

CITY OF SALISBURY NORTH CAROLINA

2007-08 BUDGET
For the Year Ending June 30, 2008



MAYOR, CITY COUNCIL, AND CITY OFFICIALS

MAYOR AND CITY COUNCIL

Susan W. Kluttz - Mayor

Paul B. Woodson, Jr. - Mayor Pro-tem

William R. Burgin

William R. Kennedy

Mark N. Lewis

OFFICIALS

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City Manager**

**John A. Sofley, Jr.
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City Management Team**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**City of Salisbury
North Carolina**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Salisbury, North Carolina for its annual budget for the fiscal year beginning July 1, 2006 (Fiscal Year 2006-2007).

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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FY 2007-08 BUDGET
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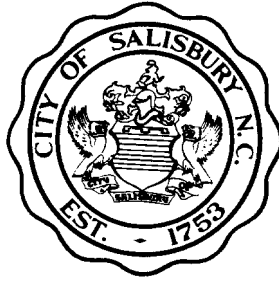
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May 1, 2007

BUDGET MESSAGE FISCAL YEAR 2007-08 **July 1, 2007-June 30, 2008**

MAYOR, CITY COUNCIL MEMBERS, AND CITIZENS OF SALISBURY

It is with pleasure that I present to you the City of Salisbury's FY2007-08 Annual Budget totaling \$58,803,700 for all funds.

The twenty-second Annual Future Directions and Goal Setting Conference for the City was held February 15 and 16, 2007 at various locations throughout the City of Salisbury, North Carolina including the Rowan Museum, City Hall and the Salisbury Police Station. The theme for this conference was **"Sounding Together, Creating Possibility"**.

The Conference opened up with a spirited update by City employees regarding all of our efforts to create a culture of excellent customer service for our citizens in Salisbury. Even though citizen surveys and focus groups have rated our services from good to very good, the Salisbury City Council cast a vision for excellent customer services in our community. My experience has shown that a very positive customer service transformation is taking place in the way we are providing customer service in our community; however, it is not important what I think, but what our citizens think. Given the positive feedback that I have been receiving from the public, I would say that we are making very good progress. Have we arrived yet? No, but I think that we are making good progress. We are not interested in a program, but a change in our culture. We are working to improve our service each day in addressing this important tactical goal.

Another important aspect of our customer service initiative is the concept of servant-leadership. We not only want to produce outstanding results, but we want to do it by creating positive relationships with our citizens. We are passionate about serving our citizens and we have an opportunity each day to demonstrate how much we enjoy serving them. We hope it shows.

In supporting the theme of our conference we shared a video, "The Art of Possibility". The video demonstrated, by using the analogy of an orchestra leader, how each person possesses the power to make other people powerful. This concept can relate to the way we interact with our employees, community groups, and each citizen. Engaging our citizens in the democratic processes of our community is critical to our success. Solving community problems by applying the passion and talents of our citizens is absolutely necessary. None of us can do as much as all of us can do together. There are many issues in our community today which will require this approach if we are to be truly successful. This budget reflects, in many ways, the efforts of our City Council in identifying the important issues facing our City.

During the conference, we received a Branding and Wayfinding update from Councilmember Mark Lewis and Planning Manager Joe Morris on the results from our citizen steering committee. Though there was not full agreement on the branding of our City, we all agreed that the goal of creating an overall brand for our community was important to our ability to successfully promote our community. Though it will not be easy, we will continue to refine our branding efforts until we come up with just the right brand. We did agree that a systematic wayfinding plan should be established for our community. A small amount of money has been included in this budget to begin this important element.

On the first day we heard an update on the results of the City's efforts to create a land development ordinance to assist in implementing the Salisbury Vision 2020 plan. Councilmembers Bill Burgin and Mark Lewis, co-chairs of the Land Development Ordinance Committee, shared the progress to date of this Herculean effort and indicated that a completion date was in sight. We look forward to the adoption and successful implementation of this critical development tool for our community.

We also examined the efforts of the Public Services Department in preparing a strategic plan for that department. Our employees told City Council that the strategic plan addresses areas common to all eight divisions. These areas include customer service, accreditation, and facility needs. In addition to the Transit Strategic Plan included as a part of this year's plan, we will begin the process of preparing individual plans for the remaining seven divisions of the Public Services Department.

Barbara Perry, Chair of the Community Appearance Commission and Lynn Raker of our planning staff shared with City Council the progress made on Salisbury's History and Art Trail initiative. Integrating public art into our community's everyday lives is an important feature of this effort. Continued funding for this project is reflected in this year's budget.

The second day of the conference, the City Council, City Manager, and City Management Team participated in a morning training session facilitated by the Institute of Government, focusing on setting mutual expectations for FY2007-08. All participants came away with an appreciation of the roles and responsibilities of each as it relates to the successful operation of the City.

After hosting an appreciation luncheon for Boards and Commission members, the City Council focused its attention on reviewing the FY2006-07 Outcomes and Goals and the development of a One-Year Tactical Plan. After receiving a Budget Economics review from John Sofley, Management Services Director and Teresa Harris, Budget and Performance Manager, the Salisbury City Council concluded the Future Directions and Goal Setting Conference by adopting twelve outcomes, seven one-year tactical goals, and 22 other goals as shown in Exhibit 1. Though the City's mission, vision, and values remain the same, City Council added an Outcome Twelve with supporting goals addressing the cultivation of values relating to inclusion and diversity in Salisbury and Rowan County. In addition, the City Council adopted a new tactical goal of exploring a water sales agreement with both Kannapolis and Concord. Another new tactical goal (included in Outcome Three) includes the creation of a cultural action plan to strengthen and unify Salisbury's cultural resources. Funding is also available to fund an important tactical goal relating to the initiation of an "impact project" as part of the North Main Street Small Area Plan.

At the close of the session, Salisbury City Council challenged the City Manager and Management Team to return with a no tax increase budget for the FY2007-08 General Fund Budget and no more than a modest increase in the City of Salisbury's Water and Sewer Utility rates.

PROPERTY REVALUATION AND TAX NEUTRAL CALCULATION

First, the City of Salisbury must evaluate the effect of Rowan County's property tax revaluation. Rowan County has a policy of revaluing all real property every four years. For property tax purposes, all real property within the City had new values established as of January 1, 2007. Although the City has historically presented City Council with a tax neutral calculation, North Carolina General Statutes now require this disclosure. The General Statutes do allow the City to recognize those increases in the tax base that would have occurred without the revaluation. As shown on the following schedule, the projected tax neutral tax rate would be 59 cents per hundred dollars valuation. This would be a decrease of 3.5 cents from the FY2006-07 rate of 62.5 cents.

	<u>Estimated FY2007</u>	<u>Projected Growth</u>	<u>Projected Without Revaluation FY2008</u>	<u>Percent of Value</u>
Real Property	\$ 1,876,254,662	4%	\$ 1,951,304,848	77%
Vehicles	184,232,673	5%	193,444,307	8%
Personal Property	309,524,220	4%	321,905,189	13%
Public Service Property	<u>61,700,000</u>	1%	<u>62,317,000</u>	2%
Estimated Total Valuation	<u>\$ 2,431,711,555</u>		\$ 2,528,971,344	
Tax Rate FY06-07			<u>0.625</u>	
Projected Levy			\$ 15,806,071	
Divide by Rowan County Tax Assessor's Projected Value			<u>2,683,900,000</u>	
Revenue Neutral Tax Rate			<u>\$ 0.59</u>	
Percent Increase in Taxable Valuation from Revaluation				6.13%

SAFETY AND CRIME PREVENTION PROGRAM

Based on this projected amount of property tax receipts and other projected revenues, the directive of a no tax increase budget can be accomplished. It will not, however, include many of the important neighborhood amenities requested by City Council including increased funding for two police officers to address increasing youth violence, increased capacity to address a backlog of street light requests, and funds to address nagging code enforcement problems. As such, I have included a proposal for City Council's consideration of a one-cent tax increase to address these important community issues. The proposed expenditures for these items are:

Police Department:	
Additional salary and benefits for two police officers	\$ 89,084
Equipment excluding vehicles	43,560
Additional departmental expenditures for 2 new officers	25,185
Increased funding for youth & gang related programs	9,000
Police Software Upgrades for mapping and gangs	9,100
Street Lighting:	
Additional funds to install street lights	26,000
Additional Engineering Technician for designing lighting plans	38,959
Code Enforcement:	
Increased funding for Demolition	15,000
Increased funding for nuisance abatement	<u>4,500</u>
Amount of one cent of property tax	<u>\$ 260,388</u>

Even with this recommended tax increase, it is evident that the trended operational budgets in the recommended FY2007-08 budget are thin and much needed capital expenditures continue to be deferred. Most of the City of Salisbury's Outcomes, Strategies, and Goals are addressed at some level.

HUMAN RESOURCES

The Human Resources Department continues to work towards achieving outstanding progress in accomplishing the associated goals related to four City Council Outcomes. Successful achievement of these outcomes and goals will be hindered by the lack of resources.

Training and Development

I have included funding to continue the implementation of the City's Customer Service Initiative as identified in Outcome 1. These funds will be utilized to further the development of the change management process and support the initiative on an ongoing basis.

In accordance with Outcome 6: Attract, retain and develop high quality City employees, funds are requested to implement the following changes:

Merit Increases and Compensation

In order to be successful in achieving the goal to attract and retain high quality employees, overall adjustments in the compensation plan are needed to meet market demand and reach comparable levels with area employers. Though market demand funding is not available this year, it is recommended that the City grant an average three percent merit increase for FY2007-08. While this increase will provide pay for performance, it will not improve the City's competitive position with other employers competing for the same talent.

After an evaluation of City Council salaries in relation to those in neighboring communities, I have included an increase in City Council salaries effective January 1, 2008.

It is also recommended that the FY2007-08 budget include funds to increase the City's 401k employer contributions from two percent to three percent for all employees other than police officers. Under State Statutes, sworn police officers already receive a five percent contribution.

Diversity Recruitment

I have included some funds to facilitate the goal of implementing strategies to recruit employees from diverse populations based on the Diversity Recruitment Design Team recommendations. These funds will be used to support this initiative for costs associated with the production of communications, advertising, and marketing materials as well as those needed for fees, incentives, and expenses related to identified strategies.

Health Insurance

The City will experience a 4.4% increase in the cost of group health insurance for FY2007-08. A more comprehensive and holistic cost containment strategy is recommended to further control future group health insurance increases. The recommendation includes the establishment of a partnership with a health management provider with the goal of reducing utilization increases and thereby experiencing future savings. The first step of the strategy is to offer two options for health insurance with different levels of coverage. The next step is to encourage employees to participate in the Wellness Plan. The Wellness Plan will include insurance coverage at the higher level, a Health Risk Assessment process, and implementation of an Employee Wellness Clinic with a part-time nurse practitioner. This strategy provides an effective way of curbing future utilization increases, as well as providing an additional employee benefit.

Personnel Recommendations

I am recommending eight additional full-time positions in the General Fund which include the following:

1. Assistant to the City Manager to provide City-wide support in strategic planning, accreditation processes, policy research and the establishment of a City Council legislative agenda. In addition, this position will aid the Management Services Director in the coordination of the City's annexation process and assist the Human Resources Director with compensation research issues and employee training. This position will be more than offset by a reduction in outside consultant fees. It will be funded 50% General Fund and 50% Water and Sewer Fund.
2. Building and Grounds Worker in Facilities Maintenance to meet the increased demand for maintenance of facilities due to the Police Department addition.
3. Two Police Officers to respond to the need for more attention to gang related activity.
4. Three Fire Control Specialists to offset cost of current overtime incurred as a result of changes to the Fair Labor Standards Act.
5. One Engineering Technician to provide design support for the Street Lighting Program.

Funding for the following seasonal and part-time positions is also recommended:

1. Human Resource Analyst Intern (temporary part-time) to provide support in special projects.
2. Information Technologies Intern (temporary part-time) to perform various assignments.
3. Two Fire Hydrant Maintenance Workers (Summer) to provide general maintenance of hydrants.
4. Recreation Aide (temporary part-time) to coordinate the adult soccer league.

The additional position of Utility Engineer is recommended for the City's Salisbury-Rowan Utility Department (SRU). The City currently contracts with engineering firms to provide designs for new water and sewer lines. Many of these lines could be designed by the City if we had an engineer dedicated to this task at a cost significantly cheaper than contracting for the design. I am recommending funding for these water and sewer designs in the Water and Sewer Capital Projects Fund.

MANAGEMENT SERVICES

The Management Services Department provides the majority of internal services to support the operations of the City. These services include fiscal affairs, technology services, and facility management. The Department also provides direct services to citizens through its Business Office Division, management of the City's website and our Access 16 cable channel.

Included in Management Services are the Purchasing, Accounting, Budget and Performance Management, Business Office, Facilities Management, Central City Buildings, Information Technologies, and Telecommunications Divisions.

New Software

In March 2007, City Council approved the purchase of new financial, work management, and citizen resource management (CRM) software from Cogsdale Corporation. Most of the Management Services divisions will be devoting a significant portion of their efforts this year in training, converting, and implementing the new software. The current estimated date that the conversion will be complete for the financial software is December 31, 2007. Work management and customer resource management software will be implemented over the following twenty-four months.

Accounting

The Accounting Division is responsible for the day to day financial activities of the City. This Division will be responsible for most of the work related to the implementation of the new financial software.

Budget and Performance Management

The Budget and Performance Management Division manages the City's budgeting process, performance measurement, and special analyses/costing projects and strategic planning for the City. Additionally, this division participates in the North Carolina Local Government Performance Measurement Project along with fifteen other municipalities. The purpose of this project is to both measure and compare local government services and costs and to identify "best practices" for local government.

In FY2006-07, the Division represented Salisbury as one of five North Carolina jurisdictions in a pilot project sponsored jointly through the UNC School of Government and the NC League of Municipalities (NCLM). Funded through the Alfred P. Sloan and Z. Smith Reynolds Foundations, the goal of this project is to engage Salisburians (through a half-day focus group) in the creation and adoption of performance metrics geared specifically toward improving the City's livability and character.

Still under the grant-funded umbrella of the NCLM project, in FY2007-08, the Division will serve as a mentor to Hickory, North Carolina to help that jurisdiction involve its citizens in

creating and adopting performance measures for specific service areas deemed important for that community. The benefit to Salisbury in participating in this process is multi-dimensional in nature, in that it enhances staff experience in a range of activities that are beneficial to the Salisbury community and municipal organization, as well as providing citizen feedback that we would have to pay for otherwise.

The Division produced the City's third annual performance report and will produce the fourth performance report in FY2007-08.

Recently, the Division teamed with Land Management and Development as one of nine North Carolina jurisdictions participating in a two-year project sponsored by David Ammons at the UNC School of Government to adopt best practices in the area of performance measurement for development services.

The Division was also selected as one of seven entities in the southeastern U.S. to sit on a regional steering committee on the use, adoption, and standardization of local government performance measures, with an end-goal of greater transparency and uniformity in local government reporting.

Business Office

The Business Office Division provides direct customer services to the public. Currently, over 16,400 active water and sewer accounts are managed including the billing, collection, customer service, and account management. The Division manages our privilege license program and the collection of all City miscellaneous billings. This Division will spend significant time in implementing the new software as all of its current software is replaced.

Facilities Management

Facilities Management is responsible for maintaining the City's bricks and mortar assets and overseeing the operations of the Plaza. This includes ongoing municipal service contracts, buildings and grounds maintenance and repair projects, and new construction projects. A formal work order system allows Facilities Management to plan for the completion of various projects while addressing repairs and to track resource allocations by division and type. During the FY2007-08, Facilities Management will coordinate the construction of a new ADA-compliant passenger platform and trackside canopy adjacent to the Amtrak station to serve departing and arriving passengers.

A proactive and planned approach to maintenance enables the City to manage costs associated with maintaining City-owned properties. Our facilities are being evaluated to expedite the development of comprehensive maintenance schedules for all properties. With the additional 14,000 square feet of office space added from the Police Department Renovation and Expansion Project, an additional facilities maintenance position is recommended as identified previously to assist in building maintenance and cleaning.

Beginning July 1, 2007, I am recommending that the city contract with Downtown Salisbury, Inc. to oversee the leasing and marketing activities of the Plaza. There will be no additional cost for this contract since the City has been in a contractual arrangement previously for these activities. One of our goals for the Plaza is to adjust current Plaza leasing rates, beginning with new tenants, to more nearly reflect current Downtown rates.

Purchasing

The Purchasing Division continues to work with departments on major purchases with assisting in the preparation of bid specifications or the identification of “piggy-back” bid opportunities, consultation of purchasing issues, monitoring changes in the General Statutes, and the management of the City’s purchasing card usage.

Information Technology Services

City Council identified Fiber to the Home (FTTH) as one of Council’s six tactical goals for FY2006-07. City Council understands that FTTH would be a big investment, but it could ensure that leading-edge communications and entertainment services will be available to our residents and businesses. In terms of economic development, it would be a big plus for businesses looking to either move here or maintain their presence here. Furthermore, it would keep those dollars spent on communications and entertainment local rather than leaving our community as profits to shareholders elsewhere. Our citizens and businesses would become our shareholders. This project would provide the City with the means to provide triple play (voice, video, data) services to the citizens using fiber cable to each home or business. The City worked with a consultant last year to develop a business plan for FTTH. However, due to concerns about the availability of pole access from Duke Power, the City decided to have an engineering firm come in and do a more detailed “make ready” analysis. The analysis has been completed and the results will be incorporated into a new business plan. If this business plan shows the project is feasible, City Information Technology staff will recommend the development of several RFP’s this year, including one for the design and construction of the fiber plant.

This budget year, it is recommended that the City’s storage area network (SAN) at the Police Department be upgraded. Last year the Xiotech Magnitude SAN located at the City Office Building was replaced. By updating the unit at the Police Department, the City will be able to implement replication of data between the units providing the City a much higher degree of disaster recovery than ever before.

In the City’s last Five-Year Technology Plan, the number one application identified was CRM. This software will allow the City to better manage its assets and resources while giving the citizens a greatly improved method of interacting with the City. The City will use this package to create and track work orders for everything from pothole repair to limb cutting. The citizens will be able use this package to place and track service requests by phone or online through the web. The package will also better inform our citizens by providing an automated response to our citizens on the status of their requests. Reports will provide a means to track the City’s effectiveness and tie into the City’s customer service initiative.

Significant Division time will be spent both this year and next implementing the various software modules that the City is purchasing. They will be working with every area of the City to implement the new financial, work management, and CRM software.

Telecommunications

I am recommending that funding for the replacement of two transmitting and two receiving antennas be included in this budget. The secondary antennas are eighteen years old and have seen extreme wear and tear. The antennas have received numerous lightning strikes over the years, in addition to the stress of ice storms, wind, and rain. The plan calls for the replacement of these antennas over two years. The City funded the replacement of the primary transmit and receiver antennas during FY2006-07 with the secondary transmit and receive antennas to be

replaced in FY2007-08. This will provide improved communications for our emergency providers.

The City is now in the middle of its rebanding project. Over the past several years, public safety and other "high-site" radio systems - including those used by police, firefighters, emergency services, utilities, businesses, and others operating in the 806-824 MHz/851-869 MHz Band (the "800 MHz Band") have increasingly been experiencing equipment interference problems and communication "dead zones" as a result of technically incompatible "low-site" commercial wireless systems operating in the same or adjacent spectrum bands.

The 800 MHz interference problem surfaced in large part because the FCC's original 800 MHz Band plan did not anticipate the extent of development and growth of "low-site" cellular-type systems. As these low-site systems (such as those of Sprint Nextel) flourished, and as high-site 800 MHz public safety systems also became more widespread, interference problems became more common. Given the paramount importance of effective first responder and emergency communications, the FCC began addressing this serious issue in April 2000.

On August 6, 2004, the FCC released a Report and Order (R&O) establishing a two-pronged solution to address 800 MHz interference problems in both the short-term and the long-term. The FCC has released additional guidance on the 800 MHz solution in a Supplemental Order on December 22, 2004 and in the October 5, 2005 Memorandum Opinion and Order (MO&O).

The first prong of the FCC's solution is the creation of a technical standard for determining whether an 800 MHz licensee is entitled to interference protection and related procedures for avoiding and eliminating harmful interference. The second prong, the long-term solution, involves reconfiguration of the 800 MHz Band to separate generally incompatible high-site and low-site technologies.

The FCC's R&O is designed to provide an effective and equitable solution with minimal disruption to users of the 800 MHz Band. Sprint Nextel will pay all reasonable and prudent expenses directly related to the retuning of an 800 MHz system, and relocated licensees will receive comparable facilities when they reconfigure. A Transaction Administrator was created to help licensees during the reconfiguration process and ensure that reconfiguration proceeds as smoothly and rapidly as possible. Reconfiguration of the 800 MHz Band is scheduled to be completed in 2008.

Although Sprint Nextel will pay to replace most of our equipment, there will be some costs that the City will have to fund based on experiences we have seen with other 800MHz systems. Since the exact timing of these expenditures and amounts are uncertain now, I have included no funds specifically in the FY2007-08 budget.

POLICE DEPARTMENT

The Police Department continues to provide coverage 24 hours per day for the citizens of Salisbury. Excellent customer service is a goal that we continue to meet each day while at the same time realizing that we will always strive for improvement.

The Police Department is in the second year of its Strategic Plan. Second year goals include:

- 1) Improve the Department's ability to address juvenile gangs.
- 2) Re-examine configuration of patrol beats to equalize the demands of Police service.
- 3) Review salary and educational opportunities for department personnel.

Meeting these goals will be a challenge as far as being able to stay on target and work within the confines of their budget.

Goals one and three of the plan will require additional resources in order to accomplish them. We all know that the gang problem in Salisbury and surrounding jurisdictions is growing and our current efforts are not adequate to address the issue. The Department will have to continue efforts at an accelerated pace to create awareness and education for students and parents as well as the general public. We have to intensify our investigative efforts to target and prosecute known offenders for their violations with zero tolerance. In order to address these goals, I have recommended that the City add two police officers as part of the Safety and Crime Prevention Program. One position will be assigned as a Gang Investigator to work with the Department's current Investigator who spends most of his time on community education and awareness. The second position will be that of a patrol officer to focus on street level activities during the late evening hours. If approved, all three officers will coordinate their work by sharing information throughout the Salisbury Police Department and surrounding agencies in order to apprehend and prosecute those members of society involved in gang-related crimes. This complements the City's Outcome #2.

Goal two of our Strategic Plan for this year has been completed with no additional cost to the citizens of Salisbury. Late last year, the Police Department underwent some reorganization in order to create more patrol beats with the same number of personnel. By doing this, we were able to use existing resources to make the patrol beats smaller and add additional beats and staff them. As a result, we were able to increase our visibility in the neighborhoods. This complements the City's Outcomes #2 and #8.

Because of the cost, the third goal of the Police Department's Strategic Plan will remain unfunded this year. This goal involves the review of salary and educational opportunities for Police Department personnel. Though it has been the practice of the City to help those individuals who wish to continue their education by providing a lump sum payment per course for those successfully completing educational hours toward an undergraduate or graduate degree, we have found this policy to be ineffective. The net result of this policy is that we lose the employees once they have their degree. Many of the law enforcement agencies that the Police Department competes with for employees pay incentives for employees with degrees. Therefore when we help pay for our employees' education, there is another agency waiting to hire them and pay them an incentive because they have a degree. It is our hope that as funds are available, we can pay to keep good employees rather than pay to educate them so that they can get a better paying job elsewhere.

In addition to these goals, the Police Department will continue to work diligently with Project SAFE because we do believe that it is having a positive impact on our City. The Police Department is very proud of the fact that the construction of the new addition and the renovation of our existing facilities is complete and they are now occupying the new facilities.

FIRE DEPARTMENT

The Salisbury Fire Department has been committed to protecting the lives and property of the citizens of Salisbury for 190 years. Through the years, the Department has preserved its primary mission of preparedness for and prevention of fires in Salisbury. This year's budget continues to represent this commitment with innovative techniques and forward-thinking approaches.

The Fire Department is ramping up for Accreditation. Department staff attended introductory accreditation workshops earlier this year. It will be necessary for additional department Management Team members to attend the workshops to facilitate preparation. Some funds for workshop registration fees and travel associated with attending the workshops are included in the budget.

The Department's overtime budget for FY2006-07 increased \$130,000 over the prior year. A change of FLSA classification of our eighteen fire captains from exempt to non-exempt accounted for the majority of this increase. The Department has considered many options to reduce overtime, including assigning present staff members to shift duties only to experience a significant negative impact. Presently there are no viable methods to reduce overtime that will not reduce service and negatively impact our current ISO rating. Rather than continue to pay this overtime, I recommend that the City add three full-time firefighters. An additional firefighter per shift will provide two excellent benefits: to significantly reduce overtime and to increase the ISO staffing score. These new positions can be added at no additional cost to the City.

I am also recommending a significant amount of funding for new equipment for the Fire Department. This equipment will assist the Department in their ability to fight fires and rescue citizens when needed.

With the exception of the new Fire Station 4, all three of the City's other fire stations are outdated. The fire service has changed over the years in terms of services provided, size of fire trucks and equipment, and the make up of station personnel to include female firefighters. Short of total rebuilding, significant building modifications are needed to include separate gender specific restrooms and shower facilities, decontamination facilities for firefighters who have been exposed to OSHA listed contaminants and increased apparatus and equipment housing. Two of our current stations do not have separate facilities for female firefighters. The facility that needs the most attention is Station 3 on West Innes Street which was built 50 years ago. I am recommending funds to perform environmental and property evaluations to determine if this station can be modified or a new station in this area will be required.

Department responsibility also includes the inspection and evaluation of the housing stock in our City. The number of vacant and run-down houses is increasing even though the number of minimum housing inspections and inspectors has increased. I have included additional funding to address some of these problems that are a part of the Safety and Crime Prevention Program.

PUBLIC SERVICES

The Public Services Department provides many direct services to our citizens. Included in this Department are Code Enforcement, Traffic Operations, Street, Cemetery, Solid Waste Management, Landscape, Fleet Management, and Transit Divisions. The Department's biggest challenge is the constant increase in the cost of materials to carry out daily operations. Gains in efficiency are often offset by the volatility in prices for materials.

Administration

Administration continues to be the center for all operations of the Department, as well as nuisance code enforcement being a direct report unit. The office staff is shared by all divisions of the Department.

Code Enforcement

Code Enforcement will continue to uphold the nuisance abatement ordinances to all areas of the City. More funding for nuisance abatements is included in this budget as part of the Safety and Crime Prevention Program. In order to further strengthen Code Enforcement, I am considering transferring this function to LMD-Developmental Services.

Traffic Operations

Traffic Operations continues to concentrate on signal maintenance, sign repair, and pavement marking rejuvenation. The Division is the internal support group for Technology Services, Engineering, and other departments. The cost of aluminum and steel has had a negative impact on the operating budget of this division.

Street

The Street Division continues to carry out installation and maintenance to City-owned roadways and sidewalks. Yard waste collection and disposal are also included in this Division. Expenditures for road maintenance continue to increase due to the rising cost of fuel, asphalt, and concrete. Material costs change daily. Suppliers will no longer lock in prices for any length of time due to the changing market prices.

Cemetery

The Cemetery Division continues to perform daily maintenance to seven municipal cemeteries as well as interment/disinterment in three of the cemeteries. I have included in this budget a large equipment trailer to make more efficient use of our personnel. Old water lines in Chestnut Hills and Memorial Park Cemeteries will be replaced by Salisbury Rowan Utilities over the next three years.

Solid Waste Management

Solid Waste will continue to collect residential and commercial refuse. It is anticipated that landfill fees and fuel surcharges on contracts will continue to increase over time as a result of increasing fuel costs.

Landscape

The Landscape Division continues to provide rights-of-way mowing, municipal-owned landscaping maintenance, and contractual assistance to Salisbury Rowan Utilities facilities. Other responsibilities include various parks in the uptown area as well as Hurley Park. Maintenance needs for these parks continue to increase which has an adverse effect on how much can be done yearly. I have included some increases for equipment and tree/plant pruning education. At some point in the future, additional staff will be needed to assist in the development of Hurley Park as it continues to grow.

Fleet Management

Fleet Services maintains 735 vehicles and equipment. The Department is proud of its “Blue Seal of Excellence” designation from ASE. Basic shop tools and equipment to work on newer vehicles need to be replaced; therefore, I have included funds to purchase new equipment. A

continuing challenge for the division will be the management of paperwork related to the repair of equipment and the purchase of parts using existing personnel. A transfer of the code enforcement responsibilities will provide secretarial support resources to better assist in processing Fleet Management paperwork.

Transit

The Transit Division continues to serve a fixed route and ADA compliant “on demand” services to Salisbury, Spencer, and East Spencer. A further explanation of transit activities is included under the Transit Fund.

LAND MANAGEMENT AND DEVELOPMENT

The Land Management & Development Department will be involved in fifteen Council Goals in the coming year. The Goals that require funding are being adequately supported by the recommended budget; however, current staff levels will be seriously challenged by the volume of work.

Since 2005, a project manager has been assigned to each private development project to serve as a “personal banker” for all engineering design, state and local permitting, bond administration, and final acceptance by the City. The “personal banker” coordinates the input of the Fire Department, Planning, Solid Waste, Streets, and SRU. Additionally, the Director steps in as a “project advocate” if there are inter-departmental discrepancies or inconsistencies. Efforts to be more accommodating and “business friendly” have increased the staff time required to administer each project, and the complexity of staff involvement has increased significantly. One engineering position was vacant for slightly over a year, causing a noticeable reduction in service. The position has finally been filled with a qualified staff member, and the level of service is returning to normal. However, plan review staff are fully engaged and have little flexibility to increase service in other areas or undertake new “opportunities” throughout the year.

In December 2006, the Community Appearance Commission, in cooperation with representatives of fifteen neighborhoods, reported their findings of a year-long study of deteriorated housing within City neighborhoods. The joint effort resulted in fifteen recommendations to improve housing conditions throughout the City. Although funding is not available for most of the recommendations, staff is currently developing a web page for Resident Resources, consolidating information, and help links. The Salisbury CDC provides training and resources to help renters become first-time home owners, and the Loss Prevention and Minimum Housing Division of the Fire Department is developing an improved system for tracking minimum housing inspections, violations, and interventions. They are also training more personnel to conduct minimum housing inspections. As noted earlier under Fire Department, additional funds have been included for this purpose as part of the Safety and Crime Prevention Program. Additional actions that would require staff time, but not specific funding include:

1. Develop City-maintained inventory of “at-risk” houses with prioritization for mitigation.
2. Establish method for police notification to landlords when violation occurs at an address.
3. Adopt “Demolition by Neglect” Ordinance for historic properties.
4. Study feasibility of establishing a Housing Commission to develop appropriate strategies for reducing the incidence of deteriorated housing.

The following two items are likely to receive considerable attention by City Council in the coming year; however, they cannot be fully funded at the recommended tax rate:

- **Storm Water Management:** There are two elements to storm water management, quality and quantity. Storm Water Quality will be addressed in accordance with the unfunded mandates of NPDES (National Pollutant Discharge Elimination System). The General Fund has been contributing about \$25,000 per year for the past two years to meet the minimum requirements of NPDES. Storm Water Quantity is typically addressed by maintenance, repair and/or replacement of drainage facilities such as pipes and ditches. In past years, the City has participated in 50% of the cost of drainage improvements on private property through a grant program. The grant program is not funded in the recommended budget and the City could easily spend \$25,000 or more each year. Staff is aware of numerous drainage deficiencies throughout the City, and the number of deficiencies increases steadily due to deferred maintenance and urban development. It may be time for Salisbury to consider a storm water utility funded by a “rain tax”.
- **Downtown parking lots and alley improvements:** Expectations are high for the City to improve downtown parking lots and alleys to serve as a catalyst for private investment downtown. The recommended budget includes funding for a joint venture with Soldiers Memorial AME Zion Church and Rowan County to construct a shared parking lot near the County Courthouse. However, the budget does not currently include funding for the Trexler property parking lot (to support South Main Street projects), extension of the South Square parking lot (to support East Fisher/South Lee Street projects), or renovations of the East Innes Street parking lot and downtown alleys (to support existing businesses and renovations). The management team is currently conducting an assessment of all City-owned parking lots and will be recommending treatments and priorities.

In order to address improved street lighting, I am recommending an Engineering Technician position be added. Also included in this budget is \$26,000 for street light improvements. Both of these items are recommended in the Safety and Crime Prevention Program. Given the addition of this position to be dedicated primarily to street light design and installation, it is estimated that about 300 new lights per year could be designed and installed. With continued funding, the current City limits could be improved to current lighting standards in about six years. Additionally, this position, once trained, will relieve an Engineer of the street lighting responsibilities. This will allow additional capacity to work with developers as a “personal banker”.

PARKS AND RECREATION

The Parks and Recreation Department strives to provide a comprehensive Park system that meets the needs of the community and contributes to the quality of life through a combination of neighborhood, community and regional facilities. The Department supports sixteen park properties, four recreation facilities, and two maintenance facilities. Through creative and resourceful employees, we have had the ability to make things work.

