

Salisbury, North Carolina
January 7, 2020

REGULAR MEETING

PRESENT: Mayor Karen Alexander, Presiding; 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: Mayor Pro Tem Al Heggins and City Clerk Diane Gilmore.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Alexander at 6:10 p.m. A moment of silence was taken.

PLEDGE OF ALLEGIANCE

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

RECOGNITION OF VISITORS

Mayor Alexander welcomed all visitors present.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Post made a **motion** to adopt the Agenda. Mayor Alexander, and Councilmembers Miller, Post and Sheffield voted AYE. (4-0)

RECOGNITION – VIRGINIA BURLESON

Mayor Alexander read a Congressional Record honoring Virginia Burleson’s service as the first female police officer hired by the Salisbury Police Department. Police Chief Jerry Stokes presented the Congressional Record to the family of Virginia Burleson.

RECOGNITION – SALISBURY COMMUNITY FOUNDATION

Salisbury Rowan Community Foundation Chair Dick Huffman presented a \$12,000 check to Police Chief Jerry Stokes on behalf of the foundation and local donors for the purchase of six Police bicycles to be used for bicycle patrol.

Mayor Alexander thanked the donors for their generosity. Chief Stokes also thanked the donors, and he pointed out the bicycles will be a great asset to community policing efforts.

Mayor Alexander recognized the donors who contributed to the program: Mr. Dick Huffman, Mr. Gerry Wood, Mr. Dyke Messinger, Mr. Larry Cloninger, Mr. Greg Alcorn, Mr. Fred Stanback, and Mr. David Post.

PROCLAMATIONS

Mayor to proclaim the following observances:

FLOYD BURTON DAY	January 7, 2020
DR. MARTIN LUTHER KING, JR. DAY	January 20, 2020

Mayor Alexander read and presented the Floyd Burton Day Proclamation to Mr. Floyd Burton. Mr. Burton introduced his family members who were in attendance. He thanked his family and Council for the recognition.

Mayor Alexander read and presented the Dr. Martin Luther King, Jr. Day Proclamation to members of the Humans Relations Council (HRC). Dr. Martin Luther King, Jr. Committee Chair Dennis Rivers thanked Council for its dedication and support. HRC Chair Liliana Spears thanked Council for its support, and she announced the events scheduled for the Dr. Martin Luther King, Jr. celebration weekend.

CONSENT AGENDA

- (a) Minutes

Approve Minutes of the Regular meeting of December 3, 2019 and the Special Meeting of August 20, 2019.

(b) Level (3) Encroachment - Brenner Avenue

Approve a right-of way encroachment by Level (3) for the installation of directional bored duct and aerial fiber optic cable on Brenner Avenue per Section 11-24(27) of the City Code.

(c) Sale of Parcel #005 140-01 – 300 Block of West Grim Street

Adopt a Resolution authorizing the upset bid process for the sale of approximately 0.14 acres located in the 300 block of West Grim Street, parcel 005 140-01, for \$3,500.

RESOLUTION SUPPORTING UPSET BID PROCESS FOR THE SALE OF PARCEL # 005 140-01 LOCATED IN THE 300 BLOCK OF WEST GRIM STREET.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 1-2, and is known as Resolution 2020-01.)

Thereupon, Councilmember Miller made a **motion** to adopt the Consent Agenda as presented. Mayor Alexander, and Councilmembers Miller, Post and Sheffield voted AYE. (4-0)

PUBLIC COMMENT

Mayor Alexander opened the floor to receive public comments.

Mr. Michael Kirksey referenced issues that took place over the past year in his neighborhood, and he added he felt his opinion was not heard in the past. He explained his neighborhood is not what it used to be due to outside entities buying properties in the community. He asked Council to do something for the African-American community.

Mr. James White asked about the plan for apartments being built on Lash Drive, and he asked how applications would be accepted. He also asked what will be moving into the old K-Mart building and what is being built on Julian Road.

