

Salisbury, North Carolina  
January 24-25, 2024

## **SPECIAL MEETING – GOAL SETTING RETREAT**

**PRESENT:** Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Tamara Sheffield, Council Members Harry McLaughlin, David Post and Anthony Smith; City Manager Jim Greene, Jr., City Clerk Connie B. Snyder; and City Attorney J. Graham Corriher.

**ABSENT:** None.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Alexander at 8:30 a.m.

### **CALL TO ORDER AND OPENING REMARKS**

Mayor Karen Alexander convened the Annual Goal Setting Retreat for City Council.

City Manager Jim Greene stated the theme of the Retreat is “Planning, Partnering, and Pursuing Excellence” with a focus on strategic planning and setting the goals for the coming year. He noted Council and members of staff will take a road trip to Concord to tour its downtown where a streetscape project is taking place.

### **GOALS UPDATE/ YEAR IN REVIEW**

Mayor Alexander welcomed everyone to the Retreat, and she recognized City Manager Jim Greene and staff for its work to make the Retreat a success. She thanked Fountainworks President Warren Miller and Development and Project Manager Emily Wilson for facilitating the Retreat. She recognized Raftelis Executive Vice-President Michelle Ferguson and, Management Consultant Janae Janik for their work on the City’s first Strategic Plan.

## **2023 – A YEAR IN REVIEW**

Mayor Alexander led Council through 2023 – A Year in Review. She stated 2023 was a dynamic year for the City with many impressive accomplishments. She noted as the City continues to navigate the after effects of the pandemic and prepare for expected growth public safety infrastructure, neighborhoods, housing, downtown initiatives, quality of life and grant opportunities are areas of critical importance for the community.

### **Downtown Initiatives:**

- Purchased the Wells Fargo Building and began renovations and relocation of Parks and Recreation Administrative Offices
- Partnered with Duke Energy for “Park and Plug” electric vehicle charging stations in a City-owned parking lot
- \$250,000 downtown revitalization incentives for an estimated \$433,062 investment
- Expanded the Municipal Service District (MSD) to include First Presbyterian Church
- 2023 Cheerwine Festival had approximately 100,000 attendees and generated \$5.21 million in economic impact

### **Grant Awards**

<u>Funds</u>	<u>Purpose</u>	<u>Grant</u>
\$2,750	2022 BlockWork Event	Blanche and Julian Robertson Fund
\$1,500	Busker’s Bash Event	Rowan Arts Council
\$8,520,440	Multi-Modal Depot Project	CMAQ Funding
\$13,206	Tree Canopy Assessment	Urban and Community Forestry Financial Assistance
\$2,895,000	Microtransit Pilot Project	Mobility for Everyone Everywhere in North Carolina
\$10,000,000	Public Safety Initiatives	State of North Carolina
\$51,500	Opioid Response Initiative	United Way for Community Impact
\$25,000	Social Justice and Racial Equity	Duke Energy Foundation
\$2,000	PD Crime Scene Camp	Blanche and Julian Robertson Foundation
\$24,627	JAG Grant for camera purchases	Department of Justice
\$25,000	Traffic Safety	Governor’s Highway Safety Patrol
\$100,000	Expand Camera Network	State of North Carolina

### **Growth**

- Five voluntary annexation requests totaling approximately 102 acres
- Approximately \$2,292,332 in incentive requests for Crow Holdings resulting in an estimated \$118,000,000 capital investment
- Appropriated an additional \$500,000 in sales tax revenue for projects previously on hold
- Approved departmental reorganization to create the Land and Development Services Department
- Approved a \$184,376 incentive grant to leverage \$11.92 million in investment on Peeler Road
- Completed an Annexation Agreement with Granite Quarry

## **Infrastructure**

- Approved an agreement with Cube Hydro for up to \$2 million for the Raw Water Pump Station Project and worked to secure a \$22.5 million Building Resilient Infrastructure and Communities Grant
- Approved a municipal agreement with the North Carolina Department of Transportation in the amount of \$9,283,444 for Downtown Main Street improvements
- Approved \$1 million for street paving throughout the City
- Approved a \$1,050,000 contract for a Sanitary Sewer Rehabilitation Project
- Approved two large Stormwater Projects
  - \$332,738 for the Jackson Street drainage project
  - \$659,000 for the Long Street drainage project

## **Neighborhood and Housing**

- Approved residential developments to create 192 apartments, 54 single-family units and 115 townhomes
- Contracted with the Development Finance Initiative regarding pre-development activities for the Kesler Mill site and held a series of community input sessions
- Endorsed “Guiding Public Interests” for redevelopment of the Kesler Mill site
- Entered a contract with P.M. Miller and Associates for the preparation of a 10-year Housing Strategic Plan
- Approved a Resolution authorizing the issuance and sale of multi-family housing revenue bonds for the Ford City Motor Lofts

## **Quality of Life Highlights**

- Adopted a State Action Plan and a Federal Action Plan
- Adopted the Forward 2040 Comprehensive Plan
- Approved a revised Human Relations Council Ordinance
- Enhanced Diversity, Equity, and Inclusion (DEI) staffing
- Council, staff, and Human Relations Commission members participated in DEI training
- Completed a DEI Strategic Plan
- Held a series of Town Hall meetings to receive feedback on the Council election process and approved a referendum during the November 2023 election regarding four-year staggered terms for City Council
- Approved a Microtransit Pilot Program
- Provided in-kind sponsorship for the Juneteenth Festival and participated in the Pride Festival
- Adopted a Resolution of Support for the Western North Carolina Rail Corridor
- Adopted a Travel Policy for Elected Officials
- Approved the purchase of three smaller transit vehicles
- Sponsored Festival de Independencia Latinoamericana
- Began working with a consultant to develop the City’s first Strategic Plan

## **Public Safety**

- Approved a \$8,078,000 contract for the construction of Fire Station 3
- Broke ground on Fire Station 3
- Appropriated \$1 million of Fund Balance to purchase a new rescue fire engine
- Continued Cultivating Community Conversations
- Approved funding for additional police positions to address vacancies
- Swore in Police Chief P.J. Smith
- Approved reauthorizing positions in the Police Department to provide efficiencies for officers and offer additional assistance for the Homeless Advocate

Mayor Alexander stated so much has been accomplished, but there is more work to be done to make Salisbury a destination employer and community of choice. She added the City is working to develop its first Strategic Plan which will provide the pathway for collaboration, regional partnerships, organizational excellence, cultural amenities, help to plan the use of resources over the next three to five years, and serve as the foundation for future budgets. She added the City is growing and it is important to pursue grant funding, focus on public safety and invest in infrastructure to meet the increasing demands of a growing community while protecting the qualities that make Salisbury unique.

## **SETTING THE VISION**

Facilitator Warren Miller shared a story regarding leading across boundaries, and he pointed out some of the items Council will deal with will require partnerships. He explained it is important for Council to be a bridge builder and to partner outside the City's boundaries, working with the County, the federal and state governments, and with the private sector to bring people together to accomplish tasks in a complex environment. He commented affordable housing is a nationwide challenge and it is important to establish partners to address the need. He asked Council about the challenges it is facing that are not solely the responsibility of the City. Council mentioned homelessness, regional transportation needs, affordable housing, living wages, workforce development, and the poverty divide. Mr. Miller indicated Council is doing things about the issues it faces.

