

Salisbury, North Carolina
October 18, 2005

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. Treme; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

ABSENT: None.

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

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.

ADDITIONS/DELETIONS TO THE AGENDA

Mayor Kluttz noted the following change to the Agenda:

Item 9 – Council to consider prohibiting parking on South Fulton Street from Main Street to Johnson Street in order to establish bicycle lanes. She asked that this item be postponed until the November 1 Council meeting in order to re-advertise to include the fact that if bicycle lanes are established parking will be prohibited where the bicycle lanes are located.

RECOGNIZE YEOMAN SEAMAN APPRENTICE JAMES T. SLOAN - UNITED STATES NAVY

Mayor Kluttz recognized Yeoman Seaman Apprentice James T. Sloan who is presently serving with the United States Navy. She noted that Yeoman Sloan was a 2004 graduate of North Rowan High School and how impressed she had been by an article he had written to the Salisbury Post while serving aboard the USS Blue Ridge in Japan. Mayor Kluttz commended Yeoman Sloan for taking time to write the letter explaining his positive experience and enthusiasm for serving in the military and his positive outlook on life.

Mayor Kluttz recognized Yeoman Sloan's mother Beverly and brother Willie who were in attendance. She then presented Yeoman Sloan with a Certificate of Appreciation for his positive influence on our community and for serving as an encouraging example for young people throughout Salisbury and Rowan County.

RECOGNIZE ROWAN COUNTY CHAMBER OF COMMERCE AND TRINITY OAKS RETIREMENT COMMUNITY - HURRICANE KATRINA RELIEF EFFORTS

Mr. Bob Wright, Executive Director of the Rowan County Chamber of Commerce and Mr. Mike Walsh, Trinity Oaks Retirement Community, addressed Council concerning recent Hurricane Katrina relief efforts. Mr. Wright informed Council that the Chamber recently held its Business After Hours at Trinity Oaks Retirement Center and in conjunction with this event the Chamber asked its members to consider voluntary financial contributions to support Salisbury's sister city of Pascagoula/Jackson County, Mississippi. Mr. Walsh introduced team members from Trinity Oaks, Ms. Karen Leonard, Ms. Patricia Andrews, and Ms. Karen Windate, and announced that \$12,000 was raised for the relief efforts. He then presented Mayor Kluttz with the donations.

Mayor Klutz thanked members of the Chamber of Commerce and Trinity Oaks Retirement Community and expressed Council's excitement and gratitude for this donation.

UPDATE ON COMMUNITY RELIEF EFFORTS

Mr. Bob Lippard, Director of Rowan County United Way, and Fire Chief Bob Parnell spoke to Council concerning community relief efforts for Pascagoula/Jackson County, Mississippi. Mr. Lippard noted that two (2) tractor trailers have delivered donated supplies to the Pascagoula/Jackson County, Mississippi area. He stated that this was done through a partnership with Freightliner who provided drivers and fuel to transport the supplies, as well as The Real Reel Corporation who provided packaging supplies. Mr. Lippard added that the Salisbury Fire Department has provided in-kind donations of man hours for handling the donations and packing the trucks.

Mr. Lippard informed Council that Captain Whipple of the Pascagoula, MS Salvation Army asked him to convey his thanks and gratitude for what Salisbury and Rowan County has done for their community. Captain Whipple indicated that the donated cleaning supplies have been in high demand and have been used for the community to begin cleaning and returning to their homes.

Mr. Lippard stated that others in the community have stepped forward to partner with those in the Gulf Coast area. He noted that Overton Elementary School has partnered with Cherokee Elementary School, W.A. Brown has provided computers for those who are assisting in the relief efforts, and the Salvation Army, Economic Development and Health Departments have also partnered with groups in the Gulf Coast. He stated that the Salvation Army's relief efforts have transitioned from direct distribution of food and water to residents to providing these services to workers who have traveled to provide aid. Mr. Lippard informed Council that Catawba College will be sending a group of students to help hospital workers clean and repair their homes. He stated that the efforts from Salisbury and Rowan County have encouraged other communities to also adopt cities around Jackson County. He added that other partnerships are planned, noting that F&M Bank has adopted Merchants & Marine Bank, the Town of Granite Quarry will provide library supplies for the community, and the Rowan Baptist Association is planning support for Baptist churches in the community.

Mr. Lippard expressed thanks to Ms. Jackie Harris of the United Way and Ms. Karen Wilkinson, Community Relations Manager for Parks and Recreation, for their work to coordinate communication for the relief efforts.

Chief Parnell stated that staff has been fortunate to link the leaders of this community with leaders and coordinators in the Pascagoula/Jackson County, MS area.

City Manager David Treme commented that the United Way is in the process of raising money for local agencies but has not been too busy to step up and meet the needs in Pascagoula/Jackson County, MS and urged local citizens to support our local United Way.

PROCLAMATIONS

Mayor Klutz proclaimed the following observances:

CHANGE YOUR CLOCK, CHANGE YOUR

BATTERY DAY

October 30, 2005

NATIONAL GIS DAY

November 16, 2005

CONSENT AGENDA

(a) Minutes

Approve Minutes of the regular meeting of October 4, 2005 and the special meetings of October 4, 2005 and October 10, 2005.

