

MINUTES

Regular Meeting
City Hall Council Chamber

October 1, 2018
Monday, 6:00 p.m.

Present: Mayor O. Stanhope Anthony III, presiding; Council Members Eric B. Hendrick, David W. White, David Causby, Violet Arth Dukes, Charles Webber, Dicky Amaya; City Manager Rick Howell, ICMA-CM, City Attorney Robert W. (Bob) Yelton, City Clerk Bernadette A. Parduski, Director of Human Resources Deborah C. (Deb) Jolly, Director of Energy Services Julie R. McMurry, Director of Water Resources David W. Hux, Police Chief Jeffrey H. (Jeff) Ledford, Fire Chief William P. Hunt, MPA, EFO, Assistant Fire Chief – Logistics and Enforcement Services Todd McMurry, and Director of Planning and Development Services Department Walter (Walt) Scharer, AICP

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. Hendrick led the *Pledge of Allegiance*.

A. Approval of agenda:

- 1) Motion to adopt the proposed agenda

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

B. Assumption of Office:

- 1) Oath of Office administered to Council Member Charles Leon Webber

Judge Bridges, Senior Resident Superior Court Judge, administered the Oath of Office to Mr. Webber who was assisted by his wife, Audrey Webber.

C. Special Presentations:

- 1) Recognition of Ben Kittrell, Jr. for his service to the City of Shelby

Mayor Anthony called upon Mr. Kittrell and presented a plaque to him for his loyal and dedicated public service to the citizens of Shelby. The Mayor expressed his heartfelt, personal appreciation to Mr. Kittrell as an outgoing Council Member, extending mutual best wishes from City Council as well.

Mr. Kittrell expressed his appreciation to the City Council members he

served with and to the City staff for their leadership and professionalism. He will cherish his fond memories, stating his departure was bittersweet.

2) City of Shelby Natural Gas Marketing and Promotions – Chip Nuhrah, Marketing and Promotions Specialist

Mr. Howell introduced Chip Nuhrah as the City's recently hired Marketing and Promotions Specialist, a newly created position which is charged primarily with marketing and promoting the natural gas system. He stated the natural gas system is and has been a vital part of the City for more than 60 years, providing a tremendous resource to customers and economic development efforts.

Next, Mr. Nuhrah introduced the subject matter of his presentation with his newly designed logo for the natural gas system. He commented it is tied to the current City's logo and gives natural gas its own distinct look.

Mr. Nuhrah said the new marketing slogan for the City of Shelby's natural gas services is, "Making the way we live even better", noting the many applications for natural gas is the meaning of the message.

Mr. Nuhrah listed the methods by which he is promoting natural gas which have already been implemented or are in the process of implementation:

- Social media
- Local movie theatre
- Door hangers
- Banners
- Vehicle decals and wraps
- Brochures
- Trade shows and events
- Billboards
- Bill inserts
- Website
- Promotional materials
- Yard signs

Mr. Nuhrah maintains a wall map of Cleveland County with every street listed. He selected 13 zones where the City's gas lines are located near homes or near clusters of homes in neighborhoods. There is opportunity to provide natural gas to those homes at existing gas lines or to create opportunity for those clusters of homes near those existing gas lines. Within those 13 zones, Mr. Nuhrah stated there are 1,080 homes with natural gas services available and no customers. These are also 123 clusters of homes where natural gas

lines are just outside of those developments. These potential customers can expect door-to-door contact from the City.

Mr. Nuhrah also created a series of 13 highly customized brochures and rack cards covering the benefits of natural gas, natural gas safety, rebates and incentives, and affordability.

Mr. Nuhrah mentioned 23 yard signs and eight custom banners have been strategically placed around targeted areas in Cleveland County.

Mr. Nuhrah said the City's first billboard advertisement for natural gas was installed in September 2018. The billboard will also rotate around Cleveland County in strategic locations every three months.

Mr. Nuhrah noted movie theatre advertising is an effective marketing tool. The Shelby movie theatre averages 5,500 movie goers each week and the City's ad will run twice during every movie, every day.

With regard to social media marketing, Mr. Nuhrah is utilizing Facebook, Instagram, and the current City's natural gas website page. He has designed a new webpage which is interactive and will be going live in the near future.

