

## 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; and City Attorney, F. Rivers Lawther, Jr.

**ABSENT:** City Clerk, Myra B. Heard.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Mayor Pro Tem Paul Woodson.

## 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. She extended a special welcome to members of the Livingstone College History and Political Science Club. Members in attendance were Mr. Corey McCann, Mr. Brian Best, Mr. Brandon Best, Mr. Damon Elliot, and Ms. Sherri McQueary.

Mayor Kluttz also welcomed members of the Leadership Rowan Class of 2007. Members in attendance were Mr. Neal Wilkinson, Ms. Bonnie Holder, Mr. Tim Norris, Ms. Michelle Riley, Ms. Marsha Miller, Mr. Eldridge Williams, and Ms. Vincia Benjamin.

## PROCLAMATION

Mayor Kluttz proclaimed the following observance:

NAACP HARVEST BANQUET DAY                      October 20, 2006

## CONSENT AGENDA

- (a) Approve Minutes of the regular meeting of October 3, 2006.
- (b) Approve group development site plan G-19-06 Gerry Wood Honda, 414 Jake Alexander Boulevard South.
- (c) Approve minor plat S-12-06 for Bill Wagoner to subdivide a 6 acre tract located on Statesville Boulevard into two (2) commercial lots.
- (d) Approve issuing Badge and Sidearm to Master Police Officer David Carroll, a retiring police officer with the Salisbury Police Department.
- (e) Approve closing the second block of Mitchell Avenue from Crosby Street to Blair Street Tuesday, October 31, 2006 from 4:30 p.m. until 6:00 p.m. for the Fulton Heights Halloween Parade.

Mayor Kluttz indicated that she would like to pull items (c) and (d) to be considered separately. She asked for a motion to approve the Consent Agenda with items (a), (b), and (e).

Thereupon, Mr. Burgin made a **motion** to approve (a), (b), and (d) on the Consent Agenda. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

## ITEM C – MINOR PLAT S-12-06 STATESVILLE BOULEVARD

Councilmen Burgin and Lewis asked to be excused from this item due to a conflict of interest.

Thereupon, Mr. Kennedy made a **motion** to excuse Councilmen Lewis and Burgin. Mr. Woodson seconded the motion. Messrs. Kennedy,

Woodson, and Ms. Kluttz voted AYE. (3-0)

Thereupon, Mr. Kennedy made a **motion** to approve item (c) S-12-06 for Mr. Wagoner. Mr. Woodson seconded the motion. Messrs. Kennedy, Woodson and Ms. Kluttz voted AYE. (3-0)

**ITEM D – ISSUE BADGE AND SIDEARM TO RETIRING OFFICER DAVID CARROLL**

Police Chief Mark Wilhelm informed Council that Officer David Carroll has retired after thirty (30) years in law enforcement. He asked Council for their consideration to issue Officer Carroll his badge and sidearm.

Thereupon, Mr. Woodson made a **motion** that Officer Carroll be presented his badge and sidearm from the Police Department and Police Chief for all of the years of service he has done for the City. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Chief Wilhelm then presented Officer Carroll with his sidearm and badge. Mayor Kluttz congratulated Officer Carroll on behalf of the Council and recognized Officer Dan Kennerly who will assume Officer Carroll's position.

**UPDATE REGARDING TEMPORARY POOL HALL PERMIT ISSUED TO TODD LITTLETON FOR BENCHWARMERS, 113 EAST FISHER STREET**

On April 18, 2006 City Council approved a temporary permit for one hundred eighty (180) days for Todd Littleton to operate a pool hall located at 113 East Fisher Street.

Deputy Police Chief Steve Whitley informed Council that he has investigated the calls for service to this location since the temporary pool hall permit was issued. He noted that four (4) calls for service have been received but noted that the calls were due to transient traffic on the street in front of the business. He added that the sale and consumption of alcohol is the historical basis for calls in this area, pointing out that there are three (3) establishments within that block that sell alcohol. Chief Whitley stated that there has been nothing significant and the Police Department find no disqualifying reasons that should prohibit Mr. Littleton from receiving a full pool hall permit.