(b) Group Development Site Plans

Approve the following Group Development Site Plans:

- G-16-04 - Grace Worship Center International, 901 S. Boundary Street
- G-09-04 - Overton Elementary School, 1825 Park Road
- G-01-75 - Salisbury High School, 500 Lincolnton Road

(c) Pool Hall Permit - Club Zidis

Receive an application from Kevin Watkins for Club Zidis for a permit to operate a pool hall located at 127 South Main Street, and set a public hearing for November 1, 2005.

(d) Street Closing - Fulton Heights Association

Council to consider closing a block of Mitchell Avenue from Crosby Street to Blair Street Monday, October 31, 2005 from 4:30 p.m. until 6:30 p.m. for the Fulton Heights Association Halloween Parade.

Councilmen Burgin and Kennedy indicated they needed to be excused from G-01-75 Salisbury High School due to a conflict of interest.

Thereupon, Mr. Burgin made a **motion** to approve the Consent Agenda with the exception of item 8(b) G-01-75. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

Thereupon, Mr. Woodson made a **motion** to excuse Councilmen Burgin and Kennedy. Mr. Lewis seconded the motion. Messrs. Lewis, Woodson, and Ms. Kluttz voted AYE. (3-0)

GROUP DEVELOPMENT SITE PLAN G-01-75 SALISBURY HIGH SCHOOL

Mr. David Phillips, Zoning Administrator, indicated that this revised group development site plan is for Salisbury High School located at 500 Lincolnton Road and was originally approved in June 2004. He noted that in June 2004 the School requested approval for the construction of a parking lot on Lincolnton Road, a parking lot on Caldwell Street, and the creation of a new track and field complex. He stated that the revised plan seeks approval for a reduction in size for the parking area on Caldwell Street, and for the addition of a forty (40) feet x ninety (90) feet metal building to house equipment. Mr. Phillips added that part of the approval process will be for Council to grant a variance for an additional driveway that will have one-way traffic and will provide a better means of egress from the property.

Mr. Phillips reviewed aerial photographs of the area and noted that the back portion of the track is adjacent to West Street. He pointed out a residence on the corner and that it is the only residence located in the block with the school. He noted that the placement of the building will be at the end of the property adjacent to West Street. He informed Council that there will be additional landscaping placed along the street right-of-way to help screen the building. Mr. Phillips informed Council that the Planning Board recommends approval as submitted.

Councilman Lewis noted a heavy grade in the property and asked how high the building will be from the street. Mr. Pete Bogle, Ramsay, Burgin Smith Architects, stated that the building will be placed near West Street and the building pad will be approximately two (2) feet above track level. He added that the road side of the building will be sunk down six (6) feet. The building eave height is eighteen (18) feet but once it is sunk down six (6) feet into the ground the eave height will be approximately twelve (12) feet.

Mayor Kluttz opened the floor for public comment regarding the site plan.

Mr. Alonzo Grooms, stated that he is representing the Miller Heirs who own property at 730 S. West Street. He stated that his grandparents are trying to sell this property and he has concerns that the building will prohibit the sale of the property or reduce its price. He commented that he thought a street close to the property will be closed. Mr. Phillips stated that there are no street closings associated with this application. Mr. Grooms asked if the area will be fenced in. Mr. Bogle responded that he does not know for certain but he feels it is most likely that the track and field will be fenced in. Mayor Kluttz asked Mr. Grooms if he is referring to a lot or a home. He responded that it is just a lot. Mr. Phillips pointed out that the building will not be directly across from the lot, but will be approximately one hundred (100) feet away.

Mr. Pete Bogle, Ramsay, Burgin Smith Architects, stated that his firm has been concerned with the appearance of the neighborhood and the current zoning, R-6, allows the building to be placed five (5) feet from the property line but they are placing the building fifteen (15) feet from the line. He pointed out a large tree on the property that he has worked to preserve and stated that the designers have attempted to be as gentle as possible to the neighborhood.

There being no one else to address Council regarding the group development site plan, Mayor Kluttz closed the public comment session.

Mayor Pro Tem Woodson stated that he does not feel the school's plan will interfere with the corner lot, noting the building will be one hundred (100) feet away.

Thereupon, Mr. Woodson made a **motion** to approve G-01-75 group development for Salisbury High School, 500 Lincolnton Road. Mr. Lewis seconded the motion. He stated that the plan meets the set back requirements, does not exceed the height limitations, and the landscape plantings will soften the look of the building. He added that he appreciates the site design respecting the existing trees on both sides. Messrs. Lewis, Woodson, and Ms. Kluttz voted AYE. (3-0)

PUBLIC HEARING - FULTON STREET BICYCLE LANES

This item was postponed until the November 1, 2005 Council meeting.

EAGLE HEIGHTS NEIGHBORHOOD STOP CONDITIONS

Ms. Wendy Brindle, Traffic Engineer, noted that at its last meeting Council voted to place stop signs at Windsor Drive and Idlewood Drive. She requested Council approve an official Ordinance to establish the stop condition, adding that the Ordinance also includes existing stop conditions in Eagle Heights in order to update the City Code.

