

Salisbury, North Carolina
June 15, 2021

REGULAR MEETING

PRESENT: Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Al Heggins, Council Members William Brian Miller, David Post and Tamara Sheffield; City Manager W. Lane Bailey, City Clerk Kelly Baker; and City Attorney J. Graham Corriher.

ABSENT: None.

In response to the State of Emergency declaration related to the spread of COVID-19 and to limit physical interactions and the potential spread of COVID-19 the Salisbury City Council met electronically. The meeting was called to order by Mayor Alexander at 6:00 p.m. A moment of silence was taken.

PLEDGE OF ALLEGIANCE

Mayor Alexander led participants in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VIEWERS

Mayor Alexander welcomed all viewers.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Post made a **motion** to adopt the Agenda. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

PROCLAMATIONS

Mayor Alexander proclaimed the following observances:

UNITED STATES ARMY 246TH BIRTHDAY
JUNETEENTH
SALISBURY PRIDE MONTH

June 14, 2021
June 19, 2021
June 2021

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the Special Meeting of May 26, 2021, the Regular Meeting of June 1, 2021, and the Special Meeting of May 6, 2021.

(b) Ordinance – Parking Restriction

Adopt an Ordinance amending the City Code to restrict parking at all times on the north side of the 1000 block of Holmes Avenue.

ORDINANCE AMENDING CHAPTER 13, ARTICLE X, OF THE CODE OF THE CITY OF SALISBURY, RELATING TO PARKING.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 109, and is known as Ordinance 2021-48.)

(c) Right-Of-Way – 100 block of West Council Street

Approve use of the right-of-way in the 100 block of West Council Street for work being performed at 132 North Main Street from May 7, 2021, until July 9, 2021.

(d) Right-Of-Way – 100 block of West Council Street

Approve use of the right-of-way in the 100 block of North Church Street for work being performed at 200 West Innes Street from May 31, 2021 until July 9, 2021.

(e) Budget Ordinance Amendment – Public Art Committee

Adopt a budget Ordinance Amendment to the FY2020-2021 budget in the amount of \$27,452 to appropriate grants and donations for the Public Art Committee.

ORDINANCE AMENDING THE 2020-2021 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE GRANTS AND DONATIONS.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 110, and is known as Ordinance 2021-49.)

(f) Budget Ordinance Amendment – Dixonville Memorial Project

Adopt a budget Ordinance Amendment to the FY2020-2021 budget in the amount of \$22,348 to appropriate grants and donations for the Dixonville Memorial Project.

ORDINANCE AMENDING THE 2020-2021 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE DIXONVILLE DONATIONS.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 111, and is known as Ordinance 2021-50.)

Thereupon, Mayor Pro Tem Heggins made a **motion** to adopt the Consent Agenda as presented. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

PUBLIC COMMENT

Mayor Alexander opened the floor to receive public comments.

Mr. Doug Isham discussed issues he is having with a neighbor who has installed an ultrasonic device that is affecting his dogs.

There being no one else to address Council, Mayor Alexander closed the public comment session.

SPECIAL USE PERMIT (SUP-01-2021) – 612 WEST INNES STREET

Mayor Alexander commented a Special Use Permit (SUP) 01-2021 has been proposed for the property located at 612 West Innes Street to permit a commercial child care center for 30 or fewer children.

Mayor Alexander indicated SUPs are quasi-judicial proceedings and she explained in deciding an SUP, Council follows quasi-judicial hearing procedures. She noted in a quasi-judicial hearing, Council acts as the decision-making body. She added the purpose of the hearing is to gather evidence as to whether or not this particular application is consistent with the standards set forth in the City's Land Development Ordinance (LDO). She pointed out Council's task is to consider all of the competent and material evidence presented by the applicant and other parties, to ask questions and deliberate on that evidence, to make findings of fact based on that evidence, and to apply those findings of fact to the City's LDO.

