, and grades that do not meet current standards.
- This project will address existing issues which include replacing approximately 8,000 linear feet of deteriorating 24” gravity sewer line that was installed in the 1950s with 30” to 36” piping.
- McGill Associates, PA were selected after advertising a Request for Qualifications; of the six responses the City received, McGill Associates scored the highest from the committee.

Mr. Yarboro provided a map showing the large area of the city that this project will improve and where the proposed sewer line would be located.

**ACTION TAKEN: Upon a motion made by Mr. Webber, City Council voted unanimously to approve Resolution No. 12-2024 entitled, “A RESOLUTION AUTHORIZING THE SELECTION OF MCGILL ASSOCIATES, PA FOR ENGINEERING SERVICES FOR THE FIRST BROAD RIVER SEWER OUTFALL IMPROVEMENTS PROJECT.”**

#### F. City Manager’s Report

Mr. Howell expressed to Council that the City is diligently working on the RAISE grant application; this will be the fifth time the City has applied. Mr. Howell reminded Council that this \$25 million grant, if awarded, would complete the Carolina Harmony Trail; USDOT will make the decisions on grant recipients at the end of June. Elected officials will be asked to assist by letters of support or making phone calls to our legislators.

#### G. Council Announcements and Remarks

Mr. Hopper asked for clarification on the dates for the Essentials of Municipal Government class in Asheville; those dates are February 15<sup>th</sup> - 16<sup>th</sup>.

#### H. Adjournment:

##### 1) Motion to adjourn

**ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 7:53 p.m.**

Respectfully submitted,

**Carol Williams  
City Clerk**

**O. Stanhope Anthony, III  
Mayor**

**Minutes of February 5, 2024**

Agenda Item: D-2

2) Approval of the Minutes of the Special Meeting of January 27, 2024

**Consent Agenda Item: (Carol Williams, City Clerk)**

---

Summary of Available Information:

Please read and offer changes as you deem necessary.

- Minutes of the Special Meeting of January 27, 2024

---

City Manager's Recommendation / Comments

**Approve the minutes as presented or as amended by the Mayor and City Council via the Consent Agenda.**

## MINUTES OF SHELBY CITY COUNCIL

Special Meeting – Annual Planning Retreat  
Earl Scruggs Center

January 27, 2024  
Saturday, 8:10 a.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members David Causby, Violet Arth, Charles Webber, Andrew Hopper, Sr., Emilie Bullock, and David W. White, City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin Longino, MBA, Assistant City Manager Ben Yarboro, City Attorney Jason Lunsford, City Clerk Carol Williams, Director of Finance Elizabeth (Beth) B. Beam, CPA, Public Information and Communications Officer Chip Nuhrah, Director of Human Resources Deborah C. (Deb) Jolly, Director of Water Resources Brian Wilson, Police Chief Brad Fraser, Fire Chief William P. Hunt, MPA, EFO, Public Works Director Scott Black, Director of Housing Bryan Howell, Senior Planner Audrey Godfrey, and Director of Parks and Recreation Charlie Holtzclaw (arrived at 10:45 a.m.)

Mayor Anthony called the meeting to order at 8:10 a.m. and welcomed all who were in attendance.

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

Mr. Howell provided an overview of the day:

- 2023 in Review and What's ahead for 2024-2025
- Mid-Year Budget and Financial Review
- Fiscal Year 2024-2025 Preliminary Budget Assumptions
- Discussion of Council Priorities

### 2023 IN REVIEW AND WHAT'S AHEAD FOR 2024-2025

#### I. PLANNING AND DEVELOPMENT SERVICES – Presented by Justin Longino, Assistant City Manager

Mr. Longino reviewed with Council the definition of growth, the importance of managed growth, and gave a list and a map of current or proposed developments which includes: 11 neighborhoods in development with 7 additional proposed neighborhoods, 964 single family residences, and 252 townhomes. This growth will provide a \$30 million increase in property tax base over a 13-year period.

Mr. Longino provided information regarding the impact of growth on city services, including increase of personnel due to more garbage pickup, emergency dispatch calls, and planning permits; more assets are needed such as, garbage trucks and fire/police vehicles; more infrastructure is needed,

which includes roads, utilities, parks and sidewalks. Mr. Longino also stated that growth can lead to positive development as well, such as, the Carolina Harmony Trail, Bobby Bell Pavilion, more dining, shopping and grocery options. Mr. Longino is confident that the City staff can handle all aspects of growth and is excited to be a part of it.

Mr. Longino reviewed the Comprehensive Land Use Plan and the Unified Development Ordinance as tools for the approach to managed growth. The Comprehensive Land Use Plan is used to guide and manage the physical development of land in a systematic and sustainable manner. The Unified Development Ordinance translates the Comprehensive Land Use Plan into actionable regulations, providing a regulatory framework for the day-to-day management of land use and development. Mr. Longino stated that the Comprehensive Land Use Plan needs to be updated and staff is working on that process. After that update is accomplished then work will begin on updating the UDO as well.

Senior Planner Audrey Godfrey delivered a Zoning 101 introduction or reintroduction to Council on the zoning process. First, she described the three types of zoning districts: Residential, Commercial, and Industrial. For today the focus is on residential which is categorized by intensity and density. The first intensive district is Residential Office (RO), R6 is the highest density, with R8, R10 and finally R20 being the lowest density in residential category. R6 is mainly uptown businesses, R8 and R10 are the middle fringe of the city and R20 is in the outer fringe of the city. According to our UDO, the density of development shall be determined using a gross acreage system. The size of the total area of the tract, including any new streets, rights-of-way, drives, parking, structures, recreation areas, dedicated areas and required setbacks shall be used for density calculations. Density = # of lots divided by the total acreage, and there are 43,560 sf in one acre. Below is a chart showing the different residential zoning districts and how many homes are allowed in one acre according to the UDO.

<b>Minimum lot size for single family</b>	<b>R20</b>	<b>R10</b>	<b>R8</b>	<b>R6</b>
<b>In square feet</b>	20,000 sf	10,000 sf	8,000 sf	6,000 sf
<b>In acres</b>	0.46 acre	0.23 acre	0.18 acre	0.14 acre
<b># homes/acre</b>	2.18 homes	4.36 homes	5.45 homes	7.26 homes
<b>Minimum lot width</b>	90 feet	70 feet	60 feet	50 feet

According to Mrs. Godfrey there is not a local or state statute that requires 50 feet separation of homes, this is a myth. Mrs. Godfrey provided photos to show examples of lot width in different neighborhoods in Shelby.

Next, Mrs. Godfrey explained cluster development as a tool available for developers and described it as smaller lots allowed without rezoning, same maximum number of lots allowed, and minimum 15% common open space required. Market demand is one reason developers look at cluster developments, also some areas of the parcel may not be suitable for residences, so this allows the developer to have the same number of lots without using the unsuitable area. Developers also see the advantage of open space amenities (playgrounds, parks, swimming pools) as selling points. Mrs. Godfrey continued by giving examples of the difference in layout between a conventional subdivision and a cluster development subdivision. Both subdivisions had 35 lots in the same acreage, but the cluster development had smaller lot sizes and more open space.

Mrs. Godfrey discussed conditional zoning (CZ) by stating it is a zoning map amendment that starts with an underlying zoning district then adds conditions and provides a site plan. Mrs. Godfrey gave some examples of conditions, such as, use restrictions, dimensional requirements, and site plan specifications (buffers, location of driveways, parking, roads, or locations of certain uses).

At the conclusion of this presentation there was discussion on making this information available to citizens for better understanding of the zoning and development process.

## II. UTILITY AND INFRASTRUCTURE – Presented by Ben Yarboro, Assistant City Manager

### **ENGINEERING SERVICES: (Airport, Engineering and Stormwater)**

Upcoming Airport projects include taxiway overlay, widening, and direct access taxiways with a cost estimate of \$3,618,000 with a 10% local match which is split between the City and County.

Airport operations and customer service data from 2011:

#### Increased aircraft based at airport

- 2011 – 35 aircraft (\$1,756,300 Tax Value)
- 2023 – 77 aircraft (\$4,970,290 Tax Value)

#### Increase in hangars

- 2011:
  - One maintenance hangar
- 2024:
  - One maintenance hangar
  - Two 100 x 100 community hangars
    - Acquired in 2015 & 2023

- One 50 x 75 box hangar acquired 2015
- Four 10-unit T-hangars
  - Three units constructed in 2019
  - One unit constructed in 2022

- Increased fuel sales
- 2015 – 60,160 gallons
- 2023 – 66,182 gallons
  - 34,933 Gallons of Avgas
  - 31,249 Gallons of Jet-A

The revenue comparison between 2017 and 2023 resulted in showing 2017 had a total revenue of \$105,613, whereas 2023 had a total revenue of \$322,835. The biggest changes were T-Hangar rental income, increased property tax, and increases in fuel.

Mr. Yarboro stated the Engineering Department is the hub for many projects within the city and is very busy. The primary focus of this department is the project coordination that takes place within the utilities department and other departments when a project is being developed and when it is in process. This coordination saves time, saves money, is more efficient, and less disturbance to citizens.

Engineering projects include the following:

- Completion of Shell Building #4 –
  - currently being shown and hope to have an offer soon
- Street Resurfacing –
  - Phase I was completed in 2023
  - Phase II will begin in March 2024
  - Phase III will begin in Spring 2026
- TAMP ADA Ramps and Sidewalk projects –
  - Ford Street and Lee Street are in progress
  - TAMP Phase II is in progress and will be completed in February 2024
  - City Hall Sidewalk project – completed in November 2023
- Carolina Harmony Trail
  - Phase IA consists of .65 miles from Sunset Cemetery to W. Marion Street and was completed in October 2023 with the gateway sculpture installed yesterday
  - Phase IB extends from Grover Street to Phase IA, approximately .25 miles
  - Phase II extends from Marion Street to DeKalb Street, approximately 1.77 miles
  - Phase III extends from S. DeKalb Street to South Carolina state line, approximately 7.48 miles
- Depot Park

- Sits within Phase II of the Carolina Harmony Trail
- Hope to advertise for bids in March 2024 with bid opening in May 2024 and construction to begin in July 2024 through October 2025
- Drawings were provided for the PARTF requirements which include:
  - Greenway
  - Adventure Playground
  - Splash Pad
  - Large Picnic Shelter
  - Restrooms
  - Open Lawn
  - Event Stage
- A restaurant to complement the event space and the park is being discussed
- Branding and Logo needs to be decided in the near future
- County Home Road project update
  - Notice to proceed has been issued and Duke Energy to relocate lines
  - Construction contract: January 2024 to May 2024 (dependent on Duke relocating lines)
- NCDOT Project Schedule Updates
  - US 74 Bypass Section C – substantial completion: July 2024
  - US 74 Bypass Section D & E – substantial completion: November 2028
  - Peach St./Marion St./Cherryville Rd. – substantial completion: July 2025
  - Oak Grove Road Bridge – Construction starts September 2024
  - Joe’s Lake Road – has been advertised multiple times, NCDOT is reviewing project options
- Pedestrian Safety and Traffic Calming projects include
  - Sidewalk/ADA Ramp improvements
  - Flashing Pedestrian Signal
  - Thermoplastic Pavement Markings
  - New Signage
  - New Mobile Speed radar
- Stormwater Division
  - Approximately \$400,000 of stormwater maintenance was done in 2023
  - Stormwater Infrastructure Assistance Program was adopted by Council in 2016, for FY 24 the City has budgeted \$80,000 for this program
    - For residential projects the City pays 80%, property owner pays 20%
    - For commercial projects the City pays 50%, property owner pays 50%
    - 36 applications received since 2016, 16 of those projects are completed

- Project prioritization is a factor, average time of those on the waiting list is 2.8 years
  - City looking at funding to see if there are options to move these projects along more quickly
- **Residential Subdivisions**
  - Currently there are approximately 6,000 units in some phase of development
  - Project update spreadsheet shows where the City stands as far as Electric, Natural Gas, Water and Sewer for these neighborhoods
- **WATER RESOURCES**
  - **Completed Water projects:**
    - Ford Street Waterline
    - WTP Alum Lagoon Repairs
    - WTP Turbidity Meter Replacement
    - First Broad River 16" Valve Project
    - Distribution Water Model Updates
  - **Completed Sewer projects:**
    - Randolph Road Sewer Liftstation
    - Belvedere Sewer Replacement
    - Sumter Street Aerial Replacement
    - Elmwood Street Sewer Repairs
    - Blanton Street Sewer Rehabilitation
    - Lafayette Street Sewer Replacement
    - Installation of ten (10) Flow Monitoring Manhole Lids
  - **In progress Water Resources projects**
    - 24" Waterline Transmission Main to South Tank
    - Hickory Creek Sewer Outfall Replacement Project
    - WTP Sedimentation Basin & Filter Upgrade Project
    - Asset Inventory and Assessment (AIA) WWTP
    - Marion Street/Hwy 150/Peach Street Water Relocation
    - Asset Inventory and Assessment (AIA) WTP
    - US 74 Bypass Sections D & E Waterline Relocation
  - **Upcoming Water Resources Projects**
    - First Broad River Outfall Improvements
    - Morgan/Market Street Waterline Rehabilitation (Depot Park)
    - Morgan/ Market Street Sewerline Rehabilitation (Depot Park)
    - Riverwalk Subdivision Sewer Lift Station and Force Main Project
  - **Water Resources Systems and Staffing Summary**
    - Water
    - 228 Miles of water mains
    - 10,371 Water Customers
    - 60 New Services
    - 8 Field Employees, 1 Vacancy
    - 8 Water Plant Employees, 0 Vacancy

- Sewer
- 223 Miles of Gravity Mains (All systems)
- 43 Miles of Force Mains (All systems)
- 8,602 Sewer customers
- 9 Field Employees, 2 Vacancies
- 15 Sewer Plant Employees, 0 Vacancy
- **ENERGY SERVICES**
  - **Completed Natural Gas Projects**
    - Hwy 74 Bypass Natural Gas Line Relocation Project
    - Phase II of Regulator Station Painting Project
    - Cleveland County Justice Center Gas Line Relocation
  - **Upcoming Natural Gas Projects**
    - Oak Grove Road Bridge Relocation
    - Regulator Station Pressure Recorder & Regulator Upgrades
    - Insulator Installation on 400# Lines
    - Integrity Digs on 400# Lines
    - Large Meter Station Painting
    - Phase III of Regulator Station Painting Project
    - Metals America Main Extension and Meter Station
  - **Completed Electric Projects**
    - Cleveland County Justice Center Line Relocation (Phase I)
    - Installation of 200 Street Lights for Street Light Upgrade Project
    - Pinnacle Estates Underground Electric Project
    - Palisades Underground Electric Project
    - 2023 Underground Cable Replacement Project
    - Rail Trail Lighting Project
    - Tree Trimming for Circuits 9-1, 9-2, and 9-3
    - Pole Inspections for Circuits 9-1, 9-2, 9-3, 11-5, and 11-6

**Electric Installation Costs for New Developments:**

**Seattle Crossing – 81 Single Family Homes**

Engineering \$20,000.00  
 Materials \$114,618.09  
 Labor \$164,525.00  
 Transformers \$217,000.00  
 Total Cost \$516,143.09  
 Cost per unit \$6,372.14

**Villas of Kingsview – 49 Single Family Homes**

Engineering \$20,000.00  
 Materials \$67,016.91  
 Labor \$76,172.50  
 Transformers \$127,000.00  
 Total Cost \$290,189.41  
 Cost per unit \$5,922.23

- **In progress Electric Projects**
  - Substation 10 Reconductoring
  - Substation Camera Installation Project
  - Substation 8 Upgrades Project
  - Willow Estates Subdivision Electric

- Reclosers for WWTP and WTP
- Tree Trimming for Circuits 11-3, 11-4, and 11-5
- Seattle Crossing Subdivision Electric -Design
- Villas at Kings View Phase I Subdivision Electric -Design
- Pole Inspections for Circuits 8-1 and 8-2
- Christmas Lights Project Uptown –Phase 3
  
- **Energy Services Systems and Staffing Recap**
  - Electric
    - 153 Miles of Primary Overhead & Underground
    - 218 Miles of Secondary Overhead & Underground
    - 8,005 Electric Customers
    - 95 New Services
    - 11 Field Employees, 2 Vacancies
  
  - Natural Gas
    - 511 Miles of main
    - 248 Miles of service lines (CY22)
    - 9,883 Gas customers
    - 108 New Services (17,365' of services lines)
    - 12 Field Employees
    - 2 Compliance Employees
  
- **Potential Substation 12 and Connecting Loops – this project is in research and planning phase**
  
- **Outage Management and Reduction Efforts**
  - **OMS Update**
    - Updated to new servers to improve reliability.
  - **Tree Trimming**
    - When we have outages due to trees, we dispatch our contracted tree trimming crew to trim the area.
  - **Squirrel Guards**
    - Added to areas where squirrels are found to be the cause of outages.
  - **Reclosers**
    - To limit the exposure area during an outage so that only part of a circuit will have an outage instead of the entire circuit.
  - **Station 10 Reconductor Project**
    - Replaced copper from Station 10 and installed aluminum wire.
    - Aluminum is stronger and less brittle than copper
  
- **Energy Services Operations and Customer Service**
  - **Electric Focus Areas**

- Outage Reductions, Issues and Solutions
  - Copper wire replacement, tree trimming, reclosers, additional fuses/switches
- Substation Security
- Impacts of increased demands (growth, EV charging, etc.) on the electric system
- Subdivision Development Costs and Impacts
- Material availability, costs, and lead times
- Natural Gas Focus Areas
  - Monitoring NG Contract Volumes as demand increases
    - IMC Metals America in late 2024
  - Updating Gas Flow Model for 150 lb. system
  - Design a Gas Flow Model for 25 lb. system
  - Subdivision Development Costs and Impacts
  - Material availability, costs, and lead times

### III. PUBLIC SAFETY

#### 1) Police – Presented by Chief Brad Fraser

Chief Fraser described 2023 as a year of transition for the Shelby Police Department, due to retirements, promotions and new faces.

The department consists of three captains: Captain Chris Flowers – Operations, Captain Seth Treadway – Investigations, and Captain Scott Brown – Support Services.

The philosophy remains the same:

- Customer Service is our cornerstone
- Community Partnerships are a vital resource
- Taking the opportunities to go above and beyond
- Problem-solving approach
- Transparency
- Doing what’s right, at the right time, for the right reason
- Taking care of our most valuable resource...our Officers and Telecommunicators

Things SPD continues to train our staff on –

- The difference between “what” we do and “how” we do it
- Decision-making
- Leadership and ownership
- High liability policy and procedures
- Body cameras and reinforce their importance
- Mental wellness and self-care for staff

Chief Fraser stated the Shelby Police Department has a motto, agency mission, and a list of core values.

#### Looking Ahead to 2024 -

- Focus on Staff
- New hire Officer/Telecommunicator training
- Specialized training for advancement
- New supervisor training/mentoring
- Partnership with NC Justice Academy and Cleveland Community College
- Engage our Community
- Community Programs—Citizens Police Academy, Focused Neighborhood Visits, Community Watch Programs
- Get out of our cars—Engage and communicate

2024 is a CALEA Accreditation year which is described as follows:

- Gold Standard in Public Safety
- Internationally Recognized Set of Best Practices for Law Enforcement and e911 Operations
- Law Enforcement Accredited in 2001/Public Safety E911 Accredited since 2014
- Voluntary programs with a combined set of approximately 700 standards
- CMS Offsite Review—January, August 2024
- On-Site Accreditation Assessment—October 2024
- Commission Review—Spring 2025

Captain Scott Brown is managing the CALEA accreditation and will be working on that evaluation all year, with a commission review in Spring 2025.

Chief Fraser went over the 2023 Calls for Service:

2023 Calls for Service — 39,840 (3.5% increase)

Emergency 9-1-1 Calls Received — 78,293

Average Time to Answer — 3.34 seconds

Average Response Time to Priority I Calls — 1:56

- Crime Overview
  - 2023 Index Crime Rate – 783
    - 10 years ago – 1001
    - 5 years ago – 808
  - This equates to 3,567 crimes per 100,000 population
    - Charlotte — 4,121
    - Asheville — 6,071
    - Gastonia — 4,726
  - Juvenile crimes were prominent again in the last year. (statewide)
  - Locally, the majority of crimes were confined to a few small areas

Chief Fraser showed a chart with the crime stats from several different years

and maps showing where the crimes are being committed. Chief Fraser discussed strategies in impacted areas, such as:

- Interaction with residents
- High visibility
- Problem Solving strategies
- Neighborhood Cameras
- Communication with landlords of problem residents
- Partnerships with city departments, Foothills Regional Commission, US Attorneys, Prosecutors, etc.

## 2) Fire and Rescue – Presented by Chief William Hunt

Chief Hunt went over the Classification of Risk chart that described the difference between minimal, moderate, significant, and maximum risks. He then presented the chart showing Service Delivery by Risk Classification. This chart refers to the type of risk, the service delivered, and what type of deployment is typical in the different types of risk (minimal, moderate, significant, or maximum). Developing these charts and classifications helped the Shelby Fire & Rescue Department determine what apparatus, truck, etc. was needed in differing emergency situations.

Chief Hunt presented the elements of response time in fire suppression and emergency medical services (EMS) as follows:

- Alarm handling – Time elapsed from call coming into 911 to completed dispatch message
- Turnout – Time elapsed from firefighters notified until responding to call
- Travel Time 1<sup>st</sup> - Time elapsed for the first arriving crew
- Total Response Time – Summary of all time segments

The benchmark of 90% is an industry standard and what *Shelby Fire & Rescue Department* strives to accomplish. Chief Hunt explained that when you take the three criteria (alarm handling time, turnout time and travel time) you determine the Response Metric which is the goals the department is trying to achieve.

Chief Hunt discussed the philosophy of distribution, concentration and reliability:

- Distribution – is where your fire stations are located
- Concentration – how those service resources are delivered
- Reliability – how reliable are those fire crews to provide the services

Chief Hunt discussed the prospect of building and staffing a fourth fire station, and possible realignment of Fire Station 2. To support the idea of another fire station Chief Hunt showed the Fire Station Response Districts as they are now with three fire stations. He pointed out that Fire Station 2 covers almost 50% of

the land mass of the city. Chief Hunt showed maps of 2014, 2019, and 2024 of the call volume of fire incidents and the differences in this 10-year span; the maps show increase volume especially on the west side due to the industries and development in this area of the city.

Next, Chief Hunt showed the Reliability Trends for the three fire stations:

<u>Reliability</u>	<u>Fire Station 1</u>	<u>Fire Station 2</u>	<u>Fire Station 3</u>
2014	93%	94%	88%
2019	80%	82%	81%
2024	86%	70%	75%

This chart shows a strong 2014 in reliability, a lesser trend in 2019, and in 2024 Fire Station 2 and Fire Station 3 are relying on Fire Station 1 to assist with equipment or response due to being on another call.

Next, Chief Hunt introduced some details about a possible Fire Station 4 stating that it would:

- Improve service delivery response times in the industrial corridor.
- Address the areas of the city currently outside of ISO service district.
- Improve pumping capacity and service delivery city wide.

Chief Hunt showed the current configuration with the existing three fire stations and compared that map with a proposed configuration if the city had a fourth fire station. The maps represent the radius of how far a fire apparatus can travel in a five-minute response time. There are some considerations when contemplating a new Fire Station 4:

- There is a suitable city owned site on Randolph Rd.
- Fire station 4 will require additional personnel, apparatus, and equipment.
- A facility needs assessment is included in the current strategic plan.

Another aspect of improving fire response time is to realign Fire Station 2, the advantages of this are:

- Improve service delivery to airport and several neighborhoods.
- Address excessive district overlap with a Fire Station 4.
- Provide opportunity for realignment of personnel and resources to improve efficiency of fire & rescue services city wide.
- Significant infrastructure issues at the existing Fire Station 2 on Charles Road.
- Alleviate space issues at Fire Station 1.

Chief Hunt provided maps showing the possible configurations with a new Fire

Station 4 and a relocated Fire Station 2. These maps show less overlap of the fire stations and a better response time to areas that are further west and south of the city. There are structural issues with the existing Fire Station 2 which need to be addressed. One issue is the bay floor is collapsing due to the weight of the heavier fire trucks that we have today, and patches only serve as a temporary stopgap; replacing the entire floor is not practical.

There are considerations when contemplating a relocation of Fire Station 2:

- Evaluation of potential sites in process, a building site has not been secured.
- Relocation of fire station 2 does not require additional operational resources.
- A facility needs assessment is included in current strategic plan.

A project summary for the Fire and Rescue Department includes:

**Pumper Truck Replacement:** Delivered April 2023 and placed into service June 2023.

**800mhz Radio Replacement:** Vehicle radios installed, awaiting delivery of portable radios which were previously returned.

**Fire Hydrant Refinishing:** 300 fire hydrants refinished; contractor returns in Spring 2024 to continue project.

**Emergency Vehicle Traffic Signal Priority:** NCDOT revising engineered drawings of affected intersections along Marion and Lafayette streets.

**Fire Ladder Platform Truck:** Vehicle is on order with expected delivery in 2026

In conclusion, Chief Hunt explained Shelby Fire and Rescue is in the process of accreditation. The Insurance Services Office (ISO) provides advisory services to insurance companies for underwriting risk and establishing insurance rates in communities. Our 2008 ISO rating was a 4; in 2019 our rating was a 2, which represents a substantial improvement. ISO evaluates municipal fire-protection efforts in communities throughout the United States. In each community, the ISO individually evaluates the fire suppression force (50%), the water delivery system (40%), and the 911 communications (10%) using the Fire Suppression Rating Schedule (FSRS), and then assigns an overall public protection classification from one (1) to ten (10) based on the compiled data.

Mayor Anthony recessed the meeting at 12:18 for lunch and reconvened the meeting at 12:48 p.m.

#### **IV. MID-YEAR BUDGET AND FINANCIAL REVIEW – Beth Beam, Finance Director**

**Mr. Howell introduced Finance Director Beth Beam and stated he has asked her to give an overview of the current debt that the City holds in each fund.**

**Mrs. Beam reviewed the Monthly Financial Summary for December 2023. With regard to the current property tax collections budgeted and collected; we are at 84% collected which is on track when compared to other years.**

**With regard to sales tax collections budgeted and collected, Mrs. Beam explained that sales taxes are very volatile, and we are seeing a slower trend compared to the pandemic years. The City budgets this item very conservatively, and currently we are \$83,000 less than this time last year.**

**Mr. Howell gave more information about the sales tax and stated when the County or Kings Mountain or Boiling Springs raises their taxes, it impacts Shelby. Kings Mountain raised their taxes this past year by 5 cents and that will affect us and our percentage. Mr. Howell also mentioned that property revaluation will occur again in 2025, which will also affect things.**

**With regard to the utility sales tax distribution (formerly utility franchise tax), Mrs. Beam's chart showed the City has received roughly 27% collected in the first quarter and explained that the amount collected has stayed steady for the past seven years.**

**With regard to solid waste fees budgeted and collected, Mrs. Beam stated that these collections have increased this year due to the City raising their fees by 5.3%. Our rate is now \$13.93 for one cart being picked up once a week for residential customers. At this point we have collected 51% of this fund.**

**With regard to the General Fund debt service, Mrs. Beam listed the General Obligation (GO) bonds, the Installment Purchase contracts, and the Hanna Park contract are our debt service for this year. Every year there will be an installment contract that rolls off, but a new one will occur, these are for rolling stock items such as vehicles and capital equipment.**

**With regard to the General Fund expenditures by division, Mrs. Beam explained these accounts represent departmental expense budgets. Most departments show at mid-year approximately 50 percent of budget used with exceptions for various fees the City pays in July, or other encumbrances a department may have incurred.**

**With regard to the Powell Bill Fund Debt Service, Mrs. Beam explained there are two installment debts in this fund.**

**Next, Mrs. Beam went over the water revenue worksheet. So far this year our**

**budget amount is \$3.2 million, and we have collected \$3.15 million dollars.**

**Water Fund Debt Service shows more activity on this fund due to the 2021 refunding bond, 2016 Grover/Morgan waterline bond, and the Water Treatment Plant bond for the clear wells. Also, installment purchase contracts from 2019 – 2023, and the interfund loan that was used for the Uptown streetscape project that retires in 2038.**

**With regard to sewer revenue and sewer sales, so far this year our budget amount is \$6.6 million, and we've collected \$3.3 million dollars. Mrs. Beam explained the City is \$125,000.00 ahead of what was budgeted through December of this year.**

**The Sewer Fund Debt service shows 2021 revenue refunding bond, and four loans for the Mall Lift Station, Outfall Project, Wastewater Treatment Plant upgrades, and the Biosolids project loan. These four loans have 0% interest, so they were not retired. There are additional loans for the Natural Gas fund, the Electric fund and Installment Purchase contracts. The Natural Gas fund loan is slated to retire in 2064, but the City has decided to pay \$100,000 each year, instead of \$10,000, so that will drastically reduce the number of years.**

**With regard to the electric revenues, so far this year our budget amount is \$10,175,000, and we've collected \$10,149,000. Mrs. Beam explained that the City had a basic facility charge increase and energy charge decrease, which benefited our customers.**

**With regard to electric expenses, Mrs. Beam mentioned that the City purchases their power from the NCPMA1 and also from Southeastern Power Administration and for those two items we have budgeted \$6.25 million, and so far, we have spent \$6,589,000 million dollars, which means we have spent a little more than was budgeted. The electric margin shows us tracking a little bit behind budget so far this year.**

**Again, the Electric Fund Debt Service shows a 2021 refunding bond. This fund also has four installment purchase contracts from 2019 – 2023. The City will pay approximately \$450,000 debt service for the next three years.**

**Regarding the Natural Gas revenue, Mrs. Beam explained that in the first six months of the year, the City budgeted \$10,225,000 and we have collected \$7,668,000. Mr. Howell stated that 60% of our sales will be in December, February and March, so those collection numbers will increase.**

**The Natural Gas expenses shows the 2021 refunding bond, and four installment purchases contracts from 2019 – 2023. Mrs. Beam mentioned we buy gas from Lower Alabama Gas and Direct Energy. The margin shows we are behind budget by \$741,000.**

Mrs. Beam then explained the Utility Funds expenditures which include administration, operations, and purchase of product by department. The Electric fund is slightly over 50% at this time, but the other funds look good. Mrs. Beam provided a chart reflecting the weather variances related to rain, cooling degree days, and heating degree days dated December 31, 2023.

Mrs. Beam unveiled the new debt charts of all of the funds mentioned earlier in a stacked version or a pie chart version. These charts illustrate in varying colors what the debt is for, how much we owe, and some show the interest rate on the loan.