Recreation Program staff provide a variety of programs for all ages including creative positive activities for our youth, active areas for our seniors and everyone in between. The staff works with limited resources and dated facilities and still strives to provide a diverse programming opportunity for the community. To reach our youth and continue to be a positive influence in their lives, the department needs to have some of the newest and latest equipment.

Recent budget transfers of repair and replacement funds to Capital projects have created a backlog of facility and park repairs throughout the system. The recommended budget will extend this backlog. One facility I am recommending funding for is the replacement of the tennis courts at City Park. I have included in the budget \$225,000 and plan to fund this improvement using lease-purchase financing. The current operating budget levels are challenging our ability to maintain our current service level in both our Park Maintenance and Recreation Programming Divisions.

TRANSIT FUND

The recommended Transit Fund Budget for FY2007-08 decreased by \$8,655 excluding capital outlay. When capital outlay is included, the total budget has increased this year by \$759,257. I am recommending that two small buses be replaced this year with full size buses. With anticipated future growth and ADA needs, smaller buses are no longer practical. General Fund funding for the transit system has increased \$79,212 this year due to funding the City's share of these new buses. As in prior years, the Transit Fund continues to be heavily subsidized by State and Federal funds.

The recommended budget for Administration, Operations, and Capital is as follows:

Personnel	\$ 567,087
Operations	345,886
Capital	<u>849,112</u>
Total	<u>\$1,762,085</u>

SPECIAL REVENUE FUNDS

In FY2007-08, the City of Salisbury will receive \$327,526 in Community Development Block Grant (CDBG) funds, \$123,890 in HOME funds, and \$75,000 in Program Income for a total budget of \$526,416. The following budget represents the requests made by citizens for use of the FY2007-08 CDBG and HOME funds.

<u>CDBG Activities</u>	<u>Funding</u>
Acquisition/Rehabilitation/Resale	\$126,335
Owner Occupied Rehabilitation	50,000
Emergency Rehabilitation	30,000
Program Administration	80,505
Debt Service Section 108 Loan	55,308
Public Services:	
Rowan Helping Ministries (CDBG)	25,000
Family Crisis Council (CDBG)	15,600
Rowan Community Care Clinic (CDBG)	11,050
Salisbury Youth Employment	7,200
Community Youth Garden	1,528
<u>HOME Activities</u>	
New Construction	76,147
Homeownership Assistance	40,000
Program Administration	<u>7,743</u>
TOTAL BUDGET	<u>\$526,416</u>

VEHICLE EQUIPMENT REPLACEMENT FUNDS

It is recommended that \$1,766,644 included in the FY2007-08 General Fund Budget be transferred to the General Fund Capital Reserve Fund. These funds, plus \$90,000 from interest earnings, and \$144,432 appropriated from fund balance, will be programmed this year for replacement of the General Fund fleet, computer, and camera equipment in accordance with replacement schedules.

It is recommended that \$480,395 be transferred from the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund. These funds, plus \$11,000 from interest earnings, will be programmed to purchase the necessary Water and Sewer Fund vehicles and computer equipment in accordance with replacement schedules.

INTERNAL SERVICE FUNDS

The City maintains two internal service funds: Employee Health Care and Workers' Compensation Funds. These two funds are used to collect insurance premiums from the General, Water and Sewer, and Transit Funds. The Employee Health Care Fund also collects employee contributions to the premium. The North Carolina Statutes do not require these funds to be part of the budget ordinance and they are not included in it. The Statutes do require a financial plan be presented to the governing board and is shown below.

In the Employee Health Care Fund, the City anticipates receiving \$3,946,314 in health care premiums, \$40,000 in interest earnings, and \$27,532 in drug rebates. Projected disbursements are \$3,973,846 for health insurance payments to Blue Cross/Blue Shield and other health providers and \$40,000 for insurance consulting services.

In the Workers' Compensation Fund, the City anticipates receiving \$51,900 in worker compensation premiums and \$12,000 in interest earnings. Projected disbursements for employee benefits are estimated to be \$156,000. The difference between receipts and disbursements of \$92,100 will be funded out of the Fund's cash reserves of \$600,000.

WATER AND SEWER FUND

Salisbury-Rowan Utilities (SRU) has experienced another fast-paced year, as partnerships with other communities and agencies and service area continue to grow. During this past year, SRU continued its work on behalf of Salisbury and Rowan County on the Town Creek Interceptor Sewer Project, which will extend sewer service along Interstate 85 from Salisbury to southern Rowan County through a jointly-funded \$6.5 million effort. This expansion will stimulate growth and economic development in Rowan County's primary growth corridor. Additionally, SRU continues to contract-operate the Town of Faith's utility system while working with the Town on a possible permanent transfer. Furthermore, SRU continues its ongoing contract operation of the Town of East Spencer's utility system, while SRU works with the Town and its consulting engineers on an upgrade of that infrastructure.

Successful partnerships with the current client communities (Granite Quarry, Rockwell, Spencer), Rowan County, the Rowan-Salisbury Schools, and the local development community have led to the expansion of our water treatment plant; the extension of water service and increased capacity along the US 70, US 29, and US 52 growth corridors; and the overall growth

of our utility system. These partnerships along with the leveraging of grant funds and partner-matched funding have maximized the expansion of the utility system while minimizing the cost to SRU's customer base. Furthermore, all of these changes have led to the reorganization of SRU into a countywide utility provider that is better positioned to meet the tremendous challenges and opportunities facing Salisbury and Rowan County now and in the future.

Our directive to stabilize water and sewer rates continues to be a challenge. A small increase in water demand was seen this year; however, wastewater flows are still decreasing as commercial and industrial customers are finding ways to conserve, recycle, or reuse water and as SRU gains ground in its ongoing effort to eliminate inflow and infiltration into its sewer lines. Additionally, some of the key trends and drivers that we see impacting SRU are analogous to ones that are occurring nationally within the utility industry:

1. **Water quality and quantity problems are growing.** Salisbury is blessed to have the Yadkin River as our water supply, and the local situation belies this trend.
2. **Public awareness and concerns about water issues are growing.** Look at the explosive growth of the bottled water industry over the past few years to see how significantly customer perceptions – right or wrong – can create and drive new markets.
3. **Regulatory controls and enforcement are expanding.** New Federal EPA and State regulations impose higher standards on water and wastewater treatment without providing any funding to meet them.
4. **Consumers are practicing more efficient water use.** Recent drought conditions have made our citizens more aware of their environment, and that impact coupled with the volatility of the local economy have led our customers to find ways to reduce their water consumption.
5. **Consolidation.** Increasing regulatory requirements and capital/operating costs are driving communities to seek to minimize rate impacts by increasing their customer bases -- by either joining larger systems or by assuming smaller systems.
6. **Water is becoming more expensive.** Treatment, transmission, and maintenance costs are all drivers of water and wastewater rates. Furthermore, costs have spiraled significantly in the construction industry.

The future continues to look positive for SRU and it has become clear that the recent success in expanding the system and gaining additional use in an effort to regain economy-of-scale is working. SRU's average daily water sales increased from 5.7 million gallons per day (MGD) in FY2005-06 to 5.78 MGD in FY2006-07. A trend for the last twelve months indicates that water consumption has begun to rise. However, average wastewater sales actually decreased from 4.39 MGD to 4.25 MGD.

Therefore, while there has been some success in our plan for achieving the necessary economy-of-scale to stabilize rates, I am recommending a Water and Sewer Fund Budget of \$19,486,760 for FY2007-08. This represents a **2.92%** average residential water and sewer rate increase. Average monthly residential water and sewer utility bills will increase from \$60.61 to \$62.38. The proposed rate increase will be effective July 1, 2007. Due to the increased forms of electronic payments, I am also recommending the elimination of the one dollar credit for using direct debit.

To minimize the rate increase, SRU and City staff worked diligently to reduce the proposed Utilities budget by over \$2 million. One additional new position is recommended as discussed previously; that of a Utilities Design Engineer. This position will work in a design and development capacity and will be strictly funded by project revenues (funding paid by outside developers or funding that SRU would have normally otherwise paid to a consulting engineer). Therefore, this new position will not have a rate impact on the customer base.

To help offset the loss of revenues over the past few years, SRU staff is continuing to work on identifying new business opportunities, developing new revenue sources, and cost-saving measures. We began looking at expanding SRU's core business to include such efforts as an engineering design shop, bulk water and septic hauling services, and commercial laboratory services. These are just a few of the opportunities that could increase our customer base by enabling SRU to reach out to the approximately 60% of Rowan County's population which is not yet served by our water and sewer systems.

Our aging sewer infrastructure, coupled with expectation of more stringent federal/state regulations and possible nutrient limits on High Rock Lake may adversely affect our sewer rates over the next several years. During the current fiscal year, we worked on our design for improvements to our existing wastewater treatment facilities, thereby maximizing our existing capital investments in these plants and forestalling the time when the massive capital costs of a new treatment plant will have to be borne by our ratepayers. The wastewater treatment plant modifications and replacements will include:

- Grant Creek Wastewater Treatment Plant:
 - Sludge mixing and the ability to decant in the existing digesters
 - Additional digester capacity
- Town Creek Wastewater Treatment Plant:
 - Aeration basin repairs
 - Replacement of the existing obsolete frame press with a belt-filter press

It is important to remember that these improvements and repairs being designed now will be under construction throughout FY2007-08 in a project that is estimated for completion in August of 2009. These repairs are needed to address critical plant issues and must be undertaken to maintain regulatory compliance.

Sewer collection system capacity will be saved through the continued efforts of SRU staff and contracted support to identify and eliminate points of storm water inflow and groundwater infiltration (I&I) that cause sewer system overflows and use up system capacity.

All water and sewer-related fees and policies will continue to be reviewed during FY2007-08 as a part of the City Council's commitment to ensuring a positive business climate. Strong consideration has been given to the recovery of actual average costs of service as well as to an examination of their relative fairness and equity, and many of the fees and policies for SRU have changed dramatically within the last several years. However, these fees will still be competitive within the region, while some fees that have indirectly served to be a "disincentive" to development within the City and County have been eliminated.

SRU continues its due diligence in protecting the City's water rights with regard to the Yadkin River as well as our participation in the current re-licensing process by ALCOA for their hydropower operation on High Rock Lake. While this effort has required expenditure of

significant resources and attention by the City of Salisbury and SRU, this process represents a once-in-thirty-year window of opportunity for the City to get the sediment-deposition and flooding problems caused by Alcoa's hydropower operation corrected and the threat to the City's critical facilities eliminated.

Our ultimate goal from the Salisbury Vision 2020 Comprehensive Plan gives consideration to the growth and expansion of the City's water and sewer utilities, and lays out suggested policies reflecting that change. The plan suggests focusing on targeted growth areas, financial incentives, and partnerships to achieve growth that is consistent with the City's policies. Our partnerships with our client communities, Rowan County, the Rowan-Salisbury Schools, and our local development community meet these criteria and are fully consistent with the City's Vision 2020 Plan. SRU is in line with the City's desire to maintain financial viability for its water and wastewater utilities while neither exhausting its finite water supply nor contributing to "sprawl".

Perhaps the best summary of our plan and the goal sought by SRU of becoming "the finest utility operation in the state and region" is from the "Community Vision" section of the Salisbury Vision 2020 Plan regarding water and sewer services, which states, "We see a high quality water supply system, sufficient for growth, well-maintained, and financially self-supporting."

IN CONCLUSION

I want to especially thank John Sofley, Management Services Director, Teresa Harris, Budget and Performance Manager, Wade Furches, Accounting Manager, Renee Pierson, Management Analyst, Melissa Drye, Finance Specialist, Evans Ballard, Budget and Benchmarking Analyst, Mark Drye, Management Analyst, Myra Heard, City Clerk and the entire Management Services Department staff for another excellent effort on yet another extremely difficult budget. Thanks are also in order for the City Management Team and all Department and Division Managers who have worked so hard to prepare this financial plan.

In addition, I would like to thank the City Council, the Volunteer Boards and Commissions for their vision and commitment during the Future Directions and Goal Setting Process. I also appreciate the time that each member of City Council will spend in evaluating and finalizing the recommendations contained in this year's Budget. I look forward to working with each of you in adopting the FY2007-08 Budget and appreciate your continued support in implementing the Outcomes, Strategies, Goals and Service Levels contained in this Budget. Please note that the results of the Salisbury City Council's strategic planning efforts follow this Budget Message as Exhibit 1.

Even in changing times, there is one thing that I am certain of: Salisbury will continue to concentrate on our core values, mission, and vision. It is our goal to provide the quality of services that our citizens desire at a cost they are willing to pay. We, in the City government, will strive to provide much needed value to our customers – the citizens of Salisbury and the ratepayers served by Salisbury-Rowan Utilities.

David W. Treme
City Manager

On May 1, 2007, the City Manager presented a balanced FY2007-08 Budget proposal that totaled \$58,803,700 for all funds. The public hearing was set for Tuesday, May 15, 2007. Two citizens spoke at the public hearing.

The budget work session was set for Monday, May 21, 2007 and Tuesday, May 22, 2007, if needed. The discussion related to the budget centered around the following topics:

- Schedule of committed expenditures by fiscal year
- Budget trend analysis
- Property revaluation and tax neutral calculation
- Review of special community efforts groups appropriations
- Review of safety and crime prevention program
- Review of special projects
- Review of other issues

This budget work session was recessed until Tuesday, May 22, 2007. Much discussion centered on the increase in valuations as given by Rowan County Tax Assessor as to its accuracy. City Council wanted to include the components of the Safety and Crime Prevention Program as outlined on pages iii-iv, but not increase the tax rate above the revenue neutral tax rate of \$.59/\$100 assessed valuation. This work session was recessed until May 31, 2007.

Prior to that work session, the City's Management Team met and discussed the budget and Council's request. The Management Team members identified specific one-time capital expenditures that could be appropriated from Fund Balance, but expended only if sufficient revenues increased to fund them. After discussion of possible items, a concise list of eight items was identified. The Management Team then discussed each of these projects specifically and developed a consensus of funding order if funds become available. Specific consideration was given to those items that represented health, safety, and welfare. The following list was developed based on priority:

1. Purchase of various equipment for Fire Department	\$45,000
2. Reroof part of Civic Center	\$26,000
3. Purchase salt/sand equipment for Street Department	\$20,000
4. Bridge design and ROW purchase for Ellis Street Bridge	\$69,000
5. Office furniture replacement for Police Department	\$15,000
6. Build additional storage cabinets for Planning Department	\$6,200
7. Reupholster City Council chairs	\$4,000
8. City share of purchase of two new transit buses	\$71,712

On May 31, 2007, the City Manager brought forth this proposal to keep the tax rate at \$.59 and implement the Safety and Crime Prevention Program. City Council concurred with the plan and approved the FY2007-08 Annual Budget with a unanimous vote.

The final adopted FY2007-08 Budget for all funds was \$58,575,844 with the tax rate set at \$.59 per \$100 assessed valuation.

The full transcript of the budget discussions and public hearings can be read at the City's website: http://www.salisburync.gov/council/agenda_minutes.html.

EXHIBITS

Following are four exhibits of significance to City Council in their budget discussions:

- Exhibit 1** **Council Goals:** These goals were adopted at the Future Directions and Goal Setting Conference on February 16, 2007. The budgets as submitted by the departments are based on assigned City Council Goals.
- Exhibit 2** **Special Projects:** This information presents budgetary requests that are outside of the normal sphere of departmental operations. Many of these projects relate to City Council Goals. Council considers these requests separately from the normal line items.
- Exhibit 3** **Special Community Efforts Groups Appropriations:** Each year, groups representing different facets of community service request funding for their efforts during the City's budget process. These presentations are made during regularly scheduled City Council meetings. During the budget work sessions, Council determines the funding level for each group.
- Exhibit 4** **Position Listing and Salary Ranges:** After deliberation during the budget work sessions, City Council adopts the pay plan for the employees based on available funds.
- Exhibit 5** **Holiday Schedule for FY2007-08:** This information presents the holidays that the City will observe.

**CITY OF SALISBURY
City Council**



One Year Tactical Plan

Outcomes & Goals – FY 2007-08
Revised at Goal Setting Retreat February 16, 2007
Adopted by City Council March 6, 2007

Outcome 1: Create a culture of excellent customer service within the City organization

- ★ 1. Develop and implement a comprehensive customer service plan within the City organization.

Outcome 2: Improve neighborhoods and safety for all areas of the City

- 1. Implement the Jersey City neighborhood plan.
- ★ 2. Identify and initiate an “impact project” as part of the North Main Street Small Area Plan.
- 3. Address gang activity in Salisbury through gang awareness, education, information sharing and enforcement.

Outcome 3: Enhance and support a creative enterprise economy with the best educated workforce, the most competitive infrastructure, an environment for creativity and innovation, a positive business climate, and supportive government in Salisbury and Rowan County

- 1. Prepare and implement a Fiber To The Home business plan.
Continue a unified community image which exemplifies our communities’ cultural, educational, historic, environmental, entrepreneurial, technological and arts attributes.
- 2. Support Rowan County in the promotion and development of the Rowan County airport and explore the creation of an Airport Development Zone.
- ★ 3. Create a Cultural Action Plan to strengthen and unify Salisbury’s cultural resources.
- 4. Initiate actions to increase the occupancy tax rate from 3% to 6% in Salisbury.

Outcome 4: Provide quality Parks and Recreation services

- 1. Complete master plans for individual parks.

Outcome 5: Implement Salisbury Vision 2020 Plan

- ★ 1. Consider adoption of the City of Salisbury Land Development Ordinance.

Outcome 6: Attract, retain and develop high quality City employees

- ★ 1. Implement strategies to recruit employees from diverse populations.
- 2. Develop strategies to attract and retain quality employees.
- 3. Implement employee training and development plan.

Outcome 7: Partner with Rowan-Salisbury Schools

1. Meet with School officials to determine needs with which the City can assist.

Outcome 8: Improve overall strategic management of City and departments

1. Incorporate the “Good to Great” concepts into the City’s culture as a foundation for Salisbury becoming a High Performance Organization including the successful completion of all strategic plans.

Outcome 9: Improve and enhance Downtown Salisbury

1. Conduct a downtown ADA compliance audit.
2. Seek legislative authority for regulating demolition within the Downtown Historic District.

Outcome 10: Streamline development review process and ordinances

1. Develop, present and adopt State-mandated plans for Backflow Prevention and Fats, Oils, and Grease (FOG) programs.
2. Seek local permitting authority for utility extensions.
3. Review construction standards Phase II.
4. Develop a communication plan for sharing development processes and ordinances with stakeholders.

Outcome 11: Provide quality water and wastewater services to Rowan County that protect the environment, promote public health, improve the quality of life, support planned growth, and maintain public trust

1. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project.
2. Safeguard Salisbury’s interests on the Yadkin River by participating in Federal Energy Regulatory Commission (FERC) relicensing of Alcoa’s Yadkin Project.
3. Fund, design, construct, and complete first phase of Wastewater Facilities Capital Improvements Project.
- ★ 4. Explore water sales agreements with Kannapolis and Concord.

Outcome 12: Cultivate the values of inclusion and diversity in Salisbury and Rowan County.

1. Investigate and implement the National League of Cities Inclusive Cities Program.
2. Rename a street in honor of Dr. Martin Luther King, Jr.
- ★ 3. Support activities that encourage open communication among diverse groups in Salisbury and Rowan County.
4. Develop a strategy for the recruitment and selection of Board and Commission members.

**EXHIBIT 2
CITY OF SALISBURY
SPECIAL PROJECTS FOR FY2007-08**

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
CITY COUNCIL				
Chamber of Commerce Focused Forward-Year 4	\$ 12,500	\$ 12,500	\$ 12,500	\$ -
Total Special Projects	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ -</u>
MANAGEMENT & ADMINISTRATION				
Executive Development	\$ 15,000	\$ 10,000	\$ 10,000	\$ -
Automated Agenda Package	30,000	-	-	-
Total Special Projects	<u>\$ 45,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
HUMAN RESOURCES				
Customer Service Initiative				
Consulting Fees & Supplemental Training	\$ 65,000	\$ 32,500	\$ 32,500	\$ -
City Services Expo	3,600	-	-	-
City Services Tours	2,400	1,800	1,800	-
City Facilities/Location Map Development	1,850	-	-	-
Customer Service Incentives	2,700	2,000	2,000	-
Promotional & Marketing Materials & Items	4,200	-	-	-
Evaluation & Measurement Feedback	3,000	-	-	-
Diversity Recruitment Strategies	79,000	10,000	10,000	-
Attracting & Retaining Strategies	890,335	-	-	-
HRIS Software Updates & Training	20,000	-	-	-
Employee Training & Development Program	65,000	-	-	-
High Performance Organization Initiative				
Consulting Fees for Performance Evaluation Program	50,000	40,000	40,000	-
Implement Salisbury Leadership Academy	45,000	-	-	-
Additional Training & Teambuilding Facilitation	30,000	-	-	-
Training in "Good to Great" Principles	5,000	5,000	5,000	-
Coaching & Professional Development	25,000	-	-	-
Total Special Projects	<u>\$ 1,292,085</u>	<u>\$ 91,300</u>	<u>\$ 91,300</u>	<u>\$ -</u>
MANAGEMENT SERVICES				
Fourth Annual Performance Report	\$ 7,500	\$ 5,000	\$ 5,000	\$ -
Comprehensive Citizen Satisfaction Survey	25,000	-	-	-
Citizen Informed Performance Measurement Project	3,000	3,000	3,000	-
Community Research Council Participation	2,000	2,000	2,000	-
Corporate Style Benchmarking Project for Dev. Svcs.	2,500	2,500	2,500	-
Web Applications to Improve Website for Customers	3,000	-	-	-
Total Special Projects	<u>\$ 43,000</u>	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ -</u>
INFORMATION TECHNOLOGIES				
Fiber Audit & Maint	\$ 5,000	\$ -	\$ -	\$ -
Network Design Time	7,500	7,500	7,500	-
Disaster Recovery Study	10,000	-	-	-
Marketing Web	5,000	-	-	-
5-Year Long-Range Plan	20,000	-	-	-
Total Special Projects	<u>\$ 47,500</u>	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
FACILITIES MANAGEMENT				
General Funds Backflow Prevention Contract	\$ 20,000	\$ 10,000	\$ 10,000	\$
Relamp Project - Energy	6,000	6,000	- 6,000	
Total Special Projects	<u>\$ 26,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ -</u>
PLAZA				
Design Services	\$ 80,000	\$ -	\$ -	\$
North Wall Consultation - Repairs	300,000	-	-	
Total Special Projects	<u>\$ 380,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
POLICE				
Refuse to Be A Victim Training	\$ 500	\$ -	\$ -	\$
Middle School GREAT	2,000	2,000	2,000	
Educational Degree Incentive	85,000	-	-	
Diversity Enhancement	3,000	-	-	
Security Camera-Surveillance System	5,000	-	-	
Polygraph Examiner & Training	20,000	-	-	
Spanish Language On-Line Tutorial Program	1,000	1,000	1,000	
Laser Rangefinder & Crash Zone Software	11,489	11,489	11,489	8,617
Total Special Projects	<u>\$ 127,989</u>	<u>\$ 14,489</u>	<u>\$ 14,489</u>	<u>\$ 8,617</u>
FIRE				
Fire Department Accreditation Program	\$ 10,000	\$ 10,000	\$ 10,000	\$
Career Development Program	5,000	-	-	
	<u>\$ 15,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-GIS				
Categorize Color Infra-Red Satellite Imagery	\$ 20,400	\$ -	\$ -	\$
Centralized Addressing Application Extension	5,000	-	-	
ArcGIS Server for CRM/GIS Integration	20,000	-	-	
Sidewalk & Pedestrian Planning Data Model	10,000	-	-	
Traffic Sign Data Model & Data Collection	8,500	-	-	
Tree Data Model & Data Collection	5,000	-	-	
Total Special Projects	<u>\$ 68,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-ENGINEERING				
Loop Detectors to Traffic Signal-Horah & Church St.	\$ 3,000	\$ 3,000	\$ 3,000	\$
I-2511 CA I-85 Noise Barrier & Sidewalk	122,500	122,500	122,500	
B-3236 Innes St Bridge Municipal Agreement	30,000	30,000	30,000	
Depot Improvements, 04-ST-005	1,100,000	1,100,000	850,000	765,000
900 Block East Liberty Street Improvements	60,000	-	-	
East Innes Street Streetscape Improvements	209,000	209,000	209,000	209,000
NPDES Compliance	35,000	25,000	25,000	
Greenway, Phase 2	300,000	300,000	300,000	300,000
Drainage Grants	25,000	-	-	
Salisbury Incentive Fund	100,000	-	-	
Traffic Islands for Downtown	7,500	-	-	
Traffic Calming	15,000	-	-	
AME Zion Church Parking Lot	100,000	100,000	100,000	50,000
Hwy 70 Sidewalks R-2911	40,000	40,000	40,000	
Total Special Projects	<u>\$ 2,147,000</u>	<u>\$ 1,929,500</u>	<u>\$ 1,679,500</u>	<u>\$ 1,324,000</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
LAND MANAGEMENT & DEVELOPMENT-DEVELOPMENT SERVICES				
Tax Incentive Rebate to National Starch - Year 1	\$ 57,820	\$ 57,820	\$ 57,820	\$ -
Total Special Projects	<u>\$ 57,820</u>	<u>\$ 57,820</u>	<u>\$ 57,820</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT				
South Main Streetscape Improvements	\$ 150,000	\$ -	\$ -	\$ -
City Hall Parking Lot Improvements	150,000	-	-	-
East Square Cultural District / Rail Walk	10,000	-	-	-
Branding & Wayfinding Signage	20,000	10,000	10,000	-
Innes Street Incentive Grant Program	25,000	25,000	25,000	-
Historic Preservation Grants	30,000	30,000	30,000	-
North Main Street Area Impact Project	70,000	55,000	55,000	-
Systematic Annexation	10,000	10,000	10,000	-
History & Art Walk	20,000	10,000	10,000	-
Innes Street Electrification	12,500	-	-	-
Dixonville Cemetery Ground Penetrating Radar	13,000	-	-	-
"The Square" Improvements	20,000	-	-	-
HPC Guidelines	8,000	-	-	-
CAC Neighborhood Parks & Entrances	5,000	-	-	-
East Innes Street Parking Lot Improvements	60,000	-	-	-
Sidewalk Amenities	15,000	-	-	-
Cultural Action Plan	40,000	40,000	40,000	-
ETJ Signage	5,000	-	-	-
Historic District Expansions	40,000	-	-	-
Macay Law Office Project	5,000	-	-	-
Small Area Planning	10,000	-	-	-
Depot/Festival Plaza Design	10,000	-	-	-
Image Archives	38,000	-	-	-
On-site Posting for Certificate of Appropriateness	1,000	-	-	-
Establish Water & Sewer Extension Capital Fund	233,524	-	-	-
Fisher Street Parking Lot Expansion	50,000	-	-	-
Total Special Projects	<u>\$ 1,051,024</u>	<u>\$ 180,000</u>	<u>\$ 180,000</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING				
Neighborhood Upgrades	\$ 7,500	\$ 26,000	\$ 26,000	\$ -
Bendix Drive Upgrades	2,520	-	-	-
Thoroughfare Upgrades	7,500	-	-	-
Increased Maintenance of City-owned Lights	1,000	1,000	1,000	-
	<u>\$ 18,520</u>	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ -</u>
PARKS AND RECREATION				
Kelsey Scott Park Master Plan	\$ 20,000	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-ADMINISTRATION				
Strategic Plans	\$ 22,500	\$ -	\$ -	\$ -
Facility Master Plan	10,000	10,000	10,000	-
Total Special Projects	<u>\$ 32,500</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
PUBLIC SERVICES-STREET				
Target Neighborhood Improvements	\$ 10,000	\$ -	\$ -	\$ -
Storm Water & Drainage Improvements	50,000	-	-	-
Downtown Sidewalk & Handicap Access Repairs	20,000	-	-	-
Total Special Projects	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-WASTE MANAGEMENT-OTHER				
Pilot Program for Roll-out Yard Debris Carts	\$ 14,000	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 14,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-CEMETERY				
Replace outdated water lines in Memorial Park	\$ 3,575	\$ -	\$ -	\$ -
Replace outdated water lines in Chestnut Hill-North	11,300	11,300	11,300	-
Replace outdated water lines in Chestnut Hill-South	18,675	-	-	-
Total Special Projects	<u>\$ 33,550</u>	<u>\$ 11,300</u>	<u>\$ 11,300</u>	<u>\$ -</u>
PUBLIC SERVICES-FLEET				
Car Chip Program	\$ 2,500	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-LANDSCAPE OPERATIONS				
Educational Information & Training	\$ 4,200	\$ 2,100	\$ 2,100	\$ -
Neighborhood Trees	5,000	-	-	-
Total Special Projects	<u>\$ 9,200</u>	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ -</u>
PUBLIC SERVICES-LANDSCAPE OPERATIONS-HURLEY PARK				
Annex-Bridge, Water Fountain & Path	\$ 20,000	\$ -	\$ -	\$ -
Plant Material Replacement	3,000	-	-	-
Spring Celebration/Summer Lecture	1,600	1,600	1,600	-
Total Special Projects	<u>\$ 24,600</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>	<u>\$ -</u>
GRAND TOTAL-SPECIAL PROJECTS	<u>\$ 5,548,688</u>	<u>\$ 2,393,609</u>	<u>\$ 2,143,609</u>	<u>\$ 1,332,617</u>
TOTAL OFFSETTING REVENUE	<u>\$ 1,557,617</u>	<u>\$ 1,557,617</u>	<u>\$ 1,332,617</u>	
TOTAL CITY SHARE	<u>\$ 3,991,071</u>	<u>\$ 835,992</u>	<u>\$ 810,992</u>	<u>\$ -</u>

EXHIBIT 3
SPECIAL COMMUNITY EFFORTS GROUPS APPROPRIATIONS FOR FY 2007-08

	FY2006-07	REQUESTED BY	MANAGER	
	<u>ADOPTED</u>	<u>ORGANIZATION</u>	<u>RECOMMENDS</u>	<u>ADOPTED</u>
Human Relations Council	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Action Grants	22,000	22,000	22,000	22,000
Salisbury-Rowan EDC	69,498 ¹	69,498	69,498	69,498
Downtown Salisbury, Inc.	90,000 ²	94,500 ^{2,3}	90,000	90,000
Rowan County Committee of 100	30,000	30,000 ⁴	30,000	30,000
Rowan Museum	6,000	10,000	6,000	6,000
Rowan Arts Council	45,000	70,000	45,000	45,000
Rufty Holmes Senior Center	58,000	58,000	58,000	58,000
Rufty Holmes Senior Center-Capital	-	10,000 ⁵	-	10,000
Horizons Unlimited	42,342	42,342	42,342	42,342
Prevent Child Abuse Rowan	-	3,500	-	-
The Mural Preservation, Inc.	-	3,000	-	-
Communities in Schools	-	25,000	-	-
Students in Training (SIT)	-	10,000	-	-
City Council Discretionary Fund	-	-	-	10,000
NC Transportation Museum	-	5,000	-	5,000
Rowan County Police Athletic League (Alpha & Omega Ministries)	-	102,155	-	-
Rowan Blues & Jazz Society	-	- ⁶	-	-
Love Center for Community Enhancement	-	3,000	-	-
	<u>\$ 366,340</u>	<u>\$ 561,495</u>	<u>\$ 366,340</u>	<u>\$ 391,340</u>

¹ Increase to implement marketing strategy plan

² Includes \$6,000 for Christmas Lights

³ Requesting a 5% increase

⁴ Year 4 of 5 year commitment

⁵ For one-time capital contribution

⁶ No specific amount requested

Exhibit 4
Position Listing and Salary Ranges

Job Class	Grade	Minimum	Maximum
Account Clerk I	118	\$ 21,929	\$ 36,183
Account Clerk II	122	\$ 24,196	\$ 39,924
Accountant I	126	\$ 26,698	\$ 44,052
Accountant II	131	\$ 30,192	\$ 49,816
Animal Control Specialist	120	\$ 23,035	\$ 38,008
Assistant City Manager for Utilities	532E	\$ 75,848	\$ 113,773
Assistant Customer Service Supervisor	128	\$ 28,044	\$ 46,273
Assistant Fire Chief	445	\$ 55,419	\$ 74,266
Assistant Plants Manager	525D	\$ 44,900	\$ 79,799
Assistant Systems Maintenance Manager	525D	\$ 44,900	\$ 79,799
Assistant Systems Manager-Admin	521C	\$ 29,474	\$ 58,948
Assistant Systems Manager-Operations	522C	\$ 34,667	\$ 69,335
Automotive Service Technician	701	\$ 22,531	\$ 37,175
Battalion Chief	439	\$ 43,422	\$ 61,099
Budget & Benchmarking Analyst	143	\$ 40,557	\$ 66,919
Budget & Performance Management Manager	150	\$ 48,176	\$ 79,491
Building & Grounds Maintenance Worker I	110	\$ 18,012	\$ 29,721
Building Maintenance Worker	110	\$ 18,012	\$ 29,721
Buyer	122	\$ 24,196	\$ 39,924
Cemetery Operations Manager	136	\$ 34,142	\$ 56,335
Chemist	520C	\$ 36,915	\$ 73,830
City Clerk	234	\$ 35,648	\$ 64,167
City Code Inspector	121	\$ 23,609	\$ 38,954
City Engineer	153	\$ 51,865	\$ 85,578
City Manager	---		
Civil Engineer I	140	\$ 37,672	\$ 62,159
Civil Engineer II	143	\$ 40,557	\$ 66,919
Civil Engineer III	147	\$ 44,750	\$ 73,837
Community Resource Specialist	143	\$ 40,557	\$ 66,919
Crime Analyst - Civilian	143	\$ 40,557	\$ 66,919
Customer Service Clerk I	114	\$ 19,875	\$ 32,793
Customer Service Clerk II	118	\$ 21,929	\$ 36,183
Customer Service Supervisor	136	\$ 34,142	\$ 56,335
Department Secretary	126	\$ 26,698	\$ 44,052
Deputy Clerk	126	\$ 26,698	\$ 44,052
Deputy Police Chief	349	\$ 46,773	\$ 74,837
Deputy Utilities Director	531E	\$ 68,953	\$ 103,430
Development Services Manager	147	\$ 44,750	\$ 73,837
Development Services Specialist	127	\$ 27,363	\$ 45,148