Ms. Dottie Hoy pointed out Duke Energy trimmed trees in her neighborhood as a preventive measure. She stated she has been told the City has no control over this issue; however her leaves were not picked up due to the limbs. She noted the trees look terrible and will eventually die. She added she is disturbed about this issue, and asked if staff could develop a better solution.

Mayor Alexander asked City Manager Lane Bailey if the City can do anything regarding the tree trimming. Mr. Bailey responded there is nothing the City can do, and he added staff can provide further information regarding leaf pick-up. Mr. Bailey pointed out the leaf vacuum cannot operate fully when limbs are mixed in with the leaves, so it is important for residents to separate the limbs from the leaves as best they can.

There being no one else to address Council, Mayor Alexander closed the public comment session. She thanked everyone who spoke during the public comment session.

ROCO ALERTS PRESENTATION

Communications Specialist Kaisha Brown and Rowan County Emergency Management Division Chief T.J. Brown addressed Council regarding RoCo Alerts. Ms. Brown pointed out City and County staff have collaborated during various emergencies over the past few years by using two mass notification systems: Nixle and Code Red. She added at times the use of both systems would complicate notifications for staff and residents. She stated having one notification system such as RoCo Alerts would allow the City and County to have a stronger collaboration during critical incidences.

Mr. Brown explained residents can sign up for RoCo Alerts at no cost by downloading the Everbridge app or registering online. He added each resident has the capability to tailor the notification preferences of either email, text, or phone call. He added preferences can be neighborhood and emergency specific. He indicated RoCo Alerts is a great partnership and cross collaboration between the County and City with hopes to expand to other municipalities.

Mr. Brown pointed out notifications such as potential danger alerts, weather alerts, critical incidents, hazardous material, and missing person alerts could be received. He added neighborhood specific notifications would include water main breaks, traffic issues, and changes to City services such as leaf pick up, and community events.

Mr. Brown pointed out residents can register for RoCo Alerts by visiting RowaCountyNC.gov/RoCoAlerts, Salisburync.gov/RoCoAlerts, or downloading the Everbridge app. Ms. Brown pointed out Nixle subscribers are automatically transferred to the RoCo Alerts system. Mr. Brown explained the goal is to present timely, factual information from a trusted source. He commented residents can call the City of Salisbury Communications Department or email: coscommunications@salisburync.gov if they have questions.

Mayor Alexander asked if RoCo Alerts uses satellite technology. Mr. Brown agreed, and he added it is based off cell phone coordinates.

COMPREHENSIVE PLAN STERRING COMMITTEE APPOINTMENTS

Planning Director Hannah Jacobson indicated she looked forward to welcoming the 10 new members to the Comprehensive Plan Steering Committee joining those who have already committed to the project. She introduced Co-Chair Dee Dee Wright who was in the audience.

Mayor Alexander commented Council will appoint nine members to the committee and will return with the final appointment at its next meeting.

The following members were appointed to the Comprehensive Plan Steering Committee:

- Ms. Taylor Ellerbee
- Mr. John Schaffer
- Ms. Liliana Spears

- Mr. Bradford Basinger
- Mr. Jonathan Behrooz
- Ms. Rebecca Childs
- Mr. Donald Hesprich
- Mr. Randal Rhodes
- Ms. Sada Stewart

Thereupon, Councilmember Post made a **motion** to approve the nine appointments to the Comprehensive Plan Steering Committee. Councilmember Miller seconded the motion. Mayor Alexander, and Councilmembers Miller, Post and Sheffield voted AYE. (4-0)

Councilmember Sheffield commended Ms. Jacobson on the great work she does for the City. She thanked her for all she has done, and she added the City is lucky to have her. Council agreed. Ms. Jacobson stated it is a privilege to work for the City and she thanked her staff, Council and citizens of Salisbury.

PLANNING BOARD AND TREE BOARD APPOINTMENTS

Tree Board

Upon a motion by Councilmember Sheffield, seconded by Councilmember Miller. Mayor Alexander and Councilmember Sheffield voting AYE, the following appointment was made to the Tree Board to fill an unexpired term:

Ms. Kelli Isenhour

Term Expires 03/31/2020

Councilmember Post recognized long term Tree Board member Johnny Safrit who recently passed away for his service to the Tree Board and the community. Mayor Alexander noted a letter was sent to Ms. Safrit's memorial service on behalf of Council, and she pointed out he leaves a legacy of service to the community.