Mr. Miller asked Council to provide an example of leading across boundaries in the City. Mayor Pro Tem Sheffield stated the City is a part of the Metropolitan Planning Organization (MPO) that takes a regional approach to transportation. She added planning regionally gives municipalities more negotiating power. Mr. Miller pointed out the City is adapting, and he asked Council to consider its priorities and the successes of partnerships and how that success can be included in its 2024 priorities.

## **STRATEGIC PLAN UPDATE**

City Manager Jim Greene noted the City's Strategic Plan is being led internally by Budget Manager Tracey Keys who is serving as the Project Coordinator for the plan. He added a lot of work has been done and staff is looking for feedback from Council with the intention of bringing the Plan back to Council in February for its consideration. He stated at its last Retreat Council set the priority to develop a three to five-year City-wide Strategic Plan that emphasizes partnerships, organizational culture and community input to include an evaluation of current branding initiatives.

Ms. Keys introduced Raftelis Executive Vice-President Michelle Ferguson and Management Consultant Janae Janik who have worked with staff since August on a draft Strategic Plan. Ms. Ferguson noted a variety of staff at different levels in the organization have participated in the process.

Ms. Janik explained a Strategic Plan answers three questions: where are we at today, where do we want to go in the future, and what do we need to do in order to get there. She noted strategic planning is a way of thinking that analyzes the City's present state. She added a strategic plan is a blueprint for future decision making, budget development, and the allocation of resources. She reviewed the strategic framework elements: vision, key focus areas, strategies, key performance indicators, organizational mission and organizational values. She indicated the project began with stakeholder engagement to solicit feedback from those in the community, including internal and external stakeholders. She noted interviews were conducted with councilmembers, a listening session took place with Board and Commission Chairs, and an employee survey was conducted and the information was compiled into an environmental scan. She stated Council had a strategic planning workshop where key focus areas were developed. She indicated a staff strategic workshop took place in November and the key focus areas developed by Council were brought to all levels of staff who worked to develop the success statements. She added strong staff involvement will increase implementation success over the next three to five years. Mr. Greene stated strong partnerships and internal and external teamwork will be a key focus and critical to the plan's success.

Ms. Ferguson explained a strategic plan helps align resources in the direction that is set by Council, and she added these strategies and focus areas will provide the framework for budget discussions. She commented it will be important for future items to fit into the Strategic Plan to create alignment. She reviewed the current vision statement that Salisbury is a welcoming and forward-thinking community that provides opportunities for everyone to participate in a vibrant economy and a high quality of life, and she noted the options for consideration include:

1. Salisbury is a welcoming and forward-thinking community that is inclusive for all generations offering a vibrant economy, high quality of life, and greater opportunities for everyone
2. Salisbury will be North Carolina's preeminent City in providing a forward-thinking, inclusive, and vibrant community and economy for everyone
3. To make Salisbury the City of choice to live, work, play, and grow in the Piedmont area of North Carolina

4. Salisbury grows as a welcoming and forward-thinking community that is inclusive for all generations offering a vibrant economy, high quality of life, and greater opportunities for everyone
5. Salisbury grows as North Carolina’s preeminent forward-thinking community that is inclusive for all generations, offering a vibrant economy, a high-quality of life, and greater opportunities for everyone

There was discussion among Council regarding the options with Council leaning toward Salisbury aspires to be a City of choice to live, work, play and grow that is inclusive for all, offering a vibrant economy, high quality of life, and greater opportunities for everyone. Ms. Ferguson stated Raftelis will work with staff to refine the Vision Statement based on Council feedback using options 3 and 4 as the basis. She stated Salisbury is much more than a place to live, work, and play, and she encouraged Council to think beyond what other communities may say about themselves.

Ms. Ferguson revised the Key Focus Area:

<u>Original Draft from Council</u>	<u>Revised Draft from Staff</u>
Healthy, safe neighborhoods/Community Engagement	Healthy, safe and engaged neighborhoods
Economic and workforce development	Economic and workforce development
Regional Partnerships	Public Safety
Housing affordability	Organizational excellence
Organizational excellence	Sustainable infrastructure
Sustainable infrastructure	Cultural amenities
Cultural amenities	

Mr. Greene noted staff talked about healthy, safe and engaged neighborhoods and its meaning based on Council’s priorities. He added the task force felt housing affordability was important for healthy, safe, and engaged neighborhoods and staff recommends keeping healthy, safe and engaged neighborhoods as a key focus area. Administrative Services Director Kelly Baker pointed out regional partnerships came out of the workshop, and the focus team felt it was a component of all the focus areas because it is at the core of what we do as a City. Ms. Keyes explained public safety was originally included as part of the healthy, safe neighborhoods community engagement. She explained the task force wanted to make public safety its own focus area to include police, fire and partnerships with Rowan County and other police and fire departments throughout the region. Ms. Baker pointed out public safety was really important to each group and staff felt it would be an important focus area.

Mayor Pro Tem Sheffield pointed out public safety is more than people in uniforms, it is water infrastructure, code enforcement, and IT safety among other things. Ms. Ferguson commented some element of public safety is embedded in the strategies for most of the focus areas. She indicated building a community and addressing key challenges will not happen by itself, but will require collaboration within the organization, the community, and with City partners. She added it is important to set accountability markers to make sure focus areas move in the right direction. Mr. Greene noted once Council approves the plan and the work begins there will be opportunities regarding changes and improvements.

Ms. Ferguson referenced healthy, safe, and engaged neighborhoods, and she pointed out the goal is to engage with our community to build partnerships that promote thriving neighborhoods where people feel safe and included, have access to adequate and affordable housing, and are provided opportunities and amenities to enjoy a high quality of life. Mr. Greene indicated healthy, safe, and engaged neighborhoods is long-term and the strategies deal with the implementation of that goal over the next three to five years. He added an update on the City's 10-year housing strategy will be provided later in the Retreat, and he pointed out eliminating blight and working with the neighborhoods is a priority of the housing strategy. He commented staff will continue to work with property owners and neighborhoods to enforce nuisance and minimum housing regulations while looking for ways to develop vacant property throughout the community. He stated staff continues to look for partnerships and resources to help the unhoused, and it continues to evaluate ways to redevelop the Kesler Mill site which will be a multi-year project. He referenced an inclusive and sustainable community engagement plan, and he pointed out Council wants to educate the community while engaging and seeking input to build trust and support in the community. He added the Strategic Plan is built on other plans and initiatives including the Forward 2040 Comprehensive Plan.

There was discussion among Council regarding the goal statement and strategies. Mayor Pro Tem Sheffield stated it is important to include conversations regarding the unhoused population, and she indicated she did not see mention of the biking plan.

Mr. Greene referenced priority multi-year projects such as the Depot, Empire Hotel and Kesler Mill that staff is working on. He referenced the unhoused population, and he indicated staff is working to benchmark with other cities and develop initiatives to move the City forward.

Councilmember Smith indicated it is healthy to distinguish between a strategy and a tactic, and he added what goes into a strategic document is the big picture versus the specifics. Ms. Ferguson agreed, and she explained the strategic plan is at a higher level and the day-to-day operations of service delivery, building community, and working in neighborhoods are not included in the plan, but the work will continue. She added staff will bring issues to Council for policy direction so it can continue to implement the strategic plan set by Council. She clarified it is the role of elected officials to set the vision and staff will keep moving in the direction of its vision.

