

Salisbury, North Carolina
December 7, 2010

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem Maggie A. Blackwell, Councilmen William (Pete) Kennedy, William Brian Miller, and Paul B. Woodson, Jr.; City Manager David W. Treme; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: None

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

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.

LDOZ-09-10 POSTPONED

Mayor Kluttz announced the public hearing advertised for Land Development District Map Amendment LDOZ-09-2010, to establish Light Industrial zoning on two parcels located at 175 Circle M Drive, has been postponed. She indicated the public hearing will be re-advertised and will be held at Council's next meeting, Tuesday, December 21, 2010.

PARKS AND RECREATION 10-YEAR RE-ACCREDITATION

Ms. Gail Elder White, Parks and Recreation Director, introduced Mr. Irby Brinson from the Commission for Accreditation of Parks and Recreation Agencies.

Mr. Brinson indicated the Commission for Accreditation of Parks and Recreation Agencies was established in the 1990s as a way to benchmark the Parks and Recreation profession and agencies. He noted Salisbury has just completed its third accreditation process, which is a difficult process, and Council should be very proud the Park and Recreation Department has undertaken this effort. Mr. Brinson stated accreditation sets the standard for providing quality services to the community. He noted Salisbury missed only one of the 144 standards, which is very rare and he commended Salisbury Parks and Recreation for their accomplishment.

Mr. Brinson then presented the accreditation award to Mayor Kluttz, Council, and the Parks and Recreation staff.

Mayor Kluttz thanked Mr. Brinson for traveling from Asheville, North Carolina to make this presentation. She noted Council is very proud of the Park and Recreation Department, and she thanked Ms. Elder White and staff for their work to ensure citizens have the best quality parks and recreation.

REPORT OF RIBBON CUTTING AND TOUR OF SALISBURY CUSTOMER SERVICE CENTER

Management Services Director John Sofley indicated a groundbreaking ceremony was held November 17, 2009 for work to begin on the City's new Customer Service Facility. He noted almost exactly one year later, the ribbon cutting for the new facility was held November 16, 2010.

Mr. Sofley described the Leadership in Energy and Environmental Design (LEED) qualities of the new building:

- Heating and air conditioning management system
- Lighting controls management
- Natural day lighting
- Energy efficient windows
- Solar hot water system
- 100% recycled brick
- ZeroScape indigenous landscaping
- Radiant floor heat in shop areas (solar)
- Flooring materials offer high levels of pre/post consumer content
- High solar reflective index roof
- Preferred parking for low emission vehicles and carpoolers
- Bicycle racks and easy access to public transportation

Mr. Sofley indicated approximately 250 people attended the ribbon cutting ceremony for the 26,658 square foot facility. He noted the Salisbury Police Honor Guard presented the Colors, and Salisbury Police Officer Tyesha Harden sang the National Anthem. He stated the facility will house Customer Services, and pointed out there will be ample parking for visitors and a drive-through window available for citizens to make payments without having to leave their cars. He stated other departments to be housed at the facility are: Technology Services, Access16 Television, Fibrant Offices and support operations, and the Telecommunications/Radio shop.

Mr. Sofley invited citizens to visit the facility as it officially opens for business Monday, December 13, 2010 at 9:00 a.m. Hours of operation will be Monday through Friday from 9:00 a.m. until 5:00 p.m.

Mayor Kluttz commented Council appreciated all of the citizens who attended the ribbon cutting, and she thanked Mr. Sofley, City Manager David Treme and staff for making the facility possible. She noted the facility is beautiful and a nice enhancement for Martin Luther King, Jr. Avenue.

CONSENT AGENDA

(a) Approval of Minutes

Approve Minutes of the Regular meeting of November 16, 2010 and the Special meeting of November 16, 2010.

(b) Budget Amendment – Parks and Recreation

Adopt a budget Ordinance amendment to the FY2010-2011 budget in the amount of \$78,625 to appropriate the Park and Recreation Trust Fund Grant for development of the Foil-Tatum Park.

(The above Ordinance is recorded in full in Ordinance Book No. 22 at Page No. 112, and is known as Ordinance 2010-45.)

(c) 2011 Council Meeting Schedule

Adopt the 2011 schedule of regular Council meeting dates.

