

Salisbury, North Carolina
January 25-26, 2023

SPECIAL MEETING – GOAL SETTING RETREAT

PRESENT: Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Tamara Sheffield, Council Members Harry McLaughlin, David Post and Anthony Smith; City Manager Jim Greene, Jr., City Clerk Connie B. Snyder; and City Attorney J. Graham Corriher.

ABSENT: None.

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 1:30 p.m.

CALL TO ORDER AND OPENING REMARKS

Mayor Karen Alexander convened the Annual Goal Setting Retreat for City Council. She noted during the Retreat Council will recognize community partners it collaborates with to solve challenges faced by the City.

Mr. Greene stated the theme of the Retreat is “Partnerships and Progress” and the focus is on managing and planning growth. He thanked Fountainworks Chief Operating Officer and Senior Consultant Julie Brennan for facilitating the Retreat. Ms. Brennan reviewed the guidelines for a productive Retreat.

Mayor Alexander introduced Livingstone College Vice President of Communications and Public Relations Dr. State Alexander who provided an overview of the partnerships that have taken place between the City and Livingstone College throughout the years. He pointed out challenges are easier to navigate when they are met head on and collaboratively. He thanked Council for the great partnership Livingstone College has enjoyed with the City.

Ms. Brennan led Council through an icebreaker and asked each member what success looks like for the Retreat, Council, and staff as a team, and for the City going forward.

GOALS UPDATE/ YEAR IN REVIEW

City Manager Jim Greene recognized the accomplishments of Council, staff and City partners during the past year. He thanked Interim Assistant City Manager Brian Hiatt for his leadership during last year's Retreat. Administrative Services Director Kelly Baker presented 2022-Year in Review:

Grant Awards:

- Received \$7,426,000 in Surface Transportation Block Grant funds for Main Street Improvements
- Received a \$64,040 grant for North Carolina Emergency Management for stream gauges and road friction sensors for Stormwater Utility
- Received \$820,608 from the United States Department of Transportation Surface Transportation funds for Brenner Avenue roundabout and safety improvements
- Purchased the Wells Fargo Building through an \$875,000 North Carolina Department of Commerce Rural Transformation Grant
- Received \$25,000 grants from Duke Energy Foundation for:
 - Hometown Revitalization Grant to support Downtown Businesses
 - Social justice and equity initiatives
- Received \$24,900 from North Carolina State Historic Preservation Office for an architectural survey for the National Register of Historic Places
- Received \$6,000 North Carolina Department of Environmental Quality grant for recycling education

Growth:

- Approved 15 voluntary annexation requests totaling just under 600 acres
- Updated the Uniform Construction Standards regarding residential street cross-sections and erosion control for lots less than one acre
- Worked with Rowan County to implement a temporary moratorium on voluntary annexation for certain growth areas
- Approved an annexation agreement with East Spencer
- Approved a contract with Tyler Technologies to implement Enterprise Permitting and Licensing software (Energov)

Public Safety:

- Approved moving forward with completion of construction plans for Fire Station 3
- Held a series of "Cultivating Community Conversations" hosted by the Police Department

Infrastructure:

- Released the Mid Carolina Regional Airport property from the City's extraterritorial jurisdiction (ETJ) area

- Approved the use of grant funding to upgrade the Fisher Street Bridge for vehicular traffic
- Conducted a Watershed Analysis of Jump and Run Branch to determine cause of flooding near Wellington Hills
- Approved the purchase of two light duty transit vehicles using the North Carolina Volkswagen Program grant funds

Downtown Initiatives:

- Increased overtime parking fines from \$5 to \$15 to help address downtown parking
- Entered a Memorandum of Understanding with Downtown Salisbury Inc. (DSI) and Brett Krueger for development of the Empire Hotel
- Awarded five Downtown Revitalization Grants totaling \$305,000
- Established a Downtown Social District
- Took action to name the bench in front of Fuller’s Market as “Joe’s Bench” in honor of Joseph Heilig
- Released a Request for Proposals for the purchase and redevelopment of The Plaza building
- Approved a downtown Salisbury Parking Pilot Program in three City-owned parking lots
- Increased activity at Bell Tower Green Park including the Pride Festival, Juneteenth, College Night Out, and National Night Out

Quality of Life and Other Highlights:

- Adopted a Resolution establishing s Sister-City relationship with Monrovia, Liberia
- Established the Public Art Commission as a formal City board and commission
- Approved the addition of Juneteenth to the City staff holiday calendar
- Conducted a national search and hired Jim S. Greene, Jr. as the new City Manager
- Established the Bell Tower Green Committee as a permanent board and commission
- Updated the Local Historic District Standards
- Approved the employee pay grade and classification study as recommended by The MAPS group
- Hired KTS Strategics for state lobbying services

Ms. Baker noted Council approved four priority areas: public safety, infrastructure and capital, economic prosperity and mobility, and community partnerships. She reviewed Council’s 2022 priorities developed at its 2022 Retreat, and she provided an update on the accomplishments.

Public Safety - A City that exceeds service standards to create a safe and secure community:

- Support expanded Parks and Recreation programming to support youth safety and crime reduction initiatives:

- Parks and Recreation’s 2022 summer camp programs sold out and staff would like to explore increasing day camp size
- Youth basketball had the highest number of registrations in five years
- Fred M. Evans Pool operated at capacity for most of the summer and with donations collected by the Evans Family, all swim lessons were sold out and free
- Miller Recreation Teen Center attendance is approaching pre-pandemic attendance
- Teens and Police Services at Knox Middle School is a program involving officers who mentor at-risk youth and build trust of police officers
- LOTUS project completed a series of classes and outreach events with developmentally disabled youth
- Summer Youth Camp was conducted by police officers to provide youth mentoring opportunities
- Police officers are providing “spot” youth mentoring based on Rowan-Salisbury School System or police officer referrals when young people are identified as showing at-risk behaviors
- Two police officers have been trained in implementing Educating Kids about Gun Violence (EKG) to provide the program in the 2023-2024 school year. This is a United States Department of Justice initiative under the Project Safe Neighborhoods umbrella to reduce youth involved gun violence
- The Salisbury Police Department/NAACP Cease Fire initiative has continued to focused on neighborhoods with violent crime issues
- Salisbury Police Department has continued to partner with the Rowan Health Department Harm Reduction, Outreach, Prevention, Education (HOPE), a partnership between Rowan County Public Health, Rowan County Emergency Medical Services, and the Center for Prevention Services that provides supportive outreach to individuals, including youth, who use opioids or are at high risk of an opioid overdose. Overdose victims are referred to the program by officers responding to those incidents
- Promote community-based intervention programs and re-imagine the Project Safe Neighborhoods (PSN) strategy. Salisbury Police Department has implemented the following changes or completed programing related to the PSN programs in 2022:
 - A data based strategy of identifying priority offenders who may benefit from an intervention has been finalized with the support of our grant research partner
 - The PSN Coordinator has developed partnership with the service providers for assistance through the PSN program
 - Human Resources is implementing a program to offer two entry level Public Works labor positions to offenders identified under the PSN program as a means of complementing the efforts
 - Since completing the means of identifying offenders, the PSN Coordinator has connected with 55 offenders and 12 have accepted services or counseling
 - Salisbury and Rowan County still lack an effective reentry program, the PSN Coordinator is working closely with a service providers to bring a program to Rowan County and making progress toward having effective services for offenders reentering society to reduce recidivism

Infrastructure and Human Capital - A City that Maintains Infrastructure to Reduce Waste and Promote Efficiency and that Cares for its Employees in Order to be an Organization of Choice:

- Explore options to increase Council meeting efficiency
 - Incremental changes have been made including
 - Updating the remote meeting policy
 - No longer reading the Consent Agenda aloud
 - Staff has increased efforts to manage items scheduled on Agendas and an internal shared calendar has been created for public hearings
 - Updated the threshold for the City Manager's contracting authority
- Continue to encourage and prioritize public participation in Council meetings
 - Continuation of virtual access to meetings provides additional avenue for public participation
 - Staff would like to bring back Community Engagement Fridays
 - Develop a plan for town hall style meetings that focus on a particular topic
- Support efforts to grow the City's Diversity, Equity, and Inclusion (DEI) Department with a focus on integrating DEI into organizational culture
 - Filled Human Relations Specialist position on January 9, 2023
 - Contracted with WPR Consulting and initiated internal work including:
 - Development of a DEI workbook
 - Work on a strategic action plan
 - Provided ongoing counsel and support for internal and external DEI queries and programs
 - Partnered with Police to host Community Conversations
 - Continued support for Management Team training through Racial Equity Rowan
- Conduct DEI training for City Council and the Human Relations Council (HRC)
 - Management Team, staff, City Council and HRC training to be scheduled
- Complete the MAPS compensation study to assess employee salary levels and adopt a plan for study implementation
 - The study is complete and was adopted by Council on October 18, 2022. The revised pay grades have been implemented
- Support innovative efforts to recognize and value skilled employees in order to remain competitive with other municipalities and the private market. Research efforts that promote sustainable recruitment and retention for all City departments
 - Human Resources is working with a Recruitment Team and a Recruitment Task Force to review recommendations to remain competitive while working within the current budget
 - Reviewing the pay grade table for part-time positions
 - Extended the sign-on bonus through June 30, 2023
 - Efforts to focus on organizational culture will begin in January 2023. A steering committee will be established and an employee survey will be conducted
- Adopt a 15-year Stormwater Capital Improvement Plan (CIP)
 - The 15-year CIP has been adopted and staff is working with a consultant to develop a scope and fees for designs recommended in year one of the plan