Thereupon Mr. Woodson made a **motion** to approve a permit for Todd Littleton to operate a pool hall at Benchwarmers, 113 East Fisher Street. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

**UPDATE FROM STAFF REGARDING A PROPOSED FALSE ALARM ORDINANCE**

Lt. Trevor Allen and Fire Marshall Tom Murphy addressed Council regarding modifications to a proposed False Alarm Ordinance. Lt. Allen noted that during the last presentation in August 2006 Council requested considerations for several items and staff has attempted to answer these concerns and issues.

Lt. Allen informed Council that the need for the ordinance is due to the amount of time and resources wasted responding to false alarm calls. He stated that approximately ninety-seven (97) percent of the Police Department's call volume and thirteen (13) percent of the Fire Department's call volume are false alarms. He stated that staff is currently reactive rather than being proactive. He added that the costs of fuel and vehicle maintenance, as well as the safety of the officer responding, are also issues that could be addressed with the False Alarm Ordinance.

Lt. Allen reviewed graphs of actual versus false alarms responded to by the Police and Fire Departments. He noted that on average ninety-seven (97) to ninety-nine (99) percent of the calls received by the Police Department are false, while the Fire Department averages thirteen (13) percent false alarms.

Fire Marshall Murphy stated that staff feels that by acting proactively it will allow staff to be reassigned to strategic goals, spend more time with fire and crime prevention efforts, increase drug and traffic enforcement, and increase neighborhood and business district foot patrols.

Lt. Allen listed other municipalities throughout the State that have adopted False Alarm Ordinances. These municipalities include: Raleigh, Charlotte-Mecklenburg, High Point, Concord, Winston-Salem, Greensboro, Garner, Matthews, and Asheville. He stated that representatives from the municipalities who have adopted an ordinance feel the ordinances work because the numbers of false alarms have decreased, they now have accurate alarm user information, officer availability has increased and safety has increased for both officers and citizens. Lt. Allen then reviewed statistics from Raleigh, High Point, Winston-Salem and Charlotte indicating the reduction in false alarm calls after adoption of a False Alarm Ordinance.

Fire Marshall Murphy reviewed the highlights of the proposed Ordinance for Salisbury noting that it:

- Registers alarm users, gaining valuable contact information for response
- Holds responsible those alarm users who waste City resources
- Promotes safety for Fire and Police officers
- Frees up valuable time to provide quality of life services
- Does not utilize "Verified Response". Fire Marshall Murphy explained that there will never be an instance when Fire or Police do not respond to an alarm activation. He stated that some jurisdictions will not respond to certain alarms unless it has been verified that there is an incident but this will not be the case with Salisbury's Ordinance.
- Fee structure consistent with other jurisdictions
- Free registration

- Doubles the allowed appeal time to twenty (20) days

Lt. Allen reviewed some of the concerns raised by Council during the presentation in August.

- Validity of Statistics – Lt. Allen noted that the City’s statistics are inline with those of the other municipalities and he is confident that they are correct.
- Fee Schedule – Lt. Allen pointed out that the majority of municipalities who have False Alarm Ordinances charge a fee after the second false alarm and the only municipality that charged after the third false alarm is Winston-Salem.
- Fee Amounts – Lt. Allen noted that the concerns regarding the fee was that Council felt the actual cost of answering the alarms should be used to determine the fee. He noted that these costs vary year to year and are difficult to define. He stated that Winston-Salem statistics showed that their cost per alarm is \$147 for Police response and \$882 for Fire. He added that if the fee is set by the actual cost the fee would be far greater than what is proposed in the Ordinance.

Fire Marshall Tom Murphy noted that in 2006 the average cost per call for the Fire Department is \$218.23.

- Appeal Process – Lt. Allen stated that staff reviewed the initial proposal of a ten (10) day appeal process and extended it to twenty (20) days.
- Unintended Consequences – Lt. Allen commented that there were concerns that citizens would turn their alarms off in order to avoid being fined for a false alarm. He stated that staff contacted two (2) alarm companies, Radar Securities and Security Innovations, who indicated that an ordinance does not affect their business and added that the companies actually file the registration forms for the alarm users.
- Need for Public Hearing – Lt. Allen indicated that staff held five (5) public information sessions regarding the proposed Ordinance but received little turn-out. He added that staff would welcome any opinion and agree with a public hearing. He requested Council hold a public hearing at its November 7, 2006 meeting and consider adoption of the Ordinance.

