

Salisbury, North Carolina
May 19, 2020

REGULAR MEETING

PRESENT: Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Al Heggins; Council Members William Brian Miller, David Post and Tamara Sheffield; City Manager W. Lane Bailey; Deputy City Clerk Tiffany Crook; and City Attorney J. Graham Corriher.

ABSENT: None.

In response to the State of Emergency declaration related to the spread of COVID-19 and to limit physical interactions and the potential spread of COVID-19 the Salisbury City Council met electronically. The meeting was called to order by Mayor Alexander at 6:00 p.m. A moment of silence was taken.

PLEDGE OF ALLEGIANCE

Mayor Alexander led participants in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VIEWERS

Mayor Alexander welcomed all viewers.

CHANGES TO THE AGENDA

Mayor Alexander noted the following changes to the Agenda;

Add – Proclamation for National Prevention Week to increase awareness and action around mental health and substance use disorders.

Add – Proclamation for National Public Works Week.
Add – Proclamation for Veterans Memorial Day.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Post made a **motion** to adopt the Agenda with presented changes. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

PROCLAMATIONS

Mayor to proclaim the following observances:

NATIONAL PREVENTION WEEK
NATIONAL PUBLIC WORKS WEEK
VETERANS MEMORIAL DAY

May 10-16, 2020
May 17-23, 2020
May 25, 2020

Mayor Alexander read each proclamation.

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the Special meeting of April 28, 2020 and the Regular meeting of May 5, 2020.

(b) Remote Meeting Policy

Adopt a Resolution revising Council's Remote Meeting Policy to maintain compliance with state requirements.

RESOLUTION TO REVISE THE POLICY AND PROCEDURE FOR ELECTRONIC MEETINGS OF THE SALISBURY CITY COUNCIL

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 17-20, and is known as Resolution 2020-12.)

(c) Budget Ordinance Amendment – Tennis Court Lights

Adopt a Budget Ordinance amendment to the FY2019-2020 budget in the amount of \$20,000 to appropriate a donation for tennis court lights at City Park.

ORDINANCE AMENDING THE 2019-2020 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE DONATION FOR TENNIS COURT LIGHTS.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 37, and is known as Ordinance 2020-28.)

Thereupon, Councilmember Sheffield made a **motion** to adopt the Consent Agenda as presented. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

PUBLIC COMMENT

Mayor Alexander opened the floor to receive public comments.

There being no comments, Mayor Alexander closed the public comment session.

SALE OF PROPERTY- PARCEL 451A-194

City Engineer Wendy Brindle pointed out a Resolution was adopted on March 17, 2020 to begin the upset bid process for Parcel 451A-194. She noted the parcel is located in the Westwood Subdivision near Harrison Road, between Jake Alexander Boulevard and Sherrills Ford Road. She explained the parcel is approximately one-half of an acre, undeveloped, and has a tax value of \$22,100.

Ms. Brindle stated the parcel was advertised in the *Salisbury Post* for upset bid on April 19, 2020 and no bids were received. She noted Ms. Paola Guadalupe Guerrero-Alonso presented an offer to purchase the land in the amount of \$5000 and plans to build on the property. Ms. Brindle recommended Council authorize the sale of Parcel 451A-194 to Ms. Guadalupe Guerrero-Alonso.

Thereupon, Councilmember Post made a **motion** to authorize the sale of Parcel 451A-194, located in the 400 block of Freedom Drive, to Paola Guadalupe Guerrero-Alonso in the amount of \$5,000. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

DRAFT FY2020-2024 CONSOLIDATED PLAN AND DRAFT 2020-2021 ACTION PLAN

Planning Services Director Hannah Jacobson indicated her presentation is the first reading of the Consolidated Plan and Action Plan. She noted no action is required of Council at this time. She stated every five years communities that receive Community Development Block Grant

(CDBG) funds from the United States Department of Housing and Urban Development (HUD) are required to create a Consolidated Plan to prioritize needs and create a framework for how the funds will be used.

Ms. Jacobson stated HUD has a template of topics that must be included in a Consolidated Plan which all communities who receive CDBG funds are required to address. She explained the plan must include an executive summary which reviews the process of developing the plan, a list of community engagement efforts, and a needs assessment which evaluates statistics regarding households that are in need of assistance. She added a market analysis is also required to identify housing availability for low income residents.

