

Salisbury, North Carolina
January 27 – 28, 2022

SPECIAL MEETING – GOAL SETTING RETREAT

PRESENT: Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Tamara Sheffield, Council Members Harry McLaughlin, David Post (via Zoom) and Anthony Smith; Interim City Manager Brian Hiatt, City Clerk Kelly Baker; 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 in a hybrid format for its annual goal setting retreat. The meeting was called to order by Mayor Alexander at 3:00 p.m.

CALL TO ORDER AND OPENING REMARKS

Mayor Karen Alexander convened the Annual Goal Setting Retreat for City Council. She thanked Interim City Manager Brian Hiatt, staff, and Council for all they do for the City. She thanked Fountainworks President Warren Miller for facilitating the retreat and turned the meeting over to him.

Mr. Miller led Council through an icebreaker and asked each member to describe a moment or a person that led them into public service. Each member of Council shared their paths to public service and serving on City Council.

GOALS UPDATE/ YEAR IN REVIEW

Interim City Manager Brian Hiatt reviewed Council's 2021 priorities developed at its 2021 Retreat, and he provided an update on the accomplishments.

Public Safety – A City that exceeds service standards to create a safe and secure community:

1. Support efforts to provide competitive salaries for Public Safety personnel to assist in recruitment and retention efforts
 - Implemented pay increase in July 2021 with another scheduled for January 2022
2. Create a Police Foundation to assist with private donations and recognition efforts for public safety initiatives
 - The Salisbury Police Foundation is fully functional. A refitting of the Salisbury Police Department facility gym was completed with donations and two officers were recognized by the Foundation Board for their contributions to the community
3. Seek funding options to begin construction of Fire Station 3 to improve the ISO rating and fire safety for the community
 - Achieved a Class 1 ISO rating from the North Carolina Department of Insurance

Infrastructure and Human Capital – A City that maintains infrastructure to reduce waste and promote efficiency and that cares for its employees in order to be an organization of choice:

1. Support efforts to increase salaries to recognize and value skilled employees in order to remain competitive with other municipalities and the private market. Research efforts that promote sustainable recruitment and retention for all City departments
 - Approved salary adjustments for essential employees in Fire, Police, and Public Works. These areas account for 68% of all General Fund employees
 - Began a pay study by the MAPS Group
 - Implemented a sign-on bonus and referral bonus
 - Provided a one-time bonus using ARP funds to recognize work throughout the pandemic
 - Implemented a flexible work schedule
2. Improve infrastructure to promote pedestrian and bicycle transportation
 - Adopted the Main Street Plan and completed the resurfacing project. Added bicycle lanes and set the stage for future pedestrian improvements in downtown

Economic Prosperity – A City that leverages assets for economic development to support a vibrant downtown, livable neighborhoods and a healthy, active community:

1. Seek funding options to improve aging housing stock and support efforts to provide diverse housing stock options
 - Continued the Neighborhood Revitalization Program in Pak Avenue. Completed seven substantial rehabilitations
 - Continued the Housing Stabilization Program by building and selling a home on South Jackson Street
 - Restructured the Housing Advocacy Commission to have four main focus areas: Housing Conditions, CDBG/HOME Advisory, Public Awareness and Outreach, and BlockWork

- Received a \$100,000 Lowes 100 Hometowns Grant for BlockWork on South Ellis Street
- 2. Join and promote Kiva to encourage minority led entrepreneurial efforts
 - Committed \$60,000 of CARES funds to the small business loan program
- 3. Support efforts for the redevelopment and sale of the Empire Hotel
 - Empire Task Force completed an extensive vetting process to select developer Brett Krueger
- 4. Leverage broadband infrastructure and proximity to amenities to market Salisbury as the prime location to live and work remotely
- 5. Appoint more people of color to boards and commissions to ensure they are part of the conversations regarding economic decisions
 - In an effort to reach additional audiences, information regarding boards and commissions has been shared at community events and through social media platforms
 - Staff has made concerted efforts to create diverse panels to review allocation of CDBG-CV and ARP funds
- 6. Support transit for neighboring communities and explore alternative transportation types
 - Met with representatives from East Spencer and Spencer regarding partnerships for continued service. Staff met on several occasions to discuss financial partnership
 - Projected cost of continued service determined
 - Microtransit providers (Via and Routematch by Uber) have presented to Transportation Advisory Board and staff
 - Met with the City of Wilson to discuss transition to a microtransit system
- 7. Support continued maintenance of Parks and Recreation venues for local initiatives and maximize economic development benefits of expanded tournament use of fields and facilities.
 - Public Works and Parks and Recreation successfully navigated COVID-19 protocols to provide safe facilities for tournament use from March through November 2021
 - Partnered and provided space for Zamba soccer at Community Park

Community Partnerships – A City that builds partnerships and valued fiscal responsibility and created solutions:

1. Continue commitment to racial equity and inclusion training and initiatives
 - A climate assessment related to race and equity in the Police Department was completed by WPR Consulting in May 2021, and a report was provided to City Council in July 2021. The Police Department held racial equity and “tough talk” conversation training with WPR in December 2021. Train the trainer sessions will be held for select employees in early 2022
 - Created a Diversity, Equity and Inclusion department and designated a Director
 - Conducted Diversity, Equity, Inclusion and Justice training for Directors and Department Leaders
2. Explore a Non-Discrimination Ordinance to ensure a safe space for all community members
 - Council adopted a Non-Discrimination Ordinance June 15, 2021

3. Explore a Fair Housing Ordinance that complements state and federal law to promote fair and equitable housing
 - Held a Housing Retreat for members of the Human Relations Council, Housing Advocacy Commission and Fair Housing Committee to examine housing issues and trends in the community
 - Updated and enhanced the housing resources website to include information on housing discrimination, disability rights, how to file a complaint and other resources
4. Seek options to provide eviction protection for homeowners at risk
 - Funded over \$100,000 of CARES Act funding for rent and utility assistance
 - Funded a position to offer counseling and foreclosure prevention using CARES Act funding
 - Created the Share2Care program to assist with utility bills
5. Continue to leverage existing partnerships to engage youth
 - Partnered with Police and Planning Departments for the Byrne Criminal Justice Innovation Program grant for the West End Salisbury Transformed Empowered Neighborhood Development Project to expand services to youth in the West End neighborhood
 - Continued partnerships with community groups including Bridge 4 Kids, Sister Circle, and the YMCA

Administrative Services Director Kelly Baker provided a year in review update for 2021 noting the highlights from the year:

Grant Awards:

