

MINUTES

Regular Meeting of Shelby City Council
Don Gibson Theatre

March 18, 2024
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony, III, presiding; Council Members Andrew L. Hopper, Sr., David Causby, David White, Charles Webber, and Emilie Bullock; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin Longino, MBA, City Attorney Jason Lunsford, Deputy City Clerk Breanna Jones, Director of Human Resources Deborah (Deb) Jolly, Director of Finance Elizabeth (Beth) Beam, CPA, Fire Chief William Hunt, EFO, Chief of Police Brad Fraser, Public Works Director Scott Black, Director of Water Resources Brian Wilson, Public Information and Communications Officer Chip Nuhrah, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections

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

Mr. White 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 Comment:

None

C. Public Hearing:

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcels 62692, 62694, and 32575 (925 Washburn Switch Road): Ordinance No. 20-2024

Mr. Longino presented this item to Council and stated they would have a zoning decision first and an annexation decision after. The zoning would go into effect the following day, March 19th, 2024, if passed. Mr. Longino stated this parcel is outside of our corporate limits and therefore does not have a City zoning assigned to it. Mr. Longino informed Council that the parcel is the

former Hanwha and consists of approximately 12 acres located at 925 Washburn Switch Road. Mr. Longino stated the applicant has had discussions with our utility staff and wishes to connect to the city sewer and bring the property into the City of Shelby's corporate limits. Mr. Longino further stated that the current zoning is Cleveland County HI (Heavy-Industrial) and the surrounding area is the City of Shelby GI (General-Industrial) and LI (Light-Industrial). Mr. Longino concluded that the proposed zoning is consistent with the future land-use map and the Planning and Zoning Board, and staff recommended this rezoning.

Mayor Anthony opened the public hearing at 6:05 p.m. and invited comments from the public.

There were no comments from the public.

Mayor Anthony closed the public hearing at 6:06 p.m.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve Ordinance No. 20-2024 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCELS 62692, 62694, and 32575 (925 WASHBURN SWITCH ROAD)" due to it being consistent with the Shelby adopted Comprehensive Plan based on an approval from the Planning Board. This zoning request is reasonable because the surrounding property is commercial, the planned use is consistent with the area for industrial use, and consistent with Shelby's comprehensive land use plan.

- 2) Consideration of an ordinance to extend the corporate limits of the City of Shelby, North Carolina (925 Washburn Switch Road): Ordinance No. 21-2024

Mr. Longino presented this item to the Council and stated that they have an annexation decision for the property they just assigned zoning. Mr. Longino stated that this property is contiguous with the City of Shelby's current limits. Mr. Longino concluded that if passed, this would bring the parcel into the city limits, and the Planning and Zoning board, as well as staff, recommend approving the annexation.

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

There were no comments from the public.

Mayor Anthony closed the public hearing at 6:08 p.m.

ACTION TAKEN: Upon a motion made by Mr. Hopper, City Council voted unanimously to approve Ordinance No. 21-2024 entitled, "AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SHELBY, NORTH CAROLINA".

D. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of March 4, 2024
- 2) City of Shelby FY 2023-2024 Budget Ordinance Amendment (JAG Grant): Ordinance No. 22-2024
- 3) Approval of a resolution authorizing an application for the North Carolina Department of Commerce Rural Downtown Economic Development Grant: Resolution No. 22-2024
- 4) Approval of a resolution establishing a public hearing date for the City of Shelby property on Artee Road: Resolution No. 23-2024
- 5) Approval of a joint cooperation agreement for the Foothills Home Consortium
- 6) Approval of Special Event application:
 - a) First Friday at Greenbrook Design, requested date: April 5, 2024
- 7) Management Reports:
 - a) Shelby Fire and Rescue Reinspection/Heavy Rescue Provider

END OF CONSENT AGENDA

E. Unfinished Business:

- 1) Adoption of an ordinance establishing capital project ordinance and budgets for the City of Shelby's First Broad Outfall Sewer Improvement Project: Ordinance No. 23-2024

Mr. Howell stated as background that if approved this ordinance would establish a capital project budget ordinance for this project. Mr. Howell reminded the Council that the City received roughly a \$12,000,000 directed state grant for the replacement of a portion of the First Broad River outfall which serves approximately two-thirds of the City. Mr. Howell concluded that approval of the Ordinance would allow staff to move forward with the project. Mr. Howell called Brian Wilson, Director of Water Resources, to give Council more of a background about this project.

Mr. Wilson stated that the City applied for a grant through the North Carolina Department of Environmental Quality (NCDEQ) to provide the City with about \$12,000,000 of funding. Mr. Willson stated that the City worked with HDR to identify the First Broad Outfall Replacement Program. Mr. Wilson informed the Council that the City intends to replace roughly 9,000 linear feet of the outfall and increase the size from 24 inches to 36 inches. Mr. Wilson concluded he is available to answer questions if needed.

ACTION TAKEN: Upon a motion by Mr. Webber, the City Council voted unanimously to adopt Resolution No. 23-2024 entitled, "AN ORDINANCE ESTABLISHING A CAPITAL PROJECT ORDINANCE AND BUDGETS FOR THE CITY OF SHELBY'S FIRST BROAD OUTFALL SEWER IMPROVEMENT PROJECT."