Mayor Alexander asked those that are going to participate in the hearing to be sworn in. She added this is not the public comment period or the type of decision where Council would generally allow and encourage broad public input. She stated Council has the responsibility when making a quasi-judicial decision to ensure that the applicant gets a fair hearing by only allowing evidence that is relevant to the issue. She explained in making this decision, Council may not consider opinions, speculative evidence or assertions, generalized objections or concerns, or hypothetical situations. She indicated the only evidence that Council is allowed to consider is evidence that is competent and material and directly related to the issue of whether the application complies with the standards in the Ordinance.

Ex Parte Disclosure

Mayor Alexander noted as a matter of basic due process, every applicant is entitled to an impartial decision maker. She asked Council if any member had a fixed opinion on this matter that is not susceptible to change. Upon a roll call Mayor Pro Tem Heggins, Councilmembers Post, Sheffield, and Miller, and Mayor Alexander all stated they did not have a fixed opinion on the matter that is not susceptible to change.

Mayor Alexander asked if any member of Council had any ex-parte communication about the subject matter of this request with the applicant. Upon a roll call Mayor Pro Tem Heggins, Councilmembers Sheffield, Post and Miller, and Mayor Alexander all stated they had not had any ex-parte communication about the subject matter of the request with the applicant.

Mayor Alexander asked if any member of Council had a close familial, business, or other associational relationship with the applicant. Upon a roll call Mayor Pro Tem Heggins, Councilmembers Sheffield, Miller, and Post, and Mayor Alexander all stated they do not have a close familial, business, or other associational relationship with the applicant.

Mayor Alexander then asked if any member of Council had a financial interest in the outcome of this matter. Upon a roll call Councilmembers Miller, Post, and Sheffield, Mayor Pro Tem Heggins, and Mayor Alexander all stated they do not have a financial interest in the outcome of this matter.

Public Hearing

Mayor Alexander convened a public hearing, after due notice thereof, to receive testimony regarding SUP-01-2021.

Mayor Alexander indicated anyone who wished to speak for or against this item must be sworn in. She noted the oath will be administered to each speaker who joins the proceeding as a panelist.

Mayor Alexander administered the oath to Development Services Manager Teresa Barringer.

Ms. Barringer displayed a map of the area, and she pointed out the proposed location at 612 West Innes Street. She added the petitioner is Mr. Lamont Savage, who has requested an SUP to operate a commercial childcare center. She indicated LDO 2.7.C Use Matrix requires an SUP for commercial childcare centers operating in the Residential Mixed-Use (RMX) zoning district.

Ms. Barringer referenced Chapter 18 of the LDO that defined Commercial Childcare Center as an individual agency or organization providing supervision or care in a non-residential environment where at any one time there are three or more preschool aged children or nine or more school aged children receive childcare.

Ms. Barringer displayed a zoning map of the area, and she pointed the property is primarily adjacent to RMX zoning. She commented the rear of the property is adjacent to Urban Residential (UR8) and Historic Residential (HR) zonings. She then displayed an aerial photograph, and she noted the ingress/egress from West Innes Street and parking located at the rear of the building. She presented a street view photograph, and she pointed out the home beside the property has been demolished.

Ms. Barringer noted Mr. Savage provided a floor plan of the facility, and she stated the current set up will meet the needs for a child care center. She indicated Mr. Savage is proposing to add fencing for additional security. She stated anytime the children are outside they will be in a fenced in area. She referenced an additional area at the rear of the property being proposed for outdoor space, and she commented the area will also require a fence.

Ms. Barringer presented the standards for decision required for the SUP:

1. The use meets all required principles and specifications of the Ordinance and any adopted land use plans and is in harmony with the general purpose and intent and preserves its spirit; and
2. The proposal as submitted and approved will be visually and functionally compatible to the surrounding area; and
3. The public health, safety and welfare will be assured and the proposed development will not substantially injure the value of adjoining property and associated uses if located where proposed.

Ms. Barringer reviewed supporting evidence submitted by the applicant:

1. Provided a floor plan of the facility to identify the square footage meets requirements to operate a child care facility for 30 or less children
2. The building façade will remain as is; a fence will be added to the perimeter of the building for added safety
3. All children enrolled will be current on all childhood vaccinations; children will only occupy the fenced in areas while outside; skilled, trained and experienced staff members will abide by state regulations
4. Additional standard – fire alarm system will be installed inside of the building

Ms. Barringer stated Mr. Savage is a licensed relator. She added Mr. Savage will provide testimony regarding the value of the property and how the proposed child care center may or may not impact surrounding properties.

