

Salisbury, North Carolina
June 15, 2004

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.; Councilmen William (Bill) Burgin; William (Pete) Kennedy; Mark N. Lewis; City Manager, David W. Tremé; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

ABSENT: None.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Councilman Kennedy.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz recognized all visitors present.

ADDITIONS/DELETIONS TO THE AGENDA

Mayor Kluttz noted the following change to the Agenda:

Delete item 18 – Council to receive a presentation from Rowan Regional Medical Center concerning the Emergency Department and Patient Tower.

RECOGNIZE KATHRYN CLIFTON - CERTIFIED GIS PROFESSIONAL

Mayor Kluttz recognized Ms. Kathryn Clifton who was named a Certified Geographic Information Systems (GIS) Professional by the GIS Certification Institute. Mayor Kluttz noted there are only two hundred eighty four (284) Certified GIS Professionals in the country and only thirty (30) in the State of North Carolina. Mayor Kluttz presented Ms. Clifton with a Certified GIS Professional Certificate and congratulated her for her accomplishment.

RECOGNIZE MARCH OF DIMES COMMITTEE

Mayor Kluttz announced that the March of Dimes Committee for the City of Salisbury raised \$4,231.50, placing third for money raised throughout Rowan County. The members of the committee were: Robin Youngblood, Chairperson, Niki Castor, Shirley Hoosier, Aggie Penninger, Judy Jordan, Tammy File, Jerry Green, Brenda Maxwell, and Melissa Drye. Mayor Kluttz presented Ms. Youngblood with a plaque on behalf of the March of Dimes.

CONSENT AGENDA

(a) Minutes

Approve Minutes of the regular meeting of June 1, 2004, the recessed meeting of June 4, 2004, and the recessed meeting of June 9, 2004.

(b) Group Development Site Plans

Approve the following group development site plans:

- G-07-89 - Godley's Garden Center & Nursery
- G-07-04 - Firehouse Urban Lofts
- G-13-03 - H.D. Isenberg Elementary School
- G-02-97 - Alexander Place Apartments Phase II
- G-03-86 - Food Lion Store #435 Salisbury Marketplace
- G-12-00 - Pinnacle Office Park Phase II

(c) Budget Ordinance Amendment - Parks and Recreation Department

Adopt a budget ordinance amendment to the FY2003-2004 budget in the amount of \$63,000 to appropriate grant funds and donations received for the Parks and Recreation Department.

AN ORDINANCE AMENDING THE 2003-2004 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE RECREATION GRANT AND DONATION.

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 49, and is known as Ordinance No. 2004-37.)

Councilman Burgin asked to be excused from Group Development Site Plan G-13-03 H.D. Isenberg Elementary School due to a conflict of interest.

Thereupon, Mr. Woodson made a **motion** to excuse Councilman Burgin. Mr. Lewis seconded the motion. Messrs. Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (4-0)

Thereupon, Mr. Woodson made a **motion** to approve the Consent Agenda with the exception of Isenberg School. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

GROUP DEVELOPMENT SITE PLAN - G-13-03 H.D. ISENBURG ELEMENTARY SCHOOL

Thereupon, Mr. Woodson made a **motion** to approve G-13-03. Mr. Kennedy seconded the motion. Messrs. Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (4-0)

GROUP DEVELOPMENT SITE PLAN - G-08-04 - HENDRIX BBQ

Mr. David Phillips, Zoning Administrator, displayed several maps and aerial views of property located at 2488 Statesville Boulevard. He noted that the site plan creates thirty-two (32) new parking spaces for Hendrix Barbecue with access onto Ashbrook Road. Mr. Phillips told Council that the staff technical review committee approved the site plan with the recommendation that the pavement width between the two (2) rows of parking be reduced from forty-four feet (44') to twenty-four feet (24'). The Planning Board approved the site plan but changed the required parking aisle width to thirty feet (30') by a vote of 6-2.

Councilman Lewis asked Mr. Phillips if there will be a traffic signal at the newly aligned Majolica Road. Mr. Phillips responded that there will be a traffic signal and noted that the Statesville Boulevard entrance will be a right in, right out only entrance.

Councilman Lewis asked about the distance from the intersection to the proposed entrance on Ashbrook Road. Mr. Phillips replied that it is approximately sixty (60) to seventy (70) feet.

Mr. Lewis commented that weighing the safety issues of traffic conflict with the desires of the neighborhood is the issue at hand and if there was no neighbor opposition it would be an easier decision.

Mayor Kluttz stated that Council has been a strong supporter of neighborhoods but looking at this from a planning and safety standpoint the safety issue would need to come first.

Councilman Burgin pointed out that the access is only seventy feet (70') from the intersection and there is the potential for several cars leaving at one time which could create a traffic problem. He added that he could support an in only access but could not support the plan as it is being presented. Mr. Burgin stated that the Westcliffe neighborhood does not have sidewalks and children play in the streets, adding that the additional traffic will be a burden the neighborhood is not designed to take.