Job Class	Grade	Minimum	Maximum
Engineering Technician - Ut	518C	\$ 32,618	\$ 65,236
Environmental Services Manager	520D	\$ 58,059	\$ 87,088
Equipment Operator I	113	\$ 19,392	\$ 31,996
Equipment Operator II	120	\$ 23,035	\$ 38,008
Facilities Maintenance Supervisor	128	\$ 28,044	\$ 46,273
Facilities Management Director	145	\$ 42,602	\$ 70,293
Facilities Manager	147	\$ 44,750	\$ 73,837
Finance Manager	155	\$ 54,480	\$ 98,065
Finance Specialist	126	\$ 26,698	\$ 44,052
Fire Captain	431	\$ 34,963	\$ 49,196
Fire Chief	255	\$ 59,875	\$ 107,774
Fire Control Specialist I	420	\$ 24,632	\$ 33,009
Fire Control Specialist II	424	\$ 27,156	\$ 38,212
Fire Engineer	427	\$ 28,764	\$ 40,473
Fire Investig/Inspec Officer	439	\$ 43,422	\$ 61,099
Fire Investig/Inspection Specialist	431	\$ 34,963	\$ 49,196
Fire Logistics Officer	431	\$ 34,963	\$ 49,196
Fire Projects Analyst	431	\$ 34,963	\$ 49,196
Fiscal Analyst	143	\$ 40,557	\$ 66,919
Fleet Services Manager	145	\$ 42,602	\$ 70,293
Fleet Services Shift Supervisor	134	\$ 32,503	\$ 53,631
Fleet Services Supervisor	136	\$ 34,142	\$ 56,335
FOG (Fats, Oils, Grease) Inspector	513C	\$ 25,123	\$ 50,246
GIS Mapping Technician	517C	\$ 28,367	\$ 56,735
Grounds Maintenance Worker I	109	\$ 17,575	\$ 28,999
Grounds Maintenance Worker II	114	\$ 19,875	\$ 32,793
Human Resources Analyst I	134	\$ 32,503	\$ 53,631
Human Resources Analyst II	139	\$ 36,757	\$ 60,649
Human Resources Director	255	\$ 59,875	\$ 107,774
Human Resources Technician I	126	\$ 26,698	\$ 44,052
Human Resources Technician II	130	\$ 29,458	\$ 48,606
Identification Specialist	120	\$ 23,035	\$ 38,008
Information Technologies Manager	600	\$ 57,155	\$ 99,553
Laboratory Analyst	513C	\$ 25,123	\$ 50,246
Laboratory Supervisor	523C	\$ 36,953	\$ 73,906
Land Mgmt & Dev Director	260	\$ 67,743	\$ 121,937
Landscape Division Manager	139	\$ 36,757	\$ 60,649
Landscape Maintenance Supervisor	128	\$ 28,044	\$ 46,273
Mail Coordinator	115	\$ 20,370	\$ 33,610
Management Analyst	143	\$ 40,557	\$ 66,919
Management Services Director	255	\$ 59,875	\$ 107,774
Marketing & Community Relations Mgr	136	\$ 34,142	\$ 56,335

Job Class	Grade	Minimum	Maximum
Master Police Officer	327	\$ 35,141	\$ 54,469
Mechanic	700	\$ 27,036	\$ 48,666
Meter Services Supervisor	515C	\$ 30,707	\$ 61,415
Meter Services Technician	502A	\$ 17,544	\$ 35,088
Office Assistant	114	\$ 19,875	\$ 32,793
Park Curator	128	\$ 28,044	\$ 46,273
Parking Control Specialist	120	\$ 23,035	\$ 38,008
Parks & Recreation Maintenance Manager	139	\$ 36,757	\$ 60,649
Parks & Recreation Director	251	\$ 54,243	\$ 97,638
Parks Maintenance Supervisor	128	\$ 28,044	\$ 46,273
Parts Clerk	115	\$ 20,370	\$ 33,610
Parts Manager	126	\$ 26,698	\$ 44,052
Permit Service Coordinator	121	\$ 23,609	\$ 38,954
Planner I	140	\$ 37,672	\$ 62,159
Planner II	143	\$ 40,557	\$ 66,919
Planning & Community Development Manager	151	\$ 49,376	\$ 81,470
Plants Maintenance Supervisor	523C	\$ 36,953	\$ 73,906
Plants Maintenance Technician	505B	\$ 25,885	\$ 51,770
Police Chief	255	\$ 59,875	\$ 107,774
Police Information Clerk	115	\$ 20,370	\$ 33,610
Police Lieutenant	339	\$ 42,521	\$ 65,907
Police Officer I	322	\$ 29,042	\$ 45,016
Police Officer II	324	\$ 31,947	\$ 49,517
Police Planner	143	\$ 40,557	\$ 66,919
Police Records Clerk	115	\$ 20,370	\$ 33,610
Police Records Coordinator	123	\$ 24,799	\$ 40,918
Police Sergeant	333	\$ 38,655	\$ 59,916
Police Services Supervisor	130	\$ 29,458	\$ 48,606
Police Telecommunicator	124	\$ 25,416	\$ 41,937
Productivity Analyst	143	\$ 40,557	\$ 66,919
Public Information and Communications Mgr	145	\$ 42,602	\$ 70,293
Public Services Director	251	\$ 54,243	\$ 97,638
Purchasing Manager	143	\$ 40,557	\$ 66,919
Recreation Aide	105	\$ 15,928	\$ 26,281
Recreation Coordinator	134	\$ 32,503	\$ 53,631
Recreation Program Manager	147	\$ 44,750	\$ 73,837
Recreation Program Supervisor	136	\$ 34,142	\$ 56,335
Recreation Programmer	131	\$ 30,192	\$ 49,816
Regulatory Compliance Technician	506B	\$ 30,611	\$ 61,223
Residuals Operator	509C	\$ 25,895	\$ 51,789
Residuals Supervisor	524C	\$ 37,685	\$ 75,371
Risk Management Assistant	127	\$ 27,363	\$ 45,148

Job Class	Grade	Minimum	Maximum
Risk Manager	150	\$ 48,176	\$ 79,491
Seasonal Worker	117	\$ 21,397	\$ 35,304
Senior Bldg Maint Worker	119	\$ 22,475	\$ 37,084
Senior Building & Grounds Maintenance	119	\$ 22,475	\$ 37,084
Senior Customer Service Clerk	122	\$ 24,196	\$ 39,924
Senior Grounds Maint Worker	119	\$ 22,475	\$ 37,084
Senior Meter Mechanic	511C	\$ 27,916	\$ 55,832
Senior Meter Reader	510C	\$ 24,762	\$ 49,523
Senior Office Assistant	119	\$ 22,475	\$ 37,084
Senior Office Assistant	500A	\$ 21,068	\$ 42,136
Senior Planner	147	\$ 44,750	\$ 73,837
Senior Wastewater Treatment Plant Operator	512C	\$ 37,685	\$ 75,371
Senior Water Treatment Plant Operator	512C	\$ 37,685	\$ 75,371
Signs & Marking Crew Leader	121	\$ 23,609	\$ 38,954
Signs & Marking Technician I	112	\$ 18,921	\$ 31,219
Signs & Marking Technician II	116	\$ 20,877	\$ 34,447
Solid Waste Equipment Operator	119	\$ 22,475	\$ 37,084
Solid Waste Mgmt Div Manager	136	\$ 34,142	\$ 56,335
Solid Waste Operations Supervisor	128	\$ 28,044	\$ 46,273
Street Maintenance Manager	143	\$ 40,557	\$ 66,919
Street Maintenance Supervisor	128	\$ 28,044	\$ 46,273
Street Maintenance Worker I	109	\$ 17,575	\$ 28,999
Street Maintenance Worker II	114	\$ 19,875	\$ 32,793
Support Services Manager	519D	\$ 36,953	\$ 73,906
Systems Analyst	601	\$ 45,004	\$ 78,387
Technical Services Supervisor	143	\$ 40,557	\$ 66,919
Technologies Services Technical Assist	132	\$ 30,943	\$ 51,056
Telecommunications Assistant	122	\$ 24,196	\$ 39,924
Telecommunications Manager	151	\$ 49,376	\$ 81,470
Telecommunications Technician	132	\$ 30,943	\$ 51,056
Temporary Worker	105	\$ 15,928	\$ 26,281
Traffic Operations Manager	139	\$ 36,757	\$ 60,649
Traffic Signal Technician I	118	\$ 21,929	\$ 36,183
Traffic Signal Technician II	122	\$ 24,196	\$ 39,924
Transit Dispatcher	118	\$ 21,929	\$ 36,183
Transit Manager	136	\$ 34,142	\$ 56,335
Transit Operator	118	\$ 21,929	\$ 36,183
Urban Design Planner	147	\$ 44,750	\$ 73,837
Utilities Construction Inspector	519C	\$ 35,735	\$ 71,470
Utilities Engineer	526D	\$ 51,770	\$ 82,539
Utilities Engineering Manager	530E	\$ 65,112	\$ 97,667
Utilities Maintenance Supervisor	514C	\$ 26,974	\$ 53,947
Utilities Maintenance Technician	501A	\$ 19,813	\$ 39,626
Utilities Planning Manager	529D	\$ 61,484	\$ 92,226
Utilities Systems Manager	528D	\$ 58,059	\$ 87,088
Utility Plants Manager	529D	\$ 61,484	\$ 92,226

Job Class	Grade	Minimum	Maximum
Utility Systems Supervisor	516C	\$ 31,418	\$ 62,836
Utilities Finance Manager	527D	\$ 54,824	\$ 85,236
Victim's Advocate	327	\$ 35,141	\$ 54,469
Wastewater Treatment Plant Operator	508C	\$ 25,334	\$ 50,667
Wastewater Treatment Plant Supervisor	524C	\$ 37,685	\$ 75,371
Water Treatment Plant Operator	507C	\$ 23,764	\$ 47,528
Water Treatment Supervisor	524C	\$ 37,685	\$ 75,371
Zoning & Code Enforcement Spec	121	\$ 23,609	\$ 38,954

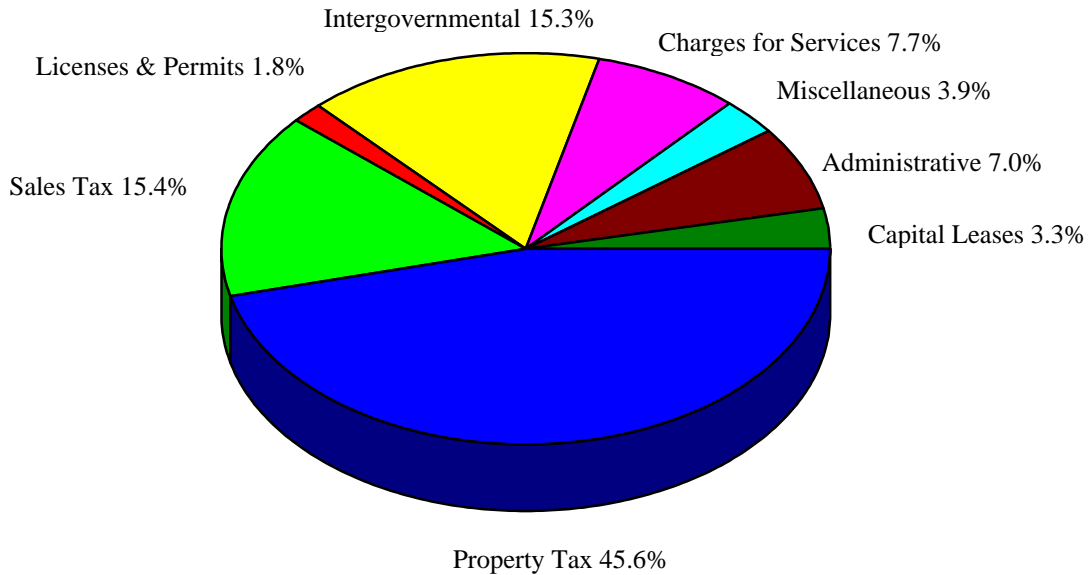
Exhibit 5

**City of Salisbury
Holiday Schedule
FY 2007 – 2008**

- Independence Day Wednesday, July 4, 2007
- Labor Day Monday, September 3, 2007
- Thanksgiving Thursday, November 22, 2007
Friday, November 23, 2007
- Christmas Monday, December 24, 2007
Tuesday, December 25, 2007
- New Year's Day Tuesday, January 1, 2008
- Martin Luther King, Jr. Day Monday, January 21, 2008
- Good Friday Friday, March 21, 2008
- Memorial Day Monday, May 26, 2008

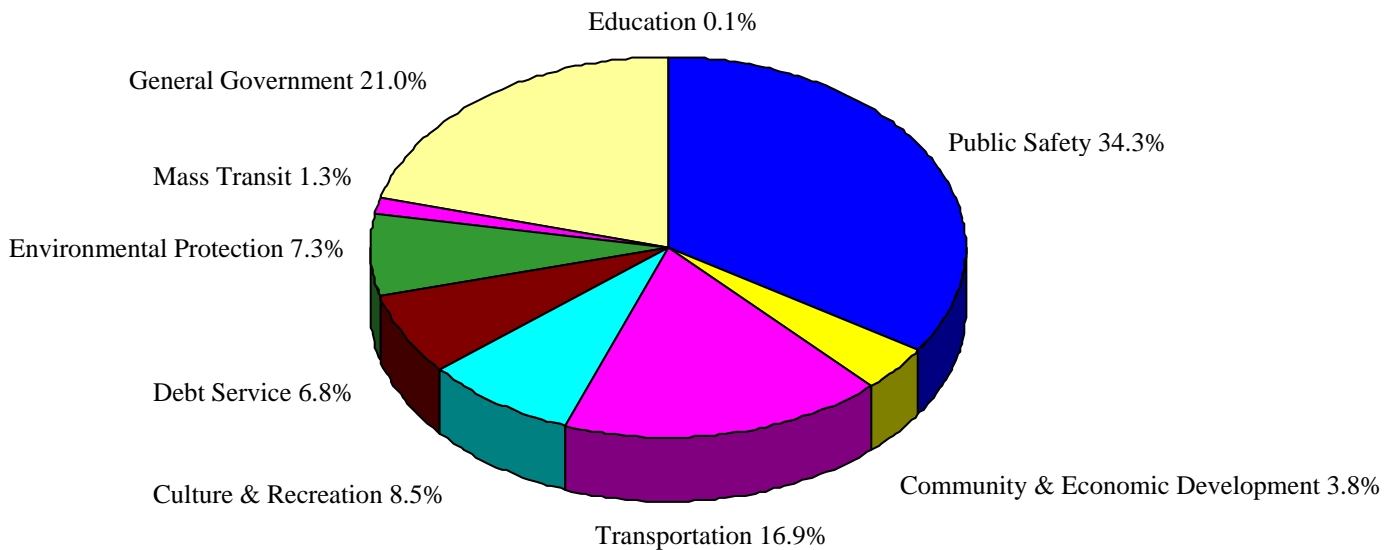
FY 2007-08 GENERAL FUND

Revenues - \$34,542,544



Where the Money Comes From

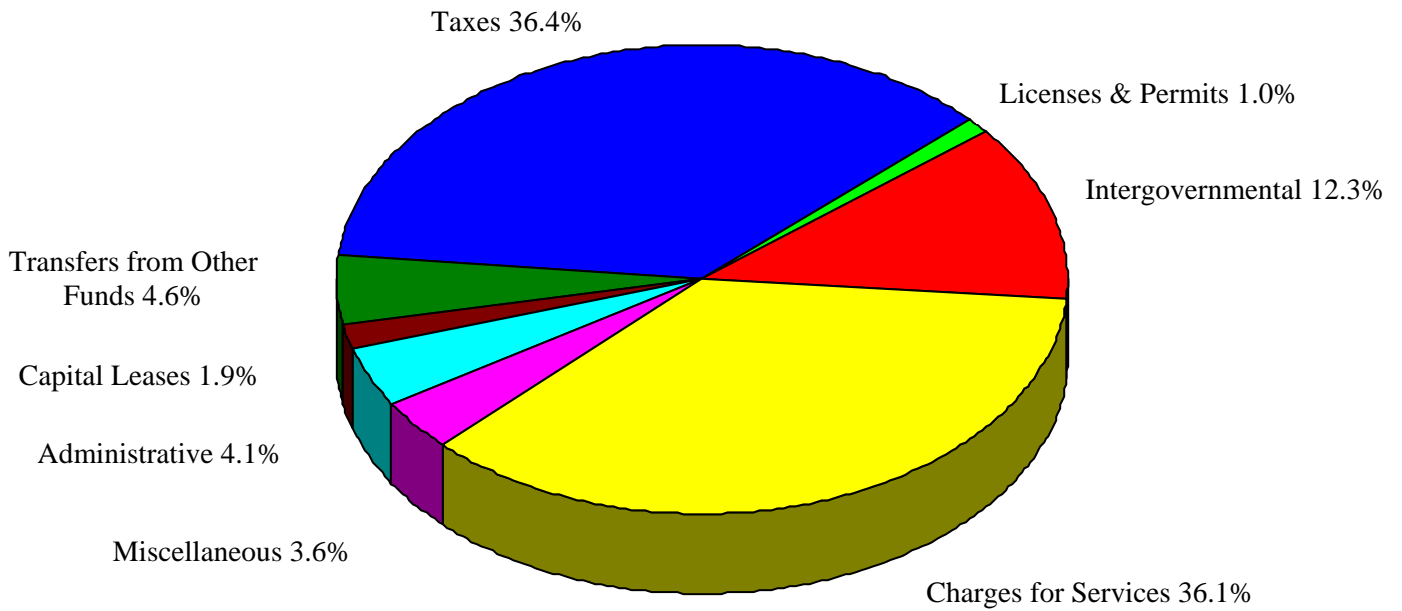
Expenditures - \$34,542,544



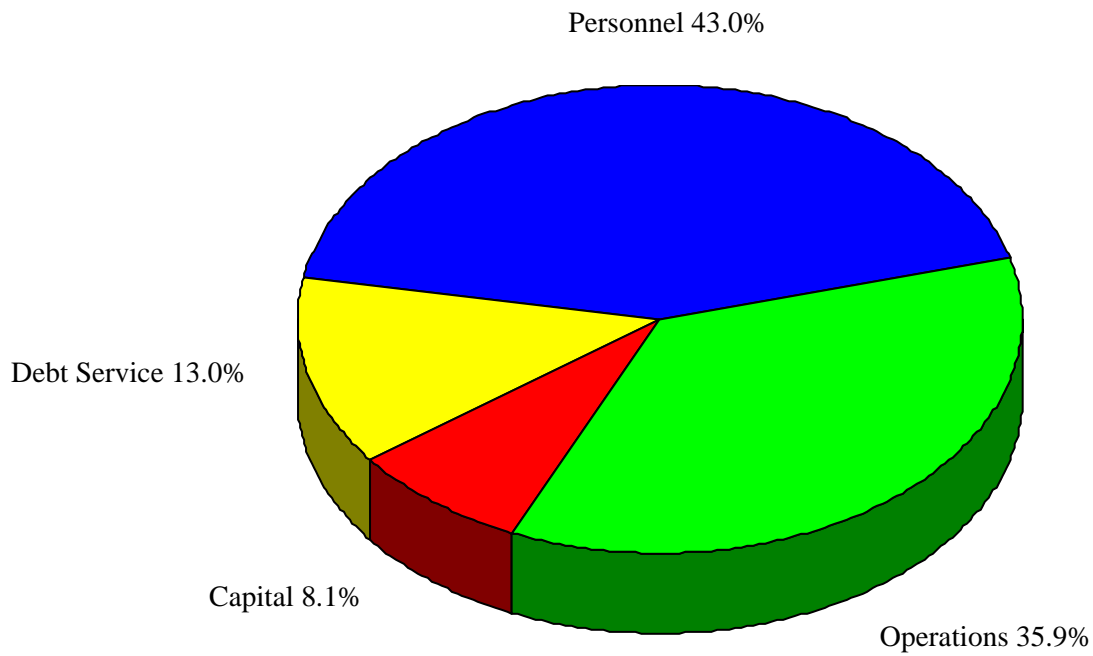
Where the Money Goes To

Includes General Fund and General Fund Capital Reserve Fund Less Interfund Transfers

CITY REVENUES BY TYPE (All Funds)



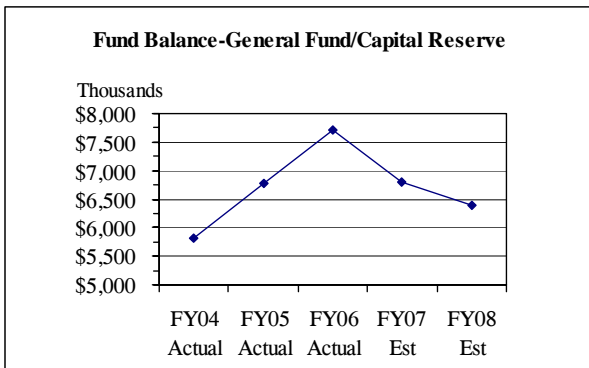
CITY EXPENDITURES BY CATEGORY (All Funds)



**CITY OF SALISBURY, NORTH CAROLINA
BUDGET SUMMARY
For the Year Ending June 30, 2008**

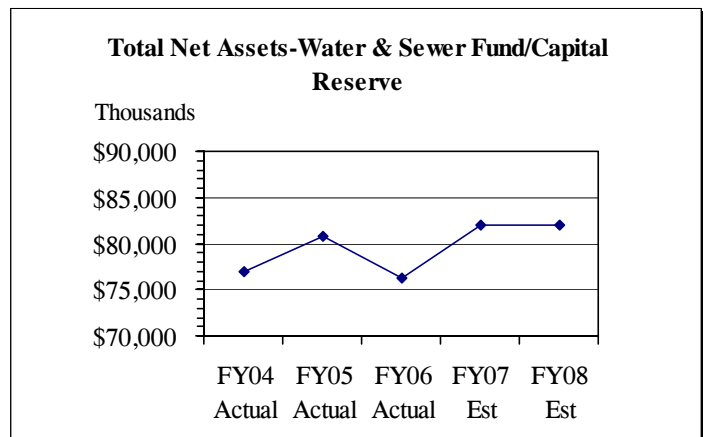
	General/Special Revenue Funds			Enterprise Funds			
	General	General Fund	Entitlement	Water/Sewer			Total
	Fund	Capital Reserve	Fund	Water/Sewer	Capital Reserve	Transit	
Estimated Fund Balance/ Net Assets 6/30/07	\$ 4,612,547	\$ 2,177,488	\$ 100,000	\$ 82,052,506	\$ 423,605	\$ 662,209	\$ 90,028,355
Budgeted Revenues & Other Financing Sources:							
Taxes	\$ 21,080,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,080,974
Licenses and Permits	605,785	-	-	-	-	-	605,785
Intergovernmental	5,278,432	-	451,416	-	-	1,242,204	6,972,052
Charges for Services	2,675,596	-	-	18,426,307	-	81,400	21,183,303
Miscellaneous	857,177	90,000	75,000	1,060,453	11,000	700	2,094,330
Administrative	2,417,857	-	-	-	-	-	2,417,857
Capital leases	1,134,759	-	-	-	-	-	1,134,759
Transfers From Other Funds	-	1,766,644	-	-	480,395	437,781	2,684,820
Total Available Resources	\$ 34,050,580	\$ 1,856,644	\$ 526,416	\$ 19,486,760	\$ 491,395	\$ 1,762,085	\$ 58,173,880
Expenditures:							
General Government	\$ 6,894,471	\$ 361,168	\$ -	\$ -	\$ -	\$ -	\$ 7,255,639
Public Safety	11,185,297	671,530	-	-	-	-	11,856,827
Transportation	5,408,074	429,120	-	-	-	-	5,837,194
Environmental Protection	2,328,069	178,300	-	-	-	-	2,506,369
Culture and Recreation	2,843,610	82,400	-	-	-	-	2,926,010
Community & Economic Development	1,315,323	9,852	526,416	-	-	-	1,851,591
Education	42,342	-	-	-	-	-	42,342
Water & Sewer	-	-	-	13,721,365	408,120	-	14,129,485
Mass Transit	-	-	-	-	-	1,762,085	1,762,085
Debt Service:							
Principal	1,766,940	234,956	-	3,352,815	-	-	5,354,711
Interest	319,561	33,750	-	1,932,185	-	-	2,285,496
Transfers To Other Funds	2,204,425	-	-	480,395	-	-	2,684,820
Total Expenditures	\$ 34,308,112	\$ 2,001,076	\$ 526,416	\$ 19,486,760	\$ 408,120	\$ 1,762,085	\$ 58,492,569
Budgeted Increase (Decrease) in Fund Balance	\$ (257,532)	\$ (144,432)	\$ -	\$ -	\$ 83,275	\$ -	\$ (318,689)
Full Accrual Adjustments: ¹							
Budgeted Capital Outlay	-	-	-	758,000	408,120	849,112	2,015,232
Budgeted Debt Principal	-	-	-	3,352,815	-	-	3,352,815
Estimated Depreciation	-	-	-	(4,215,848)	-	(235,309)	(4,451,157)
Estimated Fund Balance/ Net Assets 6/30/08	\$ 4,355,015	\$ 2,033,056	\$ 100,000	\$ 81,947,473	\$ 915,000	\$ 1,276,012	\$ 90,626,556

¹ The City's budget is developed on the modified accrual basis. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the enterprise funds are adopted on a basis consistent with GAAP except that bond principal payments and additions to fixed assets are treated as expenditures, and depreciation expense is not budgeted.



As of June 30, 2007, the City estimates a General Fund balance of almost \$6,800,000. This is higher than stated in the City's Reserve Policy, as explained on page 2-4. In FY06 and FY07, the City budgeted fund balance for construction and equipping of the new fire station on US Highway 70 and in FY07 budgeted fund balance to pay the City match for a grant. In FY08, the City budgeted fund balance to purchase equipment in the General Fund Capital Reserve Fund. In the General Fund, fund balance was appropriated for designated capital items that would not be purchased unless sufficient revenues increased above budget to cover the purchase.

Through conservative fiscal management, the City has been able to maintain total net assets in the Water and Sewer Fund for the past five years. However, due to the decreasing volume of water and sewer sales, the Fund expects flat growth.



**SUMMARY OF INTERFUND TRANSFERS
For the Year Ending June 30, 2008**

		TO			
		General Fund Capital Reserve	Water & Sewer Capital Reserve	Transit	TOTAL OUT
F R O M	General	\$ 1,766,644	\$ -	\$ 437,781	\$ 2,204,425
	Water & Sewer	-	480,395	-	480,395
	TOTAL IN	\$ 1,766,644	\$ 480,395	\$ 437,781	\$ 2,684,820

GENERAL FUND REVENUE STRUCTURE

The City's General Fund has six major sources of revenue: taxes, licenses and permits, intergovernmental revenue, charges for services, administrative revenue, and miscellaneous revenue. Taxes are composed of property, sales, vehicle, and dog taxes. Licenses and permits are composed of privilege licenses and cable television franchise fees. Intergovernmental revenues are composed of grants, state-shared revenues, and reimbursements. Charges for services are composed of user fees and reimbursed charges. Administrative revenue represents the Enterprise Funds contribution to the operations of the General Fund. Miscellaneous revenues are composed of interest revenue, sales, and revenues not allocated elsewhere.

It would appear that with these various revenue sources, the generation of revenue to meet service level expenditure requirements would be a simple task. This, however, is not the case.

Revenues available to finance our local government can be characterized as either "elastic" or "inelastic." Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up, elastic revenues rise in roughly proportional or greater amounts. Likewise, they go down during times of deflation and recession. For example, sales tax revenue, though the tax rate remains the same, increases during better economic periods due to the increase in retail business and declines during poor times. Yields from inelastic revenue sources, such as user fees and charges, are somewhat unresponsive to changes in economic conditions and require that government officials change fees and charges to obtain a change in revenue.

Most City revenue sources are inelastic. Two of the few remaining elastic revenues the City has are sales tax revenue and privilege licenses.

Several revenue types such as Powell Bill and sales taxes are distributed within Rowan County based on population. As the population in Rowan County and other County municipalities has increased in proportion to Salisbury's, the City's share of these revenues has decreased. Without annexations or other major growth within the City limits, the City will continue to receive a smaller share of the total revenue pool each year.

City revenues have in prior years also faced another limitation due to the State tampering with state-shared revenues and reimbursements. In the past, the State has eliminated property tax on retail, wholesale, and manufacturers' inventories. They then placed a cap on income to municipalities from intangibles taxes, utility franchise taxes, and inventory reimbursements. This cap on utility franchise taxes expired in FY1994-95. However, growth had been minimal without annexation. Intangibles taxes have been repealed by the General Assembly and replaced with an annual appropriation. Both the intangibles tax and inventory reimbursements were subject annually to the whims of the General Assembly for funding. In FY2002-03, the General Assembly terminated all reimbursements to local governments in North Carolina. They did approve a sales tax of one-half cent to replace them. For Salisbury, the additional one-half cent would only make about half of what the City was losing. Since Salisbury was not the only local government in North Carolina with this problem, the General Assembly did provide a hold-harmless clause which will reimburse some local units like Salisbury for the difference in what the new one-half cent sales tax generates and what was lost in reimbursements. For FY2007-08, the projected amount of the hold-harmless amount is \$575,548.

The City directly controls only property taxes, user fees and charges, privilege licenses, and the Enterprise Funds contribution. These four revenue sources are the only ones that City Council can increase or decrease at will. During FY2006-07, these four sources in the General Fund accounted for 67.8% of total revenue. The City lacks control over all other revenues.

Property taxes may be adjusted in two ways. The tax rate can be either changed and/or the assessed value of the property can be raised or lowered. Each year, City Council sets the property tax rate as part of adopting the annual budget ordinance.

User fees and charges for some services have been established to reimburse the City for all or part of the cost for that service. City Council has absolute control over the services for which a fee is levied and the amount of the fee.

Privilege licenses are controlled both by the State and City Council. A city may levy a privilege license on certain types of businesses and professions as established by State Statutes. The State also sets a maximum rate for some businesses and professions. Most businesses, however, do not have a maximum license rate or amount. City Council has the authority to set a license rate and/or amount for these businesses.

Administrative revenue is the Water and Sewer and Mass Transit Funds' contribution to the operations of the General Fund. It represents the Funds' share of expenses incurred in the General Fund for such things as water and sewer billing, revenue collection and deposit, financial administration, fleet management, purchasing, personnel administration, legal, and general management services. For the Water and Sewer Fund, the funding of the contribution is a component of the water and sewer rates set by City Council. In both funds, the contribution should not exceed the actual costs incurred in the General Fund for the Funds' operations.

In summary, most City revenues can be characterized as inelastic with no City control. The City controls only property taxes, user fees and charges, privilege licenses, and administrative revenue.

REVENUE ASSUMPTIONS FOR FY2007-08

General Fund Revenue

Taxes:

Property Taxes - Real property was estimated to increase by 4%, personal property by 4%, vehicles by 5% and public service property 1% over the 2006 assessed values. This estimated growth for real and personal property and public service property is based on historical trend analysis. However, Rowan County has reassessed real property values this year. The new values provided by the Tax Assessor were used to project property tax revenue. However, the City's estimates for growth were used to calculate the tax neutral tax rate as shown in the Budget Message. A 3.0% uncollectible rate was used.

Prior Year Property Taxes - Based on historical trends adjusted by the size of the 2006 property tax receivable balance projected as of June 30, 2007.

Interest on Delinquent Taxes - Based on historical trends.

Local Option Sales Tax - Based on estimates provided by the North Carolina League of Municipalities and last year's sales data (see graph on page 1-8).

Vehicle Tax - Based on number of vehicles inside City Limits.

Other Taxes - Based on historical trends.

