

Salisbury, North Carolina
February 10-11, 2011

The City Council of the City of Salisbury met in special session at the Rowan Museum, 202 North Main Street, and in Council Chambers at City Hall, 217 South Main Street, Thursday and Friday, February 10-11, 2011 for the 26th Annual Future Directions and Goal Setting Retreat with the following members being present and absent:

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem Maggie A. Blackwell, Councilmen William (Pete) Kennedy, William Brian Miller, and Paul B. Woodson, Jr.; City Manager David W. Treme; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: None.

The meeting was called to order at 8:15 a.m. in the Rowan Museum, 202 North Main Street by Mayor Kluttz. The invocation was given by City Manager David Treme.

Staff present was:

| | |
|------------------|--------------------------------------|
| Jim Behmer | Utilities Director |
| Tony Cinquemani | Public Services Director |
| Rory Collins | Police Chief |
| Mike Crowell | Broadband Services Director |
| Zack Kyle | Human Resources Director |
| Dan Mikkelson | Engineering & Dev. Services Director |
| Randall Moran | Information Technology Manager |
| Joe Morris | Community Planning Services Director |
| Doug Paris | Assistant City Manager |
| Robert Parnell | Fire Chief |
| John Sofley | Management Services Director |
| Gail Elder White | Parks and Recreation Director |
| Karen Wilkinson | Public Information & Comm. Manager |

OPENING REMARKS

City Manager David Treme introduced the theme of the 26th Annual Future Directions and Goal Setting Retreat as “Realizing our Community’s Potential in this New Economy.” He presented each member of Council with a spyglass, and discussed taking actions in faith, even when the results are unseen. He noted Council is looking to provide the best for the community, even when it cannot clearly see the future.

JOINT TOURISM REPORT

Community Planning Services Director Joe Morris, Salisbury Tourism and Cultural Development Commission (STCDC) Chairman Mark Lewis, and Rowan County Convention and Visitors Bureau (CVB) Executive Director James Meacham, and Rowan CVB Chair Michelle Patterson presented Council with a joint tourism report from the STCDC and Rowan CVB.

Mr. Meacham indicated although there are two Tourism Development Boards in the County, they have only one purpose which is to promote economic growth through visitors. He noted tourism increases jobs, economic development, supports local businesses, community organizations, improves the quality of life and reduces the local tax burden.

Mr. Meacham reviewed data with Council:

Tourism Today: Economic Impact:

- 1,210 Rowan County jobs directly attributed to the local tourism economy
 - Annual payroll of \$20.6 million
- Annual impact of \$118 million
- Generates \$10.6 million in State and Local taxes
- Hotel market saw annual revenue grow 5.4% for FY08-09 to FY09-10
- Sales and occupancy tax revenue from overnight visitors has increased for 14 straight months
- Tourism economy in Rowan County grew 2% in 2009, one of only six North Carolina counties to witness growth

Local Tourism History:

- Official tourism destination marketing first started in Rowan County in 1989
 - Occupancy tax first enacted
 - Rowan County Tourism Development Authority (TDA) formed
- Moved into Downtown Visitors Center at the Gateway Building in 2000
- Created Salisbury-Spencer Trolley Works in 2003
- Began booking and securing events for Rowan County Fairground in 2007

- Developed Salisbury-Rowan County Authentic North Carolina brand in 2008
- Fall of 2009 North Carolina General Assembly authorized the City of Salisbury to enact a City occupancy tax and form the Salisbury Tourism Development Authority
- Fall 2010 Salisbury TDA and Rowan County TDA formed a Marketing Partnership
 - Established a Joint Tourism Marketing Committee (JTMC) charged with all destination marketing

Tourism Development Authority Background:

- Rowan County TDA is governed by an 11-member Board of Directors appointed by Rowan County Commissioners
 - Includes hoteliers, attractions, business representatives, elected officials, and members-at-large
- Salisbury TDA is governed by a 9-member Board of Directors appointed by Salisbury City Council
 - Includes hoteliers, attractions, business representatives, elected officials, and members-at-large

Mr. Meacham indicated “Destination Marketing” is a continuous sequential process through which destination managers plan, research, implement, control and evaluate activities designed to satisfy both visitors needs and wants, and the organization’s goals and objectives for the tourist destination.