Shell Building #4, Project Grizzly, Hanna Park, the GO Bonds, Uptown, and the Water Treatment Plant upgrades are some of the major projects that have incurred debt, and these charts give a good visual of these debts.

## V. HUMAN RESOURCES – Deb Jolly, Director of Human Resources

### **HUMAN RESOURCES 2023 OVERVIEW**

Mrs. Jolly began her presentation by stating that we can't accomplish all the plans and goals the other departments have presented without our employees. She believes most employers struggle with recruitment and retention, and we are no different. The addition of another HR employee that was approved last year has helped but there's still work to do moving forward.

Mrs. Jolly presented the City of Shelby Annual Labor Force Stability Report for full-time employees and reviewed the 2023 turnover percentage, noting it was 15 percent, this is a 0.7% decrease from last year. In 2023 the City had budgeted 346 full time positions, and we lost 52 employees during the year.

Next, Mrs. Jolly discussed the following departments to monitor: Parks and Rec, Police, Engineering, and Water Resources, these departments had the most turnover in 2023.

- Parks and Recreation lost 12 out of 28 full-time employees, which is 43% of the overall turnover (1 retired, 1 was terminated, 1 resigned to stay home, and 9 that left for other jobs).
- Engineering lost 2 out of 7 employees for other employment
- Police lost 16 of 89 employees – 6 of these turnovers were long time employees that retired, which added up to 160 years of experience.
- Fire lost 5 employees in 2023 – 1 was a retiree.
- Public Works – only lost 2 employees this year which was an improvement from 2022.

Today's workforce is different in that after three years, they are anxious to try something new and learn something different.

Mrs. Jolly continued with the 2023 City separations by length of service:

- Less than 1 year service = 18 separations for a total of 34% of turnover rate (12 of these 18 had less than 6 months with the City).
- 1 year – 3 years' service = 13 separations for a total of 25% of turnover rate.
- Greater than 3 years' service (retired) = 10 separations for a total of 19% of turnover rate.
- Greater than 3 years' service (non-retired) = 11 separations for a total of 21% of turnover rate.

These numbers show that 60% of our 52 employees that left had less than three years of experience.

Additionally, a great majority (probably 85%) of our new hires have very little experience. The City trains them, and they obtain the certifications required, and as the numbers show they leave with those certifications for better paying jobs. We are a training ground for employees to go to better paying jobs with the training and certifications the City of Shelby has paid for.

Mrs. Jolly reviewed the 2023 City separations by various reasons:

- Another job or higher pay – 69.2%
- Relocation – 3.9%
- Termination = 7.7%
- Retirements – 19.2%

Mrs. Jolly said that of the 52 employees that left, 22 employees left for higher pay, some with NCDOT which offer similar jobs but possibly better schedules with no on-call. A couple examples are:

- A firefighter left the City to go to Cleveland County EMS. He was making \$35,000 with us, is now making \$50,000/year, and after he attains his Paramedic certification, he will be making \$63,000.
- An experienced telecommunicator went to work with Cleveland County Communications making \$6.00 more an hour.
- A police officer with 12 years' experience left the City to go to Boiling Springs. He did not take a pay cut but instead of being on patrol he is now a School Resource officer.
- A Field Operations worker, with at least 2 certifications, left us for the City of Newton for \$3.00/hour more and no on-call.
- In Justin Merritt's exit interview last April, he said, "Wages are fair with the last market adjustment, but it needs to be watched closely in today's

climate and adjusted accordingly to maintain competitiveness.”

Mrs. Jolly stated that in the exit interviews she conducted some people said they really like working for the City but they are leaving due to lack of pay, or they don't want to have on-call.

The one-third market study was conducted a few years ago, and this year the pay adjustments will be for sworn police officers, water resources, and electric linemen.

Mrs. Jolly mentioned that with the help of HR's new employee, Gracie Freeman, the City has increased its presence at job fairs, or community events to talk about our available jobs, and educate the community on what jobs the city offers. Mrs. Jolly explained Gracie is using their applicant tracking system, Charlotte's Backyard, Handshake which is a platform used by universities, Job List, Indeed, Simply Hire and other social media programs to show job information.

Additionally, Mrs. Jolly stated that currently the City has 16 vacancies out of 346 employees, in 2022 that number was 41 vacancies out of 344 employees, so a much better vacancy rate (about 5%). In 2022 the City hired 50 full-time employees and we lost 54 employees. This year we've hired 62 full-time employees and only lost 52. Retention is important and finding ways to retain our employees is a goal of HR.

Mrs. Jolly went over the employee tenure charts citywide and for some of our departments. In almost every department, the trend shows that most of our employees have less than five years of experience.

Mrs. Jolly mentioned one new initiative to help recruit and retain employees that we have developed with the Police Department is the Cadet Program. Mrs. Jolly open to doing something similar with the Fire Department.

#### **ECONONMIC DEVELOPMENT – City Manager Rick Howell**

Mr. Howell gave some updates on the Shell Building #4 which the City hopes to have an offer soon. He did caution that sometimes during an Election year, companies are more conservative.

Mr. Howell also discussed the City's relationship with the County and with Cleveland County Economic Development Partnership. There has been some changes with both of these entities, but the City will continue moving forward in a positive direction with our Economic Development strategies. Mr. Howell asked for Council's direction as to what the City should do regarding the relationships we have with the County and CCEDP. Council's recommendation is to schedule a meeting between the Mayor and one or two Council members with

the County manager and possibly one or two Commissioners to discuss the concerns.

### **FISCAL YEAR 2024-2025 BUDGET ASSUMPTIONS**

2025 is a revaluation year and property values may increase by 50% countywide; we do not have the numbers yet for the City but should by mid-year.

Mr. Howell explained how the city's sales tax is levied and how Kings Mountain's tax increase this year affects the city's portion that we will receive.

Mr. Howell stated he was unsure if any cost savings would be enough to justify privatization of certain jobs and whether it would be beneficial or not.

Mr. Howell presented and discussed the following:

#### **GENERAL FUND**

- Property tax rate will remain at 51.75 cents per \$100 valuation
- All fees and charges to be reviewed. Application of a Consumer Price Index adjustment (CPI) considered.
- Sales tax growth – the City is guaranteed a minimum of 12.97 percent through 2035 as negotiated through an economic development agreement with Cleveland County.
- Utility sales tax will be flat.
- Implement Year 1 of the 1/3 Employee Pay and Classification Market Study Adjustment.
- Group health insurance may change significantly.
- Installment financing of capital equipment will be reduced significantly.
- Reduced funding for capital improvements on existing buildings/facilities.

Mr. Howell presented and discussed the following:

#### **NATURAL GAS FUND**

- No increase in the margin rate
- Consideration to be given to applying CPI to base customer charge
- Ames Copper plant full operations
- Implement employee cost of living increase for employees (CPI)
- Group health insurance rates may change significantly
- Installment financing of capital equipment and vehicles will be flat
- Continuation of Natural Gas System Asset Management Plan implementation

**Mr. Howell presented and discussed the following:**

#### **ELECTRIC FUND**

- Wholesale power rate reduction from NCMPA1 (% TBD)
- Possible retail rate reduction for customers
- Consideration to be given to applying CPI to base customer charge
- Load growth less than 1%
- Implement Year 1 of the 1/3 Employee Pay and Classification Market Study Adjustment
- Implement employee cost of living increase for employees (CPI)
- Group health insurance rates may change significantly
- Installment financing of capital equipment and vehicles will be flat
- Continue implementation of Electric System Asset Management Plan

**Mr. Howell presented and discussed the following:**

#### **WATER FUND**

- Consideration on CPI increase in base rate and rate per 1,000 gallons
- Implement Year 1 of the 1/3 Employee Pay and Classification Market Study Adjustment
- Implement employee cost of living increase for employees (CPI)
- Group health insurance rates may change significantly
- Installment financing of capital equipment and vehicles will be flat
- Continuation of capital projects funded by ARP and State appropriations

**Mr. Howell presented and discussed the following:**

#### **SEWER FUND**

- Consideration on CPI increase in base rate and rate per 1,000 gallons
- Implement Year 1 of the 1/3 Employee Pay and Classification Market Study Adjustment
- Implement employee cost of living increase for employees (CPI)
- Group health insurance rates may change significantly
- Installment financing of capital equipment and vehicles will be flat
- Review of system improvements and capital outlay in operational budget
- Continuation of capital projects funded by ARP and State appropriations

#### **DISCUSSION OF COUNCIL PRIORITIES:**

- Neighborhood Clean-up – Somehow encourage landlords and

homeowners to do better with general blight cleanup. Trash is thrown beside the trash can when the trash can is full. Make a report of properties that need to be notified. Discussion of minimum housing code and code enforcement followed.

- Possibly revise the Traffic Calming Policy to resolve issues and improve the process.
- Possibly increase the number of days' notice for a Public Hearing.
- Possibly add a 3<sup>rd</sup> Bulky Item Week.
- Possibly bring Recycling program back.
- Possibly implement a Micro-Transit system, similar to Gastonia.
- Possibly establish a fund to help support non-profit organizations.
- Request a timeline for the dog park that is planned for Sumter Street property.

The agenda and presentations including staff reports from the 2024 Shelby City Council Planning Retreat are hereby incorporated by reference and made a part of these Minutes.

## **ADJOURNMENT**

**ACTION TAKEN:** Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 3:58 p.m.

**Respectfully submitted,**

**Carol Williams  
City Clerk**

**O. Stanhope Anthony III  
Mayor**

**Special Meeting Minutes of January 27, 2024**

Agenda Item: D-3

- 3) City of Shelby FY 2023-2024 Budget Ordinance Amendment (911 Grant):  
Ordinance No. 15-2024

**Consent Agenda Item: (Beth Beam, Finance Director and Chief Brad Fraser,  
Shelby Police Department)**

---

Summary of Available Information:

- Memorandum dated February 9, 2024 from Brad Fraser, Police Chief to Rick Howell, City Manager
- Copy of Agreement with City of Shelby and the 911 Board
- Grant application
- Ordinance No. 15-2024

---

City Manager's Recommendation / Comments

Ordinance No. 15-2024 is presented for City Council consideration via the Consent Agenda. If approved this ordinance would establish a budget authorizing the expenditure of these funds for the stated purpose. In this instance the funds are planned to be used for the purchase of three (3) portable radios to be used by 911 Telecommunicators in the event there is an emergency need for them to work outside the telecom center at the Shelby Police Department. I would note that funding in this grant is reimbursed after the expenditures occur. The total grant award is \$17,538.45.

**It is my recommendation that Ordinance No. 15-2024 be adopted and approved by City Council via the Consent Agenda.**

# Shelby Police Department

---



## Memorandum

To: Rick Howell, City Manager  
From: Brad Fraser, Chief of Police  
Date: February 9, 2024  
RE: Budget Amendment Request; NC E911 Radio Grant

### Background

On September 25, 1998, the NC General Assembly passed Senate Bill 1242 that established the NC Wireless 911 Board. This board was established to govern the Enhanced 911 Wireless Fund that provides funding to support the state's 911 infrastructure. This includes the 126 Public Safety Answering Points (PSAPs) located throughout the state. The board is comprised of seventeen members representing industry leaders and is chaired by the Secretary of the NC Department of Information Technology. The board sets a uniform 911 service charge collected by all telephone and voice communication providers. Revenue from the service charge goes into the Enhanced 911 Wireless Fund, which the board manages and distributes funds from.

### Review

In January 2024, the Shelby Police Department received a grant from the NC Wireless 911 Board as part of their portable radio grant program. This award provides funding for the purchase of three (3) portable radios that can be utilized by our 911 Telecommunicators in the event of a communications failure or evacuation of our 911 center. The total grant award is \$17,538.45. This grant program requires no local funding match.

### Recommendation

The Shelby Police Department is requesting a budget amendment to establish an expense line to make the approved purchases in the grant award. Funding in this grant is reimbursed after the expenditures occur. All expenditures in this grant award are eligible for reimbursement by the NC Wireless 911 Board.

Thanks for your consideration and please let us know if you need any further.

Contract No. PR2024-13

**AGREEMENT**

THIS AGREEMENT (the Agreement) is made effective the 1 day of the month of February, 2024 by and between the **City of Shelby**, the **Grantee** and the **North Carolina 911 Board** (hereinafter referred to as 911 Board), an agency of the State of North Carolina. Grantee and the 911 Board (together "the Parties") hereby agree to the following terms.

IN WITNESSETH WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

City of Shelby  
By: *Lee Howell*  
Title: City Manager  
Date: 1/31/2024

ATTEST: *Carol Williams*

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

By: *Beck B. Beaw*  
Director of Fiscal Operations

**N.C. 911 Board**

By: *L. V. Pokey Harris*  
Title: Executive Director, NC 911 Board  
Date: 2/9/2024

**WITNESSETH:**

WHEREAS the 911 Board was created by N.C. Gen. Stat. §143B-1400 *et seq.* to collect and administer the 911 Fund, and

WHEREAS the 911 Board solicited grant applications pursuant to N.C. Gen. Stat. §143B-1407, 09 NCAC 06C .0400, and procedures for Grants adopted by the Board, and

WHEREAS Grantee submitted a Grant Application to purchase portable radios for the Primary PSAP, and

WHEREAS the 911 Board allocated funds for the purposes identified in the Grant Application.

NOW, THEREFORE, the Parties enter into this Agreement, and in consideration of the mutual promises and such other valuable consideration as shall be set out herein, the Parties hereto do mutually agree to the following terms and conditions:

1. Definitions:

- a. Project: 2023 Portable Radio PSAP Grant.
- b. Deobligation: the 911 Board's cancellation or downward adjustment of all or part of the grant award. Deobligation, if imposed, will not affect disbursed funds but will affect any remaining amount of awarded funds.
- c. Executive Director: Executive Director of the 911 Board.
- d. Grant: Financial assistance provided by the 911 Board, or a subgrantee, to carry out activities whereby the 911 Board anticipates no programmatic involvement with the grantee or subgrantee during the performance of the Grant.
- e. Grantee: The unit of local government operating a Primary PSAP, as identified in the Grant Application, notwithstanding G.S. §143C-6-23(a)(3).
- f. Grant Application: The Application submitted by the Grantee to request Grant Funds for the Project. The Application stated the model type and number of radios requested and the total amount of Grant Funds requested. The Grantee's Application is attached hereto as Exhibit C and incorporated herein.
- g. Grant Funds: The amount stated in the Grant Application and authorized for award by the 911 Board.
- h. Ineligible Costs: such expenses that are not funded through the Monthly Distributions defined G.S. §143B-1406(a), and not identified in the Approved Use of Funds List published on the 911 Board website.
- i. Interlocal agreement: Reserved.
- j. State Funds: Any funds appropriated by the N.C. General Assembly or collected by the State of North Carolina. For the purposes of this Agreement, Grant Funds are State Funds. Grantee recognizes that the expenditure of money deposited in the State treasury, including the 911 Fund, is subject to allocation and appropriation of funds to the agency for the purposes set forth in this Agreement.

k. **Subgrantee:** As defined in N.C. Gen. Stat. §143C-6-23(a)(4), a non-State entity that receives a grant of State funds from a Grantee of a State Agency, here the 911 Board, or a Subgrantee of a Grantee, but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

l. **Unit, or unit of local government:**

As defined in N.C. Gen. Stat. §143C-1-1(d)(29), a municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by N.C. Gen. Stat. §160B-2(1), and all boards, agencies, commissions, authorities and institutions thereof that are not municipal corporations.

As defined in N.C. Gen. Stat. §160A-460, means a county, city, consolidated city-county, local board of education, sanitary district, facility authority created under Article 20 of Chapter 160A of the General Statutes, special district created under Article 43 of Chapter 105 of the General Statutes, or other local political subdivision, authority, or agency of local government.

2. **Scope of Project:** To purchase portable radios for the Grantee's Primary PSAP. The Grant Funds shall only be used to pay for the portions of the project that are Ineligible Costs.

a. Grantee shall be responsible for administrative and management duties associated with the Project; and shall be responsible for completing the goals and objectives described in the Grant Application. This Grant shall only be used for paying for portions of the project that are Ineligible Costs. To the extent that the Project includes expenses that are not eligible for monthly distribution or reimbursement pursuant to G.S. §143B-1406 and are not included in the Grant Funds allocated by the 911 Board, Grantee agrees it shall be responsible for all expenses for the non-eligible items. For eligible expenses limited by the 911 Board policies, e.g., chairs, monitors, Grantee shall be responsible for all expenses exceeding the expense limitations for such items.

b. Grantee shall prepare and submit reports in the timeframe and using the templates contained in Exhibits A and B of this Agreement.

c. Goals and objectives and terms for meeting the same include:

1. For the Grantee's Primary PSAP, purchase the number and type of portable radios identified in its Grant Application. The Grantee and its Primary PSAP agrees it will only use the Grant Funds to purchase the portable radios selected by the Grantee's Primary PSAP on the Grant Application. The Grantee and Grantee's Primary PSAP understand and agree that they cannot use the Grant Funds for any other purpose or purchase, including selecting a different type of portable radio that was available but not selected by the Grantee in the attached Grant Application.

2. For each Board-approved seat denoted on the grant application, the Grantee's Primary PSAP will use grant funds to contract with a vendor to purchase the following:

- a. 1 portable radio (including two batteries);
- b. 2 chargers; one for the primary PSAP and backup PSAP;
- c. Programming per radio cost, ARS Encryption, and Code Plug;

- d. Training for PSAP staff on use of the new portable radios; and
  - e. Maintenance for each portable radio for the first 12 months, which will be included in the contract for sale.
3. All portable radios purchased by Grantee under this Agreement shall contain the VIPER Statewide required template as defined in the State Interoperability Executive Committee's SOG, in addition to whatever local talk groups the Grantee deems appropriate to its jurisdiction.
4. Once activated on the VIPER system, the Grantee's Primary PSAP will submit a completed copy of the subscriber unit activation request form as sent to the VIPER Network Operations Center. The completed request form shall become an addendum to this executed Grant Agreement. The submission will be required prior to any reimbursement by the Board.
5. The Grantee's Primary PSAP will keep each portable radio purchased using Grant Funds on the dispatch floor at a console exclusively for use by telecommunicators. The portable radios will not be kept elsewhere within the Primary PSAP, including supervisor offices. The radios will remain solely at the Primary PSAP and may only leave the Primary PSAP when taken directly from the Primary PSAP to a Board-approved Backup PSAP.
6. The radios will be maintained exclusively for the Grantee's Primary PSAP use. Neither the Grantee nor the Grantee's Primary PSAP will share, gift, loan, or otherwise allow the use of any of the portable radios purchased under this Grant Agreement using Grant Funds by other PSAPs, agencies, or departments, including those that the PSAP dispatches for or that are otherwise affiliated with the PSAP.
7. The Grantee agrees that it will maintain the radios exclusively for Grantee's Primary PSAP use for at least thirty-six (36) months. The Grantee and Grantee's Primary PSAP agree they will not resell, transfer, gift, or in any other manner convey the portable radios to any other entity. If the Grantee does not retain the radios on the Primary PSAP premises in accord with the terms of this Grant Agreement for at least 36 months, Grantee agrees it will reimburse the Board pursuant to Rule 09 NCAC 06C .0405.
8. Increase operability with surrounding emergency response resources and increase redundancy and security.
9. Adhere to rules for PSAP facilities and equipment within 09 NCAC 06C .0200, and for the use of Grant Funds, as stated within 09 NCAC 06C .0400. Incorporate applicable standards for mission-critical facilities published by the Federal Emergency Management Agency (FEMA), the National Fire Protection Association (NFPA), and the National Emergency Number Association (NENA). Ensure continuity of operations during implementation for all response agencies currently served.

10. Coordinate technology purchases to facilitate the use of the State NG911 system, including GIS call routing.

11. Conduct thorough system(s) testing before acceptance.

d. Grantee shall not change the Scope of Project without prior written approval of the 911 Board Executive Director.

e. Reserved.

f. Grantee will procure all goods and/or services for the Project in compliance with State and local procurement laws, rules, and regulations, consistent with the Grant Application and approved project budget.

g. Grantee will collect and compile documents as directed by the 911 Board for the purpose of Grantee's verifying the requirements of Article 15, Part 10 of Chapter 143B of the N.C. General Statutes.

h. Grantee shall assist the 911 Board in any audits of Grant Funds by supplying required document(s) to satisfy the requests of an auditor.

3. Changes in the Project.

a. If any changes to the project or extra work are requested with respect to the Project, such changes must be authorized in writing by the Parties. The 911 Board will not approve any changes that exceed its authority under N.C. Gen. Stat. §143B-1400 *et seq.*, or subsequent modification thereof.

b. Any work referred to in Subsection 3(a) above shall be the subject of a separate written agreement stating the costs and schedule for completing any such extra work.

c. Each Party shall immediately notify the other of any change in conditions or applicable law, or any other event, which may significantly affect its ability to perform the Project.

d. The Parties agree that the 911 Board may assign this Agreement to its successor, if any; or continue the Agreement by amending the term if legislation is enacted that does, or may, affect the term of this Agreement.

e. A request for change in the project period requires advance written approval by the 911 Board Executive Director. The request must be submitted in writing, stating the basis for the request, to the 911 Board Executive Director at least sixty (60) calendar days prior to the expiration of the Grant. The Grantee shall submit a revised budget and any other documentation or information requested by the 911 Board Executive Director indicating the planned use of all unexpended funds during the extension period.

4. Consolidation. Reserved.

5. Term of Agreement. The Parties intend that the term of this Agreement shall begin upon the Effective Date and extend through 30 June 2025 (End Date). The effective period of this Agreement shall commence upon completion by the Parties' authorized signatories (the Effective Date) and terminate upon the End Date unless sooner terminated under Section 14; or amended by

written agreement to extend said date by the Parties or their successors in interest. The parties agree that this Agreement may be extended only one time. **However, both parties agree that if the Grantee fails to place its order for the portable radios with its vendor by February 5, 2025, no extension of this Agreement will occur.**

6. **Project Schedule.** Grantee shall prepare and deliver a project schedule consistent with this Agreement that substantially conforms to the following:

a. The Project is planned to be completed in three (3) phases, with the entire project completed in approximately fifteen (15) months: 1) procurement and planning; 2) delivery, programming, and testing; and 3) training, final testing, and acceptance. The proposed budget and project plans shall be reviewed, revised, and provided to the 911 Board Executive Director as provided in Subsection 2(e) above. These revised documents must reflect any changes and special conditions of the Grant award.

b. Project timelines and milestones identified in the Grant Application are incorporated herein by reference.

c. The PSAP will continue to operate during the Project; therefore, there will be no disruption to 911 call taking and emergency dispatching services.

d. Grantee will procure all goods and/or services for the Project in compliance with State and local procurement laws, rules, and regulations, consistent with the Grant Application and approved project budget.

7. **Delivery of Grant Funds.** The total Grant Funds equal the amount stated in the Grant Application contained in Exhibit C of this Agreement. Grant Funds shall be held by the 911 Board and delivered as follows:

a. Funds shall be released to Grantee to reimburse the Grantee for its purchase after receiving copies of Grantee's contracts, purchase orders, and invoices therefor, and Grantee's satisfactory completion of its obligations under this Agreement. Each deliverable offered by the Grantee shall be clearly itemized to show the expenditures meet the scope of this Agreement, to include professional work performed and invoices for supplies. The Grantee shall ensure that all payments are reconciled to an applicable vendor quote to show the eligible and ineligible amounts awarded and the specific funding stream, and in sufficient detail to show the expenses in the invoice are defined to show they were part of the grant award and that the task in the milestone was completed. Grant Funds shall not be used for updating data gathered during the Project. The 911 Board may release Grant Funds directly to subgrantees upon receipt of evidence satisfactory to the 911 Board Executive Director that all conditions necessary to release such Funds have been satisfied. Such evidence may comprise demonstrated compliance with work and payment schedules of this Agreement and any agreement with a Subgrantee, relevant contracts, purchase orders and invoices therefor, satisfactory completion of testing and acceptance criteria of Grantee's contracts with its vendors, approval of the Grantee, and such other evidence as the Executive Director deems reasonably necessary or proper. Payment schedules may include pre-determined progress payments, payments based upon time and materials that are not to exceed a maximum amount, retainage, and such other terms that are consistent with this Agreement.

b. Grant Funds shall not be released, or paid, in advance of performance of actual services or delivery of reimbursable purchases, nor paid for interest, allocations for budget contingencies, maintenance or other services in future fiscal years. Grant Funds may not be used for any type of bond, monies due upon contract execution, or any type of speculative downpayment for the project. Funds shall be applied to ineligible expenses as identified in the Grant Application as authorized by N.C. Gen. Stat. §143B-1407(b)(4), and to expenses that are eligible under N.C. Gen. Stat. §143B-1400 *et seq.* and the Rules and policies of the 911 Board. The Grantee agrees that final invoices shall not be reimbursed by the Board until the final report required by Exhibit A of this Agreement is received and accepted by the Executive Director.

c. As stated in Subsection 2(c)(4) of this Grant Agreement, once activated on the VIPER system, the Grantee will submit a completed copy of the subscriber unit activation request form as sent to the VIPER Network Operations Center. The completed request form shall be sent as a pdf file to the PSAP's assigned Regional Coordinator and shall become an addendum to this executed Grant Agreement. The Grantee agrees that it must submit the activation request form and until it does so, it shall not be reimbursed by the Board.

d. The Grantee agrees to submit all requests for reimbursement to the Board under Subsection 7(a) of this Agreement within thirty (30) days of Grantee's payment to that Vendor following performance of services or delivery of purchases. The Grantee agrees that final invoices shall not be reimbursed by the Board until the final report required by Exhibit A of this Agreement is received and approved by the Executive Director as meeting the requirements of Rule 09 NCAC 06C .0405(c).

e. Indirect costs and administrative costs will not be allowable charges against Grant Funds unless such costs are specifically included in the approved Project budget as incorporated into the award.

f. Grantee will maintain full, accurate, and verifiable accounting records to support the preparation of financial statements in conformity with accounting practices applicable to N.C. local governments as approved by, or consistent with, standards of the Local Government Commission. Expenditures must be consistent with the Project Budget and N.C. Gen. Stat. §143B-1400 *et seq.*

g. In the event Grantee breaches any of the covenants or agreements contained in this Section, or any of the representations and warranties of Sections 9, 19, and 24 are untrue as to a material fact as of the date of this Agreement, Grantee agrees to return any unearned Grant Funds held by Grantee and refund sums equal to any non-qualified expenditures paid with Grant Funds. Grantee's obligations that are created by this Agreement to return Grant Funds and to refund sums apply only to Grant Funds held by Grantee. Grant Funds are "held" by Grantee only to the extent they are in the actual, not constructive, possession of Grantee. Grantee shall timely enforce all such rights, duties and perform its responsibilities to ensure completion of the accounting and return of Grant Funds to the Board.

h. Grantee must attend workshops or other instructional sessions relating to administration of the Grant or use of 911 Funds provided by the 911 Board during the term of this Agreement.

i. Funds identified with contingencies or escalations as presented in Grantee's budget documents and financial forecasts shall revert to the Board's Grant Fund if unused or unallocated in a timely manner.

j. If the Board determines that the actual costs of the Project are less than the Grant amount, the Board, in its sole discretion, may reduce the amount of the Grant accordingly. If the Grantee determines that the actual costs of the Project are less than the Grant amount, it shall report so to the Board and return any surplus Grant Funds it has received to the Board.

k. Any costs associated with completing the project that are not eligible for reimbursement through Grant Funds, as set forth in the Grant Application, must be paid through Grantee's general funds. The general funds shall come from local resources and may not be derived from other State or federal grant funds unless such other funds were specifically identified in the Grant Application.

8. Travel Expenses. The approved budget does not include travel costs. Such costs, if any, are limited to reimbursement rates set forth in N.C. Gen. Stat. §138-6; as interpreted by the Office of State Budget and Management, and as amended from time to time. The State of North Carolina's Travel Policy is contained in the State Budget Manual located on the Internet at <http://www.osbm.state.nc.us>. Original receipts for such expenses shall be retained by Grantee.

9. Independent Status of Grantee.

a. It is agreed between the Parties that neither this Agreement nor any provisions hereof shall be deemed to create a partnership or joint venture between Grantee and any third party, nor with the 911 Board. It is further agreed that except for the rights expressly granted to Grantee or the 911 Board in this Agreement, neither of them shall have any proprietary rights in the Project.

b. The Parties acknowledge that Grantee is an independent entity. Grantee shall not represent itself as an agent of the 911 Board; nor shall the Agreement be construed so as to make Grantee an agent of the 911 Board. Grantee shall not have the ability to bind the 911 Board to any agreement for payment of goods or services, nor shall it represent to any person or entity that it has such ability. Grantee shall be responsible for payment of all its expenses, including rent, office expenses and all forms of compensation to employees. Grantee shall provide workers compensation insurance to the extent required for its operations and shall accept full responsibility for payments of unemployment compensation, social security, income taxes and any other charges, taxes or payroll deductions required by law in connection with its operations, for itself and its employees who are performing work pursuant to this Agreement. All expenses incurred by Grantee are its sole responsibility. The 911 Board shall not be liable for the payment of any obligations incurred in the performance of the Project.

10. Conflicts of Interest. Grantee acknowledges and represents that it has adopted policies governing conflicts of interest and ethics in the exercise of its authority, and its actions under this Agreement. Grantee will review, disclose, and employ its best efforts to resolve any anticipated or reported conflict of interest or issue involving its ethics policies during the performance of this Agreement. Grantee shall, upon request, submit a copy of its conflict to interest policy, and shall ensure that such policy conforms to the requirements of N.C. Gen. Stat. §143C-6-23 and other applicable laws.

11. **Obligation of Funds.** Grant Funds provided by the 911 Board may not be utilized to reimburse expenses incurred by Grantee from its General Fund or any other funds prior to the Effective Date or subsequent to the End Date. All unpaid obligations incurred prior to the End Date shall be paid and satisfied by Grantee within thirty (30) days thereafter. Grant Funds shall be deobligated if not expended in the time and manner agreed herein. The 911 Board may deobligate all or part of the awarded funds if:

- a. The actual cost of goods or services identified in the Grant budget funded by the Grant award is less than the total award, or
- b. If the Grantee does not complete the project by the end of the Term of the Agreement, set forth in Section 5 of this Agreement.

If Grant Funds are not expended within the term of this Agreement and manner agreed herein, and in compliance with the project schedule and budget, the Board shall provide notice of deobligation of such Grant Funds to the Grantee. Notice of deobligation shall provide an effective date of deobligation which shall not be less than thirty (30) days after the date of the notice.