Licenses and Permits:

Privilege Licenses - Based on a projection of all currently licensed businesses in Salisbury at the current license rates.

Franchises - Based on historical trends for receipts from the cable television company plus additions from annexations (see graph on page 1-8).

Intergovernmental:

Federal - Based on anticipated and existing grants. The City will receive a grant to help design a replacement bridge and acquire the necessary right-of-way and another grant for greenway construction.

State - Based on FY2006-07 state shared receipts plus anticipated state grants. As mentioned in the previous section, the City receives funding from the State for the difference between the one-half cent sales tax and the lost reimbursements. The City also receives funding for street maintenance through the Powell Bill Fund, which is allocated based on population and city-maintained street mileage. The City anticipates receiving a grant for improvements to the Depot. (see graph on page 1-8).

Local - Based on payment in lieu of taxes from the Housing Authority (see graph on page 1-9).

Charges for Services:

Supportive Court Services - Based on historical trends.

Community Services - Based on historical trends for fees relating to development and zoning.

Environmental Protection - Based primarily on existing user charges for recycling and landfill tipping fees and the fee for all waste collection costs.

Culture and Recreation - Based on projected activities, participation, and fee levels.

Public Safety - Based on historical trends for the revenues derived from police and fire protection and charges for radios and pagers to public agencies within the area (see graph on page 1-9).

Miscellaneous:

Interest Earned on Investments - Based on estimated cash balances during FY2007-08 and estimated interest rates.

Insurance Proceeds - Based on historical trends.

Rentals and Sale of Property - Based on historical trends (see graph on page 1-9).

Other - Based on historical trends and anticipated donations (see graph on page 1-9).

Administrative:

Interfund Revenues - Based on estimated expenditures for services provided by General Fund departments that are reimbursed by the Enterprise Funds. These expenditures are the sum of the estimated percentage of time each General Fund department expends on behalf of the Enterprise Funds multiplied by the departmental budget. This transfer amount is calculated annually.

General Fund Capital Reserve Fund Revenue

Miscellaneous:

Interest Earned on Investments - Based on estimated cash balances during FY2007-08 and estimated interest rates.

Other - Based on historical trends.

Other Financing Sources:

Operating Transfer from General Fund - Funding based on vehicle, radio, and computer replacement schedules that the General Fund will place in reserve for future vehicle, radio, and computer purchases.

Water and Sewer Fund Revenue

Operating Revenues:

Charges for Services - Based on estimates using historical volumes, trends, projections, and revised rates based on a comprehensive rate review completed in April 2007.

Nonoperating Revenues:

Interest Earned on Investments - Based on estimated cash balances during FY2007-08 and estimated interest rates.

Miscellaneous Revenues - Based on historical trends.

Water and Sewer Capital Reserve Fund Revenue

Miscellaneous:

Interest Earned on Investments - Based on estimated cash balances during FY2007-08 and estimated interest rates.

Other Financing Sources:

Operating Transfer from Water and Sewer Fund - Funding based on vehicle and computer replacement schedules that the Water and Sewer Fund will place in reserve for future vehicle and computer purchases.

Transit Fund Revenue

Operating Revenues:

Charges for Services - Based on estimates using historical ridership and trends.

Nonoperating Revenues:

Intergovernmental - Based on estimates provided by the State of North Carolina.

Miscellaneous Revenues - Based on historical trends.

Other Financing Sources:

Contributed Capital - The amount of funds provided for purchase of capital items.

Operating Transfer from General Fund - The amount of subsidy that the General Fund will provide the Transit Fund during FY2007-08.

Special Revenue Funds Revenue

Intergovernmental:

Federal - Based on an estimate provided by the U.S. Department of Housing and Urban Development.

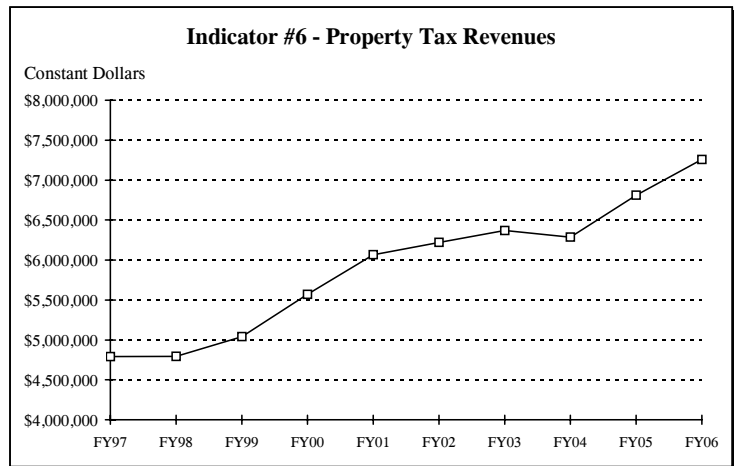
Miscellaneous:

Other - Based on anticipated program income.

TREND MONITORING

As noted previously, many revenues are budgeted based on historical trends. Trend monitoring is an essential element in the budgeting process for the City of Salisbury. Revenue information by line item is available for the current fiscal year, along with actual revenues for the past two fiscal years. The information is then evaluated based on past trends in conjunction with current estimates.

At the end of each fiscal year, trend information is gathered using the Financial Trend Monitoring System, which allows the City to monitor its financial condition. The Financial Trend Monitoring System is based on financial, organizational, and environmental factors that influence the financial condition. The factors are translated into indicators, which are then converted into graphs. Each graph has a warning sign that can necessitate appropriate action from the City. On the right is an example of a trend the City monitors. As shown in the graph, the City has experienced growth in property tax revenues in the past few years.

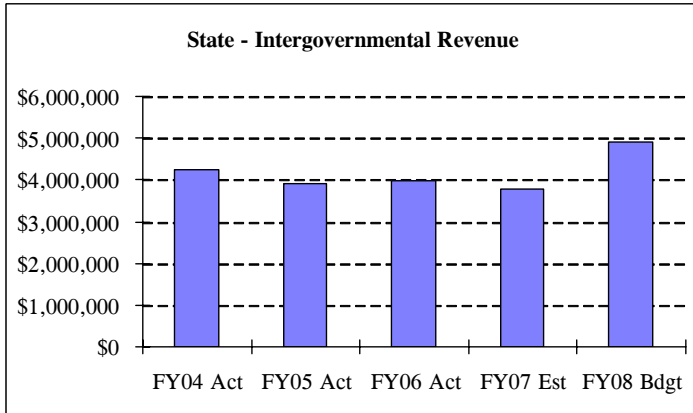


WARNING TREND:

Decline in property tax revenues (constant dollars)

OTHER REVENUE TRENDS

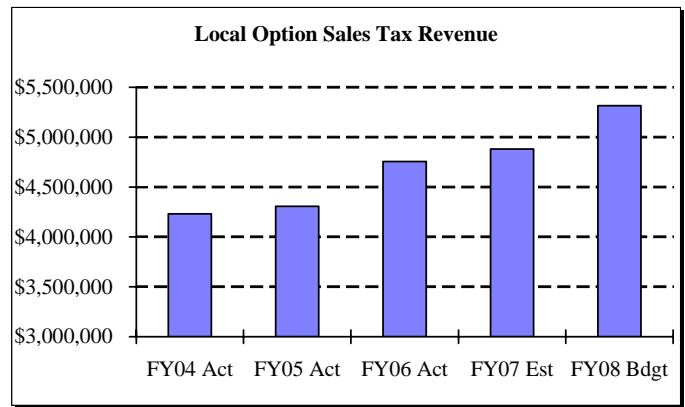
The following graphs are two of the other major revenue sources for the General Fund.



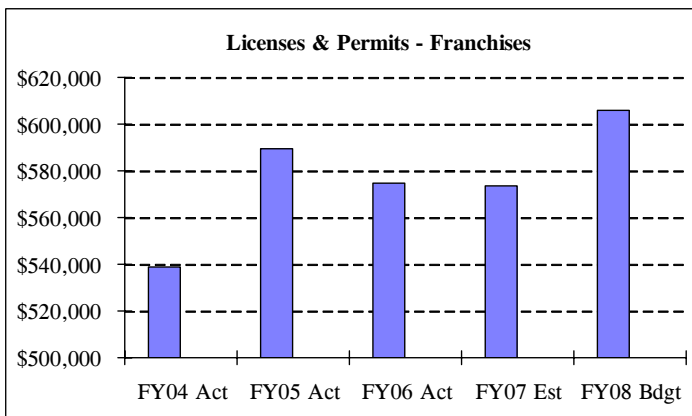
As stated in the assumptions, State intergovernmental revenue is comprised of state-shared receipts and state grants. Due to the North Carolina State budget crisis, the Governor had withheld inventory reimbursements and utilities franchise tax from local governments in FY02. Subsequently, in FY03 the General Assembly terminated all reimbursements to local governments in North Carolina. But since FY04 the State has reimbursed the City for the difference between the reimbursements and the estimated receipts from the new one-half cent sales tax. In FY08, the City anticipates receiving a grant for the construction of

an ADA-compliant passenger platform and trackside canopy adjacent to the Amtrak station to serve departing and arriving passengers.

Local option sales tax revenue is based on the 1% and ½% local option sales tax. As discussed under General Fund Revenue Structure, this revenue source is elastic. Due to the quickening retail climate and retail construction in the past year, the City is projecting higher growth from the sales tax. Since FY04, the City received the effect of a full year of the one-half cent sales tax, as approved by Rowan County in December 2003.

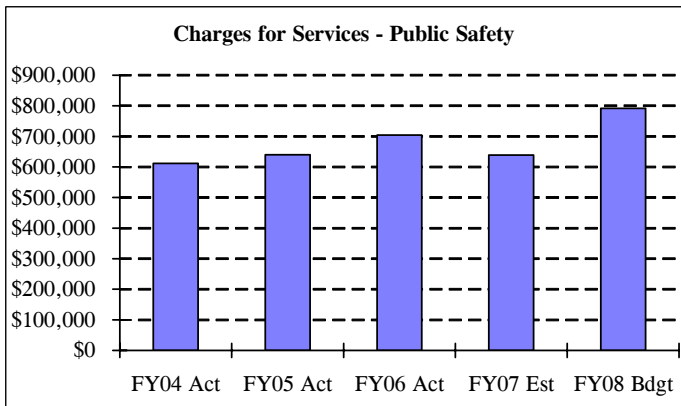
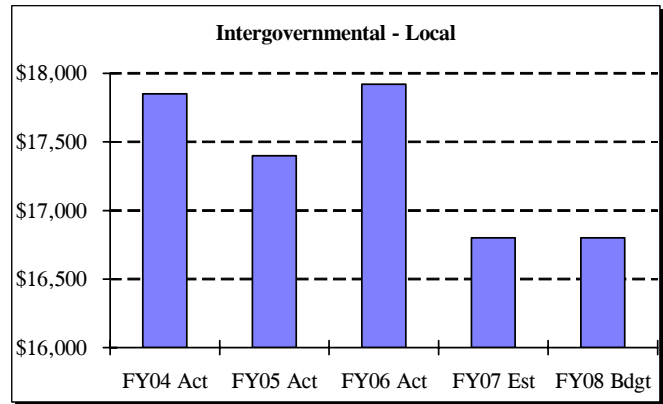


The following graphs depict major revenue sources that are based on historical trends. Each graph has a brief description of that particular revenue source along with an analysis of the trends.



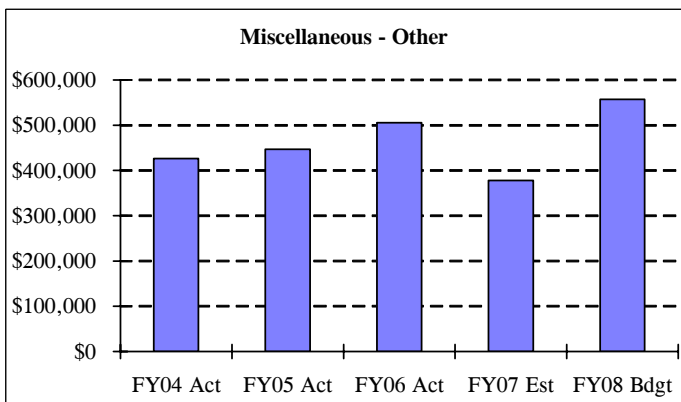
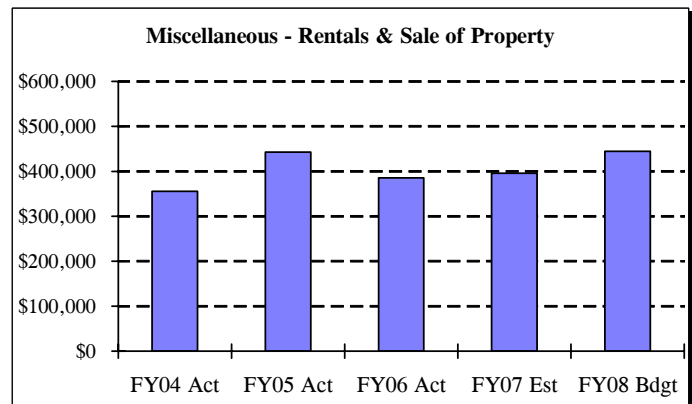
Franchise license and permit revenues are based on gross revenues within the City limits of the cable television company. As the revenue base for the cable company increases, so does the revenue received by the City.

Local intergovernmental revenues are from the Salisbury Housing Authority. This revenue is payment in lieu of taxes as partial compensation for the property tax for which the agency is exempt. Prior to FY04, the Housing Authority also reimbursed the City for the personnel costs for police officers working within the Housing Authority. In FY03, funding was discontinued for the reimbursement of one officer and funding for the remaining officer was discontinued in FY04.



Revenues from public safety charges for services are derived from police and fire protection, and charges for radios and pagers to public agencies within the area. In FY96, the City implemented a fee for permits and inspections by the Fire Department. Beginning in FY97, the Rowan-Salisbury School System started paying for one-half of the cost of a third School Resource Officer (as they had for the previous officers hired).

For FY08, slightly more than fifty percent of miscellaneous rentals and sale of property revenue is comprised of rentals. Rental revenue, both residential and commercial, from the Plaza continues to increase along with rental of the Salisbury West Community Center and revenue from a parking lot. Other revenue sources for this category include sale of assets, sale of materials, cemetery sales, and the rental of Hurley Park.



Other miscellaneous revenue is subject to significant fluctuation due to General Fund donations and miscellaneous revenue.



FINANCIAL MANAGEMENT AND BUDGET PROCESS

FINANCIAL MANAGEMENT PROGRAM

The City's financial management program continues to provide the citizens of the City with an approach which has served to enhance the City's excellent financial position by:

1. Investing all available funds not needed on a daily basis in order to maximize interest earnings
2. Allocating City resources only to program areas that meet community needs
3. Monitoring these program areas to ensure they are carried out within authorized levels

This financial management program allows the City to achieve its goal of expanded and improved services to the citizens of Salisbury. The City issued \$20.4 million Combined Enterprise System revenue bonds in April 2002 and Fitch Ratings assigned an A+ rating to this issue along with rating the system's \$1.8 million in outstanding parity revenue bonds A+. Additionally, the City's bond rating of "A1" by Moody's Investors Service was reaffirmed in July 2003 and "A+" by Standard and Poor's was reaffirmed in March 2006. This is a reflection of the City's continued sound financial condition.

FINANCIAL MANAGEMENT SYSTEMS

FUND ACCOUNTING

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The budgeted funds are as follows:

Governmental Fund Types

General Fund – The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, parks and recreation, and economic development. An equipment replacement subfund for the General Fund is maintained for accounting and budgeting purposes. For financial reporting purposes, this subfund has been consolidated into the General Fund.

Special Revenue Fund - Special revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City maintains one Special Revenue Fund, a Community Development Fund.

Proprietary Fund Types

Enterprise Funds - Enterprise funds are used to account for business-type activities in which fees are charged to the customers to help cover all or most of the cost of the services provided.

The enterprise funds include the Water and Sewer Fund and Mass Transit Fund. An equipment replacement subfund for Water and Sewer is maintained for accounting and budgeting purposes. For financial reporting purposes, this subfund has been consolidated into the Water and Sewer Fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental funds are those through which governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities, except those accounted for in the proprietary fund, are accounted for through governmental funds. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, usage, and balances of financial resources), rather than upon net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary funds are used to account for a government's ongoing organizations and activities which are similar to those found in the private sector. All assets, liabilities, equity, revenues, expenses, and transfers relating to the

government's business and quasi-business activities (where net income and capital maintenance are measured) are accounted for through proprietary funds.

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Rowan County is responsible for billing and collecting the property taxes on registered vehicles on behalf of all municipalities and special tax districts in the county, including the City of Salisbury. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due.

Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as deferred revenues.

The Proprietary Funds are accounted for using the economic resources measurement focus. The generally accepted accounting principles used in these funds are similar to those applicable to private sector businesses where the focus is upon determination of net income, financial position, and cash flows.

The basis of accounting determines when the revenues and expenditures or expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Enterprise Funds reimburse the General Fund for expenditures made on its behalf in the central services departments (i.e., Human Resources, Management Services, Fleet, Risk Management). The General Fund pays the Water and Sewer Fund for its normal billable charges. These types of transactions are considered to be quasi-external transactions and are recorded as revenues and expenses in the appropriate funds.

BASIS OF BUDGETING

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, Special Revenue, and Enterprise funds. All annual appropriations lapse at fiscal year end. Project ordinances are adopted for the Capital Project Fund and Enterprise Fund Capital Projects Fund, which are consolidated with the operating funds for reporting purposes. These appropriations continue until the project is completed. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the City Council. The budget ordinance must be adopted by July 1 of the fiscal year or the City Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The City's budget is developed on the modified accrual basis as explained previously. Budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the Enterprise funds are adopted on a basis consistent with GAAP except that bond proceeds and contributed capital are treated as other financing sources, bond principal payments and additions to fixed assets are treated as expenditures, depreciation expense is not budgeted, and no accruals are made for interest expense and vacation pay.

FINANCIAL MANAGEMENT POLICIES

INVESTMENT POLICY

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. Salisbury City Council has approved this policy.

Policies

- Always consider the risk factor of an investment.
- Maintain liquidity in the investment portfolio at all times.
- Consider yield only after risk and liquidity are assured.
- Only purchase investments that can be perfected.
- No purchase of derivatives.
- Use only brokerages with offices in Salisbury.
- Maintain a mix of investments with no over-reliance on a single type of investment.
- Avoid long term investments.
- Always purchase investments with the intent to hold to maturity.
- Investments are made with cash not required to meet current disbursement needs after projecting cash requirements.
- Investments are competitively bid.
- All investments require the approval of two authorized employees to complete the transaction.

Investments Used By City

- US fully guaranteed investments.
- NC State Banks' and Savings and Loan Associations' CDs, NOWS, SuperNow, Shares, and Deposits in Savings.
- Obligations of the Federal Farm Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, and the Government National Mortgage Association.
- Prime quality commercial paper and bankers acceptance.
- North Carolina Capital Management Trust.

Custodial Risk Assumed By City

- GAAP requires that governments classify their investment's custodial risks into categories with least risk being Category 1 and highest risk being Category 3.
- Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name.
- All City investments are purchased and held as Category 1 investments.

FISCAL POLICIES

Revenue Policy

1. The cumulative increase of revenue from the levy of property tax will not exceed five (5) percent from the preceding year. The increase excludes: taxable value gained through annexation; the taxable value gained through new construction; tax increases mandated by the voters, courts, State, or federal governments.
2. The City will project revenues for five years and will update the projections annually prior to the beginning of the preparation of the annual budget.
3. The City will utilize user charges in lieu of ad valorem taxes for services that can be individually identified and where the costs are directly related to the level of service:
 - a) Recreational programs will be funded from user charges for all programs in which it is practical to charge. User charges should represent at least 15% of the total recreational budget.
 - b) Cemetery activities should be partially funded from user charges. User charges should represent at least 50% of the total Cemetery budget.
 - c) Waste Management Division's cost to use the County's landfill will be recovered completely from users.
 - d) User charges will pay for the cost of operating a recycling program.
 - e) The user charge fees for water and sewer will be sufficient to finance all operating, capital, and debt service costs for the Water and Sewer Fund.
4. All City charges and fees will be reviewed and updated annually.

Operating Budget Policy

1. Current operating revenues will be sufficient to support current operating expenditures.
2. Debt or bond financing will not be used to finance current expenditures.
3. Annually recurring revenues will not be less than annually recurring operating budget expenditures (operating budget minus capital outlay).
4. The City will prepare a five-year operating budget which will include projections of annual growth plus allowances for operating costs of new facilities.
5. The City will develop a program to replace all information systems hardware at least once every three years.
6. The City will establish a Capital Replacement Fund for the replacement of vehicles, information systems hardware, and radio equipment. The Fund will purchase the equipment and lease it back to the appropriate department over its useful life. These lease payments will create a sinking fund to be utilized to purchase new equipment to replace the existing one.
7. The City will establish a Risk Management Program to provide for protection against loss and a reduction in exposure to liability. The City will establish a safety program to minimize the City's exposure to liability and thereby reduce the number of claims against the City.
8. The City will avoid budgetary practices that balance current expenditures at the expense of meeting future year's expenses.
9. The City will only use one-time revenues for the funding of capital improvements or other non-recurring expenditures.

Capital Improvement Policy

1. The City will prepare and adopt a five-year Capital Improvement Program which will detail each capital project, estimated cost, description, and funding source.
2. Operating expenditures will be programmed to include the cost of implementing the Capital Improvement Program and providing all manpower, operating costs, and capital outlay required.
3. The City will prepare and update annually a resurfacing and replacement policy for street and sidewalk improvements.

Accounting Policy

1. The City will establish and maintain the accounting systems according to the generally accepted principles and standards of the Government Accounting Standards Board (GASB) and the National Committee on Governmental Accounting.
2. An annual audit will be performed by an independent public accounting firm which will issue an official opinion on the annual financial statements, with a management letter detailing areas that need improvement (if required).
3. Full disclosure will be provided in the financial statements and bond representation.
4. Financial systems will be maintained to monitor expenditures and revenue on a monthly basis with a thorough analysis and adjustment (if required).
5. All revenue collections will be consolidated under the City's Finance Department.
6. The City will continue to obtain the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award from the GFOA.

Debt Policy

1. Capital projects, financed through the issuance of bonds, shall be financed for a period not to exceed the expected useful life of the project.
2. The general obligation debt of the City will not exceed 8 percent of the assessed valuation of the taxable property of the City.
3. Interest, operating and/or maintenance expenses will be capitalized only for facilities or enterprise activities and will be strictly limited to those expenses incurred prior to actual operating of the facilities.

Reserve Policy

1. The City will maintain an unreserved fund balance of 10% of the General Fund Operating Budget. These funds will be used to avoid cash flow interruptions, generate interest income, reduce need for short-term borrowing and assist in maintaining an investment grade bond rating.
2. The City will maintain a two-to-one ratio of total current assets over total current liabilities in the Water and Sewer Utility Fund.

BUDGETS AND BUDGETARY ACCOUNTING

Budgetary control is an essential element of governmental accounting and reporting. The City Council is required by State law to adopt an annual balanced budget for all funds except for the fiduciary funds and to utilize "encumbrance accounting" as defined in the statutes. Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of departmental balances are not released until additional appropriations are made available. Open encumbrances lapse at year end and are reinstated against the subsequent year's appropriation. They are shown as a reservation of fund balance in the Comprehensive Annual Financial Report. Appropriations are made at the departmental level and amended as necessary. A portion of fund balance may be appropriated to balance a fund's budget. All annual appropriations lapse at year end.

The City follows these procedures in establishing the budgetary data:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds, and enterprise funds. Budgetary performance can be quantitatively measured and accounted for throughout the year.

GOAL SETTING AND BUDGETARY PROCESS

The City Council and Management Team meet at an annual Goal Setting Retreat held for the purpose of establishing goals and priorities for the City.

In preparation for this Retreat, the City's Management Team meets with the City's Boards and Commissions for goal setting sessions and with their own departments to clarify and establish goals. Goals from the Boards and Commissions are presented to City Council prior to their Retreat.

At the Retreat, City Council adopts goals in strategic areas, either multi-year or on an annual basis. Goals guide the development of the budget for the upcoming year with the resources of the entire City organization being focused on achieving the goals. These goals are outlined in the Budget Message.

During the Retreat, the report *Balancing Costs and Services: A Five Year Service Level and Revenue Projection with Analysis* is presented to the City Council. This report describes three service levels and the related costs for each budgetary unit within the General Fund. *Balancing Costs and Services* serves as a tool for City Council to determine the financial impact of selecting various levels of municipal services for the citizens of Salisbury. This report is considered an integral part of the budgetary process and is included in its entirety in Section XIII of this budget document.

The City Manager and staff assign Retreat Goals to the staff for inclusion in the upcoming budget after the Retreat. Each department manager begins considering the personnel needed, operational costs and capital outlay associated with performing the goals as set forth by City Council.

The Management Services Director and staff prepare and have available on the City's server the following budgetary request forms in accordance with the Budget Calendar:

- Personnel request forms along with current staffing patterns and request information
- Operations and Maintenance request sheets along with last year's actual expense, this year's budgeted appropriation, and actual expense through seven months
- Five-Year Capital Improvement Program request forms

Upon return of the completed forms, the City Manager and Budget Team meet with each member of the City's Management Team to review his respective budget requests and justifications. The City Manager and Budget Team then evaluate each department's request for personnel, operational items, and capital outlay. The evaluation process is detailed and time-consuming. For each department, every line item justification is reviewed in light of

the departmental goals and needs. Any additional personnel must be justified by the department and then assessed by Human Resources and Management Services for need and appropriate staffing. Operational items are usually held to an increase no greater than that of the inflation rate.

A large impact on budgetary dollars is the amount spent on capital outlay. All departments submit a five-year capital improvement program with each item justified and ranked as to priority. Every capital outlay item is reviewed regarding need and whether the capital acquisition assists in accomplishing the stated goals. The budget document is then assembled using a file downloaded from the financial system and combined with personal computer spreadsheets and word processing files.

The Budget Message is prepared by first outlining the issues facing the City and the results of the Goal Setting Retreat. The City Manager highlights the major budgetary discussions with supporting analyses for his recommendations. Any change in a service level is analyzed and its subsequent effects discussed.

The availability of the budget document, before and after adoption, is made known through published newspaper notices and announcements at regularly scheduled Council meetings. Additionally, the recommended and adopted budget document is accessible for downloading through the City’s web site at www.salisburync.gov.

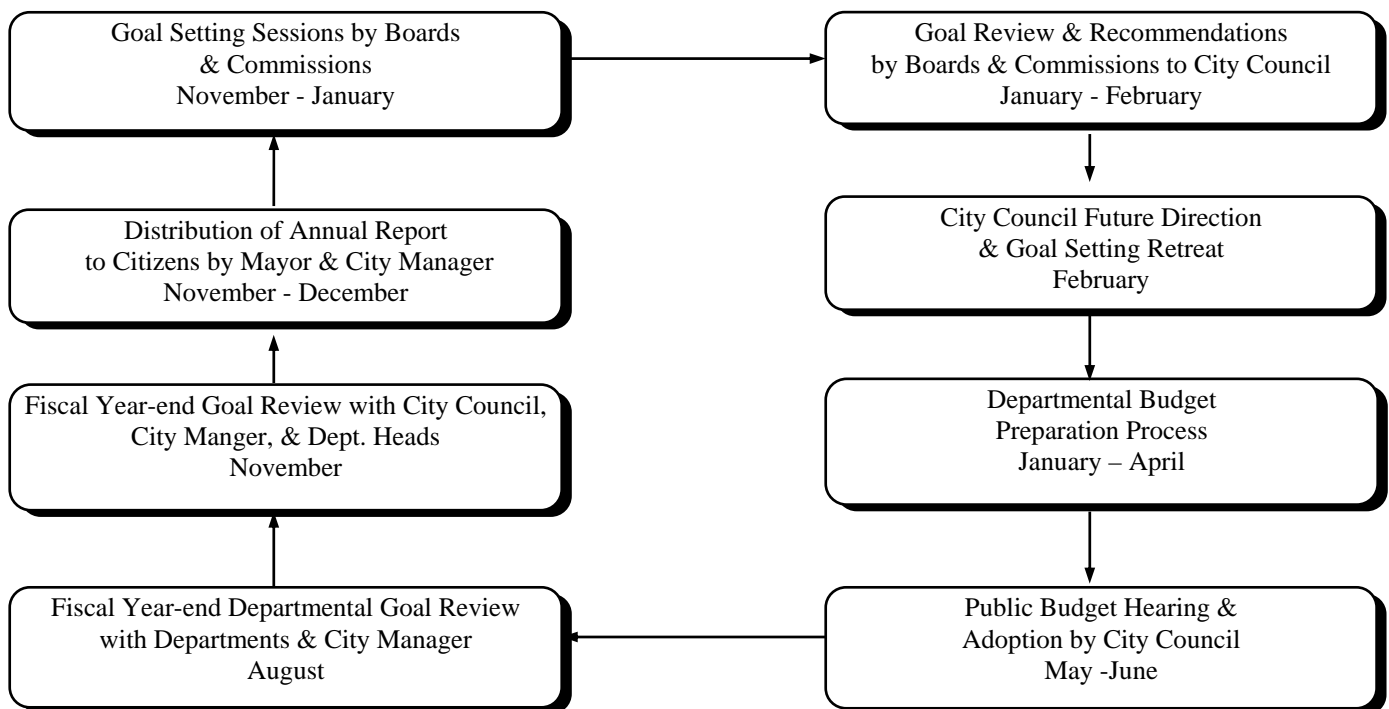
The City Manager submits the budget to City Council and after proper public notice, the City Council conducts public hearings and a budget work session. The City Council then adopts the budget through the passage of an ordinance before June 30.

Even after the budget is adopted, the goal setting process continues. After the fiscal year is ended, each department meets with the City Manager to review its previously established goals. Afterward, the City Manager and Management Team meets with City Council in a goals review session. The status of each goal is identified (i.e. on-target, behind schedule, delayed, needs clarification, rescheduled, or completed).

Based on available funding, in the fall of each year, the City publishes an annual report which highlights information about the various services, departments, and projects of the City.

At this point, the cycle begins again for the goal setting and budgetary process. The various Boards and Commissions meet for their goal setting sessions while the City is gathering input from its citizens via surveys and group meetings. The cycle is shown below.

GOAL SETTING/BUDGET CYCLE





CITY OF SALISBURY FY2007-2008 BUDGET CALENDAR

12/11/06	Distribute 5-Year Service Level Report to be completed by Department Managers.	City Manager and Finance Director
1/4/07	Complete 5-Year Service Level Report and return to City Manager.	Management Team and Division Managers
1/2/07 - 1/31/07	Prepare Personnel Request forms; present staffing patterns and Personnel request information.	Management Services
Distribute to Mgmt Team on or before 2/6/07	Prepare Operations and Maintenance request sheets. Finance Dept. distributes end of year Budget estimates. The Management Team and/or the appropriate Division Manager will determine departmental line item budget requests.	
	Prepare FY2008-09 -- 2012-13 Capital Improvement Program request forms.	
TBD	Vehicle Review Committee meeting for evaluation of vehicles.	Vehicle Review Committee
1/16/07 2/6/07 2/20/07	Chairmen of Boards and Commissions to present goals to City Council.	Chairmen of City Boards and Commissions and appropriate City Staff
2/6/07 2/13/07	Hold CDBG Public Hearing on citizens' needs and concerns.	Land Management Staff and CDBG Consultant
2/15/07 - 2/16/07	Hold Goal Setting Retreat to establish goals.	Mayor, City Council, City Manager and Staff
2/19/07 - 3/23/07	Prepare FY2006-2007 year-end revenue estimates and FY2007-08 revenue estimates on all funds.	Management Services, Utilities Director and Transit Manager
2/26/07	Assign Retreat Goals to Staff for inclusion in Budget.	City Manager and Staff
3/6/07	Hold CDBG Public Hearing to receive citizens' comments and receive proposals.	City Council
3/6/07	Complete all budget request forms no later than March 6, 2007.	Management Team and Division Managers
3/6/07	Evaluate all Personnel Requests for any changes from current staffing patterns.	Human Resources, Department Heads and Management Services
March / April 2007	Presentation of oral and written Budget requests to Mayor and Council.	Special Community Efforts Groups



CITY OF SALISBURY FY2007-2008 BUDGET CALENDAR

As Returned	Review of Specific Budget Proposals.	Budget Team, Department Head and Division Manager
3/20/07	Present draft of 2007-08 CDBG Budget and Home Budget to City Council for review and consideration.	CDBG Consultant
4/3/07	City Council to approve 2007-08 Action Plan for CDBG and HOME application after second reading.	City Council
4/9/07 - 4/13/07	Review recommended Budget with Departments.	Management Services Director, City Manager and Staff
4/27/07	Distribution of City Manager's recommended Budget.	City Manager and City Management Team
5/1/07	City Manager to preview recommended Budget for City Council.	City Manager
5/2/07	Place ad in THE SALISBURY POST to advertise one time for public hearing on May 15, 2007.	City Clerk
5/15/07	Hold a public hearing on the adoption of the Budget at 4:00 pm in Council Chambers at City Hall.	City Council
Based on Scheduling	Place ad in THE SALISBURY POST to give Notice of Budget Work Session.	City Clerk
Based on Scheduling	City Council Budget shirt sleeve work session on proposed Budget.	City Manager, City Council and City Management Team
6/5/07	City Council to adopt Budget.	City Council
July 2007	Report tax rate to Rowan County Tax Supervisor.	City Clerk
Summer 2007	Brief Boards and Commissions Chairmen on Adopted Budget.	Chairmen of City Boards and Commissions and appropriate City Staff

FACTS AND INFORMATION ABOUT THE CITY OF SALISBURY, NORTH CAROLINA

LOCATION

Salisbury, the county seat of Rowan County, is located in the heart of the beautiful Piedmont area, the industrial heart of the State. Salisbury is located midway between Charlotte and Winston-Salem, 280 miles from Atlanta, Georgia and 360 miles from Washington, D.C.