Councilmember Miller asked what type of material will be used for the fence. Ms. Barringer indicated the City's Zoning Ordinance does not regulate fencing unless the property is located in a historic district. Mr. Miller clarified there would be fencing in the front and back of the property. Ms. Barringer displayed an aerial photograph of the property, and she pointed out the proposed location of the fencing.

Mayor Alexander asked if the City can prevent a chain-link fence from being installed in front of the building near a busy street. Ms. Barringer stated zoning does not govern fencing unless it is in a local historic district. She added the only restriction in City Code does not allow barb wire fencing along street frontage.

Mayor Alexander administered the oath to Mr. Lamont Savage.

Mr. Savage stated he is a licensed real estate agent in North Carolina and founder of a local child care center located in a residence in the City. He added he has successfully operated the child care center for eight years and is looking to expand to a more traditional commercial facility. He noted the proposed childcare center, Legacy School, requires an SUP to operate a childcare center licensed for 30 children or less by the state of North Carolina Division of Child Development and Early Education.

Mr. Savage explained as a realtor he conducted research on the intended business use of the property located at 612 West Innes Street, as well as the adjoining businesses. He noted 600 West Innes Street has a business that operates a day program and provides behavioral health services for adults in need. He pointed out 620 West Innes Street houses a similar business that provides services to both children and adults. He added the building is located on a major thoroughfare and the intended use is a like use to the other businesses in the area.

Mr. Savage indicated the intended use to operate a childcare center at 612 West Innes Street will be no more intense or impactful than the other businesses, nor will it have any negative impact on progress. He noted the childcare center will be for children ages six through 12, but he is looking to provide additional services for middle and high school students.

Deliberation

Mayor Alexander noted deliberation will include asking supplemental questions. She opened the floor to receive questions from Council.

Councilmember Post stated he is concerned about the safety of young children on West Innes Street, and he hopes every precaution will be taken to keep them safe. He noted the location is where West Innes Street narrows and drivers tend to speed. He stated he is cautious of issuing an SUP that will last forever. He pointed out a chain link fence in the front of the property would be unappealing on West Innes Street. He asked about the location of Mr. Savage's current child

care facility. Mr. Savage stated he currently operates a licensed childcare center in his residence in the Westcliffe neighborhood. Mr. Post asked how many children are being taken care of at the current location. Mr. Savage noted his childcare facility is licensed for 12 children, but is operating below its capacity.

Councilmember Miller referenced Ms. Barringer's earlier testimony regarding no provision in the City Code to dictate fencing other than not allowing barb wire on street frontage. He added the location is not in a historic district. He stated he is not opposed to the use, but he questioned if Mr. Savage would be able to get 30 children in the building. He clarified he is not a fan of having a fence in the front yard and that be the only significant outdoor space for the facility.

Councilmember Sheffield thanked Mr. Savage for pursuing a business in the City. She asked where the children will be dropped off when they arrive at the facility. Ms. Barringer stated she anticipates the drop off to be at the rear of the building, and she deferred the question to Mr. Savage. Mr. Savage stated Ms. Barringer is correct, and he explained drivers will park in the rear of the building and use the back entrance.

Mayor Pro Tem Heggins indicated she is glad Mr. Savage's business will serve school aged children. She referenced the area to be fenced in, and she asked if the children will use the front area or if the fencing is for safety. Mr. Savage stated the young people will occupy the front of the building. He added the area will not have large play structures but will be for outdoor space as required by the state.

Mayor Pro Tem Heggins asked for clarification regarding the ages the proposed child care center will serve. Mr. Savage stated the center will provide care for children ages six through 12, and he added he is considering extracurricular activities for middle and high school youth. He indicated kindergarten through 12th grade is his focus, and the goal is to create a program around those age groups.