Planning Board

Upon a motion by Mayor Alexander, seconded by Councilmember Miller. Councilmembers Post and Sheffield voting AYE, the following appointment was made to the Planning Board to fill an unexpired term:

Ms. Giannina Monzon

Term Expires 03/31/2022

CITY ATTORNEY'S REPORT

City Attorney Graham Corriher had nothing to report to Council.

CITY MANAGER'S REPORT

(a) Presentation of the 2019 Comprehensive Annual Financial Report (CAFR)

City Manager Lane Bailey introduced Mr. C.J. Palmer from Elliot Davis, PLLC and Finance Manager Wade Furches who presented the 2019 Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019. Mr. Palmer thanked Council for allowing Elliott Davis to perform the City's audit, and he commended the Finance Department staff for their cooperation throughout the audit process.

Mr. Palmer explained Elliot Davis provided an unmodified opinion of the financial statements which is the highest level of assurance that can be provided. He commented the report outlines management's responsibility for the financial statements and the auditor's responsibility to audit and provide opinions based upon fair presentation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP). He noted Elliot Davis provided internal control reports regarding financial reporting and compliance that included programs for Federal and State grants to the City. He pointed out the deficit net position on Broadband Services Fund is a repeat finding from the deficit position of the Broadband Services Fund of previous years.

Mr. Palmer reviewed the General Fund, and he noted the Fund Balance has remained steady. He pointed out a budgeted use of \$5.5 million during the previous fiscal year resulted in an actual reduction of the Fund Balance by \$1.3 million. He explained the use of Fund Balance was planned and the results were better than budgeted.

Mr. Palmer referenced the available Fund Balance as a percentage of expenditures and transfers of the General Fund, and he noted Fiscal Year 2018-2019 available Fund Balance was 33.14% which is significantly higher than the City's policy of 10%. He pointed out a reduction trend in the available Fund Balance that included a 7% decrease over the last two years, and he noted the City is well above its minimum Fund Balance policy. Councilmember Miller explained the City has increased its spending as a percentage of the total budget. He added when the total budget is increased it affects the percentages. Mr. Palmer agreed.

Mr. Palmer then reviewed General Fund revenues versus expenditures and transfers, and he pointed out an increase in revenues and expenditures. He noted the revenues do not include loan proceeds which are listed in the modified accrual budget to actual statements.

Mr. Palmer pointed out General Fund revenues by source for the last five years. He noted unrestricted intergovernmental is predominately sales tax proceeds received from the state. He added miscellaneous includes donations, insurance claim proceeds, and interest.

Councilmember Post requested clarification regarding the \$4 million charge for services. Mr. Palmer explained charge for services consists of any charge for service fees included in the General Fund. Mr. Post asked about the major sources of the funding. Mr. Palmer noted solid waste pickup is the largest source of funding for charge for services. Councilmember Miller pointed out miscellaneous doubled. Mr. Palmer explained insurance claim proceeds were included in the miscellaneous calculation. Mr. Furches commented miscellaneous also includes interest

and donations. Mr. Palmer stated positive investments also contributed to the miscellaneous increase.

Mr. Palmer reviewed General Fund expenditures and transfers by use, and he pointed out public safety is the largest category followed by general government. He noted a significant increase in public safety expenditures in 2018 which included the purchase of two fire trucks. He commented a more detailed breakdown of the expenditures and transfers is included in the full report.

Mr. Miller requested clarification regarding the difference between 2017, 2018 and 2019. Mr. Furches noted debt services decreased as debts were paid off, and he added the debt service payments for the fire trucks increased the debt service from 2018 to 2019. He pointed out the debt service will increase due to liabilities for the new fire stations. He indicated other debt, such as the Police Department expansion, has been paid off.

