

Salisbury, North Carolina
March 2, 2021

REGULAR MEETING

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

ABSENT: None.

In response to the State of Emergency declaration related to the spread of COVID-19 and to limit physical interactions and the potential spread of COVID-19 the Salisbury City Council met electronically. The meeting was called to order by Mayor Alexander at 6:00 p.m. A moment of silence was taken.

PLEDGE OF ALLEGIANCE

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

RECOGNITION OF VIEWERS

Mayor Alexander welcomed all viewers.

CHANGES TO THE AGENDA

Mayor Alexander noted the following change to the Agenda;

Remove – Agenda Item 11- Adopt an Ordinance establishing a Non-Discrimination Policy.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Post made a **motion** to adopt the Agenda with the presented change. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

PROCLAMATIONS

Mayor Alexander proclaimed the following observance:

WOMEN’S HISTORY MONTH

March 2021

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the Special Meeting of February 10-11, 2021, the Special Meeting of February 16, 2021, and the Regular Meeting of February 16, 2021.

(b) Employment Agreement- City Manager

Adopt an Amendment to the City Manager’s Employment Agreement to clarify post-employment health, disability, and life insurance benefits.

(c) Right-of-Way Encroachment- West Innes Street

Approve a Right-of-Way Encroachment by Spectrum for the installation of directional bored duct beginning at 1601 West Innes Street and ending at 119 North Link Avenue per Section 11-24 (27) of the City Code.

(d) Grant Application- Congestion Mitigation and Air Quality (CMAQ)

Adopt a Resolution supporting a grant application for Congestion Mitigation and Air Quality (CMAQ) funds for a sidewalk and pedestrian crossings on Jake Alexander Boulevard.

RESOLUTION SUPPORTING A CMAQ APPLICATION FOR SIDEWALK AND PEDESTRIAN IMPROVEMENTS ON JAKE ALEXANDER BOULEVARD.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 2, and is known as Resolution 2021-02.)

(e) Budget Ordinance Amendment- Duke Energy Foundation Grant

Adopt an Ordinance amending Chapter 16, Article V, of the Code of the City of Salisbury relating to the Greenway, Bicycle and Pedestrian Committee to reflect the updated title and duties as adopted.

AN ORDINANCE AMENDING CHAPTER 16, ARTICLE V, OF THE CODE OF THE CITY OF SALISBURY, NORTH CAROLINA RELATING TO THE GREENWAY, BICYCLE AND PEDESTRIAN COMMITTEE.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 63-66, and is known as Ordinance 2021-18.)

Thereupon, Mayor Pro Tem Heggins made a **motion** to adopt the Consent Agenda as presented. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

PUBLIC COMMENT

Mayor Alexander opened the floor to receive public comments.

Ms. Carol Pomeroy of the Community Fusion Coalition stated diversity and racial equity among Boards and Commission members should be considered. She suggested each social and economic group be represented to produce effective committees.

There being no one else to address Council, Mayor Alexander closed the public comment session.

MAIN STREET STRIPING AND MASTER PLAN

Planning Services Director Hannah Jacobson stated in December 2020 Mr. Dan Lambert with McAdams Landscape Architecture and Engineering presented a draft plan for a 15 block section of Main Street through the heart of downtown. She explained staff met with citizens, gathered ideas, and revised the plan to meet the needs of visitors and the community. She noted the idea for a Master Plan originated before December 2020 and was the central focus of the “Beyond the Curb” series that was hosted by Downtown Salisbury Inc. (DSI) in 2016. She explained in 2019 the North Carolina Department of Transportation (NCDOT) announced plans to resurface Main Street in 2022, but the projected date was changed to 2021.