12. **Project Records.**

- a. Grantee shall maintain full, accurate and verifiable financial records, supporting documents, and all other pertinent data for this Project in such a manner so as to identify and document clearly the expenditure of Grant Funds provided under this Agreement, separate from accounts for other awards, monetary contributions, or other revenue sources for this Project.
- b. Grantee shall retain all financial records, supporting documents, and all other pertinent records related to the Project for five (5) years from the End Date. In the event such records are audited, all Project records shall be retained beyond such three-year period until any and all audit findings have been resolved.
- c. Pursuant to N.C. Gen. Stat. §143C-6-23, and §147-64.7, Grantee agrees to make available to the State Auditor, Board, or designated representatives of the foregoing, all of its records that relate to the Project, and agrees to allow the 911 Board or its representative to audit, examine and copy any and all data, documents, proceedings, records and notes of activity relating in any way to the Project. Access to these records shall be allowed upon request at any time during normal business hours and as often as the 911 Board or its representative may deem necessary.
- d. Grantee acknowledges and agrees that it will be subject to the audit and reporting requirements prescribed by N.C. Gen. Stat. § 143C-6-23 *et seq.* and Non-State Entities Receiving State Funds or N.C. Gen. Stat. §159-34, The Local Government Budget and Fiscal Control Act - Annual Independent Audit; Rules and Regulations as applicable. Such audit and reporting requirements may vary depending upon the amount and source of funding received by Grantee, and such are subject to change from time to time. Grantee shall constantly monitor all performance under Grant-supported activities, including activities performed by Subgrantees, to ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. Such obligations to comply with the Board's or other agency's monitoring activities shall survive grant closeout and the termination of this Agreement.

13. Publications.

a. Any published or distributed reports, data, or other information shall contain a disclaimer statement to the following effect: *Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view and policies of the 911 Board.*

b. 911 Board may publish or arrange for the publication of information resulting from work carried out under this Agreement, and copyright any books, publications, films, or other copyrightable materials developed in the course of or resulting from work under this Agreement.

c. Upon publication of any materials resulting from the work of the Project, Grantee shall furnish a minimum of two copies of reprints to the 911 Board.

14. Termination; Availability of Funds.

a. If Grantee fails for any reason to fulfill in a timely and proper manner its obligations under this Agreement, the 911 Board shall thereupon have the right to terminate this Agreement by giving written notice to Grantee of such termination and by specifying the effective date of termination. For the avoidance of doubt, Grantee's failure to appropriate funds necessary to complete the project shall be reason for termination. In such event, the 911 Board shall have no responsibility to make additional payments under this Agreement after the End Date. No further expenditures shall be made under this Agreement except for such work as shall have already been performed prior to the End Date and Grantee shall return all unearned funds upon the demand of the 911 Board.

b. The Grantee agrees it will repay Grant Funds if it fails to comply with any terms of this Agreement. The Grantee shall not be relieved of liability to the 911 Board for damages sustained by the 911 Board by virtue of any breach of this agreement, and the 911 Board may withhold payment to the Grantee for the purpose of set off until such time as the exact amount of damages due the 911 Board from such breach can be determined.

c. The Parties may terminate this Agreement by mutual consent upon sixty (60) days' notice. Notice may be given by either party to the other at the addresses and to the attention of the Party's representative specified in Section 28 below.

d. Termination of the contract by the Grantee shall not prohibit the 911 Board from seeking remedies for additional costs consequential to the termination incurred by the 911 Board. The Grantee shall repay to the 911 Board any Grant Funds received in excess of the distributions under this Agreement.

e. Grantee recognizes that Grant Funds are State Funds, and the expenditure of State Funds deposited in the State treasury, including the 911 Fund, is subject to acts of appropriation by the General Assembly and actions of the Budget Director.

15. Liabilities and Loss. The 911 Board assumes no liability, nor shall it have any liability under this Agreement, with respect to accidents, bodily injury, illness, breach of contract or any other damages, claims, or losses arising out of any activities undertaken by Grantee or its contractors under this Agreement, whether with respect to persons or property of Grantee, or third parties. Grantee agrees to obtain insurance to protect it and others as it may deem desirable, or, if it elects not to obtain such insurance, it represents that it has adequate resources available to it for

this purpose. Further, Grantee agrees, to the extent permitted by law, to indemnify, defend and save harmless the 911 Board, and their respective officers, agents and employees against any liability, including costs and expenses and attorney's fees, for the violation of any proprietary right or right of privacy arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any information published resulting from the work of the Project or based on any libelous or other unlawful matter contained in such information. Grantee also further agrees, to the extent permitted by law, to indemnify, defend and save harmless the 911 Board, and their respective officers, agents and employees from any and all claims and losses accruing or resulting to any and all subgrantees, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the Project and the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee or its agents in the performance of the Project.

16. Bankruptcy of Third Parties. In the event that any Subgrantee (or other entity other than Grantee) receiving Grant Funds files bankruptcy owing Grantee, the Board or other entities any money, it shall be the sole responsibility of Grantee to (i) immediately notify the Board and (ii) pursue all reasonable claims against the debtor in bankruptcy to obtain the maximum payment allowed by law. To the extent that Grantee fails to pursue the debtor in bankruptcy and obtain the maximum payment allowed by law, Grantee shall be responsible for all amounts paid to such Third Party that are not returned to Grantee; and no Grant Funds may be expended to replace such monies or payments represented by claims against the Third Party.

17. Remedies. In the event of Grantee's non-compliance with any provision in this Agreement, Grantee agrees that the Board may take any actions authorized by law or by this Agreement, including but not limited to those described in 09 NCAC 03M .0401. These remedies include, but are not limited to, reducing, or suspending Grant Funds or terminating the Grant, including the withdrawal of all funds described in this Agreement except for funds already expended on otherwise eligible activities which may not be recaptured or deducted from future grants. The Board may also require Grantee to reimburse Grantee's Program account for improperly expended funds by Grantee or any Subgrantee or other Third Party, as set forth in G.S. §143B-1407(c).

a. Upon non-compliance with the applicable provisions of 09 NCAC 03M, the Board shall take measures under Rule .0801 of that Subchapter to ensure that the requirements are met, including: communicating the requirements to the non-State entity; requiring a response from the non-State entity upon a determination of noncompliance; and suspending payments to the non-State entity until the non-State entity is in compliance.

b. Pursuant to 09 NCAC 03M .0703(11), the Parties may terminate this Agreement with 60 days' notice by mutual consent, or as otherwise provided by law. Pursuant to 09 NCAC 03M .0703(13), unexpended Grant Funds shall revert back to the Board upon termination of the Agreement, unless otherwise provided by applicable laws, rules, regulations or orders.

c. However, no termination of this Agreement or the Grant (i) removes Grantee's liability regarding any Grant Funds improperly expended (including the Board's enforcement abilities to recover such funds) or (ii) removes Grantee's existing and continued obligations and liabilities with respect to Grant Funds already properly expended (including the Board's enforcement abilities).

18. Entire Agreement. This Agreement supersedes all prior agreements between the 911 Board and Grantee; and expresses the entire understanding of the Parties with respect to the transactions contemplated herein, and shall not be amended, modified, or altered except pursuant to a writing signed by both Parties.

19. Grantee Representation and Warranties. Grantee hereby represents and warrants that:

a. Grantee is duly organized and validly existing as a unit of local government under the laws of the State of North Carolina.

b. This Agreement constitutes a binding obligation of Grantee, enforceable against it in accordance with its terms. The execution and delivery of this Agreement have been duly authorized by all necessary action on the part of Grantee and does not violate any applicable organizational documents of Grantee, or any agreement or undertaking to which it is a party or by which it is bound.

c. Grantee shall allocate such further and sufficient funds to complete the project in a manner consistent with this Agreement and the Grant Application.

d. There is no action, suit, proceeding, or investigation at law or in equity or before any court, public board or body pending, or to Grantee's knowledge, threatened against or affecting it, that could or might adversely affect the Project or any of the transactions contemplated by this Agreement or the validity or enforceability of this Agreement or Grantee's ability to discharge its obligations under this Agreement.

e. All consents or approvals necessary from any governmental authority as a condition to the execution and delivery of this Agreement have been obtained by Grantee. Grantee shall provide the 911 Board with evidence of the existence of all such contracts at the time of the execution of this Agreement. Grantee agrees that the funding contingencies identified in the Grant Application are waived and that all such parties agree that grant funding is sufficient for the purposes and scope of the Grant.

f. The Grantee will notify the 911 Board Executive Director of any significant problems relating to the administrative or financial aspects of the award, such as misappropriation of funds; use of 911 Funds for non-eligible expenses; or placement or retaining 911 funds in any account other than the Emergency System Telephone Fund.

g. Grantee certifies that it has complied with G.S. §§14-234 and 133-32 and shall continue to require compliance for itself and any vendors, contractors or other third parties during the term of this Agreement. Any violations of G.S. § 14-234(f) shall be reported to the Board's Executive Director within ten (10) days of Grantee learning of such violation.

20. Performance Measures. Grantee shall ensure that its contracts with third parties include performance measures that provide remedies ensuring protection of the Grant Funds, any matching funds or funds from other sources, and that secure completion of this Agreement consistent with the time and budget for the Project. Specific measures are within the discretion of Grantee, and Grantee shall consider including measures including one or more of the following:

a. Requiring terminated vendors to provide costs of cover for replacement goods or services.

b. Termination of vendor contracts for cause and vendor's forfeiture of rights to payment.

- c. Grantee's ownership, or free use, of all planning materials, estimates, drafts, plans, drawings and similar items or information produced by Grantee's vendors in the event of termination for any reason.
- d. Grantee's requirement that its vendors provide contract security for their performance, including but not limited to, bonds, letters of credit, escrows of funds or other assets, or like security.
- e. Terms and conditions of agreements allocating damages and setting forth limitations of liability as may be necessary or proper to ensure that any breaches or failures to perform by Grantee's vendors, as a minimum measure,
- f. Acceptance testing and warranties for any and all equipment, goods and services provided by Grantee's vendors of sufficient duration and measurement to ensure performance consistent with 911 center operations.

21. **Subcontracting.** Grantee shall not subcontract any of the work contemplated under this contract without obtaining prior written approval from the 911 Board. Any approved subcontract shall be subject to all conditions of this Agreement. Only the subgrantees specified in the Application are to be considered approved upon award of the contract. Grantee shall be responsible for the performance of any subgrantee; and shall require all subgrantees to comply with the provisions of the grant award, including this Agreement. Grantee shall be responsible for the performance of any subgrantee.

- a. Grantee shall ensure that any subgrantee provides all information necessary or proper to ensure compliance with this Agreement and the timely completion of the Project.
- b. The Grantee shall provide all necessary personnel, equipment, and facilities required to implement the work as stated in the Grantee's Grant Application and subsequently approved project schedules, budgets and project scope identified herein, in accordance with the stated objectives, goals, results, standards, and deliverables.

22. **Excusable Delay (Force Majeure).** Neither party shall be liable for any failure or delay in performing any of its obligations under this Agreement that is due to causes beyond its reasonable control, such as, but not limited to, acts of God, earthquakes and other natural catastrophes, governmental acts, shortages of supplies, riots, war, fire, epidemics, delays in common carriers, labor strikes or other difficulties or circumstances beyond its reasonable control. Grantee shall notify the 911 Board promptly of any factor, occurrence or event that comes to its attention that may affect or delay Grantee's ability to perform any of its other obligations hereunder. The obligations and rights of the excused party shall be extended on a day-to-day basis for the time period equal to the period of the excusable delay. The parties agree that Grantee failing to place an order for the portable radios by February 5, 2025, does not constitute excusable delay.

23. **Dispute Resolution.** The Parties agree that it is in their mutual interest to resolve disputes informally. A claim by Grantee shall be submitted in writing to the 911 Board for decision. A claim by the 911 Board shall be submitted in writing to Grantee for decision. The Parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under this Agreement. If a dispute cannot be resolved between the Parties within thirty (30) days after delivery of notice, either Party may elect to exercise any other remedies available under this Agreement, or at law; or invite the other party to

submit the matter to mediation. If both Parties agree to submit the matter to mediation, the following actions shall be taken:

- a. Each Party shall recommend a mediator certified by the N.C. Courts after first determining that the recommended mediator, and said mediator's firm, if any, have no conflict or prior knowledge of the matter to be resolved, and no prior work for or against either Party,
- b. The recommended mediators must have knowledge of the general subject matter of the FCC 911 laws, regulations and 911 practices,
- c. The recommended mediators must be able to execute and deliver a satisfactory confidentiality and non-disclosure agreement if information exempt from disclosure under N.C. Gen. Stat. §132-1, *et seq.* is relevant or material to the matter to be resolved,
- d. Recommended mediators and their respective contact and qualification information shall be exchanged within five (5) days to each party as provided in Section 28 below following the agreement to mediate,
- e. Unless the Parties mutually agree to select a particular mediator, the selection of a mediator shall be determined by the Mediator's earliest available date to initiate mediation. Any agreement to mediate shall require the Parties to appear and mediate the matter in good faith in accordance with the schedule and calendar established by the Mediator, and
- f. Provided, however, that this term shall not constitute an agreement by either Party to mediate or arbitrate any dispute; and that any agreement to mediate may be revoked or terminated without penalty therefor if so advised by the N.C. Attorney General.

24. Special Provisions and Conditions.

- a. The 911 Board may request from Grantee certain information that will assist 911 Board with evaluation of the short and long-range impact of its programs. Grantee recognizes that such requests may occur after termination of this Agreement and agrees, to the extent possible, to provide such information as requested.
- b. If the 911 Board finds that Grantee has used Grant Funds for an unauthorized purpose, or in a manner not agreed and approved as provided in this Agreement, the Board shall report such findings to the Attorney General, The Office of State Budget and Management, the Office of the State Auditor, the Local Government Commission, and the Office of the State Controller, as may be required by applicable law and regulations. Funds shall not be disbursed to Grantee if the Grantee fails to comply with any of the requirements of this Agreement, including reporting requirements.
- c. Nondiscrimination. Grantee agrees not to discriminate by reason of age, race, religion, color, sex, national origin, or handicap related to the activities of this Agreement.
- d. Conflict of Interest. Grantee certifies that to the best of its knowledge no employee or officer of Grantee has any pecuniary interest in the business of the 911 Board or of the Project, and that no person associated with Grantee has any interest that would conflict in any manner with the performance of the Agreement.
- e. Order of Precedence. To the extent of any conflict between this Agreement, including the Exhibits comprising Grantee's Grant Application and supporting documents

and Reporting Schedule, such conflicts shall be resolved by first referring to this Agreement, followed serially by the Reporting Schedule, Grant Application, and lastly by other subordinate documents in reverse order to their adoption.

f. Compliance with Laws. Grantee shall at all times observe and comply with all laws, ordinances, and regulation of the state, federal and local governments which may in any manner affect the performance of the Agreement.

g. Non-Assignability. Grantee shall not assign any interest in the Agreement and shall not transfer any interest in the same without prior written consent of the 911 Board; provided, however, that claims for money due to Grantee from the 911 Board under this Agreement may be assigned to any commercial bank or other financial institution without such approval.

h. Personnel. Grantee represents that is has, or will secure at its own expense, all personnel required to carry out and perform the scope of services required under this Agreement. Such personnel shall be fully qualified and shall be authorized under state and local law to perform such services.

i. Future Cooperation. The Board and Grantee agree to cooperate fully with one another, to execute any and all supplementary documents and/or agreements that may be necessary or helpful to give full force and effect to the terms of this Agreement and to the Parties' intentions in entering this Agreement.

j. Illegal Aliens. No costs incurred as a result of work performed by illegal aliens shall be eligible for reimbursement by Grant Funds. As such, in submitting a reimbursement request to the Board for payment, Grantee shall be required to certify to the Board that the expenses for which reimbursement is sought were not incurred as a result of work performed by illegal aliens. Contracts awarded by the Grantee that are funded by this Grant shall require Grantee's Vendor(s) and each of its subcontractors comply with the E-Verify requirements of G.S. Chapter 64, Article 2.

25. Intellectual Property Rights. All documents, data, databases, maps, compilations and other works produced by Grantee or any subgrantee under this Agreement shall be considered either Works for Hire under applicable copyright law, or as public records, and neither Grantee nor any subgrantee shall have any property rights of ownership in such works.

26. Confidential Information. The Parties acknowledge and agree that each is subject to the N.C. Public Records Act, which is set forth in N.C. Gen. Stat. §132-1, *et seq.* The Parties further acknowledge and agree that other standards of confidentiality may apply to information made or received during the performance of this Agreement. Such information may include proprietary information of a third party. Prior to accepting any proprietary information, the receiving Party shall ensure that an appropriate and acceptable non-disclosure agreement (NDA) is prepared. Any NDA shall ensure:

- a. That the Proprietary Information is protected as permitted by applicable law,
- b. That the Proprietary Information is available and accessible to all persons as may be necessary to complete the purposes of this Agreement, and
- c. That the Proprietary Information is clearly marked as such.

27. **Proprietary Information:** Proprietary information shall be subject to the N.C. Public Records Act, which is set forth in N.C. Gen. Stat. 132-1, *et seq.* Grantee shall ensure that any third party is encouraged to review the applicable Statutes prior to submitting any information or documentation believed to be proprietary.

a. 911 Board may maintain the confidentiality of certain types of information described in N.C. Gen. Stat. §143B-1412 and §132-1, *et seq.* Such information may include trade secrets defined by N.C. Gen. Stat. §66-152 and other information exempted from the Public Records Act pursuant to N.C. Gen. Stat. §132-1.2.

b. Grantee may permit third parties to designate appropriate portions of reports, data, and other deliverables as confidential, consistent with and to the extent permitted under the statutes set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type “**CONFIDENTIAL.**” By so marking any page, any disclosing party warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Statutes set forth above.

c. The 911 Board may serve as custodian of confidential information and not as an arbiter of claims against any party’s assertion of confidentiality. If an action is brought pursuant to N.C. Gen. Stat. §132-9 to compel disclosure information marked confidential, the disclosing party agrees that it will intervene in the action through its counsel and participate in defending the 911 Board, including any public official(s) or public employee(s). The 911 Board agrees to promptly notify Grantee in writing of any action seeking to compel the disclosure of a third party’s confidential information. The 911 Board shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The 911 Board shall have no liability to Grantee or any third party with respect to the disclosure of confidential information ordered by a court of competent jurisdiction pursuant to N.C. Gen. Stat. §132-9 or other applicable law; nor by disclosure of unmarked information or information that is publicly known.

28. **Notice.** All notices required or permitted to be delivered hereunder and all communications in respect hereof shall be in writing and shall be deemed given when personally delivered by one or more of the following: by email, which the parties agree is the preferred method for delivery, or when deposited in the United States mails, first class, postage prepaid and properly addressed, as follows:

If to the 911 Board:           Attn: L. V. Pokey Harris, Executive Director  
  N.C. 911 Board  
  P.O. Box 17209  
  Raleigh, NC 27609  
  
  Ph: 919-754-6621  
  E-Mail: pokey.harris@nc.gov

If to Grantee:                   The PSAP Contact listed on the Grant Application, which is attached as Exhibit C. If the Contact changes, the Grantee must

notify the Board of the updated information by contacting the PSAP's assigned Regional Coordinator

or addressed to such other address or to the attention of such other individual as the 911 Board or Grantee shall have specified in a notice delivered pursuant to this Subsection.

29. Construction. This Agreement shall be construed and governed by the laws of the State of North Carolina. The place of this Agreement, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation, and enforcement shall be determined. The Parties agree and submit, solely for matters relating to this contractual Agreement, to the jurisdiction of the courts of the State of North Carolina and stipulate that Wake County shall be the proper venue for all matters.

30. **This Agreement will expire and Grant Funds will be deobligated if the Agreement is not signed and returned to the 911 Board for countersignature no later than the date specified in the grant electronic mail correspondence in which it was sent to Grantee.**

**Exhibit A**  
**Reporting Schedule**

Grantee shall report the following to the Board, by providing information to the Executive Director:

1. Grantee's contracts shall include performance measures and acceptance testing criteria to ensure that the equipment and services meet the operational and technical requirements of the 911 center. Grantee shall provide copies of contracts, purchase orders and invoices for any equipment or services for which Grant Funds will be expended, including direct disbursements to subgrantees, if any. Such items shall be reported to the Executive Director in a timely manner to ensure prompt payment for any authorized invoices.
2. Progress Reports or assessments that demonstrate the success, or lack thereof, of the Project. The progress reports shall include activities and actions within the Scope of Project (Section 2), Project Schedule (Section 6), any changes in the governance proposed in the Grant Application (Section 3), achievement or progress regarding PSAP priorities identified in the Grant Application and the following information: a comparison of actual accomplishments to the goals and objectives described in the Grant Application as such are established for the period and any significant findings; reasons why established goals were not met, if applicable; and other pertinent information including, where appropriate, analysis and explanation of cost overruns or projected changes in time or funding needed for completion of project objectives.
3. A general project timeline of milestones is listed or incorporated herein.
4. Interim Reports
  - a. The Grantee shall submit one copy of the interim report via email in PDF format to the Executive Director and the PSAP's assigned Regional Coordinator on or before 1 February 2025, using the attached template in Exhibit B.
5. Final Project Report
  - a. The Grantee shall submit one copy of the final project report via email in PDF format to the Executive Director and the PSAP's assigned Regional Coordinator within 45 days after the end of the project period using the attached template in Exhibit B.
  - b. The final project report shall document and summarize the results of the work. It shall include detailing the activities, expenditures of the funds, and the ways in which the needs identified in the Grant Application were met. The final report shall be submitted within 45 days after the end of the project period, and shall be accompanied by supporting documentation for all expenditures of the Grant Funds.
  - c. The Grantee shall submit at the same time of the final report the final invoices to be reimbursed. The Grantee agrees that final invoices shall not be reimbursed by the Board until the final report is received and approved as meeting the requirements of Rule 09 NCAC 06C .0405(c).

**Exhibit B**  
**Interim and Final Grant Report Templates**

- Use the Template language for both reports.
- Both reports must be submitted on the local government's letterhead with the date of submission.
- Both reports must be signed by each of the following: 1) the PSAP manager; 2) the locality's Finance Manager; and 3) the County or City Manager.

**1. The Interim Report shall be submitted no later than February 1, 2025.**

The {specific number and type of} radios were ordered on {date}. The total cost was {amount}. The contract included the purchase of {number} of radios, to include two chargers for each radio, programming, ARS encryption, and code plug, as well training for all PSAP staff members and maintenance for each portable radio for twelve months.

The portable radios contain the VIPER Statewide required template, as defined in the State Interoperability Executive Committee's SOG.

Once activated on the VIPER system, we will submit a completed copy of the subscriber unit activation request form as a pdf to the PSAP's assigned Regional Coordinator. *If the PSAP has already submitted the information, use this alternative language:* The PSAP submitted to its Regional Coordinator a pdf of the completed copy of the VIPER subscriber unit activation request form on {date}.

*Only applicable if the PSAP has not yet placed its radio order:* The PSAP understands that failing to place its order for radios by February 5, 2025 means that it is not entitled to an extension pursuant to Section 5 of this Grant Agreement. Therefore, the PSAP understands that if it has not met the full extent of its obligations under this Grant Agreement, it will not be reimbursed by the Board and will have to pay for any purchases made in an attempt to fulfil its obligations under Grant Agreement with general funds.

**2. The Final Report shall be submitted within 45 days of completing the project.**

The {specific number and type of} radios were ordered on {date}. The total cost was {amount}. The contract included the purchase of {number} of radios, to include two chargers for each radio, programming, ARS encryption, and code plug, as well training for all PSAP staff members and maintenance for each portable radio for twelve months.

The radios and chargers were delivered {date}. Upon delivery, the programming, ARS Encryption, and code plug were installed.

Staff was trained by the vendor on {date(s)}.

The PSAP submitted to its Regional Coordinator a pdf of the completed copy of the VIPER subscriber unit activation request form on {date}.

The project is now complete. Final invoices were submitted on {date} or with this final report.

**Exhibit C  
Grant Application**

**Grantee's Grant Application is attached hereto and is incorporated by reference.**



## 2023 Portable Radio PSAP Grant Application

PSAP Name: Shelby Police Department

PSAP Contact Name: Joe Thurkill

PSAP Contact Email: joe.thurkill@cityofshelby.com

PSAP Contact Phone Number: 704-484-6845

PSAP Address: 130 W Warren Street

Date: 9/3/2023

Number of Board-approved seats: 3

*Please double click in the cell to open the table. Once complete, close out the table to transfer data. \*\*\*The number of radios requested cannot exceed the number of Board-approved seats in the Primary PSAP.*

Types of Radio Requested	Number of Radios	Per Radio Cost	Total funds requested
Motorola APX6000 700/800mhz	3	\$5,846.15	\$17,538.45
Motorola APX8000 700/800mhz/VHF/UHF Multiband	0	\$8,330.89	\$0.00
Tait TP9400 700/800mhz/VHF/UHF Multiband	0	\$3,154.50	\$0.00
Tait TP9600 700/800mhz/VHF/UHF Multiband	0	\$3,627.75	\$0.00
EF Johnson-Kenwood VP5000 700/800mhz	0	\$2,756.66	\$0.00
EF Johnson-Kenwood VP6000 700/800mhz	0	\$3,603.71	\$0.00
EF Johnson-Kenwood VP8000 700/800mhz/ VHF/UHF Multiband	0	\$5,498.91	\$0.00

**By submitting this application, the above-named PSAP acknowledges and agrees to the following:**

This grant opportunity is available only to Primary PSAPs.

The PSAP will make direct purchase of the desired radios from the PSAP's vendor of choice. The PSAP's locality will be reimbursed for the purchase.

The Primary PSAP will be required to enter into a grant agreement with the Board upon approval of the application. The grant agreement will give the PSAP approximately 14 months to purchase the radios and complete programming and staff training.

This grant opportunity will provide the following per approved seat:

- 1 portable radio (including two batteries)
- 2 chargers; one for the primary PSAP and backup PSAP
- Programming per radio cost, ARS Encryption, and Code Plug
- Training for PSAP staff on use of the new portable radios
- Maintenance for the first 12 months

The number of awarded radios will not exceed the number of Board-approved seats.

Each portable radio must be kept on the dispatch floor at a console in order to be available for use by telecommunicators. The portable radios will not be kept elsewhere within the PSAP, including supervisor offices.

The radios may only leave the Primary PSAP when taken directly from the Primary PSAP to a Board-approved Backup PSAP.

The radios will be maintained exclusively for the Primary's PSAP use. The PSAP will not share, gift, loan, or otherwise allow the use of any of the grant-awarded portable radios by other PSAPs, agencies, or departments, including those that the PSAP dispatches for or that are otherwise affiliated with the PSAP.

The PSAP understands that the radios may be checked during PSAP assessments or Board staff visits to ensure that all Board-awarded portable radios are on premises.

All portable radios purchased through this program must contain the VIPER Statewide required template as defined in the State Interoperability Executive Committee's SOG, in addition to whatever local talk groups the PSAP deems appropriate to its jurisdiction.

Once activated on the VIPER system, each PSAP must submit a completed copy of the subscriber unit activation request form as sent to the VIPER Network Operations Center. The completed request form will become an addendum to the executed Grant Agreement. The submission of the pdf will be required prior to any reimbursement by the Board.

The PSAP must pay for anything related to the radios that exceed the amount approved by the Board.

After the first year, the PSAP will pay for all maintenance for the radios out of its general fund. The PSAP understands that the maintenance will not be ETSF eligible.

The PSAP agrees that it will keep the radios for at least 36 months. It will not resell them or give them away to any other entity. If the PSAP does not retain the radios on the PSAP premises for at least 36 months, it will reimburse the Board pursuant to Rule 09 NCAC 06C .0405.

**The applicant PSAP must email this completed application form by 5 p.m. on Friday, September 29, 2023, to [911comments@its.nc.gov](mailto:911comments@its.nc.gov)**

Board Internal Use Only:

- Regional Coordinator reviewed for accuracy.
- Financial Review Specialist reviewed for accuracy.
- Executive Director reviewed for accuracy and forward to legal counsel for preparation of Grant Agreement.

ORDINANCE NO. 15-2024

CITY OF SHELBY  
FY 2023-2024 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 2023-2024; 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. 28-2023, the City’s FY 2023-2024 Budget Ordinance, is hereby amended as follows to provide for Budget Amendment No. 5 for the year:

(A) The City of Shelby has identified a need to record 911 Board grant revenues. 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 21003000-34202 911 Board Revenue	\$17,538
(b) Increase 210432-51000 Capital Equipment	\$17,538

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. 5</u>
General Fund	\$ 32,790,837	\$ 32,790,837
Emergency Telephone System Fund	70,279	87,817
Powell Bill Fund	701,225	701,225
Economic Dev. Fund	728,300	728,300
Housing Fund	2,736,183	2,736,183
Cemetery Fund	36,000	36,000
Utilities-Water Fund	7,174,082	7,174,082
Utilities-Sewer Fund	7,697,269	7,697,269
Utilities-Electric Fund	24,501,726	24,501,726
Utilities-Gas Fund	25,607,712	25,607,712
Utilities – Stormwater Fund	974,027	974,027
FY 2023-2024 Budget Total	<u>\$103,017,640</u>	<u>\$103,035,178</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 19th day of February A. D. 2024.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

APPROVED AS TO FORM:

---

Jason Lunsford  
City Attorney

Agenda Item: D-4

- 4) Approval of a resolution adopting the City Of Shelby's Customer Services Policy:  
Resolution No. 13-2024

**Consent Agenda Item: (Beth Beam, Finance Director)**

---

Summary of Available Information:

- Memorandum dated February 12, 2024, from Beth B. Beam, Director of Finance to Rick Howell, City Manager
- Customer Services Policy Manual and Customer Service Agreement
- Resolution No. 13-2024

---

City Manager's Recommendation / Comments

Resolution No. 13-2024 is presented for City Council consideration via the Consent Agenda. If approved this resolution would update the current customer service policy which is used by management and supervisors as they interact with customers. This would replace the Customer Service Policy manual from 2018.

Updating policies is an important task and goes through an input process beginning with front line staff, and then involves supervisors, management, City Attorney as well as some staff from various departments.

**It is my recommendation that Resolution No. 13-2024 be adopted and approved by City Council at this time via the Consent Agenda.**



To: Rick Howell, City Manager  
From: Beth B. Beam, Director of Finance  
Date: February 12, 2024  
Subject: Customer Services Policy Manual

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. The City's Customer Services Policy Manual was last revised and approved by the City Council on November 20, 2018.

Review and Comments:

The Customer Services Policy Manual has been revised. This document will be the source of the underlying principals used in the management of Customer Service practices.