There was discussion among Council regarding what projects should be included in the Strategic Plan and how to categorize projects. Mr. Greene pointed out Council sets the priorities for staff, and he added staff can remove references to specific projects from the plan and focus on priority projects. Mayor Alexander asked if specific projects will show up on the Capital Improvement Plan (CIP). Ms. Ferguson indicated Mayor Alexander is referring to the intersection of different plans, and she pointed out the strategic plan does not supersede the comprehensive plan and all the work that went into that. She added one of the focus area strategies is to identify key focus areas from the Forward 2040 Comprehensive Plan. She commented there are projects that already have a lot of staff resources and partnerships behind them so it is important to articulate them in the three to five-year plan. She added if the strategies are too broad or not specific enough it will not give staff the direction it needs. She noted strategic plans help to align resources and

makes sure staff at different levels in the organization are aware of Council priorities. Mr. Greene stated the CIP will be discussed later in the Retreat.

Councilmember McLaughlin stated he likes what has been done with the goals and strategies. He referenced public safety, and he asked if crime prevention could be added as part of the strategy. He asked why only the Veterans Administration and Catawba College section of the greenway is mentioned in the greenway expansion.

Ms. Keyes noted the CIP improvement will include projects like Kesler Mill, the Depot, and the Empire Hotel and it may be a better place to include the specific projects.

Ms. Ferguson referenced economic and workforce development, and she indicated the goal is to foster opportunities for economic growth and prosperity by retaining, cultivating, and attracting a strong and diverse workforce while leveraging local assets and partnerships to promote a resilient local economy that supports business growth and development. Ms. Keyes noted partnerships are included in the goal to collaborate with schools and organizations to develop skilled trade programs. She suggested collaborate be changed to support. She indicated another strategy was redevelopment ventures, that includes the Depot, the Empire Hotel, and microtransit implementation over the next three to five years. She commented there is a goal to promote an environment that supports small business development and growth through grants and partnerships that would benefit small businesses. Councilmember Smith pointed out there are issues regarding workers not being skilled enough and not being paid enough for their work. Mr. Green noted Council and staff have talked about a living wage, and he added it is important for the City to focus on a livable wage so it can assume a leadership role in the community. Councilmember McLaughlin indicated it is important for graduates to be aware of employment opportunities in the City.

Ms. Ferguson referenced public safety, and she stated the goal is to ensure a safe City by partnering with neighborhoods, businesses, Rowan County and non-profit organizations to provide innovative, efficient, equitable, and responsive public safety services. Mr. Greene noted the City received grant funding for public safety which will include construction of the downtown fire loop. He suggested community conversations could be expanded around police and fire. He added there are staffing concerns for police, fire and the roles that support public safety and a specific project listed to get a firing range for the Police Department. Councilmember McLaughlin pointed out it is important to address crime prevention in public safety.

Ms. Ferguson stated the next area is organizational excellence, and the goal is to commit to innovative employee development and retention initiatives, fiscal responsibility, increased communication, and partnerships to support employees as they deliver exceptional and equitable service to residents. Ms. Baker pointed out it is important to focus on employees, recruitment, retention, partnerships, and communication and it is a goal to periodically evaluate staffing levels as the City continues to grow and to review compensation and benefits to address recruitment and retention. She added the City strives to be a leader and it is difficult to talk to the community about providing a livable wage if the City is not providing it. Ms. Baker noted Diversity, Equity and Inclusion (DEI) initiatives are a major focus area for Council that involves reviewing policies to identify barriers and inequalities that impact employees and citizens. She stated the goal is to



provide staff training to better understand our differences and our commonalities to make us a better organization. She indicated working on the City's culture is continuous and the goal is to have a culture that is enhanced through communication, staff training, work and career development plans and recruiting initiatives where the City can become the employer of choice.

Councilmember Post asked about projections of future populations in the City. Mayor Alexander stated the Economic Development Commission projects in seven to 10 years the City will have a population of approximately 70,000.

Ms. Ferguson stated the next focus area is sustainable infrastructure, and the goal is to become an environmentally resilient community that thrives on innovative, sustainable practices through thoughtful infrastructure planning and continued investment in our critical utility and capital assets. Ms. Keys noted sustainable infrastructure will get into the City's CIP, and she added some of the strategies are to continue investing in infrastructure and to maintain City assets. She pointed out the City's past investment in infrastructure is lacking, and staff wants to look at increased technology funding so the City can keep up with the growth that is coming its way. She added environmentally sustainable projects that address future needs, limit the City's carbon footprint, the addition of a fueling station and completing infrastructure audits are included in the sustainable infrastructure focus area.

Ms. Ferguson noted the sixth focus area is cultural amenities, and the goal is to support high-quality parks, open spaces, greenways, and community spaces that provide a wide range of diverse amenities to support healthy lifestyles and celebrate the cultural diversity of our community. Ms. Baker explained cultural amenities considers quality of life, parks, greenways, and things that improve quality of life. She noted the multi-generational community center is an important long-term project. She commented staff wants to identify funding sources to help with the greenway expansion to promote a walkable community. She indicated it is important to review City festivals and events to make sure they represent the diverse cultures and populations in the community.

Mayor Pro Tem Sheffield asked where youth programs and activities are included and if it should be specifically noted. Councilmember Post indicated it is important to note the City is a certified retirement community. Ms. Ferguson noted there may be an opportunity to expand the goal statement to include the aspects Council mentioned. Ms. Baker pointed out in Council's current priorities expanding youth programming was included in public safety. Ms. Ferguson suggested the goal statement be specific about youth and senior offerings.

Ms. Ferguson added the final elements of the strategic plan are about the organization mission, we are a dedicated, hardworking and passionate team that works together to provide exceptional, fair and responsive services that prepares Salisbury for the future and provides opportunities for everyone. Ms. Baker stated there was a need to update the City's mission and values as the community grows and changes. Councilmember Smith stated it is important to tell our story, and he suggested highlighting times when employees work together to embody those values. Ms. Baker stated it is important to be intentional when telling our story. Ms. Ferguson displayed the organizational values and value statements:

- Collaboration: Utilizing teamwork and cooperation through internal and external partnerships
- Compassion: Being helpful and responsive by treating others with respect and care
- Fairness and Equity: Ensuring practices that embrace and respect the varied perspectives and backgrounds of all
- Innovation: Utilizing bold and creative ideas to drive continuous improvement, exceed expectations and take a proactive approach to problem solving
- Sustainability: Responsible stewardship of the environment, our finances, and service provision
- Integrity: Being honest, responsive, and maintaining accountability through all actions, words and decisions

Ms. Ferguson reviewed the next steps:

- Use feedback to revise the strategic plan framework
- Present the final strategic plan to Council in February for its approval and to use the plan for budget development
- Provide implementation templates for tracking and reporting progress

Ms. Ferguson added she will work with staff to fine tune the elements of the Strategic Plan, and she noted the real work begins after Council adopts the plan. She added Raffellis will work with staff regarding implementation plans for each of the focus areas.

Mr. Greene thanked Ms. Ferguson and Ms. Janik for their work on the City's Strategic Plan.

## **CONCORD STREETSCAPE TOUR**

The City of Concord is in the middle of a streetscape improvement project. Planning and Neighborhood Development Director Steve Osborne, Design Manager Kaylee Caton, Development Manager Paige Grochoske, Parks and Recreation Director Sheila Lowry, and Solid Waste Director Robin Barham took Council and members of the Management Team on a tour of their streetscape improvement project to see the work taking place. During the tour the Concord staff answered questions regarding how they are navigating the streetscape improvement project with citizens and downtown merchants.

