

MINUTES

Regular Meeting
City Hall Council Chamber

April 15, 2013
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Christopher H. (Chris) Mabry, David W. White, Jeanette D. Patterson, Dennis C. Bailey, Joel R. Shores, Jr., Dicky Amaya; City Manager Rick Howell, City Attorney Andrea Leslie-Fite, City Clerk Bernadette A. Parduski, NCCMC, MMC, Director of Finance Justin S. Merritt, MPA, Director of Utilities Brad R. Cornwell, PLS, EI, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, Director of Planning Services and Interim Director of Development Services Walter (Walt) Scharer, AICP; and media representatives

Mayor Anthony called the meeting to order at 6:00 p.m. and welcomed all who were in attendance. The Mayor gave the invocation and Mr. Amaya led the *Pledge of Allegiance*.

A. Approval of agenda:

- 1) Motion to adopt the proposed agenda

Mayor Anthony announced the addition of Item D-5 under the Consent Agenda as follows:

- Approval of a resolution celebrating the 105th birthday of the United States Army Reserve, honoring the commitment, dedication, and service to America, and offering our continuing support to our soldiers: Resolution No. 24-2013

ACTION TAKEN: Upon a motion made by Mr. Shores, City Council voted unanimously to approve the agenda as amended.

B. Special Presentations:

- 1) Tobacco-free Parks – Anne Short, Community Health Services Director, Alliance for Health Cleveland County Health Department

As background information, Mrs. Short began her presentation by stating the Cleveland County Health Department has been working under the North

Carolina Community Transformation Grant Project awarded to North Carolina by the Centers for Disease Control and Prevention. The focus of the grant team and Health Department staff has been tobacco-free environments, healthy food choices, and active living. Specifically, the proposal of the Cleveland County Health Department is to establish a tobacco-free parks policy for Shelby. The policy was modeled after several North Carolina cities and counties which have adopted tobacco-free policies for their buildings, grounds, and parks, and include the definition of tobacco products. After a recent presentation made by Mrs. Short to the Shelby Parks & Recreation Advisory Board, the board thoroughly discussed and ultimately acted favorably upon a revised version of the policy. Mrs. Short emphasized the policy established tobacco-free facilities in which the City of Shelby does not allow the use of tobacco products on City-owned parkland, park facilities, playgrounds, athletic fields, and open spaces and is self-enforcing. She stated the advisory board adopted the policy as a recommendation to City Council. She also provided resolutions in support of the policy from the Cleveland County Board of Health as well as the Alliance for Health Board of Directors. A set of frequently asked questions about tobacco-free policies and the rationale for adoption were reviewed.

Mrs. Short explained the role of the Health Department would be to pay for all signage for all park areas as well as to fund a community education program about the policy proposed to go into effect on July 1, 2013.

Mrs. Short clarified the difference between a park policy and an ordinance as park policies are rules regarding city-owned park property that are endorsed and suggested by the park advisory board and then approved by City Council. Generally, those who ignore park policies do not receive a fine. City ordinances are City Council enactments that regulate people or property and carry a penalty such as a fine for violations.

Discussion ensued and concerns were raised. Issues centered on excluding certain areas from the policy, enforcing the proposed regulation, and policy violations, all warranting further review. By consensus, Council directed staff to prepare an adopting resolution for their consideration at the next meeting of May 6, 2013.

2) Shelby “Job Ready” Industrial/Warehouse Building No. 2 Project – Paul Garafola, WHN Architects, PA

Mayor Anthony announced that Mr. Howell would be standing in for Mr. Garafola, who was not in attendance due to a scheduling conflict.

Mr. Howell stated the purpose of the presentation was to provide an update on the Shelby Job Ready Shell Building No. 2 Project.

Mr. Howell began his presentation with a review of the design objectives as follows:

- **The second building should be consistent with the first shell building**
- **Flexibility for proposed tenant is key i.e. column bays, depth and height, market-driven design, and expandability of truck court**
- **Target a light manufacturing tenant**
- **Design for multiple tenants**
- **Chose a site that has adequate expansion capacity with the least amount of site work**
- **Taylor the bid alternates to allow for maximum flexibility for the project in budget**

Next Mr. Howell presented the Foothills Commerce Center Master Plan and the site plan of the second proposed building to be constructed in the Center, adding it is under a separate stormwater permit. He then provided the floor plan, elevations, building sections, and wall sections. After explaining various construction techniques, Mr. Howell noted a change in the building code which occurred in March 2012 now includes additional energy efficiency compliance.