Mr. Lewis stated that if the traffic exits only onto Highway 70 it could create traffic conflict during the peak hours of lunch and dinner. It was pointed out that when a car leaves the restaurant and turns right onto Highway 70 the car will be able to make a u-turn at the traffic signal at Majolica Road to drive back into Salisbury.

Mayor Kluttz asked if Council would like to delay this item until the next Council meeting and ask staff to evaluate the proposal. She appointed Councilmen Lewis and Burgin to serve as a Council Committee to work with staff on the proposal. Councilman Kennedy asked the Committee to consider a temporary solution to determine how the proposal will work.

ANNEXATION - AREA 1 - ROLLING HILLS GOLF COURSE; AREA 2 - AIRPORT/AIRPORT ROAD AREA; AND AREA 3 - HIGHWAY 29 SOUTH

Mr. Bill Duston, Planning Director with Centralina Council of Governments (COG) reviewed amended annexation reports with Council. The effective date of annexation is June 30, 2005.

AREA 1

The amended Annexation Report for Area 1, known as Rolling Hills Golf Course, including the qualifications for annexation and the estimated revenues and cost to provide services, was reviewed with Council. (THE AMENDED ANNEXATION REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

Thereupon, Mr. Woodson made a **motion** to approve the amended report as read. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Thereupon, Mr. Woodson made a **motion** to adopt the Ordinance for annexation of Area 1. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SALISBURY, UNDER THE AUTHORITY GRANTED BY CHAPTER 160A, ARTICLE 4A, PART 3 OF THE GENERAL STATUTES OF NORTH CAROLINA.

(The above ordinance is recorded in full in Ordinance Book No. 20, at Page Nos. 50-67, and is known as Ordinance No. 2004-38.)

AREA 2

The amended Annexation Report for Area 2, known as Airport/Airport Road, including the qualifications for annexation and the estimated revenues and cost to provide services, was reviewed with Council. (THE AMENDED ANNEXATION REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

Thereupon, Mr. Woodson made a **motion** to approve the revised report on Area 2. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

Thereupon, Mr. Woodson made a **motion** to adopt the Ordinance for annexation of Area 2 with the effective date of June 30, 2005. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SALISBURY, UNDER THE AUTHORITY GRANTED BY CHAPTER 160A, ARTICLE 4A, PART 3 OF THE GENERAL STATUTES OF NORTH CAROLINA.

(The above ordinance is recorded in full in Ordinance Book No. 20, at Page Nos. 68-90, and is known as Ordinance No. 2004-39.)

AREA 3

The amended Annexation Report for Area 3, known as Highway 29 South, including the qualifications for annexation and the estimated revenues and cost to provide services, was reviewed with Council. (THE AMENDED ANNEXATION REPORT IS HEREIN INCORPORATED AND MADE A PART OF THESE MINUTES.)

Thereupon, Mr. Woodson made a **motion** to approve the revised report for Area 3. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

Thereupon, Mr. Woodson made a **motion** to adopt the Ordinance for the annexation of Area 3 effective June 30, 2005. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SALISBURY, UNDER THE AUTHORITY GRANTED BY CHAPTER 160A, ARTICLE 4A, PART 3 OF THE GENERAL STATUTES OF NORTH CAROLINA.

(The above ordinance is recorded in full in Ordinance Book No. 20, at Page Nos. 91-109, and is known as Ordinance No. 2004-40.)

PUBLIC HEARING - FY2004-2005 CITY BUDGET

Mayor Kluttz opened the public hearing for comments on the proposed City budget for fiscal year 2004-2005.

Those speaking concerning the proposed FY2004-2005 budget were:

Mr. Bryan Burrell, 128 Heilig Avenue, asked why water bills are going up because people and businesses are using less, adding he did not believe this to be true. Mr. Burrell commented that citizens only had thirteen (13) days to oppose the budget.

He asked who anticipates the water usage and stated that the citizens should not pay for the City's mistake. Mr. Burrell questioned the funding for the Farmer's Market and stated that no one cares about it. He stated that the budget is disturbing and also questioned how the minutes of the meeting will be recorded. Mr. Burrell asked how long staff and Council knew about the proposed tax increases before June 2nd and again stated that citizens only had thirteen (13) days to form opposition. He pointed out that the 4:00 p.m. meeting time is hard for people who work to attend. Mr. Burrell stated that Council should take care of the current problems before spending money on real estate. He questioned who made money from the Plaza and from the annexation of property on Highway 70 and Highway 29 and where the profits will go.

Mr. Ted Boykin, 107 W. 17th Street, stated that he has lived in Salisbury for sixty-nine (69) years. He stated that taxation is a necessary evil and he understands that the City has to have it in order to pay for services. Mr. Boykin noted the cost of taxes from 1970 versus 2003 and added that he gets fewer services now than he did back then. Mr. Boykin told Council that he did not like the tax on vehicles because taxes are paid on the car when it is purchased, yearly taxes are paid to the City and County and road taxes in the gasoline prices. He reiterated that he is not against taxes because they pay for services but asked Council to be reasonable and provide only the services the citizens need.