- Received \$369,171 in CDBG-CV funds through CARES Act
- Received a \$270,000 Department of Justice grant to fund a Homeless Advocate – hired January 2021
- Received \$3.6 million in the first tranche of American Rescue Plan Act funds
- Received \$100,000 Lowes 100 Hometown grant for BlockWork
- Received \$100,000 grant from the Stanback Fund for Parks and Recreation facilities
- Received \$110,909.09 Assistance for Firefighters Grant (FEMA)
- Received an \$800,000 Byrne Criminal Justice Innovation Program grant for the West End Salisbury Transformed Empowered Neighborhood Development Project
- Received \$976,000 US Department of Transportation Surface Transportation funds for Brenner Avenue roundabout and safety improvements
- Received \$676,000 US Department of Transportation Congestion, Mitigation and Air Quality (CMAQ) funds for sidewalk and pedestrian improvements on Jake Alexander Boulevard

Public Safety

- Opened the Justin Monroe and Vic Isler Fire Station 6 and implemented new Fire Company Engine 6
- Received a Class 1 ISO rating for the Salisbury Fire Department

- Salisbury Police Department was conferred with its 10th accreditation award by the Commission for Accreditation of Law Enforcement Agencies

Infrastructure

- Approved agreement with North Carolina Department Of Transportation for the Salisbury Station Second Platform project
- Adopted the Main Street Striping Plan and Main Street Master Plan
- Renewed the City's National Pollutant Discharge Elimination System (NPDES) Stormwater permit
- Salisbury's Water Treatment Plant received the NC Area Wide Optimization Award from the NC Division of Water Resources for surpassing federal and state drinking water standards for 2020
- Completed the Crane Creek Lift Station upgrade
- Completed 75% of the \$26,838,600 Grants Creek Wastewater Treatment Improvement project
- Began development of Capital Improvement Plan (CIP) for Stormwater utility
- Completed bridge access to the Greenway at Catawba College

Sustainability

- Renewed permit for the City's Type 1 Yard Waste Compost facility through the North Carolina Department of Environmental Quality
- Hired a Sustainability Coordinator to lead sustainability program efforts
- Began installation of GeoTab telematics software to monitor vehicles to aid in reducing the City's carbon footprint

Quality of Life

- Grand Opening of Bell Tower Green Park – held first Bell Tower Green Christmas tree lighting event
- Established the Share2Care Fund to assist with utility payments
- Endorsed partnership with Operation Hope for the 1MBB initiative
- Successfully offered COVID-19 summer recreation programming and safely reopened recreation centers

Diversity, Equity and Inclusion

- Completed a Diversity, Equity, and Inclusion Assessment of Salisbury Police Department
- Transitioned the Human Relations Manager position to the Diversity, Equity and Inclusion Director to lead DEI efforts
- Adopted an Ordinance establishing a non-discrimination policy

Transportation

- Brought ADA Paratransit in-house to reduce expenses
- Obtained free TripMaker software to assist with scheduling ADA Paratransit trips, reservations and reports

Economic Development

- Updated City Code to require voluntary annexation for connection to the City water/sewer system
- Revised the Downtown Revitalization Incentive Grant Program

Other Highlights

- Revised the Historic Landmarks Program after a six month moratorium
- Went live with Munis Financials, Accounts Payable and Purchase Orders and transitioned to the Executime time-entry system in most departments
- Awarded grants under the Salisbury Paul Bruhn Grant program

Mr. Hiatt noted the Retreat will guide staff through the budget process.

COUNCIL MEETING SCHEDULE AND PROCEDURES

Council discussed its meeting schedule and Rules of Procedures. Councilmember Post asked if there was an interest in changing the starting time for Council meetings. He also asked if there was an interest in changing one of the two monthly meetings to a work session.

Mayor Pro Tem Sheffield indicated she did not support changing the time of Council meetings. She commented the 6:00 p.m. meeting time allows business owners to participate in Council meetings. She added she believes there are efficiencies Council can work toward to reduce the length of its meetings.

Mayor Alexander stated the community is growing, and she questioned how a work session would affect developers and business owners who need to get an item with a deadline before Council. She commented a 6:00 p.m. meeting time is more accommodating for business owners. Councilmember McLaughlin agreed, and he pointed out more people have an opportunity to participate if the Council meetings begin at 6:00 p.m. Councilmember Smith noted a 6:00 p.m. meeting time is better for families and those who work.

Interim City Manager Brian Hiatt stated staff can survey cities that use a work session and provide an update to Council.

FINANCIAL REVIEW

Finance Director Wade Furches provided a financial review for Council. He referred to the Fund Balance and explained how it is calculated. He noted the Fund Balance has increased from \$19.5 million in 2017 to \$22.09 million in 2021. He added the available Fund Balance as a percent of expenditures and transfers dropped from 40.48% in 2017 to 36.31% in 2021. Mr. Furches indicated this is well above the 8% required by the Local Government Commission and above the City's policy of 25%. He stated the current Fund Balance percentage of 36.31% equates to approximately \$4,714,870 million available for allocation and use.

Mr. Furches reviewed the Water and Sewer Enterprise Fund and noted the total Fund Balance is \$124.74 million with \$93.39 million net investments in capital assets leaving an unrestricted Fund Balance of \$31.35 million.

Mr. Furches indicated the Stormwater Fund has a total Fund Balance of \$2.77 million with approximately \$820,000 in capital assets leaving an unrestricted Fund Balance of \$1.95 million.

Mr. Furches noted the Transit Fund has a total Fund Balance of \$393.33 million with \$204.97 million in capital assets leaving an unrestricted Fund Balance of \$188.36 million.

Mr. Furches discussed a summary of City expenses and noted many department's operating budgets have remained flat while inflation has increased:

City-Wide Summary of Expenses

	2021	2020	2019	2018	2017
Personnel	\$ 32,073,561.68	\$ 32,847,741.03	\$ 31,151,503.32	\$ 29,423,486.67	\$ 27,356,868.52
Operations	18,007,287.12	17,954,762.23	18,567,198.53	17,698,423.75	15,785,175.68
Special Projects - GF	4,355,503.00	3,343,980.39	3,217,659.46	2,020,526.71	1,913,337.96
Capital	3,632,428.82	3,982,639.22	3,012,675.58	5,103,320.55	3,356,590.01
Debt Service	6,372,454.13	5,587,233.50	5,662,877.30	4,927,168.83	7,028,048.32
Charges to GF	3,913,450.04	3,532,026.96	3,652,026.96	3,615,090.00	3,622,590.00
GF Transfer to Other Funds	3,211,611.00	2,927,970.00	3,763,828.04	3,806,035.00	2,780,780.00
	<u>\$ 71,566,295.79</u>	<u>\$ 70,176,353.33</u>	<u>\$ 69,027,769.19</u>	<u>\$ 66,594,051.51</u>	<u>\$ 61,843,390.49</u>
% Personnel	44.82%	46.81%	45.13%	44.18%	44.24%
% Personnel by Funds					
General Fund	53.26%	55.71%	53.68%	51.29%	51.93%
Water and Sewer Fund	28.42%	28.09%	27.34%	28.97%	28.58%
Mass Transit Fund	74.06%	52.18%	50.52%	59.65%	56.48%
Stormwater Fund	24.46%	37.92%	35.23%	38.03%	41.78%

Mr. Furches reviewed employee totals by funds and noted there are 438 positions across all funds. He referred to the Local Government Retirement System and the mandatory increases that have been made. He pointed out the contribution rate for law enforcement employees is 12.04% and all other employees are at 11.41%. He noted the estimated contribution rate for Fiscal Year 2023 is \$3 million.

