

Salisbury, North Carolina  
January 30, 2020

## **SPECIAL MEETING OF JANUARY 30, 2020**

The City Council of the City of Salisbury met at 12:00 noon, Thursday, January 30, 2020 at Livingstone College Department of Culinary Arts at 530 Jake Alexander Boulevard South with the following members being present:

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

**ABSENT:** City Clerk Diane Gilmore.

Salisbury City Council and members of Management Team met at Livingstone College Department of Culinary Arts at 530 Jake Alexander Boulevard South. The meeting was called to order by Mayor Alexander at 12:00 noon.

### **WELCOME**

Mayor Alexander welcomed all those present to Council's Goal Setting Retreat. She recognized City Manager Lane Bailey and the leadership team for working to organize the Retreat. She thanked Council for its work on the Retreat and for all it does for the City.

Mayor Alexander introduced Mr. Warren Miller Founder and President of Fountainworks who served as facilitator.

City Manager Lane Bailey noted a few years ago the City made significant cuts that were driven by Fibrant, infrastructure, and the recession. He added property tax increases were used to increase Police Department salaries which helped the Police Department fill its vacancies. He pointed out the City still has challenges to face.

## **FOR THE LOVE OF CITIES**

City Manager Lane Bailey stated Mr. Peter Kageyama, author of *For the Love of Cities*, recently spoke at the International City County Manager's South Carolina Association meeting regarding what communities can do on a limited budget. He presented a video regarding what keeps citizens in their cities. In the video Mr. Kageyama pointed out:

- Citizens resonate with things that humanize a city such as becoming bicycle friendly, walkability and a dog-friendly city
- The little things make the difference
- Citizens tend to love the small things about their cities
- More opportunities to play are needed
- Co-creators are needed to work with city officials to help make their city a great place to live, work and play
- It is time to explore options because solutions for cities may not come from traditional providers
- There is a gap between the city that is desired and the one that is afforded

Mr. Miller asked Council to write the things they love about the City. Mayor Alexander stated she appreciates the City's love and support of the arts. Councilmember Miller noted he moved often as a child and he is grateful to have a hometown. Mayor Pro Tem Heggins indicated she loves the diversity of the City and would like to see more multi-cultural appreciation using the City's strong arts presence. Councilmember Sheffield added she is thankful for the character, friendliness, talent and passion of citizens. She stated when the City embraces its differences it builds a community. Councilmember Post noted he loves his roots in the City, the color of the murals, the art and theater scene, the easy life style and the friendliness of citizens. Councilmember Miller added he is grateful for the opportunity to grow as a person through his involvement in the community.

## **A YEAR IN REVIEW**

City Manager Lane Bailey reviewed the action items developed by Council during its Retreat last year and provided updates on their status. He stated during the last year the City incorporated bicycle and pedestrian plans and opened a dog park, which was made possible by the work of citizens. He pointed out the City is filled with co-creators.

Mr. Bailey noted the City has 155 residential units with 233 residents. He pointed out redevelopment of the Empire Hotel is in the works and ideas to boost downtown occupancy are being discussed. Councilmember Post asked how many of the 155 residential units are in the Yadkin House. Downtown Salisbury Inc. (DSI) Director Larissa Harper stated there are 67 apartments in the Yadkin House. Mr. Post pointed out downtown residential units are occupied as soon as they are opened. He commented the Yadkin House is there to help residents with specific needs and not intended for downtown residential development. He requested the Yadkin Hotel be removed from the 155 residential units. Mayor Alexander suggested it could be separated, but she added it is important to note those individuals are in the City and able to access its attributes.

Mayor Pro Tem Heggins agreed with Mayor Alexander, and she pointed out the City is a Certified Retirement Community. She asked about the average cost of a downtown apartment. She referenced *For The Love of Cities* and added it is important to create a City that is affordable for people to live and work downtown. Ms. Harper referenced the DSI Economic Vitality Committee, and she added property owners, managers and realtors are submitting information to help track the downtown residential inventory. She added the average rental cost is \$1.21 per square foot per month and the Yadkin House is at \$.83 per square foot per month. She pointed out the most expensive inventory is \$1.85 per square foot per month. Mayor Alexander asked how the City's average rental rate compares with surrounding areas. Ms. Harper noted staff will gather the information.

Councilmember Sheffield asked about residential units under construction in the downtown. Ms. Harper referenced 132 Flats that recently came online and have been preleased. She noted the development at the corner of Lee and East Innes Streets includes four units in the preconstruction process. She added the Empire Hotel redevelopment will include approximately 65 one and two bedroom units. She stated local investors are looking at other downtown buildings to include commercial space with residential units. She added there are weekly inquiries regarding mixed use buildings in the downtown area.

Councilmember Miller explained if a city can get 3% of its population living in the core of downtown it will make the core more viable. He added the City has approximately 35,000 residents and would require over 1,000 units to meet the 3% projection. He commented the City has room to grow and a market that wants it to grow. He indicated the grants and incentives that have been provided are encouraging development and there will be an increased opportunity over time.

Mr. Bailey noted the City has applied for grant funding for the Farmer's Market to assist with a more permanent location. He indicated the Farmer's Market would prefer to stay in the downtown area.

Mr. Bailey stated DSI is working with Parks and Recreation regarding events in the second and third quarter. He added staff is working to create downtown space for entrepreneurs. He noted the City is excited about the Bell Tower Green, and he pointed out the weather is slowing progress, but the goal is an August completion date. He stated the City hoped to occupy Fire Station 6 by March 2020, but it may not be ready until the end of the fiscal year. He noted the City did not receive the Better Utilizing Investments to Leverage Development (BUILD) Grant it submitted regarding development of the train station and second platform.

Mr. Bailey noted Council's packet includes a list of grant funds the City received, and he referred to questions that had been raised about grants for the water-sewer utility. Salisbury Rowan Utilities (SRU) Director Jim Behmer stated grants across the state are based on affordability and SRU does not qualify. Mr. Post noted it is an acknowledgement that the City has competitive rates. Mr. Behmer agreed. Mr. Behmer pointed out the School of Government's last rate study determined the median rate for 5,000 gallons of water is approximately \$78, and the City's average rate is approximately \$70. He indicated the state is looking at smaller systems that are not viable and the City is not on that list. He added the City invested wisely in grants and loans in the 1980s

and continues to invest while interest rates are low. Mr. Bailey noted the rates are adjusted each year for inflation.