CLIMATE

The climate of the Salisbury area is moderate, a definite advantage to those who live and work here. The massive mountains of Western North Carolina form a natural barrier against the cold east-west winds. While definitely southern in climate, Salisbury is far enough north, and has sufficient altitude to escape the humid summers of many other southern regions. Extremes in climate are very rare and short-lived. In winter the high temperature is about 50 degrees, with a low around 32 degrees. The total snowfall is normally about 6 inches each year. In the summer, the high averages about 87 degrees, with a low of 66 degrees.

POPULATION

The City of Salisbury has increased steadily during the past decade. This is due to both annexations and internal growth stimulated by the local economy. Population currently is estimated to be 29,239 based upon the NC Office of State Planning.

HISTORY

Scotch-Irish, who originally settled in Lancaster County, Pennsylvania, moved down the "Great Wagon Road" 435 miles to Trading Ford on the Yadkin River to become the first settlers in Rowan County.

The County of Rowan was established in 1753. At this time, Rowan included all territory north to Virginia and east to what we know now as Guilford County and west to the mountains. Eventually, 26 counties were formed from Rowan. Rowan County was named for Matthew Rowan, acting governor for the colony in 1753.

The deed for Salisbury is dated February 11, 1755. The court center, called prior to this time Rowan Court House, was a bustling little village of seven or eight log cabins, a courthouse, jail and pillory,

according to Governor Arthur Dobbs who visited here in late 1755.

The Court House dates to 1753 and consists of deeds, marriages, and miscellaneous records of value. Papers formerly in the Clerk's Office such as the early court minutes are stored at the State Department of Archives in Raleigh. Familiar names in American history adorn these records.

Andrew Jackson, Archibald Henderson, William R. Davis, Daniel Boone, Lord Cornwallis, Richard Caswell and many other prominent local families as the Barkleys, Hoovers, and Polks, all ancestors of presidents or vice-presidents, appear time and again in the deeds and court minutes of the county.

Henderson Law Office



Two years before the national Declaration of Independence and one year before the Mecklenburg Declaration of Independence, a group of patriotic citizens of Rowan County, serving as a Committee of Safety, on August 8, 1774, adopted the Rowan Resolves containing the pioneer element toward liberty and independence from Britain. These resolves reached the highest note of any passed in the colony in calling for the abolishment of the African Slave trade and urging the colonies to "unite in an indissoluble union and association". These resolves are located in the State Archives and are the only ones of the many passed in this period that are preserved.

So many legends and lifestyles have been passed down over the passage of time. Daniel Boone began his exploration of the Blue Ridge Mountains from here in Salisbury. Near the present-day library is the

small office where Andrew Jackson studied law and was admitted to the bar before he moved westward.

For all the struggles and hardships our ancestors endured, they have provided Salisbury with character and a rich heritage.

GOVERNMENT

The City of Salisbury's government is organized according to the Council-Manager form of government. The City Council, which formulates policy for the Administration of the City, together with the Mayor, constitutes the governing body of the City. The five (5) members are elected to serve two (2) year terms of office. The Mayor is elected from the five (5) Council members. The Mayor presides at City Council meetings. Also, a Mayor Pro Tem is elected by City Council members from the five (5) to serve as Mayor during her absence or disability.

The City Council appoints the City Manager to serve as the City's Chief Executive Officer. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures, and appointing departmental officers. At the present time, the City Manager is assisted by the City Clerk and eight staff departments: Management Services, Human Resources, Fire, Police, Land Management and Development, Public Services, Parks and Recreation, and Public Utilities. The City provides a full range of municipal services allowable under State law including law enforcement, fire protection, zoning and code enforcement, recreation centers and parks, cemeteries, street maintenance, sanitation, and water and sewer systems.

The City of Salisbury is a separate legal entity from Rowan County as permitted by the State of North Carolina. The City is independent of county government, but does provide some overlapping services such as police protection and recreational facilities. The county, not the city, is held responsible by State Statutes to provide health and social services and court services.

UTILITIES

Salisbury operates its own water and sewer system. The Yadkin River, which forms the northeast boundary of Rowan County, provides Salisbury with an abundant supply of good water. The average daily flow is nearly 2 billion gallons per day, and the minimum, recorded one-day flow is 150 million gallons. The Salisbury water system, conventional in design and closely controlled, has a treatment

capacity of 24 million gallons per day. Average daily usage during FY 2006 was 7.4 million gallons per day. An arterial system of distribution mains has been constructed to assure maximum fire protection to all parts of the city.

The Salisbury water system supplies the following towns in Rowan County: Spencer, East Spencer, Granite Quarry, Rockwell, China Grove, Landis and Kannapolis and service has been extended to a number of industrial sites well beyond the city limits. The water supply meets all federal and State quality requirements.

Salisbury's three wastewater treatment facilities serve as the area's regional wastewater utility with service expansion to the towns of Landis, China Grove, Spencer, East Spencer, Granite Quarry and Rockwell. Total daily treatment capacity in 2006 was 12.5 million gallons. Average daily treatment in FY 2006 was 7.5 million gallons per day.

Other utilities are provided by Duke Energy, Piedmont Natural Gas, Bellsouth Telephone, CT Communications, and Time Warner Cable.

TRANSPORTATION

Salisbury, near the geographic and population center of North Carolina, is located on Interstate 85, 42 miles from Charlotte, 52 miles from Greensboro and 39 miles from Winston-Salem. It is the crossroads of I-85, U.S. 29, 52, 70, 601 and N.C. 150. Over 3.5 million people live within 90 miles of Salisbury, 1.75 million within 55 miles and 60% of the population of the United States within an overnight truck haul. The seaports of Wilmington, Morehead City, Charleston, and Norfolk are less than a one-day truck haul away.

Rowan County Airport, three (3) miles from downtown Salisbury, has a 5,800 ft. x 100 ft. paved and lighted runway. Hangar space and private plane servicing are available.

Two major commercial airports are within a one-hour drive of Salisbury - Charlotte-Douglas International in Charlotte and Piedmont Triad International (PTI) in Greensboro. With the planned new FedEx package-sorting facility at PTI, Salisbury is well positioned for providing local businesses a critical link in their logistics chain. Additionally, these airports provide regular air passenger service to all parts of the United States via AirTran, American, Continental, Delta, United and US Airways. There are also non-stop, international flight options available from these airports to

Frankfurt, London, and San Juan, among other global destinations.

Greyhound provides bus service to Salisbury with daily arrivals and departures. Local bus service is provided by the City's Transit System.

The Depot



Amtrak provides rail transportation with service on the Piedmont and the Carolinian from New York City to Charlotte, North Carolina. Arrivals and departures are from The Depot, a renovated station of the Salisbury Railroad Station Depot, originally built in 1907.

MOTELS

An ideal area for meetings and conventions, Salisbury has fourteen (14) motels, with over 1,100 rooms, and two (2) bed and breakfast establishments in our historic district.

EDUCATION

Salisbury is home to two (2) colleges and a technical school. Catawba College was founded in Newton, North Carolina in 1851, and opened in Salisbury in 1925. Catawba College has thirty (30) buildings comprising a physical plant unsurpassed in the East for a college of this size and style. It has a total enrollment of approximately 1,500 Liberal Arts students and is affiliated with the United Church of Christ.

Livingstone College was founded in 1879, and has approximately 1,000 Liberal Arts students. It is supported by the African Methodist Episcopal Zion Church.

Rowan-Cabarrus Community College offers two-year educational programs leading to the associate's degree in applied science. In addition, one-year diploma programs are offered in five fields. There is a total enrollment of approximately 4,700 full-time students.

In addition to the Salisbury-Rowan public school

facilities, there are several private and church related schools.

ARTS AND ENTERTAINMENT

The cultural atmosphere of the Salisbury area is significantly enriched by the outstanding programs of Catawba and Livingstone Colleges and the other colleges in the area. Each year the Catawba College Shuford School of Performing Art brings a minimum of four musical events to Salisbury. Catawba's fine Drama department offers several professional type drama productions each year. Livingstone College also has a cultural series that brings artists to the community as well as an excellent drama group, The Julia B. Duncan Players.

The Piedmont Players, a community little theater organization, provides excellent entertainment as well as a chance to participate in both its acting and technical activities. They have completely restored the historic Meroney Theater, built in 1905, for their home. The Piedmont Players present five shows each season. In addition to these five shows, all fourth and fifth graders in the Rowan-Salisbury School System attend the theater for an annual production that is cast entirely with children. Piedmont Players has received an award at the North Carolina Theatre Conference for having the best community theatre in the state.

The Salisbury-Rowan Symphony, consisting of musicians from the area, presents four concerts each season. In addition to participation in the regular concert series, the string quartet of the Salisbury Symphony visits the elementary schools to present programs. The object of this mini-concert series is to give the students some knowledge of music and famous composers.

Rowan-Cabarrus Community College participates in the North Carolina Visiting Artist Program. Each year a professional artist is employed and in residence at the college. Concerts and musical programs are provided regularly by many artists throughout the state as well as the Visiting Artist. In addition, Rowan-Cabarrus Community College sponsors a Folk Heritage Center. This center serves as a network for professional and local folk artists and presents classes, concerts, and other folk artist activities for the general public.

COMMUNITY FACILITIES

Salisbury is served daily by The Salisbury Post. Four (4) radio stations provide for local programming. WBTV has a satellite newsroom located in Salisbury. Local reception provides coverage of all major networks in addition to cable television facilities.

A full-time year-round recreation staff offers activities for both young and old. In addition to organized activities, the City provides several parks and facilities for general use.

City Park has two large playgrounds, tennis courts, a five (5) acre lake for fishing, picnic shelters, and a Recreation Center that offers programs/classes throughout the year. Salisbury has a Civic Center with a weight room, racquetball courts, auditorium, tennis courts and a handicap exercise trail.

City Park



Kelsey-Scott Park is a twenty-two (22) acre park located on Old Wilkesboro Road. It includes a nine-hole disc golf course, a baseball/softball field, an outdoor basketball court, and a picnic shelter. The Jaycee Sports Complex is a multi-use area with three (3) ball fields and an outdoor basketball court. The Miller Recreation Center located on West Bank Street has a play structure and an indoor basketball court. The Center offers programs throughout the year.

The Salisbury Community Park and Athletic Complex opened in April 2001. Amenities at the 314 acre park include baseball/softball fields, soccer fields, picnic shelters, play structures and a nine-acre lake suitable for fishing and equipped with a handicap accessible pier.



Ball field at the Community Park

Hurley Park is a municipal garden which has a unique collection of plants to the area. The Park provides an educational experience as well as a pleasurable place to stroll.

SPECIAL EVENTS

Each year, the Salisbury-Rowan Chamber of Commerce presents the National Sportscasters and Sportswriters Awards Program. The program has been a big success. The National Sportscasters and Sportswriters Award Program has attracted national attention to the City. Each year nationally renowned sportscasters and sportswriters visit Salisbury to attend the annual awards program.



Parks & Recreation Summer Camp

MISCELLANEOUS STATISTICS

Public Safety:		Area - Square Miles	19.9
Number of Fire Stations	4	Miles of Streets	225
Number of Police Stations	1	Regional Utilities Department:	
Recreation Facilities:		Number of Customers	16,200
Number of Parks	14	Miles of Water Line	415
Number of Recreation Centers	4	Miles of Sewer Line	400
Number of Tennis Facilities	2	Number of Cemeteries	7
Number of Acres	505	Business Licenses Issued Last Year	1,728
Greenway Miles	2.5		

TAX BASE AND TAX RATES FOR THE CITY OF SALISBURY FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended <u>June 30,</u>	<u>Assessed Value of Taxable Property</u>				<u>Tax Rate</u>	
	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Property</u>	<u>Total</u>		
2008	1	\$1,951,544,848	\$515,349,496	\$62,317,000	\$2,529,211,344	\$0.590
2007	1	\$1,876,254,662	\$493,756,893	\$61,700,000	\$2,431,711,555	\$0.625
2006		\$1,786,418,491	\$484,829,511	\$61,623,601	\$2,332,871,603	\$0.615
2005		\$1,728,892,388	\$414,804,226	\$61,461,291	\$2,205,157,905	\$0.615
2004		1,689,100,448	417,032,881	65,288,150	2,171,421,479	\$0.580
2003		1,400,333,436	397,573,867	64,817,634	1,862,724,937	\$0.600
2002		1,379,505,572	407,822,931	67,482,463	1,854,810,966	\$0.600
2001		1,340,184,501	415,578,484	64,805,231	1,820,568,216	\$0.600
2000		1,289,721,396	405,627,210	67,811,348	1,763,159,954	\$0.570
1999		1,033,274,312	391,288,408	57,889,345	1,482,452,065	\$0.620

¹Estimated

Note: The levy of property taxes each year is based on the assessed value of taxable property as of January 1 preceding the beginning of the fiscal year on July 1. All taxable property is assessed at one hundred percent (100%) of its estimated value at time of revaluation. Revaluation of real property, required at least every eight years, was completed for the levy of taxes in the year ended June 30, 2008 and will be revalued again for the FY2012 assessment. The assessment of taxable property being assessed after revaluation is accomplished in accordance with North Carolina G.S. 105.287.

SCHEDULE OF PRINCIPAL TAXPAYERS FOR THE CITY OF SALISBURY
For the Year Ended June 30, 2006

<u>Business</u>	<u>Type of Enterprise</u>	<u>2005 Assessed Valuation</u>	<u>Percentage Value of Total</u>
Food Lion, Inc.	Commercial	\$ 108,709,544	4.66%
Heritage Realty Limited Partnership	Real Estate	27,416,727	1.18%
Duke Energy Corp.	Utility	23,639,522	1.01%
ICI Americas	Industrial	18,782,974	0.81%
Norandal USA	Industrial	18,790,530	0.81%
Bellsouth Telephone	Communication	16,735,903	0.72%
Rowan Regional Medical Center	Hospital	30,620,000	1.31%
Salisbury Mall Ltd.	Commercial	14,009,826	0.60%
Wal-Mart Stores	Retail	13,319,132	0.57%
Keffer Management	Airlines	11,560,232	0.50%
Totals		<u>\$ 283,584,390</u>	<u>12.16%</u>

Source: Comprehensive Annual Financial Report, Fiscal Year ending June 30, 2006

DEMOGRAPHIC STATISTICS CITY OF SALISBURY
For the Year Ended June 30, 2006

<u>Fiscal Year</u>	<u>Population Estimate (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>Unemployment Rate (3)</u>
2006	29,239	\$20,320	37.7	6.6%
2005	28,249	19,825	37.5	6.0%
2004	28,199	19,626	37.3	9.0%
2003	28,199	19,433	37.3	5.7%
2002	26,559	19,241	37.1	5.7%
2001	26,462	18,864	36.9	6.5%
2000	27,500	18,487	36.7	3.8%
1999	26,792	18,117	36.5	3.4%
1998	26,884	17,755	36.3	3.0%
1997	26,177	17,400	36.1	2.9%

Source: Comprehensive Annual Financial Report, Fiscal Year ending June 30, 2006

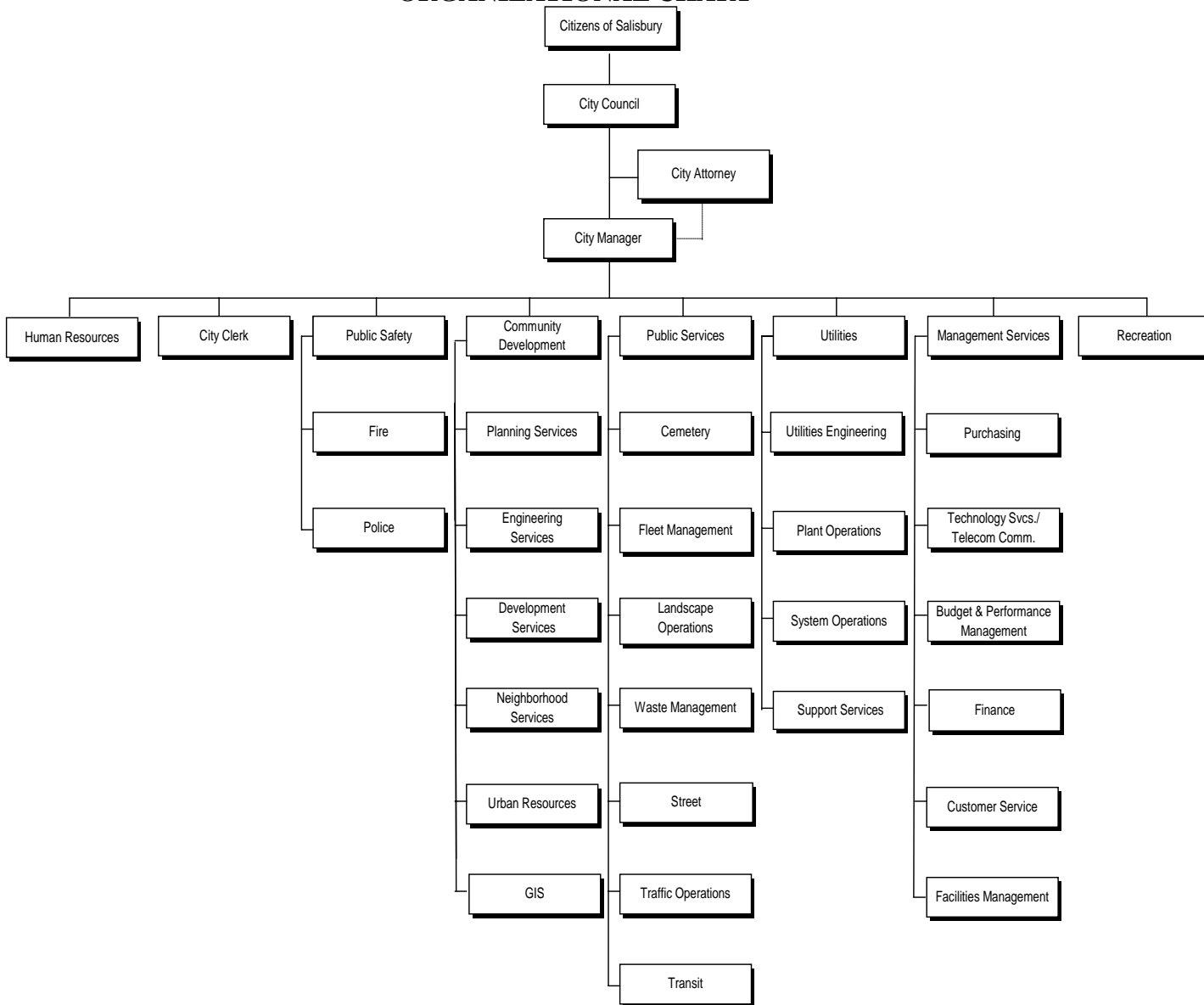
**CITY OF SALISBURY
LIST OF PRINCIPAL OFFICIALS**

May 1, 2007

Mayor
 Mayor Pro Tem
 Council Member
 Council Member
 Council Member
 City Manager
 Assistant City Manager for Utilities
 Fire Chief
 Land Management & Development Director
 Police Chief
 City Clerk
 Public Services Director
 Management Services Director
 Human Resources Director
 Parks and Recreation Director

Susan W. Kluttz
 Paul B. Woodson, Jr.
 William R. Burgin
 William R. Kennedy
 Mark N. Lewis
 David W. Treme
 H. Matthias Bernhardt
 Robert A. Parnell
 Dan Mikkelson
 L. Mark Wilhelm
 Myra B. Heard
 Tony Cinquemani
 John A. Sofley, Jr.
 Melissa H. Taylor
 Gail Elder-White

ORGANIZATIONAL CHART



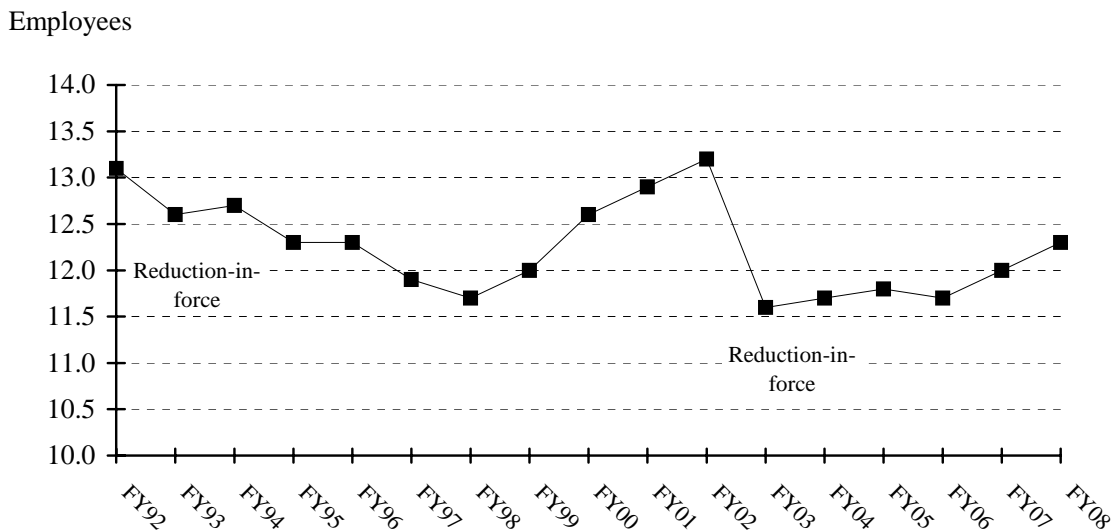
CITY OF SALISBURY
SUMMARY OF POSITIONS BASED ON HEADCOUNT FOR FY 2006 – 2008

	<u>APPROVED</u> FY 2005-06	<u>APPROVED</u> FY 2006-07	<u>REQUESTED</u> FY 2007-08	<u>RECOMMENDED</u> FY 2007-08	<u>APPROVED</u> FY 2007-08
GENERAL FUND					
City Council	5	5	5	5	5
Management & Administration	7	8	9	9	9
Human Resources	6	6	9	7	7
Management Services	18.5	19.5	20	20	20
Information Technologies	8	8	9	9	9
Purchasing	2	2	2	2	2
Facilities Management	6	6	7	7	7
Planning & Community Development	5	5	6	5	5
GIS	1	1	2	2	2
Development Services	5	5	6	5	5
Engineering	7	7	7	7	7
Telecommunications	-	1	1	1	1
Police	105	105	108	107	107
Fire	78	79	86	84	84
Public Svcs-Administration	4	4	4	4	4
Public Svcs-Traffic Operations	8	9	9	9	9
Public Svcs-Streets	24	23	23	23	23
Public Svcs-Cemetery	6	6	6	6	6
Public Svcs- Solid Waste Management	11	11	11	11	11
Public Svcs-Waste Management-Other	8	9	9	9	9
Public Svcs-Landscape Operations	12	13	13	13	13
Public Svcs-Landscape-Hurley Park	2	2	3	2	2
Public Svcs-Fleet Management	11	11	12	11	11
Parks and Recreation	56	57	58	58	58
TOTAL	395.5	402.5	425	416	416
WATER AND SEWER FUND					
Utility Management	13.5	12.5	14	12	12.0
Water Treatment	7	7	8	8	8
Systems Maintenance	25	25	28	25	25
Environmental Services	9	10	9	9	9
Wastewater Treatment Plants	16	17	17	17	17
Meter Services	11	11	11	11	11
Plants Maintenance	10	9	9	9	9
TOTAL	91.5	91.5	96	91	91
TRANSIT FUND					
Transit-Operations	12	12	12	12	12
Transit-Administration	2	2	2	2	2
TOTAL	14.0	14.0	14	14	14
TOTAL ALL FUNDS	501	508	535	521	521
<i>Permanent Full-time</i>	449	453	476	461	461
<i>Permanent Part-time</i>	5	5	5	5	5
<i>Temporary Full-time</i>	24	24	26	26	26
<i>Temporary Part-time</i>	23	26	28	29	29
TOTAL ALL FUNDS	501	508	535	521	521

For the FY2007-08 Recommended Budget, the total number of positions for the City’s budgeted funds has increased by thirteen over the previous fiscal year. The following table shows the changes.

GENERAL FUND:	
Add Assistant to the City Manager	Management & Administration
Add Temp/Part-time Intern	Human Resources (520 hours annual)
Discontinue split-funding of Management Analyst with Water & Sewer Fund	Management Services-Accounting; transfer budgetary funding from Water & Sewer Fund; increase contribution from Water & Sewer Fund to General Fund to cover one-half cost
Add Temp/Part-time Intern	Management Services-Information Technologies (\$4,000 annual)
Add Engineering Technician (begin 10/1/2007)	LMD-Engineering
Add Building & Grounds Maintenance Worker	Management Services-Facilities Management
Add 2 Police Officers	Police-Field Operations
Add 3 Fire Control Specialists	Fire Department
Add 2 Summer employees	Fire Department – for fire hydrant maintenance
Add Temp/Part-time Recreation Aide-Soccer	Parks & Recreation
WATER & SEWER FUND:	
Discontinue split-funding of Management Analyst with General Fund	Utilities Management; transfer budgetary funding to General Fund; increase contribution from W/S Fund to General Fund to cover one-half cost
Utilities Engineer for Capital Projects	Fund in Capital Projects Fund and allocate to projects
TRANSIT FUND:	
No Changes	

General and HUD Funds Full-Time Employees per 1000 Population



As mentioned in Section 1 under Trend Monitoring, the City monitors various trends. The above graph represents the number of full-time General and HUD Funds employees per 1,000 population. In FY1992-93 (FY93), City Council opted for a 20 position reduction-in-force as an element to balance the budget. Again, in FY2003 (FY03), City Council used a 33 position reduction-in-force/hiring freeze to counteract the effects of the Governor’s actions and the stagnant economy.

RELATIONSHIP BETWEEN FUNCTIONAL AREAS AND FUNDS

	General/Special Revenue Funds			Enterprise Funds		
	General Fund	General Fund Capital Reserve	Entitlement (HUD)	Water & Sewer	Water & Sewer Capital Reserve	Transit
General Government	X	X				
Public Safety	X	X				
Transportation	X	X				X
Environmental Protection	X	X				
Culture & Recreation	X	X				
Community & Economic Development	X		X			
Education	X					
Utility				X	X	

PROGRAM MATRIX OF FY2007-08 BUDGET

Below is a matrix showing the relationship between the funds/departments and the program classifications. Although some departments may perform activities outside the program classifications as shown, the classifications show the predominant areas in which a department is involved.

	PROGRAMS							
	General Government	Public Safety	Transportation	Environmental Protection	Culture & Recreation	Community & Economic Development	Education	Utility
GENERAL FUND:								
City Council	X	X	X	X	X	X	X	X
Management & Administration	X	X	X	X	X	X	X	X
Human Resources	X	X	X	X	X	X		X
Management Services	X	X	X	X	X	X		X
Information Technologies	X	X	X		X	X		X
Purchasing	X							
Facilities Management	X	X	X	X	X	X		X
City Office Buildings	X							
Plaza						X		
Telecommunications	X	X	X	X	X	X		X
Planning/Community Development						X		
GIS		X	X			X		X
Development Services						X		
Engineering			X		X			
Street Lighting			X					
Police		X					X	
Fire		X					X	
Public Services Administration	X		X	X	X			
Traffic Operations			X					
Street			X					
Cemetery				X				
Solid Waste Management				X				
Waste Management-Other				X				
Landscape Operations					X			
Hurley Park					X			
Fleet Management	X							
Transportation			X					
Parks & Recreation					X			
Education							X	
ENTERPRISE FUNDS:								
Water & Sewer								X
Mass Transit			X					
SPECIAL REVENUE:								
Entitlement (HUD)						X		

SELECTED TELEPHONE NUMBERS

City Department Information	(704) 638-5270	<i>Recreation Programs/Info :</i>	
City Manager/Administration	(704) 638-5227	City Park Center	(704) 638-5295
City Clerk	(704) 638-5224	Civic Center	(704) 638-5275
Emergency	911	Hall Gym	(704) 638-5289
Management Services Department	(704) 638-5303	Lincoln Pool	(704) 638-5287
Fire Department–Business	(704) 638-5351	Miller Center	(704) 638-5297
Human Resources	(704) 638-5217	<i>Other :</i>	
Human Resources-Job Hot Line	(704) 638-5355	Animal Control	(704) 638-5333
Land Management/Development	(704) 638-5242	Business Licenses	(704) 638-5300
Police Department-Business	(704) 638-5333	City Bus Schedules	(704) 638-5252
Public Services Administration	(704) 638-5260	Garbage/Recycling	(704) 638-5256
Recreation-Administration	(704) 638-5291	Permits/Zoning	(704) 638-5210
Utilities Administration/Engineering	(704) 638-5205	Utility Account Services & Billing	(704) 638-5300



CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2008
With Estimated Actual for Year Ending June 30, 2007 and
Actual for Year Ended June 30, 2006

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Budget</u>
REVENUES:			
Taxes:			
General property - current	\$ 13,929,982	\$ 14,375,256	\$ 15,093,344
General property - prior	318,387	331,774	377,000
Interest on delinquent tax	74,965	80,166	80,000
Local option sales tax	4,755,927	4,881,515	5,315,330
Other taxes	200,625	216,001	215,300
	<u>\$ 19,279,886</u>	<u>\$ 19,884,712</u>	<u>\$ 21,080,974</u>
Licenses and permits:			
Privilege licenses	\$ 331,410	\$ 331,753	\$ 347,196
Franchises	243,259	241,808	258,589
	<u>\$ 574,669</u>	<u>\$ 573,561</u>	<u>\$ 605,785</u>
Intergovernmental:			
Federal	\$ 212,145	\$ 132,263	\$ 576,000
State	4,368,555	3,792,913	4,685,632
Local	17,921	16,800	16,800
	<u>\$ 4,598,621</u>	<u>\$ 3,941,976</u>	<u>\$ 5,278,432</u>
Charges for services:			
Environmental protection	\$ 847,469	\$ 1,006,307	\$ 1,074,008
Culture and recreation	164,896	168,773	180,000
Public safety	500,447	423,103	454,104
Cemetery	133,875	137,765	150,000
Radio antenna and paging rentals	203,304	216,218	337,768
Rentals and sale of property	251,797	258,175	294,716
Community services	137,785	153,737	185,000
	<u>\$ 2,239,573</u>	<u>\$ 2,364,078</u>	<u>\$ 2,675,596</u>
Miscellaneous:			
Interest earned on investments	\$ 230,120	\$ 313,711	\$ 300,000
Donations	296,526	173,124	423,937
Other	211,200	204,504	133,240
	<u>\$ 737,846</u>	<u>\$ 691,339</u>	<u>\$ 857,177</u>
Administrative charges:			
Interfund revenues	\$ 2,070,628	\$ 2,303,159	\$ 2,417,857
Total revenues	<u>\$ 29,501,223</u>	<u>\$ 29,758,825</u>	<u>\$ 32,915,821</u>
OTHER FINANCING SOURCES:			
Proceeds from capital leases	\$ -	\$ -	\$ 1,134,759
Fund balance appropriated	-	-	257,532
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,392,291</u>
Total revenues and other financing sources	<u>\$ 29,501,223</u>	<u>\$ 29,758,825</u>	<u>\$ 34,308,112</u>