Mr. Meacham explained the Tourism Authority Functions:

- Serves as the lead organizations for destination marketing and tourism development
- Promote tourism and support tourism businesses, activities and events
- Invest capital funds into tourism development projects
- Manage tourism sites and attractions (Trolley Works, Visitor Center, Fairgrounds)
- Provide support services for visitors
- Advocate the importance of tourism as economic development
- Represent the needs of tourism-related businesses and organizations

Trolley:

- From July 1, 2010 to January 1, 2011 Trolley ridership of 6,418
- 32% increase from 2009-2010
- Launched new tours
- Highest ridership ever

Joint Tourism Marketing Committee:

- JTMC is comprised of a 10-members Leadership Committee, with five members appointed by the Rowan County TDA and five members by the Salisbury TDA
- All Rowan County TDA funds must be spent on marketing, supporting tourism events, and/or administrative costs
- The Salisbury TDA must spend at least 2/3 of its funds on marketing and promotion, and may spend up to 1/3 of its funds on tourism development projects

Joint Tourism Marketing:

- Four Key areas of focus:
 - General Destination Marketing
 - Point-of-Service Marketing
 - Grants/Marketing Support
 - Group Recruitment/Sponsorship
- General Destination Marketing Programs
 - North Carolina Cooperative Campaign
 - Holiday Marketing
 - Interstate Billboards
 - www.visitsalisburync.com
 - www.facebook.com/SalisburyNC
 - Hospitality Happenings Newsletter
 - Tourism Event Promotion
- North Carolina Cooperative Campaign (www.visitnc.com)
 - 17 featured event listings have reached 15,052 visitors since April 2010
 - 433 brochures have been downloaded since May 2010
 - Sweepstakes entries 16,051
 - Thomas the Train – 7,288
 - Holiday Shopping Giveaway – 8,793
 - Marketing leads from 7 publications – 16,620
 - 13 publications will release in the Spring of 2011 that will circulate to over 3 million subscribers
- Holiday Campaign Marketing
 - Television spots (942)
 - Radio spots (764)
 - Online banner ads
 - Billboard ads
 - Holiday events flyer
 - Kiosks
 - Promotional sweepstakes:
 - Facebook
 - VISITNC.COM
 - Website
- Winter/Holiday Marketing Campaign Statistics

- 8,793 Sweepstakes registrants
 - 1,562 landing page form entries
 - 3,094 Facebook entries
 - 4,137 VisitNC.com entries
- Point-of-Service Marketing
 - Visitor Center
 - Salisbury-Spencer Trolley Works
 - Kiosk Program
 - Annual Visitor Guide
 - Distributed over 35,000 visitor guides in the last 8 months
 - Maps, local tourism brochures, toll-free visitor line
- Grants/Marketing Support
 - Historic Salisbury Foundation
 - OctoberTour 2010
 - Salisbury-Rowan Symphony Society
 - Nutcracker
 - Seasonal Visitor-based Marketing
 - Salisbury Public Art Committee
 - 2011 Salisbury Sculpture Show
- Group Recruitment/Sponsorship
 - Hotel Group Recruitment Tool
 - Fishing Tournaments
 - Southern Crappie Tournament Trail
 - FLW Bass Fishing League
 - Fishers of Men East Regional Championship
 - Tilley Harley-Davidson Biker Blues and BBQ
 - 2012 Democratic National Convention
 - 2012 and 2013 Regional and National Gymnastics
 - Potential for 5,000 hotel room bookings
 - \$500,000 in new hotel revenue and \$2 million in new visitor spending

Visitors Statistics:

- July 1, 2010 – January 1, 2011 Visitor inquiries:
 - Phone and email 2,799
 - Marketing generated 16,620
 - 86% change from 2009-2010
- July 1, 2010 – January 1, 2011 website:
 - Unique visitors 70,135
 - 36% change from 2009-2010
- July 1, 2010 – January 1, 2011 hotel market revenue:
 - \$4,487,256
 - 4.1% change from 2009-2010

Destination Development Committee

- Wayfinding Signage System
 - Attractions
 - Key points of interest
 - Improve Visitor Navigation
 - Better identification of parking
 - Stronger sense of place
- 2011 Sculpture Show

Tourism Industry Master Plan Overview:

- Comprehensive 5-10 year Marketing and Development Plan to develop a road map for future tourism marketing and development
- Areas of Focus:
 - Marketing
 - Capital Investment
 - Product Development
 - Attraction/Business Recruitment and Development
 - Visitor Assessment and Needs
 - Tourism Partner Assessment and Needs
 - Role of the Convention and Visitors Bureau

Mr. Buzz Bizzell, Consultant, presented the Joint Tourism Marketing Committee's wayfinding signage proposal. He reviewed the styles of signs, their locations and their purpose. Mayor Pro Tem Blackwell asked about the construction materials for the signs, and noted the City of Asheville erected signs that began to peel. Mr. Bizzelle stated the proposed signs for Salisbury would not contain vinyl film, which was the issue with the Asheville signs. He noted the photographs are printed directly into the metal, and the only vinyl will be for the lettering.

Council indicated its pleasure with the success of the partnership between the City and County Tourism Authorities. Mayor Kluttz thanked Mr. Lewis and Mr. Bill Burgin who championed the Salisbury Tourism Development Authority while on Council, and who now serve as the Chair and Vice-Chair for the TDA. She noted Council is very excited to see the partnership working so well.