The revised schedule of construction events for the second shell building is as follows:

- **March 2013 – Advertisement for contractor prequalification**
- **April 3 – Advertise for bids**
- **April 16 – Pre-bid meeting**
- **April 25 delayed to May 2 – Bids due (postponed due to Cleveland County's grant funding source/financing for their portion of the project)**
- **May 2013 – Execution of contract**
- **July 2013 – Construction begins**

- January 2014 – Construction completed

Mr. Howell concluded the presentation with two renderings of the building for Council's viewing and comments.

Council received the information and took no action.

C. Public Comment:

- 1) Raymond Hall who resides at 737 Vale Street in Shelby, North Carolina spoke in opposition to the City's \$3.00 recycling charge. Mr. Hall stated he does not recycle and participation in the recycling program is voluntary yet he is assessed the additional service fee to pay for the cost of the program. Mr. Hall expressed his strong disagreement.
- 2) Charles "Skip" E. McCartney, Jr., US Army Reserve Ambassador, who resides at 3316 Crawley Road in Shelby, North Carolina spoke in support and commemoration of the US Army Reserve's one hundred and five years of service to America. Mr. McCartney expressed his appreciation to Council for considering the resolution attesting to the leadership, honor, pride in service, and unique skills of US Army Reserve soldiers who served in World Wars I , II, Korea, Bosnia, and the Persian Gulf, as well as those soldiers currently serving, many who live and work in Cleveland County and in Shelby. He introduced Sergeant 1st Class Christopher Elwine of the Army Guard Reserve (AGR) who serves as a recruiter in Shelby. Mr. McCartney said the US Army Reserve will observe its 105th anniversary on April 23, 2013.

D. Consent Agenda:

ACTION TAKEN: Mayor Anthony presented the consent agenda. Mr. White made a motion to approve the consent agenda and each item as presented. The consent agenda and following items were unanimously approved:

- 1) Approval of the Minutes of the Regular Meeting of April 1, 2013
- 2) Adoption of an ordinance authorizing demolition of a dwelling located at 207 East Elm Street: Ordinance No. 5-2013
- 3) Approval of a resolution accepting property from Tejinder Mangat: Resolution No. 22-2013

- 4) Approval of a resolution stating the intent of the City of Shelby to annex contiguous property owned by the City of Shelby: Resolution No. 23-2013
- 5) Approval of a resolution celebrating the 105th birthday of the United States Army Reserve, honoring the commitment, dedication, and service to America, and offering our continuing support to our soldiers: Resolution No. 24-2013

END CONSENT AGENDA

E. Unfinished Business: None

F. New Business:

- 1) Consideration of an ordinance amending the City of Shelby base rate for natural gas: Ordinance No. 6-2013

Mr. Howell introduced Ordinance No. 6-2013 for Council's consideration. He explained the contractual arrangement with Transco for the transportation of natural gas to the City's "direct gate" on the natural gas pipeline located just off Interstate 85 near Grover, North Carolina. Transco has implemented a rate increase on their pipeline demand/reservation services to its customers effective March 1, 2013. The proposed ordinance would authorize the amendment of the current natural gas fee schedule to pass along this increased cost to City customers within the base rate. Mr. Howell stated the adjustment of the base rate affects all classes of customers and is the most equitable way to pass these costs along.

Mr. Howell added the annual estimated additional cost to the City's Natural Gas System would be \$315,530 based on an average year's usage. The profit margin of the system has grown slimmer and slimmer each year and this is not a cost the City can absorb at this time.

Next Mr. Cornwell explained that the City's natural gas rates have a base rate component and an incremental Cost of Gas (COG) component. Every month the incremental COG component is adjusted to track the changing gas commodity cost. The fixed gas charges, such as the demand cost, are integrated into the base rate. The demand charges are not included in the incremental gas charges because they do not often change and excluding them from the incremental gas cost component simplifies the monthly adjustment calculations. The base rate and any change to it are set by Council. Mr. Cornwell further explained that the Transco rate increase, as all rate increases, must be reviewed by the Federal Energy Regulatory Commission (FERC). There is a possibility that the actual increase after

FERC review will be less than the one proposed by Transco. Typically, FERC will settle the matter in approximately six months and will usually reduce the amount of the increase by some percentage. At that time, the City should receive a refund from Transco for any overages paid, and the City would be able to reduce the base rate.

