

MINUTES

Regular Meeting of Shelby City Council
Don Gibson Theatre

April 15, 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, 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, Public Information and Communications Officer Chip Nuhrah, Engineering Manager Justin Wright, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections

Absent: Council Member Charles Webber

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

Mr. Hopper 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. Special Presentation:

- 1) Drinking Water Quality, PFAS Update – Brian Wilson, Water Resources Director

Mr. Wilson gave a background on our water system and our water source, which is the First Broad River. Mr. Wilson stated that our water quality meets state and federal regulation requirements. Mr. Wilson explained PFAS and how it is found in some water systems, however, Mr. Wilson revealed that our filtration system does not use PFAS in the treatment process. Mr. Wilson concluded by stating the City of Shelby will continue to test our drinking water and will develop a plan to comply with any EPA standards.

C. Public Comment:

None

D. Public Hearing:

- 1) Consideration of a proposed ordinance amending the zoning map of the City of Shelby, North Carolina for parcels 26465 and 26466 (Sulphur Springs Rd): Ordinance No. 31-2024

Mr. Longino presented this item to Council and stated these parcels consist of 1.05 acres on Sulphur Springs Road off Earl Road. According to Mr. Longino, this property is currently zoned as R-20 and the applicant has requested a conventional rezoning to R-10. Mr. Longino continued by stating the R-10 zoning district does allow for higher density residential use; and an R-10 zoning is consistent with the future land use map which shows the area as Mixed Use. Mr. Longino concluded that staff and the Planning and Zoning Board recommend this rezoning amendment.

Mayor Anthony opened the public hearing at 6:14 p.m. and invited comments from the public.

Jerry Brintley who resides at 113 Stone Street, Shelby, North Carolina stated he wanted to know if his property is also zoned as R10 already and if he could put two houses on his property. Mr. Longino stated the density for that area is R-10 which allows for more units per acre, therefore, due to the R-10 zoning, Mr. Brintley could put townhomes on his parcel.

Vernon Baumrind whose business address is 8508 Park Road, Charlotte, North Carolina, is the developer and applicant for this rezoning request. Mr. Baumrind stated the smaller parcel is not large enough for a home, so he wants to take the two parcels and divide them into two equal 70' wide lots which is consistent with the R-10 zoning district.

Mayor Anthony closed the public hearing at 6:19 p.m.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve Ordinance No. 31-2024 entitled, "A PROPOSED ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF SHELBY, NORTH CAROLINA FOR PARCELS 26465 AND 26466 (SULPHUR SPRINGS RD)" due to it being consistent with Shelby's adopted comprehensive plan and in receiving approval

from the Planning Board, and the request is reasonable because the surrounding property is mixed use, the planned use is consistent with the area for higher density commercial and residential use, and consistent with Shelby's comprehensive land use plan.

- 2) **Consideration of a proposed resolution authorizing purchase of the Hotel Charles pursuant to North Carolina General Statute § 158-7.1: Resolution No. 26-2024**

Mr. Howell presented this item to Council and stated a public hearing is necessary prior to Council's action on the purchase of the Hotel Charles pursuant to NCGS 158-7.1. Mr. Howell reminded Council that the City has negotiated an agreement with BankOZK to purchase the Hotel Charles primarily for historic restoration but also for economic development with hopes to entice a developer into developing the property into a boutique hotel. Mr. Lunsford commented NCGS 158-7.1 requires a public hearing for economic development which ultimately allows for more flexibility in making purchases of that same property for economic development purposes. Mr. Lunsford stated that most of the time property acquisitions have to go through a bid and proposal process, but by having a public hearing, the City can bypass that process. Mr. Lunsford stated there have been contract negotiations entered into and the city hopes to secure negotiations soon and finalize a plan for a boutique hotel.

Mayor Anthony opened the public hearing at 6:22 p.m. and the public offered no comments.

Mayor Anthony closed the public hearing at 6:23 p.m.

ACTION TAKEN: Upon a motion made by Ms. Arth, City Council voted unanimously to approve Resolution No. 26-2024 entitled, "A PROPOSED RESOLUTION AUTHORIZING PURCHASE OF THE HOTEL CHARLES PURSUANT TO NORTH CAROLINA GENERAL STATUTE § 158-7.1."

