

Salisbury, North Carolina
December 16, 2014

REGULAR MEETING

PRESENT: Mayor Paul B. Woodson, Jr., Presiding; Mayor Pro Tem Maggie A. Blackwell, Council Members William (Pete) Kennedy, and William Brian Miller; Interim City Manager John Sofley; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: Councilmember Karen Kirks Alexander

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Woodson at 4:00 p.m. The invocation was given by Councilmember Miller.

PLEDGE OF ALLEGIANCE

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

RECOGNITION OF VISITORS

Mayor Woodson welcomed all visitors present.

CONSENT AGENDA

(a) Approval of Minutes

Approve Minutes of the Regular Meeting of December 2, 2014.

(b) Budget Ordinance Amendment – Insurance Proceeds

Adopt a Budget Ordinance amendment to the FY2014-2015 budget in the amount of \$9,465 to appropriate insurance proceeds.

ORDINANCE AMENDING THE 2014-15 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE INSURANCE PROCEEDS.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 121, and is known as Ordinance 2014-50)

(c) Budget Ordinance Amendment – Insurance Proceeds

Adopt a Budget Ordinance amendment to the FY2014-2015 budget in the amount of \$6,000 to appropriate Police Department Asset Forfeiture funds.

ORDINANCE AMENDING THE 2014-15 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO RESTRICTED FORFEITURE FUNDS.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 122, and is known as Ordinance 2014-51)

Thereupon, Mr. Kennedy made a **motion** to adopt the Consent Agenda as presented. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, and Woodson, and Ms. Blackwell voted AYE. (4-0)

2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Ms. Tonya Marshall, Audit Manager for Martin, Starnes and Associates CPA's, P.A. addressed Council regarding the 2014 Comprehensive Annual Financial Report (CAFR).

Ms. Marshall thanked Council for allowing Martin, Starnes to work with the City on its annual audit. She noted the audit was submitted to the Local Government Commission (LGC) and has been approved. She reviewed the highlights of the audit:

- Unmodified (clean) opinion
- No material internal control weakness identified
- Cooperative staff

Ms. Marshall explained the available Fund Balance serves as a measure to compare the City to other local governments in the State. She stated the available Fund Balance as defined by the LGC is calculated as follows:

- Total Fund Balance
- Less: Non spendable (not in cash form, not available)
- Less: Stabilized by State Statute (by State law, not available)
- Available Fund Balance

Ms. Marshall reviewed the total Fund Balance in the General Fund for the previous three years. She noted an increase of \$2.6 million from the previous year, or approximately 20 percent.

<u>Fund Balance Position – General Fund</u>	
Total Fund Balance	\$15,867,771
Non spendable	- 548,414
Stabilization by State Statute	<u>- 4,130,501</u>
Available Fund Balance	\$11,188,856
Available Fund Balance 2013	\$8,365,750
Increase in available Fund Balance	\$2,823,106

Ms. Marshall displayed charts showing the available Fund Balance as a percentage of expenditures of the General Fund. She pointed out the LGC prefers at least an 8 percent available Fund Balance as a percentage of the General Fund to cover one month's expenditures. She noted the Fund Balance has increased approximately 9 percent from 2013. She explained in 2012 the City's available Fund Balance was at 18.13 percent and it has risen to 33.52 percent. She stated the State-wide average available Fund Balance is approximately 30 percent.

Ms. Marshall reviewed a summary of the General Fund, and she pointed out revenues decreased approximately 8 percent, or \$2.9 million, due to a change in reporting. She noted expenditures decreased approximately 1 percent, or \$427,000.

Ms. Marshall indicated from FY2012 to FY2013 property tax revenue increased by 3 percent and from FY2013 to FY2014 property tax revenue increased by 6 percent, or \$1,063,046. She explained due to the implementation of the Tax and Tag Together Program, the City received approximately 4 months of extra income from the taxation of motor vehicles. She added it is a one-time source of extra revenue that will only occur in FY2014. She reviewed sales tax revenue and noted an increase of approximately 3 percent.