DOWNTOWN SALISBURY INC. – YEAR IN REVIEW

Ms. Paula Bohland, Downtown Salisbury, Inc. (DSI) Chair, and Mr. Randy Hemann, DSI Executive Director, presented a 30-year review of Downtown Salisbury, Inc. Ms. Bohland noted there has been over \$111 million in investment since 1980, with a net gain of over 1,000 new jobs, and with over 280 facades being redone. Ms. Bohland displayed photographs of the downtown from the 60s, 70, 80s, 90s and today. She pointed out buildings that were saved such as The Centennial Building, Kluttz Drug Store, 130 West Innes Street, Security Bank and Trust Building, 123 Center Court, Elizabeth Court, The Plaza, Salisbury Post, and Stitchin' Post. She stated the newer

restorations include 111 East Innes Street, the Cheerwine Building, Robertson Eastern Gateway Park, East Council Place, 205 East Council Street, Doran, Shelby, Pethel and Hudson Building, 2010-214 East Innes Street, the Gateway Building, F&M Bank and Trolley Barn, WaterWorks Visual Arts Center, Rowan Museum, 225-227 North Main Street, and the Washington Building.

Mr. Bohland noted the 2010 Master Plan was recently completed and reviewed several components of the Plan:

- Downtown Salisbury, Inc. Revolving Fund
 - 10 Buildings
 - 10 Businesses
 - 53 Permanent jobs
 - 8 residences
 - Over \$2.7 million invested
 - Spurred additional investment

Ms. Bohland pointed out the DSI Revolving Fund was used to begin the Empire Hotel Project in July 2007:

- Purchased through a gift sale
- Eight bank loan pool/donations
- Appraised at \$1.8 million
- Listed at \$1.5 million or approximately \$15.00 per square foot

Ms. Bohland reviewed the development chronology for the Empire Hotel:

- Task Force Chaired by Brian Miller
- Master list of developers – more than 80 packages
- Ad in National Trust Preservation Magazine
- 12+ site visits/7 submitted qualifications
- Narrowed to 4 for interviews in May 2008
- Development Agreement/Due Diligence
- Economy Faltered
- Gearing up for new solicitation
- Gearing up for Revolving Fund Support
- Wishneff Associates

Mr. Hemman reviewed the Innes Street Corridor Plan and recommendations from the Innes Street Task Force:

- Narrower lanes, turn lanes, pedestrian crossings
- Next Steps
 - Real life example
 - Task Force fine tuning of proposal

Mr. Hemann discussed On-Street Parking Enforcement:

- The issue – approximately 25 people who work downtown and park on the street everyday
- 25 spaces x \$250 a day in sales x 5 days a week equals \$1,625,000 a year in lost sales
- The proposal – suggested revisions to the parking ordinance to insure on street spaces are available for use by customers of downtown businesses
- The solutions
 - Late fees
 - Repeat offender Ordinance
 - Revise Collection Procedures/Operations
- The Cost
 - \$15,000 Computer System
 - \$1,750 Annual Maintenance
 - Merchant volunteered to raise \$7,500 (half of the cost of the computer system) if the City will fund the other half

Mr. Hemann noted work on the Wallace Parking Lot:

- Task Force
 - Wallace Family
 - City
 - DSI (Paul Fisher, Greg Shields)
 - Private Use/Public Use
 - Design, Costs
 - Public Private Partnership
 - Renovated/attractive lot
 - Support Norvell Theater/Fisher Street Entertainment District
 - Structure of Agreement
 - Long –term City lease
 - Wallace ownership with incentives tied to continued public use at night

Mr. Hemann reviewed Streetscape Needs:

- 2010 – two parking lots
 - City Hall lot
 - Central City lot – North Carolina Main Street Recognition
- 2010 Master Plan
- Tied to Development/Grants
- Incremental/sustained approach
 - Repairs versus New
 - Tree Replacement

- Quality of overall maintenance
- Stakeholders/Strategy Meeting
- Lee Street/Railwalk area
 - Overhead power lines completed
 - Sidewalk work remains
- Railwalk – Our incubator for the new economy
 - Area jobs in 2006 – 30
 - Area jobs in 2011 – 72 (including 7 new jobs paying \$60,000+ a year)
 - Total projected jobs – 160 ±
 - Investment to date - \$2.75 million
 - Total Projected Investment - \$7-\$10 million
 - Integro
 - Light Sensing Technology for Quality Control
 - 7 new jobs
 - (\$60,000+ per year salaries)
 - Fortune 500 traffic
- November of 2010 to January 2011 – visits to the Integro Office on Lee Street by many top national companies

Mr. Hemann indicated downtown investment has resulted in a payback in retail sales, and he pointed out Salisbury is ranked third in the State of North Carolina for retail sales per capita, behind Asheville and Wilmington. He noted examples of how the payback benefits the City:

- Strip shopping center - \$580,000 per acre
- Urban House (Fulton Heights) - \$1,008 per acre
- Suburban House (Neel Estates) - \$122,000 per acre
- Lake House (High Rock Waterfront) - \$404, 000 per acre
- Downtown Salisbury - \$1,022,000 per acre

Mr. Hemann stated an acre of land in Downtown Salisbury generates \$12,110 in City and County taxes, which is almost twice as much as a strip shopping center.