Mayor Klutz stated that staff has done an excellent job addressing Council’s concerns and to her the Ordinance seems logical.

Mayor Pro Tem Woodson indicated that he feels allowing two (2) false alarms is not enough and that perhaps alarm users should be given three (3) false alarms before they are fined. He stated that a citizen told him that he would have to turn his elderly parents’ alarm off because they had trouble with the system and could not afford to be fined.

Lt. Allen informed Council that a representative from Radar Securities indicated that ninety-one (91) percent of Radar Securities’ five thousand (5,000) customers have two (2) or less false alarms historically.

Mr. Woodson asked Management Services Director John Sofley to determine the actual cost to the Police and Fire Departments to respond to a call and provide the information before the public hearing. He noted that he had attempted to determine the costs using this year’s budget but would like Mr. Sofley to determine this figure.

Councilman Kennedy questioned a statement in the proposed Ordinance that states an alarm user shall not use automatic voice dialers for burglar alarm purposes, and asked if this is not how most of the signals are sent to the Police and Fire Departments. Fire Chief Bob Parnell explained that this is similar verbiage to Rowan County’s 911 Ordinance that does not allow a homeowner to use an automatic dialer to call 911. He stated that the automatic dialer must dial directly into the monitoring facility and then the monitoring facility calls 911. Councilman Burgin suggested the language in the proposed ordinance be modified to state this requirement in the way that it has been explained in order to be clearer.

Thereupon, Mr. Burgin made a **motion** to set a public hearing for a proposed False Alarm Ordinance for Tuesday, November 7, 2006. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

City Manager David Treme noted that staff will work on the verbiage as suggested by Mr. Burgin and asked if there was consensus from Council regarding the number of false alarms allowed before fines begin. Mr. Woodson stated that he would like to wait to see the figures of the actual cost of the calls to the City. Mr. Burgin commented that he would like to hear input from the public before deciding.

Mr. Treme stated that the ordinance will be shared with the Rowan County Chamber of Commerce, the Rowan Business Alliance and other agencies to make sure it is available to the businesses in the community.

**AWARD CONTRACT TO CLONINGER FORD FOR THE PURCHASE OF EIGHT (8) FORD POLICE INTERCEPTORS FOR THE POLICE DEPARTMENT**

Mr. Dewey Peck, Purchasing Manager, informed Council that there are eight (8) Police cars that are ten (10) years old and scheduled for replacement. He stated that staff sent Request for Bids to five (5) vendors and bids were received from two (2). The bids received were:

Cloninger Ford	\$167,295
Hilbish Motor Company	\$167,428

He noted that Cloninger Ford was the low bidder and staff recommends Council award the contract to Cloninger Ford for the purchase of eight (8) Ford pursuit vehicles.

Thereupon, Mr. Burgin made a **motion** to approve a contract in the amount of \$167,295 to Cloninger Ford for the purchase of eight (8) Ford Police Interceptors for the Police Department. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

**AWARD A CONTRACT TO PENLEY ENTERPRISES FOR THE PURCHASE OF ONE (1) QUINT FIRE APPARATUS FOR THE FIRE DEPARTMENT**

Fire Chief Bob Parnell informed Council that during the 1990s the Fire Department began purchasing multi-function apparatus referred to as a Quint. He explained that a Quint is a fire truck with five (5) functions: fire pump, water tank, hose bay, ground ladders, and an aerial ladder. He stated that currently the City operates with three (3) Quints and with the addition of another Quint it will give the City the ability to receive Insurance Services Office (ISO) credit for two (2) aerial ladders and four (4) engines in service. Chief Parnell noted that with the use of the Quint the City is able to place one (1) cost effective truck into service rather than two (2) and gain maximum ISO points. He added that it also allows the cross-training of firefighters and reduces the need to have personnel trained for specific work on a specific truck.

Mr. Dewey Peck, Purchasing Manager, indicated that staff prepared a ninety-eight (98) page bid specification and sent it to seven (7) manufacturers. The City received two (2) bids:

Southeast American LaFrance	\$589,158
Penley Enterprise, Inc.	\$673,425

Mr. Peck added that a required delivery date of January 2007 was given to the bidders in order to coincide with the opening of Fire Station 4 on Statesville Boulevard.