Mr. Bailey referenced the Charlotte Municipal Service Area (MSA) and how it affects the City's funding for housing. He added efforts to change Rowan County MSA designation have been dropped because the 2020 Census could shift things. Planning Director Hannah Jacobson noted the City is in the process of hiring a housing planner that will consider the holistic issue of housing. She stated the City recently received a market analysis on affordable housing which will help with the five-year consolidated plan.

Mr. Bailey noted staff is working to optimize Opportunity Zones, and he added the Empire Hotel project is looking to utilize Opportunity Zones. Ms. Jacobson referenced the Development Finance Institute, an organization the City is contracting with to do additional market analysis and opportunity zone site selection.

Mr. Bailey indicated staff is working on veterans initiatives and trying to capitalize on the Veterans Affairs (VA) facility that is located in the City. He added Human Resources Director Ruth Kennerly has led efforts to look at employment opportunities for veterans in the City.

Mr. Bailey stated creation of the Federal Action Plan is one of the great things that happened this year. He added Administrative Services Director Kelly Baker and City Attorney Graham Corriher are the point people for the Federal Action Plan, and he noted the City contracted with Strategic Consulting.

Mr. Bailey noted recycling will be mentioned later in the Retreat, and he pointed out recycling is a challenge for local governments across the country. He stated the country's recycling system is broken and changes are needed. He indicated the market has bottomed out and the City's recycling contract will be rebid in the coming fiscal year.

Mr. Bailey referenced City Lake improvements, and he stated there have been weather issues. Public Works Director Craig Powers commented the contractor repairing the dam noted more extensive repairs were needed. He added the additional repairs will cut into the budget for enhancements. Mayor Alexander pointed out if the dam is not repaired correctly it will create problems in the future.

Mr. Post asked about incentives for employees who live in the City. Mr. Bailey noted incentives have been considered to encourage employees to live in the area but it could limit the talent pool. He commented the Police Department has incentives for police officers that live in the City. He added programs from other communities have been considered that would help with down payment assistance, but the program would be primarily for public safety employees, and there is a challenge to find funding.

Councilmember Miler asked if there is an update regarding the Charlotte Metropolitan Statistical Area (MSA). Mr. Bailey explained the City will be moved during the 2020 Census and the item has been postponed.

## CAPITAL IMPROVEMENT PLAN REVIEW

City Manager Lane Bailey noted the City is facing challenges in its capital expenditure projections and it may be March before staff has the Capital Improvement Plan (CIP) to Council.

Mr. Bailey noted staff is concerned about the City's operating budget including salary projections for the next five years. He explained the City will see mandated increases in the North Carolina Local Government Employees Retirement System which will double over the next five years. He pointed out there is a cost associated with the increase, and he added salary increases are needed for employees.

Mr. Bailey indicated it has been difficult to fill positions in the Public Works Department due to the vibrant economy. He explained the community is near full employment which makes recruiting more difficult. He commented if employee compensation is not increased the City will not be able to complete its work because it will not have the staff to do it. He pointed out a number of employees have been added in the last few years to the Police Department, Fire Department and other areas in the City. He explained the grant funding for employees, such as the Staffing for Adequate Fire and Emergency Response (SAFER) grant is phasing out, and the City will be required to assume more of the cost associated with those positions.

Finance Director Shannon Moore reviewed the five-year personnel projection. She also reviewed a projection of benefit cost for the next five years for a projection of Fiscal Year 2021 through Fiscal Year 2026. She pointed out the biggest cost is retirement which includes employer-funded state-mandated increases to the state retirement system. She pointed out from Fiscal Year 2020 to Fiscal Year 2023 the increase is projected to be approximately \$280,000, and it will continue to increase which is a significant cost to the City.

Councilmember Post asked about the mandated City contribution to the retirement plan. Ms. Moore indicated the current rate is 9.02% of an employee's salary and the projection for Fiscal Year 2023 is 12.52% and up to 13%. Mr. Post asked if an employee contribution is required. Mr. Bailey noted an employee match is required, but it is not an equal match and there are questions regarding whether the employee match can be increased. He pointed out the North Carolina Local Government Retirement System is the third strongest public retirement program in the United States. He explained the increases have to happen to keep the retirement system strong. Mr. Post asked if North Carolina has a defined benefit plan. Mr. Bailey agreed. Mr. Post explained the state is increasing the municipal government's obligation to meet the guaranteed requirement for the employee's years of service. Councilmember Miller pointed out the City's contribution covers system obligations of the plan in addition to the compensation to the employees. Ms. Moore commented the Police Department retirement amounts are slightly higher than other employee contributions.

Ms. Moore stated staff closely monitors the cost of health insurance, and she added staff is projecting a 5% increase annually for health insurance. Mr. Bailey explained when he came to the City it had a different health insurance broker, and the City's current broker, Mark III, has helped control costs. He added the City's health insurance is partially self-funded and the projected 5% increase is the largest increase since the City contracted with Mark III. Ms. Moore commented

the City has not had an increase in health insurance cost in the last several years and has done a great job at keeping costs low.

Councilmember Miller asked how often the City compares what it has to offer to what is offered in the market place. Human Resources Director Ruth Kennerly stated the rates are compared annually. Mr. Miller asked if employees are provided incentives for healthy living. Ms. Kennerly added the new Health Savings Account (HSA) allows healthy people to get breaks on insurance premium costs. Ms. Moore pointed out having the nurse practitioner and City-promoted challenges have helped the City control health care costs. Mr. Miller commented health insurance is a big expense and the City should do all it can to make sure it is getting the best possible plans. He clarified he does not want to take benefits away from employees, but he wants to make sure the City considers all of its options.