Mr. Hemann announced Salisbury won three awards at the 2010 Main Street Awards, with the Downtown Ghost Walk/Friday Night Out winning Best Event Series; the Norvell Theater winning Best Adaptive Reuse; and Councilman Brian Miller winning the Main Street Champion Award.

Mayor Kluttz thanked Ms. Bohland for her leadership, and noted it is exciting to see the success of the public and private partnerships. She commented the City is very fortunate to have Mr. Hemann as the DSI Director, and she pointed out he is also President of the North Carolina Downtown Association.

Mayor Kluttz congratulated Mr. Miller and thanked him for his work to improve the downtown.

NEIGHBORHOODS AND PRESERVATION

Community Planning Services Director Joe Morris indicated updates and reports will be presented from the Advisory Committee on Better Housing and Neighborhood Stabilization, the Historic Preservation Master Plan Committee, and the Dixonville Cemetery Task Force.

Advisory Committee for Better Housing and Neighborhood Stabilization

Mr. Morris presented an interim report from the Advisory Committee on Better Housing and Neighborhood Stabilization. He noted the Committee was developed from Outcome 2 of Council's Goals, to improve neighborhoods and safety for all areas of the City. He noted Goal 4 of that Outcome was to create a Task Force to pursue a Better Housing Commission. He then reviewed how these Goals were addressed:

- First Steps
 - Resolution of Legislative Intent adopted by Council October 5, 2010
 - Committee appointed November 11, 2010
- Committee Members
 - Lou Manning and Nathan Chambers – Co-Chairs
 - Garth Birdsey, Burt Brinson, Ollie Mae Carroll, Greta Connor, Kyna Foster, Eddie Hampton, Mimi Howard, Calvin Turner, Dan Waggoner, Norde Wilson
- City Staff
 - Lynn Raker, Janet Gapen, Chris Branham, Trey Cleaton, Colleen Murtaugh, Joe Morris
- Activities to Date
 - Four committee meetings
 - Five topical presentations (Current Conditions, Neighborhood Mapping, Street Crimes Unit, Block Works Program, Preservation and Housing)
 - Staff visit to Greensboro Minimum Housing Commission
 - Preliminary Discussion on the range of topics
- Future Activities
 - Public Forum – Joint meeting with Neighborhood Leaders Alliance, February 24, 2011
 - Discussion and refinement of recommendations
 - Formal report to City Council
 - Public Hearing
 - Council deliberation

Historic Preservation Master Plan

Mr. Aaron Arnett, Consultant with Arnett Muldrew Associates, presented an update regarding the Historic Preservation Master Plan. Mr. Arnett reviewed the process for developing the Master Plan:

- Stakeholder/Public Input
 - One-on-ones – November 29-30, 2010, December 14-15, 2010
 - Follow-up (ongoing)
 - Public Kickoff – November 30, 2010
- Advisory Committee
 - Initial Meeting – November 29, 2010
 - Visioning Meeting – January 5, 2011
 - Strategic Assessment Workshop – February 9, 2011
 - Draft Plan work session – April 13, 2011
- Background Review
 - Districts and Neighborhoods
 - Preservation Toolbox
 - Current efforts of City and Preservation Partners

Mr. Arnett reviewed the Preservation Vision Statement and the Emerging Themes:

- Administrative
 - Enforcement
 - Historic Preservation Commission
 - Guidelines and Codes
 - Sustainability of programming
- Community Character
 - Neighborhood livability
 - Public realm and infrastructure
 - Interpretive
- Outreach and Education
 - Awareness – value, programming, HPC, partners
 - Outreach tools
- Historic Resources
 - Ongoing and updated inventories
 - Identify threatened properties and proactively pursue protection
 - Building types and institutions
 - Protection and stabilization of neighborhood edges and gaps
- Partnerships
 - Inclusive Plan
 - Consolidated vision
 - Clearly defined roles
 - Neighborhoods and organization

Dixonville Cemetery

Senior Planner Janet Gapen noted Council Outcome 2, Goal 5 is to develop a fundraising plan in partnership with the Dixonville Cemetery Task Force. She updated Council regarding the Outcome and Goal:

- Resolution of Intent – Adopted August 17, 2010
- Elements
 - Visioning
 - Public input
 - Oral history
 - Conceptual design
 - Prioritization/Phasing
 - Fundraising/Grants
 - Installation

Dixonville Cemetery Task Force Summary:

- Committee meetings ongoing
- Public Visioning Workshop – August 2010
- Receiving Design Assistance – Perry Howard, FASLA, N.C. A&T State University
- Subject of Landscape Architect Studio – Fall Semester, N.C. A&T State University
- Currently in conceptual design phase
- Additional public input as Plan evolves
- Oral history event to be held in Spring 2011

Mr. Perry Howard described the conceptual design for the memorial project. He indicated after reviewing the Lincoln Park Conceptual Master Plan and its phases, a larger conceptual design needs to be created given Lincoln Park's proximity to Dixonville Cemetery.

Mayor Pro Tem Blackwell asked Mr. Morris how many more meetings of the Advisory Committee for Better Housing are anticipated to be held. Mr. Morris indicated the number has not been determined, and will be dependent upon the amount of information received during the public forum February 24, 2011. He stated the Committee will review the information as it makes its recommendations to Council.

Councilman Kennedy noted Mr. Morris and Mr. Branham visited the Greensboro Housing Commission, and asked if any other Commissions were visited. Mr. Morris indicated Greensboro is recognized as the most effective and efficient Commission in the State of North Carolina, and staff felt it would be the best to visit and view.

Mayor Kluttz indicated she appreciates the updates and reports from these three very important Committees.

COUNCIL DISCUSSION

Facilitator Warren Miller asked Council to share those ideas that resonated with Council from the morning presentations. The ideas included partnerships, citizen involvement, community pride, economic development, Lee Street sidewalk improvements and sidewalk maintenance. Council requested information regarding the payment-in-lieu program for sidewalk to include the balance of funds available in the program. Council also added a left-turn at the square, Innes Street corridor, parking ordinance/repeat offender, support of Railwalk, Dixonville Small area plan, reaction to wayfinding signage, Housing (addressing those who do not comply rather than setting up a system to punish all), and working on City/County relationship as ideas they would like to address as Goals are discussed.

RECESS

Mayor Kluttz asked for a motion to recess the meeting until 12:00 Noon in Council Chambers in City Hall, 217 South Main Street, Salisbury, North Carolina.

Thereupon, Mr. Woodson made a **motion** to recess the meeting until 12:00 Noon in Council Chambers in City Hall. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Blackwell and Kluttz voted AYE. (5-0)

LUNCHEON – THE CAROLINAS ECONOMIC FORECAST

Community Planning Services Director Joe Morris introduced Dr. John Connaughton, Ph.D., professor of Economics at the University of North Carolina at Charlotte. Dr. Connaughton discussed the economic forecast for North Carolina. He discussed the magnitude of the current recession, which began in 2008-2009, and the loss of jobs, particularly in the construction and housing industry. Dr. Connaughton noted as the recovery begins, jobs are being added, but in sectors where those that lost their job are not qualified or trained to work, and at a much slower rate. Dr. Connaughton indicated the recovery has begun, but it will be several years before the recession ends.

Mayor Kluttz thanked Dr. Connaughton for his presentation, and noted the points he made will be taken into consideration by Council during its budget process.

RECESS

Mayor Kluttz asked for a motion to recess the meeting until 1:30 p.m. at the Rowan Museum, 202 North Main Street.

Thereupon, Mr. Miller made a **motion** to recess the meeting until 1:30 p.m. at the Rowan Museum, 202 North Main Street. Mr. Woodson seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Blackwell and Kluttz voted AYE. (5-0)

PARK MAINTENANCE STRATEGIC PLAN

Parks and Recreation Maintenance Manager Stephen Brown, Supervisor Chris Shuping, Supervisor Brad Gorman and Supervisor Robbie Cochran presented the Parks and Recreation Maintenance Operations Strategic Plan to Council.

Vision 1 – Ensure our parks are maintained at the highest level

- Goal 1.1 – maintain a well educated and licensed staff
 - Action:
 - Attend workshops and training to obtain Continuing Education Units for our Parks and Recreation Maintenance staff
 - Justify budget and maintain financial support for licenses, training and travel
- Goal 1.2 – Use proper horticultural practices to maintain the grounds of our parks and facilities
 - Action:
 - Budget for staff and the practice of Intergraded Pest Management to maintain our valuable trees and planting areas
 - Budget for staff and materials to maintain our lawns and playing fields
- Goal 1.3 – Maintain the quality of Parks and Recreation facilities
 - Action:
 - Budget for experienced Parks and Recreation facilities Maintenance staff
 - Budget for materials needed to maintain our facilities
- Goal 1.4 – Greenway maintenance
 - Action:
 - Budget for experienced Greenway maintenance staff
 - Budget for materials needed to maintain our Greenway
 - Work with GIS to map additional sections of the Salisbury Greenway
- Goal 1.5 – Work with Fleet to maintain Parks and Recreation equipment
 - Action:
 - Turn equipment into Fleet when scheduled for service
 - Justify replacements for old equipment and rotate high mileage units out of service