Mr. Palmer referenced the Broadband Services Fund, and he noted an operating loss which included noncash items such as depreciation. He added operations were cash flow negative, but there was a significant pay down of accounts payable/accrued expenses due to the leasing agreement with Hotwire Communications. He pointed out debt service was approximately \$3 million and included a transfer that was budgeted from the General Fund to cover a portion of the debt service payment. He added the fund is in a significant deficit net position with a downward annual trend.

Mr. Palmer explained in 2019 the City conducted a mandatory refinance of the Broadband debt due to the tax status change that began with the lease operation. He pointed out a settlement with the telecommunications network designer/builder was recognized in 2018 but was not received until 2019 and 2020.

Mr. Post referenced the operating expenses of \$2.55 million, and he asked about operating expenses the City is still incurring. Mr. Palmer explained the operating expenses include a partial year of operation. Mr. Furches noted Broadband staff was paid by the City through December 31, 2018. Mr. Post asked if the line item will continue. Mr. Furches explained the amount will decrease, and he pointed out the City is no longer paying programming fees. He added the main expenditure is a reduction in the lease payments the City receives from Hotwire Communications for the drops and dark fiber costs. Mr. Post pointed out the revenue line should include the rent from Hotwire Communications in the future, and he asked for clarification regarding the drops. Mr. Furches stated Hotwire reduces its rent payment for drops and dark fiber costs.

Mr. Post commented interest expense increased with the refinancing. Mr. Furches explained the utility had to convert to nontaxable debt resulting in an increase in the interest rate. Mr. Palmer noted the interest expense includes the cost of debt issuance. Mayor Alexander pointed out the loan will be paid off in 2029. Mr. Furches agreed.

Mr. Post referenced an increase in Water Sewer and Stormwater, and he noted the increase is cycled into capital improvements. Mr. Bailey stated the Water Sewer Fund is healthy, but there are major projects in the future. He added the Stormwater Fund looks good, but it also has

significant future projects. He added the Transit Fund is the most challenging. Mr. Post noted a \$50,000 drop in transit revenue due to a contract that ended last year. Mr. Bailey agreed, and he indicated there are other added expenses.

Mr. Post asked about a change in the tax base due to the reevaluation that took place in the previous year. Mayor Alexander noted the benefit will be included in the next report. Mr. Furches commented the prediction was 8% but the actuality was slightly higher. Mr. Bailey noted the budget was based on the predicted 8% increase. Mr. Miller requested additional information at the next Council meeting.

Mayor Alexander thanked Mr. Palmer for his presentation.

Mr. Bailey thanked staff for its work on the budget. He cautioned if the budget increases and the dollar amount stays the same the Fund Balance percentage will decrease. He added he has concerns about the way the Fund Balance has been spent, but it is still a healthy Fund Balance.

(b) Carbon Reduction Initiative

City Manager Lane Bailey noted Council asked what the City is doing to be more conscious of its carbon footprint. He stated Administrative Services Director Kelly Baker, Fleet Services Manager Jake Sterling and Public Services Director Craig Powers are leading an effort to look at the City's total emission. He explained the first step is to quantify the City's carbon footprint and then work to reduce it.

Mr. Bailey stated grant opportunities are available through Duke Energy. He indicated staff had conversations with the Land and Sky Regional Council of Government located in Ashville and is working with the Council of Government in Charlotte who has been very helpful. He added the City of Charlotte has a sustainable energy action plan, but it has a larger budget and more resources than the City. He noted the project is in the initial stages, and Council will receive additional information at its annual Retreat.

(c) Council Retreat Agenda Items

City Manager Lane Bailey noted he sent Council an email requesting ideas for the Council Retreat Agenda.

Mayor Alexander asked about an upgrade to the City's Budget software. Finance Director Shannon Moore noted staff is going through the implementation process and the system should go live by January 2021.