Mayor Pro Tem Heggins requested more information about the HSA. Ms. Kennerly explained the City has two health care options which are traditional health insurance and the HSA. She added the HSA has a higher deductible plan, but employee contributions can be carried over to future years. Ms. Heggins stated she is concerned about paid Family Medical Leave Act (FMLA) leave for employees. She added employees who have a health issue and use their sick and vacation time have to deal with an added stress. Ms. Moore explained when staff worked with the broker last year to design the HSA, one of the Internal Revenue Requirements was that it be in combination with higher deductible plans. She added the City offers a \$750 annual contribution that is prorated for employees hired during the fiscal year to encourage employees who want to consider the HSA. She added 100 employees opted for the HSA plan which has a 15% to 20% cost reduction in the premium.

Councilmember Sheffield asked about the wellness nurse. Ms. Kennerly explained how the City and its employees benefit from the services offered by the wellness nurse and the diabetes educator. Mr. Bailey indicated 10% to 20% of employees constitute the majority of health insurance costs, and he noted the City is constantly looking at ways to keep employees healthier.

Mr. Bailey noted last year during CIP discussion there was an interest in removing the \$20 million Main Street Program from the CIP, but a decision was never made. He added when the CIP is presented to Council the Main Street Program may not be listed because of the cost involved. He suggested listing the program in future years. Mayor Alexander agreed. She stated she did not want to see the Main Street Program go away, and she likes the idea of moving it to future years.

Mr. Bailey noted moving Fire Station 3 out another year has also been considered. Mr. Post asked if there will be more discussion regarding Fire Station 3. Mr. Bailey agreed. Mr. Post commented if Fire Station 3 is moved out for one year the project could incur a higher interest rate and increased construction costs.

Mr. Bailey stated the City is facing challenges with its Transit Fund. Ms. Moore pointed out Transit is facing challenges regarding its Americans with Disabilities Act (ADA) services and in the last several years there have been transfers of Fund Balance to the Transit Fund which is not sustainable. She added staff is recommending an increase in the General Fund contribution. She

pointed out the automatic passenger counters will be brought to Council at its next meeting and the only way to fund the counters is with a transfer from the General Fund. Mr. Bailey noted it has gotten to the point where additional General Fund money is required to cover Transit needs. He added Salisbury is the smallest city in North Carolina with a fixed-route transit system, with the exception of Boone whose transit system is partially funded by the university. Mr. Post asked if other cities of a similar size have flexed route transit systems. Mr. Bailey noted the City is small to be in the transit business. Mayor Pro Tem Heggins pointed out the City is a metropolitan city situated in a position to grow, and she would hate to see the transit system go away. Mr. Miller noted the City has to make decisions regarding the level of transit service it can provide.

Transit Director Rodney Harrison pointed out some of the Transit increases during the last several years were one-time large expenses. He noted the City has four 2004 buses and replacing those buses was delayed. He explained \$240,000 to replace those buses is included in this year's budget. He noted the City has 16-year old buses and the Federal Transit Administration (FTA) states the useful life is 10 years. He added the Transit Master Plan was a large capital expense that costs approximately \$100,000.

Mayor Pro Tem Heggins noted the City has explored partnerships where other cities are contributing funds to the Transit system. She asked about the City's partnership with Livingstone College, Catawba College, and Rowan-Cabarrus Community College (RCCC). She added she has heard from students who want to use the City's Transit system. Mr. Bailey noted the City has reached out to Spencer and East Spencer, and he added several years ago the City reached out to Catawba and Livingstone Colleges regarding transit services. He pointed out the City had an agreement with Livingstone College where the college paid the City for each student to have Transit service, but the agreement expired last year. Ms. Heggins suggested she and Mayor Alexander meet with the Mayors and Mayor Pro Tems of Spencer and East Spencer to discuss Transit. Mayor Alexander questioned if federal grants would be available to help the small communities with their transit costs which could be used in the City's transit system. Mr. Harrison suggested expanding the conversations to include the colleges and major business, such as the VA Medical Center and Novant. He pointed out partners are needed to move the Transit system forward.

Councilmember Post indicated several cities have gone to Uber-style transit to cut costs. He explained the companies expect to be paid 100% of the ridership cost and the City only receives 6% to 7% of the costs. He added transit costs are approximately \$1.5 million, and the ridership contribution is approximately \$80,000. Mr. Harris agreed. Mayor Alexander noted an Uber-style transit system would require federal grants. Mr. Harris noted the Transit Master Plan includes micro transit/Uber-style transportation options. He added he is working with Assistant City Manager Zack Kyle and a vendor to explore options for the City.

Councilmember Miller requested a recess at 1:51 p.m. The meeting reconvened at 2:05 p.m.

Mr. Bailey noted Fibrant created financial challenges for the City. He explained the City is relatively close to its budget projection for Fibrant. He pointed out the market is slightly different than the market Fision/Hotwire Communications has in other places, and it is the first

time the company has had a public/private partnership. Ms. Moore reviewed the projected numbers for the Fibrant Fund-Hotwire Lease and the dark fiber credit was discussed. She indicated the City received revenue from a settlement that will go through May 2020.

Mayor Pro Tem Heggins requested clarification regarding the dark fiber. Mr. Bailey explained the dark fiber is Hotwire Communication's charge to the City for the dark fiber the City receives as a customer. Ms. Moore noted Hotwire takes the City's dark fiber charges as a credit. She stated last year the City renegotiated the interest rate on the Fibrant loan with First Bank. Mayor Alexander asked when the loan will mature. Mr. Bailey noted the loan will mature in 2029. He added the amount being paid back to the Salisbury-Rowan Utilities (SRU) Fund is increasing.

Mr. Bailey encouraged citizens to support Fision. He noted the City's Fund Balance is steady, but it decreased in the current fiscal year. He noted the Local Government Commission (LGC) requires a minimum balance of 8% to 10% which he believes is too low. He pointed out stabilizing the Fund Balance will be a major focus of the coming year's budget.