- Implement a microtransit pilot study to determine the viability of alternative transportation.
 - The City and AECOM kicked off the Microtransit Study on October 21, 2022. Since then, AECOM has conducted eight interviews with transit agencies across the state and the country that are operating microtransit service and fit the peer system criteria established by the City. In addition to the peer interviews, AECOM visited Salisbury on November 15, 2022 to tour the Transit System administrative offices and maintenance facility, review the three fixed routes, and meet with staff to discuss the peer systems. The study team has analyzed historical operations and financial trends in order to inform the ridership, cost, and personnel projections for implementing microtransit service as called for in the scope of work. A contract with all signatures was completed on November 29, 2022
- Continue to explore parking options in downtown to provide short-term parking relief
 - A Downtown Parking Pilot Program was implemented through DSI to allow rental parking spaces in three City lots for residents and merchants
 - Monitor the Downtown Parking Pilot Program to determine further steps for parking options in downtown, including engaging currently underused lots
 - In January 2022, overtime parking fines were increased from \$5 to \$15 per violation as recommended by the 2019 Parking Study
 - In July 2022, an e-vehicle and software/hardware was purchased to implement a parking violation system to monitor overtime parking spots and issue e-tickets. Still awaiting the delivery of the system
 - In December 2022, parking fines for other violations were increased from \$5 to \$25 for a number of violations

Economic Prosperity and Mobility - A City that Leverages Assets for Economic Development to support a Vibrant Downtown, Livable Neighborhoods and a Healthy, Active Community:

- Complete and adopt the Forward 2040 Comprehensive Plan
 - The draft Forward 2040 Comprehensive Plan was released for public review on November 1, 2022. Feedback and input on the plan is being collected through online, community forums, small group presentations, office hours, and social media
- Establish growth area boundaries with nearby municipalities
 - Following the adoption of the annexation moratorium on June 21, 2022 staff has met with staff from Granite Quarry to develop a recommended and agreed upon non-annexation boundary to respective governing boards. Both Spencer and East Spencer have reached out to schedule a meeting and staff has had in-person discussions with Faith and China Grove
 - Collaborated in two meetings with Rowan County and other municipalities regarding background and purpose of growth discussions
- Update the Uniform Construction Standards
 - Alley, Williams, Carmen and King are under contract and expect to provide a draft to Council by July 2023

- Explore the implementation of system development fees
 - The Draft System Development Fee Report was completed in July 2022 by Freese and Nichols and is awaiting the appropriate timing to post to the City’s website for a 45-day review and comment period. Expectation is for this to occur after some mutually agreed upon growth area boundaries have been established with nearby municipalities
- Leverage opportunities to increase affordable and fair housing with new development requests
 - This item is wrapped into the Housing Strategy Development being presented at Council’s Retreat
- Housing Advocacy Commission (HAC) is exploring a receivership Ordinance to address blight and neglect of vacant properties
- Support transit for neighboring communities and explore alternative transportation types
 - Met with representatives from East Spencer and Spencer regarding partnerships for continued service
 - Projected cost of continued service determined
 - Microtransit providers (Via and Routematch by Uber) have presented to Transportation Advisory Board and staff
 - Met with the City of Wilson to discuss a possible transition to a microtransit system
- Support continued maintenance of Parks and Recreation venues for local initiatives and maximize economic development benefits of expanded tournament use of fields and facilities
 - Public Works and Parks and Recreation staff successfully navigated COVID protocols to provide safe facilities for tournament use from March through November 2021
 - Partnered and provided space for Zamba soccer at Community Park

Community Partnerships - A City that Builds Partnerships and Values Fiscal Responsibility and Creative Solutions

- Leverage strategic partnerships within the community to increase workforce development initiatives
 - A Memorandum of Understanding has been updated by the City Attorney
 - Partnerships have been established with Pfeiffer University, Catawba College, Livingstone College, Rowan Cabarrus Community College and UNC Charlotte for future internships
 - Established a path for students with some experience and a degree to apply for positions as a trainee
- Support efforts to explore a comprehensive housing study which would include landlord and tenant rights
 - Staff will present at the Retreat a draft Request for Qualifications for consultant firms to begin work on a comprehensive housing study

- Prioritize the use of American Rescue Plan (ARP) Funds for capital projects that support community safety, public safety and related housing opportunities
 - After the initial \$1,537,786 expenditure for premium pay and vaccine incentives, the remaining \$5,691,543 of the funds were used to supplant General Fund salaries budgeted in FY2023. This supplanting then freed up funds in the FY2023 budget to be used for projects on the City's ARP spending list with fewer reporting requirements. Those projects included:
 - Energov – allocated \$300,000, Spent \$171,261
 - Parks and Recreation facilities – allocated \$1,200,000, spent \$3,957. Planning and scheduling is currently underway to begin renovations to Hall Gym, Miller Recreation Teen Center, City Park Recreation Center and the Fred M. Evans Pool
 - Fire Station 3 Engineering services – allocated \$243,198, spent \$231,038
 - City Wide Camera system detailed below – allocated \$100,000, spent \$16,364
 - Total ARP Funds allocated - \$3,936,398, total spent - \$422,620
 - Communications created an American Rescue Plan Act (ARPA) webpage to provide information on the use of the City's ARPA allocation. The website provides information about how the funds will be used, and how the uses tie into Council's priorities. The site also provides an ARPA funding timeline and list of projects

Ms. Baker then reviewed 2022 Priorities that have potential to transition into 2023:

- Support expanded Parks and Recreation programming to support youth safety and crime reduction initiatives
- Support efforts to grow the City's DEI Department with a focus on integration into organizational culture
- Support innovative efforts to recognize and value skilled employees in order to remain competitive with other municipalities and the private market. Research efforts that promote sustainable recruitment and retention for all City departments
- Establish growth area boundaries with nearby municipalities
- Leverage opportunities to increase affordable and fair housing with new development

Mr. Greene thanked Council for its leadership, and he noted the Retreat will guide staff through the budget process.

FINANCIAL REVIEW

Finance Director Wade Furches and University of North Carolina School of Government (SOG) Professor of Public Administration William Rivenbark provided a financial condition analysis of the City. Mr. Rivenbark noted the referenced data is from June 30, 2022 and will show trends over five years. He indicated the City is in good financial condition, and he added it is important for the City to continue to invest in infrastructure.

Mr. Rivenbark stated he compared the City to four local governments with a General Fund and a Water and Sewer Fund including Hickory, Holly Springs, Kannapolis, and Mooresville.

Mr. Rivenbark pointed out during the last five fiscal years the City's operations ratio was above 1.0 showing revenues that exceeded expenditures. He indicated benchmark from the other local governments is 1.26 and during FY2021-2022 the City reached 1.21 indicating the City had sufficient revenue. He noted the City's intergovernmental ratio is higher than .20 due to sales tax revenue. He stated the City's debt service ratio is under .05 and the benchmark is .10 which provides an option to issue General Fund debt to address infrastructure needs.

Councilmember Post asked about the Fibrant debt. Mr. Furches explained Fibrant is reported as a debt of the Broadband Services Fund and not included in the General Fund. Mr. Rivenbark asked if an interfund transfer is made from the General Fund to the Broadband Services Fund. Mr. Furches agreed, and he explained the Fibrant debt is approximately double the General Fund debt which would bring the debt service ratio to 9% which is still under the benchmark. Councilmember Smith clarified there is room for the City to issue debt. Mr. Rivenbark agreed.

Mr. Rivenbark referenced the Fund Balance as a percent of expenditures, and he pointed out as of FY2021-2022 the City was at 48% and moving closer to the benchmark. He stated the City is under the 1% debt as a percent of assessed value at .65% which indicates the City has the capacity to take on additional debt. He referenced the capital assets condition ratio, and he noted the remaining useful life of the City's assets are at 42% and the state average is approximately 50%. He explained it takes a strong capital improvement program to keep the capital assets condition ratio above 50%.