Recommendation:

The recommendation from staff is to approve the attached resolution to adopt the Customer Services Policy Manual.



***CUSTOMER SERVICES***

***POLICY***

***MANUAL***

***for City of Shelby Utilities***

***COURTEOUS \* RESPONSIVE \* ACCURATE***

**Effective February 19, 2024**

Adopted and approved the 19th day of February, 2024

PO Box 207 – Washington at Graham St. – Shelby, North Carolina 28151-0207

Table of Contents

Article I. Introduction	4
Section 1 Customer and Meter Services Mission Statement	
Section 2 Employee Values	
Section 3 Purpose of Customer Service Policy	
Article II. Responsibilities of the City and The Customer	5
Article III. Services Provided	5
Article IV. Service Hours, Location, and Contact Information	6
Section 1 Mailing Address	
Section 2 Holiday Observances	
Article V. Start Service	7-8
Section 1 Application for Utility Services	
Section 2 Deposit Requirements	
Article VI. Stop Service	8-10
Section 1 Voluntary Discontinuance of Service	
Section 2 Involuntary Discontinuance of Service	
Section 3 Extreme Weather Disconnect Guidelines	
Section 4 Reconnection of Utility Services	
Article VII. Understanding Your Bill	11-14
Section 1 Meter Readings	
Section 2 Monthly Billing Procedures	
Section 3 Selection of Rates	
Section 4 Adjustments and Billing Errors	
Section 5 Meter Tampering	
Section 6 Appeals Process	
Article VIII. Payment Options	14-15
Section 1 Automatic Bank Draft	
Section 2 Credit Card Payment Plan	
Section 3 Application of Payment	
Section 4 Credit Balances	
Article IX. Credit and Payment Information	15-16
Section 1 Payment Extensions	
Section 2 Insufficient Funds or Credit	
Section 3 Collection of Delinquent Accounts	
Article X. Programs and Services	16

Appendix A	Schedule of Fees and Charges	17
Appendix B	Utility Deposit Policy	18-20
Appendix C	Customer Service Agreement	21
Appendix D	NC Statues 14-151.1 Meter Tampering	22-23
Appendix E	Medical Alert Guidelines	24
Appendix F	NC GreenPower Program	25
Appendix G	Neighbor Helping Neighbor Program	26
Appendix H	Community Gatekeepers Program	27

## **Article I. INTRODUCTION**

### **Section 1. Customer and Meter Services Mission Statement**

The mission of this department is to provide our customers with courteous, responsive, and accurate services, as well as uniform procedures, rates, and charges that will treat all customers in a fair and indiscriminate manner while recognizing the distinct needs and requirements of each customer.

### **Section 2. Employee Values**

City employees voted the following values most important:

- Honesty
- Integrity
- Teamwork
- Dependability

We will continue to strive for total honesty and integrity in order to provide a strong foundation for building trust in our community.

As City of Shelby employees, we are held to a higher level of accountability. Therefore, we accept no less than the highest order of responsibility for our decisions and actions.

### **Section 3. Purpose of Customer Service Policy**

The purpose of this Customer Service Policy is to inform our customers of the manner in which the City will provide service to them, and to outline our responsibilities in providing these services. This policy is intended to offer direction and guidance to the City and its customers while recognizing some circumstances may arise that are not covered within this written manual and may require specific advice or recommendations. This policy also outlines the responsibilities and duties of the customer.

This policy may be revised, amended, supplemented, or otherwise changed from time to time by action of the City Council.

Specific policies and procedures related to each utility and its operation are contained in the utility's service policy.

## **ARTICLE II. RESPONSIBILITIES OF THE CITY AND THE CUSTOMER**

Responsibilities of the City of Shelby's Customer Services Department include the following:

1. To treat each customer fairly and equally.
2. To review the needs of each customer and provide services that best meet the customer's needs.
3. To respond to customer complaints and concerns promptly and courteously.
4. To provide information on a customer's account when requested by the customer.
5. To provide meter reading, billing, payment posting, and new account initiation with the greatest amount of convenience and accuracy.
6. To be respectful of the customer's property.

The following "Responsibilities of the Customer" are general guidelines and not all-inclusive, but are expressed as to be followed in the relationship between the City and its customers.

1. To be responsible in paying their account in a prompt manner each month.
2. To provide information requested for provision of service by the City.
3. To be respectful and cooperative in dealing with City personnel.
4. To safeguard City property that is installed on the customer's property to provide for delivery and metering of service.
5. To bring inaccuracies or errors in billing to the City's immediate attention.
6. To notify the City of any extenuating circumstances pertaining to the customer's account
7. To allow city personnel unobstructed access to meters.

## **ARTICLE III. SERVICES PROVIDED**

The City of Shelby is a full-service utility community. The Shelby utility system provides water service, wastewater collection, electric service, natural gas service, and stormwater management to residential, commercial, and industrial customers. Technicians in the Meter Services Department read over 25,000 meters throughout the month and utility bills are mailed out in one of three billing cycles. Customer Services and Meter Services staff are available to assist citizens with various utility services. Customer Services provides information pertaining to new accounts and programs, utility connections, rates, water and energy conservation, and similar customer service issues. Customer Services also receives and directs calls concerning issues with a utility, such as outages and other system problems. The Payments Division processes utility bill payments and connection fees, payments for building permits, business licenses, landfill charges, and various other revenue collected by the City.

## **ARTICLE IV. SERVICE HOURS, LOCATION AND CONTACT INFORMATION**

The Customer Services Department is located inside City Hall at 300 South Washington Street and is open every business day from 8:00 a.m. to 5:00 p.m. Requests for same-day service must be made before 4:00 p.m. Our telephone number is 704-484-6866. The fax number is 704-669-6607.

Request for services outside regular business hours can be made by calling 704-484-6866. Please listen carefully to automated prompts. The City charges for these services in accordance with the Schedule of Fees and Charges located within Appendix A.

Emergency services are available 24 hours daily by calling 704-484-6866. Should an emergency call be a customer-related problem, the customer may be required to pay a service fee in accordance with the Schedule of Fees and Charges located within Appendix A.

### **Section 1. Mailing Addresses**

For the most effective service, please send all payments and correspondences for Customer Services, Payments, and Meter Services to:

PO Box 207, Shelby, NC 28151-0207.

### **Section 2. Holiday Observances**

New Year's Day	Fourth of July
Martin Luther King, Jr.	Labor Day
Good Friday	Veteran's Day
Memorial Day	Thanksgiving (2 days)
Juneteenth	Christmas (2 days)

For specific dates, please contact Customer Services at 704-484-6866.

## **ARTICLE V. START SERVICES**

### **Section 1. Application for Utilities Services**

Only the Owner(s) or Tenant(s) can apply for utility service with the City. The City requires proof that the applicant is the owner or tenant of the premises to be served. The following procedures apply with regard to application for utilities services:

- a. Anyone desiring utility services with the City must contact the Customer Services Department located at Shelby City Hall, 300 South Washington Street. An application can be completed in the office with a scheduled appointment or online through the customer portal at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com). The applicant must be of legal age, provide all requested information, and execute a Service Agreement, found in Appendix C. As a part of the application process, the City may require that the applicant provide photo identification, social security number or Federal Tax ID number, and driver's license number. If social security number or Federal Tax ID number are not provided, the required deposit will be twice the scheduled amount in the Customer Utility Deposit Policy located within Appendix B. Applications may also be accepted by telephone or facsimile in a format determined by the City. If the person furnishing the information is not the applicant, that person must show satisfactory proof, as determined by the City, of their authority to act for the applicant. If the applicant is a tenant, the applicant must furnish the name of the owner of the premises to be served, along with a copy of the tenant's lease agreement or other information indicating the owner's permission to obtain utility services by the tenant.
- b. Application for services by builders, contractors, and developers with reliable payment histories with the City may be exempt from the formal application procedures for construction requiring temporary utility services. These applications will be accepted by telephone, when accompanied by location and other relevant data for the services.
- c. Application for existing services (connects and/or disconnects) are typically completed within 72 hours. Please reference Appendix A, Schedule of Fees and Charges, for expected costs.
- d. On previous accounts receivable, the City will search its records to determine if a previous account existed for new applicants or other members of the customer's household. If an account did previously exist and it contains a balance due the City, the balance must be settled in order to establish a new account. The City will not allow any customer to establish or continue service if there is any outstanding debt due the City either by an agreement signed by the customer or by another person who is currently or was previously a member of the household or who resides at the service address.
- e. Customers may transfer from one location to another as long as bills are not past due. Deposit requirements may differ at the new location due to the services available at the location.

Forms of application (service agreement), schedules, rates, and copies of service regulations are available at City Hall and will be furnished to the customer on request.

The City of Shelby is not responsible for any damages caused by turning on utility services.

All services are turned on at the meter. As of January 2006, the City is not responsible for lighting gas pilot lights except in situations involving meter maintenance.

All agreements and contracts for service between the City and its customers, including the rate schedules and these service regulations, are subject to such changes and modifications as may be made and approved by City Council, or otherwise imposed by lawful authority.

Federal regulations mandate that the City provide notice as to the request for and use of collected social security numbers. *See* 5 USCS § 552a. Federal regulations also mandate that the City inform applicants for utility services that the City is authorized to collect this information under North Carolina state law as a utility provider. *See* N.C. Gen. Stat. § 132-1.10. The City requests use of the Tax ID numbers and social security numbers for the purpose of running a soft credit check to then determine a utility customer's potential need for a security deposit based on the applicant's credit. The information collected is part of the routine practice of the City as a utility provider and customer information and privacy is of utmost concern. State law, N.C. Gen. Stat. § 143-64.60, prevents the City from denying services for the refusal to provide a Tax ID number or social security number, but the City is permitted to collect this information for the limited purpose of determining a customer's creditworthiness. Thus, if an applicant refuses to provide this information, the City is permitted to charge a higher deposit to ensure the City's interest as a utility provider is protected. *See* N.C. Gen. Stat. § 160A-314.

## **Section 2. Deposit Requirements**

The City of Shelby may require the customer to make an initial deposit, based on the current Customer Utility Deposit Policy listed in Appendix B, as a guarantee of the payment for utilities used. The deposit for utility service is collected as security so that all bills will be paid in full by their due date. The City recognizes that most customers pay their bills in full and on time; however, we seek to protect customers from the detriment of uncollectible accounts by other customers. In some cases, the City will allow customers to provide alternative guarantees of payment in lieu of the required deposit. The Deposit Policy includes requirements for residential and commercial accounts; deposit refund policies, deposit and service disconnect policies, and definition of good/bad payment history. Customers may find a reference under Appendix B, Deposit Policy.

## **ARTICLE VI. STOP SERVICES**

### **Section 1. Voluntary Discontinuance of Service**

In order to ensure discontinuation of services at a time requested by the customer, notice to the City in advance is required. When a customer desires to discontinue service, notice should be given to the City at least twenty-four (24) hours in advance of a workday. Failure to provide timely notice may result in additional fees billed to the customer. The customer will be responsible for all services consumed up until the time the services are disconnected by the City. Service requests to

discontinue service are accepted by telephone, in person at City Hall, and through the City's website at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com).

After an account is closed, all funds (including deposits, refunds, fees, and charges) will be applied first against amounts owed the City on the closed account. Then, any other accounts the customer may have with the City will be satisfied using the remaining funds. When all accounts are cleared, a check for the remaining money will be issued to the customer for any net credit.

## **Section 2. Involuntary Discontinuance of Service**

- a. The City reserves the right to discontinue furnishing utility services to a customer, at any time without notice, upon the occurrence of any one or more of the following events:
  1. Failure of the customer to pay bills for utility service, deposits, or to increase deposit amount as required. See Appendix B.
  2. Whenever the City has reasonable cause to believe that the customer is receiving utilities without paying for them, or that the City's meters, lines, or other apparatus have in any manner been tampered with.
  3. Whenever, in the City's opinion, the condition of the customer's lines, equipment, and/or appliances are unsuitable for receiving services, or pose potential safety or health hazards to City property, City personnel, the customer, or to the public.
  4. Whenever the City determines that the customer's use of utilities or equipment interferes with or may be detrimental to the City's utilities systems or to the supply of utilities by the City to any other customer, including the violation of any City ordinances regarding the use of any utilities.
  5. Whenever the customer has denied an authorized City representative access to the City's meters, lines, or other apparatus installed on the customer's premises.
  6. Whenever it is necessary to prevent fraud upon the City.
- b. The City will discontinue the supply of utilities to a customer whenever requested by any public authority having jurisdiction.
- c. The City reserves the right to discontinue the supply of utilities under any of the above conditions irrespective of any claim of a customer pending against the City, or any amounts of money on deposit with the City as required in Section 5.
- d. Whenever the supply of utilities is discontinued in accordance with this policy, the City shall not be liable for any damages, direct or indirect, that may result from such discontinuance or reconnection.
- e. As a general rule, the City will not disconnect a customer's utility service after 1:00 p.m. on a Friday, on the day before a holiday, or on a weekend or holiday. Please refer to the Holiday schedule under Article IV, Section 2. However, in certain instances in which a service presents a hazardous, life threatening, or otherwise undesirable condition or in instances of meter tampering, the City reserves the right to discontinue utility service at any time (as stipulated earlier in this section).

### **Section 3. Extreme Weather Disconnect Guideline**

If the temperature is below 32 degrees, the City will not perform any involuntary disconnections. Involuntary disconnections will be performed if the daily temperature reaches 32 degrees or above. On a day when a severe heat advisory is issued by the National Weather Service, the City will not perform any involuntary disconnections. These guidelines do not pertain to tampering and theft of service cases. Under these circumstances utilities will be terminated when the incident is discovered.

### **Section 4. Reconnection of Utility Services**

- a. If utility services are discontinued for any of the reasons covered by Section 2, "Discontinuance of Service," the City will schedule the service reconnection after the conditions causing discontinuance are corrected.
- b. If utilities are discontinued because of improper use, or if in the City's opinion its meters, lines, or other apparatus were tampered with, the City may refuse to reconnect the customer's service until the customer completes the following:
  1. Paid all utility charges or required deposits that are currently owed.
  2. Paid to the City an amount estimated by the City to be sufficient to cover the utilities used but not recorded by metering devices and not previously paid for, plus a special reconnection charge provided under Appendix A, Schedule of Fees and Charges, plus any actual cost for damages to City apparatus.
  3. Made such changes in lines or equipment as may, in the opinion of the City, be proper for the City's protection.
  4. Achieved compliance with ordinances or regulations on utility use when disconnected for violation thereof.
- c. If utility services are discontinued by the City at the request of any public authority having jurisdiction, the customer's service will not be reconnected until authorization to do so is obtained from the public authority.
- d. When it becomes necessary for the City to discontinue utility service for nonpayment of past due utility bills, service will be reinstated only after payment of all past due utility bills and any deposit that may be required by Section 5. Any applicable collection charges for nonpayment will be added to the next utility bill.
- e. When it becomes necessary for the City to discontinue utility service for any reason other than nonpayment of past due utility bills, service will be reinstated only after payment of all past due utility bills and any deposit that may be required by Section 5. Applicable reconnect charges are summarized in the Schedule of Fees and Charges contained in Appendix A. Applicable penalties and any reconnection fee in effect at the time of discontinuance of service must be paid before service will be restored. Services will not be restored after 10:00 p.m.

## **ARTICLE VII. UNDERSTANDING YOUR BILL**

### **Section 1. Meter Readings**

- a. When meters are installed by the City to measure utility services used by its customers, all charges for units consumed, except basic facility charges, shall be calculated from the readings of such meters. Water meter readings are used as the basis for determining sewer bills.

It is the City's policy to read every utility meter each month. Meters are read on a cyclical basis, and monthly bills are mailed periodically throughout the month to each customer with a utility account. The reading dates are scheduled to fall within the same weekly period each month. The City will strive to maintain a billing cycle of no less than 26 days or more than 35 days in the billing period. This does not include first bills and final statements for closed accounts.

The City reserves the right to estimate usage when extenuating circumstances prevail. Unless it is unavoidable, it is the policy of the City to not estimate an account for two (2) consecutive months. When we do have to make an estimate, we base it on the customer's previous utility usage. Because the metering system is based on "continuous read" meters, estimating consumption for one month will not affect total consumption over a two-month period. Any error in estimating will automatically be adjusted when the meter is read the next time.

- b. All metering devices installed for the purpose of metering utility service shall be located on the exterior of structures, easily and safely accessible by City personnel, so that they will be accessible for reading and servicing. If metering devices are made inaccessible, the City has the right to disconnection of service, after proper notification by the City.
- c. In the event a meter reader is unable to gain access to a meter, including business and residential addresses, the meter is automatically estimated. In the event any authorized employee is refused admittance to the premises by the tenant or owner or is hindered by the tenant or owner from making an examination of the meters, the City reserves the right to disconnect utility services until free access is granted to an authorized employee.
- d. The City has remote meter reading available in some areas. With this technology, customers with remote read meters will no longer be required to unlock gates or contain animals to have the meters read. The remote read meters will communicate with our meter technicians via radio frequency.
- e. The City will test each of the customer's meters for accuracy upon request once per calendar year. These tests will be charged to the customer based on the Schedule of Fees and Charges located in Appendix A. The City may also randomly test meters currently in service at any time at no charge to the customer.

## **Section 2. Monthly Billing Procedures**

Meters are read and bills are prepared each month. Before a customer is billed, meter readings and usage are audited to determine any unusual changes in the amount of utilities used. When differences are found, we immediately reread the meter before the account is billed to ensure accuracy.

Utility charges shall begin when the utility meter is installed. All installed meters are billed on active accounts.

The City reserves the right to estimate usage when extenuating circumstances prevail. Unless it is unavoidable, it is the policy of the City to not estimate an account for two (2) consecutive months. When we do have to make an estimate, we base it on the customer's previous utility usage. Because the metering system is based on "continuous read" meters, estimating consumption for one month will not affect total consumption over a two-month period. Any error in estimating will automatically be adjusted when the meter is read the next time.

Utility bills are mailed to each customer once each month and are payable as of the billing date. We make every effort to give our customers a fair amount of time to pay their bills. The bill also informs our customers about dates for scheduled bank drafting, late penalty dates, and disconnect dates for past due bills. Non-receipt of a bill for utilities by the customer shall not release or diminish the obligation of the customer with respect to the payment thereof. Utility bills are mailed monthly. The customer should contact the City if a bill is delayed or not received. If payment is received past the close of business on the due date, a penalty according to rates established in the Schedule of Fees and Charges found in Appendix A will be applied.

## **Section 3. Selection of Rates**

The City will select the appropriate rate schedule of those available in which the customer will be billed for each utility service. Copies of the City's rate schedules may be obtained from the Customer Services office or on the City's website. See Customer Service Hours and Location for contact information. The City encourages commercial and industrial customers to provide information about their operating conditions or other factors that may affect the selection of the rate schedule best suited for their operation.

## **Section 4. Adjustments and Billing Errors**

If it is found that a utility has directly or indirectly, by any device whatsoever, charged, demanded, collected, or received from any consumer a greater or lesser compensation for any service rendered or to be rendered by such utility than that prescribed in the schedules of such utility, or if it is found that any consumer has received or accepted any service from a utility for a compensation greater or lesser than that prescribed in such schedules, or if, for any reason, a billing error resulted in a greater or lesser charge than that incurred by the consumer for the actual service rendered, then the method of adjustment for such overcharge or undercharge shall be as provided:

## A. Overcharges

If the interval of overcharge can be determined, the amount of overcharge may be refunded to the customer for the entire interval, provided that such time period shall not exceed three (3) years. If the interval of overcharge cannot be determined, the City may refund the overcharge incurred for the previous twelve months. Usage and demand (when applicable) may be estimated if exact usage cannot be determined. If an overcharged customer owes a past due balance to the City, the City shall deduct that past due amount from any refund due from the City.

## B. Undercharges

If the interval of undercharge can be determined, the amount of undercharge may be billed to the customer for the period of undercharge, provided that the time period for which the undercharge shall be calculated and time period for collection shall not exceed three (3) years. If the period of time over which the undercharge occurred cannot be determined, the City will collect the undercharged amount during the 12 months before the undercharge was discovered. Usage and demand (where applicable) will be estimated if exact usage cannot be determined. If the meter error is found upon test to be not more than 2% fast or slow, the utility shall not be required to make a billing adjustment. (NCUC Docket No. E-100, Sub 17, 5/10/74; NCUC Docket No. E-100, Sub 29, 11/29/77.)

**Water and Sewer usage adjustment policy-** If a customer has a water leak, broken pipe, toilet problem, or other similar issue causing a higher than normal water and/or sewer bill, the City will allow one adjustment to the water and/or sewer bill per three-year period for each location. Documentation showing repairs were made is required before an adjustment will be applied. Following proper documentation, the City will read the water meter to verify. The adjustment will not exceed two months billing cycle from date of first occurrence as indicated by the documentation presented for repairs even if multiple months are affected. Full water and sewer charges will apply to other billings. The customer will be required to sign a document stating they understand the water and sewer adjustment policy. The document will be kept on the account for the three-year period.

## Section 5. Meter Tampering

Any customer whose service was disconnected because the meter, lines, or other apparatus serving their residence or business was tampered with in any manner shall pay such deposit as required to protect the City from loss of revenue, in addition to penalties and re-connection fees as defined in the Schedule of Fees and Charges found in Appendix A. An offending customer may also be subject to any civil or criminal penalties as may be imposed by City, State, or Federal regulations.

Tampering with utility meters is expressly prohibited by NC General Statute 14-151, as provided under Appendix D, and is punishable by fines and/or imprisonment.

**Section 6. Appeals Process**

Any customer who believes an error was made in an account balance or the amount of a bill has the right to appeal a decision based on the following order of sequence:

First Appeal:	To the Customer Service Representative
Second Appeal:	To the Customer Service Manager
Third Appeal:	A scheduled appointment with the Director of Finance
Final Appeal:	A written request to the City Manager or his designee

**ARTICLE VIII. PAYMENT OPTIONS**

- 1) By Mail – Please enclose the bottom portion (stub) of your bill with your check or money order in the envelope provided. City of Shelby, PO Box 207, Shelby, NC 28151-0207.
- 2) In The Customer Services Payment Division – Located on the first floor of City Hall at 300 S. Washington St., Shelby, NC 28150. Please bring your bill with you.
- 3) In Our Night Depository – Located in the back of City Hall at 300 S Washington St., Shelby, NC 28150. Use it anytime night or day. Envelopes are provided.
- 4) Automatic Bank Draft – Contact Customer Services at 704-484-6866 or refer to this policy for additional details.
- 5) Automatic Credit Card Payment Plan –Visit our secure website at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com).
- 6) Pay Online – over our secure website at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com),
- 7) Pay via our IVR phone system – call 704-484-6866 option 3
- 8) Pay via the bill pay kiosk located at the rear entrance of City Hall, 300 S. Washington St., Shelby, NC 28150.

**Section 1. Automatic Bank Draft**

The City provides a convenient program to allow for a customer's utility bill to be drafted from their checking account. This relieves the customer from having the possibility of lost or late payments and saves a trip to City Hall or the cost of an envelope and stamp. At the customer's option, the City will draft from the customer's bank account each month for the amount of the bill. The scheduled draft date is printed on the utility bill. The bill will be mailed in time to allow the customer the opportunity to review the bill and contact Customer Services with questions or concerns.

By allowing the draft, a customer does not forego their right to contest a bill or to have a correction for a billing error. The correction would be made in the form of a refund, a credit, or a charge to the account. If the draft is returned due to insufficient funds, the same remedies regarding returned checks shall apply.

To discontinue our bank draft program, please contact Customer Services Payments Division at 704-484-6866 before the processing date printed on your statement.

## **Section 2. Credit Card Payment Plan**

This plan is designed for customers that choose to have their utility bill paid by credit card on a regular monthly basis. The City accepts Master Card, Visa, American Express, and Discover credit or debit cards. The credit card transaction will take place on the date printed on their utility bill.

Each customer must enter their credit card information on the web portal at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com). The customer will have the responsibility to ensure that all credit card information is correct and complete.

Before the credit card expiration date, customers are required to update credit card information in order to continue their monthly credit card payments without interruption.

To discontinue our credit card payment plan, please visit the web portal at [www.silverblaze.cityofshelby.com](http://www.silverblaze.cityofshelby.com) to login and make the changes before the processing date printed on your statement.

## **Section 3. Application of Payment**

The City reserves the right to apply any payment or payments made by the customer in whole or in part to any account due the City by the customer in connection with the furnishing of utility services.

## **Section 4. Credit Balances**

Any credit balance will remain on the account until the account is closed, either voluntarily or involuntarily. The City will not refund a credit balance on an active account. The City will follow the deposit refund balance policy, see Appendix B, Section 1.5, when refunding a credit balance.

# **ARTICLE IX. CREDIT INFORMATION**

## **Section 1. Payment Extensions**

Payment options may be available prior to disconnection that will save the customer from additional fees. Contact with a customer service representative prior to disconnection is always more favorable than making arrangements after service is involuntarily interrupted. Only

authorized customer listed on the utility account should make requests for extensions. No more than one (1) payment extension will be granted in a three (3) month period. If the customer does not honor the terms of the extension, they will not be granted another extension for a period of twelve (12) months from the date of the breached arrangement. If payment is not made as agreed to in the Payment Extension Agreement, service will be discontinued without further notice and all payments, including any disconnect and reconnect charges, will be due and payable before reconnection.

Payment extensions will allow the customer to make their past due payment for a maximum period of two (2) full weeks from the disconnection date. Payment extensions are not granted on a customer's first bill at a location.

## **Section 2. Insufficient Funds or Credit**

- a. No returned check, return bank draft, credit card, or other insufficient funds will be held more than five (5) days after notification. The customer will be notified that the payment was not accepted and that service will be terminated on a specified date unless an acceptable payment is made. If a customer's utility service was terminated for nonpayment and payment for restoration is made with a check that is subsequently returned, service will be terminated without further notification.
- b. The City reserves the right to require utility bills to be paid in cash, money order, certified bank check, or cashier's check from any customer having two or more insufficient funds or closed account, in connection with returned checks, automatic bank drafts, or credit card within any one-year period.
- c. When a customer has a check returned, a service charge will apply in addition to any other charges and fees as prescribed in Schedule of Fees and Charges within Appendix A.

## **Section 3. Collection of Delinquent Accounts**

Final billing statements are referred to a collection agency after sixty days. After ninety days the unpaid account is also submitted to the NC Debt Setoff Program. This program garnishes the amount due the City from the customer's NC state tax refund.

## **ARTICLE X. PROGRAMS AND SERVICES**

Medical Alert Program (Appendix E)

NC GreenPower (Appendix F)

Neighbor Helping Neighbor (Appendix G)

**Appendix A**



**SCHEDULE OF FEES AND CHARGES**

Effective July 1, 2023

**CUSTOMER SERVICE FEES**

SERVICE	8:00 AM TO 4:00 PM	WEEKEND, HOLIDAY, & AFTER 4:00 PM
Application fee*	\$10.00	N/A
Service Call**	N/C	\$60.00
New Customer Service **	N/C	\$60.00
Returned Check	\$25.00	N/A
Non-Pay Collection Charge***	\$50.00	N/A
Non-Pay Reconnect **	N/C	\$60.00
Late Payment Fee	\$10.00	N/A
Remove or Lock Meter	\$40.00	N/A
Meter Interference (Per GS § 14-151)	Criminal or Civil Action, including felony or the greater of triple losses or \$5,000.00	
Damage to City-issued utility equipment/meters	Fee = Replacement cost of equipment	
Disconnect/Reconnect <b>ELECTRIC</b> Service at Riser	\$60.00	\$125.00
Disconnect/Reconnect <b>ELECTRIC</b> Service at Pole	\$60.00	\$125.00
Temporary <b>ELECTRIC</b> Service	N/C	N/A
First Meter Test	N/C	N/A
2nd Request Test (within 12 months)	\$40.00	N/A
First Utility Bill Reprint	N/C	N/A
2 <sup>nd</sup> Utility Bill Reprint (within 12 months)	\$1.00	N/A
Meter Test (if tampering is involved)	\$40.00	N/A
Reset <b>GAS</b> Meter	\$40.00	N/A
Relocate <b>GAS</b> Service	\$5.00/ft - \$100 min.	N/A
Upgrade <b>GAS</b> Service from inches to LBS	Residential = \$75.00 Commercial=actual cost	N/A
N/C = no charge    N/A = not available or applicable		Original schedule Est. June 1, 2008

\*New Account Application fee appears on first month's bill

\*\* Service calls to reconnect services will not be performed after 10:00 p.m.

\*\*\*The City will waive one (1) Collection Charge and (1) Late Penalty as a courtesy in a 24-month period.

\*\*\*\*The City will adjust fees for services provided by outside vendors as instructed by vendors.

## **Appendix B**

### **CUSTOMER UTILITY DEPOSIT POLICY**

#### **1.1 Deposit Requirement**

The City of Shelby may require the customer to make an initial deposit, based on the current Schedule of Fees and Charges, as a guarantee of the payment for utilities used. The deposit for utility service is collected as security so that all bills will be paid in full by their due date. In some cases, the City will allow customers to provide alternative guarantees of payment or proof of credit worthiness in lieu of required deposit.

#### **1.2 Residential Customer Deposit Alternatives**

Any customer who must pay a deposit for residential utility service may choose one of the following:

- A. Pay initial cash deposit (See Current Schedule of Fees and Charges.)
- B. Customers who can provide a letter of credit reference (showing equivalent or similar service) from their previous utility provider may be exempt from this requirement. However, if a customer's payment record deteriorates, a security deposit may be required for continued service.
- C. If the customer is the owner of the premises to be served, then a deposit will not be required. The City of Shelby reserves the right, however, to check applicant's credit references. If the customer's payment record does not exemplify a good credit/payment history, as defined in Section 1.6, a security deposit may be required for continued utility service.

#### **1.3 Commercial/Non-Profit/Industrial Customers**

Commercial/Non-Profit/Industrial Customers shall, at the time of application for service per account, pay a deposit as specified in the Schedule of Fees and Charges. Payment may be in the form of:

- A. Initial Cash Deposit.
- B. Irrevocable bank letter of credit or a surety bond in the amount of the specified deposit, issued by an insurance company or bank authorized to do business in North Carolina.
- C. Jointly owned Certificate of Deposit for the amount of the specified deposit, held by the City of Shelby, with interest paid by a local financial institution directly to the customer.
- D. If the customer is the owner of the premises to be served or the owner of a comparable business and can provide a letter of credit reference that displays an excellent credit history, then a deposit will not be required. However, if a customer's payment record deteriorates, a security deposit may be required for continued service.

