

MINUTES

Regular Meeting of Shelby City Council
Don Gibson Theatre

July 15, 2024
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony, III, presiding; Council Members David Causby, Charles Webber, Violet Arth, David White, and Emilie Bullock; City Manager Rick Howell, MPA, ICMA-CM, Assistant City Manager Justin Longino, MBA, City Attorney Jason Lunsford, City Clerk Carol Williams, Deputy City Clerk Breanna Jones, Director of Finance Elizabeth (Beth) Beam, CPA, Director of Human Resources Deborah (Deb) Jolly, Fire Chief William Hunt, EFO, Chief of Police Brad Fraser, Director of Planning and Development Services Brian Burgess, Director Parks and Recreation Charlie Holtzclaw, Public Works Director Scott Black, Public Information and Communications Officer Chip Nuhrah, Economic Developer Brandon Ruppe, and Jennipher H. Harrill, Social Media Manager, Blue Eyes Media Connections

Absent: Council Member Andrew L. Hopper, Sr.

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:

Ms. Arth requested an additional item be added to the Closed Session regarding property acquisition.

- 1) Motion to adopt the amended agenda presented.

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

B. Special Presentation:

- 1) Recognition of Beth B. Beam, Finance Director, and the City of Shelby's Finance Department as recipients of the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the Fiscal Year ended June 30, 2023

Presenter: Mayor Anthony

Mayor Anthony recognized Mrs. Beam on the Achievement for Excellence in Financial Reporting which is awarded by the Government Finance Officers Association. Mrs. Beam stated the City has received this award for over 20 years. Mrs. Beam also stated it is a team effort and she has a great team in the Finance Department.

C. Public Comment:

None

D. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of June 17, 2024**
- 2) Adoption of a budget ordinance amendment for the City of Shelby's Randolph Road Industrial Park Sewer Extension Project: Ordinance No. 47-2024**
- 3) Adoption of FY 2023-2024 budget ordinance amendment No. 12: Ordinance No. 48-2024**
- 4) Approval of a reimbursement resolution with regard to Installment Financings for FY 2024-2025: Resolution No. 47-2024**
- 5) Approval of a resolution accepting and entering into an agreement with the North Carolina Department of Transportation to accept grant funding for the Shelby-Cleveland County Regional Airport Grant No. 36237.16.18.2: Resolution No. 48-2024**
- 6) Approval of a resolution authorizing selection of W.K. Dickson & Co., Inc. based on qualifications for engineering and planning services at the Shelby-Cleveland County Regional Airport: Resolution No. 49-2024**
- 7) Approval of Special Event Applications:**
 - a) Food and Brews Festival, requested date: September 7, 2024**
 - b) Dragon Stock 2, requested date: September 28, 2024**

- c) SHS Homecoming Parade, requested date: October 4, 2024

8) Management Reports:

- a) Planning Report – June, 2024
- b) Monthly Financial Summary – May, 2024

END OF CONSENT AGENDA

E. Unfinished Business:

- 1) Adoption of an ordinance amending Ordinance 33-2024 relating to the Uptown Shelby Social District and amending the map of the Social District: Ordinance No. 49-2024

Presenting: City Attorney Jason Lunsford:

- Provided an update on the Uptown Shelby Social District which went into effect recently on July 1, 2024
- Just prior to launching the social district concerns were brought up that the district included Justice Place which is the street directly in front of the Law Enforcement Center
- Officials at the Law Enforcement Center requested the district be amended so that any possible issues could be avoided
- The amended map presented simply moves the boundary from Justice Place to DeKalb Street and still includes the Pinkney Street/ Juan Place area

ACTION TAKEN: Upon a motion made by Ms. Arth, City Council voted unanimously to approve Ordinance No. 49-2024 entitled, “AN ORDINANCE AMENDING ORDINANCE 33-2024 RELATING TO THE UPTOWN SHELBY SOCIAL DISTRICT AND AMENDING THE MAP OF THE SOCIAL DISTRICT.”

F. New Business:

- 1) Approval of a resolution establishing a Capital Reserve Fund for the Electric System of the City of Shelby, North Carolina: Resolution No. 50-2024

Presenting: City Manager Rick Howell:

- This resolution sets aside \$15 million for future Electric system needs, including, a possible new substation, metering infrastructure and expansion of existing buildings or construction of new buildings
- The funding comes from an expected \$3.4 million credit on the City's wholesale power purchase from the NCMAPA1 in August 2024 and then an amount not to exceed \$2 million annually from July 1, 2024 to June 30, 2031

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve Resolution No. 50-2024 entitled, "A RESOLUTION ESTABLISHING A CAPITAL RESERVE FUND FOR THE ELECTRIC SYSTEM OF THE CITY OF SHELBY, NORTH CAROLINA."