Mr. Rivenbark reviewed the Water Sewer Fund, and he pointed out the total margin ratio is at 1.27% which is above the benchmark of 1.08% and very strong. He pointed out the charge to expense ratio of 1.15% is very strong. He explained the rate that is being charged to customers for water and sewer services is covering expenses and the excess funds are building up cash reserves over time.

Mr. Rivenbark referenced the quick ratio of 4.5%, and he indicated the Local Government Commission (LGC) request 3% or higher. He explained for every dollar of short term liability Salisbury-Rowan Utilities (SRU) has \$4.5 of Fund Balance. He pointed out SRU's capital assets condition ratio is below the benchmark and capital asset investments are needed.

Mr. Rivenbark encouraged Council to review its General Fund Balance Policy on a regular basis. He stated the City's financial condition is strong, and he suggested Council consider its infrastructure needs in the future.

Mr. Greene noted the City is grateful for its partnership with the SOG. He pointed out the City needs to invest in infrastructure, and Council must determine how to fund the items it deems necessary.

COUNCIL MEETING EFFICIENCY

Administrative Services Director Kelly Baker addressed Council regarding Council meeting efficiency which is a priority for Council. She pointed out Council has made incremental changes to improve meeting efficiency including:

- Referring to Consent Agenda items rather than reading aloud
- Reading only the titles of Proclamations except for special occasions
- Staff has worked to summarize presentations
- A shared calendar has been created so staff in other departments can see the suggested dates for other public hearings
- Improved the City Manager's approval authority

Ms. Baker shared data collected from other municipalities regarding time allocation for public comments. She indicated most municipalities capped public comment at 30 minutes, and she pointed out participation in public comment is issue driven.

Ms. Baker stated an effective governing body is crucial to efficient meetings. She noted Council has individual interests and passion projects, but it understands the value of listening to each other and working together. She reviewed options for Council's consideration:

- Limit public comment to 30 minutes and stop sign-ups when the meeting begins
- Limit time allocated for public hearings to 30 minutes total or less for those who are for or against an item
- Move sign-up for public hearings to the day before the Council meeting in order to allocate the 30 minutes
- Consider limiting debate for each Council member to five minutes and a one to two minute response time
- Eliminate items not required for meeting such as employee recognitions, Council comments and announcements of events
- Hold Council work sessions before the Council meeting where staff would make its presentations. Items would be approved at the Council meeting
 - Attendance at the work sessions would be at the discretion of Council members
- Only have Agenda items assigned to the Agenda by staff or as approved by the full Council
 - Individual Council members would not add an item to the Agenda without approval of the full Council
- Place items on the Consent Agenda that are routine, budgeted or have already been discussed

Ms. Baker explained the goal is to accommodate the growth and provide efficiency for Council.

Mayor Alexander noted Council has made efficiency improvements and recent meetings seem to be shorter. Councilmember Smith stated Council values community engagement and citizen participation, and he pointed out there have been few items where large numbers of people

address Council. He suggested beginning with what can be done by staff and Council before limiting citizen participation, and he commented work sessions could increase efficiency.

Councilmember Post suggested allocating time for each side during public hearings rather than time for each speaker. He stated public comments should not be limited. Ms. Baker pointed out after seven or eight people speak on an issue it can be repetitive, and she agreed the City rarely has items that attract large numbers of speakers. She added when larger issues arise it is important to use the time effectively. Councilmember McLaughlin suggested if groups want to speak possibly limiting the group 10 to 15 minutes, and he added he does not want to deny anyone an opportunity to speak.

Mayor Pro Tem Sheffield indicated she does not want to change access for public comment, and she noted Council should be allowed to place items on the Agenda. She questioned if changes are needed, and she noted the policy could be revisited in the future.

Mayor Alexander stated does not want to change how Council hears from the public. Councilmember Post agreed he does not want to limit public comment.

Mayor Alexander asked Council its opinion regarding limiting Council and Mayor's comments. Councilmember Post stated he likes having Council and Mayor's comments. Mayor Pro Tem Sheffield added it is important to share Council's different perspectives and interaction with each other.

Councilmember Post questioned if Council would be interested in conducting public hearings by side instead of speaker. Mayor Alexander indicated Council could encourage groups at public hearings to have speakers without limiting those who may arrive late to a meeting. Mr. Greene indicated the issue regarding Councilmembers requesting Agenda items can be placed in the parking lot for future discussion.

BRANDING STUDY

Communications Director Linda McElroy, Catawba College Communications Director Jodi Bailey, and Livingstone College Public Relations Director Kimberly Harrington addressed Council regarding branding. Ms. McElroy noted a brand is unique and composed of the exclusive combination of an organization's philosophy, attitude, location and culture. She stated before committing time and resources to a rebrand an organization should consider:

- If it has a new message, identity or goals that the current brand cannot convey
- Does the current brand convey the wrong message, identity or goals

Marketing Coordinator Fern Blair reviewed the history of the City's branding. She noted a soft rebranding was conducted in 2015 and included the current informal logo and formal seal. She then reviewed past and present department logos, and she pointed out Salisbury-Rowan Utilities (SRU), Code Enforcement, Fire and Police Departments have separate logos that are unchanged.

Ms. McElroy noted several North Carolina communities including Rockwell and Landis continue to use their seal as part of their brand. She pointed out Rowan County debuted its “Be an Original” brand in 2016 at a contracted price of \$138,000. She commented Granite Quarry, China Grove, and East Spencer adopted the same brand. She explained the City did not implement the County brand because it wanted to implement a full branding that would include signage and represent the City’s arts, cultural and historical identity.

Ms. Bailey noted Catawba College refreshed its brand to better articulate who it is to the community, and she stated every graphic element at the College is tied to the overarching Catawba College brand. She indicated the College worked to develop a strategic plan regarding where it wants to be in five and 10 years. She added discussions need to take place with a target audience to create excitement regarding brand recognition.

Ms. Harrington stated brand identity is important. She indicated last fall Livingstone College initiated discussions regarding a full rebranding which was tabled until its new President, Dr. Anthony Davis, was selected. She pointed out the College is working to create social media ambassadors of its brand among the students. She stated President Davis has his own brand, President 13, which is used on casual correspondences and social media pages. She indicated the essence of Livingstone’s brand is to be a premier higher-education institution that prepares students to compete and contribute in a global context with confidence and competence.

Ms. McElroy noted Council should consider cost, community and stakeholder buy-in, and difficulty of compliance when it considers a rebranding. She pointed out the cost of the rebranding will vary:

- Agency cost estimate: \$50,000 to in excess of \$200,000 and would include:
 - Research/Community Survey
 - Design/Brand Guideline Development
 - Branding Implementation Plan
 - Marketing Campaign to Introduce New Branding

Ms. McElroy explained community and stakeholder buy-in is powerful. She added it can be difficult to update branding because employees and departments can be slow to adopt change because branding affects websites, social media, advertising, street and building signs, brochures, uniforms, business cards, vehicles, applications, forms, and email. She stated staff recommends a full rebranding which would include adding design elements to the website, social media pages, marketing collateral, apparel and uniforms.

City Manager Jim Greene noted rebranding is expensive, and he added rebranding is a process and it is important to have community engagement to receive feedback.

Councilmember Smith noted what the City represents is timeless, and he questioned how to brand it in a fresh and creative way that will stand the test of time. By consensus, Council agreed to put branding in the parking lot.

COST OF GROWTH AND SERVICE LEVEL IMPACTS

City Manager Jim Greene introduced Interim Assistant City Manager Brian Hiatt and Kannapolis City Manager Mike Legg who addressed Council regarding the cost of growth and service level impacts. He noted Kannapolis and Concord are ahead of the growth curve that is coming the City's way, and Mr. Hiatt and Mr. Legg can provide valuable insight to Council.

Mr. Hiatt reviewed the effects of growth in Salisbury. He noted the City has a higher volume of police calls than Concord and Kannapolis. He referenced the increased number of incidents the Fire Department has responded to in the last three years which could impact future Insurance Services Office (ISO) ratings. He commented new parks have been added and there has been an increase to solid waste collection, vehicles serviced by fleet, and impervious area. He pointed out stormwater control measures are critical to growth, and he noted older cities that experienced growth before stormwater measures were in place often have flooding problems.

Mr. Hiatt referenced a map of potential development and construction sites inside the Salisbury-Rowan Utilities (SRU) service area that will require utility investment, and he suggested Council consider a system development fee study. He then reviewed projected increases in water meters for 2023 and 2024. He noted if a recession takes place the development will come back when the economy returns.

