

## MINUTES

Regular Meeting  
City Hall Council Chamber

April 4, 2011  
Monday, 6:00 p.m.

**Present:** Mayor W. Ted Alexander, presiding; Council Members Christopher H. (Chris) Mabry, O. Stanhope (Stan) Anthony, III, Jeanette D. Patterson, Dennis C. Bailey, Andrew L. Hopper, Sr.; City Manager Rick Howell, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, MMC, Director of Human Resources Deborah C. (Deb) Jolly, Director of Utilities Brad R. Cornwell, PLS, EI, Fire Chief William P. Hunt, Director of Public Works Daniel C. (Danny) Darst; and media representatives

**Absent:** Council Member Joel R. Shores, Jr.

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

**A. Approval of agenda:**

- 1) Motion to adopt the proposed agenda

**ACTION TAKEN:** Upon a motion by Mrs. Patterson, second by Mr. Hopper, City Council voted unanimously to approve the agenda as presented.

**B. Special Presentations:**

- 1) Recognition of Artis Dawson as the City of Shelby's 2010 Employee of the Year

Mayor Alexander called upon Artis Dawson, a Distribution/Collection Operator II with the Utilities Department, and recognized him as the City's Employee of the Year for 2010. Mr. Dawson was nominated by his peers and chosen from four "Employee of the Quarter" selections in 2010 by a committee representing all City employees. He is described as a true team player who does his job very well and is someone admired by all. He also exhibits a courteous demeanor, friendliness, a strong work ethic, and respect for others.

Mr. Dawson recognized members of his immediate family in attendance.

The Mayor congratulated Mr. Dawson and presented him with a plaque honoring him as Shelby's 2010 Employee of the Year.

**2) MCNC Broadband Technologies Opportunity (BTOP) Projects – Tommy Jacobson, Vice President, Network Infrastructure Initiatives Chief Architect, NCREN**

Mr. Howell introduced Tommy Jacobson whose presentation regarding Broadband Technologies Opportunity Projects will serve as an educational opportunity for Council and the general public.

Mr. Jacobson began his presentation with an overview of MCNC (the company) and NCREN (the network) as follows:

### **ABOUT MCNC**

Initially created by the North Carolina General Assembly in 1980 as a catalyst for technology-based economic development, MCNC (originally named Microelectronics Center of North Carolina) is a private, non-profit organization that employs advanced networking technologies and systems to continuously improve learning and collaboration throughout North Carolina's K-20 education community and allows for the implementation of telehealth and healthcare information exchange technologies in public health and non-profit hospitals. MCNC accomplishes this mission by operating the North Carolina Research and Education Network (NCREN).

NCREN is a communications network that connects the institutions of the University of North Carolina System, most North Carolina Independent Colleges and Universities, all North Carolina Community Colleges, all North Carolina K-12 Schools, select health facilities, and most non-profit and university hospitals to each other and through advanced research networks to the world.

In 2010, MCNC applied for and received two federal Broadband Technology Opportunities Program (BTOP) awards. These awards totaled \$104 million, and when combined with \$41 million privately raised matching funds, represent a \$145 million investment in broadband infrastructure in rural North Carolina.

### **FEDERAL STIMULUS**

The American Recovery and Reinvestment Act (ARRA) of 2009 appropriated \$7.2 billion to broadband investments. The ARRA directed the U S Department of Agriculture's Rural Utilities Service (RUS) and U S Department