Mr. Mike Crayton, 412 Mitchell Avenue, asked Council to reconsider some of the items in the budget in order to have no tax increase. He stated that he knows that the City has lost industries and water and sewer prices have gone up. He felt this is why people have started to conserve water and have used less. Mr. Crayton noted the money recommended for salary adjustments and asked if the adjustments could be spread out over several years to keep the taxes from going up. He stated that he is concerned about the money to be used for a feasibility study for a downtown convention center and added that he felt it is a waste of money. Mr. Crayton commented that a lot of money was spent on the tents for the Farmers Market and when the convention center is started at this site in a couple of years it will be money thrown away. Mr. Crayton stated that Salisbury needs to look into eliminating the city bus system or allow a private company to take it over. He told Council that he is against the vehicle tax. He also suggested that the City switch from diesel trucks to gasoline.

Mr. George Hill, 204 Eastwood Drive, told Council that he understands the difficulty in preparing a budget but feels this year's budget is extreme. He stated that he feels citizens already pay a healthy vehicle tax but if more is needed to help repair the roads he would like a guarantee that this is where the money will be spent. He stated that he is against a property tax increase and felt that since there was a revaluation last year and a proposed increase this year it seems like double taxation. Mr. Hill commented on the water and sewer increase and stated that it is hard to pay more when he is using less water. He told Council that he feels employees should be paid what they are worth and questioned how many career employees have been lost because the City is not competitive. Mr. Hill stated that the City needs to use and manage the money that it has, adding that he feels the proposed budget is unreasonable.

Mr. Everett Hedrick, Jr., 370 Camelot Drive, noted that there is a nine percent (9%) unemployment rate in the County and feels that if an employee is doing a good job the merit should be that he gets to keep his job. He stated that he feels Council should look at the salaries of every one in the City because he feels some are too high. Mr. Hedrick told Council that the water bills should be put back on postcards to save money. He stated that someone needs to reevaluate all of the city offices and what the employees do.

Mr. Jeff Ketner, 711 Clubhouse Drive, told Council that a lot of people in the community are hurting and unemployed. He added that many businesses are struggling just to make it and their employees have not asked for a merit but are just happy to have their jobs. Mr. Ketner said that most families have a set amount of income and that is what they have to live with. He added that they are not in a position to increase taxes on someone else but have to get another job or cut back on their expenses. He stated that older people are selling their real estate in order to pay their taxes. He suggested Council tell staff to budget for the anticipated revenue coming in now and figure out how to run the City on what we have now.

There being no one else to speak to Council, Mayor Klutz closed the public hearing.

ZONING TEXT AMENDMENT - CONTRACTORS' OFFICES AS A PERMITTED USE WITH CONDITIONS IN B-5 CENTRAL BUSINESS DISTRICT

(a) Ms. Janet Gopen, Planner II, informed Council that a Planning Board Committee has been studying the potential expansion of the B-5 Central Business District downtown. She noted that this will set up the framework for orderly growth and expansion. She stated that with the new Land Development Ordinance being prepared, the B-5 District will convert to a similar Downtown Mixed Use District. Prior to moving forward with any rezonings the Committee wanted to study any potential non-conformities that might result from the change. The proposed amendment will allow contractors' offices as a permitted use with some additions which include:

- Outdoor storage areas are screened on all sides by either a building wall or an opaque fence with minimum height of six feet (6').
- Outdoor storage areas are no closer than twenty-five feet (25') to a front property line.
- Outdoor storage areas are located no closer to the front property line than the front wall of the building.

(b) Mayor Klutz convened a public hearing, after due notice and advertisement thereof, to consider a zoning text amendment to include contractors' offices as a permitted use with conditions in the B-5 Central Business District.

Since no one was present to speak **for** or **against** the above proposal, Mayor Klutz closed the public hearing.

(c) Thereupon, Mr. Kennedy made a **motion** to amend the B5 Central Business District to include contractors' offices. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING APPENDIX B, ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF SALISBURY, NORTH CAROLINA, TO LIST AN ADDITIONAL PERMITTED USE WITH CONDITIONS TO SECTION 8.39 CENTRAL BUSINESS DISTRICT (B-5).

(The above ordinance is recorded in full in Ordinance Book No. 20, Zoning & Planning, at Page No. 110, and is known as Ordinance No. 2004-41.)

ZONING TEXT AMENDMENT - TO CHANGE SIGN ORDINANCE REQUIREMENTS IN B-5 CENTRAL BUSINESS DISTRICT

(a) Ms. Janet Gapen, Planner II, explained to Council that the Planning Board Committee studying the downtown conversion to B-5 zoning has proposed an amendment which would change sign regulations in the B-5 Central Business District. Currently in the B-5 District a building must be set back thirty feet (30') from the property line in order to qualify for a ground sign. The amendment will remove this stipulation and insert verbiage to insure that a ground sign can not encroach onto the street right of way.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, to change sign ordinance requirements in the B-5 Central Business District.