Mr. Furches indicated revenues from sales tax continues to be strong and the projection is Fiscal Year 2022 will be \$1.8 million over budget. He noted the City has received 80.66% of the property tax levy through December compared to 80.90% for last year. He added revenues for the Water and Sewer Fund are on track through December with expenses lower than budgeted.

Mr. Furches reviewed the American Rescue Plan (ARP) funds and noted the City will receive a total of \$7,227,329 with \$3,613,665 received this year and an additional \$3,613,664 to be allocated in Fiscal Year 2023. He noted a portion of the first tranche was spent to provide

premium pay for employees and COVID-19 vaccine incentives. He then reviewed the budget calendar and noted a balanced budget must be adopted by June 30, 2022. He indicated critical needs and project priorities determined by Council will be used to construct the budget and determine if a Fund Balance allocation will be needed.

Councilmember Post asked if the General Fund transfers were related to broadband. Mr. Furches explained the transfers were related to broadband and Transit. Mr. Post pointed out an 8% Fund Balance is equivalent to one month's operating expenses and the City currently has approximately four month's operating expenses in Fund Balance. He indicated the retirement contribution to the Local Government Retirement System does not include the City's Social Security contribution. Mr. Furches agreed, and he noted the City also contributes 4% to employees 401K account with the exception of the Police Department who receive a 5% contribution.

Mayor Pro Tem Sheffield asked about a timeline for Council to meet regarding ARP funds and budget preparation. Mr. Hiatt noted ARP funds and the possible use of Fund Balance will require a follow-up session. He added a budget presentation should take place in May, and he pointed out a public hearing and work session for the budget will be needed. He added an additional meeting may be required regarding the use of ARP funds and additional funds that are unique to this year.

HUMAN RESOURCES REVIEW

Human Resources Director Ruth Kennerly shared an update on staffing challenges in the organization. She noted the "Great Resignation" and explained it is creating a shift in the economy as a record number of people leave the workforce and the demand for labor increases. She stated the challenges employers face include issues with salaries, development, appreciation, healthy workforce, work-life balance, remote work, benefits, culture of the organization and a diverse workforce. She added Salisbury faces challenges filling vacancies, covering the work of vacant positions and compression in the pay grades. She reviewed the number of positions allocated by department and current vacancies.

Ms. Kennerly indicated there is an opportunity to analyze the trends to plan for the City to become an employer of choice.

Ms. Kennerly reviewed the timeline for the pay study being undertaken by the MAPs Group, and she noted a presentation of the recommendations should be brought to Council in mid to late April. She recommended Council implement the pay study in Fiscal Year 2022-2023, implement efforts regarding recruitment and retention, and plan for the next pay study to remain competitive.

Interim City Manager Brian Hiatt noted the fire fighters are determining their course regarding Social Security which will have a financial impact on the City. He stated pay study recommendations will be ready before the budget is finalized, and he indicated lump sums from each fund may need to be allocated to implement the pay study.

Ms. Kennerly noted the City may see another challenge regarding the number of people who retire and those who leave their job after being hired.

Councilmember Smith noted it is important to consider shifts in work culture to make them work for the City. Ms. Kennerly agreed.

Mayor Alexander asked if the City's processes can be reworked to make remote work an option. Ms. Kennerly stated during the pandemic it was noted that work can be completed remotely. Mayor Alexander asked if work hour options and remote work is being considered as a creative way to meet employee needs. Ms. Kennerly explained before the pandemic Management Team worked on a flexible work schedule policy. Mr. Hiatt pointed out there are some positions in local government where remote work is not an option.

DIVERSITY, EQUITY & INCLUSION REVIEW

Diversity, Equity and Inclusion (DEI) Director Anne Little provided an update on the DEI initiative to Council. She stated the goal is to demonstrate the City's commitment to every member of the community and embrace all races, cultures, sexual orientations, genders, religions, and physical abilities. She reviewed the timeline to date:

- November 1, 2022 – announcement regarding creation of DEI Department
- Soft climate assessments through one-on-one conversations with Management Team
- Diversity, Equity, Inclusion and Justice training for Directors and formal department leaders – 42 participants
- Departmental assistance and partnerships
- Formed alliances with Government Alliance for Racial Equity (GARE), International Association of Official Human Rights Agencies, National Association of Human Rights Workers, and North Carolina State Human Relations Commissions

Ms. Little reviewed the mission of DEI, and she noted it is important to cultivate an organizational culture that models and promotes the City's core values and reflect the principles of DEI. She noted a review of City policy is being conducted to ensure equitable access to opportunities and to ensure affected groups have a voice in the community programming processes. She indicated the goal is to integrate DEI into every activity and decision made by the City. She reviewed the priorities of the DEI department:

- Budget and staffing
- Implementation of internal priorities
- Strategic plan development
- Partnerships and Collaboration
- Communicate and celebrate

Councilmember Smith asked about the staffing needs. Ms. Little stated she is the only person in DEI, and she would like to hire a Human Relations Coordinator.

Councilmember McLaughlin asked about the budget for DEI. Ms. Little stated she has met with Finance Director Wade Furches and Administrative Director Kelly Baker to see what has been done in the past regarding Human Relations and community initiatives that will be included in DEI's budget process.

Councilmember Smith asked about DEI trainings that councilmembers could attend together. Ms. Little noted staff thought it would be beneficial for Council to go through the training that was attended by the Management Team and informal leaders but a date has not been determined. She pointed out the training process will be continuous, and she suggested the Human Relations Council (HRC) also attend the training.

COMMUNITY SAFETY REVIEW

Police Chief Jerry Stokes and Parks and Recreation Director Nick Aceves presented information regarding partnerships to improve community safety.

Chief Stokes reviewed the "Stratified" and "Hot Spot" policing initiatives and explained how Stratified Policing incorporates multiple evidence-based and practice-based strategies. He noted the Stratified and Hot Spot Policing models work with current efforts but there is a need for enhanced gang intelligence gathering capabilities to identify those involved in violence. He stated foot patrols and police visibility are well received and have positive effects but because of staffing limitations, the Police Department is often unable to provide the service.