of Commerce's National Telecommunications Information Administration (NITA) to expand broadband access to unserved and underserved communities across the U S, increase jobs, spur investments in technology and infrastructure, and provide long-term economic benefits. As a result of this appropriation, RUS further funded the existing Broadband Initiatives Program (BIP) and the NITA created the Broadband Technology Opportunities Program (BTOP). BIP made loans and grants for last-mile broadband infrastructure projects in rural areas that directly serve consumers, small businesses, and provide last-mile service to CAIs. BTOP provided grants to fund comprehensive community infrastructure, public computer centers, and sustainable broadband adoption projects. The BTOP's Comprehensive Community Infrastructure grants served mainly the middle-mile portion of the network. The middle mile directly serves large CAIs like universities, hospitals, and school districts and also wholesale access for the last mile. Community Anchor Institutions (CAIs) are defined as public institutions that provide a service to the public or are facilities where the public gather to be educated, gain information, or receive care. NCREN currently serves the broadband needs of many education and healthcare CAIs in the state. The need for broadband at these institutions grows significantly every year. In addition, the applications these institutions operate require a level and type of network connectivity that is not commercially available to optimally perform. Many CAIs in rural and underserved areas of North Carolina, such as libraries, lack the amount of bandwidth they require to serve their constituents.

### **MCNC AND BTOP**

As of September 2010, BTOP (\$4.7 billion) and BIP (\$2.5 billion) had obligated all their funding. While MCNC's main focus is education, the \$104 million in BTOP grants and \$41 million in private investment will allow MCNC to build an NCREN that through private/public partnerships can serve healthcare, public safety, and other public sector customers. The network also can be utilized by private-sector service providers to supply broadband service to underserved consumers and underserved small businesses.

The BTOP awards from 2010 represent all capital funds to be used only to construct the network. MCNC needs a stable operating flow from the NCREN community of connectors to properly upkeep the CAI portion of the network. It is expected that even as these connectors increase their bandwidth demands on the network over the next two decades, operating funds paid to NCREN will remain relatively flat. The connectors will be getting more and more bandwidth for the same operating investment.

No state funds were utilized as matching funds for the MCNC awards. The entire cash match for both rounds was privately raised, mainly from the Golden Leaf Foundation (\$24 million), MCNC Endowment (\$8 million), and other donations.

MCNC received \$28.2 million through BTOP's Round 1 phase in January 2010 to fund the engineering and construction of approximately 400 miles of new fiber to expand the optical footprint of NCREN in southeastern and western North Carolina. MCNC raised \$11.7 million in matching funds for its successful application through private sources, including \$7.75 million from the MCNC Endowment, making the total project a \$40 million investment in broadband infrastructure. The second round BTOP application is a \$106 million project that in August 2010 received \$75.75 million through BTOP and a \$24 million matching grant from the Golden Leaf Foundation. An additional \$6.55 million in match was raised from the MCNC Endowment, donations of land from individual community colleges, universities, and others, and a donation of already-installed conduit in northeastern North Carolina from the Albemarle Pamlico Development Corporation. No state tax dollars were used to fund these projects. Because of the Golden Leaf Foundation's investment, the entire project has been named the Golden Leaf Rural Broadband Initiative (GLRBI).

Once all work is complete, the two rounds of BTOP infrastructure have the potential to serve directly, or through MCNC partnerships with private-sector service providers, more than 1,500 anchor institutions, 180,000 businesses, and reach more than 300,000 underserved families.

The GLRBI includes more than 2,000 miles of new fiber throughout 69 counties that will ensure CAs throughout the State will have access to unlimited amounts of bandwidth now and into the future. Consumers and small businesses along the fiber build also will be reached with enhanced broadband service through wholesale and last-mile commercial telecommunications and cable providers with whom MCNC has and is forming partnerships.

The GLRBI bridges the prosperity gap by delivering critical middle-mile broadband infrastructure and direct connections throughout the State. Sixty-seven of the 69 counties impacted are either completely or partially underserved, according to the BTOP/BIP definition of underserved.

## **PROJECT STATUS**

Utilizing the GLRBI map of North Carolina for visualization purposes, Mr. Jacobson provided the following updates:

## ROUND 1

The routes as engineered represent 434 miles of new construction and 904 new operated miles. To date, MCNC has awarded contracts to: ONUG Communications of Raleigh, North Carolina for engineering design, project planning, and related services; CommScope of Hickory, North Carolina for fiber-optic cable and materials; Fiber Technologies for construction/installation of fiber in western North Carolina; and Globe Communications for construction/installation of fiber in southeastern North Carolina.

