

MINUTES

Regular Meeting
City Hall Council Chamber

August 20, 2012
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Christopher H. (Chris) Mabry, David W. White, Dennis C. Bailey, Joel R. Shores, Jr.; City Manager Rick Howell, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, MMC, Director of Finance Justin S. Merritt, MPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Utilities Brad R. Cornwell, PLS, EI, Fire Chief William P. Hunt, MPA, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, Director of Housing Bryan T. Howell, Director of Development Services Brian L. Pruett, Director of Planning Services Walter (Walt) Scharer, AICP; and media representatives

Absent: Council Members Jeanette D. Patterson and Dicky Amaya

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 led the *Pledge of Allegiance*.

Mayor Anthony noted Mrs. Patterson was absent due to a health issue and requested prayers for her, and Mr. Amaya was traveling to visit family.

A. Approval of agenda:

Mayor Anthony announced the following changes to the agenda:

- Under the Consent Agenda, the removal of Item E-4 – Staff reported the dwelling has been demolished by the property owner.
- Under the Closed Session, the addition of Item J-2 at Mr. Howell's request: To consult with the City Attorney in order to preserve the attorney-client privilege pursuant to North Carolina General Statute 143-318.11(a)(3)

1) Motion to adopt the proposed agenda

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

B. Special Presentations:

Mr. Holtzclaw commended the Shelby Parks and Recreation Department Junior All Stars (ages 13 and 14) and Senior All Stars (ages 15 through 17) who won the Tar Heel Leagues State Baseball Championships held in Shelby and Smithfield, North Carolina, respectively. The Girls Softball All Stars finished runner-up in the Tar Heel Leagues State Tournament held in Smithfield. This was the first year a girls' softball team has ever played in the championship game.

Mr. Holtzclaw added each of these teams' players, coaches, and families represented the City of Shelby in a very positive way not only by being successful on the field, but also by demonstrating sportsmanship on and off the field.

Mr. Holtzclaw recognized Parks and Recreation staff and in particular David Fisher, Recreation Programs Manager, and Doug Hull, Athletic Program Supervisor, as the dedicated professionals who manage the City's successful youth programs. They also did a great job hosting the Junior Tar Heel State Tournament as well as the Coach Pitch State Tournament at the new Recreation and Sports Complex.

From the City's perspective, Mayor Anthony agreed it takes pride in providing recreational services to the young people of this community.

1) Recognition of the 2012 Shelby Senior All Stars as the Tar Heel Leagues, Inc. State Champions

The Mayor, assisted by Mr. Fisher and Mr. Hull, presented framed certificates to the 2012 Senior Tar Heel State Champions as follows: Coaches Mike Trammell, Bobby Price, and Randy Piercy and Team members: Colton Bowman, Austin Smith, Ethan Thomas, D. J. Trammell, and Thomas Weaver.

Absent: Coach Scott Bankhead, and Team members Will Bankhead, Will Bryant, Dillon Daves, Tripp Hastings, Jacob Peeler, Drew Spradley, Cal Stroupe, and Richard Wright.

2) Recognition of the 2012 Shelby Junior All Stars as the Tar Heel Leagues, Inc. State Champions

The Mayor, assisted by Mr. Fisher and Mr. Hull, presented framed certificates to the 2012 Junior Tar Heel State Champions as follows: Coach Corey Ferree and Team members Austin Cash, Matt Bridges, Caleb Burnham, Seth Harrill, Tucker Toney, Russ Branch, and Weston Shuford.

Absent: Coach Charlie Ruff and Team members Kendall McGowen, Reece Oliver, Chancey Sanders, T. J. Trexler, and Atticus Woodard.

- 3) Recognition of the 2012 Girls Softball Shelby All Stars as the Tar Heel Leagues, Inc. State Runner-up**

The Mayor, assisted by Mr. Fisher and Mr. Hull, presented framed certificates to the 2012 Girls Softball Tar Heel State Runner-up as follows: Coaches Rodney Honeycutt, Sharon McMahan, and Tony Luckadoo and Team members Madison Duncan, Savannah Honeycutt, Emily Lewis, Cassie Luckadoo, Lyia Murphy, Jada Robbs, Chelsey Whisnant, and Emily White.

