REGULAR MEETING

PRESENT:  Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.; Councilmen William (Bill) Burgin; William (Pete) Kennedy; Mark N. Lewis; City Manager, David W. Treme; City Attorney, F. Rivers Lawther, Jr. and City Clerk, Myra Heard.

ABSENT:  None.

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Mayor Pro Tem Paul Woodson.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz recognized all visitors present.

RECOGNITION OF DEPUTY POLICE CHIEF BOBBY HARRISON

Police Chief Mark Wilhelm recognized Deputy Police Chief Bobby Harrison who will retire after almost thirty (30) years of service with the Salisbury Police Department. He noted that Deputy Chief Harrison began as Police Records Clerk and has worked in almost every aspect of the Police Department. He asked Council to authorize him to present Deputy Chief Harrison his badge and sidearm as a token of appreciation for his service to the City.
Thereupon, Mr. Woodson made a **motion** to authorize issuing Deputy Police Chief Bobby Harrison his badge and sidearm for all the years of his service. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE (5-0).

Chief Wilhelm then presented Deputy Chief Harrison with his badge and sidearm and thanked him for his service to the City.

**RECOGNITION OF RESERVE POLICE OFFICER MARVIN JONES**

Police Chief Mark Wilhelm recognized Reserve Police Officer Marvin Jones who will retire after thirty-one and one half (31.5) years. He noted that Reserve Officer Jones never received any pay but has always been willing to serve when needed. He asked for Council’s authorization to present Mr. Jones with his sidearm and badge.

Thereupon, Mr. Woodson made a **motion** to recognize Reserve Police Officer Marvin Jones for all his years of service and authorize issuing his badge and sidearm. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE (5-0).

Chief Wilhelm then presented Reserve Police Officer Jones with his badge and sidearm and thanked him for his service. Mayor Kluttz expressed Council’s appreciation to Mr. Jones for so many years of volunteer service to the City.

**CONSENT AGENDA**

(a) Approve Minutes of the regular meeting of December 5, 2006.

(b) Approve the following group development site plans:

- G-11-05 Tilley Harley Davidson, 653 Bendix Drive
- G-10-98 The Villas at Crescent, Laurel Valley Way and Spyglass Hill Place

(c) Adopt a budget Ordinance amendment to the FY2006-2007 budget in the amount of $2,000 to appropriate donations received from J.F. Hurley Foundation to be used for the renovation of the Hurley Park Main Entry Garden.

**AN ORDINANCE AMENDING THE 2006-2007 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE DONATIONS FOR HURLEY PARK**
(The above Ordinance is recorded in full in Ordinance Book No. 21, at Page No. 164, and is known as Ordinance No. 2006-58.)

(d) Adopt a budget Ordinance amendment to the FY2006-2007 budget in the amount of $18,130 to appropriate insurance proceeds received for the construction of a metal building to secure equipment at the old landfill.

AN ORDINANCE AMENDING THE 2006-2007 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE INSURANCE PROCEEDS FROM VANDALIZED EQUIPMENT

(The above Ordinance is recorded in full in Ordinance Book No. 21, at Page No. 165, and is known as Ordinance No. 2006-59.)

Mayor Kluttz indicated that she would like to pull G-10-98 The Villas at Crescent, Laurel Valley Way and Spyglass Hill Place from the Consent Agenda in order to receive additional information.

Thereupon, Mr. Kennedy made a motion to approve the Consent Agenda as presented. Mr. Lewis seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

G-10-98 THE VILLAS AT CRESCENT, LAUREL VALLEY WAY AND SPYGLASS HILL PLACE

Mr. David Phillips, Zoning Administrator, reviewed group development site plan G-10-98 and noted that the original plan was approved in 1998. A revised plan has been submitted for a thirty-three (33) unit condominium complex. He reviewed site plans and photographs of the site and noted that the majority of units will be located along a private drive. The remaining units will have individual driveways. He explained that there is a proposed driveway to serve a double unit that will exceed the maximum width allowed of twenty-four (24) feet. The double drive will be approximately thirty-eight (38) to forty (40) feet. Mr. Phillips informed Council that it can adopt a Resolution authorizing the City Engineer to grant a variance from the standards relating to driveway connections. He informed Council that no one spoke in opposition to the request during the Planning Board meeting and the Planning Board unanimously recommended approval.

Mayor Kluttz asked for a motion adopting a Resolution authorizing the City Engineer to grant a variance of the City Code, Section 22-73(b), for a driveway permit for Spyglass Hill Place, The Villas at Crescent, units 10 and 11.