## ROUND 2

The proposed routes are 1,694.53 new miles operated as part of GLRBI with 1,211.93 representing new construction, 354.3 representing new miles obtained/leased via Indefeasible Right to Use (IRU), and 128.30 miles of existing miles being upgraded. To date, MCNC has awarded contracts to: Kimley-Horn & Associates of Raleigh, North Carolina for engineering design, project planning, and related services and CommScope of Hickory, North Carolina for fiber-optic cable and materials.

## ACTIVITY RELATED TO SHELBY AND SURROUNDING AREAS

As part of the MCNC Round 1 award, Mr. Jacobson stated that Shelby is an intersection point for the “W5” segment (Huntersville to Shelby) and for the “W6” segment (Shelby to Hendersonville).

He further stated the CAIs to be connected from the Round 2 award for this area include Cleveland Community College, Cleveland County Schools, and Cleveland County Memorial Library.

## FOLLOW THE PROGRESS OF THE BUILD

Mr. Jacobson offered the following two sites for additional information:

- [www.mcnc.org/btop/progress](http://www.mcnc.org/btop/progress)
- [www.facebook.com/glrbj](http://www.facebook.com/glrbj)

Mr. Jacobson concluded by stating this new network called the Golden Leaf Rural Broadband will be a great enhancement to the capabilities of NCREN. It has the potential to reduce the costs of delivering broadband services to consumers and small businesses in regions of the State where affordable broadband currently is not available. MCNC will not compete with private-

sector telephone and cable companies to serve these consumers and businesses. These carriers have built businesses specializing in serving the communications needs of consumers and businesses, just as MCNC has built NCREN to serve the unique, high-bandwidth needs of research, education, public health, and other public institutions. MCNC will help create public/private partnerships to enable private-sector broadband providers to reach underserved citizens and businesses.

Discussion followed and included the opportunities for Shelby and benefits for its citizens, speed of service available, and establishing a contract with MCNC.

Mr. Jacobson also mentioned the partners in the North Carolina Telehealth Network (NCTN) are moving forward in assuring non-profit health care providers have the broadband services needed to improve the health and care of North Carolina citizens. The Cabarrus Health Alliance (CHA) and the NCTN signed a contract with MCNC and the North Carolina Office of Information Technology (ITS). MCNC and ITS will supply reliable high-speed broadband services for the Public Health Phase of the NCTN. This phase supports public health agencies and several of the larger free clinics and community health center throughout North Carolina.

Council received the information and took no action.

**3) Destination Cleveland County (DCC) update – Emily Epley, Executive Director**

Mayor Alexander recognized DCC Chair Brownie Plaster, Executive Director Emily Epley, and Executive Director of the Don Gibson Theatre Stan Lowery.

Mrs. Epley distributed a packet of information and began her presentation by providing Council with a timeline on DCC's various activities since their last update in July 2010, elaborating on the following:

- July 2010 – January 2011 – Presented the Museum on Main Street “New Harmonies” exhibit which included volunteer recruitment, scheduling, training, development of field trip and educational component, “New Harmonies” poster contest, programming, marketing, and reporting
- July 2010 – Traveled to the University of North Carolina-Chapel Hill to meet with Bill Ferris of the Center for the Study of the American South and other Earl Scruggs Center advisers about programming and expert feedback on plans

