

MINUTES

Regular Meeting
City Hall Council Chamber

June 4, 2018
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, Violet Arth Dukes, Ben Kittrell, Jr., Dicky Amaya; City Manager Rick Howell, ICMA-CM, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, Director of Finance Justin S. Merritt, MPA, Assistant Director of Finance Elizabeth B. (Beth) Beam, CPA, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Director of Engineering Services Benjamin (Ben) Yarboro, Police Chief Jeffrey H. (Jeff) Ledford, Assistant Fire Chief – Logistics and Enforcement Services Todd McMurry, Assistant Fire Chief – Operations and Personnel David Vanhoy, Director of Public Works Daniel C. (Danny) Darst, Jr., Director of Parks and Recreation Charlie Holtzclaw, and Director of Planning and Development Services Department Walter (Walt) Scharer, AICP

Absent: Council Member David Causby

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. White led the *Pledge of Allegiance*.

A. Approval of agenda:

1) Motion to adopt the proposed agenda

Mr. Hendrick requested that Item C-1 (a) and (b) be moved to E-1 (a) and (b) Public Hearing and E-1 be moved to C-1 Unfinished Business. He also requested the addition of Item C-2 under Unfinished Business, as follows:

- Discussion regarding Royster Memorial Golf Course

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted 4 to 1 (Arth Dukes) to approve the agenda as amended.

B. Special Presentation:

1) Recognition of Justin S. Merritt, 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, 2017

Acknowledging a long legacy, Mayor Anthony was pleased to announce that the Government Finance Officers Association awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Shelby for its Comprehensive Annual Financial Report (CAFR) for the 21st year. It is a testament to the commitment of past and present management and finance directors, whose work is often taken for granted, as to full public disclosure and communication of the financial condition of the City of Shelby.

Mr. Merritt acknowledged Mrs. Beam as primarily responsible for preparing the award-winning CAFR. He also explained it is a beneficial document which demonstrates a constructive spirit of full disclosure to clearly communicate the City's financial story and to motivate potential users and user groups to read the CAFR.

Mayor Anthony recognized and congratulated Mr. Merritt and Assistant Finance Director Beth Beam as they accepted the Certificate of Achievement on behalf of the City.

C. Unfinished Business:

- 1) Consideration of a resolution of tentative award for the Runway Overlay Project at Shelby-Cleveland County Regional Airport to Harrison Construction Company, Division of APAC-Atlantic, Inc.: Resolution No. 28-2018**

Mr. Howell introduced Resolution No. 28-2018 for Council's consideration. If approved, this resolution would award a contract in the amount of \$2,468,006.75 to Harrison Construction Company, Division of APAC-Atlantic, Inc. for the construction of the Runway Overlay Project at the Shelby Cleveland County Regional Airport. This project has been approved by the North Carolina Department of Transportation (NCDOT) Division of Aviation for funding and has also received an award recommendation from the consulting engineering firm, W. K. Dickson & Co., Inc. A 10 percent local match is required and the County has again agreed to share this match with the City. This amounts to \$126,036.00 for each entity.

Next, Mr. Yarboro summarized the Runway Overlay Project by stating the current 5,002 foot runway exhibits significant cracking along joints within the asphalt and has extremely faded pavement markings. Based on these field observations and recent asphalt evaluations by the NC Division of Aviation, it was determined by the NC Division of Aviation and the City's engineering

consultant, W. K. Dickson, that an asphalt overlay project on the existing asphalt runway was the best solution to address the existing issues with the runway. In February 2016, the City was notified of a grant award for the design and construction of the Runway Overlay Project. After completing the grant acceptance process, the construction plans were designed and a public bid opening was conducted in March 2018. Following this bid opening, a negotiation process occurred with the low bidder, Harrison Construction Company, Division of APAC-Atlantic, Inc., to reach a final construction cost of \$2,428,713.75. Funding for this final construction cost is available in the State grant that was previously awarded. The total grant amount including the related professional services is \$2,520,715.75 with a 10 percent local match of \$252,071.75.