Ms. Jacobson indicated NCDOT’s resurfacing plan provided the City an opportunity to make incremental changes at a minimal cost. She noted the resurfacing schedule was reviewed and McAdams Landscape Architecture and Engineering firm was hired to work with staff to develop a two-phased plan. She added the first phase of the plan is to resurface or restripe Main

Street and the second phase is a conceptual plan that offers a vision of how downtown could be enhanced to provide a safe and pedestrian oriented environment. She added the plan is a transportation plan and an economic development plan.

Ms. Jacobson stated McAdams conducted an initial community engagement in 2019 to identify community priorities. She added existing conditions were surveyed and comprehensive traffic analyses were conducted to develop best practice concepts and conceptual designs. She noted after several reviews the plan was approved by NCDOT. She indicated after a draft of the plan was presented to Council in December 2020, staff increased awareness of the plan by conducting formal presentations to community groups, holding small group meetings with stakeholders, and hosting pop-up sessions with residents. She explained staff canvassed approximately 85 establishments to raise awareness of the plan and gather input. She noted an interactive map was created that allowed citizens to leave comments and suggestions regarding the plan. She explained staff also used social media and other avenues to raise awareness of the plan.

City Engineer Wendy Brindle indicated NCDOT provided an update to the resurfacing project, and it anticipates the resurfacing of Main Street and Innes Street to be completed in early summer. She explained when the resurfacing occurs the City will have an option to restripe the streets from four lanes to three lanes which will provide space for 45-degree angled parking spaces instead of the current 35-degree angled parking spaces. She added a three lane design would allow a center turn lane to permit left turns from Main Street onto Innes Street which is currently restricted.

Ms. Brindle noted the length of the project on Main Street would be from Lafayette Street to Chestnut Street and would allow the proper transition for proposed lane change configurations. She added the milling and resurfacing portion of the NCDOT contract is approximately \$200,000. She added the cost for the City would be approximately \$250,000 to \$300,000 for milling and resurfacing if changes are made after the resurfacing and restriping. She noted the lane striping will cost NCDOT \$40,000 but the City could expect the cost of approximately \$60,000 if a separate contractor is hired. She stated whether a three or four lane design is approved the City will be required to pay the cost for parking striping and other markings including bike lanes.

Ms. Brindle indicated work on the project would be restricted to 8:00 p.m. until 6:00 a.m. and NCDOT anticipates the milling and resurfacing will be completed within two weeks. She explained striping would require a longer time to complete and temporary striping would be applied before the final markings are completed. She stated parking and travel would continue in the evening because NCDOT plans to limit the resurfacing to one side of the street at a time. She explained NCDOT will work to accommodate businesses that stay open late. She noted there were concerns regarding the capacity of a three lane roadway versus four lanes. She explained a planning level analysis of Main Street was conducted which compared the two lane designs. She added the analysis was developed by the Institute for Transportation of Research and Education and is used to determine feasibility of study alternatives. She noted results of the study determined three lanes could accommodate the average annual daily traffic volumes on Main Street with an increase of two percent each year.

Ms. Brindle stated cars approaching parked vehicles along Main Street usually shift into another lane because there is approximately 7.5 feet of clearance for a vehicle to pass which is not sufficient. She indicated a three lane design will allow parking to be angled so parked vehicles are out of traffic. She shared a video demonstrating the safety of three lanes of traffic versus four lanes of traffic.

Urban Design Planner Alyssa Nelson indicated once the first phase of the Main Street Plan is approved the second phase, which is a detailed and long-term plan, would begin. She explained the plan will involve additions such as bump-outs at each corner, mid-block, or center to accommodate loading zones and bus stops. She stated the sidewalks would be replaced and streetscape furniture, art, lighting, and landscaping would be added. She explained there would be a final design construction document phase where modifications could be made to the planned Main Street additions. She added the concept plan is important and will provide multimodal safety and functionality to the area and balances beautification of space for cars and people. She noted the plan will improve parking, economic development, and economic competitiveness.