Mr. Nuhrah has set up several events including a natural gas service informational and promotional giveaway at the Lowe's Home Improvement store location, a presentation about natural gas service to the Cleveland County Association of Realtors at their membership meeting, and a natural gas information booth at the Cleveland County Fair.

Mr. Nuhrah introduced "Finley" as the newest member of the team to promote natural gas safety to children. "Finley" is featured in a kid-friendly natural gas safety brochure as well as in a kids coloring page. "Finley" and the associated promotional items are meant to create information flow between children and their parents about natural gas services.

In order to measure the success of the City's marketing program, Mr. Nuhrah created a spreadsheet to track what advertising and promotional items are working and not working.

Mr. Nuhrah researched the City's natural gas new installations from 2015 (68), 2016 (58), 2017 (61), and 2018 (73) and set a target goal of 91 new natural gas installations from July 1, 2018 through June 30, 2019 which represents a 25 percent increase from the previous year.

Mr. Nuhrah concluded by stating that natural gas services is exceeding its goal since the current increase compared to same time period last year is 33.5 percent.

Council received the information. No action was required.

- 3) A Proclamation declaring October 7 through 13, 2018 as “Public Natural Gas Week” in the City of Shelby, North Carolina

Mayor Anthony called upon Natural Gas Superintendent, Jeff Champion. The Mayor formally read and presented the Proclamation declaring October 7 through 13, 2018 as “Public Natural Gas Week” in the City of Shelby to Mr. Champion, commending the City’s employees of the Natural Gas Department.

- 4) A Proclamation declaring October 7 through 13, 2018 as “Public Power Week” in the City of Shelby, North Carolina

Mayor Anthony called upon Electric Superintendent, Jeff Freeman. The Mayor formally read and presented the Proclamation declaring October 7 through 13, 2018 as “Public Power Week” in the City of Shelby to Mr. Freeman, commending the City’s employees of the Electric Department.

D. Consent Agenda:

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

- 1) Approval of the Minutes of the Special Meeting of September 10, 2018
- 2) Approval of the Minutes of the Regular Meeting of September 17, 2018
- 3) Approval of a Special Event Permit Application:
 - a. Shelby High School Homecoming Parade, requested date: October 18, 2018
- 4) Approval of a resolution awarding the contract for the Fallen Hero Memorial Park Project: Resolution No. 51-2018
- 5) Approval of a resolution in support of the 2019 American Legion World Series bid: Resolution No. 52-2018

- 6) Approval of a resolution approving for acceptance, maintenance, and ownership of the water extension improvements for Cleveland County Fairgrounds: Resolution No. 53-2018
- 7) Adoption of an ordinance authorizing demolition of a dwelling: Ordinance No. 55-2018
- 8) Adoption of Fiscal Year 2018-2019 Budget Ordinance Amendment No. 3: Ordinance No. 56-2018

END CONSENT AGENDA

E. Unfinished Business:

- 1) Consideration of a resolution authorizing submission of a revised loan application to the North Carolina Department of Environmental Quality - Division of Water Infrastructure for funding related to the Water Treatment Plant Upgrades Project: Resolution No. 54-2018

Mr. Howell introduced Resolution No. 54-2018 for Council's consideration. Previously in February 2017, the Division of Water Infrastructure reviewed the City's loan application and the State Water Infrastructure Authority approved the Water Treatment Plant Rehabilitation and Upgrades Project as eligible to receive funding. Mr. Howell stated the Drinking Water State Revolving Fund loan amount was \$10,285,000 at a maximum interest rate of 1.53 percent for 20 years. He explained Phase 1 of the Water Treatment Plant Rehabilitation and Upgrades Project was advertised for bid on August 27, 2018 with bids received on September 27, 2018. The lowest responsible bid for this project was \$15,069,000, exceeding the loan funding of \$10,285,000 from the Drinking Water State Revolving Fund. Based upon discussions with the City's consultant, HDR of the Carolinas, and contractors, the bids are reflective of a volatile construction market that has impacted both labor and materials. Mr. Howell stated concrete prices for the project have nearly doubled since the construction estimate in 2016.