- 3) **Consideration of a proposed resolution authorizing purchase of Webbley pursuant to North Carolina General Statute § 158-7.1: Resolution No. 27-2024**

Mr. Howell presented this item to Council and stated a public hearing is necessary prior to Council's action on the purchase of Webbley pursuant to NCGS 158-7.1. Mr. Howell reminded Council that the City received a directed grant from the State of North Carolina for the purchase and historic restoration for Governor O. Max Gardner's house on South Washington Street. Mr. Howell stated the city does not have a determined use for this

property as of yet and has engaged with Development Finance Initiative (DFI) at UNC-Chapel Hill to help us identify a possible use. Mr. Howell further stated that there will be a public stakeholder process where interested parties will be given the opportunity to comment on what a future use should be, for example, a bed and breakfast, or museum, etc. Mr. Howell stated that once the property is restored the City will put covenants to protect it in perpetuity in terms of its historic preservation. Mr. Howell also stated the public hearing is required under NCGS 158-7.1 and it's good to let the public know of the city's intent and to allow public comment, and to give Council flexibility to hold the property in public use or put it back into private use in the future.

Mr. Lunsford showed a picture of the current condition of Webbley. Mr. Lunsford continued by stating the \$3.995 million grant from the State of North Carolina has been received and the purchase of the Webbley could be finalized by the end of this week; and the restoration work would commence shortly thereafter. Mr. Lunsford then showed a picture of what the Webbley once looked like – a vast difference to its current state. Mr. Lunsford acknowledged the economic impact the restoration process will bring such as, the jobs it will create, and the possible increase in tourism the home will bring to the City . Mr. Lunsford stated NCGS 158-7.1 requires a public hearing for economic development which ultimately allows for more flexibility in making purchases of that same property for economic development purposes.

Mayor Anthony opened the public hearing at 6:27 p.m. and the public offered no comments.

Mayor Anthony closed the public hearing at 6:28 p.m.

Ms. Arth wanted to clarify that the \$3.995 million grant from the State of North Carolina is not a loan that the City has to pay back; it was given to the City for the expressed purpose of purchasing and restoring Webbley.

ACTION TAKEN: Upon a motion made by Mr. Causby, City Council voted unanimously to approve Resolution No. 27-2024 entitled, "A PROPOSED RESOLUTION AUTHORIZING PURCHASE OF WEBBLEY PURSUANT TO NORTH CAROLINA GENERAL STATUTE § 158-7.1."

E. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of April 1, 2024
- 2) Approval of a resolution adopting the City of Shelby’s Capital Asset Policy: Resolution No. 28-2024
- 3) Approval of a resolution for the award of the contract for the City of Shelby Eaves Road Water Main Extension Project: Resolution No. 29-2024
- 4) Approval of a resolution approving conveyance of property (Habitat property): Resolution No. 30-2024
- 5) Approval of Special Event applications:
 - a) First Friday at Greenbrook Design, requested date: May 3, 2024
 - b) Shelby Pride Festival, requested date: October 12, 2024

END OF CONSENT AGENDA

F. Unfinished Business:

- 1) Adoption of an ordinance to amend the City of Shelby Code of Ordinance to create the Carolina Harmony Trail Rules of Conduct: Ordinance No. 32-2024

Mr. Lunsford stated that with the creation of the Carolina Harmony Trail a set of Rules of Conduct is necessary. Mr. Lunsford stated the rules are self-explanatory and they are rules the City of Shelby already has in place and/or the State mandates. Mr. Lunsford listed several of the rules that are included in Ordinance No. 32-2024.

ACTION TAKEN: Upon a motion by Mrs. Bullock, City Council voted unanimously to adopt Ordinance No. 32-2024 entitled, “AN ORDINANCE TO AMEND THE CITY OF SHELBY CODE OF ORDINANCE TO CREATE THE CAROLINA HARMONY TRAIL RULES OF CONDUCT.”