Absent: Team members Logan Cochran and Sydney Woodard.

C. Public Comment:

- 1) Frank Murphy, Sr. who resides at 513 East Graham Street in Shelby, North Carolina expressed his concerns about the drug situation on Shelby's eastside. Mr. Murphy stated that drugs not only affect the citizens who reside on the eastside but all citizens, both directly and indirectly, throughout the City. In his opinion drugs can destroy a city and more assistance is needed to combat the problem. He has a meeting scheduled with Mr. Howell and Police Chief Ledford to discuss the issue further.**
- 2) Charlotte Dixon who resides at 706 West Oak Street in Shelby, North Carolina expressed her concerns about a major pothole which is located along the railroad tracks, crossing over West Graham Street. The road conditions and the pothole have been deteriorating since 2005. Ms. Dixon requested to know what entity, the City of Shelby or Southern Railroad, was responsible for the maintenance of the roadway. She was referred to Public Works Director Danny Darst.**
- 3) Larry Henson who resides at 937 Toms Street in Shelby, North Carolina identified himself as the CEO of the Neighborhood Revitalization Committee with experience in rehabilitating houses. Mr. Henson spoke on a variety of topics including private business versus City rentals, the City's utility rate structures, and obtaining extensions to repair dilapidated houses. Mr. Henson concluded by quoting former President Ronald Reagan.**
- 4) Elsie Logan who resides at 1533 Metcalf Road in Shelby, North Carolina stated she owns a house at 406 Wilson Street, which has been declared**

dilapidated by the City. Ms. Logan was given 90 days to comply with the Minimum Housing Standards and she requested an extension of time.

There was discussion regarding Minimum Housing Standards authorized by the North Carolina General Statutes and adopted by the City of Shelby, which regulate and define the lawful use, maintenance, and occupancy of all dwellings and structures within the City.

- 5) Omaira Saavedra, who did not provide her current address, stated she was the owner of 922 Buffalo Street, Shelby, North Carolina. In 2003 Ms. Saavedra moved to Virginia and in 2009 she received notice from the City that a section of her house was burned. Subsequently, the house was boarded up and placed on the market for sale. Ms. Saavedra stated she had provided her current address to the City. In December 2009 she learned from an acquaintance that the house was demolished without receiving notice from the City.

Per the statutes, Mr. Howell clarified staff is required to send notices to the addresses on file with the Cleveland County Tax Administration Department.

Mayor Anthony advised Ms. Saavedra to contact Mr. Howell.

D. Public Hearings:

- 1) Consideration of a proposed ordinance to amend the Unified Development Ordinance of the City of Shelby: Ordinance No. 40-2012

Mayor Anthony opened the public hearing at 6:34 p.m. and invited comments from the public.

Mr. Scharer reminded Council that this matter was referred back to the Planning and Zoning Board for consideration of concerns that were expressed after a public hearing and discussion held on June 18, 2012. After further study, the Planning and Zoning Board only made nominal changes to the original draft.

Utilizing a diagram, Mr. Scharer provided various front and side yard parking examples depicting potential residential parking violations if the parking amendment is adopted by Council. The proposed amendment requires that any vehicles parked in the front yard or side yard adjoining a street must be parked on an approved parking area. Mr. Scharer stated approved parking areas are to be an all-weather surface made of gravel, asphalt, or concrete.

No more than 25 percent of a front yard may be used for parking. For this amendment, boats, trailers, and campers are not permitted to be parked in the front yard. There are exceptions for special events, emergency vehicles, and for lots that have unique characteristics.

Mr. Scharer noted the consensus of the Planning and Zoning Board was that the original residential parking amendment was not overly restrictive to the property owner and added an administrative mechanism giving staff the ability to grant relief to property owners with narrow lots and short front setbacks.

