

Salisbury, North Carolina
March 22, 2017

RECESSED MEETING OF MARCH 21, 2017

The City Council of the City of Salisbury met at 5:30 p.m., Wednesday, March 22, 2017 at Morgan Ridge Railwalk Brewery and Eatery located at 421 North Lee Street pursuant to the recess of the Regular meeting of March 21, 2017, with the following members being present:

PRESENT: Mayor Karen Kirks Alexander, Presiding; Mayor Pro Tem Maggie A. Blackwell; Council Members William Brian Miller, and David Post; City Manager W. Lane Bailey; Deputy City Clerk Kelly Baker, and City Attorney F. Rivers Lawther, Jr.

ABSENT: Council Member Kenneth Hardin and City Clerk Myra B. Heard.

Salisbury City Council and members of Management Team met at Morgan Ridge Railwalk Brewery and Eatery located at 421 North Lee Street. The invocation was given by Assistant City Manager Zack Kyle. The meeting was called to order by Mayor Alexander at 5:30 p.m.

City Manager Lane Bailey introduced Tom Asp with CTC Technologies who was scheduled to present information regarding Fibrant during Council's Retreat the following day. Mr. Asp discussed the state of broadband throughout the country, and he noted the demand for gigabit services has decreased. He indicated fiber infrastructure is a long-term investment and will also maintain long-term value.

GOALS UPDATE REVIEW

City Manager Lane Bailey updated Council on the status of its FY2016-2017 Goals:

Priority Initiatives – One Year Tactical Plan

Improve the quality of life and livability in Salisbury

1. Promote and enhance community safety by supporting the new Police Chief and efforts regarding community policing, and providing a competitive compensation package to retain and expand the number of officers.
 - New Police Chief hired in July.
 - Salaries for officers have been increased and recruitment efforts have been targeted

2. Develop comprehensive business plan for Fibrant that fully leverages the utility's 10 Gig capabilities to attract businesses and create sustainable economic growth for the community.
 - Contracted with CTC Technologies to help determine how Fibrant may operate more efficiently and effectively in the future and if a public/private partnership is feasible

3. Enhance the appearance, accessibility, and livability of downtown Salisbury by investing in streetscape and infrastructure improvements and promoting economic and residential growth efforts associated with the redevelopment of the Empire Hotel and development of greenspace in the downtown area.
 - Rehabilitated Gateway Park and repaired the fountain (Rebecca)
 - Rehabilitated Emami parking lot on E. Innes St.
 - Enhancements planned for sidewalks in 100 block of W. Innes St
 - Working with DSI to apply for TDA grant for new trash and recycling cans, benches and bike racks in downtown
 - Assisted in installing the arch and planters at Hogan's Alley

4. Promote the appearance, accessibility, and walkability of the community through development and expansion of the Greenway system.
 - Received Carolina Thread Trail (CTT) grant of \$45,000 for bridge design on Forestdale to Catawba section
 - Received CTT grant of \$91,000 for installation of gravel near Kelsey Scott Park
 - Received Alternative Program funding of \$700,000 (requires 20% match) for Phase IV between Catawba and Kelsey Scott Park

5. Ensure that the organization is inclusive and reflective of all citizens and serves as an open and safe place for all people. Seek ways to reach under-represented populations for service on the City's boards and commissions. Promote openness and transparency in all endeavors.
 - The organization has implemented The Salisbury Way, a code of ethics for employees that focuses on integrity, character and respect.
 - Graduates of the Citizen's Academy have been used to solicit applications for boards, commissions and committees including the Comprehensive Plan Steering Committee

6. Identify and support innovative and collaborative opportunities and initiatives with Rowan Salisbury School System.

- Revised and renewed contract with Principal and Deputy Principal at Knox Middle School

Planning and Development Initiatives

Implement planning initiatives and improve pedestrian safety for all areas of the City.