Vision 2 – Salisbury Greenway acquisition and construction of Phase 3

- Goal 2.1 – Acquire additional land for the Salisbury Greenway through easements and donations
 - Action:
 - Budget for additional phases

- Raise funds through donations and sponsorships to complete additional phases
- Apply for grants from various groups, companies and organizations in order to complete additional phases

Vision 3 – Complete Salisbury Community Park

- Goal 3.1 – Divide Master Plan into individual workable projects
 - Action:
 - Build office/shop, storage and garage space for staff, materials and equipment
 - Develop the area for amphitheater, including parking and restroom facilities
 - Build softball complex, including parking and restroom facilities as shown on Master Plan

Vision 4 – Complete Salisbury Civic Center and Lincoln Park

- Goal 4.1 – Complete project phases as described in our current Master Plan
 - Action:
 - Budget for expansion of Civic Center and Lincoln Park using Capital funds
 - Raise funds through donations and sponsorships to complete individual projects
 - Apply for grants from various groups, companies and organizations

Vision 5 – Coordinate our Maintenance Division with the 10-Year Parks and Recreation Department Comprehensive Master Plan

- Goal 5.1 – Set Goals
 - Action:
 - Select projects from the Master Plan and set achievable and reachable goals to complete
 - Work on timeline to achieve project goals
- Goal 5.2 – Continue to complete project phases as described in our current Master Plan
 - Action:
 - Justify and complete projects using Capital Project funds and the department budget
 - Raise funds through donations and sponsorships to complete individual projects
 - Apply for grants from various groups, companies and organizations

Mayor Kluttz thanked Mr. Brown and the Parks and Recreation Maintenance staff for their presentation. She noted the work done by the staff is quite impressive.

STORMWATER IN NC – LOOKING FORWARD

Ms. Erin Wynia, Policy Analyst with the North Carolina League of Municipalities, addressed Council regarding stormwater regulations in North Carolina. She presented the information as “Stormwater Jeopardy,” where she defined the various terms related to stormwater regulations, and the State and Federal agencies governing them. She explained the Environmental Protection Agency regulates stormwater discharges through the National Pollutant Discharge Elimination System (NPDES) permitting program. She described the permitting process in North Carolina, and noted North Carolina is currently undergoing a renewal cycle for the majority of Phase II permits, which were originally issued in 2005. Ms. Wynia indicated the EPA is considering new rules that would impact NPDES permit terms, and stated the rules are expected to be announced fall 2011.

City Manager David Treme asked what the practical implications of the stormwater regulations are for a community with no stormwater fee. Ms. Wynia stated the State of North Carolina wants to see the City is taking steps, and is doing its best to address the permitting regulations.

Mayor Kluttz thanked Ms. Wynia for presenting this technical information in an interesting way.

DISCUSSION

Facilitator Warren Miller led Council in a discussion regarding the issues discussed during the day’s presentations. Council discussed the budget presentation from the luncheon, and noted the business service and technology sector is one of the few sectors in the economy that is growing. Councilman Miller indicated it is important to leverage Fibrant as an asset, because broadband is the infrastructure for the future. Mayor Kluttz commented the news presented during the economic forecast was not good, but is the reality.

Councilman Kennedy noted Council has worked to maintain employees, but it has to reduce expenses and cannot continue to expand.

Councilman Miller indicated many of the community goals are less likely to happen based on the financial forecast, and suggested looking at how the City’s debt is structured to see if improvements can be funded because the expense will only increase in the future.

City Manager David Treme informed Council the revaluation proposed by the Rowan County Board of Commissioners may have an impact on the City’s citizens. He stated if the values are reduced, it would actually require a tax increase to remain tax neutral. He stated he felt a responsibility to let citizens know how they will be impacted if the revaluation takes place.

Councilman Miller stated there is more pressure on home prices, and the shift in values will place a greater burden on the lower priced properties, which are those least able to take on the burden.

Mr. Treme commented he sees revaluation and stormwater regulations as definite impacts on the budget next year. He noted Tax Assessor Jerry Rowland will be making a presentation to Council regarding the revaluation at its February 15, 2011 meeting.

Mayor Pro Tem Blackwell stated it appears the items impacting the budget will be revaluation, stormwater and rising fuel prices. Mr. Miller noted the State budget could also have an impact on the City's budget.