Ms. Nelson stated the most common questions and feedback regarding the plan were related to parking. She explained parking spaces were counted in December and there were 199 parking spaces. She indicated the striping plan would provide 285 parking spaces and the concept plan would provide 231 to 236 parking spaces depending on loading zones. She stated there are 16 handicapped parking spaces and people have expressed the need for additional handicapped parking spaces, ramps and conditions. She noted the striping plan does not change the sidewalks but additions can be made. She added the concept plan can increase the number of handicapped parking spaces to 24 or more. She noted there are currently 12 bike racks in the downtown area and the striping plan will increase them to 18.

Ms. Nelson indicated a benefit of having the striping plan first is to test the concepts that were created and make changes if necessary. She stated highlights of converting to three lanes of traffic are the stamped concrete, the shorter distance to cross the street, and pedestrians will be placed in a position that is more visible to drivers. She noted sharrows are proposed in certain areas instead of bike lanes because bike lanes will decrease parking spaces. She stated staff is proposing to keep the 15 minute loading zones where needed.

Ms. Nelson reviewed renderings and parking conditions in the concept plan to include parallel parking on both sides of the street which will produce eight foot parallel parking spaces, 12 foot travel lanes, and an 11 foot center turn lane. She explained one parking condition allows for parallel parking on one side and diagonal parking on the opposite side of the street. She added this condition would allow for 16.5 feet diagonal parking spaces, 8.5 feet parallel spaces, 12 feet travel lanes, and an 11 foot center turn lane. She mentioned another condition has an optional loading zone which would eliminate two parking spaces if approved. She indicated the angled parking in some areas that have few parking spaces would not be changed. She noted the Transit Department has recommended bus stops be located in areas where there is minimal parking. She indicated planter possibilities, streetscape design, and other aspects will be determined in the next phase of the plan.

Ms. Nelson noted the striping plan and concept plan for each block can be found on the Main Street Plan website along with her contact information for anyone who has questions. She stated the City Clerk can also be contacted with comments and concerns.

b) Mayor Alexander convened a public hearing, after due notice thereof, to receive comments regarding the proposed Main Street Striping Plan and Main Street Master Plan.

Ms. Pam Coffield stated reducing the number of lanes on Main Street from four lanes to three lanes can present unforeseen problems in the downtown area and will be problematic for deliveries to businesses. She encouraged Council to vote against the current draft of the Main Street Plan.

Ms. Sada Stewart indicated the Historic Salisbury Foundation (HSF) has reviewed the proposed draft of the downtown Main Street Plan and support City staff in their efforts. She asked Council to consider approving the plan to preserve, protect, and revitalize Salisbury.

Mr. Davis Cooke, Chair of the Design and Master Plan Committee of DSI, stated a three lane design will improve conditions and slow traffic in the concentrated pedestrian areas of downtown. He suggested shortcomings that are revealed in the plan can be corrected in the future with restriping adjustments.

Mr. John Ketner urged Council to consider maintaining four lanes of traffic on Main Street to accommodate visitors, consumers, and residents who travel by car.

Mr. Gianni Moscardini stated the Main Street Plan will promote a pedestrian friendly downtown and beautify the street. He noted the plan is constructive and can be altered in the future to address concerns.

Mr. Mark Lewis, DSI Vice Chairman, indicated the goal of the plan is to create a modern, pedestrian focused streetscape to enhance downtown, and to create a destination that will attract new customers, residents, and businesses.

Mr. Pierre Johnson stated he has concerns regarding the safety of delivery truck drivers and pedestrians if the number of lanes are reduced. He commented plans to improve the City should be centered on safety.

Mr. Dylan Horne suggested a three lane design will be safer for drivers in the turning lane, pedestrians crossing the street, and it will create a welcoming environment for members of the community. He indicated discrepancies in the bike lanes should be reviewed.

Mr. George Benson indicated the additional handicapped spaces will benefit those with mobility issues, but the driver side egress should be reviewed.