Councilman Burgin reported that a Council Committee met to discuss traffic options for the Eagle Heights neighborhood. He stated that the Committee feels the four (4) way stop needs to be established and then obtain more traffic readings to determine if the four (4) way stop is helping with the problem. If the data shows that the four (4) way stop is not helping, the Committee will then begin to look at other options.

Ms. Brindle stated that additional volume counts will be obtained for Prescott Drive before the four (4) way stop is installed and then once the

sign is installed more readings will be taken.

Councilman Lewis stated that the Committee discussed pedestrian and bicycle traffic on Prescott Drive, which is also the entrance to the Greenway. He commented that this may be a hazardous condition and feels Council should consider construction of a sidewalk for this area to serve from the corner of Mocksville Road down to Idlewood Drive. He asked for this to be added to the sidewalk construction list.

Thereupon, Mr. Lewis 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 in the Eagle Heights neighborhood. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

AN 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. 20, Traffic, at Page No. 82, and is known as Ordinance No. 2005-49.)

AWARD CONTRACT - SOUTHERN TRUCK SALES - CRANE CARRIER CAB AND CHASSIS - SANITATION DIVISION

Mr. Dewey Peck, Purchasing Manager, indicated that this item and the following item on Council's Agenda involved the replacement of a garbage packer truck used for residential garbage pick-up. He stated that the current unit has exceeded its useful life and has been approved for replacement by the Vehicle Review Committee, and added that funds are available in the vehicle placement fund.

Mr. Peck explained that this item is for the purchase of a Crane Carrier Cab and Chassis and while there are other trucks available that are considered to be low entry they are approximately fourteen (14) inches higher than this unit. He stated that there are no other units that are this low and staff recommends the purchase of this Cab and Chassis under the sole source provisions of the State Statutes which allow for purchasing when nothing else is available that will meet requirements.

Councilman Kennedy asked about the price for the next available low entry unit. Mr. Peck responded that the difference is approximately \$4,000.

Thereupon, Mr. Kennedy made a **motion** to adopt a Resolution awarding a contract to Southern Truck Sales in the amount of \$90,656 for the purchase of a Crane Carrier LET2-40 Cab and Chassis for the Public Services Sanitation Division. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

RESOLUTION AUTHORIZING THE PURCHASE OF A CRANE CARRIER LET2-40 CAB AND CHASSIS FOR THE SANITATION DIVISION OF THE CITY OF SALISBURY'S PUBLIC SERVICES DEPARTMENT.

(The above Resolution is recorded in full in Resolution Book No. 12, at Page No. 36, and is known as Resolution No. 2005-31.)

AWARD CONTRACT - CAROLINA ENVIRONMENTAL SYSTEMS - REFUSE PACKER BODY - SANITATION DIVISION

Mr. Dewey Peck, Purchasing Manager, stated that this item is the second half of the unit from the previously approved item. He indicated that this unit has been used in the City for approximately twenty (20) years and staff finds it to be far superior to any other unit used. He stated that State Statutes allow a purchase without separate bidding procedures when there is a need for standardization, or compatibility is an overriding consideration.

Thereupon, Mr. Woodson made a **motion** to award a contract to Carolina Environmental Systems in the amount of \$49,436 for the purchase of a Heil DPF5000 packer body for the Public Services Sanitation Division. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

SETTLER'S GROVE SEWER OUTFALL EXTENSION AGREEMENT

Councilman Lewis indicated that he needed to be excused from this item due to a conflict of interest.

Thereupon, Mr. Kennedy made a **motion** to excuse Councilman Lewis from deliberation. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Woodson, and Ms. Klutz voted AYE. (4-0)

Mr. Matt Bernhardt, Assistant City Manager for Utilities, informed Council that the Settler's Grove Development is a project being constructed on Old Concord Road by Settler's Grove, LLC. He added that this development group includes Mr. John Fletcher, who Salisbury-Rowan Utilities (SRU) has worked with in the past.

Mr. Bernhardt explained that Settler's Grove has been approved for a sewer lift station and force main, but lift stations cost SRU approximately \$9,000 per year in operation cost and SRU would prefer not to add another lift station. He stated that SRU approached the developers to work together to construct a gravity flow sewer line, which will connect to the Faith Sewer Outfall, rather than building the lift station and force main.

Mr. Bernhardt indicated that the estimated cost of the project is \$500,000 with Settler's Grove, LLC paying sixty (60) percent of the project up to \$275,000 and SRU paying forty (40) percent and any remainder above \$275,000. He stated that the construction of this line will open the area for

future development.

City Manager David Treme commented that the benefit of this project is that it opens up the area and he feels the City will realize savings in terms of operations, as well as encouraging growth and development where SRU has facilities.

Councilman Burgin commended staff for looking beyond the immediate and looking long term instead of taking a short-sighted approach.