- **August 2010 – Conducted oral history gathering with an additional 40 interviews**
- **August 2010 – Conducted open houses at Don Gibson Theatre and Historical Collection storage facility**
- **October 2010 – Attended League of Historic American Theatres National Conference in Wilmington, North Carolina**
- **November 2010 – Attended the North Carolina Rural Center Conference**
- **November 2010 – Hired Stan Lowery as Executive Director of the Don Gibson Theatre**
- **November 2010 – Hosted “New Harmonies: Celebrating American Roots Music” exhibit with approximately 6,000 visitors in attendance**
- **January 2011 – Hosted North Carolina Main Street Conference at the Don Gibson Theatre and received the North Carolina Department of Commerce Main Street Award of Merit for the Don Gibson Theatre for Best Public-Private Partnership**
- **February 2011 – Visited Charlotte Museums and Gift Shops: Levine, Bechtler, Discovery Place, Harvey Gantt, Mint Museum, NASCAR, and Daniel Stowe Botanical Gardens**
- **February 2011 – Hosted Travel South Showcase 2011 tour operators and travel writers at the Don Gibson Theatre and shared Earl Scruggs Center plans**
- **March 2011 – Attended North Carolina Governor’s Conference in Asheville, North Carolina**
- **March 2011 – Moving forward with many components for the Earl Scruggs Center: Project total is approximately \$5 million, continuing to seek funding for \$1 million; DCC and Cleveland County Schools integrating Earl Scruggs Center content into the core curriculum; branding platform and marketing plan under development**
- **March 2011 – Traveled to visit the B. B. King Museum in Indianola, Mississippi; the Alluvian Hotel and downtown area of Greenwood, Mississippi; Square Books and Thacker Mountain Radio in Oxford,**

**Mississippi; and the Stax Museum of American Soul Music in Memphis, Tennessee**

**Mrs. Epley concluded by promoting the upcoming shows and April movies scheduled at the Don Gibson Theatre. She also stated that renovations at the Earl Scruggs Center are expected to be complete at the end of this year and it is anticipated to open in early 2012.**

**Upon questioning, Mrs. Epley responded that Gardner-Webb University's Godbold School of Business study determined positive economic impact to be exponentially greater, approximately \$180 million over a ten-year period, when both catalyst projects, the Don Gibson Theatre and the Earl Scruggs Center, are up and running.**

**Mayor Alexander, Council, and Mr. Howell commended DCC for all their work to date.**

**C. Consent Agenda:**

**ACTION TAKEN: Mayor Alexander presented the consent agenda. Mr. Bailey made a motion to approve the consent agenda and each item as presented. After a second from Mr. Anthony, the consent agenda and following items were unanimously approved:**

- 1) Approval of the Minutes of the Regular Meeting of March 21, 2011**
- 2) Approval of a Special Event Permit Application:**
  - a. 2011 Cleveland County March for Babies requested date: October 1, 2011**
- 3) Approval of a resolution authorizing an interlocal agreement between the City of Shelby and Cleveland County for funding, design, and construction of a job ready shell building for Foothills Commerce Center: Resolution No. 18-2011**

**END CONSENT AGENDA**

**D. Unfinished Business:**

- 1) Consideration of a budget ordinance amendment for the City of Shelby's Chestnut Street Community Development Block Grant (CDBG) Sewer Project: Ordinance No. 15-2011**



Mr. Howell introduced Ordinance No. 15-2011 for Council's consideration, which would authorize an increase of \$112,500 in the appropriation of fund balance from the Sewer Fund for the Chestnut Street Community Development Block Grant (CDBG) Sewer Project. The original appropriation of \$99,100 would be increased to \$211,600. The total project cost is \$961,600 with a \$750,000 CDBG grant covering the bulk of the project cost. Mr. Howell explained that the additional appropriation from Sewer Fund Balance is being requested due to bid pricing and the necessity to maintain the scope of the project as originally designed.

Mr. Cornwell further elaborated as the project developed, it became apparent that the two major outfall lines were in such a state of disrepair with collapses, inflow and infiltration problems, and the fact that they were connected together, made the project difficult to remedy through Palmer Park. Mr. Cornwell said the decision was made to relocate and relay a larger section of line through the entirety of Palmer Park. This accomplishes the following:

- It relocates the existing lines away from the creek within Palmer Park.
- The area will be set up to proceed upstream and downstream from Palmer Park when funds can be made available to proceed with additional upgrades.

