

RECESSED MEETING OF MAY 27, 2008

Continued
May 29, 2008
10:00 a.m.

The City Council of the City of Salisbury met at 10:00 a.m. Thursday, May 29, 2008 in Council Chambers at City Hall pursuant to the recess of the regular meeting May 27, 2008, with the following members being present and absent:

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. Treme, and City Clerk Myra B. Heard.

ABSENT: City Attorney, F. Rivers Lawther.

Mayor Kluttz called the meeting to order. Councilman Mark Lewis provided the invocation.

GENERAL FUND DISCUSSION

City Manager David Treme presented Council with information regarding the General Fund Balance. He noted that last year the City's fund balance was 13.72% and this year the fund balance is 12.92%. Management Services Director John Sofley pointed out that the State requires local governments to maintain an 8% fund balance. He added that it has been Council's policy to maintain at least 10% fund balance.

Mr. Treme commented that one big variable in preparing this year's budget is the cost of gas and petroleum products. Mr. Sofley stated that there is \$614,609 budgeted this year for gas, but based on the current price of gas plus 10%, the amount will be approximately \$718,560 leaving a \$100,000 gap.

CODE ENFORCEMENT

Mr. Treme indicated that he has worked with staff to develop a strategic operations plan for Code Enforcement that will address the Better Housing Report, the Commercial Maintenance Code and organization of the City's existing Code Enforcement in order to improve services.

Mr. Doug Paris, Assistant to the City Manager, discussed short-term and long-term solutions. He reviewed a plan to streamline Code Enforcement into one department

under the Land Management and Development department. Two (2) full time positions for a Code Manager and Code Specialist are recommended, as well as moving the existing Code Enforcement positions into this department.

Mr. Treme noted that currently the City has approximately 2.2 full time employees spread across four (4) departments and the change will bring four (4) full time employees under one department. He noted that the Enforcement Officers will be cross-trained so that each provides minimum housing, nuisance abatement and zoning code enforcement.

Councilman Burgin asked to clarify the proposed Code Manager's position and noted that the problem the City is facing is the lack of manpower to handle all of the minimum housing and nuisance abatement requests. Mr. Treme assured Council that the Code Manager is a working supervisor and will be in the field but will be accountable for ensuring Code Enforcement is carried out. He added that this position will also help develop a plan for enforcing a Better Housing Ordinance and Commercial Maintenance Ordinance when adopted. He reiterated that the two (2) new staff positions will begin with enforcement of the City's existing ordinances and then develop plans for the future as ordinances are implemented. The estimated cost for the reorganization of Code Enforcement with the addition of two (2) positions is \$120,000.

By consensus, Council agreed with the Code Enforcement plan.

BUDGET DISCUSSION

Council members stated that they would like to list items they would like to see included in the budget. These items included:

Mr. Burgin	North Carolina Transportation Museum request	\$5,000
Mr. Burgin	Fire Department defibrillator replacement	\$2,500
Mr. Burgin	Fire Department thermal imaging camera	\$11,000
Mr. Lewis	Downtown Salisbury, Inc. request	\$8,500
Mr. Lewis	Community Appearance Commission request for benches/trash receptacles	\$5,000
Mr. Lewis	Community Appearance Commission Neighborhood Signs request	\$3,200
Mayor Kluttz	Gang prevention initiative	\$5,000

Mayor Kluttz	Access 16 programming/live content	\$8,500
Mayor Kluttz	Tree Board request for new trees	\$5,000
Mayor Kluttz	Tree Board request for gator bags	\$2,500
Mr. Kennedy	Human Relations Council request for Human Relations Director (Total \$70,000 City to pay half, Rowan County half)	\$35,000
Mr. Kennedy	Human Relations Council request for Human Relations Assistant (Total \$40,000 City to pay half, Rowan County half)	\$20,000

Mr. Woodson indicated that Code Enforcement was his concern but it had been addressed and he was comfortable with the proposal.

Council discussed the Human Relations Director position requested by the Human Relations Council. Members felt that it would be helpful to know if the County is pursuing the request before including funds in the budget. Mayor Kluttz suggested Mr. Kennedy, as the City's liaison, work with the County's liaison Commissioner Tina Hall to determine the County's interest. Council also discussed what aspects of human relations the City's new Human Resources Director might handle. By consensus, Council agreed to include human relations in the Human Resources Director's job description.

Mr. Lewis discussed current Fund Balance. He noted that the City's policy is 10% and with the current Fund Balance at 12.92% it leaves a difference of 2.92% or \$1,086,407. He noted that in order to pay for the items listed by Council as essentials, Council can use Fund Balance or a tax increase or a combination of the two.

Mr. Burgin noted that the requests listed by Council, in addition to the \$67,000 to cover Transit fees and \$120,000 for Code Enforcement, total approximately \$239,000.

Mr. Lewis commented that with the current status of the economy and with the water/sewer rate increase he does not feel a tax increase should take place this year. He added that Council should understand that a one (1) cent increase will most likely be required next year.

Mr. Treme stated that he does not recommend using Fund Balance for operational expenses. He explained that operational expenses must be maintained and will require funding each additional year. He stated that he feels the Code Enforcement plan is clearly operational and he would prefer Council consider a one half (1/2) cent tax increase to fund the plan. Council discussed using Fund Balance to fund the Code Enforcement Plan and the additional items identified Council. By consensus, Council agreed to include all of the items listed in the budget and retain the current tax rate.

Mr. Kennedy asked if there were any other fee increases included in the budget. Mr. Sofley noted that the cemetery fees, landfill, recycling and front-end collection fees will increase. He stated that it is Council's policy that recycling and front-end collection be recouped 100% by user fees. He pointed out that all but the cemetery fees are directly related to the cost of fuel and can fluctuate up or down depending on these costs.

OTHER BUSINESS

Mr. Treme distributed a copy of a bill that had been introduced in the General Assembly this morning. He noted that it regarded placing a moratorium on annexations for Rowan County. He stated that Rowan County's delegation had submitted the bill without contacting the City.

Mr. Burgin stated that Council should contact the Representatives to ask why they cannot follow the State's lead and to express Council's displeasure.

Mr. Treme also presented a Resolution opposing the legislation. Mr. Burgin asked to add the number of citizens who reside in a municipality within Rowan County to the Resolution.

Thereupon, Mr. Burgin made a **motion** to authorize the Mayor and City Clerk to sign the Resolution and to forward it to all State legislators. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

A RESOLUTION IN OPPOSITION TO HOUSE DRH50951-LM-201 ROWAN COUNTY/ANNEXATION MORATORIUM AND OTHER LEGISLATIVE ACTIONS DENYING THE CITIZENS OF SALISBURY THE LEGAL AUTHORITY TO BENEFITS DERIVED FROM STATUTORY ANNEXATION.

(The above Resolution is recorded in full in Resolution Book No. 13 at Page No. 36, and is known as Resolution No. 2008-23.)

Mr. Treme also informed Council that the Town of Granite Quarry was seeking legislation to remove its 10% cap on satellite annexations. He noted that rather than having it introduced by one of Rowan County's representatives the Town approached Rocky Mount's delegation to have its request included on a similar Rocky Mount bill.

ADJOURNMENT

There being no further business before Council, Mr. Woodson made a motion to adjourn. Mr. Burgin seconded. All council members agreed unanimously to adjourn the meeting at 12:14 p.m.

Mayor

City Clerk