Mr. Osborne displayed pictures of Concord from the early 1900s through the 1990s, and he reviewed an artist rendering of the current project and its amenities. He then reviewed the costs of the project and the work that has been completed. He pointed out the lessons learned and the importance of keeping the public informed. He noted renovations that have taken place to the courthouse and the P.M. Morris Building, and he pointed out the addition of residential and commercial space.

## **CONCORD BOND PROJECT**

City of Concord Parks and Recreation Director Sheila Lowry addressed Council regarding the bond process the City of Concord went through to fund Parks and Recreation projects. She noted a comprehensive master plan was completed, funding options were explored and public meetings were held. She stated a \$60 million bond was approved by voters to be used on park options throughout Concord. She pointed out staff provides a project update to Council each month.

## **COLLECTION CHANGES IN CONCORD**

City of Concord Solid Waste Director Robin Barham addressed Council regarding changes to waste collection and recycling in Concord. She reviewed the City's demographics, collection points, and services provided. She noted due to the growing demand and the emphasis on excellent customer service Concord transitioned from contractor to inhouse service on a four-day work week which allowed for additional collection time. She reviewed the Mobile 311 service that is used to collect data, respond to customer request, and decrease fleet fuel and maintenance costs.

## **DAY 2 – REVIEW AND CHECKIN**

Facilitator Warren Miller noted Council will set its priorities on Day 2. Council began by sharing what inspired them from the previous day's trip to Concord. Then Council conducted a comprehensive review of financials, the Capital Improvement Plan (CIP), housing strategy, solid waste, economic incentive policy, and the master plan for civic center improvements.

- What inspired us as a Council:
  - Concord thinks big
  - They have multi-year projects
  - They think outside the box
  - They are planning many years down the road
  - They are looking 10 years ahead
  - They think about technology
  - It was good to see the change before it happens to us
  - They have strong collaborations
  - It was good to see the good and bad from others
  - There is a strong City/County partnership
  - The City and County work together on funding, neighborhoods, parking, and more

## **FINANCIAL REVIEW**

City Manager Jim Greene stated projects were removed in order to balance the current budget and staff said it would come back to Council mid-year to evaluate whether there is an opportunity to reconsider some of the projects. He asked Finance Director Wade Furches and

Finance Manager Mark Drye to provide a mid-year financial review. Mr. Furches reviewed the FY2023 General Fund Balance:

Total Fund Balance	\$ 35,701,053
Less: Nonspendable	(855,015)
Less: Stabilization by State Statute	(6,265,015)
Available Fund Balance 2023	<u>\$ 28,581,023</u>
Available Fund Balance 2022	\$ 20,451,268
Increase in Available Fund Balance	\$ 8,129,755

Mr. Furches explained the formula to determine Fund Balance is set by the state, and he commented the City has an available Fund Balance of \$28 million which is an \$8 million increase from FY2022. He stated the City has a minimum Fund Balance requirement of 25% which is three months of cash. He pointed out in FY2022 the City’s Fund Balance was at 48% and it increased to 61% in 2023 which was due to the use of ARPA funds to supplement police and fire salaries. He added municipalities around the state that are our size are averaging 66% Fund Balance. He stated the minimum Fund Balance for the City is \$11,703,981 which leaves \$16.8 million of Fund Balance that could be used while maintaining the 25% minimum the City set for itself. He reviewed projects appropriated to use Fund Balance:

- Fire Station 3 \$2,634,815
- One-time projects in FY2024 Budget \$681,519
- Carry forward of allocated funds for Parks and Recreation \$1,013,947
- Carry forward of allocated funds for Wells Fargo building/Civic Center \$909,070
- Carry forward of smaller projects \$1,419,503
- Remaining Fund Balance \$10,214,068

Mr. Furches pointed out due to the receipt of a \$10 million state grant designated for public safety the \$2.6 million appropriated for Fire Station 3 is available at Council’s discretion for reallocation. He noted \$1.2 million in ARPA Funds was allocated for the Parks and Recreation Department and \$1 million was allocated for the Wells Fargo building, but only a portion of the allocation has been spent. He pointed out there will be future Fund Balance needs such as the Depot, the Wells Fargo building, the community center pools and senior center project.

Mr. Furches explained the Enterprise Funds do not have a required disclosure of available Fund Balance, and he noted Salisbury-Rowan Utilities (SRU) has an unrestricted Fund Balance of \$43 million which is approximately 126% and includes cash receivables minus liabilities. He added Stormwater has an unrestricted Fund Balance of \$3,110,216 or 177% of expenditures and Mass Transit has an unrestricted Fund Balance of \$407,147 or 32% of expenditures. He added Mass Transit is majority federal grant funded.

Mr. Furches reviewed annual performance indicators, and he pointed out the debt service ratio is 3% of expenditures and the benchmark is 10% which gives the City capacity for debt. Councilmember Post pointed out the debt does not include Fibrant. Mr. Furches agreed. He reviewed the General Fund balance sheet, and he indicated the quick ratio is 8.66% and the benchmark is 7.27% and the available Fund Balance is 61% and the benchmark is 67.5%. He pointed out the capital assets condition ratio is .41 and the benchmark is .53 which indicates the infrastructure is aging and has been more than fully depreciated. He added the state benchmark is .50. Mr. Greene noted the City is continuing to invest in infrastructure that is not included in the calculation. Mr. Furches pointed out as funds are spent on infrastructure the ratio will increase.

Mr. Furches then reviewed the Water and Sewer Fund metrics, and he pointed out the debt service ratio is .17 and the peer benchmark is .18. He referenced the capital assets condition ratio of .497, and he explained the peer benchmark is .62.

Mr. Furches referenced a City-wide summary of expenses, and he reviewed total expenditures by category. He pointed out the greatest expense is personnel which includes the City's 13% retirement contribution to the state retirement system on behalf of employees. He noted there has not been an increase in insurance rates in five or six years and a rate increase is anticipated for the coming year.

Mr. Furches pointed out the current year had a revenue neutral tax rate of \$.58, staff recommended a tax rate of \$.61 and Council adopted a tax rate of \$.616 per \$100 valuation. He noted the City received approximately \$1.2 million in additional property tax revenue by going above the revenue neutral tax rate. He added a tax revaluation took place and the City's tax base came in at \$238 million more than anticipated which created \$1.5 million in property tax revenue above the projections. He commented the collection rate is slightly higher than the same point last year

Mr. Furches referenced state-wide sales taxes revenue for the first five months of the past 10 years, and he pointed out state-wide growth in sales tax revenue has decreased to 4.1%. He noted staff has budgeted sales tax revenue cautiously and is projecting to receive approximately \$400,000 more than budgeted. He reviewed interest income, and he commented staff increased the budget for interest income due to rising interest rates. He added staff projects General Fund interest to be \$1.5 million, and he pointed out interest income was budgeted at \$1 million. He noted interest income in the FY2025 budget be cut due to the possibility of reduced interest rates.

Mr. Furches pointed out the City will receive an increase in property tax revenue due to the revaluation, and he added sales tax revenue and interest income could decrease. He referenced projects that were cut from the FY2024 budget, and he asked Council to consider allowing staff to bring it a recommendation regarding projects that can be completed in the current fiscal year with the additional funding.

Mr. Furches reviewed challenges for FY2025 and beyond including growth that is coming to the City, staffing challenges, equipment needs, flattening and decreasing revenues and continued inflation. He referenced the broadband debt, and he pointed out the payments are approximately \$2.7 million annually and include contributions from the General Fund which equates to

approximately 6.35% on the tax rate. He reviewed prepayment options, and he pointed out the City would incur a 1% prepayment penalty and it could lose interest income. He stated the City is receiving approximately \$700,000 annually in broadband revenue that is being used to pay the loan to SRU. Mr. Greene noted staff can continue to look at broadband debt and bring options back to Council for its consideration.