## **VISIONING**

Mr. Miller noted the focus of the visioning will be for Council to determine the legacy they would like to leave from their time on Council. He asked Council how it visions the City in 2030 and what it wishes for the City. He asked what might be possible and Council discussed:

- Economic mobility
  - Equitable opportunities for all
- Policies
  - Moral documents that serve everyone in the community
- Greater tax base
  - Which affects education, economic development, upward mobility and job creation
- Using the City's natural assets
  - Water and broadband
    - How to market the City's assets
- Address the City's housing stock
  - Searching for possible funding opportunities to help with the aging housing stock
- Safe
  - Being safe
  - Feeling safe
- Create a sense of community
- Partnering
  - Creative thinking
  - How do we locate resources
  - Finding ways to partner with neighboring communities
  - Continuing relationships with the County
- Co-creators
  - Participatory government
  - Encouraging others to participate



- Big wins
  - Empire Hotel
  - Kesler Mill site
  - Streetscapes fixed
- \$50 million Better Utilizing Investments to Leverage Development (BUILD) Grant
  - Create a downtown living destination
- Parks and Recreation
  - Family-oriented
  - Multi-generational
  - Healthy community
  - Arts, music, sports, entertainment and enjoying the outdoors
- Sustainability
  - Clean air
  - No litter
- Identify what the City is great at

Mr. Miller asked Council if any of its vision had changed from 20 years ago. He then asked Council to consider if the things they are working on are moving toward the legacy they want to create. He explained the objective of the visioning was to allow Council to open itself to the possibilities.

## **RECESS**

Thereupon, Councilmember Miller made a **motion** to take a ten minute recess. Mayor Alexander and Mayor Pro Tem Heggins, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

The meeting reconvened at 3:25 p.m.

## **PUBLIC/PRIVATE PARTNERSHIPS – SUPPORTING EARLY EDUCATION AND ECONOMIC DEVELOPMENT INITIATIVES**

Mr. Pete Teague reviewed the Economic Charrette that took place March 2019 and the seven assets discussed including Hotwire Communications, downtown, proximity to Charlotte, minority business development, culture of innovation, growing healthcare presence, and Opportunity Zones. He noted groups developed recommendations and prioritized the assets. He suggested a group be formed and an action plan be developed to provide recommendations to Council.

Councilmember Post asked about the Carolina Small Business Development Fund. Mr. Teague commented the Carolina Small Business Development Fund is a non-profit organization based in Raleigh that focuses on small businesses. He added the Carolina Small Business Development Fund will host an Innovator’s Journey Program at Livingstone College this spring for six weeks of entrepreneurial training and a pitch event.

Mayor Alexander asked if Carolina Small Business Development Fund would be interested in supporting small businesses by offering low interest, no fee loans as a private partnership. Mr. Teague commented he will find out.

Councilmember Miller asked if Council is being asked to create a task force. Mr. Teague agreed.

Mayor Pro Tem Heggins asked about the qualifications for entrepreneurs to enter the program. Mr. Teague explained the person interested needs to have an operating business.

Councilmember Sheffield asked if the Economic Development Commission can be involved instead of creating a new group. Mr. Teague commented the EDC is supportive and still wants to be involved, and he added the City has groups in place that could focus on this.

Mayor Pro Tem Heggins commented it sounds like an activity of the EDC, and she added if the EDC does not have the capacity to take this idea on, a Councilmember would be responsible as liaison and a staff member would have to coordinate it. Mayor Alexander noted the difficulty of Council and a staff member coordinating the group.

Mayor Alexander suggested groups work together to see if there is any overlap. Mayor Pro Tem Heggins asked how the City would endorse the seven assets mentioned and what is the City's role in supporting the EDC. Mr. Bailey commented the City contributes funds and would continue to provide staff support.

Mayor Pro Tem Heggins asked if DSI, Inc. supports the EDC. DSI, Inc. Director Larissa Harper commented DSI, Inc. supports the EDC and she will take this discussion to the DSI Board.

Mayor Alexander pointed out the City has several groups already covering the large areas discussed, and she added she does not think one group should be stressed by doing everything.

Councilmember Miller suggested using all available resources to collaborate with the ideas and assets and for the City to advocate for momentum in those areas. He noted there may not be the ability for staff to lead this group, but Council should encourage and support the group's mission. Mayor Pro Tem Heggins added if a staff person cannot be dedicated to this, the City needs to be an advocate for it.

Mr. Bailey pointed out the City provides funds to the Minority Business Council. Council asked questions regarding the Minority Business Council, and asked Mr. Bailey to present information to Council at a later time.

Mayor Alexander suggested Council support early education and the 0 to Pre-K program. She added the vision is to create a community coalition supportive to the program, but not drive the program. She asked Council to consider a two to three month timeline to gather a group to head the program. Councilmember Miller commented the idea is to gather available resources and figure out the City's role. Mayor Alexander suggested the coalition be formed and brought to Council.

## RECYCLING UPDATE

Public Works Director Craig Powers pointed out there have been challenges with recycling and providing education to the community.

Stormwater Technician Michael Hanna reviewed information regarding trash and sanitation and the challenges China has caused by imposing strict limits on recycling imports. He referenced ways to adjust to a changing market by improving education efforts, improving infrastructures, being innovative with adjustments, changing ordinances, and have constant evolutions.

Mr. Hanna presented various collection options for recycling. He noted the five options include the current contracted universal collection, contracted opt-in collection, contracted opt-out collection with amended ordinances, universal in-house collection, and elimination of curbside collection and establishment of convenience center located within the City limits. He noted currently the only recycling centers are located in Rowan County.

Councilmember Sheffield asked about the current recycling costs, and which option staff would not recommend. Mr. Powers noted current recycling costs are \$487,000. Mr. Hanna noted the opt-in option is not recommended due to low participation levels.

Councilmember Post asked which option is recommended. Mr. Hanna commented staff recommends the opt-out with the amended ordinances option. He added the amended ordinances would allow enforcement for the removal of cans.

Mayor Alexander noted her concern for elderly citizens not having transportation to the recycling center.

Councilmember Miller asked about the possibility of using the opt-in option in addition to adding a center. Mayor Alexander asked if there would be a possibility to combine two options. Mr. Powers asked if there would need to be an option for recycling pick-up even if a recycling center was implemented. Council agreed.