Since no one was present to speak **for** or **against** the above proposal, Mayor Kluttz closed the public hearing.

(c) Thereupon, Mr. Kennedy made a **motion** to adopt the Ordinance amending appendix B, Zoning, of the Code of Ordinances of the City of Salisbury, North Carolina, to make amendments to section 9.05 signs permitted by district. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE AMENDING APPENDIX B, ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF SALISBURY, NORTH CAROLINA, TO MAKE AMENDMENTS TO SECTION 9.05 SIGNS PERMITTED BY DISTRICT.

(The above ordinance is recorded in full in Ordinance Book No. 20, Zoning & Planning, at Page No. 111, and is known as Ordinance No. 2004-42.)

STREET CLOSING - 500 BLOCK NORTH JACKSON STREET

(a) Ms. Wendy Brindle, Traffic Engineer, noted that on May 18, 2004 Council adopted a Resolution of Intent to close the 500 block of North Jackson Street, which is an unimproved right of way. She informed Council that closing the street will not be contrary to the public interest and no individual will be deprived of reasonable means of ingress and egress to their property.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, to consider closing the 500 block of North Jackson Street.

Since no one was present to speak **for** or **against** the above proposal, Mayor Kluttz closed the public hearing.

(c) Thereupon, Mr. Kennedy made a **motion** to adopt the Resolution pertaining to the acceptance of an offer of dedication for public use of the 500 block of North Jackson Street. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

RESOLUTION PERTAINING TO THE ACCEPTANCE OF AN OFFER OF DEDICATION FOR PUBLIC USE OF THE 500 BLOCK OF NORTH JACKSON STREET.

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 28, and is known as Resolution No. 2004-17.)

(d) Thereupon, Mr. Kennedy made a **motion** to adopt the ORDER closing the 500 block of North Jackson Street. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

NORTH CAROLINA	*	BEFORE THE CITY COUNCIL OF
ROWAN COUNTY	*	THE CITY OF SALISBURY
	*	NORTH CAROLINA
IN THE MATTER OF:	*	
	*	ORDER CLOSING STREET
CLOSING THE 500 BLOCK OF	*	PURSUANT TO GENERAL STATUE
NORTH JACKSON STREET	*	OF NORTH CAROLINA SECTION
	*	160A-299

THIS CAUSE, coming on to be heard and being heard before the City Council of the City of Salisbury, Rowan County, North Carolina, at the regular meeting of said Council held on June 15th at 4:00 p.m., in the City Office Building at 217 South Main Street, Salisbury, North Carolina, and it appearing to the Council that all persons, firms and corporations owning property adjoining the street described in the Petition filed in this cause are parties to this proceeding; and it further appearing that said street is not maintained by the Department of Transportation; and it further appearing that notice of this hearing was duly published in THE SALISBURY POST on May 21, 28, June 4, and 11th.

And it further appearing to the Council and the Council finding as a fact, that the closing of the street, as described in the Petition filed in this cause, is not contrary to the public interest or the property rights of any individual, and that no individual owning property in the vicinity of said street or in

the subdivision in which they are located will be deprived of reasonable means of ingress and egress to his property by the closing of said street; and it further appearing to this Council that the relief prayed in the Petition should be granted.

IT IS NOW, THEREFORE, ORDERED AND DECREED by the City Council of the City of Salisbury, Rowan County, North Carolina, pursuant to and in accordance with the authority vested in this Council by the General Statutes of North Carolina, Section 160A-299:
From the northern right-of-way of West Cemetery Street to the southern right-of-way of West Franklin Street

Be and the same is hereby forever closed.

This the 15th day of June, 2004.

CITY COUNCIL OF THE CITY OF
SALISBURY, NORTH CAROLINA

By: s/s Susan W. Kluttz
Mayor

s/s Myra B. Heard
City Clerk

SPECIAL USE PERMIT - CRICKET COMMUNICATIONS

Mr. Michael Crowell, Information Technology Manager, informed Council that Cricket Communications would like to co-locate antennas on an existing tower located at 929 Park Avenue. The property is owned by Duke Power Company and the tower is owned by Crown Castle Communication. He noted that Cricket Communications has submitted all necessary documents and the \$1000 license fee.

Mr. Burgin clarified that this is to locate on an existing tower. Mr. Crowell confirmed noting that this will be the fourth (4th) antennae on the tower.

Thereupon, Mr. Burgin made a **motion** to issue a special use permit for the purpose of allowing Cricket Communications to co-locate an antennae at 929 Park Avenue. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

BUDGET ORDINANCE AMENDMENT - HUD FUNDS

Mr. Wade Furches, Finance Manager, explained to Council that the Community Development Corporation (CDC) receives federal funds from the United States Department of Housing and Urban Development (HUD) which are used to purchase houses to renovate and sell to first time home buyers. He stated that during the past fiscal year the CDC was able to renovate and resell five (5) houses. Mr. Furches noted that because of low interest rates many homeowners have refinanced their mortgages. When this is done they are required to pay off their deferred mortgage through the CDC. Mr. Furches stated that because of the sale of the houses and the additional revenue from refinancing the City will receive \$268,000 in excess program income which must be appropriated.