Mayor Kluttz commented the information Council has received assists Council to be more realistic about its goals. She noted there are many wonderful things Council would love to do for the City, but cannot afford to do right now.

RECESS

Mayor Kluttz asked for a motion to recess the meeting until 8:55 a.m., Thursday February 11, 2011 at the Rowan Museum, 202 North Main Street.

Thereupon, Mr. Woodson made a **motion** to recess the meeting until 8:55 a.m. at the Rowan Museum, 202 North Main Street. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Blackwell and Kluttz voted AYE. (5-0)

CALL TO ORDER

Mayor Kluttz called the meeting to order at 8:55 a.m. City Manager David Treme provided the invocation.

Ms. Kay Hirst, Director of the Rowan Museum, thanked Council for holding its Retreat at the Museum and for their continued support. She then presented a Rowan Museum t-shirt to each Council member.

SERVICE EXCELLENCE

Mr. Joe Eagle, Human Resources Analyst, updated Council on accomplishments during the past year regarding Council's goal of creating a culture of excellent customer service throughout the City organization. Mr. Eagle indicated members of the Customer Service Design Team and the Management Team have worked together to determine integration of Customer Service into the City's operating procedures. Battalion Chief Chris Kepley presented ideas for ongoing customer service training for employees;

Sanitation Supervisor Brian Moore presented best practices for customer service; Utilities Director Jim Behmer presented ideas for ongoing customer service design team participation; and Merenda Overcash presented incorporating customer service into key city processes. It was noted that customer service is now included in job advertisements, the interview process, and in the evaluation process.

Mayor Kluttz thanked Mr. Eagle and members of the Customer Service Design Team and Management Team for the update on Customer Service. She noted quite a bit has happened throughout the year and the efforts are definitely working.

THE FUTURE OF TELEVISION

Director of Broadband Mike Crowell introduced Mr. Doug Wills, Vice-President of Marketing and Business for Minerva. Mr. Wills discussed broadband television, and noted 500 million people worldwide use it. He stated in the next five years all televisions will have some Internet Protocol (IP) component. He discussed the differences between Radio Frequency (RF) television and IP television. He noted RF television is what has been used for the past 40 years to broadcast television, but it is not efficient, provides less flexibility and is expensive. He added IP television allows the unification of various networks including data, telephone and video. Mr. Wills stated IP television provides more for citizens and allows room to grow and expand. He noted the City's installation of its fiber infrastructure was very forward thinking, and an infrastructure has been put in place that will serve future needs for years to come.

Councilman Miller asked Mr. Wills to compare the difference between a wireless network and a hard fiber infrastructure. Mr. Wills stated wireless networks have limited success because they cannot offer the same features, and are very limited. He noted wireless networks can provide some IP television experience, but only about 10% of what is available through fiber. Mr. Crowell pointed out Fibrant currently has 462 channels, which could not be offered through a wireless network because the bandwidth is not available.

Councilman Kennedy stated he has been reappointed to the Information Technology Committee for the National League of Cities, which has been on the forefront of broadband. He noted he has been instrumental in bringing fiber to the City and is excited about its future.

Mayor Kluttz thanked Mr. Wills for his presentation, and noted Council is very excited about the future with broadband.

COUNCIL DISCUSSION

Facilitator Warren Miller led Council in a discussion regarding issues that have been presented during the retreat.

Councilman Miller noted the discussion regarding revaluation and the pressure that will be placed on lower valued homes. He noted Council is faced with budget issues and the levels of service citizens expect, versus what the City can provide within budget.

Councilman Kennedy noted the City provides a high level of service through Salisbury-Rowan Utilities and Public Services, and he hopes Fibrant can maintain the same high level to keep citizens satisfied.

Mr. Miller commented he is pleased customer service has been integrated into the hiring process, and he encouraged staff to continue to seek feedback from citizens.

Councilman Woodson stated he thinks the City is ahead of the curve with Fibrant, and its broadband infrastructure. Mayor Kluttz added Mr. Wills' presentation reinforced the fact Council made the right decision to build the broadband infrastructure.

Mayor Pro Tem Blackwell commented after hearing the economic forecast, it is apparent pursuing partnerships is more important than ever. She noted it is important to leverage the City's assets in this stringent economy.

Mr. Miller stated the City has Fibrant, and Salisbury-Rowan Utilities with excess capacity, and it is important to leverage these assets to their fullest extent to increase the tax base.

RECESS

Mayor Kluttz asked for a motion to recess the meeting until 12:00 Noon in Council Chambers in City Hall, 217 South Main Street, Salisbury, North Carolina.