Ms. Jacobson indicated the Consolidated Plan is strategic and includes a broad review of priorities and goals, while the annual Action Plan evaluates programs, the budget, and ways the City plans to implement goals and strategies. She added, she worked with former Planning Director Janet Gapen to determine demographic trends that are shaping the City's demand for housing. She explained the City has had a relatively static population over the last ten years which has increased the cost of housing. She pointed out an increase in single-person households is a trend in Salisbury that includes renters and homeowners. She added single person households are becoming the most common type of household and 48% of these households have incomes less than 80% of the area median income and are classified as low to moderate income households.

Ms. Jacobson presented information regarding households and area median income. She explained 17% of households earn less than 30% of the area median income, 14% earned between 30% and 50%, and 16% earn between 50% and 80% of the area median income. She added, the population in Salisbury is aging and 37% of households include a person who is 62 years old or older. She stated household trends have impacted the demand for housing, created challenges, and constitute the majority of the needs assessment within the Consolidated Plan.

Ms. Jacobson stated issues regarding housing include substandard housing, overcrowding, households with zero or negative incomes, and cost burdened households. She noted the most common housing problems relate to the cost of housing. She explained HUD defines cost burdened as a household that is spending more than 30% of its income on housing and a household that is spending more than 50% of its income on housing is considered severely cost burdened. She mentioned renter occupied households experience the greatest amount of housing problems when compared to owner occupied households and households with the lowest incomes are three times as likely to have housing problems as compared to those with incomes above 80% of the area median income.

Ms. Jacobson presented statistics identifying housing cost burdens among households in the City. She stated 17% of households are cost burdened with housing costs between 30% and 50% of its income and 19% have housing costs over 50% of its income. She explained the segments of the population disproportionately affected by housing cost burdens are black and brown populations. She added 27% of white households, 40% of Hispanic households, and 49% of black or African American households are cost burdened.

Ms. Jacobson noted Salisbury has approximately 15,000 housing units and nearly two-

thirds are single family homes. She stated from 2009 to 2015 home values declined and rent increased by 7%. She explained half of the City's housing units were built before 1980 and may contain environmental hazards such as lead based paint. She added the City is now a majority rental community.

Mayor Alexander requested information comparing the City's renter and owner-occupied housing statistics to other communities. Ms. Jacobson stated she will get the information to Council.

Councilmember Post indicated the community is 58% owner-occupied and 31% renter occupied according to the United States Census Bureau.

Mayor Pro Tem Heggins asked if the Remedial Action Plan (RAP) assists with substandard housing conditions and if Code Enforcement is involved. Ms. Jacobson stated the plan involves working with Code Enforcement who act according to the Minimum Housing Ordinance.

Ms. Jacobson stated extremely low income households are typically served by public housing which does not have enough units to meet the needs of the community. She explained the Salisbury Housing Authority manages 465 units and is in need of approximately 1,500 units to fill the shortage. She stated the population which has 30% to 50% of the area median income is in need of 240 units to be fully served, and households with 50% to 80% of the area median income have a surplus of 3,800 units. She indicated the overage may include units that are in poor condition and in need of maintenance. She added rehabilitation programs are needed along with home ownership assistance, down payment assistance, and counseling programs for people who are currently renting.

Ms. Jacobson pointed out staff polled the community regarding how HUD funding should be used and more than 50% of participants indicated the funds should be used toward housing development, affordable housing, assisting people earning less than 80% of the area median income, homeownership assistance programs, public service agencies, rehabilitation for owner occupied structures, and toward sewer and water infrastructure improvements. She stated the data was received from a combination of surveys and public outreach activities that were conducted earlier in the year in connection with the City's Forward 2040 Plan.

Ms. Jacobson stated every five years the required Consolidated Plan must outline strategic goals and higher level action plans. She presented information regarding specific programs and projects that will take place and the budget for each of the five years. She explained there are separate recipient contracts with each program that outlines specific activities that will take place to implement the goals and programs. She indicated in past years there were many programs listed which included owner occupied rehabilitation, acquisitions, and a rehabilitation resale program. She stated the current program is broad, generic, and will allow greater flexibility in designing programs to meet evolving community needs.

Ms. Jacobson noted goals for funds include increasing the supply of affordable housing, improving public facilities and infrastructure, increasing opportunities for home ownership, promoting business growth, and assisting public service agencies. She added the funds will also

be used to effectively plan and administer community development programs.

Ms. Jacobson stated the City should receive approximately \$6 million in funding over the next five years. She presented information regarding the funds needed to reach each goal within the Consolidated Plan. She explained the five year plan is an opportunity to revisit target areas and places identified as a priority need for community development. She noted the City has flexibility on how to use Community Development funds as long as the funds are used to benefit the low to moderate income population.