Thereupon, Mr. Woodson made a motion as read by the Mayor. Mr. Lewis seconded the motion and noted that golf course communities often have site plan issues. He added that he felt this is a reasonable variance. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)
RESOLUTION AUTHORIZING THE CITY ENGINEER TO GRANT A VARIANCE OF THE CITY CODE, SECTION 22-73(b), FOR A DRIVEWAY PERMIT FOR SPYGLASS HILL PLACE, THE VILLAS AT CRESCENT (UNITS 10 AND 11)

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 46, and is known as Resolution No. 2006-31.).

Thereupon, Mr. Lewis made a motion to approve site plan G-10-98 for the Villas at Crescent, Laurel Valley Way and Spyglass Hill Place. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

REQUEST TO CLOSE AN ALLEY IN THE 800 BLOCK OF WEST HENDERSON STREET

(a) Ms. Wendy Brindle, Traffic Engineer, indicated that Council adopted a Resolution of Intent to close an alley in the 800 block of West Henderson Street on November 21, 2006. She stated that staff notified all adjoining property owners and has found that closing the alley will not be contrary to the public interest and no individual will be denied a reasonable means of ingress or egress. She pointed out that the alley closing will be subject to a ten (10) foot easement for an existing sewer line.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, to consider closing an alley in the 800 block of West Henderson Street.

Mr. Rick Parker, Vice-President of Clinical and Support Services at Rowan Regional Medical Center, stated that the hospital is one of the two property owners adjacent to the site and filed the petition requesting the alley be closed. He noted that the alley closing is part of the Grove Street extension project and he feels the alleyway would better serve the community if it were closed.

There being no one else to address Council, Mayor Kluttz closed the public hearing.

(c) Thereupon, Mr. Kennedy made a motion to adopt a Resolution pertaining to the acceptance of an offer of dedication for public use of an alley in the 800 block of West Henderson Street. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

RESOLUTION PERTAINING TO THE ACCEPTANCE OF AN OFFER OF DEDICATION FOR PUBLIC USE OF AN ALLEY IN THE 800 BLOCK OF WEST HENDERSON STREET

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 47, and is known as Resolution No. 2006-32).
(d) Thereupon, Mr. Kennedy made a motion to adopt an Order to close an alley in the 800 block of West Henderson Street. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

NORTH CAROLINA
ROWAN COUNTY
IN THE MATTER OF:

CLOSING OF AN ALLEY IN THE 800 BLOCK OF WEST HENDERSON STREET

ORDER CLOSING OF AN ALLEY PURSUANT TO GENERAL STATUTE OF NORTH CAROLINA SECTION 160A-299

THIS CAUSE, coming on to be heard and being heard before the City Council of the City of Salisbury, Rowan County, North Carolina, at the regular meeting of said Council held on December 19th at 4:00 p.m., in the City Office Building at 217 South Main Street, Salisbury, North Carolina, and it appearing to the Council that all persons, firms and corporations owning property adjoining the street described in the Petition filed in this cause are parties to this proceeding; and it further appearing that said alley is not maintained by the Department of Transportation; and it further appearing that notice of this hearing was duly published in THE SALISBURY POST on November 24th, December, 1, 8 and 15th.

And it further appearing to the Council and the Council finding as a fact, that the closing of the alley, as described in the Petition filed in this cause, is not contrary to the public interest or the property rights of any individual, and that no individual owning property in the vicinity of said alley or in the subdivision in which they are located will be deprived of reasonable means of ingress and egress to his property by the closing of said alley; and it further appearing to this Council that the relief prayed in the Petition should be granted.

IT IS NOW, THEREFORE, ORDERED AND DECREED by the City Council of the City of Salisbury, Rowan County, North Carolina, pursuant to and in accordance with the authority vested in this Council by the General statues of North Carolina, Section 160A-299.
Beginning at a new iron pin in the south western margin of Henderson Street, the south east corner of BMW Partners, Inc. (Deed Book 990 Page 742) thence continuing with the right of way of Henderson Street S 39° 52’ 23” E, 14.07’ to an existing iron pin, the north east corner of the Rowan Health Service Corporation (Deed Book 1015 Page 465) thence with their northern line N 88° 26’ 25” W, passing an existing iron at 146.90’ and continuing an additional 109.86’ for a total of 256.76’ to a new iron pin in the line of John O. Reynolds, Jr. (Deed Book 624 Page 212) thence with his line N 01° 54’ 14” E, 10.09’ to an existing iron pin the south west corner of BMW Partners, Inc. thence with their line S 88° 32’ 50” E, 247.39’ to the point and place of beginning and being 0.059 Acres (2602 square feet) as shown on survey and map by Shulenburger Surveying Company, P.A. dated 11/13/2006.

Be and the same is hereby forever closed subject to a 10 foot easement centered on the existing sewer line.

This the 19th day of December, 2006.