There being no one else to address Council, Mayor Alexander closed the public hearing and indicated comments regarding the proposed plans will be accepted for 24 hours from the close of the public hearing.

Councilmember Miller stated a three lane cross-section is a necessary step to improve safety, enhance pedestrian spaces, and allow the City to thrive. He pointed out the striping plan involves painting the street which can be repainted if the plan does not work, but the concept plan involves structural changes. He explained short-term protections should be put in place to protect businesses that will be affected by the changes in the concept plan. He noted the approval of the striping plan as part of the City's vision will provide a better chance to access grant funding opportunities.

Councilmember Sheffield asked if Main Street is the alternate route for I-85. Ms. Brindle stated Main Street continues to be the primary detour route for I-85, but since NCDOT widened the bridge, rerouting is no longer a concern.

Councilmember Sheffield asked if the turning lanes would have a dedicated turn arrow or a flashing yellow light. Ms. Brindle indicated based on traffic volume and pedestrian safety the turning lanes will have a flashing yellow light except for Innes Street and Main Street which will have a protected turn with a green arrow.

Councilmember Sheffield asked if studies have been completed that can prove four lanes drive more business or that three lanes discourage it or vice versa. Ms. Nelson indicated several studies have been conducted to examine how three lane designs are safer and attract businesses. She noted after converting to three lanes, nearby areas have received millions of dollars in private and public investments.

Mayor Pro Tem Heggins indicated the City is moving in a direction that will improve downtown and make it safer for citizens. She stated delivery concerns of merchants should be addressed and ways to assist them need to be identified.

Mayor Alexander asked that the statistics from cities who have converted to three lane street designs be posted to the Main Street Plan website. She indicated the striping plan provides an opportunity to make changes without significant costs. She stated the plan could reveal advantages and also flaws that can be addressed before the concept plan is in place. She noted comments on the plan will be accepted for the next 24 hours and she looks forward to receiving feedback from the citizens.

RECESS

By consensus, Council agreed to take a brief recess. The meeting reconvened at 8:00 p.m.

LAND DEVELOPMENT DISTRICT MAP AMENDMENT- CD-02-2018

Development Services Manager Teresa Barringer explained the first three phases of CD-02-2018 of Shay Crossing were approved in 2018. She indicated the development of Phase Four is underway for approximately 101.36 acres to include 246 mixed-width lots for single family development. She noted the petitioner is TrueHomes represented by Mr. Andrew McDonald. She

explained the request is to rezone the area to General Residential (GR-6) and to establish a Conditional District (CD) overlay.

Ms. Barringer stated Councilmember Miller had questions regarding future planning for greenway trails. She indicated after speaking with City Attorney Graham Corriher the petitioner is proposing recreation open space that will be accessible to the public. She explained there would be a public access easement with walking trails, and if the City decides to pursue the implementation of greenways, it would need to request the purchase or acquisition at that time.

Councilmember Miller asked that greenway trails be included or encouraged in the development process for new development. Mr. Corriher indicated greenways trails can be incorporated as a part of the 2040 plan.

Councilmember Post stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the properties described herein from Urban Residential (UR-12) and Neighborhood Mixed (NMX) to General Residential (GR-6) district and establishing a Conditional District (CD) overlay is reasonable and in the public interest as the proposal defines and confirms a previously-authorized land use and development type while creating a more consistent zoning pattern, and is fundamentally consistent with the Vision 2020 Comprehensive Plan's Policy N-18: As new neighborhoods are developed, a mixture of housing types, sizes, and prices shall be provided within the bounds of each neighborhood planning area.