Mayor Alexander noted City Ordinance cannot dictate the type of fencing other than not allowing barb wire. She asked Mr. Savage about the height of the fence he is considering for the front area, and she suggested one that is less industrial. She commented she can understand the back having a chain link fence. She asked if the proposed age group will need a high fence or if it could be picket fencing that would not appear to create such a barrier and create something a little bit more inviting with signage.

Mr. Savage stated black aluminum fencing is being considered. He added he wants the program to be inviting and he understands Council's concerns. He explained he is researching options that would appeal to citizens and the students. He added the state height regulations for the fence is approximately four feet. Mayor Alexander commented a four foot fence would not be bad in the front yard. She thanked Mr. Savage for his research and care regarding the business.

Councilmember Sheffield noted the City currently has a child care facility with a fenced in area that faces Innes and Jackson Streets at St. John's Lutheran Church. Mayor Alexander asked if the fencing at that location is black aluminum. Ms. Sheffield stated she thought the fencing was black aluminum.

Mayor Pro Tem Heggins indicated Mr. Savage's timing is perfect because the proposed childcare center will be in walking distance of the new park.

Thereupon, Councilmember Post made a **motion** to find the following Finding of Fact:

1. The use meets all required principles and specifications of the Ordinance and any adopted plans and is in harmony with the general purpose and intent and preserves its spirit as evidenced by the following testimony:
 - The site characteristics currently fit within the surrounding area
 - The site is located along a major thoroughfare and within close proximity to a residential neighborhood which will provide convenient accessibility

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Sheffield voted AYE, Councilmember Miller voted AYE, and Councilmember Post voted AYE. (5-0)

Thereupon, Mayor Pro Tem Heggins made a **motion** to find the following Finding of Fact:

2. The proposal as submitted and approved will be visually and functionally compatible to the surrounding area as evidenced by the following testimony:
 - The use will be located within an existing commercial building that is visually and functionally compatible to the surrounding area
 - The square footage of the building and its layout will meet the needs for the care of 30 children or less

Councilmember Post added the following amendment to the motion that was accepted by Mayor Pro Tem Heggins and Mr. Savage:

- The front fencing will be similar to another similar facility within three blocks

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Sheffield voted AYE, Councilmember Miller voted AYE, and Councilmember Post voted AYE. (5-0)

Thereupon, Councilmember Sheffield made a **motion** to find the following Finding of Fact:

3. The public health, safety and welfare will be assured and the proposed development will not substantially injure the value of adjoining property and associated uses if located where proposed as evidenced by the following testimony:
 - The use will be required to meet all standards established by the Division of Child Development and Early Education
 - A fence area will be installed for the outdoor activity of the children to ensure safety
 - No evidence has been submitted by a qualified, licensed property appraiser indicating that this use has been or will be injurious to surrounding property values

City Attorney Graham Corriher suggested a fourth finding based on the testimony received regarding property values. He added Mr. Savage testified that he is a licensed real estate agent in North Carolina, and that he examined the property and the surrounding properties and the proposed child care center will not affect the property values of surrounding properties. So as an additional finding of fact he added:

- A licensed North Carolina real estate agent testified that proposed use will not be injurious to surrounding property values

Councilmember Sheffield accepted the proposed amendment. Councilmember Post asked if there is a conflict since Mr. Savage is the petitioner and also testifying regarding the property values. Mr. Corriher stated a conflict is not created, and he pointed out it would be taken into account if there was conflicting testimony regarding property values. He commented in this case a conflict does not exist.

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

Thereupon, Councilmember Miller made a **motion** to find the following Finding of Fact:

4. A Child Day Care Center in the Residential Mixed-Use (RMX) district shall be developed and maintained in accordance with all current and applicable provisions of the NC Department of Health and Human Services. A fire alarm system will be installed inside the building by the applicant for additional safety measures.

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

Thereupon, Councilmember Sheffield made a **motion** to issue Special Use Permit SUP-01-2021 to permit a commercial child care center for 30 or fewer children at 612 West Innes Street. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

Mayor Alexander congratulated Mr. Savage and wished him well.