**FOR DEPOSIT REQUIREMENTS OVER \$2,000**, the City requires surety bonds in the amount of the specified deposit, issued by an insurance company or bank authorized to do business in North Carolina. An original signed copy of the bond form must be provided to the Customer Services department. Surety bonds must be renewed annually, and an original copy of the renewed bond form must be provided to the Customer Services department upon each renewal. If the surety bond is not renewed by the required renewal date, a notice will be mailed to the customer stating that the bond must be renewed within 30 days of the date on the notice. If the bond renewal is not received by the date specified in the notice, services will be disconnected until such time the bond renewal is received. The City must also be notified of any changes regarding the surety bond or the insurance company that guarantees the bond. In the event the customer purports to be unable to secure a surety bond and provides satisfactory documentation of two bond application refusals, the deposit requirements for under \$2,000 will be accepted.

- E. A commercial customer can elect to go on auto draft in lieu of a deposit, excluding deposits \$2,000.00 or more that require a surety bond. The customer must sign an agreement to stay on auto draft for a twelve (12) month period to establish good credit history with the City of Shelby. Meaning the first twelve (12) bills are successfully drafted from the customer's account without any returned drafts, insufficient funds or any other issue. A deposit will be quoted to the customer in the agreement and if the customer's payment record deteriorates, the quoted deposit will be immediately required. The customer must sign the agreement when establishing services with the City of Shelby.

#### **1.4 Deposits and Service Disconnect**

Notwithstanding the initial deposits specified in the above sections, any customer whose service is involuntarily terminated for non-payment, meter tampering or other reasons shall pay such deposit as required in the Schedule of Fees and Charges to protect the City of Shelby from loss of revenue. These deposits shall be held and refunded only as stated in this policy. Within ten (10) days of written notice, any customer who fails to make required cash deposits or provide surety bonds or irrevocable letter of credit when specified shall be subject to disconnection of service until such deposit has been provided.

#### **1.5 Deposit Refunds**

Deposits may be refunded under the following circumstances:

- A. A deposit will be refunded promptly and automatically when service is voluntarily discontinued. All outstanding amounts on the final bill will be deducted from the deposit amount.
- B. The City of Shelby will return a customer's deposit when that customer has exhibited good credit as defined in Section 1.6.

- C. A deposit will not be refunded if the customer has another account with The City of Shelby that has a past due balance. The remaining credit on the account will be transferred to the other account which has a past due balance.

1.6 Definition of Good Credit/Payment History

Good Credit/Payment History can be defined as having no late payments, no returned checks, and no involuntary disconnections in the most recent twelve-month period at the customer's current service address. Payments are considered late at such time as the \$10.00 late penalty is applied to the outstanding bill.

**CITY OF SHELBY SCHEDULE OF UTILITY DEPOSITS**

**WATER**

RESIDENTIAL	\$30.00
COMMERCIAL/INDUSTRIAL	TWO (2) MONTHS ESTIMATED BILL- PEAK USAGE MONTHS

**SEWER**

RESIDENTIAL	\$30.00
COMMERCIAL/INDUSTRIAL	TWO (2) MONTHS ESTIMATED BILL- PEAK USAGE MONTHS
RESIDENTIAL SEWER ONLY (no other utility services on account)	\$60.00 Residential
COMMERCIAL SEWER ONLY (no other utility services on account)	TWO (2) MONTHS ESTIMATED BILL- PEAK USAGE MONTHS

**ELECTRIC**

RESIDENTIAL	\$120.00
COMMERCIAL/INDUSTRIAL	TWO (2) MONTHS ESTIMATED BILL- PEAK USAGE MONTHS

**GAS**

RESIDENTIAL	\$140.00
SMALL COMMERCIAL	\$140.00
LARGE COMMERCIAL/INDUSTRIAL	TWO (2) MONTHS ESTIMATED BILL- PEAK USAGE MONTHS

**Appendix C- Customer Service Agreement. Hard copy available.**

## Appendix D

### § 14-151. Interfering with gas, electric, and steam appliances or meters; penalties.

---

(a) It is unlawful for any person to willfully, with intent to injure or defraud, commit any of the following acts:

(1) Connect a tube, pipe, wire, or other instrument or contrivance with a pipe or wire used for conducting or supplying illuminating gas, fuel, natural gas, or electricity in such a manner as to supply the gas or electricity to any burner, orifice, lamp, or motor where the gas or electricity is or can be burned or used without passing through the meter or other instrument provided for registering the quantity consumed.

(2) Obstruct, alter, bypass, tamper with, injure, or prevent the action of a meter or other instrument used to measure or register the quantity of illuminating fuel, natural gas, water, or electricity passing through the meter by a person other than an employee of the company owning or supplying any gas, water, or electric meter, who willfully detaches or disconnects the meter, or makes or reports any test of, or examines for the purpose of testing any meter so detached or disconnected.

(3) In any manner whatever change, extend, or alter any service or other pipe, wire, or attachment of any kind, connecting with or through which natural or artificial gas or electricity is furnished from the gas mains or pipes of any person, without first procuring from the person written permission to make the change, extension, or alterations.

(4) Make any connection or reconnection with the gas mains, water pipes, service pipes, or wires of any person, furnishing to consumers natural or artificial gas, water, or electricity, or turn on or off or in any manner interfere with any valve or stopcock or other appliance belonging to that person, and connected with the person's service or other pipes or wires, or enlarge the orifices of mixers, or use natural gas for heating purposes except through mixers, or electricity for any purpose without first procuring from the person a written permit to turn on or off the stopcock or valve, or to make the connection or reconnections, or to enlarge the orifice of mixers, or to use for heating purposes without mixers, or to interfere with the valves, stopcocks, wires, or other appliances of them, as the case may be.

(5) Retain possession of or refuse to deliver any mixer, meter, lamp, or other appliance which may be leased or rented by any person, for the purpose of furnishing gas, water, electricity, or power through the appliance, or sell, lend, or in any other manner dispose of the appliance to any person other than the person entitled to the possession of the appliance.

(6) Set on fire any gas escaping from wells, broken or leaking mains, pipes, valves, or other appliances used by any person in conveying gas to consumers, or interfere in any manner with the wells, pipes, mains, gateboxes, valves, stopcocks, wires, cables, conduits, or any other appliances, machinery, or property of any person engaged in furnishing gas to consumers unless employed by or acting under the authority and direction of that person.

(7) Open or cause to be opened, or reconnect or cause to be reconnected any valve lawfully closed or disconnected by a district steam corporation.

**(8)** Turn on steam or cause it to be turned on or to reenter any premises when the steam has been lawfully stopped from entering the premises.

**(9)** Reconnect electricity, gas, or water connections or otherwise turn back on one or more of those utilities when they have been lawfully disconnected or turned off by the provider of the utility.

**(10)** Alter, bypass, interfere with, or cut off any load management device, equipment, or system which has been installed by the electricity supplier for the purpose of limiting the use of electricity at peak-load periods. However, if there has been a written request to remove the load management device, equipment, or system to the electric supplier and the electric supplier has not removed the device within two working days, there is no violation of this section.

**(b)** Any meter or service entrance facility found to have been altered, tampered with, or bypassed in a manner that would cause the meter to inaccurately measure and register the electricity, gas, or water consumed or which would cause the electricity, gas, or water to be diverted from the recording apparatus of the meter is prima facie evidence of intent to violate and of the violation of this section by the person in whose name the meter is installed or the person or persons so using or receiving the benefits of the unmetered, unregistered, or diverted electricity, gas, or water.

**(c)** For the purposes of this section, the term “gas” means all types and forms of gas, including, but not limited to, natural gas.

**(d)** Criminal violations of this section are punishable as follows:

**(1)** A violation of this section is a Class 1 misdemeanor.

**(2)** A second or subsequent violation of this section is a Class H felony.

**(3)** A violation of this section that results in significant property damage or public endangerment is a Class F felony.

**(4)** Unless the conduct is covered under some other provision of law providing greater punishment, a violation that results in the death of another is a Class D felony.

**(e)** Whoever is found in a civil action to have violated any provision of this section is liable to the electric, gas, or water supplier in triple the amount of losses and damages sustained or five thousand dollars (\$5,000), whichever is greater.

**(f)** Nothing in this section applies to licensed contractors while performing usual and ordinary services in accordance with recognized customs and standards.

## Appendix E

### *City of Shelby*

#### **Medical Alert Program**

1. The customer has the responsibility of notifying the City of Shelby if there is someone in the household who is either:
  - a. Chronically or seriously ill
  - b. On a life support system (heart/lung respirator, etc.)
2. The customer must provide a letter of certification from a doctor or hospital advising of the above condition. These letters will be reviewed and brought up-to-date once a year by a designated employee in the Customer Services Department. A customer who complies with these notification procedures will have a white seal placed on their meter to designate their household as containing a chronically ill or life support customer.
3. The customer has the responsibility to carefully handle his account so that service will not be interrupted for failure to pay. With the medical alert designation, the City of Shelby will make a good faith effort to make personal contact with the customer or member of their household before service is terminated. Each customer listed with the Medical Alert program should have a back-up plan for movement of the patient in the event of a disruption of power.
4. The City of Shelby will exercise all diligence in keeping the power flowing to a life support patient. However, due to conditions beyond the control of the City and its employees (storm damage, loss of generation, etc.), electric power cannot be guaranteed 100 percent of the time.

## Appendix F

### WHAT IS NC GREENPOWER?

NC GreenPower is an independent, nonprofit organization established to improve North Carolina's environment through voluntary contributions toward renewable energy. A landmark initiative approved by the N.C. Utilities Commission, NC GreenPower is the first statewide green energy program in the nation administered independently by a nonprofit organization and supported by all of the state's utilities. The program is designed to improve the environment by encouraging the development of renewable energy resources through consumers' voluntary contributions to NC GreenPower.

Your support will help add more renewable energy to the power supply in our state.

#### Reasons to Sign Up:

**You can make a difference.** It is in your power to impact the future of our children by improving the quality of life and air quality.

**It's affordable and tax-deductible.** For as little as \$4 a month, you can help protect our environment. Your monthly tax-deductible contribution will add green energy to North Carolina's power supply. Over a year, that's the equivalent of not driving a car 74 days or of planting 150 full-grown trees.

**It's easy.** Supporting NC GreenPower is an effective way to advance the availability of renewable energy resources in our state. Most of us want to do something to help, but our limited resources and time make it difficult to act. NC GreenPower provides us the opportunity to support cleaner energy sources.

**It's cleaner and environmentally sustainable.** With green energy sources such as wind, solar and organic matter we can generate cleaner electricity. It's a great way to keep us all healthier.

**It's smart.** Traditional energy sources like fossil fuels are nonrenewable and inevitably will run out. Working today to build up our supply of renewable energy sources will give us a more secure energy future.

**It is the right thing to do.** NC GreenPower protects the environment to make North Carolina greener.

## **Appendix G**

### ***BILL PAYMENT ASSISTANCE PROGRAM***

#### Neighbor Helping Neighbor

The City of Shelby has a program in place to assist customers that are having difficulty paying their utility bills. The winter months bring anxiety and discomfort to many in our community because of the difficulty in paying winter heating bills. The Bill Payment Assistance Program will provide funds to our aged, infirmed, and low-income members of our community in situations of extreme hardship. This program provides the opportunity for a neighbor to help another neighbor during times of family crisis.

The program is funded by contributions made by City of Shelby utility customers who elect to add \$1 or more per month to their utility bill. All contributions are tax deductible. Customers can make contributions independently of their utility bills in our Customer Services Payments Department located at City Hall.

The City recognizes that it cannot be involved with the provision of social services, therefore, the Bill Payment Assistance Program is provided in conjunction with the Salvation Army. For a customer to be eligible for assistance from this program, they must apply to the Salvation Army for assistance. All funds will be retained by the City, and disbursed on behalf of customers after proper notification from the Salvation Army. A utility customer may be eligible one time per calendar year for assistance, and total assistance per calendar year may not exceed \$200. This program does not supplant any federal, state, or local funds that may otherwise be available for assistance, but is to provide additional support should other funds not be available.

## Appendix H

### *COMMUNITY GATEKEEPERS PROGRAM*

The Gatekeepers Program assists elderly citizens who are sometimes unable to help themselves. There are many who healthy, active people in our community are, but there are others who are not so fortunate. They live alone and have little communication with others. If they become sick or unable to care for themselves, they can easily go unnoticed and unattended.

This program raises the awareness of employees who, in the course of their daily work activities, come into contact with citizens in the community. Gatekeepers are educated to recognize signs and symptoms that may indicate an elderly or special needs person is in need of help. Gatekeepers are not expected to assume the role of social workers or counselors. Gatekeepers are asked to keep a watchful eye while conducting daily work activities and make a simple referral for those people in need.

Gatekeepers look for changes in a person's overall ability to manage activities of daily living. Gatekeepers could directly observe any one or a combination of the following:

- Inability to communicate, including confusion, memory loss, becoming withdrawn, hostile, or angry.
- Personal appearance, such as poor hygiene, strong odors, poor grooming, or wearing dirty or inappropriate clothes.
- The condition of the home, such as extreme neglect, excessive clutter, or neglected pets.
- Physical losses such as difficulty seeing, speaking, or hearing, mobility of balance, significant weight loss, injuries, or untreated wounds.
- Difficulty in paying bills or unusual transactions.
- Inability to cope with recent loss of a spouse, family member or pet.
- Neglect, abuse, isolation, or wandering.

Referrals are reported to the Customer Services Department. When the referral is received, the initial contact will be to a third-party reference contact if available and then to the Department of Social Services or other social service agencies. Forcing assistance is not the goal but our citizens deserve to be informed of alternatives and options that will preserve their independence and enhance their quality of life.

# CUSTOMER SERVICE AGREEMENT

Primary Customer: Click or tap here to enter text. Customer Number: Click or tap here to enter text.

Service Address: Click or tap here to enter text. Account Number: Click or tap here to enter text.

Residential  Commercial  Zoning Application

## UTILITIES & SERVICES PROVIDED

Electric  Water  Sewer  Natural Gas  Stormwater   
Refuse  Refuse pickup day: Click or tap here to enter text.

Security Light  Outdoor Lighting Contract will need to be signed by the customer if they choose to retain or acquire a security light. Outdoor Lighting Contract will be supplied by Electric Department Technician upon installation of security light.

Food Service Establishment?  If yes, notify Billing Department for F.O.G. charge

Automotive/Mechanic?  If yes, notify Billing Department for F.O.G. charge

Sell Beer and/or wine?  If yes, complete Beer & Wine license

## UTILITY DEPOSIT

Deposit Amount: Click or tap here to enter text. Previous Bill Info: Click or tap here to enter text.

The City of Shelby may require the customer to make an initial deposit, based on the current Customer Utility Deposit Policy as a guarantee of the payment for utilities used. Deposits will be refunded under the following circumstances:

- When service is voluntarily discontinued. All outstanding amounts on the final bill will be deducted from the deposit amount. A check in the amount of any remaining credit balance will be mailed to the customer.
- When the customer has exhibited good credit with the city. Good credit can be defined as no late payments, no returned checks, and no involuntary disconnections in the most recent twelve month period. Payments are considered late at such time as the \$10.00 late penalty is applied to the outstanding bill.
- A deposit will not be refunded if the customer has another account with the City of Shelby that has a past due balance. The remaining credit on the account will be transferred to the other account which has a past due balance.

**However, if a customer's payment record deteriorates, a cash deposit will be required for continued service. Notification will be made and customer must pay deposit in the allotted time or service will be disconnected until deposit is paid.**

Any credit balance will remain on the account until the account is closed, either voluntarily or involuntarily. The city will not refund a credit balance on an active account. The city will follow the deposit refund policy when refunding a credit balance.

## BILLING & PAYMENT

**Bank Draft**  *Customer is required to provide a voided check from the account to be drafted each month.*

Visit <https://silverblaze.cityofshelby.com> and register your utility account with our interactive web portal, Silverblaze. You can manage your account online 24/7, make payments, sign up for paperless billing, sign up for autopay, sign up for Pay by Text, view your utility usage information, and more!

The customer can expect the utility statement to be mailed/emailed on or about the **Choose an item.** of each month. Due dates are determined by your service location or address and cannot be changed.

A \$10.00 late penalty will be added to any unpaid balance approximately 25-30 days from the mail/email date. **The account will be considered past due after 5:00pm on the due date printed on the utility bill.**

**A \$50.00 collection charge will be added to all past due balances after 5:00pm the day before disconnection.** Any applicable collection charges will be added to the next utility bill. The disconnection date will be approximately thirteen (13) days from the due date printed on the utility statement. The City of Shelby will make automated courtesy phone calls to customers notifying them of the upcoming disconnect date. Please provide your primary contact phone number to take advantage of this service. **If utility service is disconnected, payment must be made before 4:00pm for same-day reconnection with no additional charges. After 4:00pm an additional reconnection charge will apply.** If the account is disconnected for nonpayment with no activity for a reasonable amount of time, the city will close the account for nonpayment to prevent the accrual of charges to the customer and loss of revenue to the city.

A payment extension agreement option may be available prior to disconnection that will save the customer from additional fees. Contact with a customer service representative prior to disconnection is always more favorable than making arrangements after service is involuntarily interrupted. Any authorized user listed on the utility account can make requests for extensions. No more than one (1) payment extension will be granted in a three (3) month period. If the customer does not honor the terms of the extension, they will not be granted another extension for a period of twelve (12) months from the date of the breached arrangement. If payment is not made as agreed to in the payment extension agreement, service will be discontinued without further notice and all payments, including any disconnect and reconnect charges, will be due and payable before reconnection. Payment extensions will allow the customer to make their past due payment for a maximum period of two (2) full weeks from the disconnection date. Payment extensions are not granted on a customer's first bill at a location.

The City of Shelby accepts cash, check, or money order payments at City Hall in the Payments Department 8:00am-5:00pm Monday-Friday. Customers can pay online using a debit/credit card, eCheck, Apple Pay, PayPal, and more at <https://silverblaze.cityofshelby.com> or by calling 704-484-6866 option 3 for the automated phone system. Customers may also pay with credit/debit card, check, or cash 24/7 at the kiosk located at the rear entrance to City Hall. Checks and money orders can also be mailed to us at PO Box 207, Shelby, NC 28151 or dropped in the drop box located at the rear entrance of City Hall. All payments made online, through the automated phone system, or by credit/debit card or eCheck at the kiosk are subject to a convenience fee.

## AGREEMENT TERMS

This agreement between the City of Shelby (City) and the undersigned customer is an agreement under which:

The City agrees to furnish any combination of electric, water, sewer, natural gas, refuse, and/or stormwater services to the customer for **RESIDENTIAL**  or **COMMERCIAL**  use at rates calculated under the most recent rate schedule adopted by City Council and all utilities provided by the city meet all federal and state regulations.

The customer agrees that the use of any combination of utility services provided by the city shall be subject to the rules, rates, and regulations of the Customer Service Department as adopted by City Council, and to pay monthly billing for any provided utility services when applicable to the city. All services may be discontinued for failure to pay for any one specific service charge.

The customer hereby give right-of-way necessary for the installation and maintenance of poles, wires, pipes, and apparatuses necessary for the furnishing of services requested.

The customer hereby gives utility meter access to the city. All metering devices installed for the purpose of metering utility service shall be located on the exterior of structures so they are easily and safely accessible by city personnel for reading and servicing. In the event any authorized city employee is refused admittance to the premises by the tenant or owner, is hindered by the tenant or owner, or metering devices are made inaccessible, the city has the right to disconnect service after proper notification by the city or free access is granted to an authorized employee.

The customer further agrees that the city has the right pursuant to the North Carolina Debt Setoff Program to collect any sum due and owed by the customer through offset of the customer's state income tax refund or lottery proceeds. The city chooses to pursue debts owed by the customer through the NC Debt Setoff Program in addition to third party debt collection agencies that report to all national credit reporting bureaus.

The customer agrees to the Telephone Consumer Protection Act. The customer agrees that in order for the city to service their account or to collect any amounts they may owe the city may contact the customer by telephone at any telephone number associated with their account, including wireless telephone numbers, which could result in charges to the customer. The city may also contact the customer by sending text messages and/or emails using any email address provided to us by the customer. Methods of contact may include using pre-recorded or artificial voice messages and/or the use of an automatic dialing service as applicable. The current version of the statute is found principally at 47 U.S.C. 227.

The customer is aware that it is unlawful to alter, tamper, reconnect, or bypass a meter that has been installed for the purpose of measuring the use of electricity, natural gas, or water. Meter tampering is expressly prohibited by NC General Statute 14-151 and is punishable by fines in excess of \$5,000.00 and/or imprisonment. Evidence of tampering will result in disconnection and possible legal recourse. All outstanding balances including any fines or penalties must be paid in full to reconnect services.

The undersigned states that he/she is not indebted to the City of Shelby for any utility service of any kind, either being secured in the customer's name or in the name of someone with whom the customer resided and from which the customer received benefit of such service, and that the customer is not securing service in the customer's name that would benefit other individuals indebted to the city for utility service of any kind. Should it be determined that the customer does in fact owe the City of Shelby for past utility service or has secured service for someone else so indebted, then such fact shall be sufficient cause to terminate any and all services secured by this agreement.

Please list any additional occupants or authorized accountholders below.

[Click or tap here to enter text.](#)    [Click or tap here to enter text.](#)    [Click or tap here to enter text.](#)

This agreement shall be effective on the date signed on behalf of the city and thereafter shall be subject to termination by the city only as hereby provided and shall be subject to termination by the customer only in the event of his/her vacating, selling, or disposing of the above described premises or otherwise mutually agreed upon by the customer and the city.

Executed on behalf of the City of Shelby by its duly authorized agent:

\_\_\_\_\_ [Click or tap to enter a date.](#)  
Date

\_\_\_\_\_ [Click or tap to enter a date.](#)  
*Customer Signature* Date

RESOLUTION NO. 13-2024

A RESOLUTION ADOPTING THE CITY OF SHELBY’S CUSTOMER SERVICES POLICY

WHEREAS, the City of Shelby has heretofore enacted a variety of policies, procedures and practices governing the utility customer services system of the City; and,

WHEREAS, the purpose of the Customer Services Policy is to inform customers of the manner in which the City will provide service to them, and to outline the City’s responsibilities in providing these services; and,

WHEREAS, the Customer Services Policy is not meant to be all-inclusive, but is intended to offer direction and guidance to the City and its customers as well as outline the responsibilities and duties of the customer; and

WHEREAS, the Customer Services Policy may be revised, amended, supplemented, updated, or otherwise changed from time to time by action of the City Council,

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

Section 1. The revised City of Shelby Customer Services Policy is attached hereto as ATTACHMENT A and made a part of this resolution.

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 records as may be applicable.

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

Adopted and approved this the 19<sup>th</sup> day of February 2024.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

Agenda Item: D-5

- 5) Approval of a resolution approving the contract for the performance of the City of Shelby's annual audit and preparation of financial statements for the Fiscal Year ended June 30, 2024: Resolution No. 14-2024

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

---

Summary of Available Information:

- Memorandum dated February 8, 2024, from Beth B. Beam, Director of Finance to Rick Howell, City Manager
- Letter from Martin Starnes dated February 8, 2024 and contract to be signed
- Resolution No. 14-2024

---

City Manager's Recommendation / Comments

This time is scheduled on your agenda to consider Resolution No. 14-2024 which would award the annual audit contract to Martin Starnes & Associates, P.A. This is the thirteenth year of the contract between the City and Martin Starnes. However, this annual audit contract must be acted upon by City Council and ultimately be approved by the Local Government Commission.

It is becoming increasingly more difficult to find interest from qualified accounting firms to conduct these governmental audits. They are extremely time-consuming for both our staff and the auditing firm. It was my goal when selecting an auditor to ensure the City and the taxpayers not only got a competitive price for services but also a quality work product that City Council, management, staff and most importantly the public have confidence as a reliable statement of the City's financial position. I cannot stress enough the importance of having public confidence in our annual financial statements. We work very hard to ensure that we are transparent and consistent in how these documents are prepared. Martin-Starnes has assisted the City in ensuring that a professional and thorough audit process is conducted. To that extent it is important for you to know that the auditor routinely assigns different personnel from the firm to provide a fresh set of eyes and greater objectivity throughout the audit process. The recommendation is that the audit contract for fiscal year ending June 30, 2024 be awarded to Martin-Starnes & Associates CPAs PA in an amount not to exceed \$100,000.

**It is my recommendation Resolution No. 14-2024 be adopted and approved by City Council at this time via the Consent Agenda**



To: Rick Howell, City Manager  
From: Beth Beam, Finance Director  
Date: February 8, 2024  
Subject: 2024 Audit Contract

Background:

North Carolina State Statutes require that all municipal governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The NC Local Government Commission requires that all municipal governments contract with an independent audit firm, on an annual basis, to meet these requirements.

Review:

The City requested proposals during the 2011 fiscal year from qualified independent, licensed certified public accounting firms to complete the annual financial audit and prepare the annual financial statements. The result was a 5-year agreement with Martin Starnes & Associates, CPA's P.A., to complete the financial audit and prepare the financial statements. The attached audit contract, which is the standard form published and approved by the NC Local Government Commission, sets the contract price not to exceed \$100,000 for the FY 2024 Annual Comprehensive Financial Report and Single Audit fees for up to 4 major programs. For the past 2 years, we have had 3 major programs. The "not to exceed" contract price will be reduced by \$4,000 per major program quoted but not determined to test. This is the fourteenth year of the contract.

Recommendation:

That City Council authorize the Mayor to execute the required contracts with Martin Starnes & Associates for the FY 2024 audit based on the fee proposal submitted by Martin Starnes & Associates on February 8, 2024.

The	Governing Board City Council
of	Primary Government Unit City of Shelby, NC
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Martin Starnes & Associates, CPAs, P.A.
	Auditor Address 730 13th Avenue Drive SE, Hickory, NC 28602

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/24	Date Audit Will Be Submitted to LGC 10/31/24
-----	--------------------------------	---

*Must be within four months of FYE*

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
- At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning on or after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters. If matters identified during the audit were required to be reported as described in AU-C §260.12-.14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Beth Beam	Finance Director, City of Shelby	beth.beam@cityofshelby.com

**OR Not Applicable**  (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

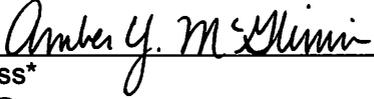
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

<b>Primary Government Unit</b>	City of Shelby, NC
Audit Fee (financial and compliance if applicable)	\$ 80,300 (includes single audit for up to 2 programs)
Fee per Major Program (if not included above)	\$ 4,000 per major program in excess of 2
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$ 11,700
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$ 100,000 (includes 4 major programs)</b>

<b>Discretely Presented Component Unit</b>	N/A
Audit Fee (financial and compliance if applicable)	\$
Fee per Major Program (if not included above)	\$
<b>Additional Fees Not Included Above (if applicable):</b>	
Financial Statement Preparation (incl. notes and RSI)	\$
All Other Non-Attest Services	\$
<b>TOTAL AMOUNT NOT TO EXCEED</b>	<b>\$</b>

## SIGNATURE PAGE

## AUDIT FIRM

Audit Firm* Martin Starnes & Associates, CPAs, P.A.	
Authorized Firm Representative (typed or printed)* Amber Y. McGhinnis	Signature* 
Date* 02/08/24	Email Address* amcghinnis@msa.cpa

## GOVERNMENTAL UNIT

Governmental Unit* City of Shelby, NC	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	
Mayor/Chairperson (typed or printed)* O. Stanhope Anthony, Mayor	Signature*
Date	Email Address* stan.anthony@cityofshelby.com

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

## GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by This Transaction:	\$ 100,000 (includes 4 major programs)
Primary Governmental Unit Finance Officer* (typed or printed) Beth Beam, Finance Director	Signature*
Date of Pre-Audit Certificate*	Email Address* beth.beam@cityofshelby.com

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

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

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)* N/A	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**



**Report on the Firm's System of Quality Control**

To the Shareholders of Martin Starnes & Associates, CPAs, P.A. and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

**Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

*Koonce, Wooten & Haywood, LLP*

Koonce, Wooten & Haywood, LLP

May 4, 2021

**Raleigh**  
4060 Barrett Drive  
Post Office Box 17806  
Raleigh, North Carolina 27619  
  
919 782 9265  
919 783 8937 FAX

**Durham**  
3500 Westgate Drive  
Suite 203  
Durham, North Carolina 27707  
  
919 354 2584  
919 489 8183 FAX

**Pittsboro**  
579 West Street  
Post Office Box 1399  
Pittsboro, North Carolina 27312  
  
919 542 6000  
919 542 5764 FAX

**Smithfield**  
212 East Church Street  
Post Office Box 2348  
Smithfield, North Carolina 27577  
  
919 934 1121  
919 934 1217 FAX

February 8, 2024

Beth Beam, Director of Finance  
City of Shelby  
300 South Washington Street  
Shelby, NC 28150

The following represents our understanding of the services we will provide the City of Shelby.

You have requested that we audit the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Shelby, NC, as of June 30, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Shelby's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended June 30, 2024. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Governmental Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the City of Shelby's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund statements
- Budgetary schedules
- Other schedules
- Financial Data Schedule
- Schedule of Expenditures of Federal and State Awards

### **Schedule of Expenditures of Federal and State Awards**

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

- Introductory information
- Statistical section

We will make reference to the component unit auditor's audit of the City of Shelby ABC Board in our report on your financial statements.

## **Data Collection Form (if applicable)**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

## **Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Shelby's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Shelby's basic financial statements. Our report will be addressed to the governing body of the City of Shelby. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of the City of Shelby's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal or state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the

types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management's Responsibilities**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report (if applicable); and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report (if applicable).
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year or period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in the system of internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal and State Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal and State Awards, (c) to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains the Schedule of Expenditures of Federal and State Awards and that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal and State Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the Schedule of Expenditures of Federal and State Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Nonattest Services**

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- GASB 34 conversion entries
- Preparation of auditor portions of Data Collection Form
- Preparation of AFIR
- Preparation of LGC's data input worksheet
- Clerical services

We will not assume management responsibilities on behalf of the City of Shelby. However, we will provide advice and recommendations to assist management of the City of Shelby in performing its responsibilities.

The City of Shelby's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

### **Other Matters**

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

During the course of the engagement, a portal will be in place for information to be shared, but not stored. Our policy is to terminate access to this portal after one year. The City is responsible for data

backup for business continuity and disaster recovery, and our workpaper documentation is not to be used for these purposes.