CITY COUNCIL OF THE CITY OF SALISBURY, NORTH CAROLINA

BY: /s/ Susan W. Klutz
    Mayor

/s/ Myra B. Heard
    City Clerk

COMMUNITY APPEARANCE COMMISSION REPORT - NEIGHBORHOOD HOUSING CONDITIONS

Ms. Barbara Perry, Chairman of the Community Appearance Commission (CAC), informed Council that the CAC Neighborhood and Education Committee began an initiative to meet with Neighborhood Leaders to discuss topics of interest to the neighborhoods. The CAC met biannually with the Neighborhood Leaders and determined that the number one problem for almost all of the neighborhoods was deteriorated houses. In the fall of 2005 the Neighborhood Leaders Alliance (NLA) was formed and created a subcommittee on Deteriorated Housing. This group met once a month to identify problem housing and found that there were problem houses in every neighborhood. Ms. Perry noted that the purpose of today’s report is to advise Council on the activities and findings of the subcommittee and she requested that the findings be considered during Council’s retreat. She also requested that Council consider any appropriate follow-up studies, policies or actions.

Ms. Greta Conner, Chairman of the Neighborhood and Education Committee, addressed Council regarding the activities of the Housing subcommittee. She noted that the Housing subcommittee found that many neighborhoods are dealing with the problem of deteriorated housing and it is a safety and appearance issue. She stated that a home in
serious disrepair may affect the safety of neighboring homes and the appearance and property values of the entire neighborhood.

Ms. Conner explained that the subcommittee sought a way to address the problem and reduce the number of deteriorated houses in the City. They performed a windshield survey and took photographs of deteriorated properties and identified eighty-eight (88) properties in the neighborhoods. The properties were then categorized as moderate, high risk or extreme. She displayed photographs of several houses identified in the survey and noted their need for repair.

Ms. Conner explained that after identifying and mapping the deteriorated properties the percentage of those that were rentals or out-of-town owners was determined and a history of citations on specific properties was obtained. She noted that the subcommittee worked with the Police Department to determine a correlation between the conditions of the property and the frequency of Police calls. They also received presentations from Codes Enforcement, Nuisance abatement and Minimum Housing staff. The subcommittee then identified currently available resources and assistance agencies and researched how other municipalities address similar problems. She informed Council that they are currently in the process of developing a webpage that will consolidate information regarding who to call for specific housing problems.

Ms. Conner expressed the subcommittee’s gratitude to present the Housing subcommittee findings to Council and reviewed the selected findings:

- Run-down houses are a Citywide problem – many neighborhoods affected
- Houses are going down by degrees – many aging houses
- Some run-down houses are along major gateways
- The community will get behind stronger ordinances to address problem
- Tenant & Landlord Handbook drafted in 2001 but not adopted
- State statute sets minimum standards. City enforces minimum standards
- County inspections determine condemnations
- Condemnation without intervention could lead to homelessness
- Few local agencies offer assistance for housing rehabilitation
- Of eighty-eight (88) properties identified, sixteen (16) were owner-occupied
- Connection between incidence of criminal behavior and location of run-down housing
- High percentage of rental in pre-1951 City limits

Ms. Conner reviewed three (3) maps with Council. The first map depicted the percent of renter-occupied housing in the City of Salisbury according to the 2000 Census. The second map depicted the percent of owner-occupied houses and the last map depicted the deteriorated properties identified by the subcommittee. Ms. Conner noted that most of the properties are in the areas with the lowest owner-occupancy rates. The neighborhoods included in the study were: Brooklyn South Square, Cannon Park, Cone Mill, Eaman Park, Fulton Heights, Green Hills, Jersey City, Meadowbrook, Merritt,
North Main, Milford Hills, Sedgefield Acres, West End, and West Square. Ms. Conner noted that the Green Hills neighborhood was one of the areas in most need of attention.

Ms. Conner then presented the Subcommittee’s recommendations for consideration and/or further study:

- City maintained inventory of at-risk houses with prioritization for mitigation
- Develop system for monitoring at-risk housing
- Adopt higher standard for minimum housing
- Increase enforcement staff
- Increase opportunities for home ownership versus rental
- Create inspection process for rental housing
- Initiate “certificate of occupancy” for rental between tenants
- Police notification of landlords when violation occurs at address
- Provide incentives to encourage private financing for repair and renovations
- Develop investment pools for purchase and rehabilitation of neglected properties
- Increase staff and funding for the Community Development Corporation
- Adopt “Demolition by Neglect” Ordinance for historic properties
- Study feasibility of establishing Housing Commission
- Develop web page for Resident Resources, consolidating information and help links (in process)
- Community Appearance Commission and neighborhood recognition for improved residential property

Ms. Perry stated that this report is presented to Council for consideration while working on its Goals and Objectives.