CITY OF SALISBURY
FY 2007-2008 BUDGET SUMMARY
GENERAL FUND

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 05-06	FY 06-07	FY 07-08	FY 07-08	FY 07-08
REVENUE	\$ 29,501,223	\$ 33,228,138	\$ 31,196,754	\$ 34,535,968	\$ 34,308,112
EXPENSES	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 05-06	FY 06-07	FY 07-08	FY 07-08	FY 07-08
CITY COUNCIL					
Personnel	\$ 62,573	\$ 70,724	\$ 75,981	\$ 74,048	\$ 79,244
Operations	67,584	76,212	93,200	83,582	98,582
Capital	-	-	-	-	-
TOTAL	\$ 130,157	\$ 146,936	\$ 169,181	\$ 157,630	\$ 177,826
MANAGEMENT & ADMINISTRATION					
Personnel	\$ 497,744	\$ 567,141	\$ 652,813	\$ 644,908	\$ 644,908
Operations	245,399	278,800	362,801	273,215	273,215
Capital	-	-	9,000	9,000	9,000
TOTAL	\$ 743,143	\$ 845,941	\$ 1,024,614	\$ 927,123	\$ 927,123
HUMAN RESOURCES					
Personnel	\$ 372,801	\$ 400,360	\$ 560,812	\$ 430,973	\$ 430,973
Operations	246,205	308,523	1,646,253	375,715	375,715
Capital	-	1,500	4,000	-	-
TOTAL	\$ 619,006	\$ 710,383	\$ 2,211,065	\$ 806,688	\$ 806,688
MANAGEMENT SERVICES - ADMINISTRATION					
Personnel	\$ 899,544	\$ 1,010,099	\$ 1,114,319	\$ 1,106,563	\$ 1,106,563
Operations	282,617	297,121	333,526	277,268	277,268
Capital	7,067	4,000	14,240	2,000	2,000
TOTAL	\$ 1,189,228	\$ 1,311,220	\$ 1,462,085	\$ 1,385,831	\$ 1,385,831
MANAGEMENT SERVICES - INFORMATION TECHNOLOGIES					
Personnel	\$ 593,245	\$ 623,752	\$ 671,764	\$ 677,891	\$ 677,891
Operations	630,877	1,117,348	988,106	649,031	649,031
Capital	95,861	30,000	347,000	32,000	32,000
TOTAL	\$ 1,319,983	\$ 1,771,100	\$ 2,006,870	\$ 1,358,922	\$ 1,358,922
MANAGEMENT SERVICES - PURCHASING					
Personnel	\$ 110,122	\$ 121,175	\$ 128,341	\$ 124,866	\$ 124,866
Operations	8,404	9,873	11,627	8,654	8,654
Capital	-	-	-	-	-
TOTAL	\$ 118,526	\$ 131,048	\$ 139,968	\$ 133,520	\$ 133,520
MANAGEMENT SERVICES - TELECOMMUNICATIONS					
Personnel	\$ -	\$ 73,293	\$ 87,275	\$ 87,016	\$ 87,016
Operations	198,036	203,932	213,704	176,082	176,082
Capital	76,115	123,321	495,055	125,055	125,055
TOTAL	\$ 274,151	\$ 400,546	\$ 796,034	\$ 388,153	\$ 388,153

	Actual FY 05-06	Budgeted FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
MANAGEMENT SERVICES - FACILITIES MANAGEMENT					
Personnel	\$ 269,057	\$ 322,832	\$ 374,669	\$ 367,253	\$ 367,253
Operations	18,406	57,386	90,495	64,674	64,674
Capital	-	-	8,500	8,500	8,500
TOTAL	\$ 287,463	\$ 380,218	\$ 473,664	\$ 440,427	\$ 440,427
MANAGEMENT SERVICES - CENTRAL CITY BUILDINGS					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	240,754	233,718	242,148	222,626	222,626
Capital	215,895	18,500	278,600	39,700	39,700
TOTAL	\$ 456,649	\$ 252,218	\$ 520,748	\$ 262,326	\$ 262,326
PLAZA					
Personnel	\$ 17,086	\$ -	\$ -	\$ -	\$ -
Operations	158,439	176,389	545,579	167,350	167,350
Capital	23,509	22,500	45,000	20,000	20,000
TOTAL	\$ 199,034	\$ 198,889	\$ 590,579	\$ 187,350	\$ 187,350
LAND MANAGEMENT & DEVELOPMENT - PLANNING & COMMUNITY DEVELOPMENT					
Personnel	\$ 325,418	\$ 339,799	\$ 423,848	\$ 354,084	\$ 354,084
Operations	442,837	306,114	1,190,769	282,168	282,168
Capital	-	-	-	-	-
TOTAL	\$ 768,255	\$ 645,913	\$ 1,614,617	\$ 636,252	\$ 636,252
LAND MANAGEMENT & DEVELOPMENT - GIS					
Personnel	\$ 61,879	\$ 64,137	\$ 114,630	\$ 113,944	\$ 113,944
Operations	95,106	105,094	197,745	95,732	95,732
Capital	-	1,950	7,500	-	-
TOTAL	\$ 156,985	\$ 171,181	\$ 319,875	\$ 209,676	\$ 209,676
LAND MANAGEMENT & DEVELOPMENT - DEVELOPMENT SERVICES					
Personnel	\$ 219,813	\$ 228,745	\$ 274,858	\$ 236,059	\$ 236,059
Operations	192,148	213,139	273,360	266,925	266,925
Capital	-	-	-	-	-
TOTAL	\$ 411,961	\$ 441,884	\$ 548,218	\$ 502,984	\$ 502,984
LAND MANAGEMENT & DEVELOPMENT - ENGINEERING					
Personnel	\$ 437,153	\$ 499,423	\$ 509,224	\$ 505,040	\$ 505,040
Operations	865,684	1,100,801	2,232,146	2,002,217	1,752,217
Capital	9,036	345,000	348,000	348,000	348,000
TOTAL	\$ 1,311,873	\$ 1,945,224	\$ 3,089,370	\$ 2,855,257	\$ 2,605,257
LAND MANAGEMENT & DEVELOPMENT - STREET LIGHTING					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	331,117	344,870	381,920	378,460	378,460
Capital	-	-	-	-	-
TOTAL	\$ 331,117	\$ 344,870	\$ 381,920	\$ 378,460	\$ 378,460
POLICE - SERVICES					
Personnel	\$ 1,011,594	\$ 1,100,392	\$ 1,219,598	\$ 1,167,276	\$ 1,167,276
Operations	299,988	432,557	360,068	270,580	270,580
Capital	6,394	2,570	59,400	24,100	24,100
TOTAL	\$ 1,317,976	\$ 1,535,519	\$ 1,639,066	\$ 1,461,956	\$ 1,461,956

	Actual FY 05-06	Budgeted FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
POLICE - ADMINISTRATION					
Personnel	\$ 319,479	\$ 329,398	\$ 385,418	\$ 360,547	\$ 360,547
Operations	185,151	171,602	253,362	147,680	147,680
Capital	-	-	15,000	15,000	15,000
TOTAL	\$ 504,630	\$ 501,000	\$ 653,780	\$ 523,227	\$ 523,227
POLICE - OPERATIONS					
Personnel	\$ 3,948,412	\$ 4,069,304	\$ 4,269,387	\$ 4,210,900	\$ 4,210,900
Operations	734,599	877,094	945,039	840,653	840,653
Capital	60,549	112,018	201,172	183,672	183,672
TOTAL	\$ 4,743,560	\$ 5,058,416	\$ 5,415,598	\$ 5,235,225	\$ 5,235,225
FIRE					
Personnel	\$ 3,394,498	\$ 3,641,578	\$ 3,939,082	\$ 3,806,461	\$ 3,806,461
Operations	1,213,390	1,570,182	1,227,682	939,025	939,025
Capital	145,340	175,954	333,879	91,767	91,767
TOTAL	\$ 4,753,228	\$ 5,387,714	\$ 5,500,643	\$ 4,837,253	\$ 4,837,253
PUBLIC SERVICES - ADMINISTRATION					
Personnel	\$ 205,612	\$ 226,324	\$ 246,534	\$ 244,592	\$ 244,592
Operations	26,584	52,382	70,060	40,337	40,337
Capital	6,088	-	-	-	-
TOTAL	\$ 238,284	\$ 278,706	\$ 316,594	\$ 284,929	\$ 284,929
PUBLIC SERVICES - TRAFFIC OPERATIONS					
Personnel	\$ 379,215	\$ 440,968	\$ 451,554	\$ 447,828	\$ 447,828
Operations	106,779	140,018	176,298	130,122	130,122
Capital	5,970	24,000	6,000	6,000	6,000
TOTAL	\$ 491,964	\$ 604,986	\$ 633,852	\$ 583,950	\$ 583,950
PUBLIC SERVICES - STREETS					
Personnel	\$ 941,359	\$ 1,048,179	\$ 1,100,753	\$ 1,082,213	\$ 1,082,213
Operations	1,054,730	1,347,515	1,326,434	944,494	944,494
Capital	-	18,000	133,000	23,000	23,000
TOTAL	\$ 1,996,089	\$ 2,413,694	\$ 2,560,187	\$ 2,049,707	\$ 2,049,707
PUBLIC SERVICES - CEMETERY					
Personnel	\$ 168,192	\$ 180,390	\$ 191,218	\$ 191,085	\$ 191,085
Operations	73,477	71,977	106,691	68,840	68,840
Capital	8,716	1,400	4,000	4,000	4,000
TOTAL	\$ 250,385	\$ 253,767	\$ 301,909	\$ 263,925	\$ 263,925
PUBLIC SERVICES - SOLID WASTE MANAGEMENT					
Personnel	\$ 499,812	\$ 508,974	\$ 533,224	\$ 515,623	\$ 515,623
Operations	1,092,937	1,279,915	1,357,860	1,286,851	1,286,851
Capital	-	1,500	-	-	-
TOTAL	\$ 1,592,749	\$ 1,790,389	\$ 1,891,084	\$ 1,802,474	\$ 1,802,474
PUBLIC SERVICES - WASTE MANAGEMENT OTHER					
Personnel	\$ 406,908	\$ 355,148	\$ 380,458	\$ 376,882	\$ 376,882
Operations	130,452	114,115	142,596	112,392	112,392
Capital	-	-	-	-	-
TOTAL	\$ 537,360	\$ 469,263	\$ 523,054	\$ 489,274	\$ 489,274

	Actual FY 05-06	Budgeted FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
PUBLIC SERVICES - LANDSCAPE OPERATIONS					
Personnel	\$ 407,630	\$ 462,723	\$ 483,077	\$ 474,568	\$ 474,568
Operations	158,745	148,633	156,660	128,409	128,409
Capital	2,625	5,069	7,300	7,300	7,300
TOTAL	\$ 569,000	\$ 616,425	\$ 647,037	\$ 610,277	\$ 610,277
PUBLIC SERVICES - LANDSCAPE - HURLEY PARK					
Personnel	\$ 83,586	\$ 85,990	\$ 120,244	\$ 90,130	\$ 90,130
Operations	43,091	30,147	55,661	24,712	24,712
Capital	8,300	-	-	-	-
TOTAL	\$ 134,977	\$ 116,137	\$ 175,905	\$ 114,842	\$ 114,842
PUBLIC SERVICES - FLEET MANAGEMENT					
Personnel	\$ 647,179	\$ 672,399	\$ 751,864	\$ 704,378	\$ 704,378
Operations	97,059	93,408	127,210	93,259	93,259
Capital	15,319	23,650	33,000	14,000	14,000
TOTAL	\$ 759,557	\$ 789,457	\$ 912,074	\$ 811,637	\$ 811,637
PUBLIC SERVICES - TRANSPORTATION					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	213,118	358,569	446,181	437,781	437,781
Capital	-	-	-	-	-
TOTAL	\$ 213,118	\$ 358,569	\$ 446,181	\$ 437,781	\$ 437,781
PARKS & RECREATION					
Personnel	\$ 1,192,010	\$ 1,304,516	\$ 1,382,424	\$ 1,369,429	\$ 1,361,377
Operations	700,270	630,776	677,075	586,940	596,940
Capital	58,661	107,000	662,500	313,700	313,700
TOTAL	\$ 1,950,941	\$ 2,042,292	\$ 2,721,999	\$ 2,270,069	\$ 2,272,017
EDUCATION					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	42,342	42,342	42,342	42,342	42,342
Capital	-	-	-	-	-
TOTAL	\$ 42,342	\$ 42,342	\$ 42,342	\$ 42,342	\$ 42,342
DEBT SERVICE					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	816,894	1,271,891	2,086,501	2,086,501	2,086,501
Capital	-	-	-	-	-
TOTAL	\$ 816,894	\$ 1,271,891	\$ 2,086,501	\$ 2,086,501	\$ 2,086,501
GRAND TOTAL					
Personnel	\$ 17,471,921	\$ 18,747,763	\$ 20,443,369	\$ 19,764,557	\$ 19,761,701
Operations	11,013,219	13,462,443	18,361,099	13,504,617	13,279,617
Capital	745,445	1,017,932	3,012,146	1,266,794	1,266,794
TOTALS	\$ 29,230,585	\$ 33,228,138	\$ 41,816,614	\$ 34,535,968	\$ 34,308,112

Statement of Purpose

To function as the duly elected representatives of the citizens of Salisbury in creating and maintaining a balanced quality of life in accordance with North Carolina State Statutes and Federal law. To promote positive intergovernmental relationships with federal, state and other local governments. To generate and maintain up-to-date municipal codes, establish public policies, and adopt budgets designed to provide effective, efficient municipal services. To provide safety and security for all citizens, to protect the environment and to improve the overall quality of life in our community. To provide leadership and support for the continued economic development and planned growth of the community.

COUNCIL PERFORMANCE GOALS

1. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
2. Identify and initiate an “impact project” as part of the North Main Street Small Area Plan. **Outcome 2.2**
3. Create a Cultural Action Plan to strengthen and unify Salisbury’s cultural resources. **Outcome 3.4**
4. Consider adoption of the City of Salisbury Land Development Ordinance. **Outcome 5.1**
5. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**
6. Explore water sales agreements with Kannapolis and Concord. **Outcome 11.4**
7. Support activities that encourage open communication among diverse groups in Salisbury and Rowan County. **Outcome 12.3**

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 62,573	\$ 70,724	\$ 75,981	\$ 74,048	\$ 79,244
Operating	67,584	76,212	93,200	83,582	98,582
Capital	-	-	-	-	-
TOTAL	\$ 130,157	\$ 146,936	\$ 169,181	\$ 157,630	\$ 177,826

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Mayor	1	1	1	1	1
Mayor Pro Tem	1	1	1	1	1
Council Member	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	5	5	5	5	5

STATEMENT OF PURPOSE

To serve as a central source of information, advice and support services for the City Council and Management Team. To manage and coordinate preparation and presentation of the annual municipal budget to the City Council, with subsequent responsibility for its implementation, control, and general management. To assist the City Council in the formulation of municipal public policy. To manage and coordinate development and implementation of the City's Strategic Planning and Goal-Setting process. To provide professional leadership and counsel to the City staff in carrying out the work of the municipality in an effective, efficient manner. To provide a central source for the collection, storage and dissemination of official municipal records and documents. To provide professional community relations, marketing and communications to the citizens of Salisbury. To provide Risk Management services for the municipality that includes safety, liability insurance management, worker's compensation, OSHA compliance and third party claims against the City. To implement goals and special projects as may be assigned by the City Council.

COUNCIL PERFORMANCE GOALS

1. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
2. Identify and initiate an "impact project" as part of the North Main Street Small Area Plan. **Outcome 2.2**
3. Address gang activity in Salisbury through gang awareness, education, information sharing and enforcement. **Outcome 2.3**
4. Prepare and implement a Fiber To The Home business plan. **Outcome 3.1**
5. Continue a unified community image which exemplifies our communities' cultural, educational, historic, environmental, entrepreneurial, technological and arts attributes. **Outcome 3.2**
6. Create a Cultural Action Plan to strengthen and unify Salisbury's cultural resources. **Outcome 3.4**
7. Initiate actions to increase the occupancy tax rate from 3% to 6% in Salisbury. **Outcome 3.5**
8. Consider adoption of the City of Salisbury Land Development Ordinance. **Outcome 5.1**
9. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**
10. Meet with School officials to determine needs with which the City can assist. **Outcome 7.1**
11. Seek legislative authority for regulating demolition within the Downtown Historic District. **Outcome 9.2**
12. Investigate and implement the National League of Cities Inclusive Cities Program. **Outcome 12.1**
13. Rename a street in honor of Dr. Martin Luther King, Jr. **Outcome 12.2**
14. Support activities that encourage open communication among diverse groups in Salisbury and Rowan County. **Outcome 12.3**
15. Develop a strategy for the recruitment and selection of Boards and Commissions members. **Outcome 12.4**

DEPARTMENTAL PERFORMANCE GOALS

1. Support Rowan County in the promotion and development of the Rowan County airport.
2. Incorporate the "Good to Great" concepts into the City's culture as a foundation for Salisbury becoming a High Performance Organization including the successful completion of all strategic plans.
3. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project.
4. Safeguard Salisbury's interests on the Yadkin River by participating in Federal Energy Regulatory Commission (FERC) relicensing of Alcoa's Yadkin Project.
5. Explore the creation of an Airport Development Zone.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Risk Management (201)			
Workload			
Number of Workers Compensation Claims Filed	15	17	17
Number of Third-Party Insurance Claims Filed	55	48	40
Number of Self-Initiated OSHA Inspections (Preventive)	120	120	120
Efficiency			
Cost Per Negotiated Workers Compensation Claim	\$ 3,000	\$ 3,000	\$ 4,000
Cost Per Negotiated Insurance Claim	\$ 800	\$ 800	\$ 900
Cost of all OSHA Imposed Fines & Penalties	\$ -	\$ -	\$ -
Effectiveness			
Workers Compensation Cases Negotiated Per Case Filed	0%	0%	0%
Third Party Insurance Claims Negotiated Per Claim Filed	0%	0%	2%
OSHA Fine Totals Per Self-Initiated OSHA Inspection	\$ -	\$ -	\$ -

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 497,744	\$ 567,141	\$ 652,813	\$ 644,908	\$ 644,908
Operating	245,399	278,800	362,801	273,215	273,215
Capital	-	-	9,000	9,000	9,000
TOTAL	\$ 743,143	\$ 845,941	\$ 1,024,614	\$ 927,123	\$ 927,123

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
City Manager	1	1	1	1	1
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Senior Office Assistant	2	2	2	2	2
Assistant to the City Manager - NEW	0	0	1	1	1
Risk Management (201)					
Risk Management Officer	1	1	1	1	1
Risk Management Assistant	1	1	1	1	1
Public Information (202)					
Public Information & Communication Manager	<u>0</u>	<u>1¹</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	7	8	9	9	9

¹ New position for FY2007

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Chairs	\$ 6,000	\$ 6,000	\$ 6,000
Replacement Desk	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
Total Capital Outlay	\$ <u>9,000</u>	\$ <u>9,000</u>	\$ <u>9,000</u>

STATEMENT OF PURPOSE

To provide a centralized source of support and assistance to the City related to its need for the management of Human Resources. Specific functions include: providing general personnel administration, recruitment and selection, training and development, health and wellness, compensation and benefits administration and a City-wide multicultural program.

COUNCIL PERFORMANCE GOALS

1. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
2. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**
3. Develop strategies to attract and retain quality employees. **Outcome 6.2**
4. Implement employee training and development plan. **Outcome 6.3**

DEPARTMENTAL PERFORMANCE GOALS

1. Implement City Council Level Goals as stated.
2. Research, develop and implement HR systems consistent with elements of a High Performance Organization.
3. Incorporate the “Good to Great” principles into the operations of the department.
4. Update Compensation Plan periodically.
5. Develop a Business Plan that explores the feasibility of establishing health insurance savings strategies and a Wellness Program.
6. Participate in the School of Government Performance Measurement Program and identify additional measures of effectiveness and efficiency.
7. Complete implementation of web based Human Resource Information System.
8. Develop a Strategic Plan inclusive of all stakeholders.
9. Provide staff with resources and opportunities for career development.
10. Provide staff assistance to the Salisbury-Rowan Human Relations Council.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 372,801	\$ 400,360	\$ 560,812	\$ 430,973	\$ 430,973
Operating	246,205	308,523	1,646,253	375,715	375,715
Capital	-	1,500	4,000	-	-
TOTAL	\$ 619,006	\$ 710,383	\$ 2,211,065	\$ 806,688	\$ 806,688

PERSONNEL DETAIL

Position Title	Authorized 05-06	Authorized 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Human Resources Director	1	1	1	1	1
Personnel Analyst I/II	4	4	4	4	4
Personnel Technician I/II	1	1	1	1	1
Personnel Analyst II-Compensation - NEW	0	0	1	0	0
Personnel Analyst I-Intern (TPT) - NEW	0	0	1 ¹	1 ¹	1 ¹
Nurse Practitioner - NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	6	6	9	7	7

¹ Budgeted for 520 hours annually

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Desk for additional personnel	\$ 2,000	\$ -	\$ -
Desk for additional personnel	<u>2,000</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ 4,000	\$ -	\$ -

DEPARTMENT – Management Services – Summary

STATEMENT OF PURPOSE

The Management Services Department provides the majority of internal services to support the operations of the City. These services include fiscal affairs, technology services, and facilities management. The Department also provides some direct services to citizens through its Business Office Division and management of City’s website. Included in Management Services are the Purchasing, Accounting, Budget and Performance Management, Business Office, Facilities Management, Central City Buildings, Information Technologies, and Telecommunications Divisions.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 1,871,968	\$ 2,151,151	\$ 2,376,368	\$ 2,363,589	\$ 2,363,589
Operating	1,379,094	1,919,378	1,879,606	1,398,335	1,398,335
Capital	<u>394,938</u>	<u>175,821</u>	<u>1,143,395</u>	<u>207,255</u>	<u>207,255</u>
TOTAL	\$ 3,646,000	\$ 4,246,350	\$ 5,399,369	\$ 3,969,179	\$ 3,969,179

PERSONNEL DETAIL

	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Permanent Full-Time (PFT)	33.5	33.5	35	35	35
Temporary Part-Time (TPT)	<u>1</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>
TOTAL	34.5	36.5	39	39	39

STATEMENT OF PURPOSE

To provide a centralized source for handling the financial affairs of the City including: maintain a financial record-keeping system, protect municipal assets as required by the Local Government Budget and Fiscal Control Act, manage the City’s debt service program, prepare and monitor the annual and five-year budgets, prepare standards for performance and benchmarking, utilize an investment program for the City's idle cash, provide payroll and disbursement services, collect utility and other revenues, provide a source of information and support related to the purchase/lease of supplies, equipment and contractual services, manage a fixed asset system, and maintain a technology system that provides state-of-the-art data processing, computer, telephone, and telecommunications capability.

COUNCIL PERFORMANCE GOALS

1. Prepare and implement a Fiber to the Home (FTTH) business plan. **Outcome 3.1**
2. Support Rowan County in the promotion and development of the Rowan County airport and explore the creation of an Airport Development Zone. **Outcome 3.3**
3. Conduct a downtown ADA compliance audit. **Outcome 9.1**
4. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project. **Outcome 11.1**
5. Fund, design, construct, and complete first phase of Wastewater Facilities Capital Improvements Project. **Outcome 11.3**
6. Explore water sales agreements with Kannapolis and Concord. **Outcome 11.4**

DEPARTMENTAL PERFORMANCE GOALS

1. Continue departmental education and training on use of the City’s financial systems.
2. Continue participation in the Performance Measurement/Benchmarking Project.
3. Update trend monitoring and costs of service studies annually.
4. Participate in the GFOA’s Certificate of Achievement for Financial Reporting Excellence program.
5. Participate in the GFOA’s Distinguished Budget Presentation Award.
6. Assist in essential aspects of the systematic annexation plan.

PERFORMANCE MEASURES

	<u>FY 2006</u> Actual	<u>FY 2007</u> Estimate	<u>FY 2008</u> Projected
Accounting (101)			
Workload			
Number of Checks Issued	6,303	6,450	6,500
Number of ACH Transactions (Payroll)	12,161	12,450	12,500
Number of Journal Entries	976	1,071	1,100
Efficiency			
Cost Per Check Issued	\$ 8.15	\$ 8.76	\$ 8.79
Cost Per ACH Transaction	\$ 1.70	\$ 1.79	\$ 1.80
Effectiveness			
Percent of Checks Processed Without Error	99.5%	99.5%	99.5%
Percent of ACH Transactions Processed Without Error	99.9%	99.9%	99.9%
Percent of Journal Entries Reclassified	25%	20%	20%

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Customer Service (102)			
Workload			
Number of Utility Bills Generated	191,500	192,800	196,200
Number of Teller Transactions	143,792	132,288	68,760
Number of Non-Teller Transactions	55,676	27,838	-
Number of Telephone Transactions	81,200	87,900	79,200
Number of New Businesses Issued Privilege Licenses	340	355	370
Efficiency			
Cost Per Utility Bill Issued	\$ 0.50	\$ 0.50	\$ 0.51
Cost Per Teller Transaction	\$ 0.56	\$ 0.58	\$ 1.11
Cost Per Telephone Transaction	\$ 1.47	\$ 1.54	\$ 1.70
Effectiveness			
Percent of Utility Bills Mailed Without Error	99.9%	99.9%	99.9%
Total Dollar Value of Tellers' Over & Short Account	\$ 4.90	\$ 8.75	\$ <1.00
Service-Related Complaints Per Telephone Transaction	0.01%	0.01%	0.01%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 899,544	\$ 1,010,099	\$ 1,114,319	\$ 1,106,563	\$ 1,106,563
Operating	282,617	297,121	333,526	277,268	277,268
Capital	7,067	4,000	14,240	2,000	2,000
TOTAL	\$ 1,189,228	\$ 1,311,220	\$ 1,462,085	\$ 1,385,831	\$ 1,385,831

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
Management Services Director	1	1	1	1	1
Budget & Performance Manager	1	1	1	1	1
Budget & Benchmarking Analyst	1	1	1	1	1
Management Analyst	1	1	1	1	1
Finance Specialist	1	1	1	1	1
Accounting (101)					
Finance Manager	1	1	1	1	1
Accountant I/II	1	1	1	1	1
Management Analyst	.5	.5	1 ¹	1 ¹	1 ¹
Account Clerk	2	2	2	2	2
Customer Service (102)					
Customer Service Supervisor	1	1	1	1	1
Asst Customer Svc Supervisor	0	1 ³	1	1	1
Customer Service Clerk Sr./I/II	6	5 ³	5	5	5
Mail Coordinator (PFT)	1	0 ²	0	0	0

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Customer Service Clerk (TPT)	1	2 ²	2	2	3
Mail Coordinator (TPT)	<u>0</u>	<u>1</u> ²	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	18.5	19.5	20	20	20

¹ Position was split between GF & W/S Fund. For FY08 fund fully in GF; one-half cost in increase in W/S Fund contribution to GF

² Position reclassified from Perm/Full-Time and split into two Temp/Part-time positions with no benefits

³ Position reclassified

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)			
Office Chairs (21)	\$ 3,780	\$ -	\$ -
Conference Room Chairs (10)	5,460	-	-
Desk for Management Services Director	2,000	2,000	2,000
Accounting (101)			
Chair for Finance Manager	1,000	-	-
Desk for Finance Manager	2,000	-	-
Total Capital Outlay	<u>\$ 14,240</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>

STATEMENT OF PURPOSE

To provide a centralized source of procedures, information and support related to the storage and electronic processing of data, business transactions, information and other computer-related capability.

COUNCIL GOALS

1. Prepare and implement a Fiber to the Home (FTTH) business plan. **Outcome 3.1**

DEPARTMENTAL GOALS

1. Implement a Citizen Resource Management System.
2. Implement Document Imaging System.
3. Implement a Goals Review and Tracking System.
4. Continue programming of Access 16.
5. Implement next phase of City-wide security system.
6. Continue installation and implementation of mobile data units in emergency fire vehicles.
7. Implement email archiving.
8. Update Police storage area network (SAN) and implement replication/business continuity between SANS.
9. Begin eliminating physical services by implementing virtualization.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
Number of Computer Directly Supported	380	352	400
Average Number of Service Requests Per PC	5.4	7.1	6.3
Number of Servers Directly Supported	42	45	47
Average Number of Service Requests Per Server	1.1	1.1	1.1
Number of Applications Directly Supported	127	133	140
Total Number of Helpdesk Requests Received	2,064	2,500	2,500
Efficiency			
Number of PCs Supported Per Analyst	63	59	67
Number of Servers Supported Per Analyst	42	45	47
Number of Applications Supported Per Analyst	21	22	23
Number of Helpdesk Requests Processed Per Analyst	344	417	417
Effectiveness			
Average Repair Time Per PC Service Request (in hours)	1.00	1.00	1.00
Average Repair Time Per Server Service Request (in hours)	2.50	2.50	2.50
Average Annual Network Availability **	99.0%	99.0%	99.0%
Percent of Helpdesk Requests Closed < One Day	46.0%	47.0%	47.0%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 593,245	\$ 623,752	\$ 671,764	\$ 677,891	\$ 677,891
Operating	630,877	1,117,348	988,106	649,031	649,031
Capital	<u>95,861</u>	<u>30,000</u>	<u>347,000</u>	<u>32,000</u>	<u>32,000</u>
TOTAL	\$ 1,319,983	\$ 1,771,100	\$ 2,006,870	\$ 1,358,922	\$ 1,358,922

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
Information Technologies Manager	1	1	1	1	1
Technologies Services Technical Assistant	1	1	1	1	1
Intern (TPT) - NEW	0	0	1	1	1
Operations (151)					
Systems Analyst	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
TOTAL	8	8	9	9	9

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Operations (151)			
Secure Windows in Computer Room	\$ 25,000	\$ -	\$ -
PD UPS	15,000	-	-
Wireless Networking	15,000	-	-
UPS Upgrade for phones	5,000	-	-
Office Furniture	2,500	-	-
Video Streaming	5,000	-	-
Minidv Small Panasonic Camera	1,500	-	-
SPAM SW Appliance	10,000	-	-
Comm Vault	32,000	32,000	32,000
Virtual Server Software	18,000	-	-
Network Access Control Replacement	30,000	-	-
Public LCS	3,000	-	-
PD SAN Upgrade	65,000	-	-
Security Systems (152)			
Security Systems Upgrade	75,000	-	-
Non-Departmental (155)			
Unified Messaging	30,000	-	-
Update Sound & Video In Council Chambers	15,000	-	-
Total Capital Outlay	\$ 347,000	\$ 32,000	\$ 32,000

STATEMENT OF PURPOSE

To provide a centralized source of procedures, information, and support related to the purchase and/or lease of supplies, materials, equipment and contractual services for the City and to manage and maintain a system of fixed asset identification, reporting and accountability.

DIVISIONAL PERFORMANCE GOALS

1. Continue to evaluate existing purchasing policies and procedures with emphasis on reducing acquisition time and paperwork.
2. Continue to seek methods of improved fixed asset accountability.
3. Continue to offer quarterly training classes in purchasing policies and procedures to include new employees and employees promoted to positions requiring purchasing knowledge.
4. Continue to monitor and train users involving the transition to web-based accounting through a conversion to WORKS software with Suntrust Bank.
5. Develop and expand Purchasing Agent’s role in construction contract administration.
6. Improve fuel use availability and accountability through Fleet One program.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 110,122	\$ 121,175	\$ 128,341	\$ 124,866	\$ 124,866
Operating	8,404	9,873	11,627	8,654	8,654
Capital	-	-	-	-	-
TOTAL	\$ 118,526	\$ 131,048	\$ 139,968	\$ 133,520	\$ 133,520

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Purchasing Manager	1	1	1	1	1
Purchasing/Finance Specialist	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	2	2	2	2	2

STATEMENT OF PURPOSE

To manage, coordinate and monitor the City's telecommunications system in the areas of telephone, radio, 9-1-1, cable and emergency services communications, and to specify, recommend and implement solutions to the City's communications needs.

DEPARTMENTAL GOALS

1. Improve quality of reception and coverage of the 800 trunking system.
2. Prepare for 800 rebanding.
3. Prepare study to determine coverage of our current 800 trunking for rebanding.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ 73,293	\$ 87,275	\$ 87,016	\$ 87,016
Operating	198,036	203,932	213,704	176,082	176,082
Capital	<u>76,115</u>	<u>123,321</u>	<u>495,055</u>	<u>125,055</u>	<u>125,055</u>
TOTAL	\$ 274,151	\$ 400,546	\$ 796,034	\$ 388,153	\$ 388,153

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Telecommunications Manager	<u>0</u>	<u>1¹</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	0	1	1	1	1

¹ Position funded through elimination of contracts

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Wireless Backbone	\$ 25,000	\$ -	\$ -
Video Security	15,000	-	-
Emergency Mobile Generator	45,000	-	-
Fiber Installation at Station 54	30,000	-	-
Channel Bank Card	30,000	-	-
Service Monitor for new Technician	30,000	-	-
SecureNet for encryption of trunking system	35,000	-	-
Radio upgrade for encryption (20 per year)	30,000	-	-
Replace existing trunked radio system antenna hardware (phase 2)	55,055	55,055	55,055
Update grounding to current R56 standards at Tower Site	25,000	-	-
Install Trunking System Alarm Reporting System	45,000	-	-
Garage Bay	100,000	70,000	70,000
Fencing for Tower Site	<u>30,000</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ 495,055	\$ 125,055	\$ 125,055

STATEMENT OF PURPOSE

To provide responsibility for buildings and facilities maintenance and repair as well as managing and coordinating new buildings and grounds construction projects. To manage ongoing municipal service contracts related to buildings and facilities.