Mr. Shores reiterated his objections to the proposed ordinance as the content was not substantially changed from the original ordinance.

Mayor Anthony recommended keeping this amendment in the context of the bigger parking issue the City is attempting to solve.

Mayor Anthony closed the public hearing at 6:40 p.m.

ACTION TAKEN: Mr. White made a motion to approve and adopt Ordinance No. 40-2012 entitled, "A PROPOSED ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE OF THE CITY OF SHELBY".

Mr. Bailey suggested allowing for one additional vehicle to be parked off a driveway surface for a period of time until the property owner can comply with the ordinance.

Mr. White withdrew his motion.

Mr. Shores spoke against the amendment because his whole neighborhood would be in violation of the ordinance as written. He preferred the ordinance to be rewritten against multiple parked vehicles in both front and back yards.

Mr. Mabry requested clarification and/or the consequences about the parking of multiple vehicles and a comparison of other cities' residential parking ordinances.

Mayor Anthony cautioned Council about modifying too much of the ordinance language and suggested directing staff to take further action on the issue after adoption.

Mr. Scharer stated enforcement may prove to be difficult due to identifying one or two legally parked vehicles.

Mr. Howell agreed that exceptions make enforcement more difficult especially if the parking surface is not identified.

ACTION TAKEN: Mr. Bailey made a motion to modify the proposed ordinance to allow that not more than one vehicle, adjacent to the existing driveway, be allowed off of an approved parking area. City Council voted 3 to 1 to approve and adopt Ordinance No. 40-2012 entitled, “A PROPOSED ORDINANCE TO AMEND THE UNIFIED DEVELOPMENT ORDINANCE OF THE CITY OF SHELBY”, as amended.

- 2) Consideration of a resolution confirming the City of Shelby’s intent to offer an economic development incentive grant: Resolution No. 47-2012

Mayor Anthony opened the public hearing at 6:53 p.m. and invited comments from the public.

Mr. Howell stated this public hearing was scheduled in accordance with North Carolina General Statutes by Council to consider the award of an industrial development incentive grant to Schletter, Inc. Governor Perdue recently announced the company as a Cleveland County economic development client which will establish a production and distribution facility in Shelby. The incentives are being offered on the anticipated net new valued investment of approximately \$27 million and the creation of over 300 new full-time permanent employment positions over the next five (5) years, which is to take place at the 100,000 square foot shell building located at the Foothills Commerce Center near Shelby. If approved, the agreement would provide an incentive grant valued at 90 percent of the ad valorem taxes on real and personal property paid by the company to the City during the preceding calendar year for years one and two and 75 percent of the ad valorem taxes on real and personal property paid by the company to the City during the preceding calendar year for years three, four, and five. The final grant will be based on the actual net new investment less applicable depreciation. After that time, 100 percent would be retained by the taxing entities, the City of Shelby and Cleveland County.

Mr. Howell noted the resolution authorizes the City’s intent to convey 15 acres within the Foothills Commerce Center along with the existing 100,000 square foot shell building to Schletter for the agreed upon amount of \$2.7 million.

Additionally, Mr. Howell explained the City will be the applicant for a Building Reuse and Restoration Grants Program through the North Carolina Rural Economic Development Center for the up fit of the shell building.

In order to receive the incentives, Mr. Howell reiterated Schletter, Inc. must be current in the payment of all ad valorem taxes as well as with all fees and utility bills imposed by Cleveland County and the City of Shelby.

Mr. Howell concluded by stating the proposed Incentive Agreement is in keeping with the City's policy, the past practice of matching the percentage of incentive grant offered by Cleveland County, and the referenced statute. He recommended approval of the resolution as well as the proposed agreement between the City of Shelby and Schletter, Inc. as presented.

Mayor Anthony closed the public hearing at 6:58 p.m.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 47-2012 entitled, "A RESOLUTION CONFIRMING THE CITY OF SHELBY'S INTENT TO OFFER AN ECONOMIC DEVELOPMENT INCENTIVE GRANT".