Mr. Yarboro provided the scope of the Runway Overlay Project as follows:

- Repairing existing cracks in asphalt via routing, filling, etc.
- Completing a 2-inch asphalt overlay on the runway and connectors between the runway and parallel taxiway.
- Reflective pavement markings will be installed in accordance with current Federal Aviation Administration (FAA) standards. This increased visibility directly improves the safety of all approaching aircraft.
- Increasing the weight rating of the runway in an effort to prevent asphalt damage from heavier aircraft.
- The new asphalt surface will greatly reduce the occurrence of aggregate breaking loose from the cracks in the existing asphalt. This reduces the major concern of foreign object debris (FOD) striking aircraft.
- It is anticipated that this project will add approximately 15 years to the life expectancy of the pavement.

Mr. Yarboro concluded with the construction on this project is anticipated to begin in early August 2018, which will result in a 21-day runway closure. He stated work should be substantially completed and the runway re-opened by September 1, 2018.

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to approve and adopt Resolution No. 28-2018 entitled, "A RESOLUTION OF TENTATIVE AWARD FOR THE RUNWAY OVERLAY

PROJECT AT SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT TO HARRISON CONSTRUCTION COMPANY, DIVISION OF APAC-ATLANTIC, INC.”.

2) Discussion regarding Royster Memorial Golf Course

Mr. Hendrick re-introduced the discussion as to how to effectively close the Royster Memorial Golf Course following the Alternative Use Study and Plan, previously presented by the City’s consultants, Woolpert North Carolina, LLC.

Next, Mr. Howell explained the intent of the study was to identify future uses of the golf course property should closure eventually occur. The property would continue to be maintained so that it would not detract from the aesthetics of the City Park and neighboring properties. In the coming years, the City would hope to implement some of the ideas brought forth by the public for future use.

Council further discussed the significant decline in play on the golf course over time, the reduction of paid memberships over the years, and the increasing operational costs, all having been sufficiently evaluated. If the course does close in the near future, there will be a net savings to the City’s taxpayers of approximately \$166,000.00 annually.

Mr. Howell clarified if Council wishes to implement some of the elements included in the Conceptual Master Plan, a planning process to seek additional input from the public as to the priorities and the long-term operational costs is necessary. The discussion always was if the golf course would close, what would be the options and which options were going to draw and benefit the most number of people. He reiterated it is important the alternatives put forth were still resonating with the public and were affordable, cost effective, and met the needs of the citizens.

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted 4 to 1 (Arth Dukes) to close the Royster Memorial Golf Course no later than November 1, 2018 and directing staff to bring forth recommendations of the best uses for the golf course property.

D. Consent Agenda:

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

- 1) Approval of the Minutes of the Regular Meeting of May 14, 2018
- 2) Approval of Special Event Permit Applications:
 - a. 7th Inning Stretch Festival, 5K, and Little Miss American Legion World Series, requested date: August 11, 2018
 - b. Host City Welcome, requested date: August 15, 2018
- 3) Approval of a resolution authorizing the upset bid process: Resolution No. 25-2018
- 4) Approval of a reimbursement resolution with regard to installment financings for Fiscal Year 2018-2019: Resolution No. 26-2018
- 5) Approval of a resolution awarding the bid for the fabrication of the meter set for Clearwater 2S facility: Resolution No. 27-2018
- 6) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 33-2018

END CONSENT AGENDA

E. Public Hearing:

- 1) Proposed Fiscal Year (FY) 2018-2019 Annual Operating Budget for the City of Shelby

Mr. Howell reminded Council the proposed budget for Fiscal Year (FY) 2018-2019 has been presented, distributed, and made available for public inspection. As required by the North Carolina General Statutes, the public hearing notice has been advertised to allow public comment directly to Council for consideration prior to a formal vote.

Discussion followed and included how the closure of the golf course would affect the proposed budget. Mr. Howell responded with an approximate calculation of the annualized savings which would reduce the overall tax rate by $\frac{3}{4}$ cent or .0075 cent. Adding any new elements as proposed in the Conceptual Master Plan must go through the planning process of prioritization and costing in the future and will not impact this current proposed budget. However, the interim plan for closure of the golf course can be covered within the proposed budget.