1. Work with West End Neighborhood and stakeholders to implement West End Transformation plan.
 - Brenner Crossing Phase II near completion
 - BlockWork improvements in the 800-900 block of W. Monroe St.
 - Partnership with Livingstone College and HSF for stabilization of structures on W. Monroe Street
 - Phase II environmental assessment completed for Monroe St. and Duncan School
 - Intersection of W. Monroe/Brenner improved with landscaping from private donation
 - Sidewalk extensions are being evaluated in West End
 - Purpose Built initiative is consulting with Healthy Rowan on improving health outcomes and access to community health clinics
2. Implement a Neglected Housing Initiative to address housing blight and revitalization.
 - 5 homes were purchased on S. Lee and S. Jackson Streets with 2015-16 funds and stabilization is underway on several of the homes
 - Home adjacent to Chestnut Hill park was painted and siding replaced
 - One of the homes from 2015 BlockWork project has been sold for primary residential use
 - CDC is exploring an offer from a non-profit to purchase deteriorated home on Lee Street to demolish and donate parcel to CDC
3. Collaborate with Rowan County Inspection Department to improve the development review process.
 - County staff participate in monthly Technical Review Commission meetings and weekly Permit Coordination meetings.
 - Collaboration is limited because the City and County use different permit tracking systems that cannot “communicate”
4. Study improving animal control services
5. Develop a process and begin update of Comprehensive Plan (2030/2040)
 - Contracted with czb Associates in May 2016 and Steering Committee appointed
 - Conducted outreach through interviews, focus groups and kitchen table conversations held June through October 2016
 - Draft plan currently under review by the Steering and Technical (staff) committees

Utilities and Community Infrastructure

Provide quality water and wastewater services to Rowan County that protect the environment, promote public health, improve the quality of life, support planned growth and maintain public trust

1. Safeguard Salisbury's interest on the Yadkin River by participating in relicensing of Alcoa's Yadkin Project
 - NC Department of Environmental Quality issued a 401 Water Quality Certification for the Alcoa Yadkin Project October 23, 2015
 - The Certification requires Alcoa to coordinate, plan and implement flood and sedimentation mitigation
 - Likely outcome is relocation of the river pump station
 - The Federal Energy Regulatory Commission (FERC) approved license for Alcoa's Yadkin Project on September 22, 2016
 - City filed a request for rehearing to include specific measures found in the FERC final environmental impact statement that were omitted from license. These included flood and sedimentation mitigation for the river pump station (like the Certification) plus mitigation for the Grant Creek Wastewater Treatment Plant. The license did include protections from the NCDEQ 401 Water Quality Certification
 - In February 2017, FERC approved the sale of the Yadkin Project to Cube Hydro
 - City staff continues negotiations with Cube Hydro

Provide reliable, competitive, sustainable broadband infrastructure for our community with a focus on exceeding customer expectations

1. Operate system at 99.999% reliability
 - System has consistently operated at 99.999% reliability because of proactive outside plant maintenance
 - Upcoming generator switch test
 - Implementing proof of concept prior to field deployment
 - Real-time monitoring
2. Remove impediments to digitalization
 - Promotion in all geographic areas of the City
 - Evaluating e-rate pricing structure for low income residents

Financial Accountability and Sustainability

Maintain financial accountability and sustainability

1. Develop a plan for priority infrastructure improvements in the City.
 - A 10-year CIP was developed in FY2016 and is being updated for FY2018 – FY2027

- As part of the Vision 2020 Comprehensive Plan update, infrastructure projects are in the process of being identified and prioritized
- The City has partnered with DSI and Centralina Council of Governments to host public input sessions on future downtown improvements

Organizational Development and Partnerships

Improve organizational transparency

1. Continue to improve the City website, including integration of the City marketing plan
 - Newly designed City website is in the building stage
 - Anticipated to go live before the end of the fiscal year

Create a culture of excellent customer service to improve service delivery to our citizens

- The Customer Service team was rebranded as Team Salisbury and continues to recognize and promote outstanding customer service among employees.

Planning Services Director Janet Gapen commented that the Vision 2030/2040 Plan revision process is approximately two-thirds complete. She noted the group has focused on stabilizing the City's core, stabilizing its neighborhoods, strengthening and enhancing the recognized gateways and focusing on collaboration with partners. She indicated the group will take the results from the four Community Action Meetings to be held in April and incorporate the needs identified from the meetings into the plan.