COUNCIL PERFORMANCE GOALS

1. Conduct a downtown ADA compliance audit. **Outcome 9.1**

DEPARTMENTAL PERFORMANCE GOALS

1. Manage Buildings & Grounds and Building & Grounds Contracted Services line items.
2. Assist as needed to develop the Facility Master Plan for the Public Services Department.
3. Increase knowledge of purchasing policies.
4. Facilitate and manage completion of special projects across departments as needed.
5. Improve customer service to departments served.
6. Provide project management services to renovations at the Plaza.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
Square Feet Maintained	143,320	163,760	163,760
Average Age of Facilities (years)	59	58	59
Vendor Contracts Reviewed	150	85	85
Special Projects Managed	1,105	1,105	1,105
Efficiency			
Cost Per 10,000 Square Feet Maintained	\$ 301,950	\$ 950,000	\$ 950,000
Square Feet Maintained Per FTE	47,773	50,000	50,000
Effectiveness			
Cost (\$1,000s) of Unplanned Facilities Expenditures	\$ 272	\$ 280	\$ 280
Vendor Expenditures (\$10,000s) - Non Roof Related	\$ 26	\$ 26	\$ 26

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 269,057	\$ 322,832	\$ 374,669	\$ 367,253	\$ 367,253
Operating	18,406	57,386	90,495	64,674	64,674
Capital	-	-	8,500	8,500	8,500
TOTAL	\$ 287,463	\$ 380,218	\$ 473,664	\$ 440,427	\$ 440,427

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Facilities Manager	1	1	1	1	1
Senior Office Assistant	1	1	1	1	1
Facilities Maintenance Supervisor	1	1	1	1	1
Building Maintenance Worker Sr/I/II	3	3	3	3	3
Sr Blg & Grnds Maint Worker-NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	6	6	7	7	7

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Floor Scrubber	\$ <u>8,500</u>	\$ <u>8,500</u>	\$ <u>8,500</u>
Total Capital Outlay	\$ 8,500	\$ 8,500	\$ 8,500

STATEMENT OF PURPOSE

To provide centrally located facilities for holding meetings of the City Council, its Boards and Commissions and other groups who may from time-to-time need public meeting space. To provide office and conference space for the Mayor, City Manager, Management Services, Human Resources, Recreation Administration, Land Management and Development and other support staff engaged in the operation of municipal government in Salisbury.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	240,754	233,718	242,148	222,626	222,626
Capital	<u>215,895</u>	<u>18,500</u>	<u>278,600</u>	<u>39,700</u>	<u>39,700</u>
TOTAL	\$ 456,649	\$ 252,218	\$ 520,748	\$ 262,326	\$ 262,326

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
City Office Building (000)			
Council Street Wall Repair	\$ 5,000	\$ 5,000	\$ 5,000
Tuckpoint/Caulk/Paint	30,000	19,500	19,500
Third floor kitchen	3,500	-	-
First Floor renovations	10,000	-	-
Replace windows-Community Svcs Council	195,600	-	-
Zimmerman Building (250)			
Basement & Second Floor Carpet	8,000	-	-
Basement renovation to add break area	5,000	5,000	5,000
City Hall (251)			
Storage cabinets-Planning Department	7,000	6,200	6,200
Adminstration Cabinetry	4,500	-	-
Flagpole	6,000	-	-
Upholster Chairs for Council Members	4,000	4,000	4,000
Total Capital Outlay	\$ 278,600	\$ 39,700	\$ 39,700

STATEMENT OF PURPOSE

To continue ownership and management of the Plaza for the purpose of providing consistent economic vitality in the central business district and ensuring that residential, commercial and retail space is available in the downtown area, as well as providing the City with office facilities and meeting space.

DEPARTMENTAL PERFORMANCE GOALS

1. Continue to explore effective methods to abate moisture intrusion.
2. Maintain the Plaza in a manner that complements Downtown Salisbury’s Master Plan and in accordance with Historical District guidelines.
3. Maintain 90% occupancy in retail, office, commercial and residential space.
4. Continue providing quality services to Plaza tenants.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 17,086	\$ -	\$ -	\$ -	\$ -
Operating	158,439	176,389	545,579	167,350	167,350
Capital	<u>23,509</u>	<u>22,500</u>	<u>45,000</u>	<u>20,000</u>	<u>20,000</u>
TOTAL	\$ 199,034	\$ 198,889	\$ 590,579	\$ 187,350	\$ 187,350

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Appliance/Apartment Renovation	\$ 15,000	\$ 15,000	\$ 15,000
Replace Awning	25,000	-	-
Replace Retail Hardware	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Capital Outlay	\$ 45,000	\$ 20,000	\$ 20,000

DEPARTMENT – Land Management and Development – Summary

SUMMARY STATEMENT OF PURPOSE

The Land Management and Development Department serves the citizens of Salisbury with community development, planning, zoning, code enforcement, engineering, and mapping. The Department also provides support for Boards and Commissions.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 1,044,263	\$ 1,132,104	\$ 1,322,560	\$ 1,209,127	\$ 1,209,127
Operating	1,926,892	2,070,018	4,275,940	3,025,502	2,775,502
Capital	<u>9,036</u>	<u>346,950</u>	<u>355,500</u>	<u>348,000</u>	<u>348,000</u>
TOTAL	\$ 2,980,191	\$ 3,549,072	\$ 5,954,000	\$ 4,582,629	\$ 4,332,629

PERSONNEL DETAIL

	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Permanent Full-Time (PFT)	18	18	21	19	19

STATEMENT OF PURPOSE

To provide a coordinated planning program to ensure orderly growth within the City. To formulate, develop and recommend policies, plans and local ordinance in a manner consistent with the Vision 2020 Comprehensive Plan. To improve the overall livability, aesthetic value, environmental quality and economic climate within the City. To creatively and resourcefully implement special projects, programs, policies and initiatives to further community ideals related to neighborhood viability, cultural resources, environmental sustainability and a range of economic enterprises.

COUNCIL PERFORMANCE GOALS

1. Implement the Jersey City neighborhood plan. **Outcome 2.1**
2. Identify and initiate an “impact project” for the North Main Street neighborhood. **Outcome 2.2**
3. Continue a unified community image which exemplifies our communities’ cultural, educational, historical, environmental, entrepreneurial, technological and arts attributes. **Outcome 3.2**
4. Consider adoption of the City of Salisbury Land Development Ordinance. **Outcome 5.1**
5. Seek legislative authority for regulating demolition within the Downtown Historic District. **Outcome 9.2**

DIVISIONAL PERFORMANCE GOALS

1. Cooperate with Downtown Salisbury, Inc. (DSI) to implement the Downtown Master Plan.
2. Prepare systematic annexation plan.
3. Participate in the Regional Sustainability Project.
4. Support Rowan County’s development of a land use plan with growth corridors.
5. Adopt standards and ordinances that support implementation of Vision 2020.
6. Evaluate the need for a policy for the development of affordable housing in Salisbury.
7. Prepare East Innes Street Streetscape Plan.
8. Provide appropriate training for all boards and commissions.
9. Identify opportunities to support Vision 2020 through city operations.
10. Broker projects to improve housing in selected neighborhoods.
11. Conduct needs assessment to identify additional selected neighborhood(s).
12. Provide staff support to the Planning Board.
13. Provide staff support and assistance to the Community Appearance Commission.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Workload			
Rezoning Requests Processed			
Certificates of Appropriateness (COA) Requested	55	55	60
Certificates of Minor Works (CMW) by Committee Requested	39	57	62
Certificates of Minor Works (CMW) by Staff Requested	84	99	104
Efficiency			
Average Number of Processing Days Per Rezoning Request	45	40	40
Average Number of Days for Issuance a COA	19	16	16
Average Number of Days for Issuance of a CMW (by Committee)	3	2	2
Average Number of Days for Issuance of a CMW (by Staff)	2	1	1
Effectiveness			
Percent of Rezoning Requests Approved as Presented			
Percent of COA Requests Approved	69%	98%	98%
Percent of CMW (by Committee) Requests Approved	100%	98%	98%
Percent of CMW (by Staff) Requests Approved	100%	100%	100%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 325,418	\$ 339,799	\$ 423,848	\$ 354,084	\$ 354,084
Operating	442,837	306,114	1,190,769	282,168	282,168
Capital	-	-	-	-	-
TOTAL	\$ 768,255	\$ 645,913	\$ 1,614,617	\$ 636,252	\$ 636,252

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Planning & Community Development					
Manager	1	1	1	1	1
Planner Sr/I/II/Urban Design	3	3	3	3	3
Department Secretary/Office Assistant	1	1	1	1	1
Planner – NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	5	5	6	5	5

STATEMENT OF PURPOSE

To serve as the centralized source of procedures, information, and support related to GIS data development and mapping for the City including data development, project coordination, and application development and support. To coordinate efforts to improve data availability and data quality for City staff.

DIVISIONAL PERFORMANCE GOALS

1. Assist with needs assessment to identify additional selected neighborhoods.
2. Assist with identification of properties within the City for future infill development.
3. Assist Downtown Salisbury, Inc. (DSI) with implementation of the Downtown Salisbury Master Plan.
4. Provide input for integration of GIS with project tracking software.
5. Provide input for integration of GIS with Citizen Resource Management software.
6. Implement ArcSDE enterprise GIS data storage solution.
7. Complete priority GIS data layers.
8. Provide GIS training for City staff.
9. Update GIS strategic plan.
10. Assist Utilities GIS with inventory of water and sewer infrastructure.
11. Assist Fire Department with creation of data layers for improved pre-planning and fire response.
12. Assist Police Department with maintenance of data layers for computer aided dispatch.
13. Develop metadata for all City data layers.
14. Maintain international GIS certification through the Geographic Information Systems Certification Institute.
15. Implement online GIS applications.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
Number of Parcel Notifications Processed	4,888	4,000	4,000
Efficiency			
Average Processing Time Per Parcel Notification (seconds)	32	11	11
Effectiveness			
Hours Saved by Automating the Parcel Notification Process (GIS)	120	121	121

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 61,879	\$ 64,137	\$ 114,630	\$ 113,944	\$ 113,944
Operating	95,106	105,094	197,745	95,732	95,732
Capital	-	1,950	7,500	-	-
TOTAL	\$ 156,985	\$ 171,181	\$ 319,875	\$ 209,676	\$ 209,676

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Systems Analyst I	1	1	1	1	1
GIS Mapping Technician – NEW	<u>0</u>	<u>0</u>	<u>1¹</u>	<u>1¹</u>	<u>1¹</u>
TOTAL	1	1	2	2	2

¹ Position reclassified from Civil Engineer & transferred from LMD-Engineering during FY2007

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Additional ArcInfo license for new GIS Mapping Tech	\$ 7,500	\$ -	\$ -
Total Capital Outlay	\$ <u>7,500</u>	\$ <u>-</u>	\$ <u>-</u>

STATEMENT OF PURPOSE

To provide citizens, builders and developers a centralized source of information, permit services, code enforcement, zoning and special district boards support through a Development Services Center.

COUNCIL PERFORMANCE GOALS

1. Seek local permitting authority for utility extensions. **Outcome 10.2**
2. Develop a communication plan for sharing development processes and ordinances with stakeholders. **Outcome 10.4**

DIVISIONAL PERFORMANCE GOALS

1. Continue zoning, group development administration, review, and enforcement.
2. Continue staffing the Historic Preservation Commission, Planning Board, and the ZBA.
3. Continue to assist in the development of the GIS capability within the Division.
4. Continue to monitor and improve plan review.
5. Continue to monitor, improve, and upgrade files.
6. Continue to assist with text amendments to the City ordinance.
7. Continue to update and administer water/sewer permits for Rockwell, Granite Quarry, Spencer, and East Spencer.
8. Assist with the implementation of the backflow prevention ordinance.
9. Continue to administer and update the City's street address system.
10. Continue to provide customer service to developers, contractors, and the general public in securing the appropriate permits and approvals.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Workload			
Group Development Plans (GDP) Submitted	30	30	35
Efficiency			
Average Days Elapsed Between GDP Submittal & Approval	45	40	40
Effectiveness			
Percent of GDP Approved as Presented	2%	2%	2%
Percent of GDP Approved with Modifications	98%	98%	98%
Percent of GDP Denied	0%	0%	0%
<u>Water / Sewer Connection Permits</u>			
Workload			
Salisbury Water / Sewer Connection Permits Processed	434/306	325/200	350/225
Granite Quarry Water / Sewer Connection Permits Processed	41/18	50/25	40/15
Rockwell Water / Sewer Connection Permits Processed	14/10	25/15	15/10
Spencer Water / Sewer Connection Permits Processed	9/10	20/15	10/5
East Spencer Water / Sewer Connection Permits Processed	0/0	3/5	5/5
Efficiency / Effectiveness			
Average Processing Days Per Salisbury W/S Permit Request	1	1	1
Average Processing Days Per Granite Quarry W/S Permit Request	1	1	1
Average Processing Days Per Rockwell W/S Permit Request	1	1	1
Average Processing Days Per Spencer W/S Permit Request	2	2	1
Average Processing Days Per East Spencer W/S Permit Request	2	2	1

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 219,813	\$ 228,745	\$ 274,858	\$ 236,059	\$ 236,059
Operating	192,148	213,139	273,360	266,925	266,925
Capital	-	-	-	-	-
TOTAL	\$ 411,961	\$ 441,884	\$ 548,218	\$ 502,984	\$ 502,984

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Development Services Manager	1	1	1	1	1
Development Services Specialist	1	1	1	1	1
Permit Services Coordinator	1	1	1	1	1
Zoning & Code Enforcement Specialist	1	1	1	1	1
Senior Office Assistant	1	1	1	1	1
Zoning & Code Enforcement Officer - NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	<u>5</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>

STATEMENT OF PURPOSE

To provide a centralized source of general engineering services for the City including traffic engineering, review and approval of plans submitted by outside consultants, coordination of project activities initiated between the City and other agencies, and investigation of citizen requests.

COUNCIL PERFORMANCE GOALS

1. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
2. Implement the Jersey City neighborhood plan. **Outcome 2.1**
3. Identify and initiate an “impact project” as part of the North Main Street Small Area Plan. **Outcome 2.2**
4. Consider adoption of the City of Salisbury Land Development Ordinance. **Outcome 5.1**
5. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**
6. Incorporate the “Good to Great” concepts into the City’s culture as a foundation for Salisbury becoming a High Performance Organization including the successful completion of all strategic plans. **Outcome 8.1**
7. Develop, present and adopt State-mandated plans for Backflow Prevention and Fats, Oils, and Grease (FOG) programs. **Outcome 10.1**
8. Seek local permitting authority for utility extensions. **Outcome 10.2**
9. Review construction standards Phase II. **Outcome 10.3**
10. Develop a communication plan for sharing development processes and ordinances with stakeholders. **Outcome 10.4**
11. Rename a street in honor of Dr. Martin Luther King, Jr. **Outcome 12.2**
12. Develop a strategy for the recruitment and selection of Board and Commission members. **Outcome 12.4**

DIVISIONAL PERFORMANCE GOALS

1. Implement approved Special Projects.
2. Coordinate projects with NCDOT: I-85 widening; Innes Street bridge replacement; TEA 21 Grants; Highway 70 widening; Ellis Street bridge replacement and Depot platforms.
3. Implement NPDES Phase 2 program.
4. Manage the City’s Closed-loop Traffic Signal System.
5. Continue development of project tracking software.
6. Administer Storm Drainage Incentive Grants.
7. Implement recommendations of DSI Parking Committee.
8. Implement a traffic calming program.
9. Implement a comprehensive sidewalk program.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Workload			
Subdivision Construction Documents (CD) Submitted	2	9	9
Other CDs Submitted (utility reviews, other SRU communities, etc)	17	29	29
Efficiency			
Average Days Elapsed Between <u>Subdivision</u> CD Submittal & Approval	120	346	300
Average Days Elapsed Between <u>Other</u> CD Submittal & Approval	107	105	100
Average Number of Days <u>Subdivision</u> CDs Reviewed by City Staff	65	84	60
Average Number of Days <u>Subdivision</u> CDs Processed By Developer	55	261	240
Average Number of Days <u>Other</u> CDs Reviewed by City Staff	24	31	30
Average Number of Days <u>Other</u> CDs Processed By Developer	83	74	70

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 437,153	\$ 499,423	\$ 509,224	\$ 505,040	\$ 505,040
Operating	865,684	1,100,801	2,232,146	2,002,217	1,752,217
Capital	<u>9,036</u>	<u>345,000</u>	<u>348,000</u>	<u>348,000</u>	<u>348,000</u>
TOTAL	\$ 1,311,873	\$ 1,945,224	\$ 3,089,370	\$ 2,855,257	\$ 2,605,257

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY06-07	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Land Management & Dev Director	1	1	1	1	1
Civil Engineer I/II/III	5	5	4 ¹	4 ¹	4 ¹
Engineering Technician - NEW	0	0	1 ²	1 ²	1 ²
Senior Office Assistant	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	7	7	7	7	7

¹ One position reclassified and transferred to LMD-GIS in FY2007

² Begin 10/1/2007

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Replace GeoXT (GPS receiver)	\$ 3,000	\$ 3,000	\$ 3,000
Ellis Street Bridge Design ¹	255,000	255,000	255,000
Ellis Street Bridge ROW Acquisition ²	90,000	90,000	90,000
Total Capital Outlay	<u>\$ 348,000</u>	<u>\$ 348,000</u>	<u>\$ 348,000</u>

¹ Offset revenue of \$204,000

² Offset revenue of \$72,000

STATEMENT OF PURPOSE

To provide for the lighting of the City's streets.

DIVISIONAL PERFORMANCE GOALS

1. Forward citizen notifications of street light outages to Duke Power.
2. Administer citizen requests for improved street lighting in accordance with the City's neighborhood street lighting petition policy.
3. Improve street lighting along thoroughfares in accordance with approved funding.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	331,117	344,870	381,920	378,460	378,460
Capital	-	-	-	-	-
TOTAL	\$ 331,117	\$ 344,870	\$ 381,920	\$ 378,460	\$ 378,460

DEPARTMENT - Police - Summary

SUMMARY STATEMENT OF PURPOSE

The Police Department protects the citizens of Salisbury with 24-hour law enforcement service. Specific areas of emphasis include preventive patrol, investigations of criminal activity, crime prevention, traffic control, animal control, and internal support services to the operational units.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
Number of Sworn Police Officers (Authorized Positions)	81	82	84
Total Incoming Calls (911, Direct-Dial, Information-Seeking, etc.)	87,765	89,025	92,140
Number of 'False Alarm' Police Responses (calls coded 2, 4 or 5)	2,949	2,071	2,050
All Part I Crimes Reported (homicide, assault, robbery, larceny, etc.)	2,212	1,725	2,214
Departmental Internal Affairs (IA) Investigated Complaints	51	45	45
Efficiency			
Number of Sworn Police Officer Vacancies (all causes)	8	8	8
Calls Resulting In A Dispatch (including walk-ins and officer initiated)	34,091	36,381	37,000
Cost Per False Alarm Response	\$ 45.00	\$ 46.00	\$ 48.00
Part I Crimes Investigated By Criminal Investigations Division (CID) ^{^^^}	258	239	261
IA Complaints Sustained	11	10	10
Effectiveness			
Departmental Turn-Over Rate (Sworn Police Officers)	9.5%	9.0%	9.5%
Percent of Incoming Calls That Result in an Officer Dispatch	38.8%	40.9%	40.2%
Dispatches Coded 'False Alarm' (as a Percent of Total Dispatches)	8.7%	5.7%	5.5%
CID Part I Case Clearance Rate ^{^^^}	42%	44%	40%
IA Complaints Sustained as a Percent of Total IA Complaints Filed	21.6%	22.2%	22.2%

Notes

^{^^^} Patrol investigates all crime. CID is used for extreme cases or where limited evidence exists

^{^^^} Defined as: cases cleared through arrest, unfounded cases, or when prosecution is declined

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 5,279,485	\$ 5,499,094	\$ 5,874,403	\$ 5,738,723	\$ 5,738,723
Operating	1,219,738	1,481,253	1,558,469	1,258,913	1,258,913
Capital	<u>66,943</u>	<u>114,588</u>	<u>275,572</u>	<u>222,772</u>	<u>222,772</u>
TOTAL	\$ 6,566,166	\$ 7,094,935	\$ 7,708,444	\$ 7,220,408	\$ 7,220,408

PERSONNEL DETAIL

	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Permanent Full-Time (PFT)	102	102	106	104	104
Temporary Part-Time (TPT)	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>3</u>
TOTAL	105	105	108	107	107

STATEMENT OF PURPOSE

To serve as the support unit of the Police Department providing telecommunications, clerical and secretarial services, evidence storage, animal control and tracking, D.A.R.E., crime prevention, a record-keeping system and building maintenance.

DIVISIONAL PERFORMANCE GOALS

1. Appreciably increase the coverage rate of the Parking Control Officer downtown, through the use of the Segway Transporter.
2. Increase the number of active Community Watch groups.
3. Increase the use of “McGruff” at public events.
4. Increase minority recruiting efforts.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 1,011,594	\$ 1,100,392	\$ 1,219,598	\$ 1,167,276	\$ 1,167,276
Operating	299,988	432,557	360,068	270,580	270,580
Capital	6,394	2,570	59,400	24,100	24,100
TOTAL	\$ 1,317,976	\$ 1,535,519	\$ 1,639,066	\$ 1,461,956	\$ 1,461,956

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Services Administration (000)					
Deputy Police Chief	1	1	1	1	1
Police Lieutenant-Support Services	1	1	1	1	1
Animal Control (300)					
Animal Control Specialist	1	1	1	1	1
Animal Control Specialist (TPT)	1	1	1	1	1
Building Maintenance (301)					
Building Maintenance Worker - NEW	0	0	1	0	0
Communications (302)					
Police Telecommunicator	10	10	10	10	10
Police Telecommunicator (TPT)	1	1	1	1	1
Community Service (303)					
Community Services Officer - MPO	1	1	1	1	1
Victim’s Advocate - MPO	1	1	1	1	1
Evidence & Identification (304)					
Police Evidence & Property Custodian	1	1	1	1	1

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Information Management (305)					
Police Records Clerk	1	1	1	1	1
Police Records Coordinator	1	1	1	1	1
Police Information Clerk (Expediter)	1	1	1	1	1
Parking Control Specialist	1	1	1	1	1
Police Officer I/II/MPO (Downtown)	1	1	1	1	1
Recruitment/Training (306)					
Police Sergeant	1	1	2	2	2
Senior Office Assistant	<u>1</u>	<u>1</u>	<u>0¹</u>	<u>0¹</u>	<u>0¹</u>
TOTAL	25	25	26	25	25

¹ Position moved to Police Administration

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Communications (302)			
OSSI Mapping upgrade	\$ 15,000	\$ -	\$ -
OSSI Upgrade- Gang Related Software	9,100	9,100	9,100
OSSI Upgrade K-9	8,300	-	-
Radio Amplifier System	15,000	15,000	15,000
Info Management (305)			
2 Segways	<u>12,000</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ <u>59,400</u>	\$ <u>24,100</u>	\$ <u>24,100</u>

STATEMENT OF PURPOSE

To serve as the central management for all activities and operations associated with the Police Department.

COUNCIL PERFORMANCE GOALS

1. Address gang activity in Salisbury through gang awareness, education, information sharing and enforcement.
Outcome 2.3

DIVISIONAL PERFORMANCE GOALS

1. Improve the department’s ability to address Juvenile Gangs.
2. Review the salary and educational opportunities for department personnel in order to attract and retain good employees: increase employee pay based on level of education.
3. Maintain the cleanliness of the building in order to preserve it and have it presentable to the general public.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 319,479	\$ 329,398	\$ 385,418	\$ 360,547	\$ 360,547
Operating	185,151	171,602	253,362	147,680	147,680
Capital	-	-	15,000	15,000	15,000
TOTAL	\$ 504,630	\$ 501,000	\$ 653,780	\$ 523,227	\$ 523,227

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
Police Chief	1	1	1	1	1
Police Planner	1	1	0 ²	0 ²	0 ²
Finance Specialist	1	1	1	1	1
Police Lieutenant	1	1	1	1	1
Police Sergeant	0	0	1 ²	1 ²	1 ²
Senior Office Assistant	0	0	1 ³	1 ³	1 ³
Project Safe Grant (315)					
Project SAFE Coordinator (TPT) Grant Funded	1 ¹	0	0	1 ¹	1 ¹
Project SAFE Coordinator (TPT) Partially Grant Funded	0	1	0	0	0
Community Resource Specialist (Project SAFE) – (PFT) Non Grant Funded - NEW	0	0	1	0	0
TOTAL	5	5	6	6	6

¹ Position funded by grant

² Police Planner position reclassified

³ Position transferred from Police Support Services-Recruitment/Training

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)			
Replace outdated office furniture	\$ 15,000	\$ 15,000	\$ 15,000
Total Capital Outlay	\$ 15,000	\$ 15,000	\$ 15,000

STATEMENT OF PURPOSE

To provide 24-hour law enforcement service for the citizens of Salisbury including: protection of life and property, traffic enforcement, investigation of traffic accidents, investigation of criminal activities, crime lab, school resource officers, crime analysis, and department armory.

DIVISIONAL PERFORMANCE GOALS

1. Increase the clearance rate of major criminal cases.
2. Allocate specific investigative resources to concentrate on computer and cyber-crime.
3. Implement an on-line Spanish language and cultural awareness course of instruction for Police Officers to enhance the quality and delivery of police services to our citizens.
4. Conduct bi-annual Weapons and Mass Destruction and disaster preparedness exercises with City fire, public works, Salisbury-Rowan Utilities and Rowan County public safety providers to test, evaluate and maintain our local emergency preparedness.
5. Train and certify four School Resource Officers in the Gang Resistance and Education Training Program (GREAT).
6. Conduct weekly specialized traffic enforcement operations to address speeding, hazardous/reckless vehicle operation and high collision intersections at specific locations within the City.
7. Replace two retired K9's and train-certify two new K9 handlers.
8. Identify, train and certify additional polygraph examiner.
9. Implement the issue of 223 Patrol Rifles for all officers.
10. Identify, train and certify additional Vehicle Accident Reconstructionist.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 3,948,412	\$ 4,069,304	\$ 4,269,387	\$ 4,210,900	\$ 4,210,900
Operating	734,599	877,094	945,039	840,653	840,653
Capital	<u>60,549</u>	<u>112,018</u>	<u>201,172</u>	<u>183,672</u>	<u>183,672</u>
TOTAL	\$ 4,743,560	\$ 5,058,416	\$ 5,415,598	\$ 5,235,225	\$ 5,235,225

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Operations Administration (320)					
Deputy Police Chief	1	1	1	1	1
Police Officer I- ANNEXATION	2	0	0	0	0
District I (321)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	3	3	3	3	3
Police Officer I/II/MPO	24	24	22	22	22
District II (322)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	3	3	2	2	2
Police Officer I/II/MPO	21	23	24	24	24
Police Officer I/II/MPO - NEW	0	0	2	2	2
District III (323)					
Police Lieutenant	1	1	1	1	1

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Police Officer I/II/MPO	3	3	4	4	4
Criminal Investigations (326)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	1	1	2	2	2
Police Officer I/II/MPO	11	11	10	10	10
Crime Analysis (330)					
Crime Analyst	1	1	1	1	1
Crime Scene Specialist	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	75	75	76	76	76

Note: Positions transferred within the department

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (320)			
Assault Rifle Issue for all Officers ¹	\$ 81,000	\$ 81,000	\$ 81,000
Crash/Hazmat Trailer	3,112	3,112	3,112
In-Car Rifle Mounts	30,000	30,000	30,000
District 2 (322)			
Equipment for 2 New Officers	43,560	43,560	43,560
Special Operations (323)			
Replace 2 retired K-9 ²	26,000	26,000	26,000
5 New Portable Radios @ \$3,500 each	17,500	-	-
Total Capital Outlay	\$ <u>201,172</u>	\$ <u>183,672</u>	\$ <u>183,672</u>

¹ Offset by Donation

² Offset by NC Substance Tax

STATEMENT OF PURPOSE

To protect the quality of life for present and future generations through interaction with our community, compassionate service and an atmosphere that encourages innovation, professionalism and diversity.

DEPARTMENTAL PERFORMANCE GOALS

1. Develop facility plan to combine maintenance, growth and modernization.
2. Establish Customer Service guidelines (Design Team).
3. Research public education grants and programs.
4. Rewrite Hazmat Response Policy Team Contract.
5. Modernize Firefighter entry physical test.
6. Conduct a Fire Training needs assessment.
7. Enhance child safety seat program/schedule clinic staff.
8. Develop Child lock-in procedure.
9. Develop Regional Rescue Task Force.
10. Conduct an analysis for use of Truck 519.
11. Place new squad in service.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
EMS / Rescue Responses	2,229	2,345	2,462
Fire Responses	199	166	174
False Alarm Responses	464	453	340
Service Calls	210	193	203
Hazardous Material Responses	240	225	236
Overpressure or Explosion (no fire) Responses	35	74	78
Good Intent Calls	344	485	509
Total Calls	3,722	3,941	4,002
Average Calls Per Day	10.2	10.1	11.0
Average Time Spent Per Call (minutes)	43.2	35.7	37.5
Average Hours of Call Workload (in 24 hours)	7.3	6.0	6.3
Average Training Hours per Firefighter per Day	2.52	3.00	3.15
Total Fire Control Training Hours	20,207.25	21,462.00	22,535.10
Public Education Events	67	76	88
Fire Hydrants Tested	1,685	1,755	1,790
Land Area Serviced (square miles)	20.27	21.87	22.96
People Protected	29,239	30,739	30,850

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Efficiency			
Annual FD Cost (not including indirect costs)	\$4.57 Million	\$5.39 Million	\$5.3 Million
Cost Per Response (average)	\$ 1,229	\$ 1,368	\$ 1,324
Fire Department Cost Per Citizen Per Day	\$ 0.43	\$ 0.48	\$ 0.47
Fire Stations	3	4	4
Fire Station Coverage (average in square miles)	6.67	5.13	5.74
Firefighters Per Shift Strength	22	22	23
Firefighters Per 100 Calls for Service	0.56	0.59	0.57
Firefighters Per 1,000 Population	0.75	0.75	0.75
Total Dollar Value of All Property Protected	\$2.27 Billion	\$2.31 Billion	\$2.35 Billion
Firefighters Per \$100 Million of Property Protected	0.97	0.95	0.98
Effectiveness			
Fire Injuries - Civilian	5	0	0
Fire Injuries - Firefighter	2	0	0
Fire Deaths - Civilian	0	1	0
Fire Deaths - Firefighter	0	0	0
Fire Loss (Dollars)	\$ 1,935,950	\$ 273,418	\$ 417,781
False Alarm Responses As a % of Total Responses	12.5%	9.0%	8.5%
ISO Class Rating	2	2	2
Pre-Fire Plans Completed	1,040	1,300	1,400
On-Scene Time % within 5 Minutes	49%	53%	69%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 3,394,498	\$ 3,641,578	\$ 3,939,082	\$ 3,806,461	\$ 3,806,461
Operating	1,213,390	1,570,182	1,227,682	939,025	939,025
Capital	145,340	175,954	333,879	91,767	91,767
TOTAL	\$ 4,753,228	\$ 5,387,714	\$ 5,500,643	\$ 4,837,253	\$ 4,837,253

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Fire Administration (000)					
Fire Chief	1	1	1	1	1
Assistant Fire Chief	1	0 ⁴	0	0	0
Battalion Chief Administration	0	1 ⁴	0 ⁴	0 ⁴	0 ⁴
Division Chief	0	0	1 ⁴	1 ⁴	1 ⁴
Fire Logistics Officer (Captain)	1	1	1	1	1
Office Assistant	1	1	1	1	1
Fire Projects Analyst	0	0	1 ²	1 ²	1 ²
Public Educator/Office Assistant - NEW	0	0	1	0	0
Fire Station #54 (350)					
Fire Captain	3 ¹	3	3	3	3
Fire Control Specialist I/II	6 ¹	6	6	6	6

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Fire Engineer	3	3	3	3	3
Temporary Firefighter (TPT)	0	1 ³	0 ²	0 ²	0 ²
Temporary Firefighter (TPT)	4 ¹	4	0 ²	0 ²	0 ²
Fire Station #51 (351)					
Battalion Chief	3	3	3	3	3
Fire Captain	6	6	6	6	6
Fire Captain/Investigation/Inspection Specialist	0	3 ²	3	3	3
Fire Control Specialist I/II	15	12 ²	15	15	15
Fire Engineer	6	6	6	6	6
Fire Control Specialist I/II (TPT)	0	0	5 ²	5 ²	5 ²
Fire Station #52 (352)					
Fire Captain	3	3	3	3	3
Fire Control Specialist I/II	3	6	6	6	6
Fire Engineer	3	3	3	3	3
Fire Station #53 (353)					
Fire Captain	3	3	3	3	3
Fire Control Specialist I/II	6	6	6	6	6
Fire Engineer	3	3	3	3	3
Loss Prevention & Investigation (356)					
Fire Investigation/Inspection Officer	1	0 ⁴	0	0	0
Battalion Chief	0	1 ⁴	0 ⁴	0 ⁴	0 ⁴
Division Chief	0	0	1	1	1
Fire Investigation/Inspection Specialist	3	1 ²	0 ⁴	0 ⁴	0 ⁴
Assistant Fire Marshall	0	0	1 ⁴	1 ⁴	1 ⁴
Training Division (357)					
Battalion Chief	1	1	0 ⁴	0 ⁴	0 ⁴
Division Chief	0	0	1 ⁴	1 ⁴	1 ⁴
Fire Projects Analyst	1	1	0 ²	0 ²	0 ²
Fire Training Captain – NEW	0	0	1	0	0
Hydrant Maintenance (TFT) - NEW	0	0	2	2	2
Minimum Housing/Code Enforcement (358)					
Fire Investigation/Inspection Specialist	<u>1</u>	<u>0²</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	78	79	86	84	84

¹ Begin 4/1/2006 – 3 Fire Captains & 3 Fire Control Specialists I/II and Temporary Firefighters

² Position transferred between cost centers

³ For 6/30/2006 Annexation

⁴ Position reclassified/retitled

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Fire Administration (000)			
Humat Valves	\$ 21,771	\$ 12,095	\$ 12,095
Quint Conversion Equipment	40,000	30,000	30,000
GIS GTX GPS unit and software	4,750	-	-
Mobile Repeater	30,000	-	-
New Fire Station #54 (350)			
18" Electric Smoke Ejectors	4,324	4,324	4,324
Plymo Vent System for Station 4	70,000	-	-
Add 2nd floor exit to exterior	10,000	-	-
Fire Station #51 (351)			
Thermal Imaging Camera	9,500	9,500	9,500
18" Electric Smoke Ejectors	6,486	4,324	4,324
Confined Space Tripod	3,100	3,100	3,100
Defibrillator (replacement)	2,500	2,500	2,500
Fire Station #52 (352)			
Thermal Imaging Camera	9,500	9,500	9,500
18" Electric Smoke Ejectors	4,324	-	-
Defibrillator (replacement)	2,500	2,500	2,500
K-12 Rescue Saw (Replacement)	2,600	2,600	2,600
Install Flag pole	1,200	-	-
Fire Station #53 (353)			
Geotechnical & Phase I Survey	7,000	7,000	7,000
Architect Fee for station master plan	100,000	-	-
18" Electric Smoke Ejectors	4,324	4,324	4,324
	\$ <u>333,879</u>	\$ <u>91,767</u>	\$ <u>91,767</u>

DEPARTMENT - Public Services - Summary

SUMMARY STATEMENT OF PURPOSE

The Public Services Department provides the citizens of Salisbury with street maintenance, collection and disposal of solid waste, traffic signal maintenance, pavement markings, and landscaping of City property. This Department also provides maintenance of all City vehicles.