Mayor Pro Tem Woodson commented that the certificate of occupancy sounds interesting for the City.

Councilman Lewis stated that it is enjoyable to see neighborhood leaders come together to discuss building community.

Mayor Kluttz expressed Council’s appreciation to the CAC and the Housing subcommittee for their work on the report and for their concern for the neighborhoods and the entire City.

**COUNCIL COMMITTEE REPORT ON GROUP DEVELOPMENT G-07-02 DRUMMOND VILLAGE**

Councilman Mark Lewis indicated that he and Mayor Pro Tem Woodson served as a Council Committee to discuss group development G-07-02 Drummond Village. He noted that they met with the developers, building company and staff to discuss the issues raised during the previous Council meeting.
Mr. Lewis referred to the original site plan, the revised site plan presented at Council’s last meeting, and then the new site plan being proposed. He noted that Council had expressed concerns about the amount of concrete versus the amount of yard for the houses with front garages. He stated that the developer has agreed to a minimum fifty (50) foot lot width for all lots except for corner lots, which will have a sixty (60) foot minimum width.

Mr. Lewis noted there will be three hundred ninety (390) lots on the revised plan and with this number it is important to have open space for the community. He referred to the site plan and noted a proposed two (2) acre park with playground equipment, two scenic overlooks and a walking trail connecting the areas.

Mr. Lewis commented that there was a great deal of discussion regarding the streetscape and how the houses meet the public streetscape. He stated that the developer has agreed to a twenty (20) foot minimum front setback from the right-of-way. He noted that the developer has also agreed to limit the protrusion of front entry garages to eight (8) feet. In addition, the developer has agreed to limit the garage doors and the driveway width to a maximum of eighteen (18) feet.

Mr. Lewis referred to photographs of the houses with front entry garage doors and noted that doors painted colors similar to the trim blend with the houses more than garage doors painted white. He informed Council that the developer has proposed painting the garage doors a color that matches the siding or trim color to help de-emphasize the garage door.

The developer has created a list of architectural features and C.P. Morgan, the builder, has pledged that each house will have at least three (3) of the features from the list.

Mr. Lewis indicated that there will be a minimum of one (1) shade tree per lot installed within four (4) feet of the right-of-way and pedestrian scale lighting will also be installed.

Mr. Lewis referred to the landlocked portion of the property and noted that there is no way to achieve access to the property therefore the property will be labeled “Not part of the Drummond Village site plan and ownership remains with the developer.” He noted that a typical building footprint will also be added to the site plan.

Mr. Lewis commented that the Committee’s discussions incorporated the Vision 2020 Plan and what was important to the City of Salisbury. He stated that he was very pleased with the developer and builder and their plans to build community in Salisbury.

Mayor Pro Tem Woodson commented that at its last meeting Council discussed affordable housing and he and Councilman Kennedy recently attended the National League of Cities conference where the top issue was affordable housing. He stated that
he felt the proposals are a good compromise for the plan and he appreciates the developer for working with the City.

Mr. Dan Mikkelson, Director of Land Management and Development, informed Council that the width of the proposed driveways will have two (2) foot curb turns which will create a total curb cut of twenty-two (22) feet. City Code states that eighteen (18) feet is the maximum curb cut but Council has the authority to grant a variance by adopting a Resolution. He noted that if Council approves the revised site plan it would also need to consider adopting the Resolution granting the driveway variance.

Councilman Kennedy commented that although affordable housing is sought for all citizens there is also the concern of homelessness and noted that Council would not want to put people out of homes. He referred to the National League of Cities conference meeting and indicated that they recommended putting citizens in houses in stages. He explained that this begins with moving citizens from the streets into a rental apartment, from a rental apartment to a rental house, and finally from a rental house to an affordable house. He added that he felt the City should follow the same plan.

Mayor Kluttz thanked Mayor Pro Tem Woodson and Councilman Lewis for working with the developer and developing an exciting solution. She commented that she was concerned that if the City became too restrictive in housing options it would lose the affordability of the houses. She added that homeownership is important for all of the City’s neighborhoods and expressed appreciation for the flexibility shown by the developer.

Thereupon, Mr. Lewis made a motion to approve the revised Drummond Village site plan. Mr. Woodson seconded. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE (5-0).

Thereupon, Mr. Lewis made a motion to adopt a Resolution authorizing the City Engineer to grant a variance of the City Code, Section 22-73(b), for driveway permits in Drummond Village (G-07-02). Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE (5-0).

RESOLUTION AUTHORIZING THE CITY ENGINEER TO GRANT A VARIANCE OF THE CITY CODE, SECTION 22-73(B), FOR DRIVEWAY PERMITS IN DRUMMOND VILLAGE (G-07-02).