Thereupon, Councilmember Post made a **motion** to adopt an Ordinance amending the Land Development District Map of the City of Salisbury, North Carolina rezoning three parcels with a combined total of approximately 101.36 acres, located in the 600 block of Earnhardt Road from Urban Residential (UR-12) and Neighborhood Mixed (NMX) to General Residential (GR-6) district and establishing a Conditional District (CD) overlay to permit the development of a 246-lot subdivision. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT ORDINANCE AND THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, REZONING THREE PARCELS WITH A COMBINED TOTAL OF APPROXIMATELY 101.36 ACRES, LOCATED IN THE 600 BLOCK OF EARNHARDT ROAD FROM URBAN RESIDENTIAL (UR-12) AND NEIGHBORHOOD MIXED USE (NMX) TO GENERAL RESIDENTIAL (GR-6) DISTRICT AND ESTABLISHING A CONDITIONAL DISTRICT OVERLAY TO PERMIT THE DEVELOPMENT OF A 246-LOT SUBDIVISION. (PETITION NO. CD-02-2018)

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 67-68, and is known as Ordinance 2021-19.)

MORATORIUM- HISTORIC LANDMARK

Planning Services Director Hannah Jacobson indicated at the previous meeting Council voted 3 to 2 in favor of enacting a moratorium on local landmarks. She explained a second reading is required if a super majority is not obtained during the first reading. She stated there have been no changes made to the ordinance. She explained the only change is Senior Planner Catherine Garner is leaving the City of Salisbury to take a promotion in her hometown of Kernersville. She added Ms. Garner has agreed to work for the City on a limited contract basis to make the revisions necessary to the Landmark Program.

Thereupon, Councilmember Post made a **motion** to adopt an Ordinance establishing a six month moratorium pursuant to North Carolina General Statute 160A-381(e) on the consideration and approval of Historic Landmarks. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Heggins voted NO, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted NO. (3-2)

AN ORDINANCE ESTABLISHING A SIX MONTH MORATORIUM FOR THE CONSIDERATION OF LOCAL HISTORIC LANDMARKS IN THE CITY OF SALISBURY.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 69, and is known as Ordinance 2021-20.)

BOARDS AND COMMISSIONS

Mayor Pro Tem Heggins expressed concerns regarding the lack of diversity of City Boards and Commissions. She stated Administrative Services Director and City Clerk Kelly Baker provided Council information regarding the demographic makeup of each Board or Commission. She explained the information revealed Boards and Commission members are 70% male, 73% white, 21% black, 6% Hispanic, and 3% Asian. She requested appointments to Boards and Commissions be postponed to allow time to receive guidance from the School of Government on how to obtain the gender and ethnicity of applicants to the boards. She commented Council has the responsibility of maintaining diversity and equity within City Boards and Commissions.

Council agreed it is important to have diverse representation on City Boards and Commissions. It was noted that ethnicity and gender has been added to City Boards and Commissions applications.

Community Appearance Commission

Upon a motion by Councilmember Sheffield. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointments were made to the Community Appearance Commission:

Mr. Hugo Correra
Ms. Louellen Pageant

Term Expires 3/31/2024
Term Expires 3/31/2024

Housing Advocacy Commission

Upon a motion by Councilmember Sheffield. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following appointments were made to the Housing Advocacy Commission:

Mr. Gemale Black
Ms. Lorenzo DuBos

Term Expires 3/31/2024
Term Expires 3/31/2024

Alternate Methods of Design Commission

Upon a motion by Councilmember Post. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointment was made to the Alternate Methods of Design Commission:

Mr. John Palmer

Term Expires 3/31/2024

Mayor Alexander commented Mr. Palmer will be serving his second term and has done a phenomenal job on the commission. She recognized Ms. Lavonia Cory, Ms. Jane Creech, Ms. Gretta Connor, and Ms. Jane Helms for their service to the City as Boards and Commission members.