Thereupon, Mr. Burgin made a **motion** to approve a contract between the City of Salisbury and Settler's Grove, LLC for the construction of the Settler's Grove Sewer Outfall. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Woodson, and Ms. Kluttz voted AYE. (4-0)

CAPITAL PROJECT ORDINANCE - SETTLER'S GROVE SEWER OUTFALL EXTENSION

Mr. Bernhardt presented a projected budget for the construction of the Settler's Grove Sewer Outfall:

Engineering Design/Construction Management	\$75,000
Easements	\$45,000
Construction	\$345,000
Contingency	\$35,000
Total Project Budget	\$500,000

City Clerk Myra Heard indicated that Councilman Lewis should also be excused from this item as it relates to the previous item approved by Council for which Mr. Lewis had a conflict of interest.

Thereupon, Mr. Burgin made a **motion** to excuse Councilman Lewis. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Woodson, and Ms. Kluttz voted AYE. (4-0)

Thereupon, Mr. Burgin made a **motion** to adopt a Capital Project Budget Ordinance in the amount of \$500,000 for the construction of the Settler's Grove Sewer Outfall. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Woodson, and Ms. Kluttz voted AYE. (4-0)

SETTLER'S GROVE SEWER OUTFALL EXTENSION - CAPITAL PROJECT ORDINANCE

(The above Ordinance is recorded in full in Ordinance Book No. 20, Budget, at Page No. 83, and is known as Ordinance No. 2005-50.)

FY2004-2005 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT - CDBG/HOME PROGRAMS

Ms. Janet Gapen, Planner II, presented Council with a summary of the FY2004-05 Consolidated Annual Performance and Evaluation Report for the Community Development Block Grant (CDBG) and HOME funds. She stated that this report is an annual report on CDBG and HOME activities provided to the United States Department of Housing and Urban Development (HUD).

Ms. Gapen reviewed a graph of the allocation of \$657,103 in combined CDBG and HOME funds received by the City. The allocation was:

Acquisition/Rehab	22%	\$150,000
Program Admin.	17%	\$113,233
Public Service Funding	11%	\$74,500
Sidewalk Improvements	10%	\$65,794
Homeownership Assistance	9%	\$60,000
Debt Service (Park Ave. Center)	9%	\$57,306
Emergency Rehab	8%	\$50,000
Neighborhood Development (Jersey City)	8%	\$50,000
Owner-Occupied Rehab	6%	\$36,180

Ms. Gapen reviewed a breakdown for the number of projects completed with the CDBG and HOME funds. She pointed out that the HOME funds deal primarily with homeownership, while CDBG funds are a bit more flexible:

Projects	CDBG	HOME
Owner-Occupied Rehab	3	1
Emergency Rehab (Owner-occupied)	5	-
Property Acquisition	4	9
Property Development	6	9
New Construction	-	4
Down payment/Closing cost Assistance	-	2
Sidewalk Projects	2	-
Neighborhood Improvement Project	1	-

Ms. Gapen then reviewed the total number of projects as they were distributed among the neighborhoods:

	West	Park	Fisher	Jersey	Other

Projects	End	Avenue	Street	City	Areas
Owner-occupied Rehab		1	1		2
Emergency Rehab			1	1	3
Rehab Project for Resale			1 (sold "as is")	1	1 (sold "as is")
Property Acquisition	10		1	2	
Property Development	15				
New Construction	4				
Down payment/Closing Cost				1	1
assistance					
Sidewalk Projects	1			1	
Other Neighborhood Improvements	1				

Councilman Kennedy commented that these are excellent examples of the use of the money received from the Federal government. He stated that several members of the United States Senate are working to increase appropriations for CDBG programs and hopefully Salisbury could see additional funds if this happens.

STAFF REPORT - FUEL CONSERVATION AND COST CONTAINMENT POLICY

Mr. Ted Phillips, Fleet Services Manager, informed Council that staff has begun to look at the City fuel usage and noted that the increase in fuel prices started in October 2003. He indicated that at that time the City was paying approximately \$.99 per gallon. In October 2004 the City paid \$1.60 per gallon and now, October 2005, the City is paying \$2.65 per gallon. He stated that this represents an approximate increase of two hundred thirty (230) percent in fuel cost over the last two (2) years.

Mr. Phillips informed Council that in October 2003 the City spent \$19,500 per month for fuel and at the current rate it is estimated the City will spend \$51,000 per month.

Mr. Phillips stated that in September, after the Hurricane Katrina disaster, representatives from different departments met to discuss ideas for short-term and long-term fuel conservation. He explained that some of the plans are multi-staged and quite involved. He indicated that the plans have been in place for a short time and staff has not had enough time to determine what impact the plan is having. He noted that the five (5) largest users of fuel are Police, Fire, Sanitation, Streets and Transit and since three (3) of these departments run fixed routes, fuel costs cannot be cut without cutting services. Ms. Phillips stated that he hopes there will be a four (4) to eight (8) percent decrease in usage with the fuel conservation plan in place but usage will have to be studied over several months.

City Manager David Tremé commented the City has many services that are highly dependent on gasoline but staff has implemented measures to conserve fuel without jeopardizing services. He stated that, in regards to the impact on the budget, he is working on cost containment and determining what can be adjusted to meet this increase. He commended staff for taking the initiative to put the fuel conservation plan together.