Mr. Peck informed Council that the truck bid by American LaFrance is not a Quint and did not meet the specifications in any form. He stated that staff requests the contract be awarded to Penley Enterprise, Inc., as the truck bid is a Quint that meets all specifications and will be delivered in January 2007.

Mr. Peck indicated that the truck will be purchased using a lease purchase contract and staff will bring the contract back to Council in December for approval.

Councilman Kennedy stated that the cost of the truck initially appears expensive but when consideration is given to reducing personnel the truck will pay for itself over the long run and he feels it is an excellent choice.

Thereupon, Mr. Kennedy made a **motion** to approve awarding a contract in the amount of \$673,425 to Penley Enterprises, Inc. for the purchase of one (1) Quint fire apparatus for the Fire Department. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

City Manager David Treme asked Chief Parnell to explain the significance of a Class 2 rating for the Fire Department. Chief Parnell explained that the rating is not just a Fire Department rating, but a City rating because the Fire Department is fifty (50) percent of the rating, Salisbury-Rowan Utilities forty (40) percent, and 911 Communications the remaining ten (10) percent. He noted that this rating provides lower insurance rates for homeowners in the City. Chief Parnell stated that the City is proud to have a Class 2 rating and is one (1) of five (5) cities in the State of North Carolina with a Class 2. He added that there is only one (1) city in the State with a higher rating of Class 1.

Mr. Treme commented that part of the Fire Department Strategic Plan was to shift to the use of a Quint truck in order to reduce manpower while maintaining a Class 2 ISO rating.

**PLAN REVISIONS AND UPDATES TO FACILITATE THE PURSUIT OF LOCAL PERMITTING AUTHORITY FOR WATER AND SEWER LINE EXTENSIONS**

(a) Salisbury-Rowan Utilities updated Water System Management Plan.

Mr. John Vest, Deputy Utilities Director, indicated that Council recently received an update regarding City Outcome 10: Streamline development review process and ordinances. He noted that staff would like to review two (2) of the goals for the Outcome regarding construction standards and updating and enforcing existing State-mandated plans and programs. He added that this is all part of the effort to obtain local permitting authority.

Mr. Vest reviewed a list of plans that are currently being reviewed along with their completion dates:

- Water Supply Plan (complete)
- Water System Management Plan (October 2006)
- Construction Standards (October 2006)
- Emergency Action Plan Annexation (December 2006)
- Plant Operation Standards of Procedure (SOP) (December 2006)

- Emergency Response Plan (December 2006)
- Backflow Ordinance (December 2006)
- Fats, Oil, and Grease (FOG) (December 2006)
- Sewer Use Ordinance (June 2007)
- Systems Maintenance SOPs (June 2007)

Mr. Vest reviewed the Water System Management Plan (WSMP) and noted:

- State-mandated by Rules Governing Public Water Systems 15A NCAC 18C Section .0307(c)
- Prerequisite for the North Carolina Department of Environment and Natural Resources (NCDENR) plan approval and issuance of Authorization to Construct
- Demonstrates that the organization, management, policies and procedures, and finances are in place for Salisbury-Rowan Utilities (SRU) county-wide water system
- City of Salisbury's original WSMP approved September 2000; update reflects Salisbury-Rowan Utilities role as the county-wide water/sewer utility

Mr. Vest commented that since approval of the original WSMP plan in September 2000, SRU's role has changed and it is now a county-wide utility and the plan has been updated to reflect this change.

(b) Proposed 2006 revisions to the City of Salisbury Uniform Construction Standards.