- 2) Adoption of an ordinance to amend the City of Shelby Code of Ordinance to create the Uptown Shelby Social District: Ordinance No. 33-2024

Mr. Lunsford stated that authority to create Uptown Shelby Social District is granted by NCGS 160A-205.4 in accordance with NCGS 18B-300.1, which allows open containers of alcohol in a designated cup within a designated area following certain conditions. Mr. Lunsford reminded Council that a presentation was given by Carly Bostic of Uptown Shelby Association in November 2023 informing Council on the number of other municipalities that have implemented a social district ordinance. If Ordinance No. 33-2024 is adopted, then the plan would go before the ABC Commission for their approval; a maintenance plan is also necessary which is included with the ordinance.

Mr. Lunsford enumerated the following aspects of the Social District maintenance and operation plan:

- The Social District maintenance and operation plan will be posted on the City's website along with frequently asked questions.
- On the map of the Social District the section of the Carolina Harmony Trail from the trailhead on Marion Street to the Sumter Street bridge will be eliminated from the Social District mainly due to being problematic and possibly harder to patrol that area.
- Illustrated the four signs that each Uptown business will display in their window, either Not Permitted Here, Welcomed Here, Sold Here but No Outside Beverages, or Sold Here.
- Explained the required cup design and how it has to have the seller (permittee), the date, the time, be 21 and drink responsibly.
- Bringing a six pack of alcohol into the Social District is prohibited.
- The hours of the Social District are from 10 a.m. to 10 p.m.
- All alcoholic beverages must be consumed or disposed of before exiting the Social District.
- Criminal punishment is possible.

Ms. Arth suggested the sign decal color for Not Permitted Here should be red. Mr. Lunsford acknowledged decisions are still fluid, so decal colors could easily be changed. Ms. Bostic stated the sign decals will probably be about 4" x 6".

Mayor Anthony inquired about the increased burden on law enforcement due to Social Districts. Mr. Lunsford stated he and Chief Fraser have discussed this possibility but are confident the Shelby Police Department is capable and has enough officers to enforce the Social District regulations. Ms. Bostic also addressed concerns of a possible increase in unruly behavior and stated there are things in place to help curb some of that from happening; she mentioned the designated cups with the date and time stamped on it will help identify if there are additional drinks poured in the cup from a brought from home six-pack. Mr. Howell stated that Council can revisit this ordinance and amend it as needed.

Mr. Lunsford concluded by stating that the City of Shelby already has Sidewalk Cafes that permit alcohol to be consumed at restaurants on the sidewalk, and to his knowledge this isn't a problematic situation.

ACTION TAKEN: Upon a motion by Ms. Arth, City Council voted unanimously to adopt Ordinance No. 33-2024 entitled, "AN ORDINANCE TO AMEND THE CITY OF SHELBY CODE OF ORDINANCE TO CREATE THE UPTOWN SHELBY SOCIAL DISTRICT."

3) Natural Gas Installation Policy:

- a) Adoption of an ordinance amending the City of Shelby's Schedule of Fees: Ordinance No. 34-2024**
- b) Approval of a resolution to adopt the proposed City of Shelby Natural Gas Line Installation Policy and the proposed City of Shelby New Development Natural Gas Service Agreement: Resolution No. 31-2024**

Mr. Howell presented this item to Council by stating the ordinance proposed would amend the fees and charges that relate to natural gas services and the proposed resolution would amend the natural gas line installation policy and how it is implemented. Mr. Howell further stated this policy change means the costs to install natural gas to residences and neighborhoods would fall more on the developer and less on the city; therefore, reducing the years of payback.

Mr. Yarboro presented the following to Council:

- Shelby began operating a Natural Gas system in 1955**
- Natural Gas is provided to Shelby's system from Williams Transco Pipeline in Grover, NC**
- We deliver Natural Gas to our customers through a network of high-pressure distribution mains throughout portions of Cleveland County**
- System Facts:**
 - 511 miles of main lines**
 - 248 miles of service lines**
 - 9,954 customers**
 - 8,467 residential**
 - 5,145 inside City**
 - 3,322 outside City**
 - 1,486 commercial/industrial**

- 1,078 inside City
 - 408 outside City
- **Natural Gas Benefits include:**
 - Natural gas is a clean, safe, reliable energy source for residential, commercial, and industrial customers. Natural gas burns cleaner than other fossil fuels.
 - Natural gas furnaces typically last longer, have lower maintenance, and heat air about 25-35 degrees warmer than an electric heat pump.
 - Natural gas hot water heaters heat water up to 2x as fast as an electric model.
 - Natural gas hot water heaters save 54% on average annually on utility bills compared to an electric hot water heater
 - Reliable fuel during power outages (generators, hot water heaters, stove, etc.)
 - Houses with NG have a sale price that is 3-5% higher than all electric houses.