Ms. Marshall pointed out the top three expenditures from the General Fund which totaled \$33 million:

- General Government – 32 percent
- Public Safety – 34 percent
- Transportation – 9 percent
- Other Expenditures – 25 percent
 - Education
 - Environmental Protection
 - Culture and Recreation
 - Community and Economic Development

Ms. Marshall reviewed the Enterprise Funds Summary of Operating Results:

	<u>Water and Sewer</u>	<u>Broadband Services</u>	<u>Stormwater Fund</u>	<u>Transit</u>
Operating Revenues	\$22,773,882	\$4,811,757	\$1,153,565	\$105,706
Operating Expenses	<u>\$14,001,567</u>	<u>\$2,959,687</u>	<u>\$884,250</u>	<u>\$973,363</u>
Operating Revenues over Operating Expenditures	\$8,772,315	\$1,852,070	\$269,315	(\$867,657)
Non-operating Revenue	(\$8,352,038)	(\$1,623,048)	(\$22,766)	\$540,897
Debt Issued	\$1,292,399			
Transfers to/from other funds	-	-	-	\$413,474
Revenues Over Expenditures	\$1,712,676	\$229,022	\$246,549	\$86,714

Mayor Woodson pointed out Fibrant has progressed from losing \$4 million per year several years ago to earning \$229,022 in FY2014.

Ms. Marshall referenced key operating indicators from each service provided by the City:

	<u>Water and Sewer</u>	<u>Broadband Services</u>	<u>Stormwater Fund</u>	<u>Transit</u>
Operating Income (loss)	\$3,376,451	\$1,082,296	\$2174,039	(\$993,175)
Net Cash from Operating Activities	\$8,650,406	\$1,499,634	\$267,827	(\$866,481)
Required Debt Service	\$6,216,842	\$1,726,524	-	-
Unrestricted Net Position	\$18,419,237	(\$5,864,875)	\$438,149	\$260,677
Cash/Cash Equivalents	\$9,667,670	\$3,082,736	\$377,950	\$302,220

Ms. Marshall explained cash from operating activities is used to make debt service payments.

Mayor Woodson thanked Ms. Marshall for the presentation. He asked Ms. Marshall if she found the City to be financially solid with no discrepancies. Ms. Marshall stated that is correct.

Interim City Manager John Sofley stated several years ago Council adopted a goal to increase the available Fund Balance. He pointed out the City has progressed from having one of the lowest available Fund Balances to slightly ahead of the State average. He added this growth allowed the City to participate when the Rowan-Salisbury School System (RSSS) requested assistance with its Central Office Building. He noted the available Fund Balance will fund the downtown economic incentive grants Council recently improved. He emphasized increasing the available Fund Balance allows the City to reach out into the community.

Mr. Sofley noted Martin, Starnes conducts a thorough review of internal controls. He added the auditors discussed personnel changes with staff and conducted a thorough audit to ensure the City followed its procedures.

Mr. Sofley pointed out it is encouraging when Fibrant makes a profit and cautioned the coming year will be tough for the utility. He commended the Fibrant sales staff, and he pointed out he is concerned about capital costs due to increased signups.

Mr. Sofley indicated the sales tax increase is an indicator of the community's continued improvement and improving economic condition. He added he is pleased with the audit results.

Mayor Pro Tem Blackwell stated Fibrant made \$229,022 in FY2014. She noted rumors exist that the property tax increase and other funding is being discretely channeled to Fibrant.

Mr. Sofley stated several years ago the City recognized opportunities for efficiency. He explained individuals working across multiple departments were doing the same job. Ms. Blackwell added the City increased efficiency by combining the departments. Mr. Sofley pointed out in some cases there was a reduction in staff.

Ms. Blackwell asked for clarification regarding any transfer of funds from one department to another. Mr. Sofley stated a transfer was made from the Water and Sewer Fund to Fibrant and a small transfer was made from the General Fund to Fibrant. He explained staff allocated the square footage of the Customer Service Center used by Fibrant to pay for the percentage of the building it uses.

Ms. Blackwell asked Ms. Marshall if she found any evidence of money transfers to help Fibrant break even. Ms. Marshall stated she did not.

Mr. Sofley noted the City has transferred money from the Water Sewer Fund to the General Fund for years. He added the LGC did not want to see the transfers as revenue or expense so the City changed how it records the transfers.

Mayor Woodson pointed out four years ago the City had an 8 to 9 percent available Fund Balance and today the available Fund Balance is 33 to 34 percent.

Councilmember Kennedy asked Ms. Marshall if she found anything in the audit of which Council should be aware. Ms. Marshall stated there was nothing to report to Council.

Mayor Woodson thanked Ms. Marshall for her report and Mr. Sofley and the Management Team for their work to ensure the City's financial success.