Mr. Jim Behmer, Utilities Engineering Manager, reviewed the updates to the Uniform Construction Standards. These updates included:

- Correct any inaccuracies (update names, review agencies, etc.)
- Authorize field staff to make decisions to facilitate testing procedures
- Move material specifications to Appendix A (easier to update in the future)
- Add Low-Pressure Sewer Line Testing specifications (Appendix B)
- Add Sewer Manhole Vacuum Test Procedure
- Update Water and Sewer detail drawings
- Move lift station specifications to Appendix C (prior approval required by SRU)
  - SRU currently has thirty-five (35) lift stations; each costs \$10,000 or more per year to operate and maintain (and \$250,000 or more for a developer to install)
  - Lift stations are a significant impact to customer base and utility rates; significant points of weaknesses of system (power outages)
  - SRU has had the policy of no new lift stations where gravity sewer is feasible
- Added Backflow Prevention Guidance documents (Appendix D)
- Reduced standard domestic tap size from two (2) inch to one (1) inch minimum
  - Only ten (10) percent of all residential households have irrigation taps
  - Price of copper has substantially increased over the past twenty-four (24) months
  - One (1) inch irrigation service should have sufficient flow for majority of installations (irrigation heads can be designed to work with lower flows)
  - Save developers significant capital costs
- Eliminate use of transitions in new construction whenever possible
  - Transitions are "weak links" in system
  - Allows easier testing (can save developer time)

Councilman Burgin asked how these changes will put the City in a position of having local permitting authority. Mr. Behmer responded that these changes will satisfy the SRU portion and Mr. Dan Mikkelson, Director of Land Management and Development, is continuing to work with a team to seek authority in the near future.

Mr. Mikkelson stated that the City can now start the process of obtaining permitting authority. He explained that staff will complete an application where they will have to define procedures, create forms and define the amount of staff available and noted that the WSMP is a large part of this process. He added that staff will focus on obtaining the water permitting authority first because the delays in permitting for those requests are much greater than those for sewer permits.

Mr. Burgin commented that for a Utility of this size it is frustrating for developers to have to continually seek approval for every aspect of their project. Mr. Mikkelson noted that it appears that everything that is required to be in place to have local permitting authority also has to be in place to submit a permit in the first place, so he feels it is a matter of the State granting approval. Mr. Burgin added that staff knows the system better than the State and he is glad the City is moving in this direction.

City Manager David Treme stated that he is hopeful that the City will have permitting authority by the end of the fiscal year, if not before. He added that he wanted Council to be aware that there has been progress made towards accomplishing this goal.

Thereupon, Mr. Lewis made a **motion** to adopt the Salisbury-Rowan Utilities updated Water System Management Plan. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

Thereupon, Mr. Lewis made a **motion** to adopt proposed revisions to the City of Salisbury Uniform Construction Standards. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

**RESOLUTION OF LEGISLATIVE INTENT TO AUTHORIZE A BRANDING AND WAYFINDING STEERING COMMITTEE**

Mr. Dan Mikkelson, Director of Land Management and Development, indicated that one of the adopted Outcomes of Council is to establish a creative enterprise economy. This Outcome included a tactical goal to establish a unified community image which exemplifies our community's cultural, educational, historic, environmental, entrepreneurial, and arts attributes. He stated that the City has contracted with Arnett, Muldrow, LLC to assist in the development of a Branding and Wayfinding strategy. He stated that before Council today is a Resolution to authorize a steering committee to conduct a Branding and Wayfinding study. The charge to the committee will be to provide general guidance to staff and the consultant in the development of the study; develop a Salisbury brand to be used for community marketing; investigate signage systems and gateways; and make a report to City Council regarding the findings within one hundred eighty (180) days.

Thereupon, Mr. Lewis made a **motion** to adopt a Resolution of Legislative Intent authorizing a Branding and Wayfinding steering committee. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Klutz voted AYE. (5-0)

**RESOLUTION AUTHORIZING THE ESTABLISHMENT OF A STEERING COMMITTEE.**

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 38 and is known as Resolution No. 2006-24.)

**APPOINTMENTS TO THE BRANDING AND WAYFINDING COMMITTEE**

Mr. Dan Mikkelson, Director of Land Management and Development, indicated that Councilman Lewis has agreed to serve as Chair of the Branding and Wayfinding Committee. He reported that Mr. Lewis and Mr. Joe Morris, Director of Planning and Development who will serve as the primary staff representative, have developed a list of individuals who would fulfill a range of roles on the Committee. He added that if Council could appoint six (6) or seven (7) committee members today the committee can begin work. Mr. Mikkelson noted that the consultant has recommended the committee have between seven (7) and ten (10) members.