## **CAPITAL IMPROVEMENT PLAN**

Budget Manager Tracey Keyes provided an overview of the Capital Improvement Plan (CIP). She explained the CIP is a multi-year plan that makes investments in the community to support growth, vitality, and improve the quality of life. She noted it outlines the City's vision to achieve goals, objectives and service levels that are desired by Council. She reviewed the purpose of a CIP:

- To forecast and match projected annual revenues with major capital needs over the next 10 years
- Capital planning is an important tool that strengthens the link between community infrastructure and the City's financial capacity
- Provides City residents with an outline of how the City anticipates investing capital funds for the future
- Assists in shaping the City's Strategic Plan
- With careful capital planning the City can address ongoing community needs and plan for its future

Ms. Keyes stated any expenditure greater than \$10,000 results in the acquisition of a fixed asset and has a useful life greater than three years. She pointed out the City's fixed asset threshold is \$5,000 and includes acquisition, renovation, and construction of a single fixed asset, equipment purchases, land purchases, and capital road maintenance or construction costs over \$10,000 excluding reoccurring and routine maintenance costs. She stated the General Fund, Water and Sewer Fund and Stormwater Fund have their own CIP. She explained departments submitted requests including funding estimates to budget based on priorities and needs. She added there are approximately 140 projects in the CIP over the three funds and the annual update ensures that new and changing priorities are addressed. She added staff is still working on the CIP requests and will bring the CIP to Council for its consideration at a later date. She reviewed departmental CIP requests:

- General Fund:
  - Citywide Camera System at a total cost of \$1.5 million
  - \$500,000 in downtown improvements as part of the Main Street Project
  - Continued construction of Fire Station 3 and equipment
  - Police firing range for 2026 estimated at \$6 million
  - Multi-generational community center and pool
  - Wells Fargo renovations
  - Kesler Mill site
  - Art projects

- Main Street Infrastructure Project
- The Depot
- Ongoing capital projects including sidewalk and street lights
- Fuel site that was approved last year
- Paving at various City buildings and parks
- Generator for 210 West Franklin Street
- Stormwater Fund:
  - Projects funded through Stormwater fees
  - CIP is 15-year plan developed to target maintenance and improvement efforts to address areas with significant flooding issues
  - 19 projects in the Stormwater CIP
    - Marsh Street
    - Eaman Park
    - Memorial Park
    - Innes Street
    - West Bank Street
- Water and Sewer Fund
  - Various projects in different areas
    - Raw water - new intake and pump station design and construction
    - Water treatment - electrical system upgrades and NPDES permitting design and construction
    - Water distribution - water extensions, capacity upgrades, and value assessment, repair and replacement
  - Sanitary sewer collections
    - Sewer extensions and rehabilitation
    - Capacity upgrades
  - Sanitary sewer lift stations including capacity upgrades and rehabilitations
  - Wastewater treatment
    - Town Creek Pump Station modifications, capacity upgrades, access, road reroute
    - Septage receiving station
  - Maintenance building upfit at 218 West Cemetery Street

City Manager Jim Greene stated the CIP is a best practice and a planning tool that ties to the Strategic Plan and Forward 2040 Comprehensive Plan to help with future planning. Councilmember Post stated he is glad the CIP is being completed inhouse. Mayor Alexander suggested as part of the CIP including some of the proposed costs such as equipment and salaries. Mr. Greene agreed, and he added it is important for Council to see operational and sustaining costs of a project.

Mr. Greene stated it is important to look at land and facilities as the community grows, and he noted the CIP is a critical tool to help the City plan and evaluate funding for growth. Mayor Pro Tem Sheffield pointed out the makeup of Council could change in the future and it is important to earmark the projects instead of having to manage a situation. Mr. Greene stated the CIP is an accountability tool.

## **HOUSING STRATEGY UPDATE**

Planning and Neighborhoods Director Hannah Jacobson and Thomas P. Miller and Associates Director of Housing and Community Development Aaron Finley provided a Housing Strategy Update to Council. Mr. Miller noted the presentation would provide updates on preliminary findings from the Housing Public Opinion Survey, key findings from the Windshield survey, workforce affordability analysis, housing demand model, and an overview of stakeholder engagement workshops. He noted a Council goal alignment and preliminary strategy session would also be held.

Mr. Finley stated the Public Opinion Survey was launched in September 2023 in English and Spanish. He noted that paper surveys and Thomas P. Miller and Associates consultants were available at BlockWork and the Community Resource Fair to answer questions. He stated there were over 500 survey submissions, and preliminary results were presented at the Dr. Martin Luther King Jr. event.

Mr. Finley highlighted preliminary findings from the Housing Survey and noted housing policies with the highest levels of support among survey participants include:

- Increased code enforcement of vacant structures
- Increased funding for homeowner rehabilitation projects
- Incentives for energy-efficiency housing rehabilitation and building

Mr. Finley noted 53% of survey respondents reported they had not had difficulty affording their housing costs in the last 12 months, and 74% of renters reported having had difficulty affording their housing costs in the previous 12 months. He commented that renters showed more willingness to move out of Salisbury, which could be related to housing costs and property taxes. He explained the windshield survey was a parcel-based survey to study housing condition. He noted information was collected on:

- Building type and material
- Foundation condition
- Roof condition
- Siding condition
- Door and window condition
- Yard condition
- Chimney condition
- Evidence of recent or active improvements

Mr. Finley stated that 373 parcels were surveyed and graded on a four-point scale: good, fair, poor, and deteriorated. He commented that overall conditions were satisfactory and displayed areas of opportunity for rehabilitation. He explained cost burden households are defined as a household that spends more than 30% of its income on housing costs. He reviewed the percentage of households experiencing cost burden, and he stated results show that renter-occupied housing has a higher cost burden than owner occupied and 50% of renter's experience cost burden.



Mr. Finley reviewed rental affordability. He noted consultants looked at a sample of three clusters of occupations including the most common occupations, the highest growth occupations, and essential service workers. He reviewed the percent of income for one-bedroom contract rent in Salisbury. He provided examples of salaries for childcare workers, Chewy Fulfillment Center employees and Chick-fil-A Distribution Center employees. He noted the median monthly contract rent in Salisbury is over \$1,000 for a one-bedroom and the median rent overall is \$1,170.

Councilmember Post referred to the rental affordability chart, and he asked if the data is based on current wages. Mr. Finley stated the numbers came from planning information, and he indicated wage information can be difficult to receive from employers. Councilmember Smith asked if the Economic Development Council (EDC) has access to employee wages. Mr. Finley stated the EDC has access to some data however, consultants utilize programs such as Lightcast to provide wage estimates. Mr. Finley noted the information being presented is based on the 2022 American Community Survey released by the United States Census Bureau.

Mayor Pro Tem Sheffield asked if cost burden is based on gross income. Mr. Finley clarified that cost burden is based on household net income. Councilmember Smith expressed concern about the poverty level in the City, and he indicated it is important for Councilmembers to make decisions based on the current state of the community.

Mayor Alexander asked if income data considers voucher systems available through Housing Authorities and the Community Development Corporation. Mr. Finley noted housing assistance is not reflected in the income data.