Ms. Jacobson indicated the North Main District is an area of significant, low to moderate income populations, decreased housing conditions, and is a prominent gateway into the City. She added the area has been identified as a target area for improvement.

Ms. Jacobson presented information on the annual allocation of funding. She stated the City received \$287,229 from the CDBG program, anticipates \$20,000 from program income and \$431,845 from the HOME Program. She noted the City will continue with the owner-occupied rehabilitation program that is managed by the Community Development Corporation (CDC) and acquisition rehabilitation resale, down payment assistance, and counseling programs.

Ms. Jacobson stated there is a proposal to build a sidewalk on Lash Drive that was approved by Council and is located in a concentrated area of low income housing. She indicated projects in the area can easily be funded by combining Sidewalk Payment Program funding with CDBG funding. She explained a portion of the funding will also assist in paying the debt on the Park Avenue Community Center and allow the City to take on new projects.

Ms. Jacobson pointed out there are five applications for funding from public service agencies. She explained the Salisbury Youth Employment Program has been suspended due to COVID-19 and the four remaining sub-recipients are Rowan Helping Ministries, Family Crisis Council, Community Care Clinic, and the Gateway Freedom Center. She stated the City will also fund the planning and administration of housing programs, the maintenance of records, and ensure all programs are compliant with HUD standards.

Councilmember Post asked about administration costs. Ms. Jacobson stated the CDBG has a cap of 20% that can be used for administration costs and the City allocated approximately 15% which is fairly standard given the administration challenges of many programs.

Councilmember Sheffield asked if there was a comparison of the last Consolidated Plan to the current plan. Ms. Jacobson presented information comparing the plans and stated the current Consolidated Plan is consistent with the previous plan although the City's allocation has been reduced by approximately \$23,000.

Ms. Jacobson stated the draft plan has been posted to the City website and staff will receive comments for 30 days which ends June 13, 2020. She indicated the plan will be brought to Council for consideration on June 16, 2020 to meet the July 15, 2020 HUD submission deadline. She noted comments can be submitted and the Consolidated Plan can be reviewed on the City website, www.salisburync.gov/housing. She commented a copy of her presentation will be posted online

for review, hard copies will be available at various locations across the community, and written comments can be submitted by mail or email.

CITY ATTORNEY'S REPORT

City Attorney Graham Corriher had nothing to report to Council.

CITY MANAGER'S REPORT

(a) FY2020-2021 Proposed Budget

City Manager Lane Bailey stated creating the budget for 2021 has been challenging with the ongoing revenue impacts of COVID-19. He noted staff has been conservative with estimates when preparing the budget and the City faced challenges with expenditures exceeding revenues before the pandemic. He explained budget cuts of approximately \$1.2 million were made within departmental budgets to balance the budget. He indicated the scheduled construction of Fire Station 3 has been postponed and vehicle replacements have been deferred. He added in the next fiscal year the City may need to provide funding for various projects rather than utilizing the Capital Reserve Fund.

Mr. Bailey stated the General Fund contributions to the Transit Fund and Broadband Fund have also been challenging. He explained his plan was to reduce the transfer from the General Fund to the Broadband Fund, which is budgeted for \$3 million, but COVID-19 has made reductions difficult. He commented a positive aspect of the budget is having funds to complete the Bell Tower Green project which is expected to open in the fall. He thanked citizens and groups who have worked on the project.

Mr. Bailey indicated given current economic conditions, he recommends the tax rate remain the same. He also recommended discontinuing the Capital Improvement Plan (CIP) and re-evaluating the plan once there is economic stability. He explained when the pandemic is over priorities will change. He stated the City has committed to the Railroad Depot and options to fund construction will be reviewed.

Mr. Bailey stated revenues will be much lower in the new fiscal year and staff has created contingency plans to ensure the City can move forward if COVID-19 reoccurs or if revenues are worse than anticipated. He indicate Cost of Living Allowances (COLA) and merit raises have been cut from the proposed budget which does not reflect the excellent service City employees are continuing to provide during these difficult times. He stated although he is proud of all employees, the City cannot provide pay increases at this time.

Mr. Bailey pointed out sound financial management in previous years has resulted in a General Fund Balance of 33% prior to this year. He stated staff has budgeted some fund balances to get through the year which will decrease the General Fund balance percentage, but it will remain well above 8%.