Thereupon, Mr. Woodson made a **motion** to approve the FY2003-2004 budget Ordinance in the amount of \$268,000 for the HUD funds. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Councilman Kennedy stated that the Community Development Block Grant is definitely working because it puts people into new homes and as soon as the houses are sold additional funds are generated to help other first time home buyers.

AN ORDINANCE AMENDING THE 2003-2004 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE ADDITIONAL HUD PROGRAM INCOME

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 112, and is known as Ordinance No. 2004-43.)

CAPITAL PROJECT ORDINANCE - GRANITE QUARRY-US 52 ANNEXATION AREA WATER LINE

Mr. John Vest, Deputy Utilities Director, informed Council that the Town of Granite Quarry has annexed an area along Old 80 and US 52 and has requested Salisbury-Rowan Utilities (SRU) provide water service. He stated that as part of the annual budget SRU provides \$50,000 in water and sewer extension funds which Granite Quarry has requested to use for the design and acquisition of easements for the project. The project is ready to advertise and bid but due to time constraints it will not be completed prior to June 30, 2004 and Mr. Vest asked Council to approve a capital project Ordinance to set aside the funds to carry over in the next fiscal year to help pay for the inspection and construction once the bids are received. He noted that the total estimated cost is approximately \$500,000 with SRU providing \$50,000 per year plus an additional \$50,000 based on the SRU Extension Fund criteria and ten (10) year payback.

Councilman Burgin commented that the right of way purchase and engineering total \$50,000 so it is not the actual extension but the engineering. Mr. Vest confirmed this and added that some of the \$50,000 will be left and can go towards the construction or inspection.

Thereupon, Mr. Burgin made a **motion** to authorize the capital project Ordinance for \$50,000 for the purpose of the extension of a water line for Granite Quarry for Old 80 and US 52. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

GRANITE QUARRY-US-52 ANNEXATION AREA WATER LINE - CAPITAL PROJECT ORDINANCE

(The above ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 113, and is known as Ordinance No. 2004-44.)

CONTRACT WITH PROPERTY BUREAU, INC. - SALISBURY POLICE DEPARTMENT - ELECTRONIC AUCTION

Mr. Dewey Peck, Purchasing Manager, stated that the Salisbury Police Department seizes and confiscates certain properties which are generally low value items. The state requires the City to maintain the property one hundred eighty (180) days and then advertise for thirty (30) days to allow people to claim the property. He stated that after that time an auction is held. He added that the auction generally costs more than the amount of money raised because the most expensive items are bicycles. He informed Council that Property Bureau, Inc. from San Clemente, California specifically handles these types of sales and has offered a contract to sell the property at a fifty percent (50%) cost. Mr. Peck stated that he felt this is a more efficient and cost effective way to handle the sale of these items.

Mayor Pro Tem Woodson asked how much money these sales generate. Mr. Peck responded that they usually receive about \$2,500 and then auctioneer fees are paid from that amount.

Councilman Lewis asked how many municipalities have used this type of system. Mr. Peck responded that he was not sure about North Carolina but there are about thirty-five (35) to forty (40) agencies across the country.

Councilman Burgin asked if the staff will limit the items that are sold through this method. Mr. Peck noted it was property seized by the Police and was not City surplus property. Mr. Burgin asked if the property could be a car. Mr. David Tremé, City Manager, responded that cars and heavy equipment are part of the City auction and this would only include small items and assured Mr. Burgin the City would have control over vehicles.

Thereupon, Mr. Woodson made a **motion** to authorize the Mayor to sign a contract with Property Bureau, Inc. to sell off property seized and confiscated by the Salisbury Police Department by electronic auction. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

RESOLUTION AUTHORIZING THE MAYOR TO SIGN A CONTRACT WITH PROPERTY BUREAU, INC. TO DISPOSE OF PERSONAL PROPERTY SEIZED OR CONFISCATED BY THE SALISBURY POLICE DEPARTMENT BY ELECTRONIC AUCTION.

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 29, and is known as Resolution No. 2004-18.)

STAFF PRESENTATION - JERSEY CITY NEIGHBORHOOD - PROPOSED BUDGET AND STRATEGIC PLAN

Mr. Joe Morris, Planning and Community Development Manager, stated that the residents of the Jersey City Neighborhood have been working for the past several months to develop a course of action for improvements in the neighborhood. Money has been allocated through the Community Development Block Grant (CDBG) program for the Jersey City Neighborhood.

Goals identified as priorities by the Neighborhood included:

- New housing and housing rehabilitation
- Gateway and great streets
- Community Center
- A green vision
- New circulation options

Mr. Morris noted that there are thirty-six (36) potential locations for houses in the neighborhood and some of the vacant properties are in various states of negotiation with the Community Development Corporation.