Mr. Yarboro explained that currently, if natural gas is available, then a proposed gas main can be installed at 100% of the City's expense that runs along the road of the subdivision. Mr. Yarboro continued by stating that once a house is built, if the owner wants natural gas, then a service line would be installed; the installation fees would be paid by the City and then the City offers rebates to the homeowner for using natural gas appliances.

Mr. Yarboro gave examples of what the costs look like now for natural gas installations and how the proposed policy changes will affect the City's costs, by putting more of the costs on the developer and less on the City.

Mr. Yarboro presented the existing policy versus the proposed changes:

City of Shelby's Natural Gas Installation existing policy:

- Service line cost is \$5/foot (price was est. in approx. 1995)
- Rebates and free service line credits
- Many new customers do not pay anything for service line or meter and then receive a rebate.
- Main line for subdivisions is installed by City with no guarantee of usage (cost \$13.50/ft)
- First 500 feet of main line extension for residential and commercial customers.
- Cost is \$5 per foot after first 500 feet of free main

City of Shelby's proposed Natural Gas Installation policy:

- Service line cost increase from \$5/foot to \$8/foot
- Remove free service line credits based on appliances
- Main line extension cost established at \$10/foot
- Establish installation agreement for developers
- Reduce free main line extension for residential and commercial customers from 500 feet to 100 feet

Mr. Yarboro concluded by stating that after all the calculations, the City's payback is currently at about 8 years; however, with the new proposed policy changes that number would be reduced to about 4 years.

ACTION TAKEN: Upon a motion by Mr. White, City Council voted unanimously to adopt Ordinance No. 34-2024 entitled, "AN ORDINANCE AMENDING THE CITY OF SHELBY'S SCHEDULE OF FEES," and Resolution No. 31-2024 entitled, "A RESOLUTION TO ADOPT THE PROPOSED CITY OF SHELBY NATURAL GAS LINE INSTALLATION POLICY AND THE PROPOSED CITY OF SHELBY NEW DEVELOPMENT NATURAL GAS SERVICE AGREEMENT."

G. New Business

1) Stormwater Infrastructure Assistance Program:

- a) Adoption of FY 2023-2024 Budget Ordinance Amendment: Ordinance No. 35-2024**
- b) Approval of a resolution awarding the contract for the City of Shelby Stormwater Infrastructure Assistance Program Project at 1020 E Dixon Blvd., 1102 E Dixon Blvd., and Grove Street in Shelby, North Carolina: Resolution No. 32-2024**

Mr. Howell presented this item to Council by stating the City levies Stormwater fees to all its customers and a portion of these fees are set aside for our Stormwater Infrastructure Assistance Program.

Mr. Wright provided Council some background information about the Stormwater Infrastructure Assistance Program which includes the following:

- In February 2016, the Stormwater Infrastructure Assistance Program was approved by Council which utilizes Stormwater Utility Fees to assist property owners with stormwater issues on private property.
- Property Owner must commit a higher level of maintenance during the 5-year period following completion

- Assistance is prioritized as followed:
 - a. Threat to an inhabited home from severe erosion.
 - b. Threat of flooding to an inhabited home.
 - c. Damaged or undersized drainage features connecting to street drains.
 - d. Damaged or undersized drainage features on private property (not connected to street drains).
 - e. Illicit Discharges or Illicit Connections.
 - f. Private property flooding (not impacting a permanent structure).
 - g. The system is not part of the NCDOT maintained stormwater system.