Chief Stokes discussed mental health crisis and substance abuse reduction strategies included in Rowan Project SAFE Neighborhoods (PSN). He explained the program brings together community partners to identify the most pressing violent crime problems in a community. He noted Salisbury PSN operated from 2004 to 2011 and was reinstated in 2017 as Rowan PSN, although the County funding ended in 2020.

Chief Stokes also discussed the Salisbury Cease Fire Program and the use of street mediation strategies. He reviewed the top streets for gun crime charges with Standish Street being the site of the most crime. He referred to juvenile crime and delinquency reduction efforts that include a Teen Court, the Youth Services Bureau and Parks and Recreation Programming and Mentoring.

Chief Stokes stated when mental health or substance abuse crises arise there are few, if any, mental health responders. He noted the Police Department partners with the Health Department to address these types of crises but more assistance is needed.

Chief Stokes recommended changing the PSN model to enhance its framework and better meet the needs of Salisbury. He indicated paid staff may need to be considered for Salisbury Cease Fire. He stated the model works, but there is a need for volunteer de-escalators. Chief Stokes also noted there is a lack of effective and sufficient juvenile support and mentoring efforts. He referred to the limited programming offered by the Parks and Recreation Department and the need for additional funding and programs to reduce juvenile crime trends. He indicated there is a need to

explore the County-wide problem of co-responder availability and substance abuse detoxification treatment efforts to address crisis and substance abuse responses.

Chief Stokes suggested increased prevention programs be implemented through the Parks and Recreation Department. He noted after-school and summer camp programs provide proven benefits to youth.

Mr. Aceves reviewed Parks and Recreation programming and the affordable programs that are held in tandem with the West End Grant Programs. He noted summer camps ended in 2013-2014 and there is a need to expand current specialty camps to offer all-day care for children in grades K-5. He added the after-school programs were also stopped in 2013-2014 and were a source of social and emotional learning, academic support, school participation, safety, nutrition and physical activity.

Mr. Aceves referred to needed facility upgrades and improvements and noted the facilities can foster a sense of pride and appreciation. He added updates will expand the programmatic and community use as well as maximize facility lifespan. He also referred to special events held at Bell Tower Green and maximizing the park for the City.

Mr. Aceves reviewed programming budgets for surrounding communities and noted Salisbury is the lowest funded program:

<u>Location</u>	<u>Programming</u>	<u>Special Events</u>	<u>Total</u>
Iredell County P&R*	\$141,900	N/A	\$141,900
Davie County P&R	\$68,600	\$148,300	\$216,900
Cabarrus County P&R	\$325,000	N/A	\$325,000
Kannapolis P&R	\$353,000	\$501,000	\$854,000
Salisbury P&R**	\$12,900	\$50,700	\$63,600

Mayor Pro Tem Sheffield referenced prolific offenders, and she questioned why they continue to be a threat to the community. Chief Stokes explained prolific offenders are identified through records management system and services that can potentially intervene to break the cycle of crime are missing.

Mayor Pro Tem Sheffield noted there are no co-responders for mental health calls in the City. Chief Stokes stated Burlington and Alamance County have mental health service providers that respond to a mental health crisis. He pointed out the City has service providers, but they do not respond with police officers. He added the hope is that a person experiencing a mental health crisis will not end up in jail, and the potential for use of police force could be reduced by a mental health professional. He pointed out police officers receive training to deal with a mental health crisis, but they are not social workers and if the person becomes violent public safety must be considered.

Mayor Alexander asked how mental health service provider positions in other counties are funded. Chief Stokes indicated the positions are funded through a cooperative agreement between the mental health services provider and the county, and he questioned if a local service provider

could be found. Mayor Alexander stated in conversations with other communities she has heard service providers are uncomfortable with the physical risk of the situation. Interim City Manager Brian Hiatt stated the challenge is state-wide and many times law enforcement officers are the only ones to respond.

Councilmember Post asked if Mr. Aceves has a list of programming needs and how much the initiatives would cost. Mr. Aceves noted there is a need for a full-day summer camp that would require temporary positions. He explained to provide transportation for 26 kids and hire 4 staff members to work summer camp the cost is approximately \$34,000.

Mr. Aceves noted an after school camp is also important and it can be difficult to find part-time staff. He added if the programs are created the hope is summer camp counselors could become after school counselors which could provide steady employment for college students or retirees. He stated the goal is to make the program generational. He explained if a child is in the after school or summer camp program the goal is for them to transition to the Miller Teen Center through their senior year of high school. He pointed out trade school classes could be offered once a student reaches the age of 18.

Councilmember Smith asked if PSN is active. Chief Stokes agreed, and he pointed out the pandemic has impacted the program. Chief Stokes explained to be in the PSN program a person must be on probation and it would be better to reach the person before they are placed on probation.

Councilmember Smith asked how many active de-escalators are associated with Cease Fire. Chief Stokes stated Mr. Gamale Black is the only de-escalator. Mr. Smith asked how long has the program been in existence. Chief Stokes stated the program began as Summer Cease Fire in 2020 and was reinstated last summer as Salisbury Cease Fire.

Councilmember McLaughlin noted he has spoken to people who indicated having a safe zone where kids can go for mental help, information, opportunities to talk to someone and for after school activities could mitigate crime. Councilmember Post pointed out the issues are not going away and combined thinking between the Police and Parks and Recreation Departments is the way to go.

Council thanked Chief Stokes and Mr. Aceves for their joint presentation.

Facilitator Warren Miller noted Council is starting to build its priorities through the discussions that have taken place. He noted Friday morning sessions will focus on growth-related issues and staff recommendations. He added Council will complete an exercise to provide staff with capital project priorities and set the agenda for the coming year.

RECESS

Thereupon, Mayor Pro Tem Sheffield made a **motion** to recess until Friday, January 28, 2022 at 9:00 a.m. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0) The meeting recessed at 7:27 p.m.

RECONVENE – FRIDAY, JANUARY 28, 2022

Mayor Alexander called the meeting to order at 9:00 a.m. on Friday, January, 28, 2022.

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

REVIEW AND CHECK-IN

Facilitator Warren Miller asked Council to reflect on the takeaways from topics discussed the previous day. He noted Council is constructing its priorities for 2022 and today's session will focus on the different aspects of community growth and how it will affect Council's priorities.

Mayor Pro Tem Sheffield stated she enjoyed the year in review and goals update which reminded her of the projects that had taken place. She added the City will face challenges and it is important to acknowledge them. She pointed out staff is doing all it can to address the issues which gives her confidence as the budget season approaches.