Thereupon, Mr. Woodson made a **motion** to adopt the Consent Agenda as presented. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, Woodson, and Mses. Blackwell and Kluttz voted AYE. (5-0)

ECONOMIC DEVELOPMENT INDUSTRIAL BUILDING REVITALIZATION GRANT – PROJECT TURNKEY

(a) Mr. Robert Van Geons, Director of the Salisbury-Rowan Economic Development Commission, and Mr. Tony Ward, co-owner of Turnkey Technologies addressed Council regarding an Industrial Building Revitalization grant.

Mr. Van Geons indicated the purpose of the Industrial Building Revitalization (IBR) program is to encourage the redevelopment of the City's older industrial corridors through new investment and job creation.

Mr. Van Geons reviewed a summary of the IBR Program:

- Under the terms of the IBR Program, the City of Salisbury would reimburse the applicant a maximum of \$25,000 or 25% of eligible project costs (whichever is less) for permanent improvements to vacant buildings, utilized for light industrial, warehousing or similar purpose

Mr. Van Geons noted all of the improvements supported by the IBR grant are improvements that stay with the building. He noted the improvements will improve the buildings core infrastructure and increase its useful life.

Mr. Van Geons reviewed eligibility for the IBR program:

- Applicant must document that building or tenant space has been vacant for more than 6 months
- Property must be located in a designated "Community and Economic Development Project Area," Urban Progress Zone (UPZ), or UPZ eligible area of the City
- Applicant must provide a detailed cost estimate outlining proposed improvements and their estimated costs
- Total improvements must exceed \$20,000, including the grant
- Eligible buildings must have been built before 1990
- Proposed operation must employ one person per \$5,000 of grant funds approved

Mr. Van Geons indicated the building proposed for the grant by Turnkey Technologies is located at 402 Bringle Ferry Road, and meets all of the eligibility requirements.

Mr. Ward stated Turnkey Technologies was started in 1999, and until that time there were no automation houses in the South that concentrated on the plastics industry. He stated the company looks forward to growing and building relationships in Rowan County. Mr. Ward noted there are 17 companies within 5 miles of the proposed building that have been targeted for interviews for business.

Mr. Van Geons explained Turnkey Technologies makes the machines for companies to make the products. Mr. Ward noted Turnkey Technologies does not process plastics, but designs and builds custom automation equipment, primarily for the plastics industry. He stated the company hopes to make changes to the building that will allow them to pursue pharmaceutical companies as well.

Mr. Van Geons pointed out the company currently has a smaller facility in Concord, North Carolina, and this move will allow them to expand their capacity. He stated the company will bring 12 or more employees to Salisbury, and anticipates spending approximately \$215,000 on the building improvements.

Mr. Van Geons indicated the requested incentive is a grant of \$25,000 to be provided to the company after the improvements are complete and documented to the City. He pointed out the company has met with Fibrant representatives because the transfer of data from their clients is an item they believe will be a benefit to their company. He commented small businesses are the backbone of the economy, and he thanked Council for considering this program.

Mayor Pro Tem Blackwell noted less than one month after Fibrant services began to be offered to the public, a business has been attracted to the area because of the utility. Mr. Van Geons noted a package was put together for the company, and Fibrant was a piece of the package that allowed Salisbury to compete for the project.

(b) Mayor Kluttz convened a public hearing, after due notice thereof, to receive comments on an economic development industrial building revitalization grant.

There being no one present to address Council, Mayor Kluttz closed the public hearing.

Councilman Kennedy commented this is a corridor that needs improvement, and he thanked Mr. Ward for coming to this area.

Councilman Woodson indicated he is very excited about the company coming to Salisbury and he wants it to prosper and do well.

Ms. Blackwell and Councilman Miller also welcomed Turnkey Technologies to Salisbury.

Mayor Kluttz thanked Mr. Ward for considering an investment in Salisbury, and thanked Mr. Van Geons for his assistance in creating an incentive policy that will help revitalize this area.