### **Provisions of Engagement Administration and Fees**

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Audit Fee (includes up to 2 major programs)	\$ 80,300
Financial Statement Drafting	<u>11,700</u>
	<u>\$ 92,000</u>
<b>Additional Fees:</b>	
Charge per major program in excess of 2	<u>\$ 4,000</u>

Please note that the fees above include up to 2 major programs, as indicated. The “total amount not to exceed” listed on the audit contract includes up to 4 major programs. If the total number of major programs exceeds 4 and the “total amount not to exceed” needs to be increased, we will prepare an amended contract to include the fees necessary based on the per program amount listed as additional fees above.

Our invoices for these fees will be rendered in four installments as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Shelby’s personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

#### *Changing Laws and Regulations*

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

### *Incorrect Accounting Methods or Errors in Client Records*

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

### *Failure to Prepare for the Engagement*

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

### *Starting and Stopping Our Work*

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$85-\$400 per hour.

*Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;

- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management’s consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.’s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Shelby by:

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

RESOLUTION NO. 14-2024

A RESOLUTION APPROVING THE CONTRACT FOR THE PERFORMANCE OF  
THE CITY OF SHELBY'S ANNUAL AUDIT AND PREPARATION OF  
FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

WHEREAS, the City of Shelby has agreed to have Martin Starnes & Associates, CPAs P.A. of Hickory, North Carolina prepare the financial statements for the year ended June 30, 2024 and serve as the City's independent auditing firm; and

WHEREAS, Martin Starnes & Associates, CPAs P.A. has submitted the required Local Government Commission (LGC) contract for performance of this 2024 audit and same is ready for execution and submittal to the State for review and approval;

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

Section 1. The Contract to Audit Accounts dated February 8, 2024 between the City of Shelby and Martin Starnes & Associates CPAs P.A. in the contract amount not to exceed \$100,000 is hereby accepted and approved.

Section 2. The Mayor and Finance Director of the City are hereby authorized and directed to execute the contract set forth in Section 1 of this resolution.

Section 3. Upon applicable execution by the contracting parties, said contract shall be submitted to the North Carolina Local Government Commission for its review and approval.

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

Adopted and approved this the 19th day of February 2024.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

Agenda Item: D-6

- 6) Approval of a resolution directing the City Clerk to determine sufficiency of a voluntary annexation petition from Caleb Peeler: Resolution No. 15-2024 (Eaves Road)

**Consent Agenda Item: (Carol Williams, City Clerk)**

---

Summary of Available Information:

- Petition for Annexation and Appointed Agent Form
- Survey and map of parcel
- Resolution No. 15-2024

---

City Manager's Recommendation / Comments

It is my recommendation that Resolution No. 15-2024 be adopted and approved by City Council via the Consent Agenda at this time. The City Clerk will report her finding to you at your regular meeting to be held March 4, 2024 and the required public hearing would be held March 4, 2024 assuming the petition is determined to be sufficient.

**It is recommended that Resolution No. 15-2024 be adopted and approved at this time via the Consent Agenda.**



City of Shelby
Planning and Development Services Department

Petition for Annexation
(Satellite or Contiguous)

The undersigned Petitioner(s) requests annexation of the property described in accordance with the provision of NCGS 160A-58 (Satellite Annexations) or NCGS 160A-29 (Contiguous Annexations):

Address of Subject Property:

EAVES ROAD (SR 1102)

Applicant(s) Name: Caleb Peeler

Address: 211 Patton Drive

Email: caleb.peeler@protonmail.com

Phone: 704-692-4212

Owner(s) Name: Don Peeler

Email: donpeelernc@aol.com

Phone: 704-913-1033

\* If more than one individual owner, attach additional pages with owners' information. \*

Provide a brief description of the subject property. Attach additional pages or documentation if necessary.
75.42 acres of vacant property located off Eaves Road. The property is bounded by Little Hickory Creek and the rail-to-trail right-of-way.

Signature of Owners:

Signatures of all Individual Property Owner(s) and Spouses, if any

Signature of Owner

Signature of Owner

If Owner is a Partnership, signature(s) of at least one General Partner

Signature of Owner

Signature of Owner

If Owner is a Corporation:

DON PEELER REALTY, INC.
Registered Name of Corporation

[Signature]
Signature of President/Vice President

(Corp. Seal)

Attested by: [Signature]
Signature of Secretary/Assistant Secretary

(If additional signatures are necessary, continue on separate sheet and attach to the Petition.)

STATE OF NORTH CAROLINA  
COUNTY OF CLEVELAND

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that ~~\_\_\_\_\_~~, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**If Owner is a Partnership:**

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_, being one/all of the partners of the General Partnership known as \_\_\_\_\_, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

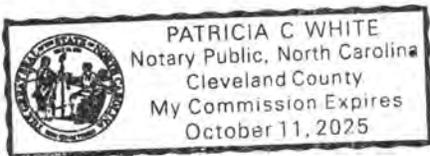
My Commission Expires: \_\_\_\_\_

**If Owner is a Corporation:**

I, PATRICIA C. WHITE, a Notary Public for said County and State, do hereby certify that DON PEELER, ~~\_\_\_\_\_~~ <sup>OWNER</sup>, personally appeared before me this day and acknowledged he (or she) is PRESIDENT of DON PEELER REALTY, INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its PRESIDENT, sealed with its Corporate Seal and attested by UNIVERSAL PEELER as its SECRETARY.

Witness my hand and official seal, this the 26 day of JANUARY, 2024

(SEAL)



Patricia  
\_\_\_\_\_  
Notary Public

My Commission Expires: 10/11/2025







City of Shelby  
Planning and Development Services

Appointed Agent Form

Address of Subject Property:

**EAVES ROAD (SR 1102)**

I, DON PEELER, owner of the property located at said address and identified by the Cleveland County Tax Assessor's Office as PIN: 2545380567, located in Cleveland County, North Carolina, do hereby appoint CALEB PEELER to represent me in filing an application for a permit with the City of Shelby Planning and Development Services Department.

I further authorize CALEB PEELER to act as my agent in all matters, formal and informal, and to receive all official correspondence as it relates to the ZONING PERMIT REVIEW and APPROVAL PROCESS.

[Signature]  
Signature of Property Owner

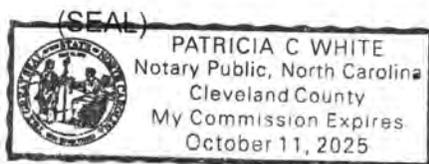
1/26/2024  
Date

Applicant(s) Name: CALEB PEELER  
Address: 211 PATTON DRIVE  
SHELBY, NC 28150  
Email: CALEB.PEELER@PROTONMAIL.COM  
Phone: 704-692-4212

STATE OF NORTH CAROLINA  
COUNTY OF CLEVELAND

I, Patricia C. White, a Notary Public for said County and State, do hereby certify that DON L. PEELER, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 26 day of JANUARY, 2024.



[Signature]  
Notary Public  
My Commission Expires: 10/11/2025

**RESOLUTION NO. 15-2024**

**A RESOLUTION DIRECTING THE CITY CLERK TO DETERMINE  
SUFFICIENCY OF A VOLUNTARY ANNEXATION PETITION  
FROM CALEB PEELER**

**WHEREAS**, the City of Shelby has received a petition for voluntary annexation from Caleb Peeler; and,

**WHEREAS**, North Carolina General Statute 160A-31 set forth standards allowing for contiguous annexation; and,

**WHEREAS**, the subject property, 75.42 acres of vacant property located off Eaves Road, bound by Little Hickory Creek and the Carolina Harmony Trail right-of-way, having Cleveland County parcel number 5430, and as further identified within the petition meets the standards set forth in the above referenced statute; and,

**WHEREAS**, North Carolina General Statute 160A-58.2 set forth standards allowing for a public hearing to annex contiguous property; and,

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

Section 1. The City Clerk is hereby directed to investigate this petition and to certify the results of such investigation in writing to City Council at the regular meeting on March 4, 2024.

Section 2. This resolution shall become effective upon its adoption and approval.

Adopted and approved this the 19th day of February 2024.

---

O. Stanhope Anthony  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

Agenda Item: D-7

- 7) Approval of a resolution accepting property from the Optimist Club of Shelby, N.C., Inc.: Resolution No. 16-2024

**Consent Agenda Item: (Justin Longino, Assistant City Manager)**

---

Summary of Available Information:

- Memorandum dated February 14, 2024, from Justin Longino, Assistant City Manager to Rick Howell, City Manager
- Survey, title insurance, and deeds
- Letter from the Optimist Club dated August 30, 2022
- Resolution No. 16-2024

---

City Manager's Recommendation / Comments

Resolution No. 16-2024 is presented for City Council consideration at this time. If approved this resolution would accept the 6.22-acre property from the Optimist Club of Shelby. The City has leased this property from the local Optimist Club for many years. It has been maintained and utilized as a City park facility for many years.

The current Optimist Club membership and leadership is dormant but has offered the property to the City. Mr. Longino, Mr. Holtzclaw and Mr. Lunsford have all reviewed the matter and are comfortable with the acceptance as proposed.

**It is recommended that Resolution No. 16-2024 be adopted and approved at this time via the Consent Agenda.**

## MEMORANDUM

To: Rick Howell – City Manager

From: Justin Longino – Assistant City Manager

Date: February 14, 2024

Subject: Optimist Park

### **Background**

The Optimist Park property has been owned by the Optimist Club of Shelby since the park's existence. The City has maintained and utilized the park during most of that time. Mr. Justin Merritt was approach by the Optimist Club in 2023 when they asked if the City would be willing to accept the property upon their conveyance. Staff has since worked to evaluate the property and prepare the necessary documents for Council to consider this request.

### **Review and Comments**

Staff has completed the following items (and included in your packet):

- Survey of the Property
- Title Search
- Map of the Property (two parcels)
- Letter of conveyance from the Optimist Club of Shelby
- Resolution for acceptance of the property

### **Recommendation**

Staff recommends acceptance of the property through approval of the attached resolution.



Optimist Club of Shelby, NC 28150  
213 T. R. Harris Dr.  
Shelby, NC 28150

August 30, 2022

Mr. Rick Howell  
City Manager  
P.O. Box 207  
Shelby, NC 28151

Dear Mr. Howell:

The Optimist Club of Shelby, N.C. Inc. would like to voluntarily offer Cleveland County Parcel Number 23113 located at 1007 Mark Drive and known as "Optimist Park" in the City of Shelby, North Carolina, for donation to the City of Shelby.

Sincerely,

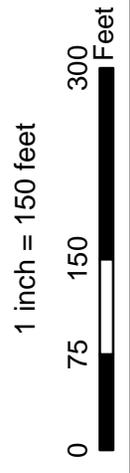
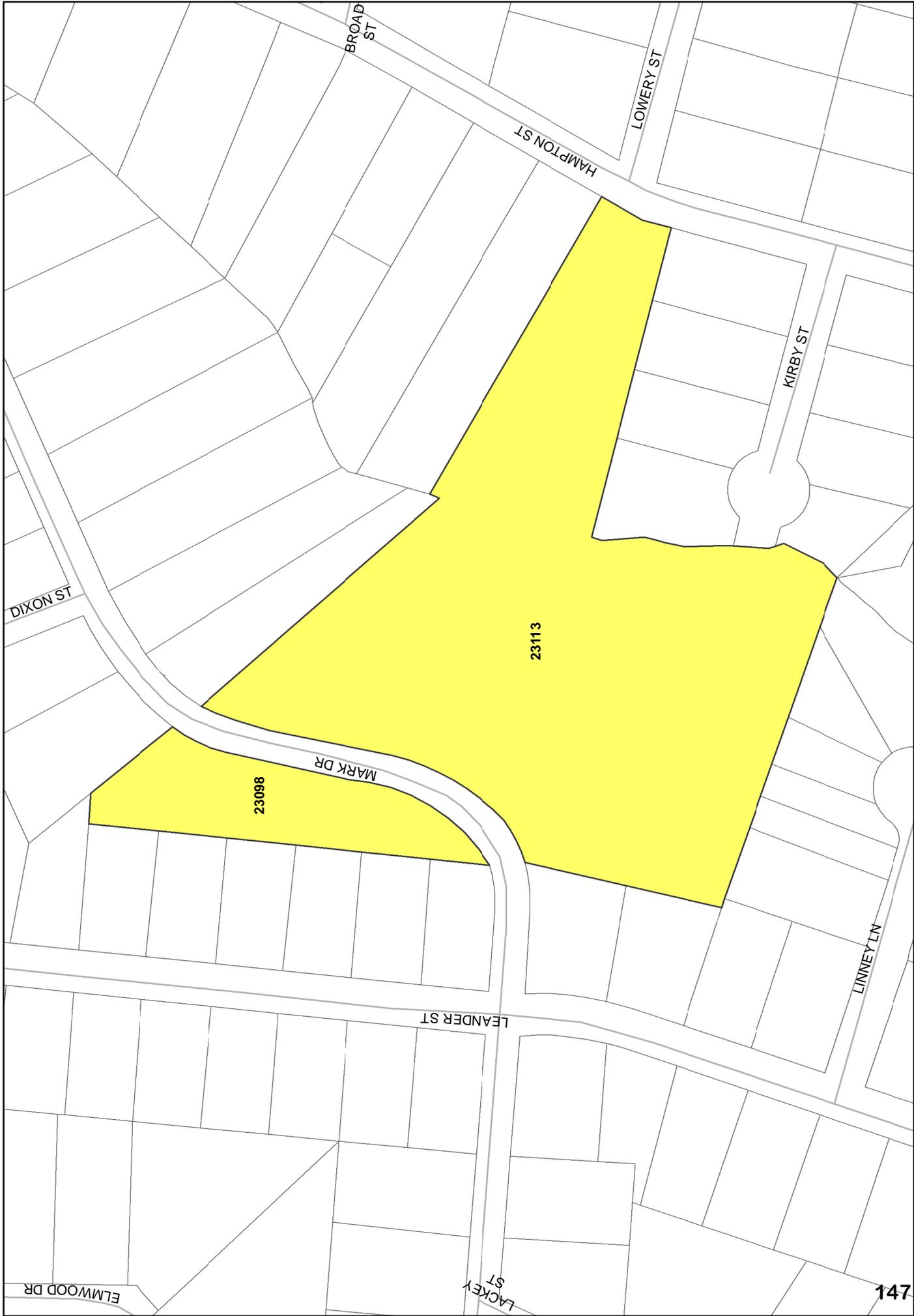
*Roger A. West* Former Club President

*Peggy S. West* Secretary

The Optimist Club of Shelby, N.C. Inc.

Club #44405

534 Casar Belwood Road, Lawndale, NC 28090



# Optimist Park





# Investors Title

Investors Title Insurance Company

P.O. Drawer 2687

Chapel Hill, NC 27515-2687

919.968.2200 | 800.326.4842 | Fax 919.968.2227

## CLIENTCONNECT EFLITE ORDER INFORMATION

### PRELIMINARY OPINION

---

**Requesting Attorney:**

Horn Pack Brown and Dow PA  
211 S Dekalb St  
Shelby, NC 28150  
(704) 482-2454

**Issuing Office:**

Gastonia Branch  
Investors Title Insurance Company

Issuing Office Mailing Address

432 E Long Ave Ste 3  
Gastonia, NC 28054

Issuing Office Street Address

432 E Long Ave Ste 3  
Gastonia, NC 28054  
(704) 861-1222 (Phone)  
(704) 861-1702 (Fax)  
gastonia@invtitle.com

**EFLITE Order Number:** 3165937

**EFLITE Order Name:** city of shelby

**Current Owners:** Parcel 1:  
The Optimist Club of Shelby, N.C., Inc.

**Buyers/Borrowers:** Parcel 1:  
City of Shelby

**Property Address:** 1007 Mark Drive  
Shelby, NC 28150

Cleveland County

**Notes to Issuing Office:**

# Investors Title

Investors Title Insurance Company  
P.O. Drawer 2687  
Chapel Hill, NC 27515-2687  
919.968.2200 | 800.326.4842 | Fax 919.968.2227

## PRELIMINARY OPINION

(To be submitted prior to closing when a commitment is desired for closing.)

### Parcel 1

UPDATING FROM PREVIOUS TITLE INSURANCE POLICY OR BACK TITLE LETTER? **No** Prior Policy or Back Title Letter Date: Details:

Insurance Information	<p>Current Owner(s): <b>The Optimist Club of Shelby, N.C., Inc.</b></p> <p>Buyer(s) / Borrower(s): <b>City of Shelby</b></p> <p>Address of Property to be Insured: <b>1007 Mark Drive Shelby, NC 28150</b></p> <p>County: <b>Cleveland</b> Subdivision:</p> <p>Purchase Price: Owner's Coverage Amount:</p> <p>Type of Owner's Policy Requested:</p> <p>Type of Title: <b>Fee Simple</b></p>
-----------------------	--

1. TAXES AND SPECIAL ASSESSMENTS:
  - (a) Tax Jurisdiction:
  - (b) Tax Parcel Number:
  - (c) Tax Status:
  - (d) Taxes have been paid through and including those for the year:
  - (e) Taxes now due and payable:
  - (f) Special levies or assessments now due or payable in future installments:
  - (g) Additional tax information: **Taxes are Exempt**
2. EXISTING MORTGAGES, DEEDS OF TRUST, JUDGMENTS, AND LIENS: Omit security instrument to be insured.
3. ARE THERE RESTRICTIVE COVENANTS AND CONDITIONS? **Yes** [If yes, (a) through (e) should be completed]
  - (a) Recorded in Book **7B** Page **268**, Instrument No. , front setback line of feet, side setback line of feet, side street setback line of feet, rear setback line of feet.
  - (b) Are restrictions violated? If yes, explain:
  - (c) Do restrictions contain reversionary or forfeiture clause?
  - (d) Are there special assessments (Homeowner's Dues, etc.)? If yes, explain:
  - (e) Other matters related to Restrictive Covenants and Conditions:
4. IS THERE A RECORDED PLAT? **Yes** [If yes, (a) through (c) should be completed]
  - (a) Recorded in Book/Folio/Cabinet **6** Page **41**, Instrument No.
  - (b) Does the recorded plat show setback lines? If recorded plat or survey shows building setback line(s), provide details: front setback line of feet, side setback line of feet, side street setback line of feet, rear setback line of feet.
  - (c) Easements or other matters shown on plat:
5. DOES LAND HAVE ACCESS TO A PUBLIC RIGHT OF WAY?
  - (a) **Yes - Direct** (If private easement, provide copy to underwriter.)
  - (b) If over a private easement, has a search been made of property over which easement crosses?
  - (c) List matters affecting title to land over which valid recorded easement is located:
6. LIST ALL OTHER LIENS, OBJECTIONS, AND DEFECTS:

to .

# Investors Title

Investors Title Insurance Company  
P.O. Drawer 2687  
Chapel Hill, NC 27515-2687  
919.968.2200 | 800.326.4842 | Fax 919.968.2227

**Additional Notes: Name of Seller per Secretary of State is The Optimist Club of Shelby, N.C., Inc. In addition to the legal name, vesting deeds also have Optimist Club of Shelby, North Carolina, Incorporated, Optimist Club of Shelby, N.C., Inc..**

to .

**Additional Notes: Drainage Easement for the City of Shelby in Book 1764, Page 599**

to .

**Additional Notes: Water line easement for the City of Shelby in Book 13M, Page 280**

to .

**Additional Notes: Five foot drainage easement as shown Deed at Book 11X, Page 92**

to .

**Additional Notes: Sewer easement to the City of Shelby in Book 13K, Page 20.**

7. IS A MOBILE OR MANUFACTURED HOME LOCATED ON THE LAND? **No**  
If yes, do you request that the policy provide coverage that the mobile or manufactured home is "real estate"?  
If yes, a Declaration of Intent or MVR-46G must be recorded at the Register of Deeds.
8. LAND IS CURRENTLY OCCUPIED BY:
9. HAS THE STATUTORY LIEN PERIOD EXPIRED? IS CONSTRUCTION ON THE LAND IN PROGRESS OR IMMEDIATELY CONTEMPLATED OR HAS CONSTRUCTION ON THE PROPERTY BEEN RECENTLY COMPLETE? **No**  
If "Yes," has a Mechanics' Lien Agent been appointed?  
If "Yes," identify the Mechanics' Lien Agent appointed:
10. IS INSURANCE AS TO MATTERS OF SURVEY REQUESTED?
11. USE OF LAND: **Non-Residential**
12. ADDITIONAL INFORMATION REGARDING MISCELLANEOUS ITEMS:
13. CERTIFICATION DATES: The title is certified from **2/14/1984 at 8:00 AM to 2/14/2024 at 8:00 AM**

# Investors Title

Investors Title Insurance Company  
P.O. Drawer 2687  
Chapel Hill, NC 27515-2687  
919.968.2200 | 800.326.4842 | Fax 919.968.2227

## CERTIFICATION

### ADDITIONAL COMMENTS AS TO CERTIFIED INFORMATION:

I have made the title examination and certify to the matters shown in this Opinion. This certification to Investors Title Insurance Company by the undersigned is based upon a personal examination of all public records affecting the title to the land described below under "Legal Description" or described in the attached Deed or Deed of Trust. Said personal examination covers a period of not less than thirty (30) years unless indicated otherwise above. *Note: See Standard Exceptions directly following "LEGAL DESCRIPTION".*

Send Original Commitment to:

Send Preliminary Opinion to Alternate Email Address:

When submitted, send this transaction to: **Gastonia Branch**



---

### Certifying Attorney Signature

*If document has been electronically submitted, parties agree that this document may be electronically signed. The parties agree that the electronic signatures appearing on this document are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.*

Attorney Name:

Member of Firm: **Horn Pack Brown and Dow PA**

Address: **211 S Dekalb St  
Shelby, NC 28150**

Telephone: **(704) 482-2454**

Email:

# Investors Title

Investors Title Insurance Company  
P.O. Drawer 2687  
Chapel Hill, NC 27515-2687  
919.968.2200 | 800.326.4842 | Fax 919.968.2227

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

## LEGAL DESCRIPTION

Parcel 1: Deeds at Book 11X, Page 91, Book 9E, Page 588, Book 7B, Pages 568 & 268  
Parcel #23113

## STANDARD EXCEPTIONS

**The attorney should check any exceptions that are to be eliminated on the line to the left of the exception.**

1. Interest or claims not disclosed by public records, including but not limited to:
  - (a) Unrecorded Mechanics' or Materialmen's liens. (Liens may be filed by persons or entities furnishing labor or materials to any improvements of real property within 120 days from the last day of performance and will upon perfection relate in priority to the first day of performance as a valid lien on real property.)
  - (b) Unrecorded leases. (Under North Carolina law, parties in possession of the premises under a verbal or unrecorded lease of three years or less duration may remain in possession under terms of tenancy.)
  - (c) Matters that may defeat or impair title which do not appear on the record. (Evidence revealing missing heirs, forgeries, etc. may not be on the public records, but such facts if properly established may impair or defeat what appears to be a good title on the record.)
  - (d) Taxes, special assessments and other governmental charges that are not shown as existing liens by the public records. (Governmental charges may be made for acreage fees, tap-on fees, cost of weed cutting, demolition of condemned buildings and other matters that are not shown as existing liens on the land by the public records.)
  - (e) Unlisted personal property taxes. (If discovered, such taxes and any penalties may be assessed as a lien on the subject land.)
2. Matters occurring prior to and subsequent to the inclusive dates of examination.
3. Matters which would be revealed by a review of the public records regarding the proposed purchaser/borrower, who is not a current owner of the land.
4. Any inaccuracies and discrepancies which an accurate survey of the land may disclose. (A survey, if procured from a competent surveyor or civil engineer, will normally determine whether improvements lie within the boundaries of the land, whether existing utility lines, roads or other easements cross the premises, and whether there are any encroachments.)
5. Security interests that may have attached to fixtures on the subject land as provided in Article 9 of the Uniform Commercial Code of North Carolina.
6. Compliance with any local, county, state or federal government law or regulation relative to environment, zoning, subdivision, occupancy, use, construction or development of the subject land.
7. Federal judgments, liens, and proceedings filed only in the Federal Court. (Upon the filing of a petition in Bankruptcy, title to real land vests in the Trustee in Bankruptcy and notice thereof is not always required to be filed in the County in which the Bankrupt owns property; federal condemnation proceedings may vest property in the federal government and notice thereof is not required to be recorded among the County records.)

# Investors Title

Investors Title Insurance Company

P.O. Drawer 2687

Chapel Hill, NC 27515-2687

919.968.2200 | 800.326.4842 | Fax 919.968.2227

- 8. Civil Actions where no notice of lis pendens against subject land appears of record.

00K 11-X

R. B. 1.65

Pg. 91

Printed and Sold by Fessenden & Moore Co., Charlotte, N. C.  
FORM R. D. 222

STATE OF NORTH CAROLINA  
Cleveland County.

**This Deed** Made this 13th day of  
May, A. D. 1967 by and between

NORRIS D. LACKEY AND WIFE, LOUISE B. LACKEY

of the County of Cleveland and State of North Carolina  
Parties of the first part, and

OPTIMIST CLUB OF SHELBY, NORTH CAROLINA, INCORPORATED

of the County of Cleveland and State of North Carolina  
part Y of the second part:

WITNESSETH, that the said parties of the first part, in consideration of ~~-----~~ Ten Dollars and other good and valuable considerations ~~-----~~ Dollars to them paid by the part Y of the second part, the receipt of which is hereby acknowledged, have bargained and sold, and by these present do grant, bargain, sell and convey unto the said party of the second part and its heirs, -at successors and assigns all that certain lot

of land, situate, lying and being in  
No. 6 Township, Cleveland County, State of

North Carolina, and more particularly described and defined as follows:

Being located in the Northwest section of the City of Shelby, North Carolina, and lying on the South side of Lackey Street Extension just East of Leander Street and being all of Lot No. 1, Block "B" of the Norris D. Lackey Development known as SEDGEFIELD, except a certain portion previously sold off the Southwest corner of said lot, all according to a survey by Clyde Fesperman, Registered Surveyor dated April 17, 1964 and being described by metes and bounds as follows:

BEGINNING at a stake on the South edge of Lackey Street Extension, the Northeast corner of the Norris D. Lackey Development known as SEDGEFIELD, and also being a corner of the Optimist Club of Shelby, North Carolina, Incorporated; and runs thence with the said line between the Sedgfield Development and the present Optimist Club property South 12-06 West 225.03 feet to a stake; thence continuing with the said line South 11-56 West 101.12 feet to a stake, the Southeast corner of Lot No. 1; thence running North 71-31 West 75 feet to a stake, the Southeast corner of Lot No. 3 of the aforesaid development; thence running with the East lines of Lots Nos. 3 and 2 North 12-33 East 246.90 feet to a stake on the South edge of Lackey Street Extension, the Northeast corner of Lot No. 2; thence running with the South edge of Lackey Street two calls as follows: North 66-15 East 55.90 feet and North 47-21 East 46.75 feet to the point of the

(OVER)

pg 92

**BEGINNING.**

THERE IS EXCEPTED from the foregoing conveyance a strip of land 4 feet in width and running approximately 11 feet East and West which has been sold off from the Southwest corner of the said Lot No. 1 Block "B", the same being conveyed to Jacob L. Terres and wife, Ruth G. Terres by deed of record in the Cleveland County Registry.

This conveyance is also made subject to a 5 foot easement along the South line for drainage purposes, all as is shown on the plat referred to above.

The foregoing being a part of the property conveyed by R. T. LeGrand, Jr., et al, to Norris D. Lackey and wife, Louise B. Lackey and William B. Crosby and wife, Betty M. Crosby by deed dated September 4, 1963, recorded in Book 10-E at page 81, Cleveland County Registry.

See also deed from William B. Crosby and wife, Betty M. Crosby conveying their one-half undivided interest to the Grantors herein as shown in the deed recorded in Book 10-J at page 79 in the Office of the Register of Deeds for Cleveland County, North Carolina, reference being hereby made to the said deeds and the records for further identification and description of the said property.

L-75

Book 9-E

Key Stamp 1.10

Page 588

State of North Carolina

JOSEPH C. WHISNANT  
Attorney at Law

Cleveland COUNTY

This Deed Made this 3rd day of July A. D. 1961

by and between

LAND INVESTORS, INC.

a corporation organized and existing under and by the virtue of the laws of the State of North Carolina with its principal office located at Shelby of the County of Cleveland and State of North Carolina party of the first part, and

OPTIMIST CLUB OF SHELBY, N. C., Inc.

of the County of Cleveland and State of North Carolina part.Y of the second part,

Witnesseth, That the said party of the first part, in consideration of (\$10.00) Ten Dollars and other good and valuable consideration Dollars to it paid by the part.Y of the second part, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents, doth grant, bargain, sell and convey unto the said Optimist Club of Shelby, N. C., Inc. Successors and assigns that certain parcel and its heirs, all that certain parcel

of land, situate, lying and being in Number 6 Township, Cleveland County, State of North Carolina, and more particularly described as follows:

Being located in the Southwest section of the City of Shelby, and being just South of the Sunshine Terrace Development, and described by metes and bounds as follows:

BEGINNING at a stake in the West edge of Hampton Street at a point opposite its intersection with Lowery Street, the same being also the Southeast corner of Lot No. 14 in Block "E", section 3, of the said Sunshine Terrace Development, and running thence, North 75-54 West 380.02 feet to a stake in the branch, being the Southwest corner of Lot No. 14, Block "E", this corner is also the Northwest corner of what was originally the Bressant-Hoey property; thence down the branch with the old line, South 19-10 West 30.10 feet to a stake, a new corner; thence, a new line through the property now owned by Land Investors, Inc., South 75-54 East 383.10 feet to a stake, a new corner in the West edge of Hampton Street; thence, with the West edge of Hampton Street, North 14-06 East 30 feet to the BEGINNING.

The foregoing is a strip from the Northwest corner of the Bressant-Hoey-Land Investors, Inc., property, the same being deeded to the said latter owner by deed recorded in Book 9-A, page 298, in the Office of the Register of Deeds for Cleveland County, N. C., reference being made to said deed and the record thereof for further identification and description of the said property.

Land Investors, Inc. shall pay 1961 property taxes.

STATE OF NORTH CAROLINA—Cleveland County

THIS DEED, Made this 26th day of August AD 1954, by and between R. R. Lackey and wife, Elizabeth P. Lackey

of the County of Cleveland and State of North Carolina, part les of the first part and The Optimist Club of Shelby, N. C., Inc.