Mr. Bailey stated several Capital Projects will continue and have the potential to bring the City revenue. He mentioned projects that will be completed are improvements to Brenner Avenue, Grant Creek Greenway, Concord Road, Newsome Road, and the installation of traffic calming devices along South Long and Innes Streets. He added other programs and projects that will continue include the Neighborhood Revitalization Program and improvements to the Fisher Street and Ellis Street bridges. He indicated there will also be improvements made to several public buildings such as roof repairs and water proofing at the Plaza and Hall's Gym. He pointed out several other Capital Projects have been delayed, but these projects have been budgeted and will proceed as revenue is received.

Mr. Bailey indicated the City's Solid Waste Services are extensive compared to other communities and recycling has presented challenges. He explained although there will be a new vendor for recycling services that will increase service costs by \$.94 per month for residents.

Mr. Bailey stated Salisbury-Rowan Utilities (SRU) has provided the City excellent utility services and is one of its best economic resources that is critical to public health. He recommended a rate increase in the utility system that is consistent with the Consumer Price Index (CPI) for the Urban South. He mentioned projects regarding the Grant's Creek Waste Water Facility and the Water Treatment Plant are significant and were financed this year. He added staff is also identifying ways to improve the sanitary sewer system and the filtration of storm water.

Mr. Bailey explained he is recommending a storm water fee increase. He stated two years ago the Stormwater system was restructured to be consistent with other communities which made it more equitable for customers. He explained he is recommending a \$.08 increase to cover inflation and the cost of major projects.

Mr. Bailey noted the City has completed a successful year of the public-private partnership with Fibrant and anticipated reducing the Broadband Utility contributions from the General Fund this year, but they are facing uncertainty. He explained Hotwire and Fision have suspended disconnections and are offering free service to students and low income families. He stated because of the economic uncertainty, he recommends maintaining the contributions for the upcoming year.

Mr. Bailey stated after discussions regarding the Transit System, revising routes, and economic challenges, he is recommending the City eliminate Spencer and East Spencer routes in order to serve underserved areas within the City. He explained the General Fund contribution to the Transit System will be capped at \$600,000 as done in the previous year. He indicated the Transit System will be receiving a CARES Grant in the amount of \$959,000 that will provide temporary relief to the Transit System.

Mr. Bailey thanked staff for its hard work to balance the budget during a difficult budget year. He stated the process has been very difficult and commended employees for working to create a budget that will allow the City to provide essential services to its citizens during these pressing times. He explained no action is needed by Council at this time, and he requested Council set a public hearing to receive comments and approve the budget on June 2, 2020.

Councilmember Post stated he does not want the CIP to be suspended although many projects will have to be pushed back. He indicated he would like to have a copy of the CIP and continue having sessions biannually to discuss projects the City can work towards completing. Mr. Bailey stated although priorities on the CIP may change significantly, he will get a copy of the CIP to Council.

Mayor Pro Tem Heggins asked when Transit services for Spencer and East Spencer will be suspended. Mr. Bailey stated he would recommend stopping services at the start of the fiscal year but Council can make the decision. He added the Town Managers of Spencer and East Spencer, and the County Manager are aware of the transit issue.

Mayor Pro Tem Heggins indicated she is concerned with discontinuing Transit service to citizens who live in Spencer or East Spencer and work in Salisbury. She requested data that represents the number of individuals who work in Salisbury but live in Spencer and whether there has been discussion regarding how Salisbury can work with Spencer and East Spencer and the County to help citizens.

Mayor Alexander stated she spoke to the Mayors of Spencer and East Spencer and they are aware of what is going on and have plans to work with the County to obtain transit services or funding for transit services.

Councilmember Sheffield expressed her concern with discontinuing transit services without a transition plan. She asked if a decision has already been made to discontinue transit services. Mayor Alexander stated the cut is a recommendation and no decision has been made.

Mr. Bailey stated the option to discontinue Transit service is a recommendation that Council can consider. He explained he has spoken with the Town Managers of Spencer and East Spencer, and the County Manager and discussed the possibility of creating a contract or fee for service agreement. He noted other options can be discussed.

Mr. Bailey stated he is requesting Council conduct a budget work session on June 1, 2020, set a public hearing on the Budget for June 2, 2020, and decide whether the meetings will be electronic or in-person.

Mayor Pro Tem Heggins stated she would like to be involved in continued discussion regarding the Transit budget. She indicated the City should look at options other than discontinuing Transit services and assist the towns of Spencer and East Spencer with finding revenue for services.

Councilmember Miller stated the City Manager has completed the task of balancing the budget and has made recommendations. He indicated a decision will have to be made whether to discontinue services to Spencer and East Spencer or tax people within the community who do not have access to Transit services. He explained the City Manager's recommendation does not mean a decision has been made. He stated recommendations provide options that can be considered. He indicated gathering data is important, but the decision will still involve discontinuing Transit services or locating funds.

