

RECESSED MEETING OF MAY 24, 2005

Continued
May 31, 2005
10:00 a.m.

The City Council of the City of Salisbury met at 10:00 a.m. Tuesday, May 31, 2005 in Council Chambers at City Hall pursuant to the recess of the regular meeting May 17, 2005 and the recessed meeting of May 24, 2005, 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 Kennedy provided the invocation.

STREET CLOSING

City Manager David Treme informed Council that a request has been received to close the 100 block of South Church Street June 4, 2004 from 10:00 a.m. until 10:30 p.m. for the Salisbury Post 100th Anniversary celebration.

Thereupon, Mr. Kennedy made a **motion** to close the 100 block of South Church Street June 4, 2005 from 10:00 a.m. until 10:30 p.m. as requested. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE (5-0)

BUDGET WORKSHOP

Mr. Treme indicated that he and staff met with individual Council members following the budget workshop held May 24 in order to address questions concerning both the General Fund and Salisbury-Rowan Utilities (SRU) budgets.

Mr. Treme distributed a copy of adjustments that staff made to the SRU budget after the workshop and meeting with the Council members. He informed Council that staff eliminated approximately \$190,735 of items from the budget, as well as \$202,000 in postponed items that may not come to fruition during the next budget year. This created a total reduction of \$392,735 in costs to change the recommended increase in utility rates from a 9.46% increase to 6.9%.

Mr. Treme noted that a one and one half (1½) cent tax increase had been recommended for the General Fund. He informed Council that staff has made adjustments to the budget to meet the needs with no tax increase. He commented that this is the fourth (4th) year with a no tax increase budget in the past five (5) years.

Mr. Treme distributed charts to Council depicting SRU utility rates in comparison with systems in the surrounding region and noted that SRU maintains its status, ranking 7 out of 13 systems. He also pointed out an increase in the recycling fee from \$1.44 to \$1.66 and stated that the fund is self-supporting with the increase going directly to offset the cost of the program.

Mr. Treme stated that several items were added back to the General Fund budget after Council's previous workshop. These were the History and Art Trail, United Way Needs Assessment, an increase for Downtown Salisbury, Inc., and web-based applications for Human Resources.

The items that were deleted included:

- Funds for Highway 70 sidewalks – approximately \$40,000
- Radio maintenance contract - \$29,435
- Reduce the request for six (6) part-time positions from twelve (12) months to three (3) - \$31,430
- Fire Department equipment - \$20,544
- Salary savings for upcoming retirements - approximately \$36,000

Mr. Treme stated that staff is using the Fund Balance for construction of the new Fire Station and although there are other options for financing the construction he feels this is the best option for the City.

Council thanked staff for their work to find budget cuts to reduce the utility rate increase to 6.9%. Council noted that there are items that had to be included in the budget this year because of the new Actiflo System and items associated with the increased capacity and these will be included in next year's budget rather than being an increase. It was also noted that decisions made by Council during the year, such as making fair adjustments for the development community, have had significant impact on SRU's income and when Council makes commitments from one area of the budget it has to continue to find a balance for the impact on the other portions of the budget.

Council discussed the need for a Communications Specialist to inform the public of the positive things taking place throughout the City. Mr.

Treme commented that most municipalities the size of Salisbury have this position. It was suggested that this position be reviewed as the tax base increases.

It was noted that the General Fund budget includes health insurance for Council members. Mr. Treme stated that it was determined after conducting surveys of benefits for elected officials that this is something offered by the majority of municipalities and he felt should be added. Council agreed that this is an important option to offer and while the current Council may not elect to use the insurance it is important to offer it to future Council members.

A question was raised concerning funds for street lighting in annexation areas. Mr. Dan Mikkelson, Director of Land Management and Development, stated that in the annexed neighborhoods with existing lights, the City will assume the cost of the lights as of June 30, 2005. He stated that street lighting improvements have been handled through the Neighborhood Improvement Program and it has not been funded in the proposed budget. He explained that if the Program is funded, a neighborhood can file a petition from two-thirds (2/3) of residents to request the City to bring the street lights up to current standards. He noted that if reinstated, the Neighborhood Improvement Program would cost approximately \$7,500 and could upgrade approximately forty (40) City blocks to bring lights to current standards. Council agreed it would like to reinstate this Program and suggested moving money from the Council travel budget to cover the cost. Mr. Treme stated that he will review the budget and will find a way to include the \$7,500 for the Neighborhood Improvement Program.

It was noted that there are funds in the budget to provide "hot spots" in the downtown area to provide wireless internet as requested by young people when they addressed Council. The area will include the majority of downtown on Main Street.

Mr. Treme distributed information regarding County population and meter counts to Council as requested from their last meeting.

Mr. Treme stated that he will bring the amended budget with all of the noted changes, including the \$7,500 for the Neighborhood Improvement Program, to Council at its next regular meeting.

Mayor Klutz thanked staff for their work on the budget.

ADJOURNMENT

A **Motion** to adjourn the meeting was made by Mr. Burgin, seconded by Mr. Woodson. All council members agreed unanimously. The meeting was adjourned at 11:02 a.m.

Mayor

City Clerk