ADOPTION OF ANNUAL CITY BUDGET ORDINANCE

City Manager Lane Bailey reviewed changes to the budget to incorporate the feedback from Council's budget work session.

General Fund			
<u>Revenues</u>			
Increase Appropriate Fund Balance	<u>FY21 Recommended</u>	<u>FY21 Council</u>	<u>Changes</u>
	\$1,266,950	\$1,747,322	\$480,372
<u>Expenses</u>			
Increase PD Sworn Personnel 1.5%	\$1,059,500	\$1,151,683	\$92,183
Increase Attract/Retain GF for Salary Adjustments	\$1,000	\$259,000	\$258,000
Increase GF 401(k) 1%	\$390,564	\$520,753	\$130,189
Stormwater Fund			
<u>Expenses</u>			
Increase Stormwater 401(k) 1%	<u>FY21 Recommended</u>	<u>FY21 Council</u>	<u>Changes</u>
	\$13,859	\$18,481	\$4,622
Decrease Special Projects	\$210,878	\$206,256	\$4,622
Water Sewer Fund			
<u>Expenses</u>			
Increase Water/Sewer 401(k) 1%	<u>FY21 Recommended</u>	<u>FY21 Council</u>	<u>Changes</u>
	\$141,447	\$188,592	\$47,145
Decrease Professional Services	\$1,445,786	\$1,398,641	\$47,145
Transit Fund			
<u>Revenues</u>			
Increase Miscellaneous Federal Grants (ARP)	<u>FY21 Recommended</u>	<u>FY21 Council</u>	<u>Changes</u>
	\$111,125	\$116,196	\$5,071
<u>Expenses</u>			
Increase Transit 401(k) 1%	\$15,207	\$20,278	\$5,071
Special Revenue Fund			
<u>Revenues</u>			
Increase CDBG Allocations	<u>FY21 Recommended</u>	<u>FY21 Council</u>	<u>Changes</u>
	\$285,158	\$289,360	\$4,202
<u>Expenses</u>			
Increase CDBG Operations	\$285,158	\$289,360	\$4,202

Thereupon, Councilmember Post made a **motion** to adopt the budget Ordinance of the City of Salisbury for the fiscal year beginning July 1, 2021 and ending July 30, 2022. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted NO. (4-1)

BUDGET ORDINANCE OF THE CITY OF SALISBURY FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JULY 30, 2022.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 112-129, and is known as Ordinance 2021-51.)

BOARDS AND COMMISSIONS

Human Relations Council

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0), the following appointments were made to the Human Relations Council:

Ms. Evelyn Uddin Khan
Mr. Bill Clements

Term Expires 3/31/2022
Term Expires 3/31/2022

Planning Board

Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0), the following appointment was made to the Parks and Recreation Advisory Board:

Ms. Yvonne Dixon
Ms. Liliana Spears

Term Expires 3/31/2023
Term Expires 3/31/2022

Councilmember Post noted the extraterritorial jurisdiction (ETJ) seat on the Planning Board had been challenging to fill. Council discussed requesting Rowan County select a member for the seat and if it cannot fill the seat in 90 days, then Council would appoint the member. City Attorney Graham Corriher recommended the request be done by a Resolution asking Rowan County to make an appointment.

CITY ATTORNEY'S REPORT

Non-Discrimination Ordinance

City Attorney Graham Corriher reviewed a draft of a Non-Discrimination Ordinance that was established as a goal during City Council's Retreat. He noted the proposed draft was modeled after the Ordinance adopted by the City of Raleigh. He provided an overview of the Ordinance and indicated it establishes a Non-Discrimination Policy within the City Code of Ordinances. He added the Ordinance will codify the existing prohibition of discrimination that governs internal City employment. Mr. Corriher stated the draft Ordinance prohibits discrimination in the delivery of City services and requires all contracts the City enters into to include a non-discrimination clause. He noted the Ordinance also encourages private businesses to adopt non-discrimination policies. He pointed out the Ordinance would not regulate private employment beyond what exists in state and federal law.

Mayor Pro Tem Heggins asked if action can be taken if the Ordinance is violated. Mr. Corriher commented the only violation would be if City itself engaged in discrimination in employment practices or contracting.