Councilmember Miller indicated the budget has been presented in the same format for approximately 11 years and he would like to make changes. He explained there may not be time to make changes before the June 1, 2020 work session, but he would like to have a delta analysis of the budget. He added the analysis would only need to include areas where significant positive or negative changes have occurred and a comparison of the data to the data from the previous year. He urged Council to notify the City Manager before the work session of changes, issues, or projects they would like to discuss.

Thereupon, Councilmember Miller made a **motion** to set a public hearing for June 2, 2020 to present the FY2020-21 budget. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

(b) City Clerk Appointment

City Manager Lane Baily stated there is a need to combine positions and improve efficiencies because of current budget challenges. He noted City Clerk Diane Gilmore has retired and he has asked Administrative Services Director Kelly Baker to assume the role of City Clerk. He requested confirmation of the appointment of Ms. Baker as City Clerk.

Thereupon, Councilmember Post made a **motion** to appoint Kelly Baker as City Clerk. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

ANNOUNCEMENTS

(a) COVID-19 Fundraiser Walk

Mayor Alexander announced the Parks and Recreation Department is partnering with Rowan branches of the Rowan-Cabarrus YMCA to host the 19 for 19 for COVID-19. Registration is \$19 and participants commit to walk or run 19 miles over 19 days. Proceeds from the fundraiser will benefit Rowan Helping Ministries. The registration deadline is May 31, 2020. For more information visit salisburync.gov/pkrec or call Steve Clark at 704-638-5286.

(b) Virtual Cheerwine Festival

Mayor Alexander announced the City hosted a successful Virtual Cheerwine Festival with over 19,000 visitors to the website. She thanked the Parks and Recreation Department, Communications Department, and other participants in the festival who contributed to its success.

(c) Salisbury Post Reporter

Mayor Alexander announced Reporter Liz Moomey will no longer report for the City and congratulated her on obtaining a new position. She thanked her for excellent coverage during City Council meetings.

COUNCIL COMMENTS

Councilmember Sheffield congratulated City Clerk Diane Gilmore on her retirement and thanked her for her service. She thanked Administrative Service Director Kelly Baker for accepting the appointment of City Clerk. She stated bulk pickup has been rescheduled for June 1, 2020 through June 5, 2020. She also announced Salisbury Pride raised \$3,666 for the United Way COVID-19 fund.

Councilmember Post stated he would like for the City to rename ACCESS16 to ACCESS 394 because the channel is no longer a Spectrum channel.

MAYOR PRO TEM COMMENTS

Mayor Pro Tem Heggins congratulated City Clerk Diane Gilmore on her retirement and thanked her for her service. She thanked Administrative Service Director Kelly Baker for accepting the appointment of City Clerk. She thanked participants in the Virtual Cheerwine Festival and congratulated staff for the festival's success. She encouraged people to participate in the United States Census, and she urged citizens to continue practicing safety habits such as washing hands, wearing masks, and waiting six feet apart.

MAYOR'S COMMENTS

Mayor Alexander congratulated City Clerk Diane Gilmore on her retirement and thanked her for her service. She thanked Administrative Service Director Kelly Baker for accepting the appointment of City Clerk and encouraged citizens to continue to wash their hands, wear masks, and wait six feet apart.

CLOSED SESSION

Thereupon, Councilmember Miller made a **motion** to go into closed session to consult with an attorney as allowed by NCGS 143-318.11(a)(3). Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

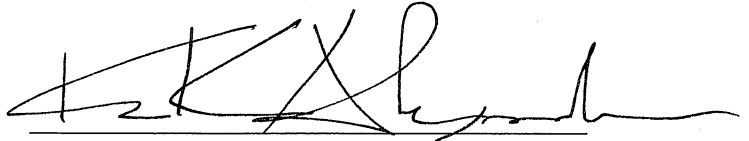
RETURN TO OPEN SESSION

Thereupon, Councilmember Post made a **motion** to return to open session. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE and Councilmember Sheffield voted AYE. (5-0)

Council returned to open session. Mayor Alexander announced no action was taken during closed session.

ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Miller. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 8:42 p.m.

A handwritten signature in black ink, appearing to read 'Karen Alexander', written over a horizontal line.

Karen Alexander, Mayor

A handwritten signature in black ink, appearing to read 'Tiffany Crook', written over a horizontal line.

Tiffany Crook, Deputy City Clerk