Mayor Alexander noted the information presented will help Council determine its priorities. She added capital improvements are important, but it is also important to invest in staff and resources.

Councilmember McLaughlin pointed out he enjoyed the staff presentations, and he appreciates staff's insight. He questioned what can be done to keep current employees and fill vacant positions. He added he likes seeing the departments work together.

Councilmember Smith indicated he sensed openness among the departments, even in the middle of a pandemic. He added he saw creativity around the issues the City is facing, and he added it is an opportunity to adapt and be creative.

Councilmember Post commented he is impressed with how well staff works together and the quality of people that work for the City.

IMPACT OF GROWTH

Planning Director Hannah Jacobson addressed Council regarding Forward 2040: Salisbury's Framework for Growth. She reviewed single-family home construction, and she noted over 1,600 units are at varying stages in the development review process and over 800 additional units have been discussed in pre-application meetings. She added it is a departure from the slow and steady growth of the last 20 years.

Ms. Jacobson noted the City must plan for future growth and a comprehensive plan can help. She reviewed potential projects through 2040, and she explained a comprehensive plan creates an opportunity to anticipate how the growth will affect housing, employment, transportation, and quality of life. She stated the City must consider how it can provide public services sustainably, efficiently, and equitably in the future.

Ms. Jacobson explained a comprehensive plan helps determine a community's long term goals, and she reviewed the Forward 2040 Comprehensive Plan building blocks:

- 2020 Data Book
 - Documents historical data and existing conditions
- Forces, Trends, and Impact Report
 - Looks at global forces that could shape and influence local trends
- 10 Vision Statements
 - Resilient, Diverse Economy
 - Thriving, Livable Neighborhoods
 - Equitable and Inclusive Community
 - Sustainable, Clean Natural Environment
 - Unique Dynamic Downtown
 - Context-Based Urban Design
 - Local and Regional Partnerships
 - Vibrant Community Atmosphere
 - Healthy and Active Community
 - Responsibly Managed Growth
- Policy Framework
- Growth Strategies Map
- Future Land Use Map

Ms. Jacobson explained comprehensive plans are composed of two parts: policy framework and a mapping component. She noted the first step in the mapping component is to create a Growth Strategies Map that will provide a vision for where and how to promote growth. She commented the Growth Strategies Map would consider future growth areas, priority corridors and nodes for redevelopment, development tiers, and future transportation investments.

Ms. Jacobson reviewed a map of future growth areas, and she pointed out Council approved amendments to Chapter 25 of the City Code which requires voluntary annexation for water and sewer connections. She added the next step is to determine where the code applies. She indicated annexation agreements are needed with neighboring jurisdictions including Spencer, East Spencer, Granite Quarry, and China Grove to determine boundaries.

City Engineer Wendy Brindle and Public Works Director Craig Powers provided a Uniform Construction Standards update. Ms. Brindle explained the Uniform Construction Standards are the standards for construction of infrastructure including water, sanitary sewer, storm drainage, roads, Fat Oils and Grease (FOG) program, back flow and tree planting. She added the Engineering Department is responsible for the Uniform Construction Plan for developments and it must rely on the standards to be consistent and to make sure the City has

quality infrastructure. She pointed out the City is seeing an increase in subdivision construction and an update is needed.

Mr. Powers noted Council recently addressed Roadway and Erosion Control Standards. He added other cities have Water Quality and Development Standards that require the impact on infrastructure be considered for new development.

Ms. Brindle noted individual standards have been updated, but a complete update is needed. She added staff reached out to the consultant who completed the City of Kannapolis' Uniform Construction Standards in 2019, and the estimated cost is \$100,000 which could be allocated between the General Fund, Salisbury-Rowan Utilities (SRU), and the Stormwater Fund.

Councilmember Smith asked if \$100,000 would be for consultation fees. Ms. Brindle explained the consultant would provide an updated Uniform Construction Standards. Mr. Powers pointed out the need has existed, but funding has never been available. He explained increased development and outdated standards creates problems for staff and delays for developers.

Councilmember McLaughlin asked how long the process will take. Ms. Brindle indicated the process would take approximately one year.

Mayor Alexander asked if American Rescue Plan (ARP) funds or grants could be used for the update. Mr. Behmer noted staff could look into grant requirements. Councilmember Smith asked if there is an opportunity to receive funding from the County. Ms. Brindle stated the Uniform Construction Standards are for inside the City limits and she does not know if there will be funding opportunities from the County. Interim City Manager Brian Hiatt pointed out if urban growth takes place outside of the City limits it could create a need for services the County does not offer.

Mayor Pro Tem Sheffield asked about a timeline for the update. Ms. Brindle stated the process should take six months to one year. She noted once the proposal is funded staff will submit a request for information and select a consultant.

Mr. Powers noted the City will have the opportunity to compare its standards with surrounding municipalities to make sure it has the best product in place. Mr. Behmer agreed.

Mayor Alexander asked if the public is protected during the process. Ms. Brindle agreed, and she explained public safety is the reason staff came before Council with the Residential Street Cross Section. Mr. Behmer noted the City is self-permitted for water and sewer projects that do not involve pump or lift stations and to receive the designation the City must meet or exceed minimum state standards.

Mr. Behmer addressed Council regarding the impact of growth on SRU system capacity, and he noted SRU currently serves over 52,000 customers. He added approximately 4,000 residential properties are proposed in the SRU service area and there is interest in warehouse and distribution facilities near I-85. He indicated new development should pay for the infrastructure costs of their water and waste water system demands.

Mr. Behmer pointed out SRU water treatment is currently at 35% capacity on an average day and at 47% capacity on a peak day. He added SRU waste water treatment facilities are near 75% capacity. He noted the state has an 80% rule that additional treatment plant capacity should be designed, permitted, and constructed when capacity reaches 80% and expansion should begin if 90% capacity is reached.

Mr. Behmer stated on July 1, 2018, the General Assembly passed G.S. 162A Article 8 authorizing local governments to charge system development fees for water and wastewater service under specific conditions using an approved method. He added SRU partnered with Freese and Nichols to evaluate system development fees.

Freese and Nichols Account Director Charles Archer explained system development fees help a utility pay for capital improvements that are directly related to growth and development, making sure new development pays for its impact to the system. He noted projected growth of the utility system must be considered. He pointed out the waste water system is nearing capacity and expansions will be needed to accommodate projected future growth. He stated if Council adopts system development fees, state legislation requires the fees be updated every five years. Mr. Behmer commented neighboring cities including Lexington and Concord have adopted system development fees. Councilmember Post noted system development fees would reduce pressure on taxpayers and customers. Mr. Behmer agreed, and he pointed out it will help moderate rates.