- Cost Sharing for Construction:
 - Residential Properties: 80% City / 20% Property Owner (City to not exceed \$50,000)
 - Commercial Properties: 50% City / 50% for Property Owner (City to not exceed \$50,000)

Mr. Wright presented to Council the Stormwater Assistance Project for 1020 and 1102 E. Dixon Boulevard, which is the Fastop gas station and the KFC restaurant:

- May 2021 - received an application from owner at 1020 E Dixon Blvd. (Fastop)
- July 2023 - agreements were signed between the City and Owner, and a third-party consultant, TGS Engineers to evaluate situation and complete design
- Inspection of the existing system determined that stormwater in addition to issues on the Fastop property, the lines on Grove Street and 1102 E. Dixon Blvd. (KFC) were also failing and were recommended for replacement by TGS Engineers
- December 2023 – received an application from owner at 1102 E. Dixon Blvd.
- March 2024 – Bids were received based on TGS design. Three responsive bids and two no bid letters were received
- Low bidder for this project is Environ Pond LLC, with a total bid of \$609,500.16.

Mr. Wright continued by showing the breakdown of costs and stated the total project cost for the City of Shelby is \$310,477.73.

Mr. Wright showed pictures of the rusted pipes, the sinkhole, and the failing junction box, in addition to the site plan and stated the new pipe will be 18' deep.

Mr. Wright concluded his presentation with a chart showing the overall project history for each assistance request and where each one stood as far as priority.

ACTION TAKEN: Upon a motion by Mr. Hopper, City Council voted unanimously to adopt Ordinance No. 35-2024 entitled, “FY 2023-2024 BUDGET ORDINANCE AMENDMENT,” and Resolution No. 32-2024 entitled, “A RESOLUTION AWARDDING THE CONTRACT FOR THE CITY OF SHELBY STORMWATER INFRASTRUCTURE ASSISTANCE PROGRAM PROJECT AT 1020 E DIXON BLVD., 1102 E DIXON BLVD., AND GROVE STREET IN SHELBY, NORTH CAROLINA.”

H. City Manager’s Report:

Mr. Howell acknowledged that National Telecommunicator Week is this week, April 14 – 19, 2024. Mr. Howell proudly recognized our City Attorney, Jason Lunsford, for being the overall fastest runner at the 7th Annual Cleveland Cup which was held last Friday at Hanna Park.

Mr. Howell provided Council updates on several projects, such as:

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. This is being scheduled and work by Duke is approximately 3-4 weeks out. Once that work is completed the City’s contractor can begin road construction. A 90–120-day construction time frame is expected.

The City still has submitted the required documentation to the NC Office of State Budget Management (OSBM) for the \$3,995,500 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 acquisition of the property from the current owner. Final costs for purchase and appropriate due diligence are now being finalized. **An April 18, 2024 closing date is anticipated**. Also, a request for qualifications for architectural services will be sent out and advertised for this project within the next week or so.

Three proposals have been received for the redevelopment of the Hotel Charles. City staff and DFI have evaluated the details of each proposal. I anticipate a briefing for City Council in the next 30 days.

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.

Requests for Qualifications for firms to conduct the development of a new Comprehensive Land Use Plan were sent out previously and the City received eight (8) submittals. A staff committee has reviewed them and will be submitting a recommendation for consideration at your May 6 regular meeting. The current plan was completed in April 2009.

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 late early fall 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. Design was expected to be complete by the end of the first quarter 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. The building has now been vacated by the previous tenant.

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. This work is scheduled for April 18-19.

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 Council once the site has been fully evaluated to address stormwater issues. An engineer has been retained to assist this project. There are some significant stormwater issues that will have to be resolved prior to actual construction on 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 / 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. **Asphalt Paving will begin work by May 1.**

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 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 high priority. Substantial completion is expected in May 2025. 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. 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. 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 (SSO's) 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. City Council has previously approved the project budget ordinance.

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 in March. Upland Architecture has largely completed 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. Bids will be opened on May 9.

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 projects. These have all contributed to making the 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 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-May)

As a matter of practice City Council has scheduled two budget workshops during the month of April in order 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. These dates are now scheduled for Tuesday, April 30 and Wednesday, May 1 from noon to 2pm.

I. Council Announcements and Remarks:

Mayor Anthony mentioned the Merry Go Round Festival is set for April 27th and 28th.

Ms. Arth stated she enjoyed participating in the Cleveland Cup this year and finished 188 out of 253 participants.

J. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 7:31 p.m.

Respectfully submitted,

**Carol Williams
City Clerk**

**O. Stanhope Anthony, III
Mayor**

Minutes of April 15, 2024