Mr. Legg reviewed the history of Kannapolis which was incorporated in 1984, and he noted the construction of I-85 created a connection to Charlotte. He stated Kannapolis conducted early annexation planning and it doubled in size. He pointed out Concord, Kannapolis, Harrisburg, Mount Pleasant and Cabarrus County joined together to create a water and sewer authority.

Mr. Legg noted Kannapolis established its Parks and Recreation Department in the last 20 years and proactively purchased land that would be needed for parks and other things. He stated liquor by the drink was critical to Kannapolis' success. He noted huge investments were made when the research campus was built including a water treatment plant and utility investments in the west side of the city. He pointed out Kannapolis went through a branding process and it introduced the Healthy Life brand that focused on the research campus and its health and wellness initiatives. He stated Concord and Kannapolis were behind the curve on transit service which is expensive.

Mr. Legg pointed out between 2003 to 2010 Kannapolis proactively addressed growth concerns and it reached an annexation agreement with Concord. He stated Kannapolis has experienced over \$1.7 billion in additional tax base in the last six years which equates to \$10.4 million in additional tax revenue due to growth. He added Kannapolis experienced a 92% growth in its tax base from 2013 to 2023 and in 2015 it built a new city hall and police headquarters and it had a major revitalization of downtown.

Mr. Legg reviewed future projected growth and population demographics, and he pointed out Kannapolis has 56,000 citizens and expects between 77,000 to 100,000 citizens in the next 20 years. He noted in 2043 it is projected that Cabarrus and Rowan Counties will have a combined

population between 500,000 and 600,000 and the Charlotte region will have a population between 3.5 and 4 million. He pointed out the majority of people will live along the I-85 corridor.

Mr. Legg then reviewed Kannapolis' growth challenges, and he pointed out Kannapolis has an above average debt burden. He stated capitalizing on growth requires bold moves and partnerships are critical. He indicated Charlotte is the economic engine driving the growth wave that will require increased permitting and staffing levels. He stated manufacturing growth is better than distribution.

Mayor Alexander noted it is important for communities to grow together. Councilmember Smith asked about the impact of annexation on Kannapolis' ability to handle the growth. Mr. Legg noted without annexation Kannapolis would not have growth. He pointed out Cabarrus County took the position that the growth needed to happen in the municipalities and it implemented zoning that forced developers to request annexation.

Mr. Greene pointed out the City has infrastructure needs, but it does not currently have the growth to fund additional infrastructure. Mr. Legg noted Kannapolis had to go into debt before the revenue came in to get ahead of the development curve.

Mr. Hiatt indicated Concord experienced growth because of its location to Charlotte. He stated Concord adopted an aggressive annexation policy under the previous annexation laws and its Council worked to address the coming growth and enhance citizen's quality of life.

Mr. Hiatt pointed out in 1998 Concord had a population of 43,000. He noted large projects, including NASCAR, came to Concord and impacted the airport and industrial development. He indicated subdivisions were constructed for first time home buyers, some of which lacked quality infrastructure which created problems. He clarified there was a desire for mixed housing and not just one housing type. He added the increased population also increased the number of students in the school system.

Mr. Hiatt pointed out subdivisions were developed outside of the city limits using lower infrastructure and land use standards and then the developer would request annexation for water and sewer service. He indicated transportation infrastructure was an issue so Concord's Council allocated \$.01 to transportation improvements. He added there was no resurfacing money and Concord's water source became a big issue.

Mr. Hiatt stated the annexation agreement among municipalities was essential to development and growth and eventually Cabarrus County changed its zoning to rural residential in its zoning districts. He pointed out it was important to address staffing needs as growth occurs, and he noted Concord added 75 positions in one year.

Mr. Hiatt noted Concord's current population is over 105,000 which equates to about 25,000 citizens per decade of growth. He stated the land use plan adopted in 2018 led to strategic planning for connectivity and recreation. He pointed out Concord has a Downtown Master Plan and there is a good relationship between local governments. He added Concord has challenges regarding infrastructure, transportation, water, wastewater, housing, and recreation.

Mr. Hiatt reviewed the lessons learned, and he pointed out growth is coming to the City. He added residential developers are looking for cheaper land and possibly lower development standards.

Councilmember Post asked about Concord Mills and what happened in the area. Mr. Hiatt explained Concord and Cabarrus County recognized it was losing sales tax revenue to Mecklenburg County, and he noted Concord Mills has been a tremendous asset to the area. He explained Concord Mills was built under the prior land use policy and was lacking in sidewalks and other infrastructure to increase connectivity. He noted Concord had to partner with the North Carolina Department of Transportation (NCDOT) to make improvements that probably should have been taken into consideration when construction took place.

Councilmember Smith asked what Council should consider regarding preparation for the growth that is coming to the City. Mr. Hiatt noted Concord is essentially broken into four areas and it is important to make sure residents feel included and have recreation facilities so they can come together as a community. Mayor Alexander agreed it is important for people to feel connected. Mr. Legg stated Salisbury's downtown is the envy of other communities.

Mayor Pro Tem Sheffield noted internal and external partnerships are critical to the City's future success. Mayor Alexander stated planning and preparing for the growth is critical, she thanked Mr. Hiatt and Mr. Legg for sharing their prospective.

Mr. Greene noted the City is focused on development and it needs a regional approach to the I-85 corridor. He asked for clarification regarding distribution. Mr. Legg explained the area is perfect for distribution because it is in between two large urban areas. He stated distribution investment is good, but staying power and employee wages must be considered. He added Kannapolis is taking the approach of less incentives for distribution uses and the incentives are awarded to companies that create higher paying jobs. Mr. Hiatt pointed out the Concord City Council decided not to provide incentives for distribution unless it was something special in terms of jobs and wages.

Mr. Legg stated heavy water users will not be a part of Concord or Kannapolis' recruitment strategy. He stated both cities previously recruited heavy water uses and it tipped the scale regarding wastewater treatment. He indicated Salisbury is in a good place to serve the businesses that will not be able to come to Cabarrus County.

CITY STREET INFRASTRUCTURE

Interim Public Works Director Chris Tester, City Engineer Wendy Brindle, SEPI Consultants Chris Corriher and Anthony Roper addressed Council regarding City infrastructure. Mr. Tester pointed out the past year's budget included an extra \$20 in vehicle taxes that generated an extra \$220,000 for paving. He added the extra funds kept up with the rising costs associated with paving but did not allow for additional paving work.

Mr. Corriher noted SEPI conducted the City's pavement condition survey and developed a capital improvement plan. He explained the goal is to improve pavement life and make the most of the City's paving investment. He stated 171 miles of paved streets were assessed and 51 parking lots were surveyed.

Mr. Corriher noted the City has a lot of curb and gutter which increases paving cost due to mill and fill. He added SEPI recommends utilizing alternative methods to create a strategy of preventive maintenance and performing shorter term treatments that touch more miles to yield the best results.

Mr. Corriher reviewed the Pavement Condition Index (PCI), and he stated in 2022 the City had the least amount of poor and failed roads SEPI had seen in the state. He explained there are two types of streets and Class A streets are shorter, less traveled streets while Class B streets are roads like Brenner Avenue that carry more vehicular traffic. He commented the City has an overall PCI of 70.4 which is four-tenths from being regarded as fair, and he noted the top three distresses are surface distresses, fatigue cracking which leads to pot holes, and traverse cracking.

Mr. Corriher reviewed the estimated network maintenance and repair costs, and he pointed out it would take \$27.8 million to fix every street in the City that needs to be repaired. He added if repairs can be completed early with intermediate treatment the lifecycle of the pavement can be extended. Mr. Roper stated 54% of the City's roads are in good or excellent condition and it is more expensive to deal with a road in poor and failed condition. He commented the ultimate goal is to have the majority of roads in the good or excellent category.

Mr. Corriher reviewed maintenance strategies, and he pointed out major rehabilitation and reconstruction is more serious and more expensive. He noted he did not see any road in the City that would require full depth reclamation. He then reviewed estimated costs for repairs and treatments at various stages. He stated the City can save money if it plans ahead and can be included in North Carolina Department of Transportation (NCDOT) contracts.

Mr. Corriher reviewed recommendations for the City:

- Proactive implementation of a pavement management system with a mix of rehabilitation and preventative maintenance activities
- Preservation preventative maintenance strategy for the good roads including crack seals, surface patching, and AST seals when appropriate
- Rehabilitation strategy for poor and fair roads – repairs and overlays
- Address drainage issues prior to paving work – ditch repairs, curb and gutter cleanout, evaluate pipe, etc.
- Plan for future pavement evaluations on regular intervals so that the status of the road system can be monitored and maintenance plans altered as necessary

Mr. Corriher noted asphalt surface treatment (AST) is a combination of different layers of uniformly graded aggregate and asphalt emulsion, commonly known as tar and gravel which is cost effective and has been utilized by NCDOT for 70 years to extend the life of pavement. He

noted AST is good for low-volume, low-speed roads and allows the City to touch more miles and it protects the roads from further deterioration.