There being no further business, Ms. Blackwell made a **motion** to recess the meeting until Thursday, March 23, 2017 at 8:30 a.m. at Rowan Cabarrus Community College Building 400, Room 4133. Mr. Post seconded the motion and all council members in attendance agreed unanimously to recess. The meeting was recessed at 7:30 p.m.

RECONVENE – THURSDAY, MARCH 23, 2017

Mayor Alexander called the meeting to order at 8:30 a.m. in Room 4133 at Rowan Cabarrus Community College.

PRESENT: Mayor Karen Kirks Alexander, Presiding; Mayor Pro Tem Maggie A. Blackwell; Council Members Kenneth Hardin, William Brian Miller, and David Post; City Manager W. Lane Bailey; Deputy City Clerk Kelly Baker, and City Attorney F. Rivers Lawther, Jr.

ABSENT: City Clerk Myra B. Heard

Salisbury-Rowan Utilities Capital Improvement Plan

City Manager Lane Bailey reviewed the Salisbury-Rowan Utilities (SRU) Capital Improvement Plan (CIP). Utilities Director Jim Behmer noted many of the large projects have already been brought to Council and are underway.

Mr. Bailey indicated the SRU CIP calls for a 2.6% rate increase which is the Consumer Price Index (CPI) and would keep the rates consistent with inflation. Mr. Behmer noted SRU's rates would remain in the middle of other comparable utility systems in regards to price.

Mr. Behmer referred to the wastewater CIP and noted the Crane Creek lift station was recently approved by Council. He stated staff is working to combine several of the larger, more substantial projects in order to create a debt package that will leverage grant funds.

General Fund Capital Improvement Plan

Mr. Bailey indicated Council had not adopted a Capital Improvement Plan (CIP) for the General Fund. He noted the worksheet distributed to Council includes three options and each option includes an effective tax increase. He pointed out the differences between the options are based on the financial performance of Fibrant.

Mr. Bailey stated issues from previous budget cuts have had the greatest impact on the Police Department. He added he would like to right-size the Police Department budget.

Mr. Bailey pointed out there was a large increase for dependent coverage last year, but no increase is anticipated for the coming budget year. Mayor Pro Tem Blackwell asked if a tier system is possible and noted last year some employees used the majority of their pay for insurance premiums. She stated if they had a choice they could choose which insurance options met their needs based on affordability.

FIBRANT

Mr. Bailey noted that two components missing from the CIP are how to improve the financial performance of Fibrant and how to right-size the Police Department.

Mr. Bailey introduced Tom Asp with CTC Technologies and Energy. Mr. Asp reviewed changes taking place in the broadband industry. He noted there is a continued interest in high speed internet but the demand depends on age, income and education of households. He indicated there is now more discussion regarding how wireless will evolve, and he pointed out wireless still needs fiber as the backbone for its service.

Mr. Asp stated internet rates have surpassed cable television as streaming options have increased. He noted at some point there may be consideration given to removing video from Fibrant, but that point is in the decision.

Mr. Asp noted competitors continue to merge, and it is important for Fibrant to find a niche to offer something its competitors cannot. He indicated Google is scaling back its fiber initiatives due to cost, and its focus will now be on multiple dwelling units.

Mr. Asp referred to Chattanooga's fiber system and noted that if Fibrant operated under Chattanooga's system as an electricity, it would be cash flow positive and out performing Chattanooga.

Mr. Asp indicated he is seeing a trend in public/private partnerships across the country. He noted there are some federal incentives that encourage the partnerships, but any new initiatives from Washington will most likely only apply to new construction and not existing systems. He pointed out Fibrant has long-term value beyond when its debt is paid, and it will provide a long-term platform for both residential and business services.

CLOSED SESSION

Mr. Bailey indicated Mr. Asp would like to review the proposals received from the Fibrant Request for Proposals, and the responses contain information that is proprietary and covered by non-disclosure agreements.