ALL-WAY STOP – INTERSECTION OF PARK AVENUE AND MARTIN LUTHER KING, JR. AVENUE

Traffic Engineering Coordinator Vickie Eddleman explained staff was asked to evaluate traffic speeds at the intersections of Park Avenue and North Clay Street, Park Avenue and North Martin Luther King, Jr. Avenue, East Liberty and North Clay Streets, and East Liberty Street and North Martin Luther King, Jr Avenue.

Ms. Eddleman noted speed studies were conducted on Park Avenue in October 2014, and data indicated an 85th percentile speed of 32 mph. She explained 85 percent of the vehicles measured were travelling at 32 mph or less, with an average speed of 29 mph. She noted the posted speed on Park Avenue is 25 mph. She added a speed limit below 35 mph does not change driver behavior, but it allows for better enforcement of the speed limit. She explained a driver traveling 38 mph in a 35 mph zone would not be ticketed, but a driver driving 38 mph in a 25 mph zone could be ticketed.

Ms. Eddleman pointed out there were 15 recorded accidents at the intersection of Park Avenue and North Martin Luther King, Jr. Avenue over the last three years with nine of the accidents taking place in a single year. She added eight of the nine accidents were correctable angle accidents, and based upon the accident data, the intersection warrants treatment. She indicated the intersection has been studied in the past and less intrusive treatments such as larger stop signs and stop bars were not effective.

Ms. Eddleman presented a map of the accidents that have taken place at the intersections over a three year period, and she pointed out the majority of the accidents occurred at the intersection of Park Avenue and Martin Luther King, Jr. Avenue.

Ms. Eddleman reviewed the Park Avenue and North Clay Street study. She noted Park Avenue is posted at 25 mph with data showing the 85th percentile speed to be 32 mph. She added there were no accidents within the three year study period. She added staff recommends no treatment be implemented for the intersection of Park Avenue and North Clay Street at this time.

Ms. Eddleman noted the intersections of East Liberty and North Clay Streets and East Liberty Street and Martin Luther King, Jr. Avenue were also studied. She stated East Liberty Street is posted at 35 mph, with an 85th percentile speed of 32 mph and an average speed of 27 mph. She added there has been one angle accident at the intersection of East Liberty and North Clay Streets during the last three years that was correctible by an all-way stop. Ms. Eddleman indicated during this time five accidents were reported at the intersection of East Liberty Street and North Martin Luther King, Jr Avenue. She noted two additional accidents involving

stationary objects occurred away from the intersections. She added during the worst year of the study four accidents were reported, but only two were angle crashes.

Ms. Eddleman stated the intersections of East Liberty and North Clay Streets and East Liberty Street and Martin Luther King, Jr. Avenue do not meet the minimum thresholds established in the Manual Uniform Traffic Control Devices (MUTCD) for an all-way stop. She noted the 85th percentile speed on Liberty Street is 32 mph, which is less than the posted limit of 35 mph. She indicated staff upholds MUTCD guidelines that all-way stops be used only when appropriate criteria exist.

Ms. Eddleman noted staff has received requests for all-way stops as a quick-fix in residential neighborhoods. She stated all-way stops installed where they are not warranted commonly fail due to the lack of opposing traffic. She pointed out all-way stops in the Eagle Heights and Milford Hills communities were not effective. She added staff recommends a traffic circle where residents feel a treatment is necessary, but according to MUTCD standards none is warranted. She emphasized installation would depend on identifying a funding source, and she pointed out traffic circles can be costly if utility adjustments are required.

Ms. Eddleman pointed out traffic circles are different from roundabouts. She explained roundabouts have splitter islands at each approach and are designed for intersections on local streets. She stated roundabouts are typically not installed at intersections with high volumes of truck and bus traffic. She added roundabouts do not cause access restrictions, and they reduce midblock speed by approximately 10 percent. She noted emergency vehicles slow to approximately 13 mph. She indicated additional parking restrictions may be required at the intersection to allow fire trucks and other large trucks to maneuver the intersection.

Ms. Eddleman displayed a diagram of traffic maneuvering a mock traffic circle. She noted on Martin Luther King, Jr. Avenue a fire truck traveling north at Park Avenue can safely maneuver the mock traffic circle and avoid the mountable curb. She pointed out the utility poles force the driver to come to a stop. She added the re-location of utility poles and other obstructive infrastructure would be the biggest cost of traffic circle installation.

Ms. Eddleman noted previous treatments have not reduced vehicular accidents at the intersection of Park Avenue and Martin Luther King, Jr. Avenue. She stated staff recommends Council consider adopting an ordinance to establish an all-way stop at the intersection of Park Avenue and Martin Luther King, Jr. Avenue.