(c) Thereupon, Mr. Kennedy made a **motion** to approve an Economic Development Industrial Building Revitalization grant in the amount of \$25,000 to "Project Turnkey." Mr. Woodson seconded the motion. Messrs. Kennedy, Miller, Woodson, and Mses. Blackwell and Kluttz voted AYE. (5-0)

PRESENTATION – 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Management Services Director John Sofley, and Ms. Erica Brown from Martin Starnes & Associates, CPAs, P.A. presented the annual audit of the City's financial statements. Ms. Brown thanked Finance Manager Wade Furches, and Finance staff Kizzy Lea and Mark Drye for their work in assisting with the preparation of the audit.

Ms. Brown reviewed the audit highlights:

- Performed by Martin Starnes & Associates, CPAs
- Unqualified (clean) opinion
- No findings or questioned costs
- No material internal control weakness identified

Ms Brown indicated the audit report has been approved by the Local Government Commission.

Ms Brown explained Fund Balance:

- Serves as a measure of the City’s financial resources available: Assets minus Liabilities equals fund balance
- 3 Classifications:
 - Reserved
 - Unreserved Designated (Available)
 - Unreserved Undesignated (Available)

Mr. Brown reviewed the total fund balance for the General Fund for the past four year. She noted it has been steadily increasing with a slight decrease of \$36,094 this year.

- 2007 - \$6,872,729
- 2008 - \$8,064,893
- 2009 - \$8,940,631
- 2010 - \$8,904,537

Ms. Brown then pointed out the Fund Balance position for the past two years:

	2010	2009
Total Fund Balance	\$8,904,537	\$8,940,631
Required Reservations	<u>-4,405,420</u>	<u>-4,426,599</u>
Unreserved/Undesignated	\$4,499,117	\$4,514,032

She reviewed the Unreserved/Undesignated Fund Balance as a percent of Expenditures General Fund for the past three years:

- 2008 – 13.59%
- 2009 – 13.81%
- 2010 – 13.55%

Ms. Brown discussed the General Fund summary for 2009 and 2010:

- 2009
 - Revenues - \$33,807,555
 - Expenditures - \$32,694,849
- 2010
 - Revenues - \$33,549,365
 - Expenditures - \$33,195,140

Top 3 Revenues – General Fund

- Property tax – 51%
- Charges for Services – 17%
- Sales Tax – 13%
 - Other Revenue (Intergovernmental, Investment Income, Miscellaneous Revenue) – 19%

Mr. Brown then reviewed the top 3 Revenues in more detail:

Property Tax:

- 2008 - \$16,731,217
- 2009 - \$16,960,723
- 2010 - \$17,121,590

Sales Tax:

- 2008 - \$5,220,704
- 2009 - \$4,732,043
- 2010 - \$4,526,014

Ms. Brown reviewed the top expenditures for the General Fund:

- Public Safety – 38%
- General Government – 23%
- Transportation – 14%
- Other Expenditures – 12%
- Culture and Recreation – 8%
- Environmental Protection – 5%

Ms. Brown reviewed the Enterprise Funds Operating Income (Loss) Budgetary Basis for 2010:

	Water & Sewer	Transit
Total Revenues	\$20,720,500	\$618,281
Expenses		
Operating	13,998,325	1,000,282
Debt Service	5,701,047	-
Capital Outlay	1,232,760	-
Total Expenses	<u>20,932,132</u>	<u>1,000,282</u>
Revenues over Expenditures	(211,632)	(382,001)
Transfer (to) from other funds	(250,000)	390,319
Proceeds from sale of bonds	-	-
Net Income	<u>\$(461,632)</u>	<u>\$8,318</u>

Ms. Brown noted there is a new financial reporting change for fiscal year 2010, which is Governmental Accounting Standards Boards (GASB) 54. She indicated the change will affect the terminology of Fund Balance. She stated the City's financial statements for 2011 will reflect the change regarding special revenue funds and fund balance reporting, and Martin Starnes will work with the Finance staff to implement the change.

Mr. Sofley noted in the General Fund there was a deficit of \$36,094. He stated staff realized the economy was not growing this year and tried to apply management concepts to maintain the General Fund budget. He explained as employee vacancies occurred, the positions were evaluated to determine if they could remain vacant. He noted capital projects were also reviewed and deferred, and departments did a good job managing their budgets. He stated by using this approach, even though Sales Tax Receipts were down, they were on-track with where

staff anticipated them to be. Mr. Sofley commented by managing the expenses staff was able to fairly closely match costs, while not impacting service levels to citizens.