Councilman Lewis stated that Council may wish to appoint more than the recommended number in order to have a representative sample of citizens from the community. He shared the names of individuals who have indicated an interest in serving on the committee and noted that Council also needs to consider one (1) or two (2) individuals who have lived in Salisbury for many years and have a history here.

Thereupon, Mr. Lewis put forth for consideration Ms. Kelly Alexander, Ms. Willa Mays, Mr. State Alexander, Ms. Sarah Kellogg, Mr. Robert Crum, Ms. Terri Stevenson, Mr. Tom Wolpert, and Ms. Tricia Creel and made a **motion** to appoint this list to the Branding and Wayfinding Committee. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

Mayor Klutz noted that the Committee can begin meeting and Council may add members as other individuals are identified. Mr. Lewis noted that there will be significant support staff participating.

Mr. Lewis informed Council that he and Mr. Morris will attend a Creative Communities conference in Charlotte, North Carolina October 25-27, 2006 to hear keynote speakers regarding creative communities.

**APPOINTMENTS TO THE HISTORIC PRESERVATION COMMISSION**

Mayor Klutz indicated that there are two (2) vacancies on the Historic Preservation Commission.

Councilman Burgin stated that Ms. Judy Kandle has volunteered to serve on the Commission, and added that she will have to resign her current position on the Community Appearance Commission. He noted that she has training in architectural design and is an intern architect.

Thereupon, Mr. Burgin made a **motion** to appoint Judy Kandle as one of the two we need (on the Historic Preservation Commission.) Mr. Kennedy seconded the motion. Mayor Klutz noted that Ms. Kandle is a resident of the West Square Historic District. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

Mayor Klutz stated that she has asked a citizen from the Ellis Street Graded School Historic District to fill the second vacancy but has not received a confirmation from the person. She postponed the second appointment until the next meeting.

**COMMENTS FROM THE CITY MANAGER**

(a) Planning Board

Council received the Planning Board recommendation and comments from the October 10, 2006 meeting.

(b) Utility Customer Access 24/7

Mr. John Sofley, Management Services Director, and Ms. Karen Wilkinson, Public Information and Communications Manager, presented a video regarding Utility Customer Access 24/7.

Ms. Wilkinson explained the procedures for using the online utility customer access feature:

- Visit Salisbury's web site - [www.salisburync.gov](http://www.salisburync.gov)
- Click "Online Water and Sewer Services" button
- Click "Create an online account"
- Complete registration and click OK
- Instantly receive a temporary password via email
- Return to the [www.salisburync.gov](http://www.salisburync.gov) site and login
- Click under account types to add your account
- Add account number and route/sequence from Utility bill
- Click account to check status
- View your account status and history
- To view current month's bill, click "View Service Statement"
- Two payment options
  - Debit/Credit Card
    - \$5.00 Service Charge per payment
  - ACH/Check
    - Free
- Online Access offers:
  - Quick, easy convenient payments
  - Access to current Utility Information
  - 24/7 availability
- In addition to Internet Access
  - City offers telephone access to account balances
  - Ability to make payments via your phone
    - Debit/Credit Card - \$5.00 fee
    - Bank Draft – Free
- Additional automated payment methods available
  - Bill pay service offered by banks
    - City now receives electronically
  - Automated bank drafts set up by City for customer

Ms. Wilkinson explained how the system is inline with the City's customer service initiative to be user friendly to everyone:

- Supporting the Customer Service Initiative
  - Through "convenient" online payment options
  - Through "convenient" telephone payment options
  - Through "convenient" bank drafts
  - Through "convenient" on-site payment in person

Mr. Sofley recognized Systems Analysts Jerry Hogan and Maurice Price, who implemented the customer access program and the interactive voice response system. He noted that citizens can also make electronic payments via their banks which eliminates the need for staff to manually process payments.

Councilman Kennedy inquired about the \$5.00 processing fee for debit and credit card payments. Mr. Sofley responded that a third-party company processes the debit and credit card payments and this fee covers the charge from the company to process those payments.

Mr. Sofley noted that the video presentation will be placed on Access16 television channel to provide more information on how to make payments.