Mr. Tremé informed Council that Mr. Phillips has published an article in the October issue of *Fleet Equipment* titled "Striving to be the Best" describing Salisbury's Fleet Maintenance Division and its training program.

Mayor Pro Tem Woodson asked about Automotive Service Excellence (ASE) Blue Seal Shops. Mr. Phillips explained that Blue Seal certification is given when a department has someone certified in every service offered and seventy-five (75) percent of staff certified. He stated that Salisbury has twenty-six (26) master certifications, adding that ASE has approximately one (1) percent of the people who are members that have more than one (1) master certification and Salisbury has six (6) people with more than one (1) master certification.

Mr. Phillips commented that ASE wants to use Salisbury as an example of training benefits in their presentations to other cities. Mayor Klutz noted that this article is very impressive and commented on the excellence of the City's professional staff.

APPOINTMENT - SALISBURY PLANNING BOARD

Upon a **motion** by Mr. Lewis, seconded by Mr. Burgin, and with Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voting AYE, the following appointment was made to the Salisbury Planning Board:

Dr. Kelly Vance Term expires 3-31-08

COMMENTS FROM THE CITY MANAGER

(a) Planning Board

Council received Planning Board recommendations and comments from their October 11, 2005 meeting.

(b) Henderson Street Railroad Crossing

Mr. Dan Mikkelson, Director of Land Management and Development, indicated that for several years staff has requested assistance for the rough railroad crossing on Henderson Street. He indicated that the City is not authorized to pave between the tracks to help with the rough pavement

and added that some of the tracks are not at the same elevation. He informed Council that the North Carolina Department of Transportation (NCDOT) and Norfolk Southern will be removing one set of unused tracks, raising one set, and widening and resurfacing the entire area. He stated that this is anticipated to take one week and traffic will have to be detoured to the Kerr Street railroad crossing. He noted that the project is expected to start October 31 and asked for Council's approval to implement the detour.

Thereupon, Mr. Woodson made a **motion** to approve the closing of the Henderson Street railroad crossing for approximately one week for NCDOT to repair the pavement and approve the detour to Kerr Street. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Klutz voted AYE. (5-0)

(c) Report on Yorkshire Drive

Mr. Dan Mikkelson, Director of Land Management and Development, indicated that a Council Committee recently met with representatives from Yorkshire Drive.

Mayor Pro Tem Woodson reported that after the Committee meeting the Committee is recommending that the City accept Yorkshire Drive along with the side loops. The Committee also recommends that the City accept the triangular curb in its current condition with the provision that the Homeowner's Association make payments in lieu of upgrading the substandard curb. He explained that staff determined the difference between the triangular curb and the valley gutter curb to be approximately \$2.40 per foot for eight hundred (800) feet so the Homeowner's Association will pay approximately \$2,000 to the City in the event improvements have to be made to the triangular curb. Mr. Woodson stated that the Committee also recommends Salisbury-Rowan Utilities accept the utility laterals, subject to the receipt of the recorded utility drawings. Mr. Mikkelson indicated that staff is still attempting to obtain these drawings.

Mr. Woodson stated that the Committee was concerned about setting a precedent but felt these private streets were specifically approved during a time when private streets were allowed and they serve as the only means of access to single family lots. He added that the streets were approved with a fifty (50) foot minimum right-of-way and they look and act the same as public streets.

Mr. Woodson stated that Mr. Patrick Ritchie, Staff Engineer, will work with the Homeowner's Association regarding the process of converting the decorative lights to public street lights, with the Homeowner's Association paying for the additional cost.

City Manager David Treme noted that the Council Committee is moving forward and he wanted to give Council a project report.

(d) Staff Report - 300 Block of East Council Street

Ms. Lynn Raker, Urban Design Planner, stated that a neighborhood meeting was held for the 300 block of East Council Street with nine (9) business and property owners participating.

Ms. Raker reviewed the recent planning activity for the area and noted that the 1998 Park Avenue Neighborhood Redevelopment Plan identified the East Council Street District as a major gateway into downtown and from downtown. She added that the plan proposed mixed use for this area.

Ms. Raker stated that the Cheerwine Building has been a main focal point of the 300 block of East Council Street. She noted that in 1998 the Cheerwine Building had a tax value of \$171,000. As redevelopment began, improvements were made to the 300 block of East Council Street between 1999-2000 which included:

- Removed overhead utilities
- Replaced sidewalks with brick pavers and stippled concrete
- Replaced driveways
- Removed highway-style lights and wooden poles and installed pedestrian lighting
- Initiated North Carolina Department of Transportation improvements to the railroad crossing with a concrete crossing and planted median

Mr. Raker indicated that after improvements to the 300 block of East Council were made and the renovation of the Cheerwine Building, the 2005 tax value of the building is \$949,781.