WITNESSETH, That the said part les of the first part, in consideration of Ten dollars and other good and valuable consideration Dollars, to them paid by the party of the second party, the receipt of which is hereby acknowledged, have bargained and sold and by these presents do grant, bargain, sell and convey unto said party of the second part and its heirs, all that parcel or tract of land, situate, lying and being in No. 6 Township, Cleveland County

State of North Carolina and more particularly described and defined as follows Being located in the southwestern section of the City of Shelby, N. C., in the vicinity of Gold Street Extension, and being a part of the R. R. Lackey property, and being more particularly described by metes and bounds as follows

Beginning at a point marked by a steel stake located in the center of a public road, which road extends southwestward from Gold Street Extension, said stake being on the R. R. Lackey line as it intersects said public road, and running thence S38-20 E 416 0 feet to a point marked by a steel stake located near the Junction of two small creeks, thence S 4-50 W 381.0 feet to a point marked by a steel stake, thence S 27-35 W 99.0 feet to a point marked by a steel stake, thence N 71-25 W 349 1 feet to a point marked by a steel stake, thence N 11-18 E 622.0 feet to a point marked by a steel stake in the center of said public road, thence with the center of said road N 22-35 E 67.8 feet to the point of Beginning, said parcel or tract containing 4 7 acres, more or less

The described property is conveyed subject to the following restrictions

- 1. That no dwelling house shall be constructed thereon at a cost of less than \$8,000 00
2. That no commercial establishment of any kind whatsoever shall be constructed or operated thereon, this restriction, however, not to operate to exclude or prohibit any function of the Optimist Club of Shelby, N. C., grantee herein.

TO HAVE AND TO HOLD the aforesaid parcel or tract of land and all privileges and appurtenances thereto belonging, to the said Optimist Club of Shelby, N. C. its heirs and assigns, to their only use and behoof forever And the parties of the first part with the said party of the second part, its heirs and assigns, that they are seized of said premises in fee, and have right to convey the same in fee simple, that all the same are free and clear from all encumbrances, and that they will warrant and defend the said title to the same against the lawful claims of all persons whomsoever

IN TESTIMONY WHEREOF, the said part les of the first part to these presents have hereunto set their hand s and seal s, the day and year above written R. R. Lackey (SEAL) Signed, sealed and delivered in the presence of Elizabeth P. Lackey (SEAL) (SEAL) (SEAL) (SEAL) (SEAL) (SEAL)

STATE OF North Carolina } COUNTY OF Cleveland } SS I, Norris D. Lackey, N. P., for said County and State, do hereby certify that R. R. Lackey and Elizabeth P. Lackey, wife, personally appeared before me this day and acknowledged the due execution of the foregoing (or annexed) instrument Let the instrument and the certificate be registered Witness my hand and notary seal, this 26 day of August 1954 My commission expires 1-11-56 Norris D. Lackey, N. P. (Seal) Notary Public or J P

STATE OF NORTH CAROLINA—CLEVELAND COUNTY—SS The foregoing (or annexed) certificate of Norris D. Lackey, a Notary Public, of Cleveland County, is adjudged to be correct Let the instrument and the certificate be registered This 31 day of August AD 19 54 Jeanette Wilson, Ass't Clerk Superior Court Filed for registration on the 31 day of August, 19 54 at 3 30 o'clock P. M., and registered in the office of the Register of Deeds, Cleveland County, N. C., August 31, 19 54, at 3 30 o'clock P. M., in Book 268 of Deeds, on page 268, etc BY Dan W. Thompson Ass't

STATE OF NORTH CAROLINA—Cleveland County

THIS DEED Made this 13 day of September, AD 1954, by and between North J. Brenton and wife, Louise M. Brenton, J. Lowery Austell and wife, Madge I. Austell

of the County of Cleveland and State of North Carolina, part les of the first part and The Optimist Club of Shelby, N.C., Inc.,

of the County of Cleveland and State of North Carolina, part y of the second part

WITNESSETH That the said parties of the first part, in consideration of Ten Dollars and other good and valuable consideration Relates, to them paid by the part Y of the second part, the receipt of which is hereby acknowledged, have bargained and sold and by these presents do grant, bargain, sell and convey unto said Optimist Club of Shelby, N.C., Inc. and its heirs, all that parcel or lot of land, situate, lying and being in No. 6 Township, Cleveland County, State of North Carolina, and more particularly described and defined as follows

Being located in the southwestern section of the City of Shelby, N. C. n what is known as Sunshine Terrace, and being a part of section three of Sunshine Terrace, ss subdivided by D R S. Frazier, C.E, as shown by map of same in Book of Plats No 6, at page 41 in the Register of Deeds Office for Cleveland County, N. C This parcel or lot is not one of the numbered lots on said plat, but is an unnumbered parcel lying near lot No 13 on said plat, and is described by metes and bounds as follows

BEGINNING at a point in the edge of Hampton Street, southeast corner of lot No 13 as shown on said plat and running thence with Hampton Street S 29-00W 58 feet to a stake, thence N 75-10 W 330 feet to a stake, thence N 8-00 E 147 7 feet to a stake, thence S 61-00 E 372.8 feet to a stake, the point of BEGINNING.

TO HAVE AND TO HOLD the aforesaid parcel or lot of land and all privileges and appurtenances thereto belonging to the said Optimist Club of Shelby, N.C., Inc. its said parties of the first part heirs and assigns, to its only use and behoof forever And the said parties of the first part their heirs, executors and administrators, covenant with the said part Y of the second part, its heirs and assigns, that they are seized of said premises in fee, and have right to convey the same in fee simple, that all the same are free and clear from all encumbrances, and that they will warrant and defend the said title to the same against the lawful claims of all persons whomsoever

IN TESTIMONY WHEREOF, the said part les of the first part to these presents have hereunto set their hand and seal, the day and year above written Signed, sealed and delivered in the presence of North J. Brenton (SEAL) Louise M. Brenton (SEAL) J. Lowery Austell (SEAL) Madge I. Austell (SEAL)

STATE OF North Carolina } COUNTY OF Cleveland } SS I, Hazeline T. Allen, a Notary Public in said County and State, do hereby certify that North J. Brenton and his wife, Louise M. Brenton, J. Lowery Austell and Madge I. Austell, his wife, personally appeared before me this day and acknowledged the due execution of the foregoing (or annexed) instrument Let the instrument and the certificate be registered Witness my hand and notarial seal, this 14 day of Sept., AD 1954 My commission expires 10-20-54, 19 Hazeline T. Allen (SEAL) Notary Public in N.C.

STATE OF NORTH CAROLINA—CLEVELAND COUNTY—SS The foregoing (or annexed) certificate of Hazeline T. Allen, a Notary Public, of said County, is adjudged to be correct Let the instrument and the certificate be registered This 3 day of Dec., AD 19 54 Jeanette Wilson, Asslt., Clerk Superior Court Filed for registration on the 3 day of Dec., 19 54, at 2 o'clock P.M., and registered in the office of the Register of Deeds Cleveland County, N.C., 3 day of Dec., 19 54, at 2 o'clock P.M., in Book 7-B of Deeds, on page 568, etc Dan W. Moore, Register of Deeds

By Sarah Hammock Ass't

- Upload a PDF Filing
- Order a Document Online
- Add Entity to My Email Notification List
- View Filings

## Non-Profit Corporation

### Legal Name

The Optimist Club of Shelby, N.C., Inc.

## Information

**SosId:** 0108331

**Status:** Current-Active ⓘ

**Date Formed:** 9/12/1953

**Citizenship:** Domestic

**Annual Report Due Date:**

**Registered Agent:** Rogers, Bobby

## Addresses

### Mailing

215 E Marion St  
Shelby, NC 28150

### Reg Office

215 E Marion St  
Shelby, NC 28150

### Reg Mailing

215 E Marion St  
Shelby, NC 28150

## Officers

CL1010-2  
INQUIRY  
Year/Receipt: 2023 4979238 100  
OPTIMIST CLUB  
%ROGER WUEST  
213 T R HARRIS DR

View Tax Bills  
Bill #: 4298736

Transaction Date: 10/17/2023  
.....

Discovery:  
Receipt Collect Status:  
Payer ID Collect Status:  
Owner Collect Status:  
Tender Instruction:

SHELBY NC 28150  
Taxpayer SS# missing.  
District: 6 CITY OF SHELBY  
Owner ID:@ 16517101  
ASV Value: 165,344  
Tax Amount:  
Charges:  
Prior Paid:  
Balance: .00

Payer ID:@ 16517101  
Due Date: 1/05/2024  
Assessments:  
Paid Date:

Lender:@  
Last Bad Check:  
SI Receipt:  
SI Owner:  
Created: 7/11/2023

Refund Due:

FULLY EXEMPT RELIGIOUS  
Refund Paid:  
Parcel: 23113  
Parcel/Personal Type: 23113  
Asset:

ENTER F2=Email Dup F5=Charges F6=Value Detail F7=Duplicate F9=Addresses@ F11=Asset Info F13=Trans Hi  
F12=Previous F14=Distribution F21=Coll Sts Hst F24=More Opt  
Paid in Full

AS1040-1

View Real Property Summary

Tax Year: 2023  
Receipt/Parcel: 4979238 23113

6.22AC MARK DR S 1007 MARK DR  
S44 3 11

Appraised Value:	165,344	LUV Deferred:	
Assessed Value:	165,344	Return Value:	
Exemption Code:	FE	Appeal Code:	
Gen. Fund Exempt Amt:	165,344	Release Date:	
Taxes Based On:			
2023 Owner: @	16517101	OPTIMIST CLUB	
2024 Owner: @	16517101	OPTIMIST CLUB	
Designated ID: @	16517101	OPTIMIST CLUB	
Lendor ID: @			
		Map Acres:	
Deed Book/Page/Year:	11X 091 1967	Lots/Buildings:	
Cur Deed Bk/Pg/Year:	11X 091 1967	Deed Acres:	6.220
Plat Book/Page:			

F1=Documentation F6=More Detail

F9=Addresses@

F12=Previous F14=RP Char F22=Sa

INTERNET

RECORDING FEE \$ 26.00  
\*Layne Owen

Doc No: 200011861  
Recorded: 03/29/2018 12:41:47 PM  
Fee Amt: \$26.00 Page 1 of 5  
Transfer Tax: \$0.00  
Cleveland County North Carolina  
Betsy S. Hamage, Register of Deeds  
BK 1764 PG 599 - 603 (5)

NORTH CAROLINA

DEED OF EASEMENT FOR UTILITIES

CLEVELAND COUNTY

THIS DEED OF EASEMENT made this 19 day of MARCH, 20 18, by and between

Optimist Club GRANTOR(S), hereafter, collectively, "OWNER(S)" and City of Shelby, GRANTEE, hereafter "GRANTEE";

WITNESSETH:

Owner(s) certifies they are all of the owners of certain real estate, hereafter referred to as "easement premises" described on Exhibit A to this instrument, and the Parties have agreed it is in their best interests for Owner to grant and Grantee to accept a permanent drainage easement in the easement premises for the purposes stated herein below;

THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, the parties agree as follows:

1. Grant. Owner hereby grants and conveys to Grantee a permanent drainage easement in and upon the easement premises in the area described on Exhibit A to this instrument and attached hereto. Such area is hereafter referred to as the "easement area". The following rights are also granted: the right, but not the obligation, to clear the easement area and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, to trim and cut and keep trimmed and cut all dead, weak, leaning, or dangerous trees or limbs outside the easement area which might interfere with or fall upon the lines or systems of the Grantee; and the right to relocate said facilities, systems of communications or related services on said lands to conform to any future highway relocation, widening, or improvements.

2. Purpose. The Grantee and its assignees, if any, are hereby further granted the right within the easement area to construct, operate, maintain, improve, modify, replace, or abandon in place any equipment necessary or convenient to the operation of the following utilities services or related activities (only those services or activities indicated by an "X" shall apply):

Water  Electrical  Natural Gas  Sanitary Sewer  Stormwater  Communications

OTHER:

together with rights of ingress and egress across all adjoining lands of Owner as may be necessary to the reasonable exercise of the rights herein granted:

COPY INTERNET COPY INTERNET COPY INTERNET COPY INTERNET

**3. Construction Easement.** Owner further grants to Grantee a temporary construction easement over the easement premises and outside of the actual or "approximate" location of the easement area for the purpose of installing, constructing, replacing or removing, as necessary from time to time, the equipment required or desired for the uses and purposes specified above.

**Owners Rights Reserved.** Owner reserves the right to use the easement area in any manner, which will not damage, impair, prevent or interfere with Grantee's equipment or its exercise of the rights granted hereunder. Owners will not build or place any structure upon or substantially alter the easement area without the advance consent of the Grantee.

**5. Assignment.** Grantee may fully or partially transfer this easement without consent of or compensation to Owners. In the event of transfer, Owner's interests shall be protected to the same extent as hereunder.

**6. Appearance.** After completion of installation, construction, repair or removal of any equipment or device, the Grantee at its sole expense will restore the appearance of the easement area as nearly as reasonably possible to that, which existed immediately prior to such activity.

**7. Release.** Owner hereby releases Grantee from all claims or rights of action now or hereafter accrued or acquired by them, due to injuries to any part of the easement premises or improvements thereon, resulting from Grantee's lawful activities carried out pursuant to this Agreement.

**8. Binding Effect.** All rights, title and privileges and all benefits and burdens herein granted or imposed shall run with the land (the easement premises) and shall be binding upon and inure to the benefit of the named parties, their respective heirs, personal representatives, successors and assigns.

**9. Attachments.** Exhibit "A" to this instrument, if attached, is incorporated herein by this reference as fully as if set out in the body of the text.

**10. Other Terms.** This writing contains all the terms of agreement.

**TO HAVE AND HOLD** the above described real property interest to the Grantee in perpetuity for the uses and purposes herein described. Owner covenants with Grantee that Owner is seized of the premises in fee simple, has the right to convey the Easement rights contained herein and will warrant and defend this conveyance against the lawful claims of all persons whomsoever, except for the following **EXCEPTIONS** to which Owners' title is subject:

NONE

**IN WITNESS WHEREOF**, the Owner(s) have set their hands the date above written.

**OWNER(S)**

Roger Q. West

**ATTEST:** \_\_\_\_\_ (Seal if Appropriate)

INTERNET COPY

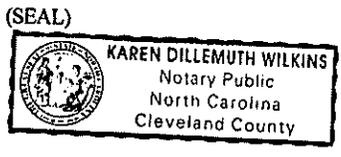
STATE OF NORTH CAROLINA  
COUNTY OF CLEVELAND

I, Karen Dilleuth Wilkins, a Notary Public of the County of Cleveland and State of North Carolina, do hereby certify that M. Lorne Owen personally appeared before me this day and certified to me under oath or by affirmation that he or she is not a grantee or beneficiary of the transaction, signed the foregoing document as a subscribing witness, and either (i) witnessed Roger A. West sign the foregoing document or (ii) witnessed \_\_\_\_\_ acknowledge his or her signature on the already-signed document.

WITNESSE my hand and official seal this 19 day of March, 2018.

Karen Dilleuth Wilkins

Notary Public  
9/21/2018  
My Commission Expires:



Subscribing Witness: [Signature]

INTERNET COPY INTERNET COPY INTERNET COPY INTERNET COPY INTERNET COPY INTERNET COPY INTERNET COPY

INTERNET COPY

NORTH CAROLINA  
CLEVELAND COUNTY

**EXHIBIT "A" TO DEED OF EASEMENT FOR UTILITIES** by and between

Optimist Club \_\_\_\_\_ AND \_\_\_\_\_ City of Shelby \_\_\_\_\_

Dated Mar. 19, 20 18.

The Easement Area is contained within that real property described in Record/Deed Book 11X, Page 091 and Plat Book \_\_\_\_\_ of the Cleveland County Registry.

**LEGAL DESCRIPTION OF EASEMENT AREA:**

INTERNET COPY

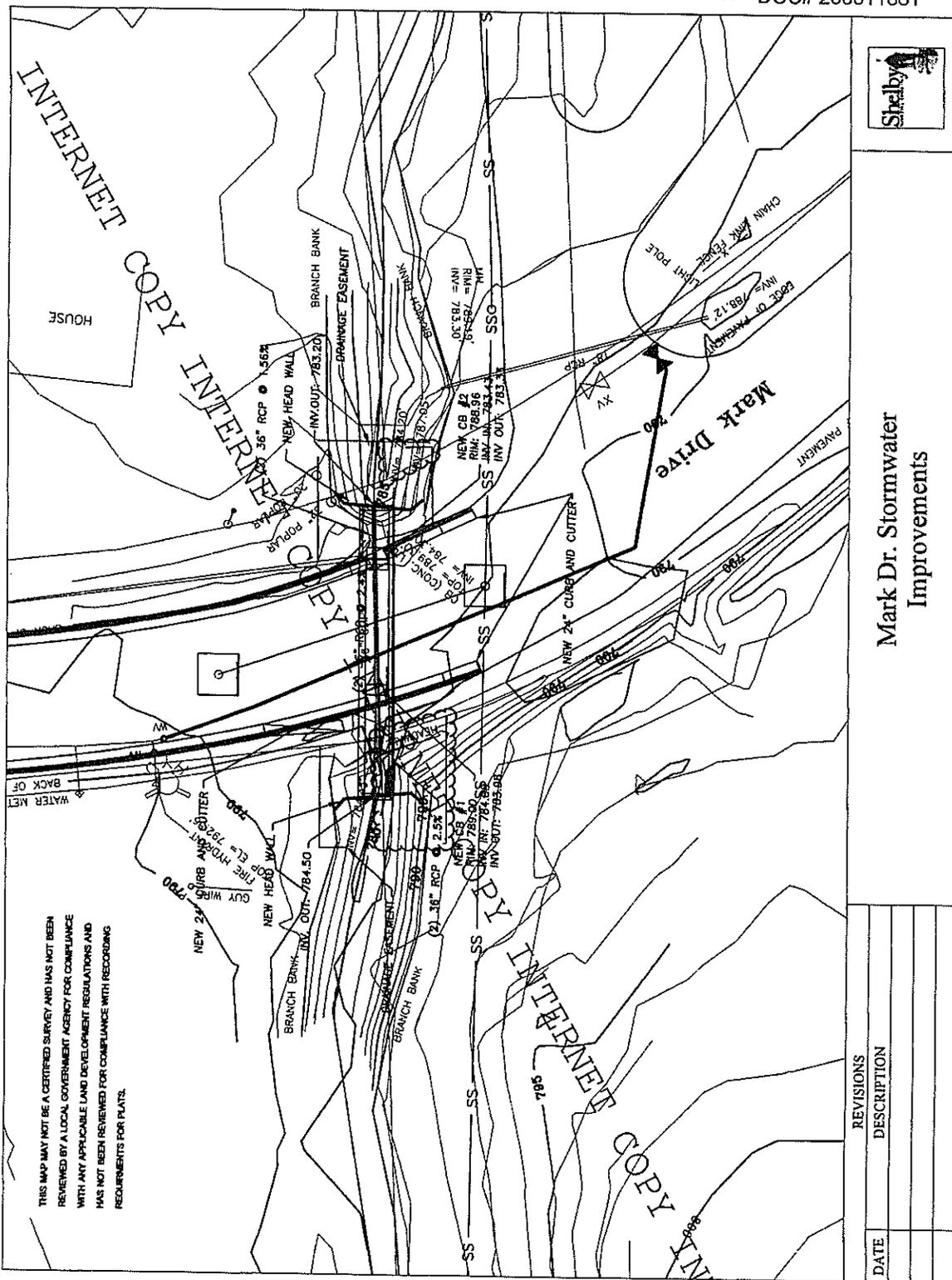
**See Exhibit A for easement areas**

INTERNET COPY

INTERNET COPY

INTERNET COPY

INTERNET COPY



THIS MAP MAY NOT BE A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS AND HAS NOT BEEN REVIEWED FOR COMPLIANCE WITH RECORDING REQUIREMENTS FOR PLATS.



Mark Dr. Stormwater Improvements

REVISIONS	
DATE	DESCRIPTION

INTERNET COPY

Book 13-M

Filed for registration on 27 day of Aug A. D., 1970 at 10 O'clock P.M., and Registered in the office of Register of Deeds, Cleveland County, N. C. in Book 13-M, page 280.

Pg. 280

\$2.50

NORTH CAROLINA CLEVELAND COUNTY

By Robert L. Boston Assistant Register of Deeds

In consideration of the sum of One Dollar (\$1.00) and other valuables to us in hand paid, we the Optimist Club of Shelby, Inc. do hereby convey unto City of Shelby a right-of-way for installing and thereafter maintaining a 16" water line over, under and through a strip of land ten feet on each side of the survey line as shown on the plans for "Water Line Addition" prepared by J. N. Pease Associates, Charlotte, N. C. For construction purposes only it is understood that the right-of-way will be twenty feet each side of the survey line as mentioned above.

DESCRIPTION

Being a portion of the lands described in a deed recorded in Book 7-8 at page 268; 7-8 at page 568 and Book 11-X at page 91 in the Cleveland County Registry.

TO HAVE AND TO HOLD said right-of-way unto the City of Shelby for the purpose of installing and thereafter maintaining a 16" water line, and no other forever.

IN WITNESS WHEREOF, the Optimist Club of Shelby, INC. and were, have hereunto set their hands and seals this the 9th day of July 1970.

North Carolina, Cleveland County

Optimist Club of Shelby, Inc.

The foregoing (or annexed) certificate of By Paul P. Limerick

Lavon Lave (SEAL) President

is certified to be correct.

W. Osborne Lee (SEAL) Sec.-Treas.

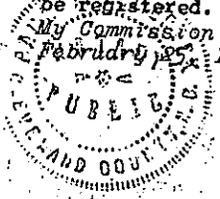
This 27 day of Aug A.D. 1970

Robert L. Boston, Asst. Register of Deeds

State of North Carolina Cleveland County

I, Paul P. Limerick, a Notary Public of said County, do hereby certify that, Lavon Lave, President, and W. Osborne Lee, Sec.-Treas., grantors, personally appeared before me this day and acknowledged the execution of the foregoing deed of conveyance. Let the said deed and this certificate be registered.

My Commission Expires: February 25, 1971



Paul P. Limerick Notary Public

120  
INTERNET COPY

Book 13-K

1920

NORTH CAROLINA  
CLEVELAND COUNTY

In consideration of the sum of One Dollar (\$1.00) and other valuables to us in hand paid, we the Optimist Club of Shelby and wife, \_\_\_\_\_, do hereby convey unto City of Shelby a right-of-way for installing and thereafter maintaining a sanitary sewer outfall over under and through a strip of land ten feet on each side of the survey line as shown on the plans for "Charles Road Trunk Sewer" prepared by E. B. Stafford, Consulting Engineer, Statesville, N. C. For construction purposes only it is understood that the right-of-way will be twenty feet each side of the survey line as mentioned above.

It is further understood and agreed that sewer tap privileges to the nearest manhole on this line will be granted upon request of property owner.

North Carolina, Cleveland County

The foregoing (or annexed) certificate of Paul P. Limerick is certified to be correct.

This 18 day of May AD. 1970  
Larue Poston, Asst.  
Register of Deeds

DESCRIPTION

Filed for registration on 18 day of May A. D., 1970 at 9:00 O'clock A.M., and Registered in the office of Register of Deeds, Cleveland County, N. C. in Book 13-K page 20

By L. Poston Assistant Register of Deeds

TO HAVE AND TO HOLD said right-of-way unto the City of Shelby for the purpose of installing and thereafter maintaining a sanitary sewer outfall, and no other forever.

IN WITNESS WHEREOF Lavon Laye, President and wife, Wayne Hamrick, Secretary, have hereunto set their hands and seals this the 27th day of March 1970.

OPTIMIST CLUB OF SHELBY

Lavon Laye (SEAL)  
President

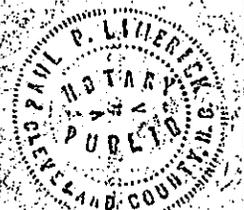
Wayne Hamrick (SEAL)  
Secretary

WITNESS:  
Paul P. Limerick  
Paul P. Limerick

State of North Carolina  
Cleveland County

I, Paul P. Limerick, a Notary Public of said County, do hereby certify that, Lavon Laye, President and Wayne Hamrick, Secretary, grantors, personally appeared before me this day and acknowledged the execution of the foregoing deed of conveyance. Let the said deed and this certificate be registered.

My Commission Expires  
February 25, 1971



Paul P. Limerick

It is the understanding of the Board of Directors of the Shelby Optimist Club that the construction area will be put back in the same condition as before construction.

COPY  
INTERNET COPY

RESOLUTION NO. 16-2024

A RESOLUTION ACCEPTING PROPERTY FROM THE OPTIMIST CLUB OF  
SHELBY, N.C., INC.

WHEREAS, the City Council of the City of Shelby, North Carolina, desires to accept the conveyance of property from THE OPTIMIST CLUB OF SHELBY, N.C., INC., consisting of approximately 6.22 acres; and,

WHEREAS, the City Council of the City of Shelby, North Carolina, desires to promote the Neighborhood Action Plan; and,

WHEREAS, the City of Shelby acknowledges receipt of Tax Parcel No. 23113 recorded in Cleveland County Register of Deeds in Book 11X Page 091 situated in the City of Shelby, Cleveland County, North Carolina, consisting of approximately 6.22 acres and known as 1007 Mark Drive Shelby, NC 28152 and commonly known as “Optimist Park.”

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

Section 1. The City of Shelby properly acknowledges the land conveyance of THE OPTIMIST CLUB OF SHELBY, N.C., INC. and accepts conveyance of Tax Parcel No. 23113 (“Optimist Park” 1007 Mark Drive Shelby, NC 28152)

Section 2. This Resolution shall become effective upon its adoption and approval.

Adopted and approved this the 19th day of February 2024.

\_\_\_\_\_  
O. Stanhope Anthony III  
Mayor

ATTEST:

\_\_\_\_\_  
Carol Williams  
City Clerk

Agenda Item: D-8

- 8) Approval of a resolution accepting a dedication of land for the Relocation of Juan Place and Justice Place: Resolution No. 17-2024

**Consent Agenda Item: (Justin Longino, Assistant City Manager)**

---

Summary of Available Information:

- Memorandum dated February 14, 2024, from Justin Longino, Assistant City Manager to Rick Howell, City Manager
- Map and survey showing proposed relocation and
- Resolution No. 17-2024

---

City Manager's Recommendation / Comments

Resolution No. 17-2024 is presented for City Council consideration via the Consent Agenda. If approved this resolution would formally accept the dedication of a new public right of way from Cleveland County. The purpose of this acceptance would be to allow for a new right of way on which required roadway improvements would be made by the County to Justice Place and Juan Place as they connect to Graham Street.

**It is recommended that Resolution No. 17-2024 be adopted and approved at this time via the Consent Agenda.**

## MEMORANDUM

**To:** Rick Howell – City Manager  
**From:** Justin Longino – Assistant City Manager  
**Date:** February 14, 2024  
**Subject:** Justice Place and Juan Place ROW Dedication

### **Background**

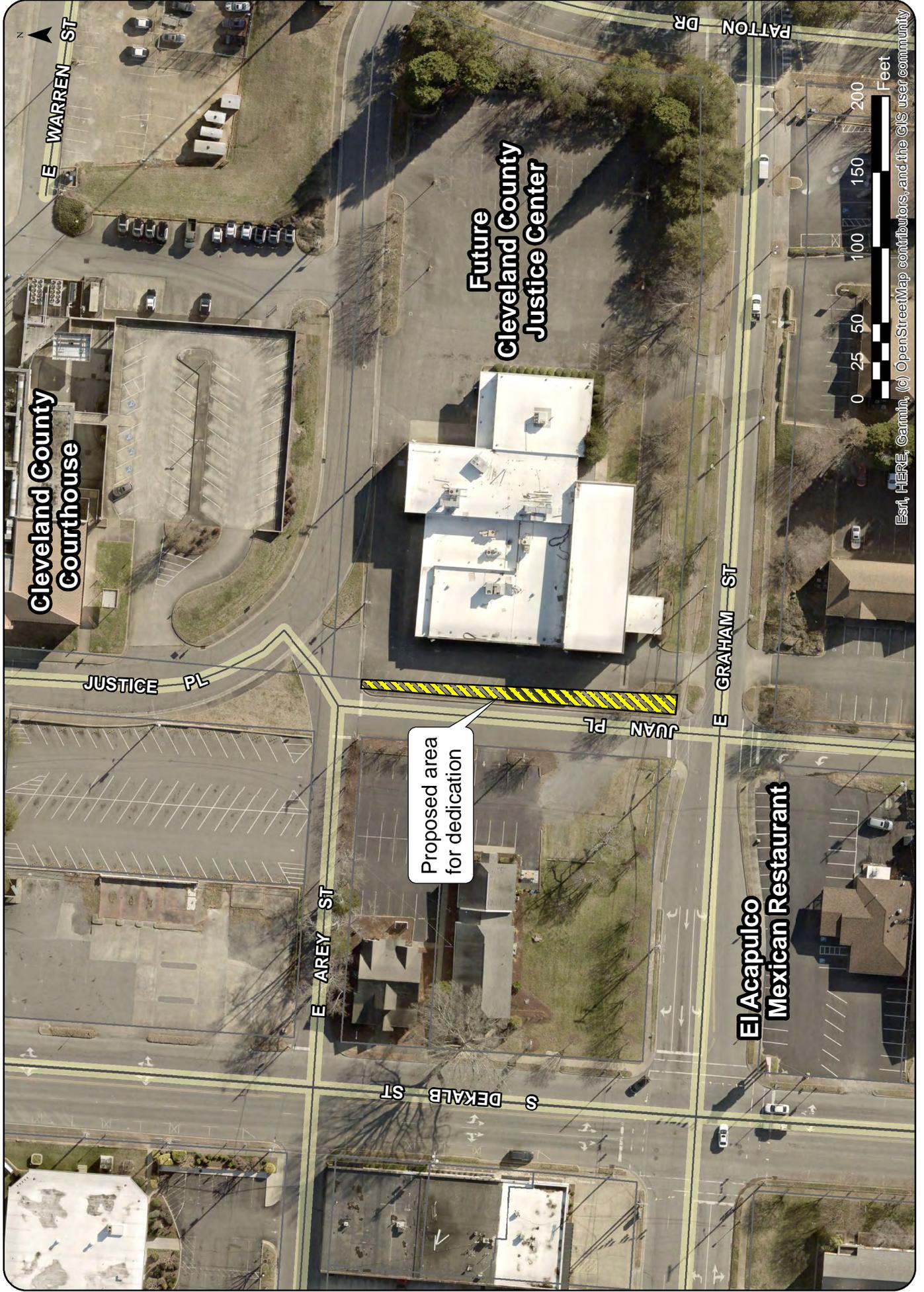
As part of the new Justice Center development, Cleveland County has asked to dedicate some right-of-way to the city to straighten the New Justice Place Road. The dedication will also provide for right-of-way for a sidewalk required as part of the overall project. Attached is a plat depicting the Right-of-Way to be dedicated to the City of Shelby.