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 48, and is known as Resolution No. 2006-33.)

SPECIAL USE DISTRICT PERMIT FOR Z-11S-06 KEVIN WILSON

Mr. Preston Mitchell, Senior Planner, indicated that at Council’s last meeting it heard case Z-11S-06 for Kevin Wilson where it made its findings and approved the
permitted uses and conditions. Mayor Kluttz commented that the Ordinance before Council is the written documentation of what Council approved. Mr. Mitchell responded that this is correct.

Thereupon, Mr. Woodson made a motion to adopt and Ordinance of the City of Salisbury, North Carolina, granting a Special Use District Permit in conjunction with Ordinance 2006-54; provided for permitted uses; providing for conditions of development; providing for modification or termination; and providing for an effective date. Mr. Lewis seconded the motion. Messrs. Burgin, Lewis, Woodson, and Ms. Kluttz voted AYE. Mr. Kennedy vote NAY (4-1).

AN ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, GRANTING A SPECIAL USE DISTRICT PERMIT IN CONJUNCTION WITH ORDINANCE 2006-54; PROVIDING FOR PERMITTED USES; PROVIDING FOR CONDITIONS OF DEVELOPMENT; PROVIDING FOR MODIFICATION OR TERMINATION; AND PROVIDING FOR AN EFFECTIVE DATE.

(The above Ordinance is recorded in full in Ordinance Book No. 21, at Page No. 166, and is known as Ordinance No. 2006-60.)

RESOLUTION REGARDING THE ECONOMIC IMPORTANCE OF THE NORTH CAROLINA TRANSPORTATION MUSEUM

Mayor Kluttz indicated that the North Carolina Transportation Museum has requested different groups who support the Transportation Museum to adopt a Resolution of support for their use as they seek funds from the State of North Carolina. She noted that the Transportation Museum is a wonderful facility for tourism and read the Resolution to Council for their consideration.

Thereupon, Mr. Kennedy made a motion to adopt the just read Resolution recognizing the economic importance of the North Carolina Transportation Museum. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

RESOLUTION RECOGNIZING THE ECONOMIC IMPORTANCE OF THE NORTH CAROLINA TRANSPORTATION MUSEUM.

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 49, and is known as Resolution No. 2006-34).

APPLICATION TO DEFINE AN URBAN PROGRESS ZONE

Ms. Kathryn Clifton, GIS Coordinator, addressed Council regarding an Urban Progress Zone. She stated that recent State legislation has replaced the Bill Lee Act,
which Council has known as the State Development Zone, with a new economic development tax incentive plan known as the Urban Progress Zone. She noted that the North Carolina Department of Commerce Division of Community Assistance has requested a Resolution from Council supporting the City’s application to define an Urban Progress Zone for Salisbury.

Thereupon, Mr. Lewis made a motion to adopt a Resolution endorsing the application to define an Urban Progress Zone for Salisbury, NC. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson and Ms. Kluttz voted AYE. (5-0)

RESOLUTION ENDORSING THE APPLICATION TO DEFINE AN URBAN PROGRESS ZONE FOR SALISBURY, NC.

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 50, and is known as Resolution No. 2006-35.)

RESOLUTION OF CONSIDERATION FOR ANNEXATION

Mr. Joe Morris, Planning and Community Development Manager, indicated that for the past three (3) years Council has adopted a Resolution for consideration of annexation. He noted that this Resolution identifies the areas associated with the Vision 2020 study area as those most likely for consideration of annexation in the future. He added that the Resolution for Consideration does not define any specific areas for annexation but allows the City to continue the process of qualifying areas for potential annexation in the future.

Thereupon, Mr. Lewis made a motion to adopt a Resolution identifying the area described herein as being under consideration for annexation. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Lewis, Woodson, and Ms. Kluttz voted AYE. (5-0)

A RESOLUTION IDENTIFYING THE AREA DESCRIBED HEREIN AS BEING UNDER CONSIDERATION FOR ANNEXATION.

(The above resolution is recorded in full in Resolution Book No. 12, at Page No. 51, and is known as Resolution No. 2006-36.)

CULTIVATING CREATIVE COMMUNITIES CONFERENCE REPORT

Councilman Lewis stated he, Mr. Joe Morris, Planning and Community Development Director, and Mr. Randy Hemann, Executive Director of Downtown Salisbury, Inc., attended a conference for Cultivating Creative Communities. He pointed out that it was sponsored by Partners for Livable Communities, a non-profit leadership organization founded in 1977 that works to improve the livability in communities by promoting quality of life, economic development and social equity.
Mr. Lewis stated that the first step to cultivating a creative community is to understand social capital. He explained that social capital is a term that describes the level of connectedness, involvement and trustworthiness among people, and is the glue that keeps communities together. He added that without social capital, communities experience higher levels of crime, teenage pregnancy, child abuse and other negative behaviors and creates a community filled with mistrust and anxieties.