Ms. Raker referred to the Salisbury Vision 2020 Plan which encouraged a compatible but diverse mixture of uses downtown and recognized the advantage of clustering similar uses. She reviewed the 2002 Downtown Salisbury Master Plan which encouraged adaptive re-use and redevelopment of the vacant or underutilized buildings for commercial and residential use. Ms. Raker added that the Downtown Salisbury Master Plan also recommended public art to compliment the significance of the Cheerwine Building. She displayed several pictures showing improvements to the area, and pictures of current conditions that need to be addressed.

Ms. Raker informed Council that the specific issues discussed during the neighborhood meeting were:

- Drainage issues at Rowan Helping Ministries
 - Plan for drainage improvements includes a curb along Cheerwine parking lot and a plan for drainage along the side of the building
- Parking overflow from Rowan Helping Ministries
- Parking and noise from Club 315
 - Eliminate late-night parking next to Cheerwine Building
 - Off-duty policing during peak hours
 - Plan for passage-way through wall and parking at National Sportscasters and Sportswriters Association (NSSA) parking lot
- Pool hall permit

She stated that the broad issues include:

- Redevelopment of vacant or underutilized buildings
- Streetscape improvements, traffic calming and pedestrian crossings on Long Street
- Development of vacant property on east side of Long Street
- Compatibility of dissimilar uses

Ms. Raker commented that the question of where to go from here was posed to the participants in the neighborhood meeting. She stated that several felt the streetscape improvements, traffic calming and pedestrian crossings were extremely important. She added that it was also proposed that consideration be given to moving the recycling station. Mr. Victor Wallace who owns the property, has indicated that this is possible and has contacted Ms. Raker to let her know the moving process is underway.

Ms. Raker indicated that the noise issue continues to be a problem and a recommendation was made for residents in the Cheerwine Building to investigate the use of storm windows to help mitigate the noise. She noted that when the building was first redeveloped the tax credits used for the redevelopment did not allow for the use of storm windows over the original windows but the five-year period covering these restrictions has expired and they can be added with approval from the Historic Preservation Commission.

Ms. Raker indicated that it seems the next step will be to prepare a physical plan with input from the various stakeholders in the area.

City Manager David Treme stated that staff is attempting to develop a small area plan for this area and noted that the noise issue and parking and pedestrian safety were great concerns. He informed Council that there are new owners of the NSSA building and the plan to redirect traffic to that lot may be revisited. He commented that he felt the meeting was a good collaborative effort.

(e) Alcoa Power Generating, Inc.

City Manager David Treme, Assistant City Manager for Utilities Matt Bernhardt, and Senior Engineer Jeff Jones presented Council with an update regarding negotiations for the Alcoa relicensing process.

Mr. Treme informed Council that:

- Relicensing process currently underway
 - Thirty (30) to fifty (50) year window of opportunity
- “Negotiated Settlement” is underway as a part of the relicensing process
 - Designed to see if consensus may be achieved through negotiation among stakeholders
 - Each stakeholder group must designate representative(s)
 - Alcoa presents a proposed operations model
 - Each stakeholder group may present a counterproposal
- Salisbury’s authorized representatives:
 - Dave Treme
 - Matt Bernhardt
 - Jeff Jones
 - Randy Tinsley

Mr. Treme reviewed the timeline for the relicensing process:

- September 2002: Relicensing efforts kick off
- March 2003: Alcoa/Yadkin files notice with Federal Energy Regulatory Commission (FERC) of intent to relicense
- February 2003: Issue Advisory Groups (IAGs) formed
- November 2004 Settlement negotiation process begins
- Summer 2005: Each stakeholder group presents its respective counterproposal
- Fall 2005: Draft license application is circulated
- April 2006 : License application due to FERC
- April 2008: Current license expires

Mr. Bernhardt described the Alcoa relicensing process:

- Salisbury has fully participated in and expressed its concerns and interests throughout the stakeholder negotiations and relicensing process
- At Alcoa’s suggestion, Salisbury also undertook separate direct negotiations with Alcoa outside of the relicensing process
- In Summer 2005, Salisbury met with the North Carolina Department of Natural Resources (NCDENR) staff to seek NCDENR support for Salisbury’s interests and concerns
- Salisbury was strongly urged by NCDENR to make a formal “counterproposal” in the stakeholder negotiations meeting
- Salisbury’s representatives presented Salisbury’s concerns and proposals in a conference call meeting of the stakeholders on September 8, 2005

Salisbury's counterproposal contained eleven (11) items that:

- Only mitigate adverse effects caused by Alcoa's project and project management
- Do not affect pool elevations
- Do not affect downstream flows
- Allow Salisbury to support Alcoa's license application at local, state, and federal levels
- Allow Salisbury to support the higher High Rock Lake pool elevations in stakeholder counter proposals at local, state, and federal levels
- Represent a general alignment among most Rowan County organizations involved in the process around the two (2) principles of:
 - Stable lake level
 - Mitigation of adverse effects

Mitigation is proposed for adverse effects on Salisbury's water system (water supply pipeline and waste water treatment plant)

- Physical effects:
 - Sedimentation
 - Flooding
- Administrative effects:
 - Disagreements about Alcoa's use of FERC license
 - Disagreements about Alcoa's submissions to FERC related to Salisbury
 - Alcoa property in-holdings that disrupt planning
 - Alcoa date withholding