Thereupon, Mr. Woodson made a **motion** to recess the meeting until 12:00 Noon in Council Chambers in City Hall. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Blackwell and Kluttz voted AYE. (5-0)

LUNCHEON – “ECONOMIC IMPACT OF BROADBAND”

Mayor Kluttz introduced Mr. Craig Settles, author of “Fighting the Next Good Fight—Bringing True Broadband to your Community.” Mr. Settles discussed the importance of broadband for the future. He discussed the broadband as an economic development tool, and its impact to attract and retain business. He compared the speed requirements for businesses, and the speeds that could be offered from a wireless network versus a fiber network. Mr. Settles encouraged the City to use its fiber infrastructure as an economic development tool, and to join with the business community in its marketing.

Mayor Kluttz thanked Mr. Settles for offering a national prospective on

broadband. She noted Salisbury has an outstanding broadband network that belongs to the community, and added by working together it will be successful.

RECESS

Mayor Kluttz asked for a motion to recess the meeting until 1:45 p.m. at the Rowan Museum, 202 North Main Street.

Thereupon Mr. Miller made a **motion** to recess the meeting until 1:45 p.m. at the Rowan Museum, 202 North Main Street. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Blackwell and Kluttz voted AYE. (5-0)

BUDGET ECONOMICS

Mayor Kluttz called the meeting to order at 1:45 p.m.

Mr. John Sofley, Management Services Director, and Ms. Teresa Harris, Budget and Performance Management Manager, led a discussion with Council regarding fiscal conditions for the City.

Mr. Sofley informed Council he anticipates a \$2.7 million gap between revenues and expenditures at the current service levels. He stated retirement and health insurance costs are increasing, which must be covered. He noted the current budget was balanced by freezing vacant positions, but if these positions were to be filled it could add an additional \$300,000.

Ms. Harris indicated the increases for the upcoming budget include mandatory retirement contribution increase to .53%, health insurance projected increase, \$300,000 rolling freeze to cover gap for FY2011, increases in gas, oil and utilities, new Salisbury Customer Service Center operational costs, Fisher Street bridge pairs estimated at \$303,000, and a \$1.1 million increase for roofs, HVAC, and building needs. She noted if no capital is funded, there is still a projected gap of approximately \$1.5 million.

Mr. Treme assured Council staff will have a plan in place to address these shortages, and present a balanced budget during the budget process.

REVIEW GOALS AND OUTCOMES 2010-2011

Assistant City Manager Doug Paris reviewed the current FY2010-2011 Goals and Outcomes and noted the status of each goal. Council discussed changes to the existing goals, and those goals that are complete.

REFLECTION AND DEVELOPMENT OF A ONE-YEAR TACTICAL PLAN

Facilitator Warren Miller led Council through a discussion of those items or new ideas they would like to pursue.

Council discussed ideas they would like to add to the Goals and Outcomes, and modifications for existing goals to include:

- Developing an economic development strategy to market community assets
- Reassess and update the Vision 2020 Plan
- Explore the option for left-turns at the square
- Study and support the DSI Innes Street Corridor Plan
- Complete the Historic Preservation Master Plan.

Mr. Miller asked Council to determine tactical goals from the existing list of goals or new ideas that it would like to see addressed during the upcoming year. The areas noted by Council for the one-year tactical plan included:

1. Continue partnering with Rowan County and municipalities in order to promote the importance of reading among youth and explore strategies to reach at-risk youth
2. Develop a marketing plan for the community's assets (Fibrant, Salisbury-Rowan Utilities)
3. Implement the Fiber To The Home business plan
4. Implement Phase 1 of the Master Plan for Lincoln Park
5. Meet with Rowan County Commissioners to identify partnership opportunities which would be mutually beneficial
6. Support DSI efforts regarding left-turns at the square

By consensus, Council agreed to add the noted goals to its one-year tactical plan. City Manager David Treme indicated he will refine and incorporate the updated Goals and Outcomes, and bring them back to Council for adoption.

Councilman Miller commented he is impressed with the collaboration between the City departments, and he feels it is a great organization.

Councilman Kennedy stated even with the economy, the City is at a good point by having Fibrant. He added he thinks the broadband network will help the City create jobs and bring in business. He thanked staff for their work throughout the year.

Mayor Pro Tem Blackwell stated she is pleased Council's goals reflect priorities to support businesses, neighborhoods, and staff. She noted Council has a very round palette of good goals.

Mayor Kluttz commented although Council heard discouraging economic news, she is excited to hear the work being done by Tourism, Fibrant, all of the Committees, and from the community support displayed during the luncheons. She thanked Mr. Treme and staff for their work on the Retreat, and noted the Retreats continue to be excellent because of the group Mr. Treme has put together.

ADJOURNMENT

There being no further business, Mr. Woodson made a **motion** that the meeting be adjourned. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, Woodson and Mes. Blackwell and Kluttz voted AYE. (5-0). The meeting was adjourned at 4:10 p.m.

Susan W. Kluttz, Mayor

Myra B. Heard, City Clerk