Mayor Pro Tem Heggins commented the intent is to make sure that Council appoints people who want to serve and are qualified to do this work, but the impact has been that it has not been inclusive. She suggested waiting until the first meeting in April to make appointments so citizens know the application has been changed and they have an opportunity to apply. Councilmember Miller indicated he does not mind giving additional time for applications, but he noted he is interested in the right combination of a balanced board. He commented applicants need expertise in the subject at hand. He clarified the City's Boards and Commissions should represent the community as a whole. He asked citizens who are interested in serving on a Board or Commission to apply. He commented he does not like the idea that Council would exclude anyone from applying if they are interested in serving. He indicated the more applicants Council receives it has a better chance of appointing the right person to serve.

Parks and Recreation Advisory Board

Upon a motion by Mayor Alexander. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointments were made to the Parks and Recreation Advisory Board:

Mr. Russell Smyre
Mr. Jon Post

Term Expires 3/31/2024
Term Expires 3/31/2024

Human Relations Council

Upon a motion by Mayor Pro Tem Heggins. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following appointments were made to the Human Relations Council:

Mr. Nicholas Hill	Term Expires 3/31/2024
Mr. Alissa Redmond	Term Expires 3/31/2024
Ms. Colleen Smiley	Term Expires 3/31/2024

Upon a motion by Mayor Pro Tem Heggins. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointment was made to the Human Relations Council:

Mr. John Schaffer	Term Expires 3/31/2024
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Mayor Alexander stated Council will wait until the next Council meeting to proceed with further appointments to City Boards and Commissions. She encouraged citizens to apply for a board or commission if they have a desire to serve.

Transportation Advisory Board

Upon a motion by Councilmember Post. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointments were made to the Transportation Advisory Board:

Mr. Levi Coldiron	Term Expires 3/31/2024
Ms. Cristina Rodriguez	Term Expires 3/31/2024
Ms. Laura Schmidt	Term Expires 3/31/2024

Tree Board

Upon a motion by Mayor Pro Tem Heggins. Mayor Alexander, Mayor Pro Tem Heggins, and Councilmembers Miller, Post, and Sheffield voting AYE, the following reappointments were made to the Tree Board:

Ms. Melissa Eller	Term Expires 3/31/2024
Ms. Melisa Williams	Term Expires 3/31/2024
Mr. Jonathan Barbee	Term Expires 3/31/2024
Ms. Katherine Boyd	Term Expires 3/31/2024

Mayor Alexander thanked Council for its work to create diversity on the City Boards and Commissions.

CITY ATTORNEY'S REPORT

City Attorney Graham Corriher had nothing to report to Council.

CITY MANAGER'S REPORT

(a) Second Quarter Financial Update

City Manager Lane Bailey asked Finance Director Shannon Moore to present the Second Quarter Financial Update. Ms. Moore noted she will also provide a few highlights of the third quarter.

Ms. Moore referenced the General Fund, and she pointed out the City is 49.5% of its budget to actual on revenue which includes a Fund Balance appropriation. She stated once the Fund Balance appropriation is removed actual budgeted revenues versus revenue received is at 52.16%.

Ms. Moore reviewed current year property taxes, and she noted on a budget to actual the City is at 84%, and the three month trend is approximately 80%. She noted in FY2020 the City collected 84.24% of billed property taxes and in FY2021 the City is at 81.02%. She explained the property tax collection rate is down just over 3% through December 2020. She stated there was an uptick in the January collection rate, and she noted the City is currently at a 94.2% collection rate. She pointed out a 3% uncollectable rate was included in the budget and staff is hopeful the 97% target collection rate will be met at the end of the fiscal year. She indicated there is an approximate \$80,000 difference in what has been collected in FY2021 versus FY2020.

Ms. Moore indicated sales tax receipts are very strong when compared to the budgeted amount. She noted the first three months of receipts were 30.11% of the budgeted amount and the three year historical trend is 24.7%. She stated the City has a \$413,521 variance of the budgeted amount for the current fiscal year. She pointed out the City currently has five months receipts to date, and she commented the FY2021 budget for sales tax receipts is \$7.65 million and the five months of current fiscal year receipts total \$3.8 million which is 50% of the FY2021 budget. She compared the monthly sales tax revenues through receipts from FY2020 and FY2021, and she pointed out each month in FY2021 has shown an increase creating growth in sales tax revenue.