Mr. Lewis reviewed the four (4) main themes of the conference, and noted that these themes align with the City of Salisbury’s Vision 2020 Plan:

- Amenities
  - Small town character
  - Community appearance
  - Historic preservation
  - Downtown neighborhoods
  - Parks Recreation and Open Space
- Creativity
  - The Arts
  - Entertainment
  - Sports and Culture
- Equity
  - Public Safety
  - Housing
  - Economic Opportunity
  - Schools
  - Cultural Diversity and Acceptance
- Sustainability
  - Environmental Quality
  - Greenways
  - Fiscal Responsibility
  - Water and Sewer Services

Mr. Lewis reviewed ten (10) emphases to community building in order for a city to move forward which was presented at the conference by the Mayor of Riverside, California:

- Safe streets
- Good jobs
- Great neighborhoods
- Good downtown
- City of the arts. Mr. Lewis explained the arts are important to the cities identity, economic development and quality of life.
- High tech
- Inclusive community. Mr. Lewis stated that cities who embrace diversity will outpace those who do not. He added that multiculturism tends to focus on
tolerance of territories rather than creating relationships, while interculturalism recognizes that a network of diversity and interdependent cultures is a cauldron for organic creativity and innovation.

- Friendly community
- University connection
- Recreation choices

Mr. Lewis presented a major goal to fund a community building plan and suggested that Council discuss this goal at the Future Directions and Goal Setting Conference in February 2007:

- Fund A Community Building Plan
  - Establish a steering committee to oversee creation and implementation of the plan
  - Expand opportunities for intercultural relations based on established programs and new ideas, approaches and innovations
  - Link the elements of community identity including arts, historic preservation, entrepreneurship, environmental awareness and education.

Mr. Lewis stated that he feels this approach is something that Salisbury currently does and needs to continue. He reviewed a study given to the City of Kannapolis by the North Carolina Research Campus emphasizing what amenities Kannapolis has and what they need to do to prepare for the research campus. He pointed out that the priority issues of this study were to improve K-12 education; prepare the workforce; expand amenities; improve government services; promote smart growth and create a sense of growth; and embrace diversity. He indicated that these points could also apply to the City of Salisbury and Rowan County.

Councilman Kennedy stated that at the National League of Cities Conference emphasis was placed on recreational choices and that leaders must encourage citizens to play more.

Mayor Kluttz thanked Mr. Lewis for the presentation and added that she looks forward to discussing this further at the goal setting conference.

UPDATE REGARDING THE NEED AND SELECTION OF CUSTOMER RESOURCE MANAGEMENT, WORK ORDER MANAGEMENT AND FINANCIAL SOFTWARE

Mr. John Sofley, Management Services Director, reviewed the City’s software needs for today as well as the future. He stated that the current financial software was purchased in 1997 and has been found to have significant limitations. He noted that at the beginning of the current fiscal year, historic data had to be deleted before new data could be entered. He indicated that Council’s number one (1) goal at the 2006 Future Directions and Goal Setting Conference was to create a culture of excellent customer
service and pointed out that our current software system significantly limits the City’s ability to achieve this goal.

Mr. Sofley explained that the top rated need in the City’s last Five-Year Technology Strategic Plan dealt with reengineering by looking at business processes, process automation and how it is tied into the financial system. He said the plan stated that the City needs to install work order management and tracking software, customer resource management, and a financial system that is integrated with all other systems and is easy for staff to use. He indicated that a team consisting of nine (9) City employees was assembled to establish the requirements of an integrated work management and customer resource management software system. He introduced Mr. David Crout, a consultant who was hired to help prepare the request for proposals.

Mr. Crout stated that the team developed a comprehensive needs assessment and requirements definition of the specifications by department and division. He indicated that a request for proposals was prepared and distributed and that as a result the City received four proposals and presentations.

Mr. Sofley stated that the main components the team considered were work management and customer resource management as well as the financial backbone of the system. He indicated that it was the consensus of the team that Cogsdale Corporation was the top rated firm and could provide a fully integrated software package. He noted that the City of Salisbury is a Microsoft shop by running Microsoft applications and this software will compliment and utilize these existing assets already in-hand. Mr. Sofley reviewed the qualifications and experience of Cogsdale Corporation and noted they are a Microsoft Gold Partner and added that their hedgehog principal is “Systems without Boundaries.” He pointed out that their customer list includes: Orange County Water and Sewer Authority in Chapel Hill, North Carolina; City of Ellensburg, Washington; City of Cartersville, Georgia; City of Ann Arbor, Michigan; and the City of Neptune Beach, Florida.