Mr. Corriher stated thin lift asphalt is three quarters of an inch of asphalt that can be placed in a curb and gutter section. He explained thin lift asphalt seals the road and will increase the pavement life by seven to 10 years.

Mr. Corriher reviewed Capital Improvement Plan options, and he pointed out the worst to first methodology would touch 21.45 miles of roadway using the current budget of \$720,000. He pointed out the failed roads would be serviced, but the amount of fair roads would increase. Mr. Roper pointed out the worst to first methodology would not keep up with the amount of deterioration on City streets.

Mr. Corriher indicated multiple fix options would result in more roads remaining in the good category and an increase in touched miles using the same amount of funding. He reviewed a map of the proposed street treatments for 2023 which works to pave roads that are closer together to increase productivity and make the most of available funding. He then reviewed paving options if additional funding is allocated, and he pointed out \$1 million would help the City work toward a 20-year road life cycle.

Mr. Tester noted if the City addresses the worst roads first the paving needs will never be met. He indicated staff recommends allocating an additional \$250,000 for paving or street resurfacing which would put the City into a 20 to 30 year road life cycle. He indicated pavement rating surveys are important and the industry standard is to conduct the survey every four to five years.

Mayor Alexander asked if the City can receive grant funding for paving. Ms. Brindle noted staff can look at funding options, and she added the City receives approximately \$1.1 million in Powell Bill funding that can go toward resurfacing. Finance Director Wade Furches noted staff tries to allocate half of the Powell Bill funding for street paving.

Mayor Pro Tem Sheffield noted \$720,000 is budgeted for street paving, and she asked Council to consider increasing the paving budget to \$1 million. Mr. Greene agreed, street paving is a priority, and he noted Council must also consider how to fund the proposed increase. He pointed out once Council develops its priorities, staff can bring back funding options for its consideration.

Mayor Alexander thanked Mr. Roper, Mr. Corriher and staff for their presentation.

RECESS

Thereupon, Mayor Pro Tem Sheffield made a **motion** to recess until Thursday, January 26, 2023 at 10:00 a.m. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0) The meeting recessed at 7:30 p.m.

RECONVENE – THURSDAY, JANUARY 26, 2023

Mayor Alexander called the meeting to order at 10:00 a.m. on Thursday, January, 26, 2023.

Thereupon, Mayor Pro Tem Sheffield made a **motion** to return to open session. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Sheffield voted AYE, Councilmember McLaughlin voted AYE, Councilmember Post voted AYE, and Councilmember Smith voted AYE. (5-0)

REVIEW AND CHECK-IN

Facilitator Julie Brenman provided an overview of topics discussed from the previous day and asked Council to reflect on ideas or information that is resonating with them the most.

Councilmember McLaughlin stated he enjoyed hearing about the City's financial condition and how there are options to address additional projects without having to find additional funding.

Mayor Pro Tem Sheffield noted it was reassuring to hear that the City is in good financial standing and has the tools and capacity needed for growth and change.

Mayor Alexander stated it was beneficial to hear from Kannapolis and Concord city leaders on preparing for growth. She added it was exciting to hear from a benchmarking standpoint the City is on target financially.

Councilmember Post commented there was a lot of information to digest and noted through the budget presentation his main takeaway was the City has been careful with its finances. He stated he enjoyed the presentations on Council meeting efficiency and City branding. He added that the message he took away from the Kannapolis and Concord presentation was that a wave of growth is coming and must be prepared for. He commented he appreciated Interim Public Works Director Chis Tester's presentation on City street infrastructure.

Councilmember Smith stated he enjoyed hearing about the City's financial standing. He added listening to Concord and Kannapolis city leaders tell their stories on growth resonated the most with him.

ECONOMIC DEVELOPMENT UPDATE AND INCENTIVE REVIEW

City Manager Jim Greene introduced Economic Development Commission (EDC) Executive Director Rod Crider who provided an economic development update and incentive review for the City.

Mr. Crider explained the functions of the EDC and stated this is the fourth year implementing a new public-private partnership model. He stated the EDC bases its work on four strategic objectives. He noted the first objective is targeted economic growth which aims to

increase prosperity for Rowan County through business retention and attraction efforts. He commented the EDC partners with the Economic Development Partnership of North Carolina and the Charlotte Regional Business Partnership to generate leads for the community. He added the EDC's primary focus is working with existing businesses in Rowan County.

Mr. Crider noted significant project wins for 2022 included Stout, Macy's, New York Air Brake, and Eastern Fence which brought 2,913 new jobs and \$604.9 million in total new investment to Rowan County.

Mr. Crider stated project activity has increased due to relationship building and marketing efforts. He explained the EDC's largest source of leads is from the Economic Development Partnerships of North Carolina followed by the Charlotte Regional Business Alliance.

Mr. Crider stated the EDC has five sites in the City totaling 61 acres, so there is an average of 10 acres per site. He noted that the most significant site is 19 acres with the potential to create a site of 33 acres within the City limits. He explained there are also opportunities to acquire sites through annexation. He stated the EDC worked on the Henderson Grove Church Road and the Peeler Road Project with City staff. He added both sites will be competitive when placed in the market before potential businesses.

Mr. Crider referenced anticipated developments within the County on I-85, consisting of 22 million square feet of speculative industrial space. He added if projected employment numbers are consistent with EDC observations, these projected developments will result in 30,000 new jobs in Salisbury and Rowan County.

Mr. Crider reviewed the EDC's second objective attraction and development, and the third strategy which is brand identity. He commented the fourth objective is high-performance service delivery.

Mayor Alexander asked Mr. Crider how he sees the City and the EDC working together to promote Salisbury's brand. Mr. Crider stated the EDC could help promote the brand through marketing efforts such as social and print media.

Councilmember McLaughlin asked how the EDC partners with local colleges to recruit students for local employment opportunities. Mr. Crider explained the EDC formed the Rowan Education Collaborative, a group of four college presidents that meet each month to discuss ways to prepare students for job opportunities in Salisbury and Rowan County.

Councilmember Smith asked how the EDC focuses on equity and inclusion within the community. Mr. Crider stated the EDC has identified three employment barriers over the last three years which include childcare, transportation and educational attainment. Mr. Crider noted the EDC completed an analysis with Ernst Young in 2021 that identified disparities in pay and poverty rates along racial and gender lines.

Mayor Pro Tem Sheffield expressed her excitement that the EDC is looking into manufacturing opportunities in Salisbury. She asked if the EDC is leveraging the fact that Salisbury has Fision internet through Hotwire. Mr. Crider stated having Fision internet was a competitive advantage at one time; however, most cities now have broadband. Mayor Pro Tem Sheffield asked if the EDC plans to change its branding anytime soon. Mr. Crider stated there is no plan to change the current branding.

Councilmember Post noted the City of Kannapolis eliminated incentives for distribution, and he asked if that is something the EDC recommends. Mr. Crider commented the EDC could offer recommendations on how to approach incentives. He added the EDC suggested implementing a scoring system model based on its priorities for the County.

City Manager Jim Greene thanked Mr. Crider and EDC Vice President Scott Shelton for the partnership and presentation. He added a priority for Council to consider would be to allow staff to continue working with the EDC to evaluate incentive policies.

FORWARD 2040 COMPENSATION PLAN

Planning Director Hannah Jacobson and Forward 2040 Committee Co-Chairs Dee Dee Wright and Sue McHugh presented the Forward 2040 Comprehensive Plan to Council.

Ms. McHugh stated over the past several years a devoted and diverse group of members worked to create an inclusive, comprehensive plan to be utilized for years to come. She thanked the Steering Committee and staff for their work on the Forward 2040 Comprehensive Plan.

Ms. Dee Dee Wright thanked fellow committee members and staff for their work and dedication to the plan. She noted the plan includes serving the community, strengthening neighborhoods, and reducing car traffic in the City.