Councilmember Sheffield thanked Mr. Corriher for his work and due diligence in drafting the Ordinance. She indicated the Ordinance makes a statement that the City will not tolerate discrimination in any way and encourages private business to follow in order to do the right thing for citizens.

Councilmember Miller thanked Councilmember Sheffield for her work in bringing this to Council in a way that encouraged discussion and feedback.

Thereupon, Councilmember Sheffield made a **motion** to adopt an Ordinance amending Chapter 2, of the Code of the City of Salisbury, relating to the non-discrimination policy. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

ORDINANCE AMENDING CHAPTER 2, OF THE CODE OF THE CITY OF SALISBURY, RELATING TO THE NON-DISCRIMINATION POLICY.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 112-129, and is known as Ordinance 2021-51.)

CITY MANAGER'S REPORT

Third Quarter Financial Update

Finance Director Shannon Moore provided a third quarter financial update. She noted the current Fund Balance appropriation is \$2.6 million. She added the City has received approximately 80% of its budget for the third quarter compared to a three year historical trend of nearly 77%. She stated the City is performing better than expected on the General Fund revenue. She noted the largest sources of revenue are from property and sales tax revenue.

Ms. Moore stated property tax collection was budgeted for \$20.1 million, and the City has received \$20.4 million. She indicated the collection rate is at 96.81% compared to FY20 collection rate of 96.29% for the same time frame. She noted \$21.1 million in property taxes were billed including an additional \$70,000 in actual revenue on the assessment side that equates to approximately \$11 million in growth and assessed value from FY20 to FY21.

Ms. Moore pointed out sales tax receipts received through the third quarter are from six months prior due to a lag in sales received. She added the receipts received are at 61.96 % of the budget which is better than a typical three year historical trend of 50% in the first six months. She reviewed the sales tax receipts and growth percentages through May for FY19, FY20, and FY21, and she pointed out sales tax revenue for FY21 exceeds the two previous fiscal years.

Councilmember Post asked if the sales tax revenue received increased due to online sales. Ms. Moore commented that is a popular theory, and there has been growth in online sales. City Manager Lane Bailey noted the state is capturing online sales better than it has in the past.

Councilmember Miller asked if there is expectation for growth percentages to decrease next year. Mr. Bailey commented he thinks people will continue to shop online due to the convenience, and he noted the stores near I-85 have helped retail in the County.

Ms. Moore pointed out increases to the General Fund revenue include increased sales tax, property tax revenue in excess of \$300,000, Cemetery revenue increased \$54,000, and Sale of Assets has seen annual sales to date of \$225,000.

Ms. Moore explained the General Fund revenue was lower in FY21 due to the Powell Bill funding received from the state being \$43,000 under budget. She noted Parks and Recreation revenues are projected to be \$75,000 to \$80,000 under budget due to facilities being closed, and interest earnings are projected to be \$50,000 under budget.

Ms. Moore pointed out General Fund expenses were budgeted for \$50.4 million and are currently at \$33.1 million through the third quarter. She noted on a three year historical trend the City is around 71% due to several capital projects to be completed in the last quarter. She added there are high vacancies in the FY22 budget that have created lapse in salaries and salary savings in the current budget. She noted the operational side of General Fund expenses is well below the 75% expected through the third quarter.

Ms. Moore pointed out the Stormwater Fund revenue includes \$682,000 in carry forward funds from projects not completed last year. She added once those funds are removed the fund is at a 74.99% of its budget and right on track. She pointed out the Stormwater Fund expense includes large carry forward projects from last year and vacancies for maintenance workers.

Ms. Moore commented the Water and Sewer Fund revenue includes \$375,979 of carry forward projects from the last fiscal year, and she noted the fund is at about 78% of the budget. She stated the Water and Sewer Fund expenses include capital projects that take the full fiscal year to complete and will show a higher amount in the fourth quarter. She added the fund is 69.63% and the three year historical trend is 69.46%.