F. New Business

1) Adoption of an ordinance amending the City Of Shelby's Schedule of Fees: Ordinance No. 24-2024

Mr. Howell asked Council to recall that each fiscal year Council adopts a schedule of fees and charges as a public document that is part of the City's existing budget document. Mr. Howell stated that periodically from time to time, staff will make recommendations for changes during the fiscal year. Mr. Howell pointed out that the Council is being asked to look at a recommended change this year. Mr. Howell stated that these changes are only recommended when necessary and deemed appropriate for the City and its customers. He further stated that this change reflects the natural gas system and the rates that are charged particularly for industrial customers. Mr. Howell called on Ben Yarboro, Assistant City Manager, to introduce this proposed item.

Mr. Yarboro informed the Council that there were two parts to this proposal. He further stated that the first part reduces the required minimum use volume from 1,000 dekatherms to 500 dekatherms per day for customers to qualify for the Large Industrial Firm Gas Service Rate. Mr. Yarboro stated that the second part would add new terms and conditions to the fee schedule

that would provide qualifying industrial customers the opportunity to either opt out of the City's directed gas supply hedge purchase or to direct their own hedges with assistance from city staff. Mr. Yarboro also stated that this would allow customers who are using 500 dekatherms per day or more to opt out of the hedging program, which would allow them to receive daily gas pricing.

ACTION TAKEN: Upon a motion by Mr. Hopper, the City Council voted unanimously to adopt Resolution No. 23-2024 entitled, "AN ORDINANCE AMENDING THE CITY OF SHELBY'S SCHEDULE OF FEES."

G. City Manager's Report:

- Construction of the **new County Home Road** segment near the SECU is set to begin as soon as some required electric utility relocation is completed by Duke Energy. Once that work is completed the City's contractor can begin road construction. The estimated completion date is still by the end of May.
- The City still has submitted the required documentation to the NC Office of State Budget Management (OSBM) for the \$3,995,000 directed grant "for the purchase and restoration of the historic home (**Webbley**) of former Governor O. Max Garder." The final contract document has been executed and the funds have been deposited in the City's bank account. I have directed the City Attorney to oversee the closing process for the acquisition of the property from the current owner. Final costs for purchase and appropriate due diligence are now being finalized. An April 15, 2024, closing date is anticipated.
- Three proposals have been received for the redevelopment of the Hotel Charles. City staff and DFI are now in the process of evaluating the details of each proposal. Once a consensus has been reached the details of each proposal will be presented publicly to City Council for consideration.
- The City's USDOT RAISE grant application for construction of the remainder of the Carolina Harmony Trail to the SC state line was submitted prior to February 28th. Anticipated grant award announcements are expected no later than June 27, 2024. The City's request is for \$24,998,438.
- Request for Qualifications for firms to conduct the development of a new Comprehensive Land Use Plan will go out in the coming weeks. The current plan was completed in April 2009. A Request for Qualifications

has been advertised and sent to a number of firms expressing interest. Statements of qualification are due by April 5, 2024.

- **Carolina Harmony Trail (Rail Trail)**

- TGS Engineering continues the design of the remainder of Phase I of the rail trail. This essentially is the section from Marion Street to Dekalb Street (exclusive of the Depot Park section). This section is tentatively scheduled to go out to bid in fall of 2024.

- **Depot Park**

Destination by Design is working on the engineering and architectural design for the renovation of the old depot and construction of Depot Park. The design was expected to be complete by the end of the first quarter of 2024. This project has been delayed due to unexpected issues with the requirements we anticipate from NC SHPO related to the Depot.

The Depot building work is a little behind the park bidding process due to a need to address State Historic Preservation Office comments and requirements involving the roof of the depot structure and the adjacent open-air canopy. It is scheduled to be vacated by no later than April 15th.

- **Aquatics Center**

Construction on this project is complete and the facility was open to the public during the 2023 season. Portions of the pool concrete deck are being replaced by the contractor once temperatures allow.

- **Dog Park**

Planning has begun for the development of a dog park on a portion of the former Shelby Middle School ballfield. This 6-acre site is adjacent to and will eventually be accessed from the rail trail. A more detailed schedule will be shared with the Council once the site has been fully evaluated to address stormwater issues. An engineer has been retained to assist with this project. Some significant stormwater issues will have to be resolved prior to the actual construction of the dog park itself.

- **TAMP**

- Phase I of the implementation of the Transportation Asset Management Plan is nearing completion. Approximately \$2.8 million of the \$10 million street improvement bonds passed by voters in November 2023 have been used in this phase for street resurfacing.

Approximately 17 miles of streets have been resurfaced in TAMP Phase I.