Mr. Bernhardt reviewed the background and history of this issue:

- 1883 – Mission. General Assembly chartered Salisbury Water Works Company “for the purpose of obtaining and supplying the City of Salisbury and all other persons within the County of Rowan with water for public, domestic and manufacturing purposes...”
- 1901 – Salisbury Water Works Company becomes part of the City of Salisbury
- 1916 – Water Rights. Salisbury acquires riparian land (including adjoining South Yadkin river bottom and right of reasonable use of water)
- 1916 – More Water Rights. Salisbury acquires water pipeline/intake easement over The Point and adjoining Yadkin and South Yadkin river bottoms
- 1917 – Pipeline. Salisbury completes and begins using its Yadkin River water pipeline

Mr. Bernhardt explained that in 1927 Alcoa built High Rock Dam twenty (20) miles downstream:

- Alcoa promised to protect, so long as High Rock Lake exists, Salisbury's intake and pump station from sediment and other impacts (e.g. reimburse Salisbury if pump station improvements cost more due to impounded water level)
- In return, Salisbury granted Alcoa limited flood rights at the pump station, but only below 655 Yadkin Datum (623.9 USGS)
- Salisbury did not transfer any of its water rights to Alcoa

The Federal Power Act:

- Although the Federal Power Act was adopted in 1920, it was not applied to High Rock Lake until 1958-1959 (when FERC license issued to Alcoa)
- Federal Power Act (by way of a FERC license or otherwise) does not take from Salisbury any of its water rights

Mr. Bernhardt pointed out Section 27 of the Federal Power Act, noting that it says no one is allowed to construe the Act as affecting Salisbury's water rights: “Nothing contained in this [Act] shall be construed as affecting or intending to affect or in any way to interfere with the laws of the respective States relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired therein” 16 United States Code § 821 – Section 27.

In 1969 Salisbury needed a modern intake:

- Salisbury needed to add a modern intake to pipeline
- Alcoa said:
 - FERC approval required
 - FERC requires conveyance of an easement
- Alcoa drafted and Salisbury accepted an easement:
 - The easement might (but might not) narrow the 1927 promises. For example, the new intake might be excluded from some of the 1927 promises
 - No expansion of Alcoa flood rights
 - No cap on water use or withdrawals by Salisbury
 - No water payments to Alcoa
 - Salisbury is authorized to make “additions to” the new intake and lines

Mr. Bernhardt explained that in 2001 Salisbury needed a water line upgrade:

- Thirty-three (33) feet of the five and five tenths (5.5) mile water transmission line crosses the FERC project
 - Improvements needed to increase reliability and accommodate water needs
- Alcoa asserted “license requirements” and demanded that Salisbury pay Alcoa for Yadkin River water

- Salisbury sought and obtained help from FERC:
 - Transmission line upgrade completed
 - No water payments
 - But, water supply improvements were delayed and the process was time-consuming and expensive

Mr. Bernhardt reviewed a Summary of Supplemental Items:

1. Rules of engagements
2. Establishment of two (2) utility corridors
3. Stream-line approvals outside utility corridors
4. Annual sediment monitoring/removal within one thousand (1,000) feet of 1917 intake
5. Alcoa compensation of Salisbury for fair share of sediment damage
6. Immediately removal of sediment that jeopardizes the original intake
7. Flood-proofing at pump station area and waste water treatment plant
8. Relocation of access area
9. Conveyance of two (2) areas of land (tax value: \$310.00)
10. Collection and sharing of data and information
11. Correction of Exhibit K

Mr. Jones reviewed sedimentation and flooding for the Yadkin River noting that the existence of the High Rock Dam and reservoir has a negative impact on the Salisbury-Rowan Utility (SRU) water system:

- The impoundment has created a sediment deposition zone that extends from the middle of High Rock Lake to upstream of the South Yadkin confluence
- This sediment zone includes and impacts Salisbury's intakes, River Pump Station and Grant Creek Waste Water Treatment Plant (WWTP)
- Flood levels are increased at the River Pump Station and WWTP due to the sediment accumulation
- On-going sediment removal is necessary to keep intakes "watered"
- This sediment zone is growing in size and severity

Mr. Jones referred to pictures that were taken of the intake with water in the lake and without. He stated that from 1984 to 1988 sand mining ceased and by 1988 approximately fourteen (14) feet of sediment had accumulated, completely de-watering both intakes.

High Rock Lake sediment zone effect: Sediment enters water system

- The total sand/sediment impact was approximately \$68,000 per year in 2005 dollars for the period 1966 to present
- The estimated impact from 1927 to 1965 is estimated at \$34,000 per year in 2005 dollars
- Salisbury estimates that twenty-five (25) percent of the total sand/sediment impact is attributable to High Rock Lake operations – a total of about \$900,000 (in 2005 dollars) from 1927 to 2005. Mr. Jones noted that this includes no cost for sand mining
- Original intake was built in the river channel
- Sediment accumulation has almost isolated intake from the channel
- Sand removal is required to keep intake watered, but sand removal alone is not enough
- SRU has learned to utilize modeling to evaluate current and future effects of the sediment impact
- Bottom line: the results of SRU's modeling show that if this effect is not corrected, the increased flooding will jeopardize Salisbury's water supply

Mr. Jones displayed several graphs for Council depicting the water level versus the flow at the SRU intake and the effects of the dam and sedimentation, as well as projected conditions for 2038.