(c) Finance Schedule for Capital Budget Items

City Manager David Treme stated that at the Future Directions and Goals Setting Retreat in February and during the budget process, staff discussed items recommended in the 2006-2007 Capital Budget. He noted that the recommended projects include improvements at the Grant Creek and Town Creek wastewater treatment plants; the City's share of the I-85/Highway 29 sewer project; water and sewer issues from the recent annexation; and the financial work management/citizen resource package. The projects for these four (4) large projects are included in the \$14.9 million capital budget approved as part of the FY2006-2007 budget. He stated that staff has been working to determine ways to issue the debt at a lower cost to rate payers.

Mr. John Sofley, Management Services Director, stated that staff has worked with the City's engineers to develop cash flow statements for each of the projects. As a part of this process staff also examined if the City will remain bank qualified when the debt for the projects is issued. He explained that bank qualified means if a municipality issues less than \$10 million in debt in a calendar year, the debt is considered bank qualified. This means a bank can purchase the debt and it is treated preferentially for tax purposes. He added that in order to allow the City to remain bank qualified, staff is exploring a way to issue a portion of the debt this year and a portion next year, instead of issuing all of the debt in the same year. He indicated that if all of the debt is issued in the same year, the City will have to issue revenue bonds requiring the City to hire financial advisors, attorneys, underwriters, and analysts all of which would be a substantial cost to the City.

Mr. Sofley explained that if the debt is kept under \$10 million per calendar year the City can acquire a private bank placement. This means that

negotiable bids will be sought from banks and the City would only require the services of a financial advisor and a bond attorney. He stated that the City has been working with the North Carolina Local Government Commission (LGC) to put together a financing package that the LGC would approve and would still accomplish the City's goals. He explained that the LGC will only approve the issuance of debt for City projects that have been bid, but the majority of these projects have not yet been bid. He added that the City has had to negotiate a set of projects that the LGC would accept as eligible expenditures. He explained that the City has reached an agreement with the LGC and has established a proposed schedule for Council's consideration.

Mr. Sofley stated that with Council's approval, staff will solicit bids to issue approximately \$6 million debt to allow the City to move forward with sufficient cash in order to cover soft costs incurred before bidding the projects next year. He explained that by issuing the debt over two years, it will allow the City to save money and issue the debt at a lower interest rate cost resulting in a savings to the utility customers.

Mr. Treme indicated that staff will present more information at the next Council meeting in order to discuss the specific projects, the issuance of debt and the financing. He noted that Council and staff will also discuss how the City can follow the proposed financing schedule in order to have the debt issued before the end of the year and take advantage of the savings under a private placement and bank qualified issuance. He stated that he and staff will be happy to meet with Council members at any time to present more detail of the financing project if they wished to discuss this before the next meeting.

Councilman Lewis commented that if a standard interest rate on a non-bank qualified deal is seven (7) percent, the interest rate on a qualified deal for most banks would be approximately four and one half (4.5) percent, which would be a substantial difference on \$6 million.

Councilman Burgin stated that he wants to be able to explain to the tax payers what the \$6 million is for and he does not feel soft costs is the answer. Mr. Treme noted that staff can show Council the most pressing projects from the group. He added that the City is attempting to meet the requirements of the LGC and the needs of the City's projects in a way that they can co-exist.

Mr. Burgin noted that he would like see a breakdown that demonstrates how much the City will save by spreading the debt over a two (2) year period.

Mr. Lewis commented that interest earned from overnight investments would most likely be enough to cover the borrowing costs. Mr. Sofley added that the City can earn more bank interest from investments than the interest cost as long as it is spent within eighteen (18) months.

Mr. Burgin asked if there will be more discussion at the next meeting regarding the software project. Mr. Treme stated that it is one of the projects listed but staff is not ready to make a recommendation to Council.

(c) United Way Campaign Report

City Manager David Treme stated that one of the Goals set forth by Council addresses ways the City can serve the local school system. He explained that through the United Way Day-of-Caring held in September 2006 many teams of City staff worked around area schools including Knox Middle School, Nazareth Children's Home, and Isenberg School.

Mr. Treme pointed out that the City held a hot dog sale fundraiser at Fire Station 51 which raised \$413 and a 50/50 raffle which raised \$262. He noted that Mr. Dan Mikkelson and Mr. Kenny Roberts represented the City in a United Way Tricycle Race during the campaign kick-off event held at the YMCA.