Mayor Alexander thanked Mr. Archer, Ms. Brindle, Mr. Powers, and Mr. Behmer for their presentation.

STORMWATER CAPITAL IMPROVEMENT PLAN

Public Works Director Craig Powers and Assistant Director Chris Tester addressed Council regarding the Stormwater Capital Improvement Plan (CIP). Mr. Powers introduced HDR Inc. Water Resources Management Team Lead Patrick Blanford and Financial Analysis Grady Reed. Mr. Blanford noted a Stormwater Utility Financial Plan was developed as part of the master planning process. He noted the utility has a healthy Fund Balance with approximately 12 months of revenue available. He indicated there is no debt associated with the Stormwater Utility, and it will have the capacity to issue debt if needed to fund future capital programs.

Mr. Blanford noted financial plan development was based on Stormwater accounts and the FY2021-2022 budget was used as the starting point for modeling and annual expenses. He added the total expenses were \$2,050,455, with operation and maintenance expenses of \$1,346,476, minor capital \$159,778, cash funded projects \$150,000 and operational transfer of \$394,223. He noted the plan includes a 2% annual total expense rate increase and it assumes projects identified in the master plan will be constructed in 10 years. He explained:

- Capital costs are inflated at 3% per year
- Planning and design costs are generally assumed to be cash funded
- Construction costs are generally assumed to be debt funded

- Financial planning tool created can:
 - Vary growth rates by customer class
 - Vary inflation factors for future operational and maintenance expenses
 - Create different scenarios for capital improvements
 - Create different rate options based on financial performance metrics
- Most changes can be made in real time

Mr. Reed reviewed the Stormwater CIP budget and the rate structure. He also compared the City's Stormwater rate to surrounding communities, and he pointed out the City's residential Stormwater fee of \$4.16 is lower than the median fee in the watershed and the region.

Mr. Reed pointed out funding the CIP over a 10-year period will require rate increases to cover the added expense. He indicated if the CIP is constructed over a longer timeframe the rate increase would be less, but the overall project cost would increase. He reviewed future rate increases with a 15-year and 20-year CIP. He noted cost saving considerations and areas for staff and equipment acquisition:

- \$380,000 to \$450,000 in drainage study costs (years 1 thru 7 escalated)
 - Least complex and more straightforward CIP projects
 - Internal staffing by professional engineer
 - May need a City Project Manager for managing CIP list
- \$340,000 to \$405,000 in closed-caption television inspection costs (years 1 thru 7 escalated)
 - Internal staffing by technician(s)
 - Acquisition and ownership of closed-caption television inspection truck
- Not be as aggressive in the CIP and extend these projects over a 15 to 20 year timespan

Council thanked Mr. Blanford, Mr. Reed, Mr. Powers, and Mr. Tester for their presentation.

AFFORDABLE/FAIR HOUSING

Planning Director Hannah Jacobson noted the housing goals for the City are to have housing that is affordable, in good condition, and free from discrimination. She noted housing is considered affordable if it consumes less than 30% of a household income.

Ms. Jacobson reviewed the long-term housing inventory, and she pointed out the City currently has approximately 1,700 units, 150 units under construction, and 310 prospective units. She noted maintaining quality housing in the City has been a struggle. She stated in 2016 a survey was conducted that found 45% of properties were in good condition, 40% were deemed average, and 16% had moderate to significant signs of stress. She pointed out a portion of Community Development Block (CDBG) Grant and HOME Program funds are used for owner-occupied housing rehabilitation programs, and in 2018 Council created the Neighborhood Revitalization Program that focused on particular neighborhoods.

Ms. Jacobson explained the Code Enforcement Division enforces minimum housing and nuisance codes in the City. She noted the City completed an Analysis of Impediments to Fair Housing Choice in 2019, and it has an obligation to promote fair housing. She indicated staff is planning to apply for a Housing and Urban Development (HUD) Fair Housing Education and Outreach Initiative Grant that offers \$100,000 to \$500,000 to develop, implement, carry out, and coordinate education and outreach programs. She noted staff will also begin development of the 2024 Analysis of Impediments to Fair Housing in July 2023.

Ms. Jacobson noted housing challenges will increase and new issues will emerge as the City grows. She stated staff recommends a consultant-led and staff-supported Comprehensive Housing Strategy that evaluates current programs and recommends initiatives and funding sources to address affordability, condition, and equal access to housing.

Mayor Pro Tem Sheffield asked about the impact of poverty on fair housing. Ms. Jacobson explained if the price of the home and the family income do not align people are housing cost burdened. She pointed out there is an overlay between people who suffer from poverty and people who suffer from housing discrimination.

Councilmember Smith asked if there is a strategy to balance growth and affordable housing. Ms. Jacobson stated she is not aware of a strategy. Mayor Alexander suggested focusing on bigger coalitions around the school systems, a workforce development commission that includes educational opportunities and certification opportunities through local colleges and the Rowan-Salisbury School System (RSSS). She pointed out construction costs continue to increase and workforce development opportunities are needed. Mr. Smith stated a balance between economic growth and affordable housing is needed. Interim City Manager Brian Hiatt stated opportunities come with growth. He suggested having discussions with private developers to encourage including affordable units within proposed developments by using federal or local incentive funds or tax credits. Ms. Jacobson pointed out a consultant would know more about what has been done in other communities and can advise staff on its options.

Mayor Alexander asked about an Ordinance that would allow staff to establish a process to gain control of a property when the property owner refuses to meet the City's minimum housing standards. Ms. Jacobson explained the Ordinance is known as the receivership ordinance and was allowed by the General Assembly in 2018. She stated Council would have to adopt an Ordinance and staff would set up the process for implementation. She noted Greensboro is the first municipality to set up a program and staff is learning from them.

Mayor Alexander thanked Ms. Jacobson for her presentation.

TRANSPORTATION PROJECTS AND TRANSIT ALTERNATIVES

Transit Director Rodney Harrison explained microtransit is an on-demand ride share service that provides flexible and customizable service to riders anywhere within the service limits. He introduced City of Wilson Chief Planning and Development Officer Roger Lentz who provided

an update on Wilson's on-demand microtransit service RIDE which has been operational for 17 months.

Mr. Lentz noted the City of Wilson replaced all of its fixed routes with microtransit, and he explained how software is used to connect the rider and vehicles. He stated fixed routes have limited coverage and offer less flexibility. He pointed out microtransit routes can complement fixed-routes, are tech-enabled, convenient, cost effective, and flexible. He added there are two partnership modes: software-as-a-service and transportation-as-a-service. He commented the City of Wilson uses transportation-as-a-service which provides vehicles and drivers.