Mayor Anthony opened the public hearing at 6:26 p.m. and invited comments from the public:

Jeff Yates who resides at 405 Edgewood Road in Shelby, North Carolina spoke in support of the proposed budget. Mr. Yates is a retired law enforcement officer who relocated from Iowa to Shelby due to its safe environment. Through volunteer opportunities, he and his wife have met and know several Shelby police officers. Mr. Yates stated Shelby has a dedicated and professional staff in both the Police and Fire & Rescue Departments. He would like to continue feeling safe in Shelby and if the tax increase is needed to fund competitive wages to attract new hires and keep the current seasoned, knowledgeable, and professional officers on staff, then he and his wife are prepared to absorb and would support the tax increase. A fair and competitive wage would go a long way to keep Shelby a safe and desirable city and encourage economic growth as well.

Randy McSwain who resides at 110 Victoria Park Drive in Shelby, North Carolina stated he has extensive career experience in continuous improvement in the fields of engineering and management. Mr. McSwain suggested the City of Shelby consider utilizing the Lean Six Sigma principles in preparing its budget. He offered his expertise and services on a volunteer basis.

Mayor Anthony suggested Mr. McSwain schedule a meeting with the City Manager.

Mayor Anthony closed the public hearing at 6:35 p.m.

- a. Consideration of Fiscal Year (FY) 2018-2019 Budget Ordinance: Ordinance No. 31-2018**

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted 4 to 1 (Kittrell) to approve and adopt Ordinance No. 31-2018 entitled, "FISCAL YEAR (FY) 2018-2019 BUDGET ORDINANCE", to include an adjustment of the tax rate from .53 cents to .5225 cents per \$100 valuation, as amended.

- b. Consideration of Fiscal Year (FY) 2018-2019 Supplemental Budget Ordinance: Ordinance No. 32-2018**

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted 4 to 1 (Kittrell) to approve and adopt Ordinance No. 32-2018 entitled, "FISCAL YEAR (FY) 2018-2019 SUPPLEMENTAL BUDGET ORDINANCE".

E. New Business: None

F. City Manager's Report:

- 1) Mr. Howell mentioned he is working with the Cleveland County Manager to draft an agreement relating to the construction of the Job Ready Shell Building No. 3 at the Foothills Commerce Center for Council's consideration.**
- 2) Mr. Howell reported the Uptown Water and Sewer Project is proceeding and the work on Washington Street is nearing completion. Beginning June 11, 2018, Warren Street will be closed between Washington Street and Lafayette Street.**
- 3) With regard to the City's various water infrastructure projects in support of the Clearwater Paper Corporation's expansion, Mr. Howell reported progress is being made and on track for completion on February 13, 2019.**

G. Council Announcements and Remarks:

- 1) Mr. Amaya expressed his appreciation to all for their work on this budget while celebrating its completion.**
- 2) Mr. White was pleased this budget allows the City of Shelby to be competitive with surrounding cities and counties. He also expressed his appreciation to all for the work being done and hoping for a great year.**
- 3) Mr. Hendrick expressed his appreciation to all City staff and congratulated Mr. Merritt and Mrs. Beam as recipients of the Award of Financial Reporting Achievement.**
- 4) Mayor Anthony recognized the generosity of the City's employees as he proudly announced the City of Shelby received a United Way Golden Eagle Award for the largest total campaign increase as well as a Chairman's Choice Eagle Award. Mr. Howell added the City of Shelby received its fourth United Way Spirit of North Carolina Award. Mrs. Jolly acknowledged Captain Brad Fraser of the Police Department and Battalion Chief Quentin Cash of the Fire and Rescue Department as recipients of the R. T. LeGrand, Jr. Outstanding Campaign Volunteers of the Year Award.**

H. Adjournment:

- 1) Motion to adjourn**

ACTION TAKEN: Upon a motion made by Mr. White, City Council voted unanimously to adjourn the meeting at 6:44 p.m.

Respectfully submitted,

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

**O. Stanhope Anthony III
Mayor**

Minutes of June 4, 2018