Thereupon Mr. Post made a **motion** to go into closed session concerning an economic development matter as allowed by NCGS 143-318.11(a)(4). Ms. Blackwell seconded the motion. Messrs. Hardin, Miller, and Post and Meses. Alexander and Blackwell voted AYE. (5-0)

RETURN TO OPEN SESSION

Thereupon Ms. Blackwell made a **motion** to return to open session. Mr. Hardin seconded the motion. Messrs. Hardin, Miller, and Post and Meses. Alexander and Blackwell voted AYE. (5-0)

City Manager Lane Bailey reported that Council discussed creating a committee to advise Council on the future operations of Fibrant. He noted that 14 companies provided a letter of interest and signed non-disclosure agreements and were sent information about Fibrant in order to submit a proposal. He stated 6 of those firms submitted a proposal and after reviewing the proposals, Council would like to continue discussions with 3 of the firms. He stated that the name of the companies will remain confidential until a decision is rendered.

GENERAL FUND CAPITAL IMPROVEMENT PLAN

Councilmember Hardin referred to the West End Transformation plan in the CIP and noted there had been discussions about funds for a vocational trade program. He pointed out a dollar amount is not listed for the program, and he thought it had been changed from \$300,000 to \$100,000. Mr. Bailey explained the dollar amount is not shown because the funds would come

from Rowan Cabarrus Community College, and the goal is to get the program established by 2019. Budget Manager Shannon Moore indicated a dollar amount had not yet been determined.

Mayor Pro Tem Blackwell asked why there was a need to wait two years for the program. Mr. Bailey indicated it can be moved at Council's discretion. Mr. Hardin stated he thinks this type of program can help with crime and issues in the community by engaging young people. Mr. Bailey noted he and Ms. Moore will work with Mr. Hardin on the initiative. Parks and Recreation Director Nick Aceves indicated there may be a grant available through the Governor's Crime Commission that he may be able to assist with. Mr. Hardin indicated he will work with Mr. Aceves as the liaison to the Park and Recreation Advisory Board.

PUBLIC SAFETY

Police Chief Jerry Stokes provided an overview of crime and statistics for 2014, 2015 and 2016 and how the figures compared to other communities.

Councilmember Hardin asked how issues such as poverty factor into preventative measures and enforcement. Chief Stokes noted cities with lower instances of crime tend to enforce more in areas like traffic. He added he does not want Salisbury's officers to concentrate on those areas, but he would rather they focus on violent offenders and drug dealers in neighborhoods. He stated with prolific offenders there needs to be targeted investigation rather than a wide net approach. He noted the impact of Project SAFE has waned with the loss of its coordinator, but there is a request to reinstate this position.

Chief Stokes reviewed information related to gang activity, and he indicated gangs are organized crime. He referred to Project SAFE and noted a civilian worked as a coordinator to bring community resources together and collaborate with different agencies to identify offenders. He stated the position coordinated who needed to be on the notification list and facilitated bringing resources together to help divert the individual from re-offending. It was noted the position was very effective while in place.

Mayor Pro Tem Blackwell indicated a person who had been through the program spoke to Council several years ago about his success, but the coordinator position was lost during staffing cuts in 2008.

Chief Stokes stated he has included the position in the upcoming budget. He explained the position would be shared with the Sheriff's Department would be funded 50/50 by both agencies.

Chief Stokes reviewed the workload for 2016 and the calls for service. He pointed out the most frequent type of calls are 911 hang-ups which create an unknown situation. He reviewed Police reports for property crimes and arrests and citation figures.

Chief Stokes indicated Police officers have focused on getting out of the patrol car as a deterrent in areas with higher activity. He noted this takes time away other areas and may lead to fewer arrests.

Mayor Alexander indicated the data for cases related to mental illness has remained steady, and she asked if officers see the same people in these situations. Chief Stokes noted he is unsure, but there is a problem nationwide with the mental health system. He added the Police are often called to deal with a mental health issue because there is no one else to do it.

Chief Stokes then reviewed the demographic data for arrests and noted youthful offenders under 21 years of age has the largest number, and he commented it is a disturbing trend. Mr. Hardin asked if Chief Stokes planned to attach reduction goals for the Police Department based on the data. Chief Stokes indicated he has considered issuing a citation in lieu of arrest and will work with the District Attorney to explore options.