Mr. Lentz stated RIDE was launched in September 2020 and the system considers the entire population. He noted the service does not take cash, but offers vouchers which are similar to a bus pass. He stated the goal is to offer a 15-minute pickup time.

Mr. Lentz pointed out in the first year RIDE completed over 100,000 trips with 2,600 unique riders and ridership increased by 25% over the first half of 2021. He stated the cost per ride is approximately \$11 and the state averages nearly \$23 a trip. He added expanded service hours has supported ridership growth. He indicated 35% of passengers take five or more rides a month and 80% of riders book their trip using the app. He added the service is fully compliant with Federal Transportation Administration (FTA) rules, offers handicap accessible vehicles and uses public transit dollars.

Councilmember Smith asked about consumer cost. Mr. Lentz explained the City of Wilson offers a flat fare and the distance of the trip does not matter. He pointed out there is flexibility regarding the fare structure. Mr. Harrison explained if a trip costs \$20 the rider may pay \$2 and grant or local funding would cover the rest. Mr. Lentz agreed.

Councilmember McLaughlin asked about the average riders per vehicle. Mr. Lentz noted the vehicles are six-passenger minivans, but the capacity is limited to four due to COVID-19 restrictions. He stated every ride can be a shared-ride, but the majority are not.

Councilmember Post asked how many buses the City of Wilson was running prior to its transition. Mr. Lentz noted five buses ran during the week and three fixed routes ran on the weekend with one hour loops. He added the transition to microtransit created an increase in ridership and microtransit helps address transportation issues for the unemployed. He noted the City of Wilson has 5,000 registered riders. He added 4,000 riders have taken at least one trip, and in a typical month 1,600 riders use the service for five to six trips.

Council thanked Mr. Lentz for his presentation.

Mr. Harrison reviewed microtransit partnership models:

- Software-as-a-service (SaaS)
 - Uses third-party software to offer on-demand service
 - The City would operate the service with its operators and vehicles
- Transportation-as-a-Service (TaaS)

- A third-party turnkey solution that includes technology, operators, vehicles, and operation management

Mr. Harrison suggested Council consider a pilot project that would replace Route 1, which has the lowest ridership, with microtransit. He recommended the pilot project be conducted in-house which would allow staff to capture data, monitor expenses, and make changes.

Mr. Harrison pointed out funding the pilot project and its impact on grant funding must be considered. He stated the City receives 5307 grant funding which is eligible for the project. He indicated system characteristics such as fare structure, service zones, service hours and trip time must also be considered. He added microtransit could enhance night and weekend service, and offer transportation to employment destinations. He stated the availability of drivers could be a concern, and the City would have to market and brand the campaign.

Councilmember Post stated he liked the City of Wilson's approach and he does not think a hybrid system would be well received in the City.

Mayor Alexander asked why Route 1 was chosen for the pilot project. Mr. Harrison noted Route 1 has the lowest ridership and it serves Rowan-Cabarrus Community College (RCCC), the Kohl's shopping center, Livingstone Culinary School, the Salisbury Customer Service Center among other areas.

Mayor Pro Tem Sheffield asked about a timeline for the pilot project. Mr. Harrison noted he spoke with a vendor who recommend a minimum of one-year for the pilot project. He indicated if the pilot project is conducted in-house the City will have the resources if the project is unsuccessful. He pointed out if the project is successful phase 2 could be implemented in-house or with a third party. Mayor Pro Tem Sheffield stated she is excited about the proposal.

Mayor Alexander asked about funding for the proposed pilot program. Mr. Harrison stated mileage is the main variable for grant funding, and it is difficult to determine how many miles will be generated by a microtransit system.

Councilmember McLaughlin stated it would be great to extend the pilot project to RCCC and employment destinations with different shift hours. He added people are looking for employment and lack of transportation is a hindrance.

Mayor Alexander thanked Mr. Harrison for his presentation.

Ms. Brindle addressed Council regarding the Transportation Improvement Programs (TIP), and she noted the City is a member of the Cabarrus-Rowan Metropolitan Planning Organization (MPO) which helps the City acquire the majority of its transportation funding. She explained TIP projects are divided into tiers that go through a scoring process every two years. She noted projects are submitted through the MPO and are scored by the MPO and the state. She stated TIP is a 10-year document and the first six years are delivery mode and the last four year are development mode. She explained TIP has been halted and is not expected to resume until the summer of 2024

when new projects would be submitted for scoring and consideration, and she added the new projects would not receive funding until 2026.

Ms. Brindle reviewed current projects, their estimated cost, and the City match. She then reviewed North Carolina Department of Transportation (NCDOT) projects. She explained the projects range from sidewalks to greenway to traffic signal improvements.

Ms. Brindle then reviewed City projects whose only source of funding is Community Development Block Grant (CDBG). She added the projects are designed in-house and staff is preparing to start the bidding process for stamped crosswalks along Innes Street and near the Fred Evans Pool on Long Street. She added in March staff will address signal timing along the City's major corridors with a focus on Innes and Main Streets and Jake Alexander Boulevard. She noted the Ryan Street Sidewalk from Celebration Drive to Old Concord Road is ready to bid. She added there are sidewalk pay-in-lieu funds to help with the Ryan Street project and sidewalks on Lash Drive.

Ms. Brindle noted potential projects: Salisbury Depot Multi-Model Center, Bendix Drive Extension to Old Concord Road, Greenway/sidewalks, and various safety projects. She stated the City has an opportunity to apply for a Congestion Mitigation and Air Quality (CMAQ) grant at the state level for the second platform at the Depot. She added the project will come before Council in March for a Resolution of Support. She added staff is always looking for grants for the Greenway sidewalk and it works with NCDOT on various safety projects. She stated staff has developed a draft traffic calming policy that will come before Council for its consideration.

Mayor Alexander thanked Ms. Brindle for her presentation.

DOWNTOWN DEVELOPMENT

Downtown Development Director Sada Troutman noted managed growth is important to the City's future, and she pointed out increased development can lead to downtown parking concerns. She referenced the 2019 parking study which concluded there could be a parking shortage in the next decade if additional downtown parking is not found. She added the study also found a perceived parking shortage that could be mediated with improved awareness of parking availability. She explained since the study took place the Main Street restriping was completed which increased downtown parking spaces. She stated the conceptual Main Street plan will bring awareness to parking lots that may not be visible from Main Street.

Ms. Troutman noted parking enforcement was reinstated and parking fines increased, as recommend in the parking study. She reviewed existing downtown parking:

- Total parking spaces – 3,509
- Private/paid parking spaces – 1,993, 57%
- Public parking spaces – 1,516, 43%
- Parking lots – 783 public parking spaces 28% of off-street parking supply
 - 2,776 total off street parking spaces

- Street parking – 733 public parking space 21% of total parking supply

Ms. Troutman reviewed a downtown development map, and she pointed out development clusters and their proximity to parking. She stated staff is aware of 31 downtown development projects and 22 of those are in the planning process. She added approximately 93 residential units will be added to downtown in the next four years along with an increase in retail units, restaurant/bar units, office units, and short-term rental units.