Councilmember Sheffield asked what happens to the recycling once it is turned in. Mr. Power commented Rowan County takes it.

Mayor Pro Tem Heggins pointed out citizens may not have transportation to go to the centers. Councilmember Miller suggested giving citizens a choice to take their recycling to the center or pay for pick-up.

Mr. Bailey pointed out the recycling contract needs to be bid in order to be enacted by July 1, 2020. He noted even if people opt-out of recycling pick-up, there would need to be a fee to offset the recycling center costs. He commented the center might be more convenient for people to take their items themselves so their cans are not full prior to pick up.

Mr. Powers noted there has been discussion whether the City should buy the cans and choose a vendor for pick-up, and he stated that would require a substantial capital investment. Mr. Bailey noted it can be bid on both ways.

Councilmember Miller asked staff to provide Council with two options with their recommendations.

## **SUSTAINABILITY – REDUCING CARBON FOOTPRINT**

Administrative Services Director Kelly Baker pointed out a staff led group has been developed to look at ways the City can reduce its carbon footprint. She presented information regarding emissions, and she referenced a City carbon footprint map. Storm Water Technician Michael Hanna explained the map in further detail. Ms. Baker explained the carbon footprint relates to transportation, housing, food, goods and services in the City.

Ms. Baker explained staff wanted to research how Salisbury, as an organization, could reduce its carbon footprint. She pointed out the benefits of reducing carbon footprint, and she noted the group has not developed a name, but is working to identify stakeholders, develop a vision, quantify the current emission profile, and develop goals and strategies to reduce emissions.

Ms. Baker pointed out the focus will be in facilities and vehicles. She noted the largest users of gas and oil include Police, Transit, Sanitation, Fire, and Street Department and the utilities users are Salisbury-Rowan Utilities Plants (SRU), Customers Service Center, Police Department, the Plaza and the City Office Building.

Ms. Baker pointed out SRU is working with Land of Sky Council of Government to receive free energy assessments and receive recommendations on how to lower energy uses at its facilities. She commented Duke Energy offers building assessments for \$5,000 per building and a 50% refund. She noted the City began its conversion of LED lighting several years ago, and has options of weatherization efforts for older buildings and facility inspections.

Public Works Fleet Manager Jake Sterling pointed out the City can explore non-diesel fuel alternatives with compressed natural gas or electric vehicles. Ms. Baker pointed out challenges with the alternatives include fuel station availability, electrical charging stations, and staff to maintain the vehicles. She added telematics could provide real time data and the ability to track vehicles. She noted staff is also exploring software to improve service efficiencies.

Ms. Baker commented the group would need to develop a strategic plan and establish goals, but there would also be challenges to change policies, prioritize budget needs, explore innovative solutions, and staff communication.

Councilmember Miller asked where the City is compared to where it needs to be. Ms. Baker commented the group has a lot of information, but the challenge is how the data is quantified to determine how the City is doing.

Councilmember Miller asked about partnering with Appalachian State University or Catawba College to possibly assist the City with this initiative. Mr. Bailey agreed.

Councilmember Sheffield asked about solar and wind energy efficiency. Ms. Baker commented there may be space available within the City. Councilmember Sheffield asked about route efficiency. Mr. Powers explained route efficiency could be improved through advanced software.

Ms. Baker asked Council if it thinks the group is heading in the right direction. Mayor Alexander agreed, and she thanked the group for the work they do for the City.

### **RECESS**

Council took a 30 minutes recess. The meeting reconvened at 6:00 p.m.

### **REVIEW/RECAP OF THE DAY/ DISCUSSION AND WRAP UP**

Facilitator Warren Miller reviewed information that had been discussed including the budget, the Capital Improvement Plan (CIP), healthcare cost savings, and Medicaid expenses. He added Council wants wellness efforts to continue and receive information on downtown housing affordability.

Mayor Pro Tem Heggins asked the square footage in rental units close to town, and she noted her concerns about units not providing affordable housing. Councilmember Sheffield suggested looking at rent versus owning options.

Mr. Miller reviewed visioning conversation topics included economic development and collaboration with the Economic Development Commission, and the City will support initiatives to leverage existing organizations.

Mr. Miller reviewed Council action items are to create a coalition to support a 0 to Pre-K Program, form Transit partnerships, coordinate with existing groups to handle priority economic development issues, receive options and recommendations from staff regarding recycling, receive information on how the City is doing regarding its carbon footprint and where it needs to be in the future, and explore smart technology ideas to improve route efficiencies,

Councilmember Sheffield suggested having more Chit, Chat, Chew town hall meetings, and for them to be presented to the community in a different way to have increased attendance. Mayor Alexander suggested meetings take place quarterly.

Councilmember Sheffield commented a process review for the policies and procedures for renters and owners to get services is needed.

Mayor Pro Tem Heggins commented the mission, vision and values were supposed to be a part of the Chit, Chat and Chew meetings, and she added she does not think those were incorporated in a way citizens could speak on them. Council discussed the meetings that took place. Mr. Miller noted Council is to follow up on the City's mission, vision and values and to continue to use the Chit, Chat and Chew meetings as an opportunity to reach out to the community. Mayor Alexander suggested the name of the meetings be changed.

Mr. Bailey thanked staff and Council for their hard work at the retreat.

Mayor Alexander thanked staff, Mr. Miller, and Council for their hard work at the retreat.

### **RECESS**

Thereupon, Councilmember Post made a **motion** to recess the meeting until Friday, January 31, 2020 at 12:00 p.m. at the Livingstone College Department of Culinary Arts at 530 Jake Alexander Boulevard South. All council members in attendance agreed unanimously to recess. The meeting was recessed at 6:20 p.m.

### **RECONVENE – FRIDAY, JANUARY 31, 2019**

Mayor Alexander welcomed all those in attendance and thanked them for their efforts in making day one of the retreat a success.

Thereupon, Councilmember Post made a **motion** to reconvene. Mayor Alexander, Mayor Pro Tem Heggins; and Councilmembers Miller, Post, and Sheffield voted AYE. (5-0)

The meeting reconvened at 12:00 p.m.