Mr. Sofley indicated there was a loss in the Water/Sewer Fund of \$461,632, but this was associated with the Meadowbrook waterline replacement project. He explained the majority of the project cost was spent from this last year's budget, and if the project had not been undertaken the Water/Sewer Fund would not have had a deficit. He noted that this project was necessary, and was a planned deficit so staff is agreeable with the report.

Mr. Sofley also discussed the Broadband Fund for Fibrant. He noted there is a deficit in this Fund because there has been no revenue since the service just launched. He stated staff did not expend funds they thought would be expended because the service is newly operational. He noted although the service was delayed, many costs associated with the service were also delayed.

City Manager David Treme pointed out the budget for the General Fund is the budget Council adopted, and under normal circumstances the City would be very close to the budgeted revenue at the end of the year. He noted revenues received have been less than budgeted, and he thanked the Management Team for managing the budget to meet the reduced revenues. He pointed out staff was able to balance the budget to within \$36,094, with no request to Council for use of Fund Balance, and he thinks they did a good job. Mr. Treme noted the Meadowbrook Project replaced some of the worst water pipes in the City, but with the planned deficit the City was able to replace these waterlines and improve service for the neighborhood.

Mr. Treme stated it has been a difficult year, but staff has been able to be very close in reaching its goals. He commented he thinks next year may be even more challenging than this year. He noted he does not believe the Stimulus money received this year, will be available to support local needs. He stated he anticipates a \$2 billion shortfall in the State of North Carolina budget, and this will have an impact on local budgets. He commented as Council prepares for its Retreat, staff's attention will be on levels of service, their cost and matching them with expected income.

Mr. Treme stated he feels staff did a good job balancing the budget, but he feels next year will more challenging for Council and staff in terms of the economy. He stated he remains optimistic, but will be prepared for the challenges. He thanked staff and the Council for support throughout the year.

Councilman Woodson indicated he thought Property Tax receipts would be lower, and he is pleased with the amount received given the economy. He thanked Mr. Treme and Mr. Sofley for their good work. He commented the City is facing what every small business is facing, and Council appreciates staff's work.

Councilman Miller indicated staff has done a good job managing vacancies and saving funds, and he appreciates the professionalism of staff.

Mayor Kluttz stated Council recognizes these are challenging times for everyone, and Council appreciates the work by staff. She thanked Ms. Brown for an excellent report.

URBAN PROGRESS ZONES FOR 2011-2012

Ms. Kathryn Clifton, GIS Coordinator, presented information to Council regarding Urban Progress Zones (UPZ). She explained Urban Progress Zones are intended to provide economic incentives to stimulate new investment and job creation in economically distressed urban areas. She stated in July 2006 the North Carolina General Assembly passed legislation creating the Article 3J tax credits. Ms. Clifton noted municipalities with a population of at least 10,000 have the ability to define qualifying areas of poverty as Urban Progress Zones.

Ms. Clifton indicated staff has received input from the Salisbury-Rowan Economic Development Commission and Downtown Salisbury, Inc. in reviewing areas for consideration.

Ms. Clifton reviewed the requirements for determining a Zone:

- All land within the zone must be located in whole within the primary corporate limits
- Zone delineated by one or more census tracts, census block groups, or both in the most recent decennial census (2000).
- Every census tract and block group must meet at least one of the following conditions:
 - Population meets the poverty threshold – more than 20% population below poverty level
 - Adjacent to a census tract or block group of which at least 20% population below poverty level and 50% zoned non-residential
 - Population that has a poverty level greater than the poverty level of the population of the State and per capita income that is 10% below that of the state and experienced a major plant closing in the last 10 years

Ms. Clifton then noted the eligible types of businesses for the tax credits:

- | | |
|--|----------------------------|
| • Aircraft maintenance and repair | • Manufacturing |
| • Air courier services hub | • Motorsports facility |
| • Company headquarters that creates 75 new high quality jobs | • Motorsports racing team |
| • Customer service call centers | • Research and development |
| • Electronic shopping and mail order houses | • Warehousing |
| • Information technology and services | • Wholesale trade |

Ms. Clifton noted “Non-Residential” is not defined in the legislation or in the guidelines for defining an Urban Progress Zone. She stated staff defined “Non-Residential” as areas where residential development is expressly prohibited. She commented the North Carolina Department of Commerce accepted this definition with the City’s last application.