E. Consent Agenda:

ACTION TAKEN: Mayor Anthony presented the consent agenda. Mr. Shores 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 August 6, 2012
- 2) Approval of a Special Event Permit Application:
 - a. Seed to Silverware Dinner Fundraiser for Uptown Shelby, requested date: September 22, 2012
- 3) Adoption of an ordinance authorizing demolition of a dwelling located at 616 West Graham Street: Ordinance No. 41-2012
- 4) REMOVED

Adoption of an ordinance authorizing demolition of a dwelling located at 207 Lineberger Street: Ordinance No. 42-2012
- 5) Adoption of an ordinance authorizing demolition of a dwelling located at 112 Dover Street: Ordinance No. 43-2012
- 6) Adoption of an ordinance authorizing demolition of a dwelling located at 412 Oakland Drive: Ordinance No. 44-2012

- 7) Adoption of an ordinance authorizing demolition of a dwelling located at 502 Oakland Drive: Ordinance No. 45-2012
- 8) Adoption of an ordinance authorizing demolition of a dwelling located at 613 Buffalo Street: Ordinance No. 46-2012
- 9) Adoption of an ordinance authorizing demolition of a dwelling located at 1021 Toms Street: Ordinance No. 47-2012
- 10) Approval of Notice of Cancellation in the Regular Meeting Schedule of Shelby City Council

END CONSENT AGENDA

F. Unfinished Business:

- 1) Consideration of a resolution adopting the City of Shelby's Municipal Advocacy Goals for 2013-2014 for submission to the North Carolina League of Municipalities: Resolution No. 48-2012

Mayor Anthony led the discussion continued from previous meetings regarding legislative goals to be communicated to NCLM for consideration as advocacy goals for the League's membership. The Mayor summarized the final four goals and solicited comments from Council.

Mr. Bailey requested his goal for the Local Option Sales Tax Revenues – Population Distribution be revised to read: ... “simple per capita distribution of the local option sales taxes within Cleveland County”. He explained the City represents approximately 20 percent of the entire population and generates the majority of local sales tax in Cleveland County; therefore, the City should receive 20 percent of these tax revenues. The City is responsible to maintain, support, and provide services to all those taxpayers but under the County's ad valorem distribution method the revenues are distributed to other entities not responsible for the majority share.

ACTION TAKEN: Upon a motion made by Mr. Shores, City Council voted unanimously to approve and adopt Resolution No. 48-2012 entitled, “A RESOLUTION ADOPTING THE CITY OF SHELBY'S MUNICIPAL ADVOCACY GOALS FOR 2013-2014 FOR SUBMISSION TO THE NORTH CAROLINA LEAGUE OF MUNICIPALITIES”, as amended.

- 2) Consideration of an ordinance establishing a capital project ordinance and budgets for the City of Shelby's US 74 Bypass Utility Line Relocation Projects: Ordinance No. 48-2012

Mr. Howell introduced Ordinance No. 48-2012 for Council's consideration as a follow-up item to previously approved ordinances relating to US 74 Bypass Section R-2707A (Plato Lee Road). He explained as the North Carolina Department of Transportation (NCDOT) moves forward with the bidding and construction of the initial phases of the new US Highway 74 Bypass on the western side of the City, it is necessary for the City to relocate utilities that lie within the right-of-way of Artee Road, Washburn Switch Road, and Polkville Road. The presence of City utilities within an NCDOT right-of-way is usually authorized by an encroachment agreement. This agreement gives the City the right to place utilities within the right-of-way but also requires, per North Carolina General Statutes, that should NCDOT undertake construction activity then the City of Shelby would be required to relocate its infrastructure and to pay the associated expenses. Mr. Howell noted because the City has private easements for the natural gas line and water line on Washburn Switch Road as well as the sewer line on Artee Road, the NCDOT will enter into agreements to reimburse the City for those relocation costs.