Facilitator Warren Miller reviewed changes made to the Agenda and asked for Council's input. Mayor Alexander noted several Council members and staff would like to attend the funeral for Mrs. Janie Allen, wife of former Salisbury Mayor Elmer Allen, at 3:00 p.m. She commented the meeting could continue to cover as many items as possible until 2:30 p.m. and recess to allow attendance at the funeral. She suggested reconvening after the funeral or recessing until the day of the next City Council meeting. By consensus, Council agreed to shorten the review, cover Transit and Facilities items, and postpone the remaining items until the day of the next Council meeting.

### **FACILITY NEEDS**

#### **Fire Station 6**

Fire Chief Bob Parnell pointed out Fire Station 6 located on Cedar Springs Road is currently under construction. He noted the area has created an unsatisfactory response time for

Fire Station 2 due to the distance from the station. He stated the new fire station is currently 60% completed with the site at 40% completion with a proposed completion date of April 26, 2020.

Chief Parnell commented he is excited to have the new fire station and that it will make the Fire Department, the City, and citizens very proud. He mentioned the fire station will contain a training facility as a significant investment and is strategically placed to accommodate the growth of the City. He thanked Council for naming the fire station the Justin Monroe and Vic Isler Fire Station and Fire Academy in memory of the two firefighters who lost their lives while on duty on March 7, 2008.

Mayor Alexander asked if the fire station would increase the City's Insurance Services Office (ISO) rating. Chief Parnell stated the station is essential in maintaining the ISO rating because buildings and homes that are south of Airport Road are beyond the acceptable response distance from a fire station. He added the new fire station will decrease response time to the southern end of the City and solidify the ISO rating.

### Fire Station 3

Fire Chief Bob Parnell commented a new Fire Station 3 will be constructed to replace the current fire station that was built in 1956 on soft land. He explained the condition of the land is causing parts of the building to sink resulting in structural damage. He stated renovation was not possible due to land conditions and any new additions would suffer a similar outcome. He added the current building does not accommodate today's workforce because it does not have any female facilities available.

Chief Parnell noted fire stations have essential building code requirements to be able to withstand wind shear, tornadoes, earthquakes, and floods. He added another need for building a new fire station is to have more space. He mentioned the building is very small and built to house two males. He pointed out the features of the new fire station include the addition of adequate and separate facilities for females, enough room to house three fire trucks and the Fire Marshall and Inspector's offices where there will be a focus on fire prevention and fire safety education.

Chief Parnell commented the location for the new fire station is 150 Mahaley Avenue which has been acquired and cleared. He mentioned the projected cost for the building is approximately \$5 million with cost fluctuations to be expected.

Chief Parnell stated the building is an important need for the community and the new location will decrease the response time to the northern end of the City by a couple of minutes, allow the coverage of more facilities, and increase the City's ISO rating.

Councilmember Post asked about the expected start date for construction of Fire Station 3. Chief Parnell stated the project is on the CIP for the next fiscal year.

Councilmember Post asked about the drainage at the construction site of Fire Station 6. Chief Parnell stated there are no drainage issues and the recent weather has made the site muddy. He added Fire Station 6 was projected to be a 14-month building project while Fire Station 3 is

projected to be a 12-month project due to its smaller size. He noted there are no drainage problems that would lengthen construction time.

Councilmember Sheffield indicated costs will more than likely increase the longer the funding is delayed for the construction of Fire Station 3.

Mayor Alexander asked if the construction of both fire stations could be financed together. Mr. Bailey stated Fire Station 6 had already been financed, and he asked Finance Director Shannon Moore if there was a possibility of combining the financing. Ms. Moore stated she would look into loan options and bring back to Council.

### Parks and Recreation

Parks and Recreation Director Nick Aceves presented information regarding improvements to the Civic Center, the Fred M. Evans Pool, and the continued asset development of the Bell Tower Green and other viable facilities. He added a multi-use center as recommended in the Parks and Recreation Master Plan would address multiple facility concerns and increase program opportunities in the City.

Mr. Aceves noted the Fred M. Evans Pool is currently staffed with 10 life guards who are in need of a place to get out of the weather during their breaks, and he added other parks and facilities are without restrooms. He commented there is a need for future upgrades including the installation of new floors and roof at Hall Gym.

Mr. Aceves indicated the impact of the improvements will include an increase in the number of special events, increased public participation in events, and an increase of rentals at these facilities which would increase department revenue.

### Public Works

Public Works Director Craig Powers presented information regarding the current needs of his department. He pointed out the following:

- Over \$2 million identified requests for facility repairs with more unrequested items needed
- The Plaza is in need of substantial repairs and apartment renovations
- Fleet's Strategic Plan completed in 2008-2009 identified more space is needed
- Parking lot repairs are needed at most facilities and are outside of the scope of in-house repairs
- Limited storage for vehicles and equipment leads to increased maintenance costs

Mr. Powers commented staff is unable to maintain the HVAC system and roof replacement requests. City Engineer Wendy Brindle stated the roof of the Plaza had been patched and still needs to be replaced among other costly repairs.



Mr. Powers noted there are many City buildings that are over 50 years old and have received limited renovations without a plan for long-range needs. He mentioned the City has changed with newer technologies and the need for multiple buildings may not be needed if there can be one central facility. He added the separation of personnel reduces face to face collaboration, coordination, and innovation. He stated as these projects are explored the goal is to have ADA compliance, reduce carbon footprint, and increase historic preservation.

Mr. Powers explained staff would like to create a facility condition assessment and a space needs plan to increase efficiency. He mentioned the plan will help quantify the City's immediate and long-range needs as well as maximize resources. He stated the estimated cost is between \$75,000-\$100,000.

Councilmember Miller asked if a plan had been used in the past to consolidate resources, and he noted it would be beneficial to the City. He stated the City potentially has more buildings than needed for the way it would like to operate in the future, and he suggested the City could continue servicing them or consolidate and directly spend towards other needs. He mentioned the cost associated with an expert coming in and developing a plan is costly but necessary.

Councilmember Miller stated he would like to see specific recommendations on actions the City should take if a consultant for a study is hired. He requested further information regarding which facilities should be closed, consolidated, or transformed.