Mr. Treme stated that the City's United Way Campaign goal was \$62,370 and to date \$64,024 has been raised and noted that this is the highest amount ever raised by the City. He pointed out that the City has eighty and four tenths (80.4) percent employee participation, which represents a two and one half (2.5) percent increase. He commented that City employees not only serve but share with others, especially United Way agencies and expressed his pride in the employees for their contributions.

Mayor Kluttz congratulated the City employees and stated it shows that not only do employees do an excellent job, but that they truly care about the people of the community.

**PUBLIC COMMENT**

- Mayor Kluttz opened the floor for public comment.

- There being no one to address Council, Mayor Kluttz closed the public comment session.

**MAYOR'S ANNOUNCEMENTS**

(a) NAACP Harvest Banquet

- Mayor Kluttz announced that the NAACP Harvest Banquet will be held Friday, October 20, 2006 at 6:30 p.m. at the Holiday Inn on Jake Alexander.

(b) McCubbins-McCanless House Tour

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Mayor Kluttz stated that City Council has been invited to tour the rehabilitated McCubbins-McCanless House located at 424 Park Avenue on Thursday, October 19, 2006 at 11:30 a.m.

(c) North Carolina League of Municipalities and Metropolitan Coalition Meetings

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Councilman Kennedy reported that he attended the North Carolina League of Municipalities meeting in Greensboro. He stated that he attended workshops on involving citizen participation in making public policies; telecommunications, which was an update on franchise tax collections; and technology for citizens and towns, which addressed fiber to the home and how this concept can serve citizens. He pointed out that he also attended the closing banquet where the keynote speaker was Mr. Ken Carter, a renowned high school basketball coach who turned troubled students into successful citizens.

Mayor Kluttz stated that she met with the North Carolina Metropolitan Coalition and attended a program regarding improvements to the court system. She noted that the Coalition continues to focus on the backlog of cases in the court system, the lack of modern technology and funding and how it affects cities and public safety. She noted that police officers arrest people faster than they can be processed through the court system and that this is very frustrating. She added that there has been some increased funding, but the Coalition is lobbying for additional funds.

Mayor Kluttz stated that the Coalition also discussed economic development issues and transportation issues that affect the larger cities and added that the Coalition is also monitoring the State Legislature for items that affect cities.

(d) Rowan County Inspections

Councilman Mark Lewis stated that he, Mr. Burgin and Mr. Treme met with County Manager Bill Cowan and County Commissioner Steve Blount to discuss the concerns expressed by citizens regarding plan review and the Inspections Department of Rowan County. He pointed out that the County is aware of the concerns and Commissioner Blount indicated that the County Commission has asked the County Manager for a plan of action. Mr. Lewis noted that the County has begun to rearrange some departments but it will take time, planning, and resources adding that he feels the County has developed a good plan. He noted that City Manager David Treme offered assistance from the City during the transition and implementation of the County's plan.

Mr. Treme stated that he met with Salisbury Fire Chief Bob Parnell, County Manager Bill Cowan, and the chief building inspector for the County to offer the City's assistance with building inspections. He explained that Fire Chief Parnell has agreed to assist the County with fire inspections which will include twenty-eight (28) schools, numerous nursing homes, daycares, and public facilities. Mr. Treme explained that a resolution will be introduced to the County Commission and the City Council, and upon approval, will initiate an inter-governmental agreement for the City to conduct fire inspections at the County's request.

(e) Project SAFE Statewide Meeting

Mayor Kluttz stated that on behalf of the City of Salisbury, and at the request of U. S. Attorney Anna Mills Waggoner, Mr. Treme was the speaker at a Project SAFE Neighborhood's regional meeting. She noted that he spoke about the City's involvement in Project SAFE and the effect on public safety, and she thanked Mr. Treme for representing the City.

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**ADJOURNMENT**

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**Motion** to adjourn the meeting was made by Mr. Woodson, seconded by Mr. Burgin. All council members agreed unanimously to adjourn. The meeting was adjourned at 5:46 pm.

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Mayor

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City Clerk

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