Ms. Moore pointed out the City has revenues in addition to sales tax revenues, but it is unclear what the full impact of these revenue streams will be. She commented economists predict an economic slowdown, but if it does not take place in the current fiscal year the City could be \$800,000 to \$1 million over budget in sales tax revenue.

Ms. Moore noted if the City receives 97.88% of the property tax collection the projection would be approximately \$436,000 over budget. She added if the City ends up at the budgeted 97% collection rate, which was budgeted, the projection would be somewhere around \$251,000 over budget.

Ms. Moore indicated the City's ABC revenues are projected to be around \$50,000 over budget. She pointed out Cemetery revenues are up this year and projected to be around \$30,000 to \$40,000 over budget on a full year basis.

Ms. Moore reviewed decreases in General Revenues, and she noted the Powell Bill funding is \$43,000 under budget for the current fiscal year. She stated Parks and Recreation revenues are projected to be \$80,000 to \$90,000 under budget, and she noted Parks and Recreation Centers are still closed and there is little recreation programming taking place. She indicated interest earnings were budgeted at 68% less than FY2020, and she noted interest earnings are projected to be \$40,000 to \$50,000 under budget due to low interest rates.

Ms. Moore pointed out expenses are at 45.5% of the budgeted amount during the first two quarters of the current fiscal year and most expense areas are under budget. She pointed out environmental protection is at 51% of the budgeted amount, and she indicated it includes the Solid Waste and Cemetery divisions. She indicated the City should be able to capture those extra costs through savings in other departments in the General Fund.

Ms. Moore reviewed Stormwater revenue, and she pointed out a small carry forward and Fund Balance appropriation in that fund. She noted on a budget to actual basis the City is at 49.7% of its revenue and trending on target. She indicated Stormwater expenses are relatively low at 29.3%. She pointed out the carry forwards are primarily one time projects from the previous fiscal year that have not been completed. She commented staff expects expenses to be closer to a normal budgetary amount by the end of the year.

Ms. Moore referenced the Water and Sewer Fund, and she indicated there was a small carry forward for a project that was not finished during the previous fiscal year. She indicated when Fund Balance appropriations are removed Water and Sewer revenues are at 53.6% of the budgeted amount. She pointed out staff budgeted \$380,000 in the Water and Sewer Fund for water and sewer taps for new services and in the first six months of the current fiscal year \$424,000 in revenue has been received. She indicated the Water and Sewer Fund is a capital heavy fund regarding its expenses, and she explained it has a lot of large projects that will be completed during the second half of the year.

Ms. Moore noted the Transit Fund includes five months of federal Coronavirus Aid, Relief and Economic Security (CARES) drawdowns that were used to cover Transit expenses through November and is why there is an uptick on actual revenue. She added the Transit Fund includes six months of transfers from the General Fund. She explained on a budget to actual basis the Transit Fund revenue is at 33.83%. She indicated the drawdowns are typically a quarter behind. She pointed out the City will receive \$191,000 more than budgeted in CARES funds, and staff projects the City will exhaust its CARES funds when it draws down February expenses. She commented the increase in funding helps to replace State Mandated Assistance Program (SMAP) funding that was lost from the state. She added staff is still trying to determine if the City will receive SMAP funding next year, and she cautioned the indication is the City will not receive it. She stated interest revenue is slightly down in the Transit revenue fund. She added the City continues to be ticket fare free creating a loss in revenue of about \$67,000. She indicated there is a potential loss in revenue to the Transit Fund of approximately \$71,000 this year, and she noted

Transit is running shorter routes and most of the loss of revenue will be made up in the reduction in expenses.