Ms. Jacobson thanked the Steering Committee and staff for their dedication and commitment to the completion of the 2040 Comprehensive Plan. She explained Forward 2040 is a process to determine the community's long term aspirations related to community development and covered the main purposes which:

- Guides rezoning decisions
- Offers an opportunity to listen and involve the community
- Demonstrates the community's position
- Advises the expenditure of public funds
- Guides private investment
- Provides a framework for strategic action plans
- Provides the foundation for the modernization of the City's land development regulations

Ms. Jacobson reviewed the project timeline which began in 2015. She commented staff and the Steering Committee decided to rebrand the comprehensive plan as Forward 2040 in 2019. She noted in 2020, community visioning was implemented and committee members held pop-up events to receive public feedback. She stated due to the pandemic in 2020, the plan was placed on hold; however, it allowed the committee time to reflect on the feedback received and adopt the 10 vision statements which serve as the backbone of the plan.

Ms. Jacobson stated in 2021, committee members went back into the community to receive feedback regarding the 10 vision statements. She noted that once the policies, visions, and goals were determined, it was time to consider the plan's geographic policy sections, including the Growth Strategies and the Future Land Use Map. She commented in 2022 a draft of the Forward 2040 Comprehensive Plan was created and released for public review.

Ms. Jacobson pointed out since the draft was released in November, staff has worked to collect public comment and feedback. She added 21 presentations had been made to various boards and commissions, neighborhood associations, civic groups, businesses and non-profit organizations. She noted three community meetings were held, and staff was available at the Martin Luther King, Jr. Community Resource Fair. She indicated staff held virtual and in-person office hours for one-on-one conversations, and she commented the draft is available on the City website.

Ms. Jacobson provided a summary of public feedback, and she noted with responsibly managed growth, citizens would like to see natural areas and green spaces available to the entire community. She added that focusing on infill development and increased density along designated corridors will be a beneficial strategy. She stated that there is strong support for mixed-use communities and high-quality buildings with context-based urban design. She emphasized that citizens desire safe and affordable housing, thriving, livable neighborhoods and connectivity through sidewalks and greenways.

Ms. Jacobson reviewed public feedback for a sustainable, clean, natural environment. She stated that preserving tree canopies and reducing our carbon footprint by creating opportunities for renewable energy was important to citizens. She explained people desire a resilient and diverse economy with more retail and shopping. She noted there is a need for recreation and reconnection to obtain a healthy and active community through greenways and expanded bike infrastructure.

Ms. Jacobson noted through an equitable and inclusive community, the public would like to see more investment in schools. She added that people desire a vibrant atmosphere with public art inside and outside of downtown and more activities for youth, such as skating rinks. She noted there is an expressed need for a grocery store and parking garage in the downtown.

Ms. Jacobson provided an anticipated timeline including the revised draft to be complete on February 3, 2023. She added the Steering Committee will vote on recommending the Forward 2040 Comprehensive Plan on February 6, 2023 and Planning Board Public will hold a public hearing on February 14, 2023. Ms. Jacobson recommended Council hold a public hearing and consider the adoption of the Forward 2040 Comprehensive Plan at its February 21, 2023 meeting.

Ms. Jacobson asked Council as priorities are being set for the next year to make sure they align with the identified actions in the Comprehensive Plan. She noted Chapter 13 of the plan lists a number of short-term actions identified between one and five years, and she displayed highlighted actions relating to growth.

Mayor Alexander thanked the Steering Committee and staff for their work on the 2040 Comprehensive Plan. Mayor Pro Tem Sheffield recognized the efforts made to receive public feedback, and she stated she is excited for the plan to be utilized as a road map for the future. Councilmember Smith thanked the Steering Committee and staff for putting the plan together, and he commented the plan would serve as a tool to navigate future trends. Councilmember Post commended staff and the Steering Committee for the completion of the comprehensive plan.

HOUSING STRATEGY DEVELOPMENT

Planning Director Hannah Jacobson and Community Development Corporation (CDC) Director Chanaka Yatawara provided an update on affordable housing partnerships and priorities and asked Council to consider adopting a 10-Year Housing Strategy RFQ to meet the challenges related to housing and affordability.

Mr. Yatawara reviewed the CDC's current funding sources which include Community Development Block Grant (CDBG) and HOME Program funds, the North Carolina Housing Finance Agency (NCHFA), and the City of Salisbury.

Mr. Yatawara displayed photographs of two homes currently under construction by the CDC, and he noted the homeowners will receive \$20,000 in down payment assistance from the City and another \$50,000 from the NCHFA. He added these homes are almost complete and are expected to be on the market at the beginning of February. He stated the CDC's goal is not to disrupt the housing market by offering discounted rates, but to make the homes more affordable through down-payment assistance.

Mr. Yatawara noted additional revitalization efforts including demolishing and rebuilding several dilapidated homes on South Jackson Street. He stated the CDC completed one substantial rehabilitation of a historic home that suffered significant damage when a portion of the roof and front porch collapsed. He also reviewed the Eaman Park redevelopment stating the main goal was to introduce marketable housing options to a range of household types and generations. He commented the CDC ensured compatibility with the City and partnerships were made with the University of North Carolina (UNC) School of Government's Development Finance Initiative (DFI) to assist with the market analysis, financing options, and the release of a Request for Qualifications (RFQ) and developer selection.

Mr. Yatawara reviewed the top five priorities in the CDC's five-year strategic plan:

- Strategic housing planning
- Eaman Park transformation
- Organizational capacity-building

- Secure long-term institutional resiliency
- Marketing and communications

Ms. Jacobson stated despite the accomplishments, Salisbury is experiencing mounting housing challenges due to external pressures and national trends. She noted the goal is to have 100% of households living in affordable housing, in good condition, and free from discrimination.

Ms. Jacobson indicated 43% of renters are cost-burdened, meaning they spend more than 30% of their income on housing. She added rents have increased 38% since 2018, and median homes prices have jumped \$100,000 in three years, which is made more challenging with doubled interest rates. She noted the average cost for materials to build a single-family home jumped 42% from 2018 to 2021, and 16% of housing units in Salisbury show signs of moderate to severe deterioration.

Ms. Jacobson stated with current housing challenges, the City and its partners should consider implementing a 10-year Housing Strategy to provide long-term, sustainable, and innovative solutions in housing. She added Council set aside \$50,000 in American Rescue Plan Act (ARPA) funds last year to prioritize a housing strategy; however the funds have not been spent. She noted staff has worked to develop a RFQ, and comparisons have been made to other jurisdictions which have taken on similar projects. She stated staff suggests Council consider allocating an additional \$150,000 to complete the study which would be a consultant lead process and could take 12-18 months.

Ms. Jacobson stated six objectives have been identified for the 10-year Housing Strategy, including:

- Forecast current and future housing needs
- Evaluate current housing and neighborhood revitalization programs for equity and effectiveness
- Establish a framework of goals related to housing affordability, housing and neighborhood condition and education of legal rights
- Evaluate and recommend specific and implementable tools, policies, programs that can be used to achieve goals. Assess budget needs and identify sources of funding
- Prepare the federally required 2024 Analysis of Impediments to Fair Housing and the 2025-2029 Consolidated Plan.

Ms. Jacobson stated the RFQ would follow a five-step process, including looking at a Market and Needs Gap Analysis to determine future growth and the housing demand. She stated a qualitative assessment of the program and Ordinances would be completed, as well as establishing the framework of goals and strategies for the plan. She noted that the final phases of the RFQ recognizes obstacles in setting goals and looks at recommendations to implement strategies, primarily focusing on the budget.

Ms. Jacobson asked Council to consider if the objectives for the 10-year Housing Strategy RFQ match and align with Council's expectations. She also asked Council what its expectations are for stakeholder engagement. She recommended that Council direct staff to release an RFQ for

a qualified consulting firm to complete a 10-year Housing Strategy and support an additional budget request for \$150,000 to fund the study.

Councilmember Post asked the percentage of the City's population that is spending over 30% on housing. Ms. Jacobson stated 36% of Salisbury households are cost-burdened, meaning they are spending more than they can afford on housing.

Councilmember McLaughlin asked if the statistic that 50% of citizens rent homes instead of buying is still accurate. Ms. Jacobson confirmed that more citizens are renting homes in Salisbury than buying.

Mayor Pro Tem Sheffield thanked Mr. Yatawara for updating Council on the CDC. She asked if a temporary full-time position could be created within the City that focuses on housing and the housing strategy. Mayor Alexander confirmed there is a vacant position for a Housing Planner. Mr. Greene mentioned staff would still be involved in the community engagement aspect; however, having a consultant's expertise in budget and funding would be beneficial. Ms. Jacobson agreed.

MICROTRANSIT STUDY

Transit Director Rodney Harrison, AECOM Project Manager Adam Migliore Meyer, and AECOM Senior Transportation Planner Mariate Echeverry addressed Council regarding microtransit.

City Manager Jim Greene noted at its 2022 Retreat Council set a goal of developing a microtransit system. He stated Council had concerns and staff recommended hiring a consultant that could look at best practices and bring recommendations to Council. He indicated AECOM was selected to complete the microtransit study.