Mr. Cornwell concluded by stating it will also be very beneficial to complete the Palmer Park area and have at least one crossing, the Graham Street underbore, in place for future alignments that may happen.

Discussion followed and included the creek erosion issue and the feasibility of a stream bank restoration project.

**ACTION TAKEN:** Upon a motion by Mr. Hopper, second by Mrs. Patterson, City Council voted unanimously to approve and adopt Ordinance No. 15-2011 entitled, "A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S CHESTNUT STREET COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SEWER PROJECT".

- 2) Consideration of a resolution awarding the bid for the Chestnut Street area Community Development Block Grant (CDBG) Sewer Project:  
Resolution No. 15-2011

Mr. Howell introduced Resolution No. 15-2011 for Council's consideration. He stated staff held a public bid opening on March 21, 2011. At the time of the bid opening, there were six responsive bidders with the apparent low bidder

being Steppe Construction, Inc. Staff in conjunction with Gavel & Dorn Engineering, PLLC has verified Steppe's references for this type of work and recommended award of the bid to Steppe Construction, Inc. in the amount of \$835,075.50 to proceed with said project.

**ACTION TAKEN:** Upon a motion by Mrs. Patterson, second by Mr. Mabry, City Council voted unanimously to approve and adopt Resolution No. 15-2011 entitled, "A RESOLUTION AWARDED THE BID FOR THE CHESTNUT STREET AREA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SEWER PROJECT".

**3) Consideration of a budget ordinance amendment for the City of Shelby's Shelby Middle School Sewer Extension Project: Ordinance No. 16-2011**

Mr. Howell introduced Ordinance No. 16-2011 for Council's consideration, which would authorize a \$21,000 appropriation of fund balance from the Sewer Fund for the Shelby Middle School Sewer Extension Project. This project is funded jointly with Cleveland County/Cleveland County Schools and the City through low interest financing which was secured by the County. Mr. Howell said the \$21,000 appropriation will allow the City to provide direct access to adjoining properties to the north and south of the school property for future sewer service and will be money well spent considering the increased cost that would be realized in the future.

Upon questioning, Mr. Cornwell clarified the legal fee expenses were incurred for right-of-way acquisition costs.

**ACTION TAKEN:** Upon a motion by Mr. Bailey, second by Mr. Anthony, City Council voted unanimously to approve and adopt Ordinance No. 16-2011 entitled, "A BUDGET ORDINANCE AMENDMENT FOR THE CITY OF SHELBY'S SHELBY MIDDLE SCHOOL SEWER EXTENSION PROJECT".

**4) Consideration of a resolution awarding the bid for the Shelby Middle School Sewer Project: Resolution No. 16-2011**

Mr. Howell introduced Resolution No. 16-2011 for Council's consideration. He stated staff held a public bid opening on March 24, 2011. At the time of the bid opening, there were nine responsive bidders with the apparent low bidder being Clark Ledbetter Grading. Staff in conjunction with Odom Engineering, PLLC has recommended award of the bid to Clark Ledbetter Grading in the amount of \$348,880.00 to proceed with said project.

Mr. Howell recognized Mr. Yelton and Mr. Cornwell for their work on the easement acquisitions associated with this project.

**ACTION TAKEN:** Upon a motion by Mr. Mabry, second by Mr. Hopper, City Council voted unanimously to approve and adopt Resolution No. 16-2011 entitled, “A RESOLUTION AWARDDING THE BID FOR THE SHELBY MIDDLE SCHOOL SEWER PROJECT”.

**E. New Business:**

- 1) Consideration of a resolution endorsing the Bright Idea Program for the employees of the City of Shelby: Resolution No. 17-2011

Mr. Howell introduced the proposed Bright Idea Program and reminded Council that the item was identified as one of their adopted goals and priorities. He provided an overview of the employee incentive program including qualifying criteria, the application process, the incentives, and review committee.