Ms. Clifton reviewed the three areas (Downtown, Jake Alexander Boulevard/Industrial Avenue/Airport, North Long Street) under consideration for designation:

UPZ – Downtown:

- Census Tract 050100, Block Group 1
 - Entirely within City limits
 - 36.21% poverty
 - .40 square miles
 - Re-designation of existing area

UPZ – Jake Alexander Boulevard Portion

- Census Tract 051202, Block Group 1
 - Portions within City limits
 - 20.18% poverty
 - .54 square miles

UPZ – Industrial Avenue Portion

- Census Tract 050400, Block Group 2
 - Entirely within City limits
 - 32.45% poverty
 - .86 square miles

UPZ – Airport Portion

- Census Tract 051204, Block Group 2
 - Portion within City limits
 - 10.00% poverty
 - .99 square miles
 - Adjacent to census block group that meets the poverty threshold
 - And more than 50% (56.57%) zoned non-residential

UPZ – North Long Street

- Census Tract 050800, Block Group 2
 - Portion within City limits
 - 21.53% poverty
 - .33 square miles

Ms. Clifton pointed out the limitations for the Urban Progress Zone:

- Zone can only exist inside the primary corporate limits
- Zone may not exceed 15% of the total area of the municipality
- Area zoned as non-residential does not exceed 35% of the total area of the zone

She then reviewed the Zones for consideration:

- Downtown - .40 square miles
- Jake Alexander Boulevard/Industrial Avenue/Airport – 2.38 square miles
- North Long Street - .33 square miles
- Total for all Zones – 3.11 square miles

Ms. Clifton requested Council set a public hearing for December 21, 2010. She stated if Council is in support, a separate Resolution for each application will be submitted for Council's consideration to submit to the North Carolina Department of Commerce.

Councilman Miller asked what these Zones will do for the City, if approved. Ms. Clifton responded that if approved these areas would be eligible beginning January 1, 2011, for individuals to apply for tax credits. Mr. Miller asked if this will include Turnkey Technologies, which was discussed earlier in the meeting. Ms. Clifton responded that the area will include the new company, and the owner will be eligible to apply for tax credits at the State level.

Thereupon, Mr. Woodson made a **motion** to set a public hearing for December 21, 2010 to receive input regarding the Urban Progress Zones for 2011-2012. Messrs. Kennedy, Miller, Woodson, and Meses. Blackwell and Kluttz voted AYE. (5-0)

TEMPORARY STREET CLOSING – SALVATION ARMY TOY AND FOOD GIVEAWAY

Lt. Melanie Thompson addressed Council regarding a temporary street closure. She indicated she has worked with the Salvation Army Board of Directors in regards to their 2010 Toy and Food giveaway to alleviate traffic congestion experienced during last year's giveaway. She recommended a temporary street closure for North Long Street from Park Avenue to Bringle Ferry Road, along with the 400 blocks of East Cemetery, East Franklin, and North Shaver Streets. She reviewed a map depicting the closures and the proposed flow of traffic for the event, and noted through-traffic will be detoured to Martin Luther King, Jr. Avenue.

Mayor Kluttz asked how the Police will know who is eligible to receive the food and toys. Lt. Thompson responded the Salvation Army uses vouchers for eligible citizens that they will present to the Police Officers.

Mayor Pro Tem Blackwell asked if this temporary closure will impact the Park Avenue Neighborhood. Lt. Thompson responded there will be a small increase in traffic using Park Avenue for the detour onto Martin Luther King, Jr. Avenue, but she does not anticipate it to be substantial.