Mr. Cornwell stated in the interim the City is subject to the full increased costs from Transco and cannot absorb this cost. In order to pass this increase on to the system's customers, Heath and Associates recommended the City increase their base rates for firm and interruptible customers as follows:

- Residential base rate increase by \$.35/Decatherm
- Commercial base rate increase by \$.26/Decatherm
- High Load Factor base rate increase by \$.13/Decatherm
- Interruptible base rate, all tiers, increase by \$.05/Decatherm

Mr. Howell added that if the City does not adjust the base rate to include this increase, then this increase will result in a proportionate budget shortfall for Fiscal Year 2012-2013, which was not factored in previously. The last base rate increase such as this occurred in May 2007.

Upon questioning, Mr. Cornwell responded an average customer would incur an increase in their bill of \$4.24 each month during the coldest period of the year. The change in Transco demand charges represents an increase of 23 percent citywide.

Mr. Howell clarified when estimating the impact and average cost of the increase depends entirely on individualized usage and consumption at its peak.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Ordinance No. 6-2013 entitled, "AN ORDINANCE AMENDING THE CITY OF SHELBY BASE RATE FOR NATURAL GAS".

G. City Manager's Report: None

H. Council Announcements and Remarks:

- 1) Mayor Anthony invited all to attend the 16th Annual Merry Go Round Festival on April 27 and 28, 2013 at Shelby City Park. The Mayor also announced the Foothills Merry Go Round Committee Honors Awards reception and presentations will be held on April 25, 2013 beginning at

6:30 p.m. at Hamilton Hall, First National Bank.

Mayor Anthony and Council wished Mrs. Parduski an early happy birthday. The Mayor also mentioned Administrative Professionals Day is April 24, 2013, celebrated the same week as Mrs. Parduski's birthday.

Mayor Anthony issued a Proclamation declaring May 18, 2013 as National Kids to Parks Day in Shelby, North Carolina. Shelby City Park is celebrating National Kids to Parks Day by sponsoring, "Blanket The Park", from 11:00 a.m. to 3:00 p.m. The public is invited to participate.

Mayor Anthony announced the 62nd annual observance of the National Day of Prayer is set for May 2, 2013 at 12:00 noon. The City Hall Council Chamber and the nearby outdoor area between City Hall and Shelby Police Department will be opened and available for the service.

- 2) Mr. Shores reminded all to participate in Household Hazardous Waste Day and Operation Medicine Drop on April 20, 2013 from 9:00 a.m. to 1:00 p.m. at the Cleveland County Health Department.

Mayor Anthony added a reminder that Spring Bulky Item Collection in the City began today, April 15, 2013, and ends April 18, 2013.

- 3) Mr. White acknowledged receipt of correspondence from Uptown Shelby Association requesting the City to consider expanding the sale and consumption of the beer and wine service area for special events onto Washington Street, stretching between Warren to Marion Streets. By consensus, staff was directed to research the proposal and report back.

Mr. White encouraged attendance at the 18th Annual YMCA Community Prayer Breakfast on May 9, 2013 beginning at 6:45 a.m., LeGrand Center.

- 4) Mrs. Patterson requested additional information regarding recent correspondence from American Water Resources. Mr. Howell responded this private company provides insurance for homeowners in case the water line breaks on your side of the meter. The company is not affiliated or endorsed by the City of Shelby.
- 5) Mr. Amaya inquired as to when the fountain at Raper-Roark Plaza will be running with water again. Mr. Howell responded the water was turned off to conserve energy costs over the winter months. He also said considering the current budget situation, the fountain will remain off.

I. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Shores, City Council voted unanimously to adjourn the meeting at 7:07 p.m.

Respectfully submitted,

**Bernadette A. Parduski, NCCMC, MMC
City Clerk**

**O. Stanhope Anthony III
Mayor**

Minutes of April 15, 2013