## **TRANSIT MASTER PLAN- ROUTES AND ALTERNATIVES**

City Manager Lane Baily pointed out residents inside corporate limits are forced to walk on streets without sidewalks to commute, and do not receive the public transportation they pay for that is provided to other towns. He added if the City re-routed Transit routes that are outside of the City limits back into Salisbury, the residents would benefit and the action would not reduce grant funding that is based on miles traveled and density.

Mr. Bailey indicated staff has been looking into options on how to provide transportation to communities outside of the City. Transit Director Rodney Harrison stated one option for outside communities is the Rowan County Transit System who may be able to assist them with grants offered by the North Carolina Department of Transportation (NCDOT) for which Salisbury does not qualify.

Mr. Harrison pointed out Transit funding received over the past year included Section 5339 (b) Bus and Bus Facilities Program Grant for \$600,000 and the 2019 North Carolina VW Settlement Program Grant for \$1,637,543 is still pending.

Mr. Harrison presented information regarding various transportation routes throughout the City and routes provided to Spencer and East Spencer. He pointed out the number of hours and miles the City vehicles traveled outside the City limits. He explained a consultant provided several re-routing options that eliminated routes outside of the City. He added the consultant provided a cost analysis for each option to show how each route would affect cost and revenue.

Mr. Harrison explained the service areas that could be served other than on an on-call basis included the areas at the Holly Leaf Apartments, Meadowbrook, Hidden Creek, Catawba College, the Dick's Sporting Goods shopping center, and the Veterans Affairs (VA) Medical Center. He stated staff could set up multiple route connections to areas to increase service frequency.

Mr. Harrison explained the difference between various transportation services and vehicle types to include on-demand transit service with day-before scheduling and micro-transit service with same-day pick-up. He noted the proposed routing options did not include these services but the consultant was able to provide three zones within the City where services could be provided. He added micro-transit services could be used to complement the fixed-transit system or used in particular zones.

Councilmember Sheffield commented providing transportation services to Salisbury is a priority, but there has to be a cost efficient solution to allow service to continue in Spencer and East Spencer. She added the City should look into additional sources of funding and increase partnerships with organizations that can assist with transportation services.

## **RECESS**

Thereupon, Councilmember Miller made a **motion** to take a 10 minute recess. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voted AYE. (5-0)

The meeting reconvened at 2:00 p.m.

## **INFRASTRUCTURE UPDATE**

City Engineer Wendy Brindle commented the construction on Newsome Road will begin February 3, 2020 for road widening and the addition of bicycle lanes and sidewalks. She stated the project will be executed by contractor JT Russell and Sons, Inc. and inspected by Ally, Williams, Carmen, and King with an estimated completion date of April 2021. She added citizens have been notified and made aware of the three detour routes.

Ms. Brindle noted the Market Station Drive Project was completed and is open to traffic. She stated the project involved a partnership between the City, the North Carolina Department of Transportation (NCDOT), and a private contractor in order to extend a portion of Newsome Road. She indicated staff is waiting on the submission of the final invoice before requesting reimbursement from NCDOT for approximately \$900,000. She added staff is developing estimates to apply for funding to extend Bendix Drive to Gold Hill Drive.

Ms. Brindle explained the Grants Creek Greenway Phase IV Project is divided into two sections to include the low water bridge at Catawba College and the Greenway from Forestdale Drive to Kelsey-Scott Park. She noted the Catawba College project is funded and has an expected construction start date of April 2020. She stated bid advertisements for the project would begin

February 2020. She mentioned the Greenway Project is awaiting approval from NCDOT to begin easement acquisition, and staff is working with the National Cemetery to secure property adjacent to Grant's Creek.

Mrs. Brindle noted the entire project will have a remaining cost balance of approximately \$1.8 million after receiving funds in the amount of approximately \$1.2 million. She commented staff will apply for additional funding this spring for project completion.

Ms. Brindle pointed out the sidewalk projects completed in 2019 included the South Main Street sidewalks from D Avenue to Rowan Mill Road and the West End Plaza area sidewalk along Jake Alexander and Statesville Boulevards. She mentioned sidewalk projects that are still in the design phase include sidewalks along Old Concord Road between Ryan Street and Jake Alexander Boulevard and sidewalks along Brenner Avenue between Statesville Boulevard and Horah Street. She noted sidewalks were constructed between Thomas Street and Partee Street. She added the sidewalk project along Monroe Street is ready for bid.

Ms. Brindle explained the pay-in-lieu sidewalk program that is outlined in the Land Development Ordinance (LDO) provides developers who are not able to build sidewalks the option to pay into a zone within the City instead. She noted staff will pursue a revision to the LDO to include the program as an option for areas outside of the currently zoned areas. She indicated staff is working to plan sidewalk projects and will work with Public Works to get projects constructed as schedules allow.

Ms. Brindle indicated the lighting in downtown is a mixture of Duke Energy and City-owned lighting. She mentioned Duke Energy had upgraded their pedestrian scale lighting to LED lights and staff is currently exploring options for supplemental tree lights to brighten the downtown area.

Ms. Brindle pointed out the Complete Street upgrades that were included as part of the NCDOT resurfacing of the medians and stamped crosswalks on East Innes Street, crosswalks and bicycle lanes on North Long Street. She added the resurfacing of South Long Street is schedule to begin the spring of 2020. She noted the North Main Street re-stripping project was completed and the resurfacing through downtown has been delayed until the spring of 2021. She stated the Planning Department has been working on a Main Street Plan to include between the curb options to implement with the resurfacing. She commented staff is waiting on a Better Utilizing Investments to Leverage Development (BUILD) grant for upgrades in the downtown area.

Planning Director Hannah Jacobson indicated staff is working with McAdams Design Engineering Firm on the Main Street Plan which is approximately a 10-block area through the middle of downtown. She added there are two primary objectives which include a Restripping Plan and a Conceptual Streetscape Plan of the area. She mentioned the restripping project will improve safety and functionality and is scheduled to begin in July 2021.

Ms. Jacobson commented staff has collected survey data for the Conceptual Streetscape Plan. She stated staff will provide opportunities for public review in April 2020.