Councilmember Kennedy asked about the cost of a traffic circle in comparison to an all-way stop. Ms. Eddleman noted a traffic circle costs approximately \$7,000 which does not include utility relocation. She added installation of all-way stops is considerably less. Mr. Kennedy noted he has been to other cities where traffic circles are successful. He asked staff to study traffic circles and report back to Council.

Mayor Woodson asked if traffic circles include plantings in the center. Ms. Eddleman explained traffic circles can be planted or composed of stamped material such as concrete.

Mayor Pro Tem Blackwell requested staff choose an intersection that would benefit from a traffic circle to study and present its finding to Council at its Retreat.

Councilmember Miller asked if implementation of a traffic circle could reroute traffic from one block to the next. Ms. Eddleman pointed out the installation on an all-way stop could also reroute traffic. Mr. Miller noted traffic will follow the most convenient path. He added when the item is brought before Council he would like to hear from the community.

Thereupon Mr. Kennedy made a **motion** to adopt an Ordinance amending Section 13-332, Article X, Chapter 13 of the Code of the City of Salisbury, relating to stop signs. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, and Woodson, and Ms. Blackwell voted AYE. (4-0)

ORDINANCE AMENDING SECTION 13-332, ARTICLE X, CHAPTER 13 OF THE CODE OF THE CITY OF SALISBURY, RELATING TO STOP SIGNS.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 123, and is known as Ordinance 2014-52)

PUBLIC COMMENTS

Mayor Woodson opened the floor to receive public comment.

Mr. Ken Weaver, 529 Park Avenue, stated he presented an all-way stop recommendation from the Park Avenue Neighborhood Organization to City Engineer Wendy Brindle. He stated he believes if an all-way stop is implemented at one intersection, traffic will move to another street. He explained the neighborhood is requesting action be taken at all corners of the park, and he pointed out the Park Avenue neighborhood surrounds a park. He noted the community has worked to clean up the park, and it is now safe for children to play, but excessive traffic speed makes it unsafe for pedestrians. He stated the neighborhood supports traffic circles in the Park Avenue neighborhood, and until funding becomes available the neighborhood requests all-way stops at each intersection to calm traffic.

Ms. Jody LaFevre King, 631 Martin Luther King, Jr. Avenue noted traffic speed is a common topic at Park Avenue Neighborhood Organization meetings. She indicated there are all types of traffic in the Park Avenue community including vehicular, pedestrian and bicycle, and due to the multiple forms of traffic the neighborhood needs all-way stops. She added the neighborhood is transitional, and she is pleased to see the City grow. She agreed with Mr. Weaver and noted traffic speeds can be excessive. She stated the Park Avenue Neighborhood Organization would prefer traffic circles in the area but all-way stops could alleviate the situation until a funding source is identified.

Mr. Garth Birdsey, 414 Park Avenue, thanked staff for studying the traffic situation in the Park Avenue neighborhood. He thanked Council for implementing an all-way stop at the intersection of Park Avenue and Martin Luther King, Jr. Avenue. He pointed out he is concerned about the safety of children traveling to and from the park. He added the Police Department has worked to clean up the neighborhood, and it is now safer for children to use the park. He noted he believes traffic circles could benefit the Park Avenue neighborhood. He

stated Park Avenue is wider than Liberty Street making it unlikely that traffic will shift from Park Avenue to Liberty Street if a traffic circle is implemented.

Mr. Carl Peters, 424 Park Avenue, stated the intersection of Martin Luther King, Jr. Avenue and Park Avenue is an issue for the community. He noted the neighborhood is different than it was several years ago, and the focus of the neighborhood is shifting to safety and comfort. He added neighbors worry about distracted drivers cutting through the neighborhood since it is the fastest route to North Main Street, East Spencer and the Country Club. He asked Council to consider traffic circles in the Park Avenue neighborhood. He added until traffic circles can be implemented something must be done about the 15 accidents that have taken place on Martin Luther King, Jr. Avenue. He stated the neighborhood needs all-way stops.