Mr. Sofley informed Council that the actual software for the financial system is written by Microsoft, as well as the Customer Resource Management (CRM) portion of the software. The business office and work management software is written by Cogsdale. All software and the integration of the software is written to Microsoft standards and the City has been notified by Microsoft that they intend to assist with training and installation if the City moves forward. He added that Microsoft hopes that if Salisbury moves forward there is the hope that other units will follow and that is why they are willing to put resources into making the installation a success.

Mr. Sofley reviewed the three (3) phases of installation and the related costs:

- Phase 1 – Installation of financial backbone including customer web access and work orders and scheduling (for utility billing only)
  - Software cost - $325,170
  - Estimated installation fees 150,000
  - $475,170
• Phase 2 – Installation of human resources and payroll
  o Software cost      $ 35,050
  o Estimated installation fees      $ 49,760
  $  84,810

• Phase 3 – Installation of work management, work scheduling, customer service management
  o Software cost -   $  21,250
  o Estimated installation fees    $234,720
  $255,970

• Total estimated cost – all phases  $851,950

• Resources available for funding
  o Revenue Bond Issue   $500,000
  o Interest Earnings    $351,950

Mr. Sofley stated that the City has $500,000 available from the current Revenue Bond Issue to fund this cost with the balance being funded from interest earnings within the Fund. He added that the cost of paying for the debt service on $500,000 for this new bond issue will be split between the General Fund and the Water and Sewer Fund. Mr. Sofley indicated that the projected annual cost for the General Fund’s portion will be $36,406 over ten (10) years.

Mr. Sofley pointed out that the City’s return on the investment would be a fully integrated software package that includes replacement financials; human resources and asset management systems; work management system; GIS integration; and a customer resource management system. He added that a position was needed to manage the City’s web site, but the purchase of this new software will eliminate that need and enable him to reassign an existing programmer to work on the web site.

Mr. Matt Bernhardt, Assistant City Manager of Utilities, stated that this project is essential to the future direction of the Utility Department. He added that work management is becoming increasingly critical. As an example he displayed a card file system for the taps of the expanded utility system and noted that the taps are generated from work orders in a manual thirteen (13) step process.

Mr. Sofley stated that since the City does not have an automated software system, customer calls are handled by taking messages and sending emails which opens the opportunity for lost messages. He pointed out that the new software package will enable the City to track messages.

Ms. Merenda Overcash, Systems Analyst and Customer Service Design Team member, stated that she will be the project manager for the Customer Resource Management package. She indicated that this package is similar to the CAD system used by the Police Department and will route citizen requests and questions to the proper
individual or department without getting lost in the system. She pointed out that customers will be able to access the City through the phone, the City’s web site, email and direct contact. Ms. Overcash reviewed the tracking capabilities of the software package and concluded by stating that this system will provide excellent customer service to the citizens as well as City staff.

Mr. Sofley informed Council that Mr. Kevin Clancy and Mr. Jeff Wimmer from Cogsdale Corporation, along with Mr. David Walsh from Microsoft, are present to address any questions or issues Council may wish to discuss.

City Manager David Treme stated that the purpose of the presentation is to inform Council of the comprehensive approach prepared by City staff with the support of Microsoft and Cogsdale Corporation. He pointed out that staff has refined the proposals and is prepared to discuss them with Council when they are ready.

Mayor Pro Tem Woodson questioned the $351,950 interest earnings. Mr. Sofley explained that it is the anticipated interest earned from the Revenue Bond Funds that are not yet expended. He added that this interest will be earned over the next twenty-four (24) months.

Councilman Kennedy stated that the City recently had a citizen who complained to a local news station about a high water bill and asked if this new software system could prevent this type of problem. Mr. Sofley stated that the system would have given the City a much better tool for use in responding to this type of complaint. He added that it might not have prevented the citizen from contacting the news station but it would have given staff more and better information and the ability to respond more rapidly. Mr. Treme pointed out that he and Council have seen examples of improved customer service to the City’s citizens and noted that this system was designed by City employees to better serve the citizens.

Councilman Burgin stated that he feels there has been due diligence in the software selection process, but he is cautious of such a large investment and is not sure that the presentation tells the entire picture. He added that all City employees will have to receive training. He pointed out that he wants to feel confident that it is the proper system that will work for the City. He indicated that the system has to translate into performance and time savings. Mr. Sofley responded that the cost proposals do include employee training.

Mr. Treme stated that this is a growing city with growing services and instead of wasting time on a stand-alone system, this system will allow the City to be more effective and to make better use of the employees it has.