Mr. Howell stated the funding for these projects are to be appropriated from the appropriate utility fund reserves and if approved, this ordinance would make such appropriation and allow the projects to be designed, bid, and awarded.

Next Mr. Cornwell provided the details as to the second section of the Shelby Bypass scheduled for a let date (bid date) of July 16, 2013. This section is referenced as R-2707B and runs approximately from just east of Plato Lee Road near the Foothills Commerce Center, crosses Artee Road and Washburn Switch Road with an interchange constructed at Washburn Switch Road. The B section has also been modified to include the section leading up to and including the interchange at NC 226 (Polkville Road). This addition was previously included under the scope of the third section referenced as R-2707C. Mr. Cornwell stated along Artee Road, the City has a 15" gravity sewer outfall, a 16" waterline, and electric distribution line and a 6" steel natural gas line that will be in conflict with the new bypass. Along Washburn Switch Road the City has a 16" waterline and a 6" steel natural gas line that will be in conflict with the new bypass. Along NC 226 (Polkville Road) the City has a 6" steel natural gas line that will be in conflict with the new bypass.

Mr. Cornwell explained when the City has situations where encroaching within NCDOT right-of-ways occur and no private easements, then any NCDOT projects that incur utility relocation must be relocated at City expense. If the City has private utility easements, then relocation costs are incurred at the expense of NCDOT.

Mr. Cornwell recommended creating separate capital project budget ordinances to account for these costs as the relocation project will most likely cover multiple fiscal years and involve reimbursement to NCDOT or from NCDOT as follows:

- R-2707-B NC 226 (Polkville Road) Gas Line Relocation – Revenue transferred from Fund Balance: \$241,000

Mr. Cornwell noted the Kingstown force main is in conflict with this section of the bypass as well. However, since Kingstown has ownership of this line and they are below the population threshold for NCDOT participation in municipal owned utility relocations, NCDOT will be handling this relocation entirely. City staff has provided technical assistance in this process and will continue to do since the City is responsible for operation and maintenance of this line. However, Mr. Cornwell reiterated the City will have no financial burden in this sewer force main relocation.

- R-2707-B Artee Road Sewer Line Relocation – Revenue reimbursed from NCDOT: \$172,000
- R-2707B Artee Road/Washburn Switch Road Gas Lines Relocations – Revenue reimbursed from NCDOT: \$492,500
- R-2707-B Artee Road/Washburn Switch Road Water Line Relocations – Revenue reimbursed from NCDOT: \$419,000
- R-2707-B Artee Road Electric Line Relocation – Revenue transferred from Fund Balance: \$114,000

Upon questioning, Mr. Cornwell emphasized the construction estimates included above are preliminary at this time. The City goes through several months of iteration with design and permitting through NCDOT, which could make the final construction costs more or less, but these figures should be adequate to begin the budgeting and project process.

ACTION TAKEN: Upon a motion made by Mr. Mabry, City Council voted unanimously to approve and adopt Ordinance No. 48-2012 entitled, “AN ORDINANCE ESTABLISHING A CAPITAL PROJECT ORDINANCE AND BUDGETS FOR THE CITY OF SHELBY’S US 74 BYPASS UTILITY LINE RELOCATION PROJECTS”.

F. New Business:

- 1) **Consideration of a resolution authorizing the City Manager to study and implement road restriping on Patton Drive: Resolution No. 49-2012**

Mr. Scharer introduced the proposal to restripe Patton Drive by defining the concept of a road diet, a term recognized by the U S Department of Transportation Federal Highway Administration and the North Carolina Department of Transportation Complete Streets Policy. He described a road diet as any road improvement where a lane is taken out of a street or there is a lane width reduction. By utilizing diagrams, Mr. Scharer illustrated Patton Drive as a classic example of a potential road diet by simply restriping the road from two through travel lanes each direction to one through travel lane each direction with a center turn lane. He also suggested a bicycle lane, which can be painted on the outside.