Ms. Sue McHugh, 910 North Main Street, addressed Council on behalf of the North Main Neighborhood Association. She noted the neighborhood is bordered by the new Central Office Building and the Transportation Museum. She added the North Main Street neighborhood is the last remaining residential corridor into the City. She referenced the North Main Neighborhood Small Area Improvement Plan which was approved by Council in 2007. She noted the area has seen little progress but will become a focal point when the Central Office Building is completed. She stated the neighborhood supports reducing lane widths, on-street parking, and planted medians as outlined in the Small Area Improvement Plan. She requested Council work with the Housing Advocacy Commission (HAC) and the Community Appearance Commission (CAC) to develop stronger Ordinances to mitigate demolition by neglect.

Mayor Woodson asked if the grass along the curbs of the North Main Street corridor has been improved. Mr. Sofley stated he is not aware.

Ms. Ann Lyles, 409 East Bank Street, President of Brooklyn-South Square Historic District, addressed Council regarding all-way stops. She noted the Brooklyn-South Square neighborhood petitioned the City several years ago for all-way stops due to excessive traffic speed in the neighborhood. She added all-way stops were granted at two intersections and they have made a tremendous difference in the neighborhood. She stated drivers travel at a reasonable speed making the area safer for the entire community. She encouraged Council to consider all-way stops for the Park Avenue neighborhood. She added the Brooklyn-South Square and Park Avenue neighborhoods are close and share many of the same concerns.

There being no one else to speak, Mayor Woodson closed the public comment session.

Mayor Woodson asked Interim City Manager John Sofley to have staff address the grass along the curb of North Main Street.

INTERIM CITY MANAGER'S COMMENTS

(a) Demolition by Neglect

Interim City Manager John Sofley noted one of the sessions being considered for Council's Retreat is a discussion regarding how to address properties that are not being maintained by the owner, and what to do when Code Enforcement actions have been executed but property taxes or other fees are not paid. He explained Code Enforcement visits the property, issues fines, cleans up yards, and if nothing is done, issues an order to demolish. He noted staff would like to address the properties before they deteriorate to the point of demolition.

Mayor Woodson noted Council would like to preserve as many homes as possible.

RECESS

Councilmember Miller requested a momentary recess to confer with Interim City Manager John Sofley.

Council recessed for five-minutes and then reconvened.

ALL-WAY STOP AT PARK AVENUE AND MARTIN LUTHER KING, JR. AVENUE

Councilmember Kennedy responded to citizens of Park Avenue and Martin Luther King, Jr. Avenue. He noted an all-way stop was approved for the intersection. He asked citizens to let staff know if the all-way stops are effective. He pointed out all-way stops are working on South Shaver, Fisher, and Bank Streets.

Mayor Woodson asked Mayor Pro Tem Blackwell if all-way stops are working in her community. Ms. Blackwell stated all-way stops are working in the Fulton Heights neighborhood.

MAYOR'S ANNOUNCEMENTS

(a) Kwanza Celebration

Mayor Woodson announced the Salisbury Parks and Recreation, in partnership with the Rowan Blues and Jazz Society, will host a Kwanzaa Celebration Saturday, December 27, 2014 from 6:00 p.m. until 8:00 p.m. at the City Park Recreation Center. April Turner will be the guest speaker and activities include African drumming, community entertainment, refreshments and crafts. The event is free and open to the public.

(b) New Year's Eve at the Bell Tower Celebration

Mayor Woodson announced the New Year's Eve at the Bell Tower celebration will be held Wednesday, December 31, 2014 in Bell Tower Park. Festivities begin at 11:00 p.m. and will include light refreshments, live entertainment, live video feed from Times Square, and ringing of the bell at Midnight. The event is free and open to the public.

(c) Complete Streets

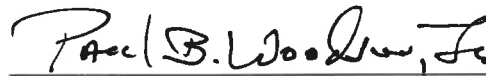
Mayor Woodson announced Council will hold a public hearing regarding the East Innes Street and Long Street Complete Street Study Plan Tuesday, January 6, 2015 at 4:00 p.m. The plan is a conceptual planning document.

RECESS

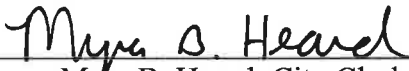
Mayor Woodson asked for a motion to recess the meeting until Friday, December 19, 2014 at 2:00 p.m. in Council Chambers at City Hall, 217 South Main Street.

Thereupon, Mr. Miller made a **motion** to recess the meeting until Friday, December 19, 2014 at 2:00 p.m. in Council Chambers at City Hall, 217 South Main Street. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, Woodson and Ms. Blackwell voted AYE. (4-0)

The meeting was recessed at 4:59 p.m.



Paul B. Woodson, Jr., Mayor



Myra B. Heard, City Clerk