- Planning for Phase II is in process as staff continues plans for viable utility improvements prior to the start of resurfacing in late Winter 2023 / early Spring 2024. Approximately 15 miles of additional resurfacing will be completed by the end of 2024. This brings total street resurfacing to 32 miles. Approximately \$6.0 million of the \$10 million street improvement bonds passed by voters in November 2021 have been used to date for street resurfacing.
- TAMP Phase III planning is moving forward. Much of this work is contingent on the planning, budgeting, and construction of underground utility repair and replacement projects in advance of resurfacing. This phase would resurface approximately 18 miles. It is proposed for funding from the remaining \$4.0 million in authorized street/sidewalk improvement bonds. A revenue source for repayment of these bonds has not yet been identified.

- **Cross Town Water Main 24” Transmission Line Phase II (\$8,976,174.)
SRP-D-ARP-0030**

This project was advertised on April 10, 2023, with a May 17, 2023, bid opening. Construction is expected to begin in March 2024 to allow for material procurement and delivery. This project will extend the 24” diameter water main approximately 9,000 lf from the intersection of Marion Street/Morgan Street along S. Morgan Street to Graham Street to the South Tank on S. Lafayette Street and to the intersection with Forest Hill Drive/Beaumonde. Approximately 4,500 lf of sewer main in conflict with the line will also be replaced. This is the second of a multiphase project to improve water supply to the south, east, and north of the uptown area. It is intended to improve fire flow, water volume/pressure, and water quality overall in the system. It is a high priority. Substantial completion is expected in May 2025. The statutory completion deadline to expend all funds is December 31, 2026.

- **Hickory Creek Sewer Outfall - Windsor Drive to Holly Oak Park
(\$4,627,000)
SRP-W-ARP-0029**

Construction on this sewer outfall project has begun. It will replace approximately 5,000 lf of existing sewer outfall with 24” diameter pipe. It runs along Hickory Creek from the end of Windsor Drive to Dixon Blvd. This project replaces an existing sewer outfall that has been plagued with Sanitary Sewer Overflows due to infiltration and inflow. Construction

began in August 2023. Substantial completion is expected in June 2024. The statutory deadline to expend all funds is December 31, 2026.

- **WTP Filter Rehabilitation & Sedimentation Valve Replacement Project (\$4,133,200.) ARP**

This project consists of the rehabilitation and repair of 8 water treatment plant filters as well as the repair/replacement of the sedimentation basin gate and mud valves. Construction began on this project in late 2023. Substantial completion is anticipated in September 2024. The statutory deadline to expend all funds is December 31, 2026.

- **First Broad River Sewer Outfall Project (\$12,087,000) State directed grant.**

This project provides for the replacement of approximately 9,000 linear feet of 36-inch diameter pipe on a major sewer outfall located on the First Broad River. A number of Sanitary Sewer Overflows (SSOs) have occurred on this line for the past several years during and after heavy rainfall. McGill Associates has been selected as the project engineer and design work is ongoing. The City Council approved the project budget ordinance this evening.

- **City Hall Campus Projects**

- **City Council Chambers** – A scope of work is being developed to renovate the interior of the chambers after the broken water line flooded the room. I anticipate the scope to include a new sound system, camera system, addition of a video display system, carpet replacement, furnishings, ADA bathroom upgrades, lighting improvements as well as other improvements.
- **City Hall Annex** – This project is expected to be bid on in March. Upland Architecture has largely completed the design. This project will involve the relocation of personnel from the Planning and Development Services Department (Planning/Zoning, Code Enforcement, and Building Inspections) and the Human Resources Department to the former SPD building.
- **Airport** – As you know the City has maintained a goal to make the airport a self-sustainable operation for many years. As the City has made investments in revenue-generating projects such as T-Hangars and fuel sale facilities this has come closer to reality. The City has been successful in receiving a number of NC Division of Aviation grants for a variety of projects including these revenue-generating developments. These have all contributed to making Shelby airport somewhere owners/pilots want to base their aircraft. This in turn

results in an increase in the personal property tax base of the City as well as increased property tax receipts.

As such the latest Airport Layout Plan adopted by City Council in April 2023 identified a number of future improvements that will allow the City to move the airport even closer to self-sufficiency. One such project involves the extension of the taxiway toward the east allowing for the construction of additional corporate aircraft hangars. Due to the potential for investment by private owners in a couple of new hangars, the City is moving towards securing grant funding for the infrastructure necessary for this to occur. More details on this will hopefully be forthcoming in the next 60 days or so.

➤ **Budget Workshops FY 24-25 (April)**

As a matter of practice City Council has scheduled two budget workshops during the month of April for me to present my initial balanced budget and recommendations. One meeting covers the General Fund and other minor funds and the other all of the Enterprise Funds. It is that time. The suggested range of dates is Monday, April 29 through Friday, May 3.

H. Council Announcements and Remarks:

Mrs. Bullock announced that the Grand Opening of her new location Hive Coffee will be on Saturday, March 23rd from 9:00 AM until 12:00 PM.

Mayor Anthony mentioned that he has received many great comments about the Carolina Harmony Trail and that he appreciates all that the staff has done.

I. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 7:04 p.m.

Respectfully submitted,

**Breanna Jones
Deputy City Clerk**

**O. Stanhope Anthony, III
Mayor**

Minutes of March 18, 2024