Mr. Harrison reviewed the history of microtransit in the City. He noted in June 2022 Council approved an in-house pilot project projected to begin December 2022, utilizing the Software-as-a-Service system (SaaS) and then transitioning to the Transportation-as-a-Service model (TaaS) if funding was received from the United States Department of Transportation (USDOT) Rural Service Grant. He indicated the City received the grant, and he noted the pilot project will replace Route 3 and include ADA paratransit service.

Mr. Migliore noted the study included previous work that was conducted by staff. He pointed out microtransit is similar to Uber and Lyft, and a resident can use the app on their smartphone or go to the website to book a trip. He added microtransit uses smaller vehicles to pick up riders close to their home and take them to their destination. He commented the rides can be shared and there are options to receive assistance booking a trip.

Mr. Migliore indicated nine systems were considered, four systems that uses SaaS, four systems that use TaaS, and one system that transitioned from SaaS to TaaS. He stated data collection was a concern of the peers and depending on the vendor the data obtained varied greatly.

He added it is important for the City to clearly define the data it expects to receive and to have a data management plan in place before signing a contract with a vendor. He noted marketing, promotion, and rider education is critical to the service's success. He pointed out performance measures will be needed to evaluate the efficiency and effectiveness of the service. He indicated cities that have drivers and the vehicle fleet in place tend to choose the SaaS model.

Mr. Migliore explained four microtransit scenarios were considered for the City along with no microtransit. He reviewed ridership projections, and he pointed out microtransit is projected to increase ridership. He noted if the City provides a service that is more frequent, more responsive and eliminates transfers between routes there will be a higher demand for trips. He indicated the ridership projections were used to estimate the vehicle and personnel requirements needed for the service. He pointed out three to six vehicles will be needed and includes a spare in case of a vehicular breakdown. He commented a 200% increase in ridership is projected.

Mr. Migliore pointed out with SaaS or TaaS service administrative personnel will be needed to oversee the contract and monitor the service and the data management plan. He added a transit dispatcher would be needed to field calls from riders who are unable to use the website or the smartphone application. He indicated with SaaS the City will need drivers and with TaaS the vendor would provide drivers. He added with the SaaS scenarios there would be no changes to existing staff. He added with the TaaS model there would be fewer positions in the Transit Department.

Mr. Migliore reviewed capital and operating costs for each scenario which included a one-time setup installation fee, tablets and the installation hardware, vehicle painting, and education and promotion of the service. He pointed out the cost ranged from \$62,000 to \$72,000. He noted depending on the scenario that is chosen microtransit may not be cheaper to operate. He pointed out Scenarios 2 and 4 would require less funding because it eliminates the fixed route service.

Mr. Migliore noted based on the technical analysis Scenario 2 which replaces of all existing routes with SaaS would be the preferred scenario for the City and would operate with existing drivers. He stated Scenario 2 would be easier for residents to use and understand because the service would be City-wide and eliminate transfers. He indicated the riders have existing relationships with the drivers which is especially important for serving ADA paratransit riders who may require additional assistance. He pointed out the City has a vehicle fleet that would be suitable for microtransit and could handle increased ridership. He stated the Transit Department has experience complying with federal and state requirements and regulations that a vendor may not have. He added SaaS would allow the City to control costs and quality of service.

Mr. Migliore stated the City would need to select the scenario it wants to proceed with and then procure a vendor. He added a detailed operations and safety plan will need to be created, and he pointed out it is estimated to take six to seven months.

Mr. Harrison noted based on its technical analysis AECOM recommended Scenario 2 and staff will make a final recommendation to Council once the North Carolina Department of Transportation Integrated Mobility Division (NCDOT IMD) determines the impact of microtransit on systems receiving State Maintenance Assistance Program (SMAP) funding and the funding

amount available for Salisbury from the MEE NC grant. He pointed out more specific guidance from the USDOT on the MEE NC grant is needed. He added NCDOT is working to identify additional funds so the grant would be covered 100% by federal and state funds. He indicated the MEE NC grant may not have pre-award authority and expenses incurred prior to a signed agreement will not be eligible for reimbursement expenses. He pointed out SMAP funds will decrease if fixed routes are reduced based on the current allocation formula. He added if the City goes with system-wide microtransit it will lose up to \$200,000 in SMAP funding. He indicated a phased implementation would allow the City to evaluate microtransit and lose SMAP funds for one route. He explained NCDOT received reduced grant funding from the federal government and the federal match for some applicants was less than anticipated. He noted NCDOT will work with each applicant to negotiate the best funding scenario and will determine how much of the required match it will cover.

Mr. Harrison noted the MEE NC grant is anticipated to be finalized with the FTA on July 1, 2023 with a launch date of January 1, 2024 which could impact the launch date of the City's microtransit service.

Councilmember McLaughlin asked if the City will lose \$200,000 if it transitions City-wide to microtransit. Mr. Greene explained currently the City receives \$200,000 for its fixed-route service and if the transition is made to microtransit and point-to-point service it will no longer receive that \$200,000. He added it was initially thought that grant funding would cover the cost of at least the pilot project, but the state received less funding and it is unsure how the funding will be allocated. He noted losing the \$200,000 is a real concern, and he questioned if there will be enough grant funding to pay for the service.

Councilmember Post questioned if the municipality will be responsible for developing the software for the system. Mr. Migliore stated the City would not be responsible for developing or coding the software, it would be responsible for testing the software with drivers and riders which could be contracted to a vendor.

Councilmember Post requested clarification regarding who sets the price for the service. Mr. Migliore explained under SaaS the City would have more control over the operating cost of the service, but in all scenarios the City would be responsible for setting the service fares. Mayor Alexander asked about the anticipated cost per ride. Mr. Migliore explained the fares for microtransit service tend to be similar to fixed route fares.

Councilmember Post stated microtransit seems to provide a better service at a lower cost for more people. Mr. Migliore pointed out the estimated operating cost, especially on an hourly basis for microtransit is less than the operating cost for fixed routes. Mayor Alexander asked if maintenance would still be conducted in house. Mr. Greene agreed.

Mayor Pro Tem Sheffield commented she does not use fixed route bus service because of the time it takes to get to a destination and microtransit will provide flexibility. Councilmember McLaughlin pointed out it is important for downtown visitors to get to where they need to go in a timely manner and a microtransit system could bring people into different parts of the City.

Mr. Greene stated he has spoken to other municipalities that use microtransit who reported hiring additional employees and purchasing additional equipment to accommodate increased ridership. He added staff needs to continue to evaluate the costs. He indicated another concern is sustainability, and he pointed out as the system grows and microtransit increases in popularity the City must determine if it is sustainable and how to cover the costs. He clarified microtransit is a Council priority and staff's recommendation is to continue to work with the state to address the funding issue.

Mr. Greene pointed out the City is providing transit service to Spencer and East Spencer. He indicated the City needs to have conversations with its partners to see if there are opportunities to receive funding from those communities and the County to possibly create a larger service area. He added he is not comfortable recommending moving forward until conversations take place with the state.

Mayor Alexander suggested placing the item in the parking lot until the funding questions are addressed.

Mayor Pro Tem Sheffield asked if there is a timeframe regarding the use of the grant. Mr. Harrison noted the grant is for three years, and he pointed out negotiation are taking place between NCDOT and the FTA. He noted based on conversations that took place on January 19, 2023 the USDOT is willing to listen and be flexible regarding how the funds are spent.

Interim City Manager Brian Hiatt pointed out if the City transitions to microtransit and it has an increase in ridership it could create problems with service levels. He questioned if there is a way to use the federal funding differently, particularly on areas that are outside of the City limits.

By consensus, Council agreed to leave microtransit as a multi-year goal.

STRATEGIC PLANNING PROCESS

City Manager Jim Greene noted the strategic planning process includes articulating Council's vision and goals into a multi-year strategic plan.

Administrative Services Director Kelly Baker introduced Catawba College Executive Director of Strategic Planning Dr. Christine Lynn who addressed Council regarding strategic planning. She pointed out Catawba College is working toward a strategic plan. She noted strategic plans are the actions an organization plans to take for the coming three to five years.

Dr. Lynn pointed out for a strategic plan to be successful it needs a majority of people on board. She added it can be difficult to achieve strategic alignment between human resources, budgets, and operations. She reviewed the strategic planning timeline for Catawba College which has been a year long planning process that included taking the plan to every department. She added it is critical to get employees to contribute in a meaningful way, and she indicated Catawba had nearly 100% participation. She stated a cascading strategy was used where every department has a plan that cascades to the overall plan which leads to a transparent and vulnerable culture that

commits to data analytics that allows employees to see how their ideas transition through the process.