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. 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 closed the purchase on the Webbley property on April 18, 2024. Contract work with Clearscapes Architecture for architectural services related to this project are ongoing. DFI is gearing up to begin the stakeholder input process and as I know more about that I will inform Council. Maintenance work continues on the grounds including underbrush removal and regular mowing.

The City has received the funding for the directed grant from the State of North Carolina in the amount of \$3,995,500. These funds are restricted "for the purchase and restoration of the historic home (Webbley) of former Governor O. Max Garder."

The City closed the purchase on the Hotel Charles property on April 23rd. As you know the first round of soliciting for potential qualified developers did not result in a match. DFI continues to work on the process of securing a qualified development partner who meets the requirements and public interests outlined. I would note that DFI is a long term partner in this project and will continue to actively engage the development community with the goal of finding the right development partner who can deliver the project.

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. As you all know the City was not successful in our 5th attempt to secure a

RAISE grant. At some point we will debrief with USDOT. That usually occurs in the fall. Staff continues to work toward identifying funding for this project. The inside City portion of this project is expected to be bid in early fall. The City does have significant grant funding toward this section of the rail trail but will not know until bids are received as to whether it is sufficient to move forward with an award. A future RAISE grant application may not be feasible if this section is built as the more rural portion may not be competitive using USDOT criteria.

Work on the Comprehensive Land Use Plan has begun. Stewart is in the initial phase of reviewing existing City plans, data gathering and mapping. A community tour and kickoff with staff are being scheduled for this month. I have included a draft project schedule. The goal is to wrap up the document and have it adopted by Council by early June 2025.

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 fall 2024.

Destination by Design has completed the engineering and architectural design for the renovation of the old depot and construction of Depot Park. This project is now back on track and was put out for bid at the end of June. A pre-bid meeting was held this morning for interested contractors. Bids are due on August 5, 2024.

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.

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 2021 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 of TAMP 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 has begun and will complete the contracted work by the end of the calendar

year.

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.

The Cross-Town Water Main 24" Transmission Line Phase II 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. Fuller and Company, (Crouse, NC) is the contractor. Substantial completion is expected in May 2025. Statutory completion deadline to expend all funds is December 31, 2026.

Waterline work on Chestnut Street is completed. Installation of a 6" diameter waterline on E. Graham Street is upcoming.

Sewer line work on S. Morgan Street and S. Washington Street is upcoming in the next 45-65 days.

Construction on the Hickory Creek 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. Dellinger (Monroe, NC) is the contractor. Substantial completion is expected in June 2024. Statutory deadline to expend all funds is December 31, 2026. The contractor is behind having completed only 48% of this work at the 89% point of their contract time of 270 days. All work south of Gidney Street is complete with the work north toward Kings Road left to be completed.

The WTP Filter Rehabilitation & Sedimentation Valve Replacement 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. JS Haren (Athens, TN) is the contractor. 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.

Filters 1-4, 7 & 8 remain to be completed along with installation of 88 valves in the sedimentation basin. Filters 5 & 6 are complete. Work is proceeding on filters 7 & 8. The contractor has completed 25% of the work with 55% of the remaining contract time of 270 days.

The First Broad River Sewer Outfall 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 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 was bid in March. Upland Architecture is the design architect. 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. The bid was awarded by Council to Neill Grading on June 3rd. Contracts have been signed and work began the week of July 8th.

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 above-mentioned 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.

H. Council Announcements and Remarks:

Mayor Anthony reminded everyone of the American Legion World Series Festival on August 10, 2024 and the Host City Welcome on August 14, 2024.

I. Closed Session:

- 1) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to North Carolina General Statute § 143-318.11(a)(3).**
- 2) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations pursuant to North Carolina General Statute § 143-318.11(a)(4).**
- 3) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease pursuant to North Carolina General Statute § 143-318.11(a)(5).**

ACTION TAKEN: Mr. White made a motion to enter a closed session pursuant to the appropriate North Carolina General Statutes as cited. Mayor Anthony invited all Council members present, along with Mr. Howell, Mr. Lunsford, Mr. Longino, Mr. Ruppe, Mrs. Jolly, Chief Fraser, Mrs. Williams and Mrs. Jones to attend. The motion passed unanimously, and Council moved into closed session at 6:24 p.m.

At the conclusion of the Closed Session item, Mr. Causby made a motion for City Council to return to the regular session at 6:53 p.m. and seal the minutes.

J. Adjournment:

- 1) Motion to adjourn**

ACTION TAKEN: Upon a motion made by Ms. Arth, City Council voted unanimously to adjourn the meeting at 6:54 p.m.

Respectfully submitted,

**Carol Williams
City Clerk**

**O. Stanhope Anthony, III
Mayor**

Minutes of July 15, 2024