Mayor Alexander thanked staff for their great work at the retreat.

## **RECESS**

Thereupon, Mayor Pro Tem Post made a **motion** to recess the meeting until Tuesday, February 4, 2020 at 4:25 p.m. at Council Chambers in City Hall located at 217 South Main Street. All council members in attendance agreed unanimously to recess. The meeting was recessed at 2:25 p.m.

## **RECONVENE – TUESDAY, FEBRUARY 4, 2020**

Thereupon, Councilmember Miller to reconvene. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

The meeting reconvened at 4:25 p.m.

## **RECESS**

Thereupon, Councilmember Miller made a **motion** to recess the meeting until Tuesday, February 4, 2020 at 4:30 p.m. in in the 2<sup>nd</sup> Floor Conference Room at City Hall, 217 South Main Street. All council members in attendance agreed unanimously to recess. The meeting was recessed at 4:26 p.m.

## **RECONVENE – TUESDAY, FEBRUARY 4, 2020**

Thereupon, Mayor Pro Tem Heggins made a **motion** to reconvene the meeting. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

## **DEVELOPMENT OF 2020 PRIORITIES**

Facilitator Warren Miller reviewed items Council discussed for Salisbury visioning. He noted the six outcome areas include economic prosperity and mobility; inclusive, creative and a well-run government; safety; a healthy, active and creative community; well-maintained and sustainable infrastructure; and vibrant downtown and neighborhoods.

Council discussed revisions it would like to make to its outcome goals.

Mayor Alexander suggested priorities be combined to include focus areas of safety, infrastructure, and economic prosperity. Mayor Pro Tem Heggins agreed, and she noted Council needs to be clear about the specific things the City will be doing.

Mayor Pro Tem Heggins asked about community partnerships. Mayor Alexander noted partnerships such as with infrastructure, schools, and 0 to Pre-K programs should be added, and she stated partnerships should be added to the outcome goals.

Mr. Miller asked Council what criteria it wants to use to create its outcome goals. Mayor Pro Tem Heggins suggested the criteria support the City's vision. Council agreed.

Mayor Alexander commented the City's recycling program is a priority. Councilmember Post added the construction of Fire Station Number 3 is a priority, but the challenge is when to get it constructed. Mayor Pro Tem Heggins noted the Empire Hotel and Hotwire Communications are priorities. Mayor Alexander agreed.

Councilmember Post suggested collaboration with Rowan County be a priority. He added Mr. Jonathon Bullock with Hotwire will be in Salisbury to speak on ways to attract investors and companies to Salisbury. Mayor Alexander asked for the meeting include Rowan County.

Councilmember Sheffield commented the Transit System should be a priority. Mayor Alexander commented Mayors and Mayor Pro Tems from other municipalities will be invited to attend a Transit System roundtable discussion. Mr. Bailey suggested Transit Director Rodney Harrison and Finance Director Shannon Moore be included. Mayor Alexander suggested Mr. Bailey be in attendance as well, and she asked if County Manager Aaron Church should be included. Mr. Bailey agreed.

Councilmember Miller commented a facilities plan should be a priority, and he suggested a consultant be hired to provide recommendations for the plan. Mayor Alexander asked Councilmember Miller if he supported the idea for Council to move forward with a formal plan to send out a Request For Proposal (RFP). Councilmember Miller agreed, and he stated it makes sense to get an external point-of-view. Mayor Alexander commented it would be an efficient use of funds.

Mayor Alexander asked if ordinances could be rewritten so the public could understand them better. She added it could improve the process with code violators.

Councilmember Sheffield commented employees should be a priority, and she asked if the City is maintaining a cost of living wage to be an employer of choice. Mr. Bailey commented the City is close to full employment which can cause budget constraints, but without enough staff the work will not get completed. He added the City has to stay competitive to remain staffed.

Mayor Alexander asked Mr. Bailey if he had anything to add to the outcome goals and if he had any concerns. Mr. Bailey noted the biggest challenges are with the tax base and revenues. Mayor Alexander commented Hotwire Communications and the Water Sewer enterprise should be looked at as a major asset for recruitment.

Mayor Alexander commented public safety includes the Police Department and it should continue its improvements to make the community feel safe. Councilmember Sheffield added the Fire Department and the Water Sewer system also play a role in public safety.

Mr. Miller asked if staff will provide updates on what they are doing for the City. Councilmember Post suggested semi-annual updates. Mr. Bailey agreed. Mayor Alexander agreed, and she suggested Council create an update process.

Mr. Miller reviewed the areas of focus include public safety, infrastructure plans, economic development, special projects, and community partnerships. Council agreed.

Mr. Miller asked if Council wanted to receive special project updates more frequently. Councilmember Miller suggested the agenda be structured for each focus area. Mayor Alexander agreed.

Mayor Pro Tem Heggins pointed out staff should answer questions regarding the core vision and how it impacts the City's revenue. She added equity needs to be included in the vision.

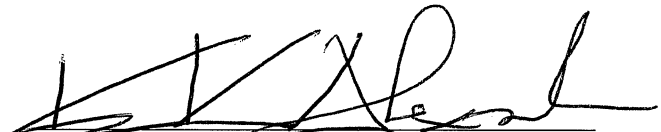
Mayor Pro Tem Heggins asked how Salisbury 2030 will be incorporated with the Vision 2040 Steering Committee. Planning Director Hannah Jacobson noted Council's priorities will be provided to the Steering Committee.

Mr. Miller asked if there are any further additions or revisions to the outcome goals. Councilmember Sheffield suggested Opportunity Zones be added. Mayor Pro Tem Heggins commented she does not want to lose sight that the City can identify those projects, and she added Rowan County Commissioner Greg Edds had previously mentioned during the Opportunity Zone Tour that there are more available funds than there are available projects. She suggested collaboration with Rowan County to identify projects for Opportunity Zone development.

Mayor Alexander thanked Mr. Miller and Council for its hard work during the retreat.

### ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Post. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 5:38 p.m.



Karen K. Alexander, Mayor



Tiffany Crook, Deputy City Clerk