Ms. Moore stated the Transit Fund revenue has completed five months of full drawdowns through December which included the Coronavirus Aid, Relief, and Economic Security (CARES) funds received last year. She noted the fourth quarter will have additional drawdowns of approximately \$85,000. She stated since all of the CARES funds were used staff is looking at Federal Transit Administration (FTA) grant revenues to offset expenses. She pointed out Transit revenue increased \$181,427 with the CARES funding. She indicated the Transit revenue decreased since the State Maintained Assistance Program (SMAP) funds of \$195,142 were not received from the state, the interest revenue is down \$800, and fares and ticket sales decreased \$67,000. She stated the potential loss of revenues in the Transit Fund is projected to be \$81,000. She pointed out the Transit Fund expenses have a budget of approximately \$1.5 million including large capital items of two buses costing \$300,000.

Ms. Moore pointed out the Fibrant Fund revenue with Hotwire Communications is at 69% of its budget, and she added once the quarter closes the City will receive revenues from Hotwire in the fourth quarter. She noted the three year historical trend is at 75%.

Ms. Moore commented the Hotwire revenue included gross revenue of approximately \$197,000 with no bad debt write off in the second and third quarters as Hotwire will catch up with the figures in the fourth quarter. She reviewed the Hotwire customer counts of video, voice, and internet. She indicated video and voice customer counts are down, while internet has increased. She indicated Hotwire expenses are on a quarterly expense including credits to the rent, and the large principal payment is made for debt.

Ms. Moore pointed out the Share 2 Care Water Sewer Utility Assistance fund has not received any donations since the second quarter update. She indicated \$2,933 in donations were provided to Rowan Helping Ministries (RHM) for citizens facing hardship on their utility accounts.

EXTRATERRITORIAL ZONING JURISDICTION RESOLUTION

City Attorney Graham Corriher provided a draft Resolution regarding Council's earlier discussion to ask the Rowan County Board of Commissioners to appoint a representative for the extraterritorial zoning jurisdiction to the City's Planning Board.

Thereupon, Councilmember Post made a **motion** to adopt a Resolution to request that the County of Rowan appoint a member to the City of Salisbury's extraterritorial zoning jurisdiction. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

RESOLUTION TO REQUEST THAT THE COUNTY OF ROWAN APPOINT A MEMBER TO THE CITY OF SALISBURY'S EXTRATERRITORIAL ZONING JURISDICTION.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 13, and is known as Resolution 2021-12.)

COUNCIL COMMENTS

Councilmember Sheffield thanked Mayor Alexander for the Proclamation to support Salisbury Pride. She also thanked Parks and Recreation staff for the summer camps that are taking place.

Councilmember Sheffield explained she voted against the annual budget because she could not support increases in fees and Water/Sewer and Stormwater rates.

MAYOR PRO TEM COMMENTS

Mayor Pro Tem Heggins wished everyone a happy Pride month. She recognized the Pedal Factory for their bicycle camp offered to youth across the community. She indicated she looks forward to Juneteenth on June 19, 2021, and she thanked the National Association for the Advancement of Colored People (NAACP) for their work on the event.

Mayor Pro Tem Heggins also expressed her condolences to Officer Shane Karriker's family and the Salisbury Police Department on his recent passing.

MAYOR'S ANNOUNCEMENTS AND COMMENTS

(a) Wine About Winter

Mayor Alexander announced Downtown Salisbury, Inc. will host the 8th Annual Wine About Winter event Friday, June 18th from 5:00 p.m. until 9:00 p.m. Tickets include a tasting pass, signature Wine About Winter tasting glass and a carrying bag. For ticket sales and detailed information visit www.downtownsalisburync.com or call (704) 637-7814. Tickets are \$22.50 in advance and \$30 the day of the event.


(b) City Council Meeting

Mayor Alexander announced the next regularly scheduled meeting of City Council will be held Tuesday, July 20, 2021 in Council Chambers at City Hall, 217 South Main Street.

Mayor Alexander thanked the Police Department for the memorial service it conducted for Officer Shane Karriker.

ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Miller. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 7:59.


Karen Alexander, Mayor


Kelly Baker, City Clerk