Mr. Finley discussed estimating housing demand. He noted demand components include population change, out-of-market demand, jobs ratio to available housing, and existing vacancy rate, as well as looking at current conditions of housing. He stated stakeholder engagement workshops were held on January 22, 2024 and January 23, 2024. He noted interactive workshops collected information on existing housing support ecosystems, obstacles to creating affordable housing across the City, identifying goals and strategies and leveraging assets. He reviewed the next steps for the project including collecting and analyzing data from stakeholder workshops, designing and distributing a survey for the business community, and re-engaging Council for a Strategies Workshop. He reviewed the housing goals:

- Creating housing options of all types and incomes
- Formalize the local fair housing structure
- Preserve existing affordable housing options
- Expand and improve transportation and infrastructure
- Improve housing accessibility for special populations
- Improve equitable home ownership opportunities
- Expand programming for vulnerable populations
- Expand awareness and access to programs and services
- Limit concentrations of poverty

Councilmember Post asked for clarification on housing goals, such as formalizing a local fair housing structure and limiting the concentration of poverty. Mr. Miller stated limiting the concentration of poverty came from the Forward2040 Comprehensive Plan because communities defined specific housing areas as low-income. Ms. Jacobson noted the City cannot enforce fair housing laws but can take complaints and reports of fair housing violations through the Diversity, Equity, and Inclusion Department (DEI).

Mr. Finley asked Council to identify barriers for housing goals and establish a top housing goal. Council determined its top goal as expanding programming for vulnerable populations and identified the following partners and collaborators to help lead the effort in that goal:

- Salisbury- Rowan Helping Ministries
- Salisbury Community Development Corporation (CDC)
- Rowan County Department of Social Services
- Salisbury and Rowan County Housing Authorities
- Community Action Agency (CAA)
- Regional and County partners
- Veterans Administration

Council identified limited funding and limited staff as two of the most significant barriers to achieving housing goals. Mayor Pro Tem Sheffield pointed out expanding on resources such as the City's Homeless Advocate position could help to achieve housing goals.

Mr. Finley asked Council to consider ways to determine whether housing goals are being met. Councilmember Smith and Councilmember Post noted one way to measure success would be to review the data to see if there is a decrease in the un-housed population and follow up with community partners such as the Rowan Helping Ministries for data on the population seeking housing assistance.

## **SOLID WASTE DISCUSSION**

Public Works Director Chris Tester and Assistant Public Works Director Michael Hanna addressed Council regarding the current status, current demand, recommendations, and future items needed for the Solid Waste Department. Mr. Tester compared solid waste, landfill, and recycling rates from 2020 to current rates. He noted the landfill and recycling fee increase last year was absorbed by reducing training funds, the number of new cans ordered and the truck maintenance budget. He added the solid waste and bulk collection budget is \$1,505,992, recycling budget is \$683,000, and limb collection is \$623,072.

Mr. Hanna explained the Solid Waste Department has three rear loading trucks with one conducting the Waste Collection Assistance program and navigating tight streets, and the other two trucks handle the limb collection. He added there are two knuckle boom trucks that handle bulky collection and limb routes.

Mr. Tester explained the industry standards for the single arm collection is around 500-600 collection points per five hours on a route which equates to 100-120 collection points an hour, or approximately two collection points a minute. He reviewed collection points for the City and surrounding areas. He pointed out the distance to the landfill, dump sites, truck capacity, fuel usage, and driver's break times take away from shift time on a route. He indicated Greensboro has a central drop off location where trash is collected and hauled out by trailer trucks which decreases the trucks downtime at a landfill. He commented the average turnaround time for the City is an hour and a half when trucks go to the landfill and back, but sometimes between three or four hours due to rain or traffic.

Mr. Hanna pointed out new growth in the City brings new demands. He commented there are currently 12,000 collection points a week with 150 added in 2023 and an estimated 870 in 2024. He explained where growth is taking place in the City and where demand will be added to the garbage collection routes.

Mr. Hanna pointed out customer service challenges include the current staff answering approximately 208 calls per week on the Public Works main line which does not include the additional calls that come through the Customer Service Center. He explained staff has to stay out of the field to answer calls or work overtime after routes are completed to return calls.

Mr. Tester pointed out the single arm trucks are high maintenance trucks with routes that push them to their limits causing higher failure rates and downtime. He added there is an additional demand on Fleet Services which created a need for a second shift that has been successful in reducing overtime. He commented when parts are out of stock it creates downtime and puts additional demand on the remaining trucks.

Mr. Hanna noted safety and staffing challenges include overtime hours, stress, impact on employees including retention and avoiding potential accidents due to speeding through a route. He pointed out it is difficult to find Certified Driver's License (CDL) drivers.

Mr. Tester pointed out the request is to add a solid waste crew and a route to include an additional single arm trash truck, one senior construction maintenance worker with their CDL, one mechanic, one solid waste construction maintenance worker, and one customer service representative. He indicated the cost for the additions would be estimated at \$372,000 to be covered by a Solid Waste rate increase of \$2.38 per month or tax equivalent to .875 cents.

Mr. Tester commented staff is looking at recycling at convenience sites or in-house options. He indicated a Request for Proposal will be sent out this summer to determine costs, but the City will continue to use the current contractor at this time. He added staff will look at optimization for routes and a possible four-day routes which creates an extra hour per day of collection. He added staff has looked at the ReCollect App, but will continue to look at costs.

Mr. Hanna pointed out using the transfer site in East Spencer on Long Street versus driving 9.6 miles to the Rowan County Landfill has been considered. He commented a possibility could be to go to the transfer sites on specific days where routes are nearby for a quicker off load. He added the transfer site is easy to drive through and on average a 10-minute off load reducing the

environmental impact of burning diesel fuel at the landfill. He added it is more expensive to go to the transfer site at \$76 per ton compared to \$36 per ton at the landfill but it may be useful in situations such as during bulky week or to adjust route optimization when nearby.

Mr. Hanna noted staff has continued to enforce the code for limb and yard waste collection. He pointed out staff is working to develop standards for bulk week collections. He noted staff will consider bag and item limits. He indicated people who are cleaning out a whole house will sit items out during bulk pick up week which creates challenges and dangers to employees. Mr. Tester noted bulk pick up takes place on a daily basis with a charge other while Spruce Up Weeks are free.

Mayor Pro Tem Sheffield asked about the bulk pickup fee for numerous items from a house not being picked up during Spruce Up Week. Mr. Tester pointed out staff would need to create a fee schedule if the items exceed the typical pick up. Mayor Pro Tem Sheffield suggested standards be put in place and enforced, but to also provide education to citizens.

Mr. Greene noted changes would initially increase calls and with the staff already being pulled from their job, then having another dedicated person to work with customers may need to be explored. Mr. Hanna noted staff works with customers to explain the fees, and he indicated education is a big portion of getting the citizens to understand pickups and fees.

Councilmember McLaughlin asked about the additional customer service representative being cross-trained with another department. Mr. Tester noted cross-training would be a possibility to help bridge a gap in another department such as Customer Service when they are short staffed.

Councilmember Post asked about implementing technology to reduce staff interactions. Mr. Tester noted staff has explored the cost of the Recollect App, and he indicated Geotab technology is already on trucks. He added cameras are being installed on the trucks to assist in documenting what happens on a route.