Mrs. Jolly stated the purpose of this incentive program is to encourage employees to identify more effective, efficient, and/or safer ways to carry out the business of the City. It is the belief of City management that the employees, who are largely responsible for the day-to-day operations of the City, have ideas and suggestions that can make the City as a whole more productive, while saving taxpayers' money, and maintaining a safe work environment.

Mrs. Jolly further stated this program encourages employees to give thought to the effectiveness of the total operation and willingness to question current methods and procedures in their job duties as well as beyond their individual job duties. Ideas that are implemented will be rewarded. Successful ideas may not be the work of an individual but that of a group. In such cases, the group will be rewarded.

Discussion followed and included Council's interest in the outcomes, the success of Cleveland County's program, and Council's consideration of a higher reward on a percentage basis.

Mr. Howell concluded that this program will allow for formal recognition of what is already in practice by employees.

By consensus, Mayor Alexander added the provision that if a “Bright Idea” is submitted of major significance then Mr. Howell, at his discretion, can bring it back to Council for consideration of an additional reward.

**ACTION TAKEN:** Upon a motion by Mrs. Patterson, second by Mr. Bailey, City Council voted unanimously to approve and adopt Resolution No. 17-2011 entitled, "A RESOLUTION ENDORSING THE BRIGHT IDEAS PROGRAM FOR THE EMPLOYEES OF THE CITY OF SHELBY".

**F. City Manager's Report:**

- 1) Mr. Howell informed Council that he is negotiating and finalizing the construction contract with Matthews Construction for the Job Ready Shell Building Project.
- 2) Mr. Howell said the Foothills Commerce Center continues to generate potential economic development interest.
- 3) Mr. Howell updated Council on the progress at the new City Park Sports Complex.
- 4) Mr. Howell provided Shelby's Curbside Recycling Request for Proposal (RFP) to five potential contractors with proposals due at the end of April 2011.
- 5) From a code enforcement standpoint, Mr. Howell updated Council on the progress of several junkyards and the voluntary clean up of dilapidated structures owned by Norfolk Southern Railroad on Morgan and Martin Streets.
- 6) Mr. Howell informed Council that budget preparation is ongoing among City departments. He anticipates scheduling budget sessions with Council in the very near future.
- 7) Mr. Howell briefly reviewed the City's Monthly Financial Summary for Fiscal Year to Date at February 28, 2011 with Council.
- 8) Mr. Howell expressed his appreciation to Mayor Alexander, Mr. Hopper, Mr. Bailey, and Mr. Yelton for their attendance at the North Carolina Municipal Power Agency Number 1 (NCMPA1) Regional Meeting on March 31, 2011 in Gastonia, North Carolina.

**G. Council Announcements and Remarks:**

- 1) Mr. Anthony expressed his concerns over the proposed federal cuts to the Community Development Block Grant Program and requested the total amount of funding the City has received from the program over the last ten years. The significance and positive financial impact of the program were

discussed.

- 2) **Mr. Mabry suggested Mayor Alexander and Council members volunteer and join Keep Shelby Beautiful with their cleanup event and beautification efforts in the Chestnut Street neighborhood on April 16, 2011 or on another convenient date.**
- 3) **Mrs. Patterson reminded all that the Public Works Department scheduled Spring Bulky Item Week for April 11 through 15, 2011.**
- 4) **Mayor Alexander reminded all that Household Collection Day for hazardous, electronic, and expired medications is scheduled for April 9, 2011 at the Cleveland County Health Department.**

**H. Adjournment:**

- 1) **Motion to adjourn**

**ACTION TAKEN: Upon a motion by Mr. Mabry, second by Mrs. Patterson, City Council voted unanimously to adjourn the meeting at 7:51 p.m.**

**Respectfully submitted,**

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

**W. Ted Alexander  
Mayor**

**Minutes of April 4, A. D. 2011**