Mr. Jones noted a recent example:

- In 2003, a flood produced waters nine (9) feet deep at the pump station
- Without High Rock Lake and the Sediment Zone, the same flood would have been one (1) foot deep
- Under conditions projected for 2038, the same flood would have been twelve (12) feet deep and within one (1) foot of flooding Salisbury's River Pump Station.

Mr. Jones stated that High Rock Lake and the Sediment Zone increase the frequency and severity of flooding. He displayed two pictures from March 21, 2003 and the flood waters experienced at the access road and pump station.

He described a worst case scenario using the flood of record:

- Without lake and Sediment Zone;
 - River Pump Station electrical/electronic equipment is five (5) feet above water
 - Grant Creek WWTP is eight (8) feet above water
- With lake and Sediment Zone:
 - River Pump Station loss due to destruction of electrical/electronic equipment
 - Grant Creek WWTP loss due to flood water overtopping grit chamber

Mr. Bernhardt reviewed other issues regarding Alcoa:

- Boat ramp/parking area adjacent to pump station
 - Request: SRU and owner would like to see Alcoa quickly arrange for an access point elsewhere (away from critical sensitive infrastructure)
- Minor Alcoa property “in-holdings”
 - Request: Salisbury would request Alcoa transfer ownership to Salisbury of properties within Salisbury property
- Alcoa data sharing
 - Request: Alcoa to share its data with Salisbury
- Alcoa’s Exhibit K (to its license) shows errors
 - Request: Alcoa to correct it

Mr. Treme then gave a summary of the adverse effects:

- High Rock Lake Sediment Zone
 - The Lake and Sediment Zone increase the frequency and severity of flooding
 - Sediment blocks intakes if not continuously removed
 - Sediment enters and damages system
- Incorrect Use of License & Incorrect Submission to FERC
 - Delays, cost, and lost man-hours obtaining corrections
- Security problems - Poorly-sited boat ramp and parking area
- In-holdings - \$310.00 worth of Alcoa in-holdings that interfere with infrastructure planning
- Inadequate Data Collection and Sharing – Hinders understanding of High Rock Lake effects on water system

Summary of Supplemental Items:

1. Rules of engagement
2. Establishment of two (2) utility corridors
3. Stream-lined approvals outside utility corridors
4. Annual sediment monitoring/removal within one thousand (1,000) feet of 1917 intake
5. Alcoa compensation of Salisbury for fair share of sediment damage
6. Immediate removal of sediment that jeopardizes the original intake
7. Flood proofing at pump station area and WWTP
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11. Correction of exhibit K

Mr. Treme stated that this presentation was a culmination of several years of work and staff will continue to work to represent Council and rate payers who depend on SRU to provide water and sewer services.

Mayor Pro Tem Woodson asked if the sediment has an impact on the dam. Mr. Jones responded that the sediment stops before it reaches the dam.

Mayor Kluttz thanked staff for their continued work on this issue.

(f) City’s Identity Plans

This item was postponed until the November 1, 2005 Council meeting.

RECEIVE PUBLIC COMMENTS

Mayor Kluttz opened the floor to receive public comments. There being no one present to address Council, Mayor Kluttz closed the public comment session.

MAYOR’S ANNOUNCEMENTS

(a) Groundbreaking for Fire Station 50

Mayor Kluttz announced that a groundbreaking ceremony was held today, October 18, 2005 for Fire Station 50 to be located at 2325 Statesville Boulevard. She noted that this will be the first new Fire Station to be added since 1957 and will help improve the response time not only for this area, but for the entire City.

(b) Council Candidate Forum

Mayor Kluttz announced that a City Council Candidate forum will be held Tuesday, October 25, 2005 at 6:30 p.m. at Catawba College.

(c) Taxi Rate Study

Councilman Kennedy stated that he has been contacted by representatives of the taxi industry who have been impacted by the rising cost of fuel. He indicated that the representatives would like to establish uniform prices for taxis in the City. He suggested a study be conducted to determine what other cities are doing in order to make recommendations on this issue. Mr. Tremé suggested Mr. Kennedy work with him, representatives from the Police Department, and representatives from the taxi industry to look at this issue.

(d) Annexation Process

Councilman Kennedy stated that he recently attended the North Carolina League of Municipalities Conference in Hickory, NC where he attended a session on annexation. He stated that the various steps for annexation were discussed and he commended staff for always taking the correct steps during the City's annexation processes.

(e) Council Committees

Councilman Kennedy stated that when Mayor Klutz was elected Mayor eight (8) years ago she brought the idea of Council Committees to Council. He commended her for bringing this idea and stated that he felt they have worked well to solve issues.

ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Burgin, seconded by Mr. Lewis. All council members agreed unanimously to adjourn. The meeting was adjourned at 6:32 p.m.

Mayor

City Clerk