Mr. Burgin pointed out that he recognizes that there is a need for a system, he just wants to be sure that in the software market, this is the system that will work.
Mr. Treme stated that he feels confident that staff has presented an outstanding recommendation that addresses the City’s (Good-To-Great) hedgehog principal to create a culture of providing excellent customer service. Mr. Burgin indicated that he would like to see how the software works and suggested a visit to Chapel Hill to talk to those who use the system.

Councilman Lewis stated that he would like to see a ten (10) year cash flow and sources for repayment in order to weigh the costs versus the benefits.

Mayor Kluttz thanked staff for introducing the system to Council and for the excellent report.

COMMENTS FROM THE CITY MANAGER

(a) Planning Board

Council received the Planning Board recommendations and comments from the December 12, 2006 meeting.

(b) Fund Balance Comparisons

City Manager David Treme stated that he has Fund Balance comparisons of General Funds from other communities. He distributed the information to the Council for their review.

(c) Toyota

City Manager David Treme stated that he attended the Rowan County Commissioners December 18, 2006 meeting and it was announced that Toyota is doing due diligence on a site in Rowan County for a National Association of Stock Car Auto Racing (NASCAR) research and development facility. He explained that the site is located on eighty-nine (89) acres on Peach Orchard Road and will allow room for future NASCAR related development. He indicated that the facility will generate forty (40) jobs with an average salary of $70,000. Mr. Treme congratulated Mr. Randy Harrell, Executive Director of the Economic Development Commission, his staff and City Council and staff for their work to try to bring Toyota to Rowan County. He concluded by stating that this is very exciting and would be a blessing to our community.

PUBLIC COMMENT

Mayor Kluttz opened the floor for public comment.

There being no one to address City Council, Mayor Kluttz closed the public comment session.
MAYOR’S ANNOUNCEMENTS

(a) Salisbury Community Development Corporation Reception

Mayor Kluttz announced that the Salisbury Community Development Corporation (CDC) held a reception to recognize its partners where the City of Salisbury was presented with an award in appreciation for the City’s dedication, service and commitment to improving the quality of life for the citizens of Salisbury. She added that other partners recognized were the Robertson Family Foundation, who provided initial funding for the CDC; the North Carolina Housing Finance Agency; F & M Bank; Citizens South Bank; First Bank; KKA Architecture; Ramsey, Burgin & Smith Architects; the Department of Housing Urban Development (HUD); Butler Builders of North Carolina, Inc.; Adkins Home Inspections; Gary Sloan, Cloninger Ford-Toyota; Mr. Greg Edds, State Farm Insurance; Mr. Jack and Jackie Burke; Mr. Brent Snipes; Mr. Larry Chilton; Robinson and Associate Appraisers; Self-Help Credit Union; Rowan County United Way; Foundation for the Carolinas; Mr. Charles Putnam, Rowan-Cabarrus Community College; Mr. Pete Prunkl; and Mr. Darrell Blackwelder, North Carolina Cooperative Extension. Ms. Kluttz expressed her thanks to these organizations and individuals who volunteer so much to make houses available and more affordable to first time home owners.

(b) Community Choir Concert

Mayor Kluttz stated that a Community Choir Concert was held Sunday, December 17, 2006 and thanked Dr. Phillip Burgess, Choir Master for St. Luke’s Episcopal Church, for organizing the concert. She added that the concert included choirs from St. Luke’s Episcopal Church; Soldiers Memorial AME Zion Church; Crown and Glory Lutheran Church; First Calvary Baptist Church; Trinity Presbyterian Church; and Gethsemane Missionary Baptist Church. She noted that these are culturally diverse churches in the downtown area and complimented them for their outstanding performance and also for breaking down cultural barriers by creating friendships and relationships with each other. She announced that this group will hold another concert at Gethsemane Missionary Baptist Church on February 18, 2007. Mayor Kluttz congratulated Dr. Burgess along with Ms. Phyllis Partee, Ms. Ernestine Ingram, Reverend Dr. Grant Harrison from Soldiers Memorial AME Zion Church; and Ms. Teresa Moore-Mitchell for a successful concert.

(c) Holiday Wishes

Mayor Kluttz wished everyone Happy Holidays and a Happy New Year. She stated that Council looks forward to 2007 and making this community a better place.
Councilman Kennedy stated that he would like to add a comment relating to the Salisbury Community Development Corporation. He noted that over the last ten (10) years Salisbury has made great progress in providing housing to the citizens.

**ADJOURNMENT**

Motion to adjourn the meeting was made by Mr. Woodson, seconded by Mr. Lewis. All council members agreed unanimously to adjourn. The meeting was adjourned at 6:12 p.m.

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Mayor

____________________________________
City Clerk