Statistically speaking, Mr. Scharer stated Patton Drive has an average daily traffic (ADT) count of 1,200 vehicles per day. As noted in 2007 Comprehensive Pedestrian Plan, Shelby has the third largest population in North Carolina per capita that does not own a car. Walking and biking are necessities to many Shelby residents. This road diet focuses on one section of Patton Drive which could serve as a model for additional projects throughout the City, safer traffic flow for this segment, and further increase opportunities for physical activity.

Mr. Scharer recommended this project. The accompanying resolution authorizes the study and implementation of same, if feasible.

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to approve and adopt Resolution No. 49-2012 entitled, "A RESOLUTION AUTHORIZING THE CITY MANAGER TO STUDY AND IMPLEMENT ROAD RESTRIPING ON PATTON DRIVE".

- 2) **Consideration of a resolution authorizing submission of a grant/loan application to the North Carolina Clean Water State Revolving Fund Program for funding related to the Shelby Wastewater Treatment Plant Upgrades and Outfall Rehabilitation: Resolution No. 50-2012**

Mr. Howell introduced Resolution No. 50-2012 for Council's consideration. He reminded Council the upgrade of the Wastewater Treatment Plant (WWTP) is vital to the long-term economic well-being of the City and, as discussed at the annual retreat, essential toward meeting both current and future environmental discharge standards within the National Pollutant Discharge Elimination System (NPDES) permit in place. Approval of the resolution would authorize the filing of an application with the North Carolina Clean Water State Revolving Fund (CWSRF) for a loan not to exceed \$12 million.

The specific purpose of the loan is to provide funding specifically for the upgrading of the First Broad River WWTP as well as the rehabilitation of several sewer outfall collection lines. The terms and conditions of this loan program allow for up to a 20-year payback with a fixed interest rate of 2 percent and the potential for 0 percent interest for local government units that qualify for principal forgiveness. By authorizing this application, Council is not committing the City to the construction or financing of the project; however, it does allow the City to begin the formal process of competing for funding to address a very significant issue.

As previously mentioned, Mr. Cornwell stated an overview of the WWTP and current operational limitations was provided at Council's annual retreat. He recapped for Council the State of North Carolina has imposed more stringent effluent limitations on the First Broad WWTP with the City's permit renewal in 2010. These limits are slated to become effective on August 1, 2016 and under current treatment operations at the WWTP, the City's facility will not meet the effluent limits established by the new NPDES permit. The original plant design and subsequent upgrades in the 1990s were not designed or constructed to meet these lower effluent limitations. In order to implement additional technologies, a major component of the plant upgrade will be the additional aeration to achieve the new ammonia nitrogen removal requirements.

In addition to the WWTP upgrades, Mr. Cornwell stated the next most important item is getting the raw sewage to the plant for treatment. Shelby has many sections of major outfalls that are nearing 50 years of age. Some of these portions are line remnants that originally discharged to the creeks and rivers and were simply picked up and taken on to the WWTP. Many of these are larger lines that are either structurally defective at this time or have significant hydraulic problems. Staff has identified six different sections that are in need of rehabilitation or improvement.

Mr. Cornwell added it goes without saying this is a significant capital expenditure for the City of Shelby and should be planned well and carried out thoroughly just as his predecessors did back in the early 1990s with the required upgrades at that time. He further stated this capital expenditure will require as much planning, observation, and future planning as any project that the City has undertaken in many recent years.