Chief Stokes noted that approximately 6% of offenders are responsible for 80% to 90% of the crime. He further discussed gang activity and the ability to identify crimes related to gangs. He noted the arresting officer has to identify the crime as gang related in the arresting report in order for the data to be reported. He stated in many cases witnesses will not talk to the Police, and they are unable to report the crime as gang related.

Chief Stokes then reviewed professional standards and situations when force was used. He stated he has an extensive background in internal affairs, and the figures for Salisbury are not high.

Chief Stokes discussed staffing for the department. He stated five officers have indicated they will retire in the next fiscal year, and there has been an approximate 47% turnover in the department. He noted that with new hires in 2015 and 2016 the officers have been more diverse, and he believes the department is heading in the right direction. He reviewed the incentives that have been developed to bring additional officers on board.

Councilmember Post asked if there has been any pushback from existing employees. Chief Stokes noted there has been some, but he believes when there is a crisis the incentives must be offered to get people to apply.

Chief Stokes indicated he is working on a citywide surveillance project being funded through a grant and private funds. He stated staff is working to identify where cameras should be placed and prioritizing their installation. He pointed out the camera system will use Fibrant infrastructure.

Chief Stokes reviewed budget requests to improve staffing levels and to right-size the department's budget. Information was provided to Council regarding the hiring range for Salisbury and surrounding communities. Councilmember Miller asked Chief Stokes what he needed for the department to be successful. Chief Stokes indicated he needed to fill the remaining vacancies and to become the department where people want to work. He noted negative media has had an impact on recruiting officers.

Council discussed different models to determine funding for the Police Department and noted per capita does not work because communities are different with different populations. Several options were presented to increase the minimum and maximum salaries for different ranks

in the department and the overall cost of each option. Mr. Bailey noted he would like to receive Council's guidance in order to move forward with the budget process. The options included:

- Option 1 – 4% minimum and 7.5% maximum - \$305,194.94
- Option 2 – 5% minimum and 10% maximum - \$404,616.60
- Option 3 – 8% minimum and 12.5% maximum - \$517, 898.16
- Option 4 – 10% minimum and 15% maximum - \$624,249.77

Mr. Hardin indicated the increase needs to be what it takes to succeed, and he recommended Option 4. Mr. Bailey noted Option 4 totals \$624,249.77, which is an effective tax increase of 2.25 cents above what is in place before doing anything else in the budget.

Mayor Alexander commented she sees this as community investment for public safety, and she thinks this will make a difference in the City's economic development potential.

Mr. Bailey noted vacancies have not had the same impact on other departments as they have in Police. He noted there are some compression issues in the Fire Department, but he thinks it can be addressed with little impact to the budget. He commented crime and economy are related, and if people who work here feel safe, they will live here.

Mr. Post stated an increase of \$.05 would create a \$50 increase on a house valued at \$100,000, and he noted that equates to the purchase of one bottled water per week, per household.

Mayor Alexander commented Council needs the community's help with programs that divert people from the judicial system. She added she thinks this increase is a very important investment in the City.

By Consensus, Council agreed to pursue Option 4 for a 10% increase on the minimum salary and a 15% increase on the maximum for a total of \$624,249.77.

Mr. Miller asked Mr. Bailey to look at other competing pressures to see if there is a strategy to help Council implement the increase in phases.


Mr. Bailey commented he has a good idea of how Council would like to move forward with the budget. He noted staff will move forward with Option 4 as well the non-salary expenses. He asked if there were any other items Council would like to see in the CIP that are not currently included.

Ms. Blackwell asked about the skate park that has been discussed in the past. Mayor Alexander suggested Nick Aceves bring ideas to Council about what is done in other communities and if there are other programs that are effective for teenagers.

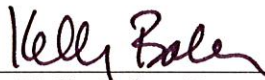
Mr. Bailey indicated he will present a balanced budget to Council in May based on the input from today.

ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Post seconded by Mr. Miller. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 2:47 p.m.



Karen Kirks Alexander, Mayor



Kelly Baker, Deputy City Clerk