Dr. Lynn reviewed the differences between a comprehensive plan and a strategic plan. She recommended a strategic plan cover a five year period, and she noted it should commit to a clear and compelling vision to provide a framework for strategic action plans.

Dr. Lynn reviewed Catawba's specific process, and she pointed out tough conversations took place including what the college should stop doing to get to where it wants to go and what it is doing well that needs to transcend into the future.

Dr. Lynn stated the City has a very polished Comprehensive Plan that can be divided into manageable parts. She added it is important to engage regularly with the board of trustees regarding strategic planning and to determine additional stakeholders that need to be engaged in the process. She commented the City may want to consider hiring an external strategist to ensure an equitable and fair process. She noted the College provided multiple opportunities to participate in the process including a strategic planning day that had over 600 participants.

Councilmember Post asked how the strategic planning process at Catawba is getting to the classroom. Dr. Lynn stated the students are heavily involved in the process, and she added the administrative working group is composed of students. Dr. Lynn indicated after the strategic planning day faculty members carried the ideas into the classroom and stressed the importance of speaking up and sharing ideas.

Mr. Greene stated he has spoken to Council about focusing on the City's culture, and he pointed out Ms. Baker is leading the efforts to consider the City's strategic focus. He noted there is a recommendation to include \$50,000 in the budget for developing and implementing a strategic plan. He indicated the Forward 2040 Comprehensive Plan should be approved in the coming months, and the time seems right to proceed with a strategic plan. By consensus, Council agreed.

Council thanked Dr. Lynn for her presentation.

MASTER PLAN FOR CIVIC CENTER IMPROVEMENTS

Parks and Recreation Director Nick Aceves and Rufty-Holmes Senior Center Executive Director Nan Buehrer requested Council's support to partner with Rufty-Holmes Senior Center on a comprehensive site plan estimated to cost between \$125,000 and \$150,000.

Mr. Aceves reviewed the history of the Civic Center and stated the center is mainly used for events, rentals, and meetings. He added as the building has aged, structural issues have become apparent such as a sinking floor, ADA accessibility challenges, and an impractical floor layout which impacts program and event opportunities. He noted there are aesthetic issues and a long list of maintenance concerns. He displayed different site and comprehensive plans to Council starting in 2009 and the most recent Parks and Recreation Comprehensive Master Plan. He noted a

significant theme in that plan was the discussion regarding a multi-use recreation center for Salisbury citizens.

Mr. Aceves noted the Civic Center, the Fred M. Evans Pool, and the Rufty Holmes Senior Center are close to one another and in desperate need of upgrades and repairs. He noted the pool was built in the 1960s and served as a community hub for swimming, events, and swim lessons. He added the pool has an affordable entry fee and swim lesson prices compared to other regional public pools.

Mr. Aceves pointed out the pool's current challenges and, he added there are also ADA issues and no proper guard shack for the lifeguards to access air conditioning. He stated there are safety issues regarding the pool's proximity to two busy streets, especially for kids who walk and ride their bikes to the facility.

Ms. Buehrer stated the senior center facility opened in 1988, and additions were made in 1995, 1998, and 2008. She noted the center is landlocked by the railroad and floodplain. She referenced the current limitations of the senior center facility, including the main reception area, the kitchen and café capacity, and limited information-gathering spaces. She added that additional multipurpose use spaces for events and programs are needed, and there is limited availability to host other agencies serving older adults at the Senior Center.

Ms. Buehrer stated the Rufty-Holmes Strategic plan in process began in 2018 to address the need to increase space. She commented the Senior Center Board of Directors worked with Centralina Council of Government to complete a Senior Center and Services analysis to understand the population and transportation needs. She noted an architect was hired to create a design plan to renovate the existing building to maximize and gain additional usable space, but realized there still needed to be more room to accommodate current and future growth. She emphasized the Senior Center Board of Directors is ready to help with a master plan for a new facility to serve older adults.

Mr. Aceves commented this is an opportunity to take the Fred M. Evans Pool, the Civic Center, and the Rufty-Holmes Senior Center and construct a state-of-the-art facility at the current site of the Civic Center. He emphasized the pool would still be called the Fred M. Evans pool and with Rufty-Holmes Senior Center a generational facility could be created. He pointed out that the project could cost \$10 million, but partnerships could help bring in grants and donors.

Mr. Aceves requested Council consider using American Rescue Plan (ARP) funds to work with Rufty-Holmes Senior Staff on a comprehensive site plan estimated at \$125,000 to \$150,000.

Mayor Alexander stated her support for the comprehensive site plan. She added a generational facility would be an asset to the City.

Councilmember Smith asked if there was a way to compile a list of regional facilities with current multigenerational space. Mayor Alexander stated there is a facility in Reidsville, NC. Ms. Buehrer stated Forsyth County in February poured cement for a 60,000 square feet space for senior citizens, youth and the arts.

Mayor Alexander stated there are 1,313 age 60 plus grandparents who are responsible for their grandchildren so it would be beneficial to have a space where the grandparents and grandchildren could visit together.

Mayor Pro Tem Sheffield asked about the total acreage of the Civic Center space. Mr. Aceves estimated the site is approximately 20 acres, and the building is a little under 30,000 square feet with real usable space of about 10,000 square feet. She asked Mr. Aceves about the estimated timeline for the comprehensive study and construction of the facility. He stated the study could take 8-12 months, with construction estimated at two to three years.

Councilmember McLaughlin asked if the \$150,000 is a shared cost. Ms. Buehrer stated the Senior Center Board is committed to assisting with the master site and comprehensive plan cost.

DEVELOPMENT OF 2023 PRIORITIES

Facilitator Julie Brenman pointed out Council's 2022 Priorities focused on public safety, infrastructure and human capital, economic prosperity and mobility, and community partnerships.

City Manager Jim Greene reviewed the discussion on Council meeting efficiency, and he recommended Councilmembers consider using Council's comment period to advise if they have an item to be placed on the next Agenda so Councilmembers and staff can hear about the item and ask questions. By consensus, Council agreed.

Ms. Brenman reviewed the potential priorities Council developed during both days of the Retreat, and she explained the items under each category:

- Year in Review or Goals Update
- Financial Review
- Council Meeting efficiency
- Branding Study
- Cost of Growth and Service Level Impacts
- City Street Infrastructure
- Economic Development Update and Incentive Review
- Forward 2040 Comprehensive Plan
- Housing Strategy Development
- Microtransit Study
- Strategic Planning Process
- Master Plan for Civic Center Improvements
- Skate Park
- Town Halls

Ms. Brenman asked each Councilmember to choose their top six priorities including specification of their top priority. She pointed out the following were how the priorities were ranked:

- Strategic Planning Process
- Housing Strategy Development
- Master Plan for Civic Center Improvements
- City Street Infrastructure
- Economic Development Update and Incentive Review
- Cost of Grown and Service Level Impacts

Councilmember Smith asked about the plans for the Wells Fargo Building. Mr. Greene commented the City is not doing major improvements at this time per Council's request. Mr. Smith asked how the space will be used. Mr. Greene noted the office space will be used by Parks and Recreation staff while further evaluation is taking place at the Wells Fargo Building and the Civic Center.

Mr. Greene commented further discussion is needed on how the Wells Fargo Building will be implemented in the future, but the short-term goal is to get staff into the building and to use the extra storage space.

Mr. Greene noted it seems the Civic Center is a priority for Council, and he asked Council if it was supportive to move forward on the Master Plan. By consensus, Council agreed.

Mr. Greene noted he heard Council is interested in branding as a priority, but it is interested in obtaining feedback on what other cities are doing. By consensus, Council agreed.

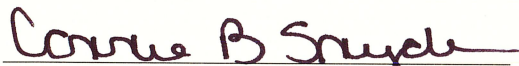
SESSION WRAP UP

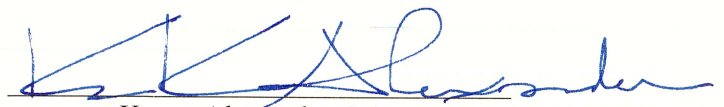
Mr. Greene thanked Mayor and Council for their hard work during the Retreat, and for providing direction to staff.

Mayor Alexander thanked everyone in attendance, and she thanked those who worked to make the Retreat a success.

Thereupon, Councilmember Post made a **motion** to adjourn. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem Sheffield voted AYE, Councilmember McLaughlin voted AYE, Councilmember Post voted AYE, and Councilmember Smith voted AYE. (5-0)

The meeting was adjourned at 4:30 p.m.


Connie B. Snyder, City Clerk


Karen Alexander, Mayor