### **Review and Comments**

Staff has reviewed this dedication and recommends accepting it. The County Commission approved the request on their end at their meeting on 2/6/2024.

**Attachments: Plat, Location Map, Resolution**

# Juan Place Proposed ROW Dedication



Proposed area for dedication

Estri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



**RESOLUTION NO. 17-2024**

**A RESOLUTION ACCEPTING A DEDICATION OF LAND  
FOR THE RELOCATION OF JUAN PLACE AND JUSTICE PLACE**

**WHEREAS**, Cleveland County is constructing a new courthouse and justice center; and,

**WHEREAS**, Cleveland County has petitioned the City of Shelby to accept additional right-of-way adjacent to Juan Place for the realignment of Juan Place and Justice Place; and,

**WHEREAS**, both parties desire to allow for the optimal flow of vehicular traffic through this area; and,

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

**Section 1.** The City of Shelby hereby accepts the dedication of the new right-of-way for Juan Place as shown on the attached plat produced by Withers Ravenel and labeled “Justice Place Right of Way Dedication” as a public right-of-way in the City of Shelby street network.

**Section 2.** This resolution shall be effective on February 19, 2024.

Adopted and approved this the 19<sup>th</sup> day of February, 2024.

---

O. Stanhope Anthony III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

Agenda Item: D-9

- 9) Adoption of a budget ordinance amendment for the City Of Shelby's First Broad River (Carolina Thread) Trail Project: Ordinance No. 16-2024

**Consent Agenda Item: (Justin Longino, Assistant City Manager)**

---

Summary of Available Information:

- Memorandum dated February 14, 2024 from Justin Longino, Assistant City Manager to Rick Howell, City Manager
- Quote from Blue Ridge Trail Works
- Ordinance No. 16-2024

---

City Manager's Recommendation / Comments

Ordinance No. 16-2024 is presented for City Council's consideration via the Consent Agenda. If approved this ordinance would establish a budget to repair the damaged swinging bridge, smaller foot bridges and additional trail damage which occurred the week of January 8<sup>th</sup>, 2024. It would further appropriate \$41,000 from the General Fund Reserve to be used for the noted repairs. Blue Ridge Trail Works will perform the work that cannot be accomplished by the Public Works Department and Parks & Recreation Department.

**It is recommended that Ordinance No. 16-2024 be adopted and approved at this time via the Consent Agenda.**

## MEMORANDUM

To: Rick Howell – City Manager  
From: Justin Longino – Assistant City Manager  
Date: February 14, 2024  
Subject: First Broad River Trail Repairs

### **Background**

During a weather event the week of January 8<sup>th</sup>, damage occurred to the First Broad River trail. The damage was primarily from high levels of water in the First Broad River. It damaged the swinging bridge, smaller foot bridges, and placed a lot of silt on the trail itself which covered up much of the substrate.

### **Review and Comments**

Blue Ridge Trail Works, who originally installed the bridges, came out to look at the trail on 1/27/24. Their estimate totaled \$30,000-\$45,000 and included repairs to the smaller bridges, repairs to the trail, additional trail maintenance, and work on the suspension bridge.

After an evaluation by Public Work and Parks and Recreation, we feel some of the work can be done in-house at a cost not to exceed \$41,000.

### **Recommendation**

Staff recommends approval of a budget amendment for \$41,000 for repairs to the First Broad River Trail.



## Blue Ridge Trail Works, Inc

227 East Front st.  
Statesville, NC 28677  
brtwinc@gmail.com  
www.blueridgetrailworks.com

North Carolina's Best Choice for Sustainably Built Natural Surface Trails

---

**Client:** City of Shelby, NC - Walt Scharer

**Site:** First Broad River Pedestrian Crossing; 940 Grover St.;  
Shelby, NC 28150

**Contact Info:** 704-477-1242 & walt.scharer@cityofshelby.com

**Work:** Trail & Bridge Repairs on the Broad River Trail

### Blue Ridge Trail Works Inc. : Contact Information

**BRTW Contact :** Scott Brown: 704-929-0151 ([wmscottb93@gmail.com](mailto:wmscottb93@gmail.com))

**BRTW Address :** 227 East Front St., Statesville, NC 28677

---

## Overview-

### **A) - Repairs to Trail Bridges -**

The two north 20' Bridges did not have any apparent movement from the recent flooding. The two south 20' Bridges moved a little with the recent flooding, although, not a lot. Part of the issue was they both lost material on each side of the bridge, which in and of itself, allowed some movement. Each Bridge has 4 earth anchors, 1 on each corner, with a cable through the bridge from each left side

to each right side. These held but loosened in the flood. We will tighten these earth anchors into the soil & also re-tighten the cables. We will remove deck boards on each side of each bridge & drive 4 new 8' long x 3/4" rebar pieces on each side at angles away from the bank & the bridge to more firmly anchor & reinforce each bridge in place. We will then reattach the deck boards. We will install new material as needed and compact in place. The long bridge south of Hwy 74 was moved a bit & lost some material on the north side. We will duplicate the anchor tightening & extra reinforcement work. We will tighten these earth anchors into the soil & also re-tighten the cables. Regarding the 4 support posts in the middle portion of that bridge, we will drill 3 angled holes into each post & drive 5' long pieces of 5/8" rebar into the bank at different angles to provide extra anchoring to them. Material will be replaced on the north side & compacted. Bridge repairs will be completed first.

**B) - Repairs to Trail -**

We will remove sand and silt from the top of the existing crushed concrete Trail tread & regrade on the sides of the trail as needed. Not sure if we'll need any new crushed concrete until we try to remove the sand and silt from it. This includes all sections of the trail from north to south. The exception is the section of trail coming down from Ingles and the section from the intersection below Ingles to the north to the 3rd bridge. These lower sections are in decent shape. (except the area right around the 2nd bridge.) This section won't need a lot of work like the other sections do. The trail up to or down from Ingles needs work because of drainage issues above it. We will regrade above trail to divert the water so that it doesn't reach the trail. We will add cc here too. On the south side of Hwy 74, there is a section of trail that is close to a collapsed section of bank & the trail should be moved inland & away from the collapsed bank. How much to move it is a judgment call & we should look at it and decide what you want to do. Different options will have different costs. The trail section between the two Hwy 74 bridges needs a lot of material replaced and more work on the lower uphill portion to try to help drainage water from above to drain into the pipe.

**C) - Deferred Trail Maintenance -**

The mile & half trail has probably well over a mile of trail that needs to have overgrowth cut back. (Cane, greenbrier, sticker bushes, weeds, small trees that are right at the edge of the trail that will grow out as soon as the spring growth spurt arrives.) We will bushhog all this overgrowth down & blow it out of the drainages before we begin the trail repair work. This will simplify future trail maintenance by allowing the trail edges to be mowed a few times a year as needed.

**D) - Suspension Bridge Work -**

The southwest anchor of the Suspensions Bridge across the First Broad River has loosened again. I believe this is the result of the anchor placement into a section of the shoreline bank that is unfortunately full of sand & silt & not enough clay. Another Anchor will need to be added. I believe while we are in there it wouldn't hurt to place three new anchors, 2 near the south anchor & 1 near the north anchor. The City of Shelby's Utility crew placed these initially & could do so again. We could then cable these together to equalize the support to the main suspension bridge cables to prevent future slacking of these main cables. We would help with anchor placement & then attach the anchors to the bridge cables.

\*Land Owner is responsible for any permits needed\*

**QUOTATION: 2/6/24**

ITEM		AMOUNT
A) - Bridge Repairs -		\$8,500
B) - Trail Repairs -		\$12,000 to \$25,000
C) - Deferred Trail Maintenance -		\$4,500.00

D) - Suspension Bridge Work -		\$5,000 to \$7,500
TOTAL COST		\$30,000 to \$45,500

**Terms - \$10,000 down for material & mobilization, with biweekly billing after work starts, with the final payment due upon completion.**

**\*\*This quote & trail evaluation are the property of BRTW, Inc. & cannot be shared without express permission.\*\***

**Agreed to By:      Blue Ridge Trail Works, Inc.      &      City of Shelby**

**Date** \_\_\_\_\_

**Name** \_\_\_\_\_

**Signature** \_\_\_\_\_

ORDINANCE NO. 16-2024  
 BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S  
 CAROLINA THREAD TRAIL PROJECT

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 capital project ordinance and budgets for the City of Shelby's Carolina Thread Trail Project; 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 the same for implementation and compliance with the North Carolina Local Government Budget and Fiscal Control Act;

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

Section 1. Ordinance No. 05-2012, the City's Carolina Thread Trail Project, is hereby amended as follows to provide for Budget Amendment No. 9 for said project:

**Carolina Thread Trail Project**

(1) Appropriating General Fund Balance:

Fund Balance Appropriated	11001000-39900	\$ 41,000
Transfer to General Cap. Projects	110495-49111	\$ 41,000

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

<b><u>Carolina Thread Trail Project</u></b>	<u>Current Budget</u>	<u>Amendment No. 9</u>
<b>Revenues</b>		
Trail Grant Revenue	\$ 349,148	\$ 394,148
Transferred from General Fund	\$ 376,769	\$ 417,769
<b>Expenditures</b>		
Land	\$ 52,165	\$ 52,165
Construction	\$ 718,752	\$ 759,752

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.

Ordinance No. 16-2024  
February 19, 2024  
Page 2

Adopted and Approved this the 19th day of February, 2024.

---

O. Stanhope Anthony, III  
Mayor

ATTEST:

---

Carol Williams  
City Clerk

APPROVED AS TO FORM:

---

Jason Lunsford  
City Attorney

Agenda Item: D-10

- 10) Acceptance of the Certificate of Sufficiency regarding Petition of Annexation of applicant, Piedmont Amistad

**Consent Agenda Item: (Carol Williams, City Clerk)**

---

Summary of Available Information:

- Memorandum dated February 6, 2024 from Carol Williams, City Clerk to Rick Howell, City Manager
- Petition for Washburn Switch Road property (parcels 65692, 65694, and 32575)
- Property cards for 2024

---

City Manager's Recommendation / Comments

**Acceptance and acknowledgement of the Certificate of Sufficiency by the City Clerk is all that is required of City Council at this time. It is my recommendation that this be done via the Consent Agenda.**

**OFFICE OF THE CITY CLERK  
SHELBY, NORTH CAROLINA**

**MEMO**

To: Rick Howell, City Manager

From: Carol Williams, City Clerk

Date: February 13, 2024

Re: Piedmont Amistad, LLC – Petition for Voluntary Annexation

**BACKGROUND:**

Piedmont Amistad, LLC submitted a Petition of Contiguous Annexation for parcels #65692, 65694, and 32575 located on Washburn Switch Road, Shelby, North Carolina. City Council adopted and approved Resolution No. 11-2024 on February 5, 2024 directing the City Clerk to determine sufficiency of the contiguous annexation petition from Piedmont Amistad, LLC.

**REVIEW:**

In accordance with the North Carolina General Statute 160A-31, staff has investigated the petition submitted by Piedmont Amistad, LLC. and prepared a certificate in this matter, finding the petition sufficient for further annexation proceedings.

**RECOMMENDATION:**

Staff recommends proceeding with the annexation process for this property. A public hearing is scheduled to receive public comment on said petition on Monday, March 4, 2024.



**City of Shelby**  
Planning and Development Services Department

**Petition for Annexation  
(Satellite or Contiguous)**

The undersigned Petitioner(s) requests annexation of the property described in accordance with the provision of NCGS 160A-58 (Satellite Annexations) or NCGS 160A-29 (Contiguous Annexations):

**Address of Subject Property:**

**925 Washburn Switch Road**

**Applicant(s) Name:** Piedmont Amistad, LLC by Dennis Beam

**Address:** 208 East Main Street

Forest City, NC 28043

**Email:** dennisbeam@gmail.com

**Phone:** 7044731045

**Owner(s) Name:** Piedmont Amistad, LLC by Dennis Beam

**Email:** dennisbeam@gmail.com

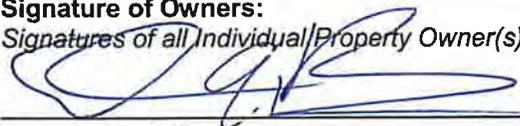
**Phone:** 7044731045

*\* If more than one individual owner, attach additional pages with owners' information. \**

Provide a brief description of the subject property. Attach additional pages or documentation if necessary.

**Signature of Owners:**

*Signatures of all Individual/Property Owner(s) and Spouses, if any*

  
\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Signature of Owner

*If Owner is a Partnership, signature(s) of at least one General Partner*

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Signature of Owner

*If Owner is a Corporation:*

\_\_\_\_\_  
Registered Name of Corporation

(Corp. Seal)

\_\_\_\_\_  
Signature of President/Vice President

Attested by: \_\_\_\_\_  
Signature of Secretary/Assistant Secretary

(If additional signatures are necessary, continue on separate sheet and attach to the Petition.)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**If Owner is a Partnership:**

I, MARY ZAUDER, a Notary Public for said County and State, do hereby certify that DENNIS BEAM, being one/all of the partners of the General Partnership known as PIEDMONT MIXED LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.



Mary Zauder  
Notary Public

My Commission Expires: 9-19-2026

**If Owner is a Corporation:**

I, \_\_\_\_\_, a Notary Public for said County and State, do hereby certify that \_\_\_\_\_, personally appeared before me this day and acknowledged he (or she) is \_\_\_\_\_ of \_\_\_\_\_, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its \_\_\_\_\_, sealed with its Corporate Seal and attested by as its \_\_\_\_\_.

Witness my hand and official seal, this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**Item 7. Cleveland County Tax Map**



**Item 8.** Metes and bounds description of the area to be annexed is included below. PDF of Annexation Plat is included as an attachment.

DESCRIPTION OF AREA TO BE ANNEXED BY THE CITY OF SHELBY.

Beginning at a 2" iron rod found below grade 4" having  
NAD 83 State Plane Coordinates of N:584013.77, E:1217522.36;  
thence N 62°28'34" W a distance of 402.60' to a 1/2" rebar set;  
thence N 57°17'36" W a distance of 191.40' to a magnetic nail set;  
thence N 69°09'17" W a distance of 32.11' to a magnetic nail found;  
thence S 40°26'21" W a distance of 61.58' to a 3" steel fence post;  
thence N 57°04'11" W a distance of 100.00' to a 3" steel fence post;  
thence N 57°10'29" W a distance of 19.99' to a 3" steel fence post;  
thence S 40°27'53" W a distance of 359.41' to a 1/2" bent rebar  
found, passing a magnetic nail set at 92.93';  
thence S 40°27'36" W a distance of 105.06' to a 5/8" rebar found;  
thence S 40°27'49" W a distance of 77.95' to a 1/2" rebar set;  
thence S 54°35'39" E a distance of 209.31' to a 1/2" rebar set;  
thence S 59°41'36" E a distance of 274.28' to a 1/2" rebar set;  
thence S 58°58'52" E a distance of 171.11' to a 1/2" rebar set;  
thence S 69°02'15" E a distance of 53.88' to a 1/2" rebar set;  
thence S 49°15'35" E a distance of 25.57' to a 1/2" rebar set;  
thence S 19°33'51" E a distance of 36.42' to a 1/2" rebar set;  
thence S 14°59'59" W a distance of 18.45' to a 1/2" rebar set;  
thence S 61°40'50" E a distance of 111.40' to a an unmarked point;  
thence S 61°39'25" E a distance of 70.50' to a 5/8" rebar found;  
thence S 61°39'25" E a distance of 51.42' to a 1/2" rebar set;  
thence N 15°39'43" E a distance of 594.54' to a 1/2" set;  
thence N 32°53'54" E a distance of 80.59' to the point of beginning;  
having an area of 12.06 acres.

Kind Regards,

Adam M. Plumley, L-4959  
Professional Land Surveyor

Signature & Date: Adam Plumley 11/27/23

















Agenda Item: D-11

11) Management Reports:

- a) Shelby City Park Economic Impact Report – 2023
- b) Monthly Financial Summary – January 2024

**Consent Agenda Item: (Rick Howell, City Manager)**

---

Summary of Available Information:

- Copy of reports

---

City Manager's Recommendation / Comments

The preceding reports and information are included on the City Council agenda in an effort to provide you with regular updates on matters affecting the City. It is also an effort to continue to provide transparency to the public related to how business is being conducted on their behalf.



**Shelby**  
NORTH CAROLINA



**Monthly Financial Summary  
January 2024**























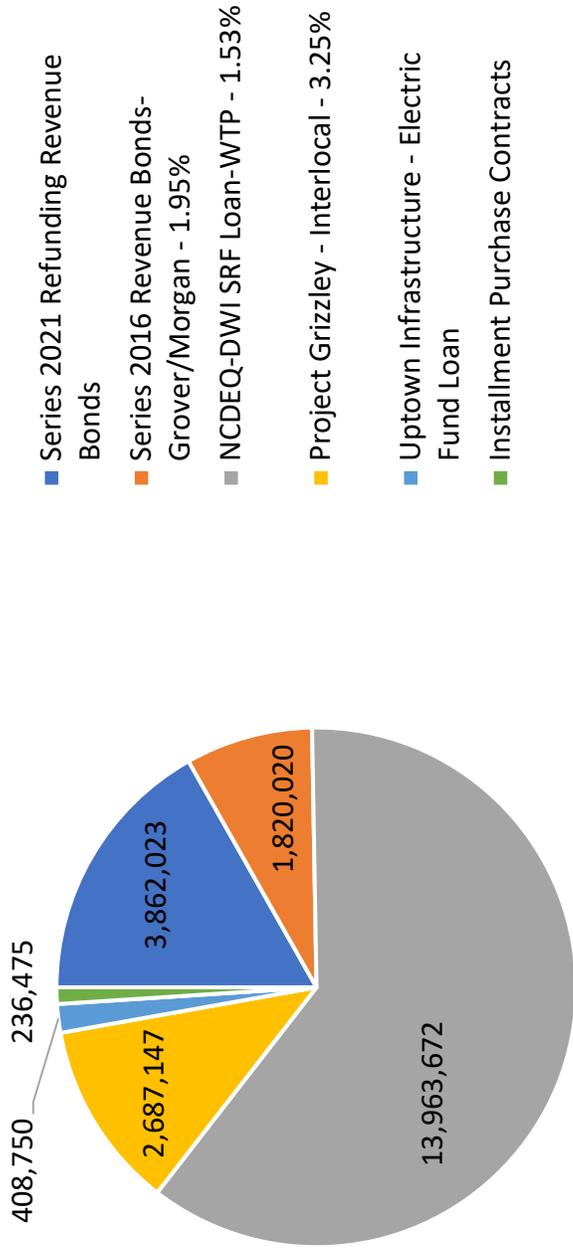








### 6/30/2023 Outstanding Debt Principal - Water





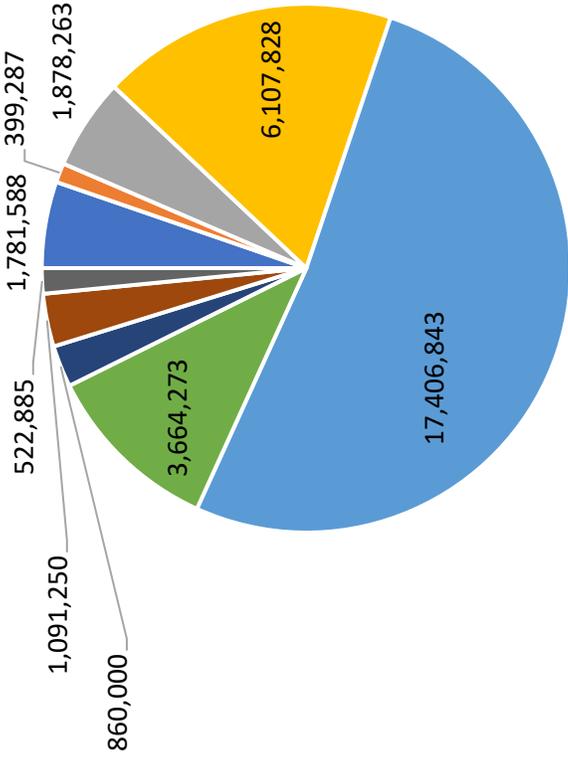








### 6/30/2023 Outstanding Debt Principal - Sewer

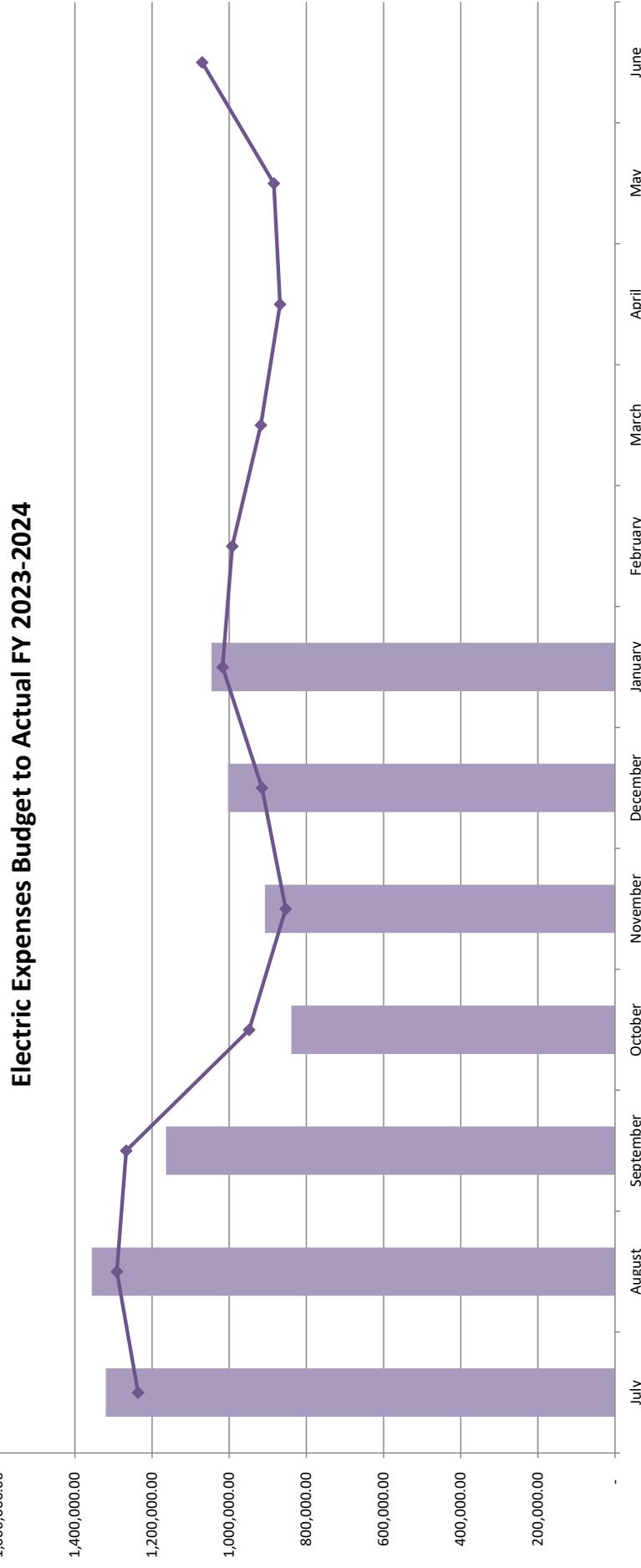


- Series 2021 Refunding Revenue Bonds
- NC DENR-DWI SRF Loan-Mall Lift Station - 0%
- NC DENR-DWI SRF Loan-Outfall Project - 0%
- NC DENR-DWI SRF Loan-WWTP Upgrades - 0%
- NC DENR-DWI SRF Loan-Biosolids - 0%
- Project Grizzley - Interlocal - 3.25%
- 2010 Natural Gas Fund Loan
- Uptown Infrastructure - Electric Fund Loan
- Installment Purchase Contracts





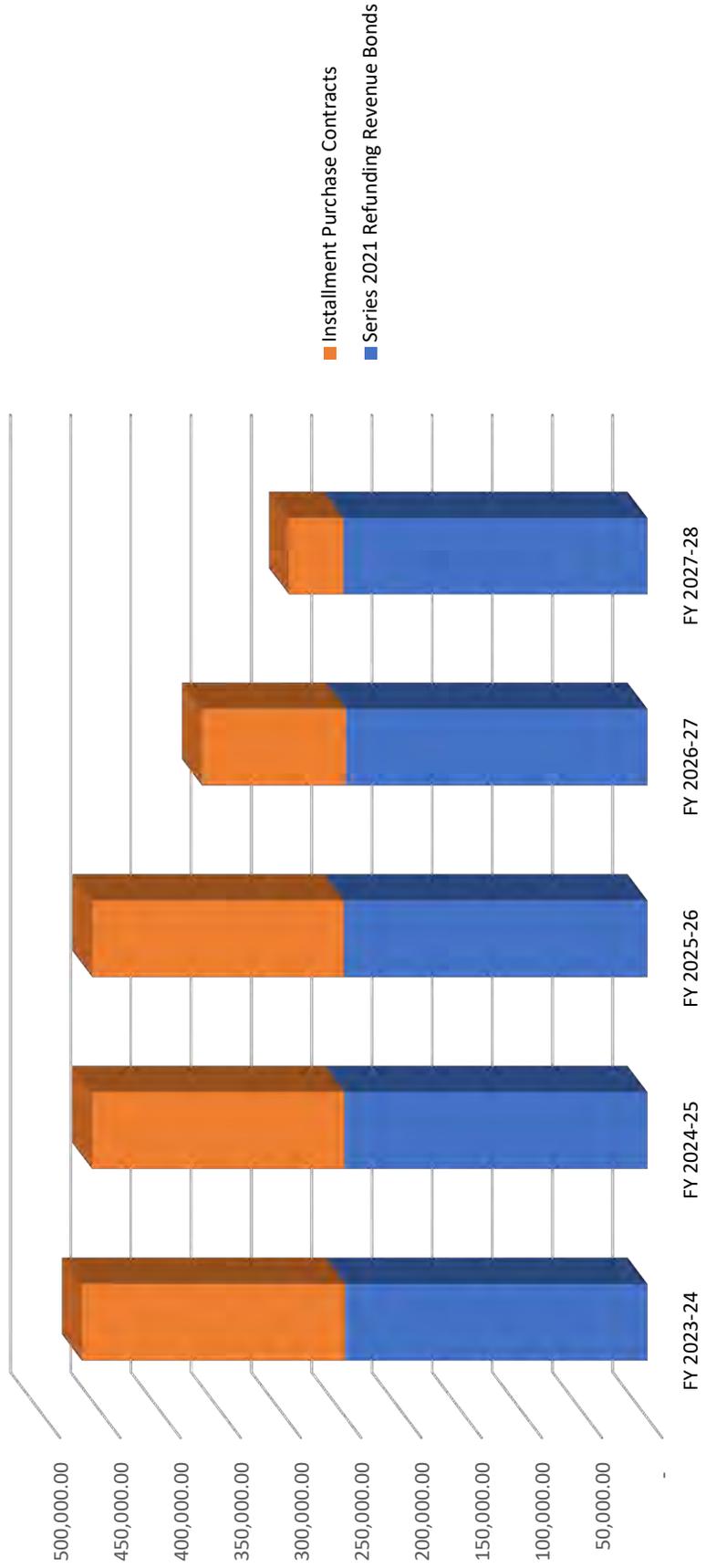




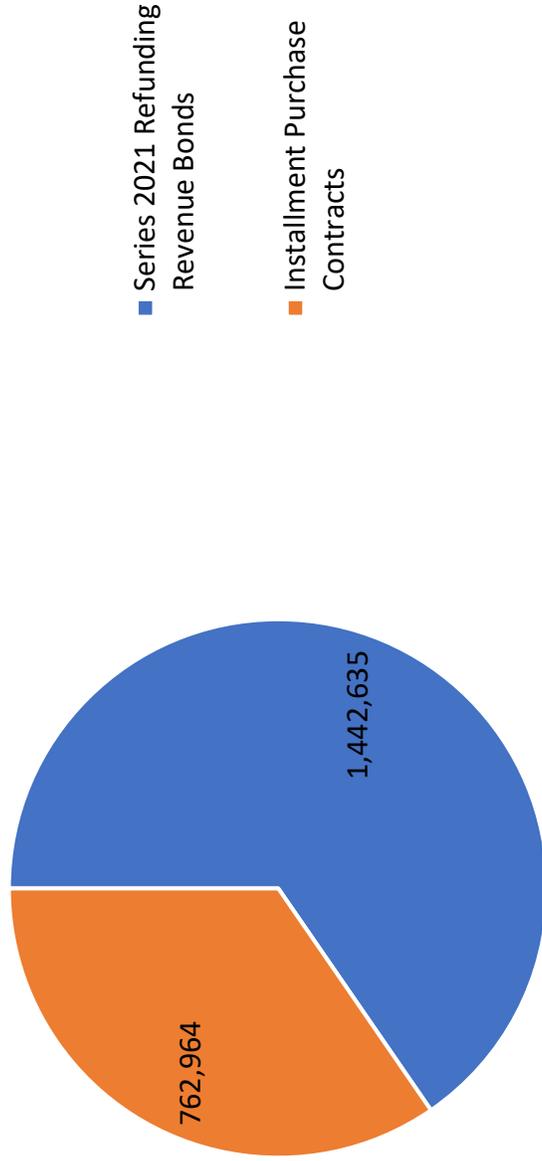




## Electric Fund Debt Service - next 5 years



**6/30/2023 Outstanding Debt Principal - Electric**





Interruptions	(30,038.06)	(37,292.26)	(21,031.27)	(25,979.45)	(40,553.32)	(12,717.29)	2,738.94	(125,595.98)	(86,416.49)	(89,767.36)	(83,908.70)	(89,344.14)	(639,905.38)
Special Ind Class	(274,066.81)	(197,168.61)	(476,221.83)	(265,914.62)	(365,908.63)	10,942.66	(280,557.29)	(1,003,075.69)	(1,156,949.41)	(1,023,670.57)	(1,072,247.56)	(1,112,853.09)	(7,217,691.45)
Totals	<u>(370,277.40)</u>	<u>(312,074.32)</u>	<u>(592,121.44)</u>	<u>(303,913.34)</u>	<u>(582,170.11)</u>	<u>(396,599.37)</u>	<u>(646,753.16)</u>	<u>(2,752,798.02)</u>	<u>(2,546,221.04)</u>	<u>(2,132,726.13)</u>	<u>(1,686,066.79)</u>	<u>(1,652,470.55)</u>	<u>(13,974,191.69)</u>















**6/30/2023 Outstanding Debt Principal - Stormwater**