The proposed budget recommended by the Neighborhood group is:

Neighborhood Entrance	\$ 30,000
Sidewalks (Caldwell, Craig & Kerr Streets)	\$150,000
Tree Plantings	\$ 15,000
Greenway Connection	\$ 15,000
Park Improvements	\$ 15,000
Neighborhood Organization	
(Neighborhood Watch, leadership training)	<u>\$ 10,000</u>
	\$235,000

It was noted that these funds are not from the City's General Fund but are federal dollars allocated through the CDBG program. By consensus

Council agreed with the proposed budget.

STREET CLOSING - OLD WEST INNES STREET RAILROAD CROSSING

Ms. Wendy Brindle, Traffic Engineer, informed Council that the North Carolina Department of Transportation (NCDOT) and Norfolk Southern Railroad has requested that the City consider permanent closure of the Old West Innes Street railroad crossing. As an incentive Norfolk Southern has offered to pay the City \$35,000, with NCDOT paying an additional \$7,500.

Ms. Brindle explained that staff has evaluated the impacts of closing the crossing and found that approximately one thousand six hundred (1,600) vehicles per day cross the tracks. During the evaluation about twenty-five percent (25%) of vehicles voluntarily rerouted themselves due to the presence of trains. In addition, about sixty percent (60%) of the vehicles that crossed the tracks did so to get to or from Innes Street. She added that about eighty-five percent (85%) of the vehicles using the crossing would not be further inconvenienced by a permanent closure. The remaining fifteen percent (15%) of vehicles crossing the tracks did not use Innes Street and would be required to use an alternate route adding approximately three tenths (.3) of a mile to their trip.

Ms. Brindle pointed out safety concerns that were noted during the observation period. Three trains came through the crossing during the peak hour, and after one train passed the gate remain closed for an additional two (2) minutes. During this time one (1) vehicle went around the arms. She stated that the arms also remained closed for the third (3rd) train, which was waiting near the intersection but not blocking the crossing. During this time ten (10) drivers violated the gate arms and crossed the second set of tracks with an obscured sight distance. Based on staff's observation they feel drivers have become complacent about the cross arms at the location. Staff feels the safety benefits of closing the crossing outweigh the inconvenience of a detour that is less than half a mile and recommends Council consider permanent closure. Ms. Brindle noted that there will be an impact on pedestrians and recommends that if the crossing is closed permanently that consideration should be given to using the incentive money for pedestrian improvements along West Innes Street.

Councilman Kennedy asked how pedestrians will be stopped from using the crossing. Ms. Brindle stated that when the crossing is removed ditches will be installed on both sides.

Councilman Burgin asked staff to focus on the intersection of Innes Street and Institute Street because he feels it is terrible now and would not want to do anything to increase the traffic into that intersection without improvements to it.

Thereupon, Mr. Woodson made a **motion** to set a public hearing for July 20, 2004. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

RESOLUTION PERTAINING TO THE PROPOSED CLOSING OF THE OLD WEST INNES STREET RAILROAD CROSSING.

(The above resolution is recorded in full in Resolution Book No. 12, Page No. 30, and is known as Resolution No. 2004-19.)

STAFF PRESENTATION - TRAFFIC OPTIONS AT LEE AND LIBERTY STREETS

Ms. Wendy Brindle, Traffic Engineer, noted the proposed layout for the Police Department expansion and stated that there are a few conflicts with the existing traffic signal apparatus. Staff has reviewed several options which include:

- Do nothing which would cause redesign of the handicap access into the building and would not be aesthetically pleasing.
- Remove the existing mast arm and replace it with two (2) separate mast arms at an approximate cost of \$60,000.

The third alternative, which is recommended by staff, is a four (4) way stop. She noted that an initial study shows that the volumes at the intersection do not warrant a signal based on the Manual on Uniform Traffic Control Devices (MUTCD) standards. Mrs. Brindle noted that the four (4) way stop will have to be tested for a period of ninety (90) days. In addition, staff would like to simultaneously test a four (4) way stop at the intersection of Lee and Council Streets. She noted that traffic conditions are similar to those at Lee and Liberty Streets and are conducive to the four (4) way stop. She added that it will also create a pattern along the Lee Street corridor. After the ninety (90) day evaluation period staff will return to Council with a final recommendation for the locations.

Mayor Pro Tem Woodson stated he felt this was an excellent idea and would support changing both intersections to a four (4) way stop.

By consensus, Council agreed for staff to proceed with the ninety (90) day trial period.

SPEED LIMITS - JAKE ALEXANDER BOULEVARD NEAR SALISBURY ACADEMY

Ms. Wendy Brindle, Traffic Engineer, informed Council that a request has been received from Salisbury Academy and residents of Wellington Hills to lower the speed limit on Jake Alexander Boulevard to 45mph. She stated that staff has met with representatives of the North Carolina Department of Transportation (NCDOT) and Salisbury Academy. The Division Traffic Engineer has approved a reduction of the speed limit from Statesville Boulevard past Salisbury Academy, just south of Wellington Hills. She noted they would not approve going further because of the character

of the development along the roadway. Ms Brindle explained that before the new speed limit signs can be posted Council must adopt a municipal Ordinance that concurs with the NCDOT Ordinance.