ANNOUNCEMENTS

(a) Dr. Martin Luther King, Jr. Parade

Mayor Alexander announced the Dr. Martin Luther King, Jr. Parade will be held Saturday, January 18, 2020. The parade will begin in downtown Salisbury at 11:00 a.m. at the corner of Liberty Street and North Main Street and will end at the Civic Center, located at 315 South Martin Luther King, Jr. Avenue. Following the parade, activities celebrating Dr. King will be held from 12:30 p.m. until 2:30 p.m. at the Civic Center.

(b) Dr. Martin Luther King, Jr. Breakfast

Mayor Alexander announced the Salisbury-Rowan Human Relations Council will host the Dr. Martin Luther King, Jr. Breakfast, Monday, January 20, 2020 at 7:00 a.m. The Breakfast will be held at the J.F. Hurley YMCA, 828 Jake Alexander Boulevard. Tickets are \$10.00. To purchase tickets or for additional information, please call 704-638-5218.

(c) 24th Annual Father/Daughter Dance

Mayor Alexander announced the Parks and Recreation will host the 24th Annual Father/Daughter Dance for girls ages 4 to 13 and their fathers Saturday, February 1, 2020 from 6:00 p.m. until 9:00 p.m. at the Civic Center. Tickets are limited and must be purchased in advance. Tickets are \$10 and can be purchased at any of our recreation facilities. For more information please call 704-216-PLAY.

(d) 7th Annual Wine About Winter

Mayor Alexander announced Downtown Salisbury, Inc. will host the 7th Annual Wine About Winter event Friday, February 7, 2020 from 5:00 p.m. until 9:00 p.m. in downtown Salisbury. Tickets are \$22.50 in advance or \$30 on the day of the event. To purchase tickets or for additional information visit www.downtownsalisburyinc.com or call 704-637-7814.

COUNCIL COMMENTS

Councilmember Sheffield thanked Mr. Floyd Burton for serving the community and our Country for decades.

Ms. Sheffield recognized Ms. Virginia Burleson as an example for young women, and she added the recognition from Congress was remarkable.

Ms. Sheffield thanked the Human Relations Council (HRC) for its work for the upcoming Dr. Martin Luther King, Jr. Celebration weekend and for all the HRC does throughout the year. She thanked the members for serving.

Ms. Sheffield noted the Tree Board had two members, Johnny Safrit and Judy McDaniel pass away over the past few years. She pointed out on February 27, 2020 the Bi-Annual Community Appearance Commission (CAC) and Tree Board Awards will take place. She added the Tree Board has named two awards in honor of Mr. Safrit and Ms. McDaniel to honor their work and dedication to the community.

Councilmember Post commented Council received several emails regarding the parking and towing issues at the Wells Fargo parking lot and another vacant lot downtown. He asked City Attorney Graham Corriher if there is an ordinance to prohibit a towing company from towing without contacting the property owner for permission. He added he is unsure if the property owner knows the towing is taking place because no one at Wells Fargo has the answer and no one knows who to talk to regarding the issue. He asked Mr. Corriher what would be allowed through an ordinance. Mr. Corriher noted he will see if something can be done.

MAYOR'S COMMENTS

Mayor Alexander thanked staff for the New Year's Eve event that took place at the F&M Trolley Barn. She added it was a great event with a turnout of nearly 500 people.

Mayor Alexander thanked Fire Chief Bob Parnell for a great ceremony for the newest nine recruits to the Salisbury Fire Department.

CLOSED SESSION


Thereupon, Councilmember Miller made a **motion** to go into closed session concerning an economic development matter as allowed by NCGS 143-318.11(a)(4). Councilmember Post seconded. Mayor Alexander, and Councilmembers, Miller, Post and Sheffield voted AYE. (4-0)

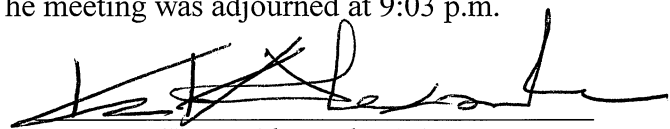
RETURN TO OPEN SESSION

Council returned to open session. Mayor Alexander announced no action was taken during closed session.

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 9:03 p.m.


Tiffany Crook, Deputy City Clerk


Karen Alexander, Mayor