Mr. Howell further explained in consideration of the age of the City's Water Treatment Plant and issues related to the leaking clearwells and aging infrastructure, City staff believes the project needs to move forward with this first phase of Water Plant upgrades to include:

- Two new clearwells
- New high service pump station
- Structural improvements to sedimentation basin
- Filter valve improvements

- **Main Water Plant building improvements (structural)**

Mr. Howell added this project is especially critical with the City's projected significant increase in water demand in early 2019. In efforts to meet the deadlines of the initial loan offer and award construction contracts, City staff would like to request additional funding from the State of North Carolina State Water Infrastructure Authority. Pending approval from Council, a revised loan application will be submitted to the North Carolina Department of Environmental Quality.

If approved, this resolution would authorize Mr. Howell to seek an increase from \$10.2 million to \$16 million from the State Revolving Fund. At this point, he believes the City can avoid an additional rate increase to pay the debt service incurred by this project.

ACTION TAKEN: Upon a motion made by Mr. Hendrick, City Council voted unanimously to approve and adopt Resolution No. 54-2018, "A RESOLUTION AUTHORIZING SUBMISSION OF A REVISED LOAN APPLICATION TO THE NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY - DIVISION OF WATER INFRASTRUCTURE FOR FUNDING RELATED TO THE WATER TREATMENT PLANT UPGRADES PROJECT".

F. **New Business:** None

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

- 1) Mr. Howell previously informed Council that the City would bear 100 percent of the utility relocation costs associated with the C Section of the new US Highway 74 Bypass. After some follow-up and verification with North Carolina Department of Transportation at the local office and from Raleigh, it appears the City's cost will be reduced from the full \$534,732 to 25 percent of the total cost which would be \$133,683.
- 2) Mr. Howell reported the North Carolina Division of Aviation has contacted the City inquiring if there is an interest in utilizing State grant funding to complete an update of the City's Airport Layout Plan. The Airport Layout Plan was last updated in 2007, which exceeds the recommended update timeframe of five to seven years. Additionally, multiple projects shown on the plan have been completed or are in process of being completed. The estimated cost of an Airport Layout Plan update is \$225,000 with a local match of 10 percent. This will be a future agenda item.
- 3) Mr. Howell said it is likely the dedication ceremony for Hanna Park may be later than previously anticipated. He is expecting a late November date.

H. Council Announcements and Remarks:

1) Mayor Anthony made the following announcements:

- The Cleveland Cup will be held on Friday, October 26, 2018, at 3:30 p.m. starting and finishing at Shelby City Park. The 5K walk and run is an event sponsored for all employees of Cleveland County, City of Shelby, and City of Kings Mountain.

Mr. Hendrick challenged Police Chief Jeff Ledford to participate in this year's Cleveland Cup, noting Fire Chief William Hunt is a veteran participant.

- The City's Volunteer Recognition Event is scheduled for Thursday, October 18, 2018, beginning at 6:00 p.m., City Pavilion

2) Mr. Hendrick, Mr. White, Mr. Causby, Mrs. Arth Dukes, and Mr. Amaya all personally welcomed Mr. Webber to the board.

3) Mr. Amaya participated in an airlift last weekend from Mount Pleasant Regional Airport, where essential supplies were collected and flown by volunteer aircraft owners and pilots, to the flood stricken areas of Lumberton, North Carolina in the aftermath of Hurricane Florence.

4) Mr. Webber expressed his appreciation to Mayor Anthony, City Council, City staff, particularly his family and friends, as well as the community for all the support received during the appointment process and during the last six weeks since the passing of his daughter, Faith Webber. He mentioned his pledge to his late daughter about engaging in public service and is fulfilling that promise to honor her memory.

I. Closed Session:

- 1) To establish or instruct staff in negotiating the 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 into a closed session pursuant to the appropriate North Carolina General Statutes as cited. Mayor Anthony consulted with Mr. Yelton who advised the topics met the statutory requirements for a closed session. The Mayor invited all Council members present along with Mr. Howell, Mr. Yelton, and Mrs. Parduski to attend. The

motion passed unanimously and Council moved into closed session at 7:08 p.m.

Council returned to the regular session at 7:55 p.m.

J. Adjournment:

1) Motion to adjourn

ACTION TAKEN: Upon a motion made by Mr. Amaya, City Council voted unanimously to adjourn the meeting at 7:56 p.m.

Respectfully submitted,

Bernadette A. Parduski, NCCMC, MMC
City Clerk

O. Stanhope Anthony III
Mayor

Minutes of October 1, 2018