Mr. Greene commented the City is seeing growth which creates the need for an additional crew for garbage pickup, and he noted the options are to increase the monthly Solid Waste fee by \$2.38 or increasing taxes to cover the costs. He asked Council if there were any concerns with items discussed including staff exploring options for technology to create the most efficient routes, changing pick up days, additional equipment and crew, the possibility of bringing recycling in house or eliminating curbside pick-up. He indicated staff will work to evaluate funding op

## **ECONOMIC INCENTIVE POLICY UPDATE**

Administrative Services Director Kelly Baker stated an item on Council's priority list for this year is to review the City's economic incentive policy. She added staff met with Economic Development Commission (EDC) President Rod Crider and Vice-President Scott Shelton, and she indicated Rowan County updated its policy a few months ago. She noted staff wants to look at the current policy, the Salisbury Investment Grant program, which is a tiered grant with investment levels based on the investment amount typically over a five-year period.

Ms. Baker explained the Salisbury Investment Grant Program is the main incentive grant that comes before Council and has been in place for approximately 18 years. She pointed out the City currently offers 75%, 80%, or 85% in tax incentives, and she noted the percentages have changed in the County's plan and staff would like to know if Council is interested in mirroring those changes. She indicated the County also implemented a scorecard.

Ms. Baker stated the City has a second incentive policy, the Industrial Building Revitalization Grant which is a smaller grant of up to \$25,000 that is beneficial to upfit older industrial buildings. She added the goal is to get feedback from Council during the Retreat, continue working with the EDC and bring a revised policy to Council for its consideration. She pointed out the County included targeted industries, and she asked if Council would want to match the County's targeted industries or pursue other options. She added performance requirements need to be considered if Council wants to continue to use the Industrial Building Revitalization Grant policy that has been in place for 14 years.

Mr. Shelton stated last year Commissioners revised the County's Economic Development Incentive Policy which had been in place for several years. He added the County's policy was close to the City's policy before the revisions. He noted the County realized every project is unique and produced different benefits to the community. He indicated during the revision process, the County developed a scoring system to determine incentive levels based on the investment amount, number of jobs created, salary of the new jobs and employer health insurance coverage where the employer pays 50% of the premiums. He explained employer health insurance coverage is a question asked when a company pursues state incentives and the County felt it was important to the quality of jobs that are incentivized. He indicated industry sector is also a factor the County used to determine incentives. He explained the scoring systems has a threshold of points that determine the corresponding grant. He pointed out a Rowan County employer gets one point for being an existing company. He indicated the other main change was a reduction of the grant threshold where the maximum threshold of 85% was reduced to 50%. He noted the County kept the performance-based claw backs in its incentive agreements, and he reviewed the threshold and point requirements.

Mr. Crider noted the EDC likes the scoring system because it allows the communities to incentivize individual priorities and it creates a basis for evaluating the company. He added it is important to let existing businesses know they have an opportunity to apply for incentives too. He reviewed the EDC's target industries:

- Advanced Manufacturing
  - Transportation equipment
  - Value added agriculture
  - Fabrication of metal and plastics
  - Machinery and equipment
  - Distribution and fulfillment
  - Warehousing
  - Fulfillment centers
  - Distribution systems

- Life Sciences and Healthcare
  - Pharmaceuticals
  - Medical devices
  - Personal care products ingredients
- Financial and Professional Services
  - Medical services
  - Administration/support
  - Banking, insurance, consulting and legal
  - Information technology
  - Cybersecurity
  - Data centers
  - AI and software development

Mr. Crider indicated there is opportunity for growth from the Toyota plant that has told its suppliers they do not want them to locate within 40 miles of their location because they do not want to compete for labor. He pointed out Salisbury is 60 miles from the facility which creates opportunity. He indicated the City has water and sewage capacity which makes it a prime candidate for food processing. He added the EDC works to leverage the City's water and sewer capabilities with the North Carolina Food Innovation Lab in Kannapolis to connect the research with growing and processing. He pointed out because of the City's location on I-85 it is a strong contender for fulfillment centers and warehouse operations that require expensive distributions systems. He indicated the concentration of business in the City and the downtown business district will attract financial and professional services. He pointed out there has been interest in information technology and data centers that are expensive to construct, but add value to the tax base and create a smaller amount of high paying jobs.

City Manager Jim Greene asked Council for its thoughts regarding the types of businesses it wants to target for incentives. There was discussion among Council regarding target industries.

Planning and Neighborhoods Director Hannah Jacobson commended the County and the EDC for the development of the scorecard which helps to ensure that the incentives match the delivered outcome. She added the scorecard considers the investment amount, the number of jobs created and it looks at average salary of new jobs compared to the County's average salary of \$51,138 according to the North Carolina Department of Commerce. She noted if the new prospect is offering wages are that are equivalent or more than the average salary additional points are awarded.

Mr. Greene asked if Council likes the scorecard. There was discussion among Council who requested items on the scorecard match the Strategic Plan. Councilmember Post indicated he likes the point system, but it needs to be adjusted to meet the needs of the City. Ms. Baker asked Council about things that are unique to Salisbury that Council might want to include in a scorecard.

Mayor Alexander pointed out the growth areas have been identified, and there are opportunities for larger companies to invest. She added the smaller warehouse and manufacturing sites should be considered for small to mid-size companies.

Councilmember Smith indicated it will be benefited to have a process in place as the City attracts additional businesses. Ms. Jacobson indicated once the structure and framework is in place the City's successes and improvement areas will be more visible.

Mr. Shelton stated the average salary for Rowan County has increased to slightly over \$52,000. He added the County determined spec properties are not eligible for its program, and he pointed out Council has incentivized a couple of spec developments. Mr. Greene asked if Council wants to continue spec building incentives. Mr. Shelton pointed out whoever is paying the property tax, either the tenant or the property owner, can come back with a job creating occupant for a spec building that is personal land, real property tax, and that company would be eligible for that benefit. Councilmember Post commented once a company that received an incentive grant for a spec building brought employees in whoever pays the property taxes could come back and seek the incentive based on the cost of the real estate development. Mr. Shelton agreed, and he pointed out if Council were to adopt a scoring-based system to determine incentive eligibility it may want to consider:

- Keeping incentive grant levels at current percentages or reducing them
- Length of grant terms
- Should the City have target industry sectors
- Average wage – determine wage standard/living wage amount and source
- Will tenants be eligible for incentives or only property owners
- Incentivize both real and personal property investment
- Will speculative development be eligible
- Claw backs
  - All goals met or no incentive verses pro rata reduction

There was discussion among Council regarding updates to the Economic Development Incentive Policy. Mr. Greene noted Council has indicated it is okay with staff looking at the Economic Development Incentive Policy and possibly working with scorecards. He pointed out Rowan County reduced its percentages, and he asked if Council would like to consider reducing its percentages. He added Council does not seem interested in focusing on target businesses. Mayor Pro Tem Sheffield indicated there needs to be some parameters. Councilmember McLaughlin noted Charlotte is associated with banking, and he questioned where does Salisbury want to go. He added the City may need incentives for certain things that varies in a particular area of the City. He stated he supports the scorecard.

Mr. Greene suggested staff continue to work with the EDC regarding the scorecard and incentives and bring a proposal back to Council for its consideration. He added it is better for the EDC if the City and County policies are similar. Councilmember Post noted the process will take time, and he added he supports a quick decision regarding whether to reduce the incentive amounts. Mr. Greene suggested staff could work with the EDC regarding incentives and then bring a scorecard and updated policy to Council for its consideration.