Councilman Burgin noted that this will help the school but not necessarily Wellington Hills. Ms Brindle pointed out that there is a school zone that starts just on the other side of Wellington Hills and that is why NCDOT did not continue the 45mph speed limit because it would not benefit the school zone.

Thereupon, Mr. Lewis made a **motion** to adopt an Ordinance amending section 13-336, Article X, Chapter 13 of the Code of the City of Salisbury, relating to speed limits – generally. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING SECTION 13-336, ARTICLE X, CHAPTER 13, OF THE CODE OF THE CITY OF SALISBURY, RELATING TO SPEED LIMITS - GENERALLY.

(The above ordinance is recorded in full in Ordinance Book No. 20, Traffic, at Page No. 114, and is known as Ordinance No. 2004-45.)

RESULTS OF BUDGET WORKSHOP

Water and Sewer Fund

City Manager David Tremé reviewed the results of Council's budget workshop. He noted that there was initially a proposed 9.77% increase in the utility rates but as a result of the workshop Council asked to reduce the rate increase. He provided the following budget proposal showing a 6.48% rate increase.

Budget as Presented to Council, 9.77%		\$17,830,458
Targeted Reductions		
Revision of Merit Increase from 4% to 2%	\$(46,658)	
Security Improvements		
Water Treatment Plant	\$ (36,000)	
Morlan Park Tank Fencing	(10,000)	
Landfill Security	(20,000)	
Town Creek Fencing	(35,000)	
Fiber Optic to Grant Creek	(70,947)	
Lift Station Security	<u>(19,000)</u>	(190,947)
Eliminate Rent for the Plaza		
Move Engineering and GIS to One Water Street	(36,000)	
Freeze Hiring of Systems Maintenance Positions		
Supervisor and Technician, wages and benefits	<u>(79,848)</u>	<u>(353,453)</u>
		\$17,477,005
Partial Offsetting Revenues Expected		
Faith Sewer Flows (6 mos. @ 50,000gpd)	\$(35,614)	
Engineering Inspection Fees	<u>(40,000)</u>	(75,614)
Reduction of Minimum Meter Charges		<u>13,899</u>
Revised Budget Submitted to Council		<u>\$17,415,290</u>
Average Residential Rate Increase		6.48%

Mr. Tremé pointed out that the cuts were made in security, moving the Engineering Department from the Plaza to One Water Street and freezing Systems Maintenance positions. He stated that Salisbury-Rowan Utilities' (SRU) rates are very competitive for other utilities in the region. He added that the City may lose some flexibility in next year's budget for special projects but the funds for water and sewer extensions are still budgeted.

General Fund

Mr. Tremé also presented Council with a revised General Fund budget as follows:

REVENUES:

Recommended Budget	\$ 28,508,156
Cut proposed increase in Waste Collection Fees	(693,774)
Decrease Plaza Revenue ¹	(36,000)
Increase Property Taxes from 2 cents to 3.5 cents	<u>324,602</u>

Proposed Revenues \$ 28,102,984

EXPENDITURES:

Recommended Budget	\$ 28,508,156
Cut merit from 4% to 2%	(174,578)
Cut Market Adjustments - (Leaves balance of \$384,766)	(200,594)
Cut Street Equipment Storage at Landfill ²	(30,000)
Proposed Expenditures	<u>\$ 28,102,984</u>

1 Due to move by Utilities Engineering to 1 Water Street

2 Due to Utilities eliminating security measures at Landfill

Mr. Treme told Council that this is a maintenance budget and noted that the waste equalization fees have been removed as requested by Council. He pointed out that the revised budget recommends a three and a half cent (\$.035) tax increase, cuts the merit from four percent (4%) to two percent (2%) and reduces the market adjustments for salaries to \$384,766. Mr. Treme explained to Council that this market adjustment will bring City employees up to their market minimums and pointed out that the adjustments affect the front line workers. The budget also includes a \$10.00 tax for vehicles that will be used for street paving and maintenance.

Mr. Treme stated that if the tax rate is to be reduced any further he would have to cut the salary market adjustments, the merit raise and possibly use a reduction in force. He pointed out that there is a great deal of deferred capital in the budget and fund balance funds have been used to the point he can not recommend using them again.

Councilman Burgin stated that he had received many comments concerning the garbage fee and most citizens felt it was a service that should come from the property tax. He added that he felt staff needs to be taken care of in an appropriate way and he feels two percent (2%) merit is appropriate this year. Mr. Burgin noted that the market adjustments are tough this year but it has not been done in many years. He stated that he can support a three and half cent (\$.035) tax increase in the general budget but would certainly like to have a three cent (\$.03) or two and half cent (\$.025) if possible. Mr. Burgin commented that the condition of the roads is what he receives the most comments on and he feels that without using the vehicle tax the roads will not be repaired.