Ms. Troutman referenced a parking deck and added consideration should be given as to whether the City needs a parking deck, where would it go, and what would it look like in a historic downtown.

Ms. Troutman noted it is important to be proactive because the City will eventually run out of downtown parking spaces. She added there are several funding options to explore, and she stated staff recommends:

- Considering a parking deck as an opportunity for economic development and managed growth
- Engaging cities and consultants who have studied and implemented parking decks with various funding models
- Begin exploring the feasibility of those models in the downtown

Mayor Pro Tem Sheffield pointed out North Main Street near the court house is a parking hot spot.

Councilmember Smith noted if the social district is approved it will make downtown more pedestrian and bicycle friendly.

Councilmember Post pointed out most of the retail and growth is going to be south of Innes Street near the Empire Hotel, and Main Street north of Innes Street is becoming office space that serves the courthouse. He commented the cost of a parking deck comes from blending it in with the community. He suggested considering South of Innes Street for a parking deck.

CAPITAL PROJECT PRIORITIZATION

Facilitator Warren Miller asked each Councilmember to develop a list from their capital projects priority list of projects that are important to them and can be achieved with approximately \$6 million. Mr. Miller reviewed the projects voted on by Council.

Mayor Pro Tem Sheffield pointed out Council sees the importance of Parks and Recreation and its value to the community. She added Council also recognizes the value in downtown and neighborhood stabilization. Mayor Alexander pointed out the fire station is very important.

Councilmember Smith noted growth and the anticipation of growth means the City will need to offer services at a great capacity. He indicated housing stabilization is very important, particularly around the Kesler Mill which has development potential.

Councilmember McLaughlin stated when citizens call the Police Department or the Fire Department they expect a reasonable response time from properly trained police and fire personnel. He added when citizens turn on their faucet they expect the water to flow. He noted there is an opportunity to meet the needs of kids through after school programs. He pointed out when residents go to City parks they need a place to use the bathroom.

Mayor Alexander stated public safety is one of Council's top responsibilities and she put \$3 million worth of her voting dots on Fire Station 3. She added after school programs such as the Miller Teen Center, City Park, and Hall Gym serve at-risk youth and help to reduce violence. She stated she also used her vote for the Empire Hotel incentives and neighborhood and housing stabilization.

Mayor Pro Tem Sheffield indicated all the projects are important. She stated the Skate Park was her first choice and then the refueling center. She commented the fueling center would have long-term benefits that would keep employees working and the City moving during weather events. She commented purchasing the Kesler Mill was very important and the City is cleaning it up so it can be developed. She indicated she picked the street scape design which is already begun, and she suggested going to the next phase while the funds are available. She stated she supported the Empire Hotel redevelopment, bathrooms at the park facilities, afterschool programs, the teen center the electric vehicle charging station and Fire Station 3.

Mayor Alexander questioned if the fueling center would be the best use of resources if the City transitions to biofuel and other resources. Mayor Pro Tem Sheffield stated if the fueling center is built it can evolve.

Councilmember Post noted 21 dots are on Parks and Recreation and except for the Fred Evans Pool the requests are for approximately \$1 million and the majority are one-time expenses. He added the City has to find a way to approach capital projects because Salisbury-Rowan Utilities (SRU), Stormwater, and the Fire Department have to be protected.

Interim City Manager Brian Hiatt stated \$6 million was an arbitrary figure and the one-time capital funds create a unique opportunity. He noted Council has given staff a general direction, and he explained if funds are allocated for Fire Station 3 additional funding will be needed.

Mayor Alexander asked if American Rescue Plan (ARP) funds could be considered. City Attorney Graham Corriher explained the final ruling relaxed the requirements and funding below \$10 million could be considered lost revenue. He stated the City received less than \$10 million so the entire allocation could constitute lost revenue and be used for any governmental service. He noted the money cannot be used for debt services, but it could be used to supplant money that would be spent on police, fire, and general governmental services, and then the supplanted money can be used for debt service.

Mayor Alexander pointed out there could be \$1.8 million in extra sales tax and last year the extra in sales tax was used to close the budget gap. Mr. Hiatt explained extra sales tax funds would flow into the Fund Balance and could be reallocated. He suggested using any extra funds for capital projects because it is one-time funding. Mayor Alexander noted there will be a 13% match for the retirement system. Mr. Hiatt agreed, and he pointed out there could be an increase in social security expense for the fire fighters and an increase from the pay study. He added funds should be set aside to cover ongoing operational expenses. He stated the discussions will help as staff moves forward with the budget.

SESSION WRAP UP

Facilitator Warren Miller reviewed the priorities Council discussed during its Retreat. He noted the topics included:

- Community safety
- Operational ideas
- Diversity Equity and Inclusion
- Human Resources
- Planning for growth
- Stormwater
- Affordable/fair housing
- Transportation/Transit
- Downtown Development.

Mr. Miller asked Council for its reflections regarding the Retreat.

Councilmember Post commented it was great to see various departments collaborating during staff presentations. He thanked everyone who worked to make the Retreat a success.

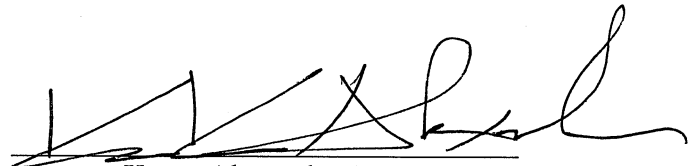
Councilmember Smith noted the City has adapted during the pandemic and worked to handle the challenges it face.

Mayor Pro Tem Sheffield stated she appreciates the resiliency of those who serve the City and there are great partnerships across City departments. She indicated the gap between Council and the public has decreased due to community partnerships. She explained preparing a budget will always be difficult, but she is optimistic.

Mayor Alexander noted the City has great leadership from Council, Interim City Manager Brian Hiatt, and staff and is on a good path forward. She thanked staff for all it did for all it did to make the Retreat a success. She also thanked Facilitator Warren Miller for his collaborative work during the Retreat with Council and staff.

Thereupon, Councilmember Post made a **motion** to adjourn. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Sheffield voted AYE, Councilmember McLaughlin voted AYE, Councilmember Post voted AYE, and Councilmember Smith voted AYE. (5-0)

The meeting was adjourned at 4:30 p.m.


Karen Alexander, Mayor
Kelly Baker, City Clerk