Mr. Cornwell said he and Assistant Utilities Director, David Hux, who was present and available for technical assistance, together in their efforts to plan, permit, and construct the necessary upgrades of the facility to be in compliance with the proposed permit limits, developed the following schedule by working backwards from the effective date of the new permit

limits and included a trial period of one full year prior to the new limits becoming effective:

PROJECT ACTION ITEM	MILESTONE DATE
City Council project approval/ Loan application approval	August 20, 2012
NC Infrastructure Finance Section (IFS) application deadline	September 4, 2012
City Utilities staff issue engineering Request for Qualifications (RFQ)	September 17, 2012
IFS Notice of Intent to Fund notifications mailed	October 1, 2012
Engineering RFQs due to City	October 15, 2012
City Council to award engineering contracts	November 5, 2012
Engineering report submittal to IFS	January 2, 2013
Engineering report approval by IFS	June 3, 2013
Plans and specifications submittal to IFS	December 2, 2013
Plans and specifications/Permit approval	March 3, 2014
Advertise project, receive bids, submit bid information and receive IFS approval to award	June 2, 2014
Execution of construction contracts	July 1, 2014
Project construction and plant start-up	August 1, 2015
New permit limits effective	August 1, 2016

There was brief discussion regarding the timing of retired debt coinciding with the anticipated debt for the WWTP project, WWTP violations and staffing, and construction/financing alternatives to completing the WWTP project.

ACTION TAKEN: Upon a motion made by Mr. Bailey, City Council voted unanimously to approve and adopt Resolution No. 50-2012 entitled, "A

RESOLUTION AUTHORIZING SUBMISSION OF A GRANT/LOAN APPLICATION TO THE NORTH CAROLINA CLEAN WATER STATE REVOLVING FUND PROGRAM FOR FUNDING RELATED TO THE SHELBY WASTEWATER TREATMENT PLANT UPGRADES AND OUTFALL REHABILITATION”.

G. City Manager’s Report:

- 1) **Mr. Howell updated Mayor and Council on the Foothills Farmers Market Project which is moving forward. Council can expect a project budget ordinance and lease for consideration at their meeting of September 17, 2012.**
- 2) **With regard to the Cleveland Mall Sewer Lift Station Project, the City has received favorable funding notification from the North Carolina Department of Environment and Natural Resources Emergency Revolving Loan Program. Staff will be seeking Council’s formal authorization to proceed with the project.**
- 3) **Mr. Howell anticipated several financial policy revisions relating to establishing good financial strategies which will be drafted by staff for Council’s consideration in the very near future.**
- 4) **Mr. Howell encouraged Mayor and Council’s attendance at the North Carolina League of Municipalities (NCLM) Annual Conference set for October 21-23, 2012 in Charlotte, North Carolina.**
- 5) **Mr. Howell expressed his appreciation to the governing board for their leadership and assistance with the economic development project which brought Schletter, Inc. to the Foothills Commerce Center.**

H. Council Announcements and Remarks:

- 1) **Mayor Anthony added his congratulations for the total team effort by Cleveland County, the City of Shelby, and the Cleveland County Economic Development Partnership in bringing to fruition the economic development announcement recently made by Governor Perdue about Schletter, Inc.**
- 2) **The Mayor also encouraged Council members to attend this year’s NCLM Conference in Charlotte, North Carolina.**

I. Closed Session:

- 1) To conduct the annual performance evaluation of the City Manager pursuant to North Carolina General Statute 143-318.11 (a) (6)
- 2) To consult with the City Attorney in order to preserve the attorney-client privilege pursuant to North Carolina General Statute 143-318.11(a)(3)

ACTION TAKEN: Mr. Shores made a motion to enter into a closed session to complete the performance evaluation of the City Manager and to consult with the City Attorney in order to preserve the attorney-client privilege pursuant to the appropriate North Carolina General Statutes as cited. Council consulted with Mr. Yelton who advised the topics met the statutory requirements for a closed session. The Mayor invited all Council members present, Mr. Howell, and Mr. Yelton to attend. The motion passed unanimously and Council moved into closed session at approximately 7:55 p.m.

ACTION TAKEN: Upon a motion made by Mr. Shores, City Council voted unanimously to return to regular session.

J. Adjournment:

- 1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Shores, City Council voted unanimously to adjourn the meeting at 8:33 p.m.

Respectfully submitted,

Bernadette A. Parduski, MMC
City Clerk

O. Stanhope Anthony III
Mayor