Thereupon, Mr. Kennedy made a **motion** to close North Long Street from Park Avenue to Bringle Ferry Road, and the 400 blocks of East Cemetery, East Franklin, and North Shaver Streets Tuesday, December 21, 2010 from 8:00 a.m. until 5:00 p.m., for the annual Salvation Army Toy and Food Giveaway. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, Woodson, and Meses. Blackwell and Kluttz voted AYE. (5-0)

CLARIFY CONDITIONS FOR SUP-05-2010 NASHVILLE NIGHTS, 217 EAST INNES STREET

Zoning Administrator David Phillips addressed Council regarding clarification for SUP-05-2010 Nashville Nights. He indicated Council approved the Special Use Permit for Nashville Nights located at 127 East Innes Street at the November 19, 2010 meeting. He stated during the discussion it was noted the Planning Board had made two recommendations to Council: the guidelines and requirements for the club be attached to the permit, and a sunset clause for the permit. He indicated Council did not agree with the sunset clause, but the discussion was not as clear in regard to the guidelines for the club.

Mr. Phillips stated staff was unsure if it was Council's intent to accept the Planning Board recommendation to attach the guidelines to the permit, or if Council wished to adhere to the four general standards.

Mayor Kluttz commented it was her understanding Council was in favor of the guidelines, but would eliminate the one-year sunset clause.

Councilman Kennedy pointed out a contradiction in the security guidelines, noting the guidelines stated in one section patrons "may" be wand-searched, but in a different section stated the patrons "will" be wand-searched. He asked City Attorney Rivers Lawther if Council could make the condition that each patron be wand-searched. Mr. Lawther responded Council can make the condition, and indicated the owner has agreed to do so. Mr. Kennedy indicated he would like this to be clarified and made a part of the Special Use Permit.

Councilman Miller asked how the requirement to wand-search will be enforced. Mr. Kennedy noted if there is an incident in the club Council will be able to revoke the Special Use Permit. Mr. Lawther commented it would be similar to an establishment doing other things they are not supposed to do, and if they do not wand-search it will be a violation of their restrictions.

Thereupon, Mr. Kennedy made a **motion** to amend Special Use Permit 05-2010 Nashville Nights to allow the use of a nightclub at 127 East Innes Street with the condition that the revised membership requirements for members and staff of Nashville Nights, a private club, and Nashville Nights Security Guidelines be made a part of the permit and utilized as part of any similar use at this location. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, Woodson, and Meses. Blackwell and Kluttz voted AYE. (5-0)

COMMENTS FROM THE CITY MANAGER

(a) Bank Street Bridge and Fisher Street Bridge Update

Ms. Wendy Brindle, Traffic Engineer, stated bridge inspections are conducted in the City every two years. She indicated in 2008 there were repair items noted for the Bank Street and Fisher Street bridges that received funding this fiscal year. She noted the Bank Street bridge repairs are now complete and the bridge is open.

Ms. Brindle noted the Fisher Street repairs consisted of cleaning and painting the structural steel beneath the bridge, and has not yet been implemented. She stated during this time the 2010 inspections have been conducted, and additional repairs were identified for the Fisher Street bridge. She pointed out some of the newly identified repairs have been noted as critical findings. Ms. Brindle stated when staff received the findings they contracted with a consultant to review the findings and make recommendations on the repairs. She indicated after review, the consultant, Kimley-Horn, recommended one critical temporary repair be implemented immediately, and the remaining repairs be combined with the recommended painting from 2008. She noted since there was funding approved for painting, staff recommends using those funds to make the critical repair, and defer the painting and other repairs until next year when a new funding request can be considered. She indicated the contracts are for amounts allowed to be approved by staff and if Council concurs, staff will proceed.

Ms. Brindle stated the critical repairs to the Fisher Street bridge can be started as soon as approval is received from Norfolk Southern Railroad and North Carolina Railroad. She indicated because of the nature of the repairs, the Railroads have fast-tracked the approval process, and staff hopes to begin construction in approximately two weeks. She noted staff does not anticipate the need to close the bridge for the repairs, and while there may be shoulder closures, the bridge itself will remain open to traffic.

Councilman Kennedy asked if the public is at risk using the bridge at this time. Ms. Brindle responded that the public is not at risk. She noted if the repairs are not done, then after time the bridge may have to be closed, but there is no danger right now.

By consensus, Council agreed with staff's recommendation.

(b) I-85 Sewer Interceptor Project

City Manager David Treme indicated in 2006 the City of Salisbury and Rowan County entered into an agreement for the extension of sewer lines along the I-85/US29 corridor. He stated the project was bid March 2009 and was completed October 2010. He indicated the City and County each agreed to contribute \$3.25 million for the project. Mr. Treme stated the project was completed at \$5,826,449, much less than budgeted. He noted the project includes 2,150 linear feet of gravity sewer interceptor, three bores under I-85 at 4,450 linear feet, and 3,130 linear feet of forcemain that connects to China Grove's Pine Ridge Lift Station.