Councilman Lewis commented on the feasibility study for the Convention/Civic Center and noted that this was a goal of City Council. He added that Council members are not experts on Civic and Convention centers and the feasibility study will determine the size and scope and the type of shows that the City might be able to attract. He added that tourism is vital to the City's success. Mr. Lewis noted the Consumer Price Index (CPI) and stated that it was 2.3% in the last calendar year. He stated that giving employees two percent (2%) still puts them behind. Mr. Lewis stated that by spending some of the money this year Council will be able to reap the rewards of the investment in the future. He commented that because of the loss of revenues from the state, Council can either not pave the roads or replace the funds with revenue from property tax or the vehicle tax. He added that the vehicle tax seemed most appropriate because the vehicles use the roads.

Mayor Klutz stated that Council has to insure that services continue with quality and must balance the impact on the public with maintaining services. She stated that when the Governor took money from the municipalities several years ago the City suffered and Council has asked staff to continue to provide services and feels that as much as Council does not want to have an increase on the citizens, she does not see how it can be done without the tax increase.

Mayor Pro Tem Woodson stated that he appreciated the reduced water and sewer rate increase. He stated he feels the Council is criticized most for road conditions and if the money can be collected and spent on the roads he could support the vehicle tax. He commented that he feels he would like to see a lower tax increase and feels three and half cents (\$.035) is too high.

Councilman Kennedy stated that he did not like any of the increases but he could support the increase for the water and sewer because it seemed like a minor increase considering the high cost of water. He noted that he has some problems with the vehicle tax because the City already collects over one million (\$1,000,000) dollars in tax on the vehicles in the City. He added that he understands that the vehicle tax is not just on the property owners but on everyone who owns a vehicle and based on this he could support the \$10 tax. Mr. Kennedy stated that he did not want to see the employees hindered and would like to have the market adjustments if possible, but he did not want to have any increase in property tax.

Mr. Lewis asked Council what it wants to cut from the budget in order to reduce the tax increase. Mr. Kennedy stated that it is Council's duty to make policy but it is not his job as a Councilman to tell the City Manager where to cut the budget. He asked if there is not another place in the budget that can be cut to make this a no tax increase year.

Mr. Lewis stated that if the City Manager cuts the budget he wants to know the ramifications of the cuts before voting on it. Mr. Kennedy commented that there is a high unemployment rate and it has been a challenge economically and he can not see increasing taxes this year. Mr. Woodson added that he would like to find a compromise for a rate lower than three and half cents (\$.035).

Mr. Treme again told Council that if asked to make additional cuts to the budget he would take out the \$384,766 salary adjustments, then he would have to freeze all existing positions and then have a reduction in force and cut any new initiatives that have not yet started.

Thereupon, Mr. Burgin made a **motion** to adopt the budget proposal presented by Mr. Treme which will be a three and half cents (\$.035) increase, a ten dollar (\$10) vehicle tax, and increase for the water/sewer of 6.48%. Mr. Lewis seconded the motion. Messrs. Burgin, Lewis and Ms. Klutz voted AYE and Messrs. Kennedy and Woodson voted NAY. (3-2)

BUDGET ORDINANCE OF THE CITY OF SALISBURY FOR THE FISCAL YEAR BEGINNING JULY 1, 2004, AND ENDING JUNE 30, 2005.

(The above Ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page Nos. 115-131, and is known as Ordinance No. 2004-46.)

Due to the lack of an affirmative vote of two-thirds of all members of the Council, it will be necessary to have a second reading on the above ordinance before it can be ratified.

COMMENTS FROM THE CITY MANAGER

(a) Planning Board Recommendations

Council received the Planning Board recommendations and comments from their June 8, 2004 meeting.

(b) China Grove Water and Sewer System

City Manager David Treme informed Council that staff met with the staff and engineers for China Grove to look at the monitoring of the water/sewer system for billing and will continue to meet with them to work on the issue. He indicated that he will make a full report at the next Council meeting.

MAYOR'S ANNOUNCEMENTS

(a) Antrak Luncheon

Mayor Kluttz announced that a luncheon will be held for Mr. David Gunn, Antrak President and CEO on Monday, June 21, 2004 from 11:30 a.m to 12:30 p.m.

(b) Farmers Market Grand Opening

Mayor Kluttz announced that there will be a grand opening for the Farmers Market on Saturday, June 26, 2004 at 9:00 a.m.

(c) Salisbury England Boy Scouts

Mayor Kluttz announced that the Salisbury, England Boy Scouts will in Salisbury on Thursday, July 29, 2004 at 12:00 p.m.

RECESS

Motion to recess the meeting until Wednesday, June 16, 2004 at 8:00 a.m. at City Hall was made by Mr. Woodson, seconded by Mr. Burgin. All council members agreed unanimously to recess the meeting. The meeting was recessed at 7:32 p.m.

Mayor

City Clerk