Councilmember Post asked for clarification regarding where the savings are coming from. Ms. Moore indicated Transit is not operating on Saturdays. Mr. Bailey noted day routes are three to four hours shorter. Transit Director Rodney Harrison explained Saturday routes were eliminated to help minimize the spread of COVID-19 and allow time for deep cleaning. Mr. Post asked about the impact regarding the lack of Saturday transit service to residents of East Spencer traveling to Salisbury. Mr. Harrison noted residents must find an alternate means of transportation to get into the City.

Ms. Moore then reviewed Fibrant Fund revenues, and she noted the majority of these revenues are from the General Fund transfer that subsidizes this fund. She pointed out the uptick in the second quarter is where the City received the first quarter payment from Hotwire Communications. She explained the payment from Hotwire Communications is received the following quarter after it is earned and on a budget to actual basis Fibrant revenue is at 44.32% of the budgeted amount. She commented the net check that was payable to the City from Hotwire Communications was for \$134,049.97.

Ms. Moore pointed out video and voice services are down, but there is growth on the internet side while the dark fiber, data center, and other services continue to be fairly flat over the quarter. She added from the beginning of the fiscal year there is net growth on the total customer counts. She noted the Fibrant Fund expense for the first quarter includes one of the semi-annual interest payments. She pointed out the second payment for interest and principal will show up in the third quarter. She indicated on a budget to actual basis the expenses are fairly low which is mostly related to the fact that outside of the lease agreement the Fibrant Fund does not have many expenses. She commented there are a few expenses that the city still maintains and then invoices Hot Wire who in turn reimburses the City.

Councilmember Post asked if the second quarter includes depreciation. Ms. Moore noted there is no depreciation included in the second quarter because the entries are completed at the end of the year.

Ms. Moore then reviewed the Share2Care Program, and she stated to date the City has received \$2,933. She commented donations have slowed down since the first of the year, and she indicated staff is hopeful it can bring another appropriation to Council in the next couple of months to release additional funds to Rowan Helping Ministries. She added staff is grateful for the partnership with RHM to administer those funds to citizens, and to the citizens for their donations that make the program possible.

Mayor Alexander thanked Ms. Moore for her presentation.

COUNCIL COMMENTS

Councilmember Sheffield thanked everybody who participated in the Main Street Plan and for sharing their perspective. She added the community is approaching one year in the pandemic and it has been challenging. She encouraged everyone to continue their due diligence to fight the pandemic and to get vaccinated when it is their turn.

Councilmember Post noted Council received dozens of emails and comments regarding the Main Street Plan. He added it is easier to make a public decision when there is a lot of input from citizens, and he noted staff has done an incredible job.

Councilmember Post stated the Kiva Program will launch about the third week in March. He added the Self-help Credit Union is excited about the launch and thinks this is going to be a successful program to bring capital into the minority community. He pointed out Statesville has joined the City in this effort. He indicated within the next three weeks Kiva, the City, and Livingstone College will be designing a campaign to let the public and minority businesses know about the program.

Mayor Alexander thanked Mr. Post for his efforts to get the program up and running. She added the Kiva Program will be great for the community.

MAYOR PRO TEM COMMENTS

Mayor Pro Tem Heggins thanked Planning Director Hannah Jacobson, Engineering Director Wendy Brindle, and Alyssa Nelson for their incredible work regarding downtown planning. She added it is exciting and will be great for downtown and the City. She indicated the Boards and Commission discussion was important, and she thanked staff for all it does for the City.

MAYOR'S ANNOUNCEMENTS AND COMMENTS

Mayor Alexander added the City is fortunate to have the level of professionalism that staff exhibits every day. She recognized the team that worked on the Main Street Striping and Concept Plan for its engagement with the public that will make the project successful. She added she is looking forward to the decision that Council will be responsible for making at its next meeting. She thanked Councilmembers and City Manager Lane Bailey for their work and dedication to the community.

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 9:14 p.m.



Karen Alexander, Mayor



Kelly Baker, City Clerk