Mr. Treme stated as the project was implemented Salisbury-Rowan Utilities (SRU) staff worked with the contractor to make field changes that produced the same result for much less cost. He congratulated Mr. Behmer and the SRU staff for working with the contractor to realize savings on this very large capital project.

Mr. Treme noted this information was shared with County Manager Gary Page December 6, 2010, and this was a successful partnership between the City and County.

(c) Arlington Street Property

City Manager David Treme indicated the City has been working with MFW Associates to purchase City-owned property beside the existing Bojangle's so the structure can be reconfigured. He noted this would allow for a right-of-way for a future bridge to improve traffic conditions from Arlington Street to East Innes Street, while also providing a connection into the K-Mart parking lot. He stated Council agreed to sell the property to MFW Associates, but there have been changes since the approval.

Community Planning Services Director Joe Morris noted October 5, 2010 Council accepted a bid in the amount of \$164,874.50 from MFW Associates for the purchase of tax map and parcel 019 516. He stated the agreement to sell the property was made contingent upon details being worked out between the developers of adjacent properties to accommodate the bridge access described by Mr. Treme.

Mr. Morris indicated staff has received an unapproved site plan with potentially new property lines that require subdivision of the property and a reconfiguration with property owned by the City. He noted a piece of the property initially included in the tract to be sold to MFW Associates would be taken out and reconfigured with City property to allow for a private drive and bridge to be constructed. He indicated MFW Associates is ready to proceed with the closing, and would like to begin construction early in 2011. He stated MFW Associates is requesting the City consider the change in the property boundary so they can move forward.

Mr. Morris stated staff will have the property surveyed to have accurate boundaries, and anticipates it will reduce the sale price of the property approximately \$20,000 to \$25,000. He pointed out he will not be sure of the change until the survey is complete, but wanted to share this information with Council.

Councilman Miller asked if there is a site plan associated with what will be sold, and if the driveway will still align with the K-Mart driveway. Mr. Morris responded this is the intention but the site plan has not yet been submitted for approval. He noted the site plan for Bojangle's does include a driveway that aligns with the K-Mart driveway. He added both developers are using the same engineering company for the design, and staff anticipates a good solution.

Mr. Miller stated he favors allowing the transition of ownership to occur so the developer can move forward with their process.

Thereupon, Mr. Miller made a **motion** to allow this change to Council's original approval to facilitate the sale. Mr. Woodson seconded. Messrs. Kennedy, Miller, Woodson, and Ms. Blackwell and Kluttz voted AYE. (5-0)

MAYOR'S ANNOUNCEMENTS

(a) Toys for Tots

Mayor Kluttz announced the Salisbury Police and Fire Departments will hold their third annual "Up on the Rooftop" Toys for Tots toy drive beginning at 6:00 a.m. Friday, December 10, 2010 through 3:00 p.m. Sunday, December 12, 2010, at Krispy Kreme Doughnuts located at 1428 West Innes Street. Citizens who wish to support Toys for Tots are asked to bring new, unwrapped toys or monetary donations to the event.

Mayor Kluttz thanked the Police and Fire Departments for their efforts to help children.

(b) Employee Christmas Luncheon

Mayor Kluttz announced the annual Christmas luncheon for City employees will be held Wednesday, December 8, 2010 from 11:30 a.m. until 1:30 p.m. at the Salisbury Civic Center.

(c) Christmas Community Concert

Mayor Kluttz announced Dr. Phillip Burgess will present the annual Christmas Community Concert Sunday, December 12, 2010 at 4:00 p.m. at St. Luke's Episcopal Church. She noted everyone is invited to attend. Mayor Kluttz stated this is a beautiful gift to the community, and all races and denominations are included. She pointed out Dr. Burgess received the Elizabeth Duncan Koontz Humanitarian Award for this effort to improve race relations through music.

ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Miller, seconded by Mr. Woodson. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 5:24 p.m.

Susan W. Kluttz, Mayor

Myra B. Heard, City Clerk