Mr. Shelton referenced the Industrial Building Revitalization Grant Program which has not been used for several years. He stated the program was established in 2010, and its primary goal was to encourage the use of underutilized corridors and older industrial buildings. He stated under

the program an applicant could receive up to \$25,000 for building rehabilitation work. He explained the building must be vacant for more than six months, constructed prior to 1990 and located in an urban progress zone. He added the improvements to the property must be at least \$20,000 and the proposed operation must employ one person per \$5,000 of grant funding it receives. He indicated the Industrial Building Revitalization Grant Program is a good way to incentivize smaller companies who fall through the cracks of the bigger programs.

Mayor Alexander stated the Industrial Building Revitalization Grant Program may help to attract smaller, startup businesses to downtown and other areas such as the West End. She added a \$25,000 grant may make the difference in a smaller company being able to proceed with their business. Mr. Shelton stated Council may want to consider the job requirements, salary amounts and adding claw backs to the program.

### **MASTER PLAN FOR CIVIC CENTER IMPROVEMENTS**

Deputy City Manager Richard White addressed Council regarding the Master Plan for Civic Center improvements. He thanked Rufty-Holmes Senior Center Executive Director Nan Buehrer, Public Works Director Chris Tester, Downtown Development Director Sada Troutman, and Assistant Parks and Recreation Director Sam Welbourn for their work to support the project. He noted last year at its Retreat Council heard about the opportunity to address the Civic Center, the Fred M. Evans Pool and Rufty-Holmes Senior Center as an upgrade/replacement project that will serve City and County residents.

Mr. White stated the Civic Center was built in 1980 and is mostly used for events, rentals, meetings and less for programs. He noted the floor is sinking and the facility has ADA accessibility challenges and inadequate restrooms. He pointed out he floor plan is unsuitable for current programming and the building has unsightly aesthetic and built-up maintenance issues.

Mr. White referenced the Fred M. Evans Pool which was built in the 1960s:

- Inadequate pool size causes long wait times
- Lacks updated ADA accessibility
- Holes in the pool walls and under pool deck that were repaired in 2022
- No proper guard shack or front desk
- Bathrooms and the pool deck are too small
- Splash pad and pool aquatic systems need updates and/or replacement

Mr. White indicated the Rufty-Holmes Senior Center was built 35 years ago. He stated the 10,000 square foot center opened in 1988 and had additions in 1995, 1998 and 2008. He explained the center is landlocked by the railroad and a floodplain. He commented the front entry is not able to accommodate the guests and the small residential kitchen limits program options.

Mr. White explained at its last Retreat Council appropriated American Rescue Plan (ARP) funds to work with Rufty-Holmes Senior Center staff on a comprehensive site plan estimated at \$125,000 to \$150,000. He added there is \$150,000 in the current budget to move this plan forward.



Mr. White reviewed a map of the site which includes 19 acres. He noted staff released a Request for Qualifications in August for a site master plan. He stated 14 submissions were received and a team comprised of City staff and representatives from Rufty-Holmes Senior Center scored the proposals. He stated interviews were conducted and two firms were selected one to work on the master plan and another to work as an expert on senior center development. He indicated the two firms are CPL and Lifespan, and he reviewed examples of each company's projects. He asked Council to consider authorizing staff to proceed with contract negotiations with CPL and Lifespan that will be brought back to Council for its approval and to allocate funds for a project manager for the project. Councilmember Post asked if the project manager would be a temporary or permanent position. Mr. White noted the project manager would probably be a contractual arrangement.

Mayor Alexander requested clarification regarding how CPL and Lifespan would work together. Mr. White explained CPL would be the main company to complete the master plan and Lifespan would provide consulting expertise on the senior center portion of the project. By consensus, Council agreed to proceed.

Mayor Pro Tem Sheffield pointed out there is more property there than the building and the parking lot including a front area that runs through Town Creek, but there is limited use for the flood plain. Mr. Greene noted parking and pickle ball and tennis courts can be placed in a flood plain. Mayor Pro Tem Sheffield stated whatever is placed at the location must fit in with the residential community. Mr. White indicated the project will start with community engagement.

## **DEVELOPMENT 2024 PRIORITIES**

Facilitator Warren Miller reviewed potential priorities for Council's consideration:

- Implement the Strategic Plan
- Approve a Capital Improvement Plan that would include operations costs
- Develop and begin to implement a Housing Strategy
- Solid Waste Comprehensive Evaluation
- Civic Center Master Plan
  - Youth initiatives
- Align Economic Incentive Policies to the Strategic Plan
  - Considering a scorecard
  - Can incentive policies include living wages for employees

Mr. Miller pointed out many of the priorities are included in the Strategic Plan. City Manager Jim Greene stated the Strategic Plan is the umbrella under which many of the priorities will fall. He noted surrounding cities have increased their compensation for employees and it may be beneficial to have someone from outside the organization assist with a review to make sure the City is paying a living wage.

Mr. Miller referenced developing a plan for Broadband debt. Councilmember Post stated he would like to see the possibility of using Fund Balance to pay off the broadband debt as an option for the budget process.

Mr. Miller stated once Council adopts the Strategic Plan it can sequence and prioritize as grants and funds become available. Administrative Services Director Kelly Baker pointed out once the Strategic Plan is adopted most of Council's priorities are included in the plan. She stated Council might want to consider its priority under Public Safety to support expanded parks and recreation programming for youth, and she indicated Project Safe Neighborhoods is operational and may not need to be called out separately. She added the goal is to tie past and new priorities and strategies into the Strategic Plan.

Mr. Miller noted the priorities to be included are:

- Support expanded parks and recreation program for youth that ties to that youth initiative
- Identify and address staffing and infrastructure needs

Mr. Greene noted the Strategic Plan will be adjusted and brought back to Council for its consideration. He added the Strategic Plan will be the guiding document for Council, staff and for the community.

Mr. Greene thanked Council for its patience and hard work, and he recognized staff and the community partners for working to make the Retreat a success.

## **FIRE TRUCK**

City Manager Jim Green noted the City lost the fire truck Council approved to purchase at its January 16, 2024 meeting. Fire Chief Bob Parnell explained the fire truck was sold hours before Council approved the \$850,000 purchase. He indicated a similar fire truck is available, but it has a different motor and flex fuel capability at a cost of \$910,000. He stated the manufacturer is requesting a purchase order or a contract, and he asked Council to consider the purchase of the proposed for truck in lieu of the one previously approved. He indicated the fire truck would be delivered in early 2026.

Finance Director Wade Furches explained the purchase of the fire truck would be covered under the Houston Galveston Area Co-op, just like the previous truck and staff recommends using \$910,000 of Fund Balance to cover the cost.


Thereupon, Councilmember Post made a **motion** to authorize the City Manager to approve the purchase of a Pierce fire engine in the amount of \$910,000 and to use Fund Balance to cover the cost of this purchase. Mayor Alexander voted AYE, Mayor Pro Tem Sheffield voted AYE, Councilmember McLaughlin voted AYE, Councilmember Post voted AYE, and Councilmember Smith voted AYE. (5-0)

Thereupon, Councilmember Post made a **motion** to adjourn. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Sheffield voted AYE, Councilmember McLaughlin voted AYE, Councilmember Post voted AYE, and Councilmember Smith voted AYE. (5-0)

The meeting was adjourned at 4:30 p.m.

A handwritten signature in cursive script, appearing to read "Karen Alexander", written over a horizontal line.

Karen Alexander, Mayor

A handwritten signature in cursive script, appearing to read "Connie B. Snyder", written over a horizontal line.

Connie B. Snyder, City Clerk