BUDGET REQUEST SUMMARY

	Actual FY 05-06	Budgeted FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Personnel	\$ 3,739,493	\$ 3,981,095	\$ 4,258,926	\$ 4,127,299	\$ 4,127,299
Operating	2,838,075	3,505,625	3,831,614	3,133,160	3,133,160
Capital	<u>47,018</u>	<u>73,619</u>	<u>183,300</u>	<u>54,300</u>	<u>54,300</u>
TOTAL	\$ 6,624,586	\$ 7,560,339	\$ 8,273,840	\$ 7,314,759	\$ 7,314,759

PERSONNEL DETAIL

	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Permanent Full-Time (PFT)	82	84	86	84	84
Permanent Part-Time (PPT)	2	0	0	0	0
Temporary Full-Time (TFT)	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
TOTAL	86	88	90	88	88

STATEMENT OF PURPOSE

To serve as the central management and administration source for activities and operations related to the Public Services Department including Fleet Management, Landscape Operations, Cemetery, Hurley Park, Traffic Operations, Solid Waste Management, Street Division, Transit Division and Code Enforcement.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 205,612	\$ 226,324	\$ 246,534	\$ 244,592	\$ 244,592
Operating	26,584	52,382	70,060	40,337	40,337
Capital	6,088	-	-	-	-
TOTAL	\$ 238,284	\$ 278,706	\$ 316,594	\$ 284,929	\$ 284,929

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
Public Services Director	1	1	1	1	1
Department Secretary	1	1	1	1	1
Senior Office Assistant	1	1	1	1	1
Code Enforcement (410)					
City Code Inspector	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	4	4	4	4	4

STATEMENT OF PURPOSE

To provide the City with a resource capable of effectively monitoring and evaluating municipal traffic safety, traffic flow, and parking needs and to develop and implement programs designed to address those needs through a network of traffic signals, traffic control signs, pavement markings and parking control devices. To provide installation and maintenance of a telecommunications system throughout the organization (excluding public safety telecommunications equipment).

DIVISIONAL PERFORMANCE GOALS

1. Assist the North Carolina DOT with projects and upgrades which pertain to traffic control devices.
2. Continue preventive maintenance and rejuvenation schedules on all traffic control devices.
3. Assist Traffic Engineering with the daily operations of the traffic signal system and traffic studies.

PERFORMANCE MEASURES

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Actual	Actual	Actual	Actual	Estimate
Miles of Pavement Markings Repainted	40.5	43	36	12	12
Traffic Signal Bulbs Replaced *	1,179	1,727	1,219	1,499	780
Traffic Studies Completed	85	80	84	205	200
Signs Repaired	660	497	608	561	600

* 2007 began conversion to LED

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 379,215	\$ 440,968	\$ 451,554	\$ 447,828	\$ 447,828
Operating	106,779	140,018	176,298	130,122	130,122
Capital	5,970	24,000	6,000	6,000	6,000
TOTAL	\$ 491,964	\$ 604,986	\$ 633,852	\$ 583,950	\$ 583,950

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Traffic Operations Manager	1	1	1	1	1
Signs and Marking Crew leader	1	1	1	1	1
Signs and Marking Technician I/II	3	3	3	3	3
Traffic Signal Technical I/II	3	3	3	3	3
Telecommunications Technician	<u>0</u>	<u>1¹</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	8	9	9	9	9

¹ Position funded through elimination of contracts

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Replace equipment on the Signal System	\$ 6,000	\$ 6,000	\$ 6,000
Total Capital Outlay	\$ 6,000	\$ 6,000	\$ 6,000

STATEMENT OF PURPOSE

To plan, implement and manage the construction and maintenance of all City streets, sidewalks, drainage systems and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. To fund activities associated with street construction, maintenance, cleaning and rights-of-way maintenance as provided for by revenue received from the State of North Carolina through the Powell Bill Fund.

COUNCIL PERFORMANCE GOALS

1. Conduct a downtown ADA compliance audit. **Outcome 9.1**

DIVISIONAL PERFORMANCE GOALS

Administration (000)

Plan, direct and support the construction and maintenance of City streets, sidewalks and drainage systems.

Street Maintenance (420)

Perform maintenance to City streets and parking facilities not covered under the guidelines of Powell Bill funding; perform paving and patching to street cuts as a result of the work efforts of various utilities.

Concrete Construction (421)

Provide maintenance and repair to City sidewalks, driveways, and curbs; respond to requests from contractors and property owners to install or repair new concrete facilities.

Street Cleaning (422)

Routinely sweep, wash, and remove debris from streets to prevent sedimentation of drainage structures and prevent unsafe conditions; clean downtown sidewalks, streets, and City-owned parking facilities nightly to provide aesthetic enhancements to public properties.

Powell Bill Paving & Resurfacing (426)

Maintain and upgrade the City’s 164 miles of streets through maintenance programs consisting of crack sealing, base repairs, pavement maintenance, and paving as prioritized from the street condition survey.

Powell Bill Bridge Maintenance/Snow (427)

Provide maintenance to the decking, pavement, and related bridge facilities; maintain streets, walks, and parking facilities in a passable condition during periods of ice and snow.

Powell Bill Drainage (428)

Clean, construct and repair culverts, catch basins and related drainage structures as needed to ensure effective and efficient run-off of rainwater to minimize local flooding.

Powell Bill-Concrete Construction (429)

Provide maintenance, repair, and installation to City curb and gutter, sidewalks, and bike pathways.

PERFORMANCE MEASURES

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Actual	Actual	Actual	Actual	Estimate
Lane Miles of Streets Paved	5.0	11.5	10.4	14.8	9.1
Lane Miles of Streets Maintained	294	308	320	320	321
Potholes Filled	629	914	800	588	530
Driveways	50	35	40	34	41
Sidewalks Replaced / Repaired - Feet	6,333	9,760	7,000	6,574	6,980
Curb & Gutter - Feet	906	4,435	3,500	1,460	3,000
New Handicap Ramps	40	100	100	71	88

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 941,359	\$ 1,048,179	\$ 1,100,753	\$ 1,082,213	\$ 1,082,213
Operating	1,054,730	1,347,515	1,326,434	944,494	944,494
Capital	-	18,000	133,000	23,000	23,000
TOTAL	\$ 1,996,089	\$ 2,413,694	\$ 2,560,187	\$ 2,049,707	\$ 2,049,707

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)					
Street Maintenance Manager	1	1	1	1	1
Street Maintenance (420)					
Street Maintenance Supervisor	1	1	2 ³	2 ³	2 ³
Equipment Operator I/II	3	3	3	3	3
Street Maintenance Worker I/II	2	2	2	2	2
Equipment Operator I-ANNEXATION	1 ¹	0 ²	0	0	0
Concrete Construction (421)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	2	2	2	2	2
Street Maintenance Worker I/II	2	2	2	2	2
Street Cleaning (422)					
Street Maintenance Supervisor	1	1	0 ³	0 ³	0 ³
Equipment Operator I/II	4	4	4	4	4
Powell Bill-Paving & Resurfacing (426)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	1	1	1	1	1
Powell Bill-Street Maintenance (427)					
Equipment Operator I/II	1	1	1	1	1
Powell Bill-Drainage & Storm Sewers (428)					
Equipment Operator I/II	2	2	2	2	2
Powell Bill-Concrete Construction (429)					
Street Maintenance Worker I/II	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	24	23	23	23	23

Note: Positions moved between cost centers

¹ Equipment Operator I/II added for 6/30/2005 Annexation

² Positions transferred to P/S-Waste Collection – Other

³ Position transfer

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Street Administration (000)			
Equipment storage - landfill	\$ 30,000	\$ -	\$ -
Enclose bay - Street Division	30,000	-	-
Material storage - landfill	20,000	-	-
Street Maintenance (420)			
Compaction tamp	3,000	3,000	3,000
Bridge/Winter Maintenance (427)			
Salt/Sand Spreader Leg Stand	5,000	5,000	5,000
Salt/Sand Box Spreader	15,000	15,000	15,000
Salt Brine System	30,000	-	-
Total Capital Outlay	<u>\$ 133,000</u>	<u>\$ 23,000</u>	<u>\$ 23,000</u>

STATEMENT OF PURPOSE

To operate, maintain and develop seven municipal cemeteries totaling 79.65 acres of publicly controlled burial grounds.

DIVISIONAL PERFORMANCE GOALS

1. Perform daily maintenance activities including mowing, leaf collection, pruning and collection of litter in order to maintain a well-groomed appearance of cemetery properties.
2. Provide prompt and courteous service to funeral directors and bereaved families in regard to interments and related services.
3. Assist families with special requests regarding the care of burial plots.
4. Assist public walk-ins with location of graves.
5. Continue staff development in the areas of equipment operation, work safety, and technical expertise.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 168,192	\$ 180,390	\$ 191,218	\$ 191,085	\$ 191,085
Operating	73,477	71,977	106,691	68,840	68,840
Capital	<u>8,716</u>	<u>1,400</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
TOTAL	\$ 250,385	\$ 253,767	\$ 301,909	\$ 263,925	\$ 263,925

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Cemetery Operations Manager	1	1	1	1	1
Grounds Maintenance Worker Sr/I/II	1	1	1	1	1
Equipment Operator I/II	2	2	2	2	2
Seasonal Worker (TFT)	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
TOTAL	6	6	6	6	6

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Purchase Trailer (20'x8')	\$ <u>4,000</u>	\$ <u>4,000</u>	\$ <u>4,000</u>
Total Capital Outlay	\$ 4,000	\$ 4,000	\$ 4,000

STATEMENT OF PURPOSE

To maintain a clean, healthy environment for the citizens of Salisbury through the regular collection, transportation, and disposition of industrial, commercial and residential refuse and other debris using an effective, efficient system of waste management and recycling.

DIVISIONAL PERFORMANCE GOALS

1. Continue a tagging system to reduce the number of carts and bins being left on the curb after collection.
2. Review the possibility of rebidding contracts for the collection of dumpsters and recycling containers.
3. Ensure the Solid Waste division can supply service at anytime, even during emergencies.
4. Strive to provide excellent customer service to all our citizens in all areas on a daily basis.

PERFORMANCE MEASURES

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Actual	Actual	Actual	Actual	Estimate
City-Collected Garbage - Tons	8,357	8,500	8,750	9,023	9,200
Commercial Garbage Collection - Tons	12,000	11,334	11,100	11,000	11,000
Residential Recycling - Tons	1,957	2,057	1,900	1,570	1,600
Cardboard Collected for Recycling - Tons	400	400	400	400	400

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY05-06	FY06-07	FY07-08	FY07-08	FY07-08
Personnel	\$ 499,812	\$ 508,974	\$ 533,224	\$ 515,623	\$ 515,623
Operating	1,092,937	1,279,915	1,357,860	1,286,851	1,286,851
Capital	-	1,500	-	-	-
TOTAL	\$ 1,592,749	\$ 1,790,389	\$ 1,891,084	\$ 1,802,474	\$ 1,802,474

PERSONNEL DETAIL

Position Title	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	FY 05-06	FY 06-07	FY 07-08	FY 07-08	FY 07-08
Solid Waste Manager	1	1	1	1	1
Solid Waste Operations Supervisor	1	1	1	1	1
Solid Waste Equipment Operator	8	9	9	9	9
Solid Waste Equipment Operator - ANNEXATION	<u>1¹</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	11	11	11	11	11

¹ Position added for 6/30/2005 Annexation

STATEMENT OF PURPOSE

To provide the citizens of Salisbury with weekly limb and bagged yard debris collection to coincide with the current solid waste and recycling collection, and provide curbside loose leaf collection a minimum of every three weeks during the months of October – March.

DIVISIONAL PERFORMANCE GOALS

Limb/Yard Waste (423)

Provide weekly limb and bagged yard debris collection Citywide to coincide with the solid waste and recycling collection.

Leaf Collection (424)

Provide curbside loose-leaf collection during the fall and winter months on a rotating schedule every three weeks.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 406,908	\$ 355,148	\$ 380,458	\$ 376,882	\$ 376,882
Operating	130,452	114,115	142,596	112,392	112,392
Capital	-	-	-	-	-
TOTAL	\$ 537,360	\$ 469,263	\$ 523,054	\$ 489,274	\$ 489,274

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Limb/Yard Waste Collection (423)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	2	3 ¹	4	4	4
Street Maintenance Worker I/II	3	3	2	2	2
Leaf Collection (424)					
Equipment Operator I/II	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
TOTAL	8	9	9	9	9

¹ Position transferred from P/S-Streets

STATEMENT OF PURPOSE

To provide a centralized resource for the management and development of City-owned landscapes and urban forest resources. To provide staff support to the Salisbury Tree Board, provide management of vegetation on City properties and rights-of-way, and ensure compliance with community standards regarding vegetative nuisances, unsanitary conditions and junked or abandoned vehicles on private property.

DIVISIONAL PERFORMANCE GOALS

1. Continue development of a comprehensive tree management program including GIS, City Green© software, educational programs and information, pruning, removal, replacement, new planting, and routine maintenance.
2. Provide staff support to the Salisbury Tree Board, Downtown Salisbury, Inc., and Community Development for the implementation of goals adopted by the City Council including Arbor Day, Brown-Wiseman Boxwood property development, and the Angel Project at Robertson Gateway Park.
3. Assist the Public Services Director in the implementation of interdepartmental projects.
4. Provide concerted code enforcement and nuisance abatement services within the context of the neighborhood improvement initiative.
5. Continue staff development in the areas of equipment training and operation, pesticide and horticultural workshops, Human Resource classes, work safety, and technical expertise.
6. Provide consistent maintenance for the expanding Salisbury-Rowan Utilities and North Carolina DOT contracts with focus on time management and efficiency.

PERFORMANCE MEASURES

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Estimate
Miles of Right-of-Way Maintained	N/A	N/A	100	110	112
Acres of Contract Mowing Responsibility	N/A	N/A	57.8	59.0	59.5
Trees Maintained	N/A	N/A	280	364	300
Number of Additional Projects (medians, etc.)	N/A	N/A	5	5	5

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 407,630	\$ 462,723	\$ 483,077	\$ 474,568	\$ 474,568
Operating	158,745	148,633	156,660	128,409	128,409
Capital	<u>2,625</u>	<u>5,069</u>	<u>7,300</u>	<u>7,300</u>	<u>7,300</u>
TOTAL	\$ 569,000	\$ 616,425	\$ 647,037	\$ 610,277	\$ 610,277

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Landscape (000)					
Landscape Division Manager	1	1	1	1	1
Landscape Maintenance Supervisor	1	1	1	1	1
Grounds Maintenance Worker Sr/I/II	6	7 ¹	7	7	7
Contract Mowing (460)					
Grounds Maintenance Worker I/II	2	2	2	2	2
Seasonal Worker (TFT)	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
TOTAL	12	13	13	13	13

¹ New position for FY2007

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Auger for Skid Steer	\$ 3,800	\$ 3,800	\$ 3,800
Pulverizer/Yard Tool	3,500	3,500	3,500
Total Capital Outlay	<u>\$ 7,300</u>	<u>\$ 7,300</u>	<u>\$ 7,300</u>

STATEMENT OF PURPOSE

To maintain and further develop the 15 acre Elizabeth Holmes Hurley Park in conjunction with J.F. Hurley Foundation and the City of Salisbury's Hurley Park Advisory Commission.

DIVISIONAL PERFORMANCE GOALS

1. Provide support to the Hurley Park Advisory Commission for the implementation of goals adopted by the City Council:
 - Continue the Spring Celebration and Summer Lecture
 - Provide new plantings for the main entry garden and throughout the Park
 - Replace bridge, water fountain and create path areas in the Annex
2. Maintain records of plantings and donations in conjunction with the Hurley Foundation.
3. Continue staff development in the areas of computer literacy, work safety, and technical expertise.
4. Work closely with internal and external sources to develop promotional, educational and informational relationships (Catawba College, Rowan Regional, Parks & Recreation, GIS and the public).
5. Create a walking tour brochure.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 83,586	\$ 85,990	\$ 120,244	\$ 90,130	\$ 90,130
Operating	43,091	30,147	55,661	24,712	24,712
Capital	8,300	-	-	-	-
TOTAL	\$ 134,977	\$ 116,137	\$ 175,905	\$ 114,842	\$ 114,842

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Park Curator	2	2	2	2	2
Grounds Maint. Worker I - NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	2	2	3	2	2

STATEMENT OF PURPOSE

To provide a centralized resource for the management and repair of City vehicles and equipment, including Transit System buses, and to offer expertise in the development of specifications used in the purchase of new vehicles and equipment.

DIVISIONAL PERFORMANCE GOALS

1. Enhance technical abilities of division personnel through in-house training programs.
2. Increase service life and vehicle dependability by developing an in-depth preventive/scheduled maintenance program.
3. Enhance the technical equipment capability of the division in order to maintain current needs and provide for future needs of the City's fleet.
4. Develop specifications on vehicles and equipment that meet the needs of the City while lowering the operating cost over the life of the vehicle or equipment.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 647,179	\$ 672,399	\$ 751,864	\$ 704,378	\$ 704,378
Operating	97,059	93,408	127,210	93,259	93,259
Capital	15,319	23,650	33,000	14,000	14,000
TOTAL	\$ 759,557	\$ 789,457	\$ 912,074	\$ 811,637	\$ 811,637

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Fleet Services Manager	1	1	1	1	1
Fleet Services Supervisor	1	1	1	1	1
Mechanic/Master Mechanic	7	7	6 ¹	6 ¹	6 ¹
Automotive Service Technician	1	1	1	1	1
Parts Manager	1	1	0 ¹	0 ¹	0 ¹
Parts Technician	0	0	2 ¹	2 ¹	2 ¹
Office Assistant - NEW	0	0	1	0	0
TOTAL	11	11	12	11	11

¹ Reclassified positions to Parts Technician

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
20 Ton Air Over Hydraulic Service Jack	\$ 2,000	\$ 2,000	\$ 2,000
Tool Set	3,500	3,500	3,500
Metal Shears	3,500	3,500	3,500
On Vehicle Brake Lathe	6,500	-	-
Additional 22 Ton Air Bottle Jack	2,000	-	-
Replace & add lighting in service pit	5,000	5,000	5,000
Install grease reels in upper bays	2,000	-	-
Heavy Equipment Tire Changer	8,500	-	-
Total Capital Outlay	\$ 33,000	\$ 14,000	\$ 14,000

DEPARTMENT - Public Services
DIVISION – Transportation

553

STATEMENT OF PURPOSE

To provide funding for the City's share of the City Transit System.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	213,118	358,569	446,181	437,781	437,781
Capital	-	-	-	-	-
TOTAL	\$ 213,118	\$ 358,569	\$ 446,181	\$ 437,781	\$ 437,781

DEPARTMENT – Education

641

STATEMENT OF PURPOSE

To provide for funding the Supplementary Education System.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	42,342	42,342	42,342	42,342	42,342
Capital	-	-	-	-	-
TOTAL	\$ 42,342	\$ 42,342	\$ 42,342	\$ 42,342	\$ 42,342

DEPARTMENT - Debt Service

901

STATEMENT OF PURPOSE

To provide for the payment of interest and principal payments on outstanding General Fund debt.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	816,894	1,271,891	2,086,501	2,086,501	2,086,501
Capital	-	-	-	-	-
TOTAL	\$ 816,894	\$ 1,271,891	\$ 2,086,501	\$ 2,086,501	\$ 2,086,501

STATEMENT OF PURPOSE

To provide the citizens of Salisbury with a variety of quality leisure services through safe, attractive, maintained parks and diversified programs that meet the current and future needs of the community.

COUNCIL PERFORMANCE GOALS

1. Complete master plans for individual parks. **Outcome 4.1**

DEPARTMENTAL PERFORMANCE GOALS

1. Improve the quality and quantity of recreation programs offered to the community.
2. Renovate and repair the current Parks and Recreation facilities through the use of a systematic renovation master plan.
3. Standardize policies and procedures for operations.
4. Support the open space standards review process.
5. Complete the development of Centennial Park.
6. Conduct department assessment through “Good to Great” training, customer service, and develop a strategic plan.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Workload			
Acres of Park Space Owned	507	507	507
Acres of Park Space Maintained ^	252	300	300
Yards of Greenway Maintained	4,258	5,333	5,333
Number of Athletic Fields and Athletic Surfaces Maintained	28	30	33
Number of Recreational Programs Administered	750	765	780
Number of Recreational Program Participations *	162,000	165,000	169,000
Number of Maintenance and Safety Inspections Conducted	9,600	10,000	12,000
Number of Volunteer Hours Utilized	4,500	4,600	4,700
Number of Inmate Hours Utilized	1,200	1,200	1,250
Efficiency			
Cost Per Acre Maintained	\$ 30	\$ 32	\$ 35
Cost Per 1,000 Yards of Greenway Maintained	\$ 5,250	\$ 5,512	\$ 5,512
Cost Per Athletic Field and Athletic Surface Maintained	\$ 1,687	\$ 1,771	\$ 1,860
Cost Per Recreational Program Administered	\$ 73	\$ 71	\$ 75
Program FTEs Per 1,000 Program Participations	0.1012	0.0993	0.097
Cost per Maintenance and Safety Inspection Performed	\$ 7	\$ 8	\$ 10
Cost Per Inmate Hour	\$ 0.12	\$ 0.13	\$ 0.13

^ Half of the acreage is either wooded or remains in its 'natural' state.

* A participation is defined as one individual engaged in P&R programming, on a single occasion. If a person plays softball three nights per week, this equates to three participations.

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Effectiveness			
Percent of City Devoted to Parks, Recreation and Greenway	3.9%	3.8%	3.7%
City-wide Average for Athletic Field / Surface Availability	95%	95%	95%
Participations Per Program	216	215	217
Percent of Program Participants Identified as City Residents	70%	72%	74%
City-wide Average for Equipment & Facilities Availability **	97%	97%	97%
Estimated Departmental Savings Through Use of Volunteers	\$45,000	\$45,000	\$46,500
Estimated Departmental Savings Through Use of Inmates	\$18,000	\$18,000	\$19,500

** Includes both indoor and outdoor facilities, with the availability percentage of outdoor equipment and facilities impacted related inclement weather.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 1,192,010	\$ 1,304,516	\$ 1,382,424	\$ 1,369,429	\$ 1,361,377
Operating	700,270	630,776	677,075	586,940	596,940
Capital	58,661	107,000	662,500	313,700	313,700
TOTAL	\$ 1,950,941	\$ 2,042,292	\$ 2,721,999	\$ 2,270,069	\$ 2,272,017

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (100)					
Parks & Recreation Director	1	1	1	1	1
Department Secretary	1	1	1	1	1
Recreation Program Manager	1	1	1	1	1
Civic Center (601)					
Recreation Coordinator	1	1	1	1	1
Recreation Programmer	1	1	1	1	1
Recreation Aide (TPT)	2	2	2	2	2
Recreation Aide-Summer (TFT)	2	2	2	2	2
City Park Center (602)					
Recreation Coordinator	1	1	1	1	1
Recreation Programmer	1	1	1	1	1
Recreation Aide (TPT)	3	3	3	3	3
Recreation Aide-Summer (TFT)	7	7	7	7	7
Miller Center (603)					
Recreation Coordinator	1	1	1	1	1
Recreation Programmer	1	1	1	1	1
Recreation Aide (TPT)	2	2	2	2	2
Recreation Aide-Summer (TFT)	11	11	11	11	11
Buildings & Grounds (604)					
Parks & Recreation Maintenance Mgr	1	1	1	1	1
Parks Maintenance Supervisor	3	3	3	3	3
B&G Maintenance Worker Sr/I/II	7	7	7	7	7

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
B&G Maintenance Worker Sr/I/II - Greenway	1	0 ¹	0	0	0
Greenway Supervisor	0	1 ¹	1	1	1
Greenway Maint Worker	0	1 ²	1	1	1
Recreation Aide (TPT)	2	2	2	2	2
Athletic Programs (606)					
Recreation Coordinator	1	1	1	1	1
Recreation Programmer	1	1	1	1	1
Recreation Aide (TPT)	3	3	3	3	3
Recreation Aide-Soccer (TPT) -NEW	0	0	1 ²	1 ²	1 ²
Public Relations/Marketing (607)					
Marketing & Community Relations Manager	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	56	57	58	58	58

¹ Reclassified

² New position authorized in FY2007

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Buildings and Grounds (604)			
Parks & facilities repairs & improvements	\$ 100,000	\$ 43,700	\$ 43,700
Tennis court replacement at City Park	225,000	225,000	225,000
Hall Gym parking lot	35,000	-	-
Sports Complex Grant Match	45,000	45,000	45,000
Playstructure replacements	40,000	-	-
Civic Center Foundation Wall	75,000	-	-
Parkland Acquisition	125,000	-	-
20 foot scaffold	2,200	-	-
Table & Chair Replacements	15,300	-	-
Total Capital Outlay	<u>\$ 662,500</u>	<u>\$ 313,700</u>	<u>\$ 313,700</u>

CITY OF SALISBURY

GENERAL FUND CAPITAL RESERVE FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2008
With Estimated Actual for Year Ending June 30, 2007 and
Actual for Year Ended June 30, 2006

	2006	2007	2008
	Actual	Estimate	Budget
REVENUES:			
Miscellaneous:			
Interest earned on investments	\$ 83,858	\$ 90,000	\$ 90,000
Other	2,207	-	-
Total revenues	<u>\$ 86,065</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>
OTHER FINANCING SOURCES:			
Proceeds from capital leases	\$ -	\$ 674,425	\$ -
Operating transfer from General Fund	1,460,303	1,618,871	1,766,644
Fund balance appropriated	-	-	144,432
Total other financing sources	<u>\$ 1,460,303</u>	<u>\$ 2,293,296</u>	<u>\$ 1,911,076</u>
Total revenues and other financing sources	<u>\$ 1,546,368</u>	<u>\$ 2,383,296</u>	<u>\$ 2,001,076</u>

FUND - General Fund Capital Reserve

STATEMENT OF PURPOSE

The General Fund Capital Reserve funds replacement cost of General Fund vehicles and computers and accrues reserves for future purchases.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	81,189	81,672	268,706	268,706	268,706
Capital	<u>1,335,873</u>	<u>2,313,333</u>	<u>1,918,396</u>	<u>1,732,370</u>	<u>1,732,370</u>
TOTAL	\$ 1,417,062	\$ 2,395,005	\$ 2,187,102	\$ 2,001,076	\$ 2,001,076

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
City Council			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Total Capital Outlay	\$ 1,200	\$ 1,200	\$ 1,200
Management & Administration			
Computer Equipment Replacement	\$ 7,000	\$ 7,000	\$ 7,000
Add laptop for new position	2,400	2,400	2,400
Total Capital Outlay	\$ 9,400	\$ 9,400	\$ 9,400
Human Resources			
Computer Equipment Replacement	\$ 6,000	\$ 6,000	\$ 6,000
Upgrade replacement PC to laptop	1,200	1,200	1,200
Upgrade replacement PC to laptop	1,200	1,200	1,200
Total Capital Outlay	\$ 8,400	\$ 8,400	\$ 8,400
Management Services - Information Technologies			
Computer Equipment Replacement	\$ 153,466	\$ 153,466	\$ 153,466
Spam SW Appliance	10,000	10,000	10,000
Network Access Control Replacement	30,000	30,000	30,000
Total Capital Outlay	\$ 193,466	\$ 193,466	\$ 193,466
Management Services - Telecommunications			
Computer Equipment Replacement	\$ 19,500	\$ 19,500	\$ 19,500
Channel Bank Card	30,000	30,000	30,000
Add Emergency Mobile Generator	45,000	-	-
Add Cargo Van	20,046	20,046	20,046
Add Cargo Van	20,046	-	-
Total Capital Outlay	\$ 134,592	\$ 69,546	\$ 69,546

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Management Services - Administration			
Computer Equipment Replacement	\$ 15,250	\$ 15,250	\$ 15,250
Total Capital Outlay	\$ 15,250	\$ 15,250	\$ 15,250
Management Services - Purchasing			
Computer Equipment Replacement	\$ 2,400	\$ 2,400	\$ 2,400
Total Capital Outlay	\$ 2,400	\$ 2,400	\$ 2,400
Management Services - Facilities Mgmt			
Add PC for Breakroom	\$ 1,200	\$ -	\$ -
Total Capital Outlay	\$ 1,200	\$ -	\$ -
Management Services - City Office Bldg			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Total Capital Outlay	\$ 1,200	\$ 1,200	\$ 1,200
Land Mgmt & Development - Planning			
Computer Equipment Replacement	\$ 5,700	\$ 5,700	\$ 5,700
Total Capital Outlay	\$ 5,700	\$ 5,700	\$ 5,700
Land Mgmt & Development - Development Services			
Computer Equipment Replacement	\$ 4,152	\$ 4,152	\$ 4,152
Add computer for new position	2,850	-	-
Add full size pickup truck for new position	20,376	-	-
Total Capital Outlay	\$ 27,378	\$ 4,152	\$ 4,152
Land Management & Development - GIS			
Computer Equipment Replacement	\$ 15,800	\$ 15,800	\$ 15,800
Total Capital Outlay	\$ 15,800	\$ 15,800	\$ 15,800
Land Management & Development - Engineering			
Computer Equipment Replacement	\$ 22,158	\$ 22,158	\$ 22,158
Add GIS PC for new positions	2,850	2,850	2,850
Total Capital Outlay	\$ 25,008	\$ 25,008	\$ 25,008
Fire			
Computer Equipment Replacement	\$ 16,300	\$ 16,300	\$ 16,300
Add PC for Breakroom - Station 51	1,200	1,200	1,200
Add PC for Breakroom - Station 53	1,200	1,200	1,200
Add Mobile Repeaters	30,000	-	-
Replace FD70101 17.5 KW Generator w/25 KW Generator	25,000	25,000	25,000
Replace FD57801 1978 GMC Step Van	79,506	79,006	79,006
Total Capital Outlay	\$ 153,206	\$ 122,706	\$ 122,706

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Police			
Computer Equipment Replacement-Services	\$ 11,360	\$ 11,360	\$ 11,360
Computer Equipment Replacement-Administration	31,404	31,404	31,404
SAN Upgrade	65,000	65,000	65,000
UPS	15,000	15,000	15,000
Add PC for Chaplain's Office	1,200	1,200	1,200
Computer Equipment Replacement-Field Operations	117,900	117,900	117,900
Add 2 PCs for South District Sergeants' Office	2,400	2,400	2,400
Add 2 PCs for North District Sergeants' Office	2,400	2,400	2,400
Replace Camera ES-20302	5,000	5,000	5,000
Replace Camera ES-8195	5,000	5,000	5,000
Replace Camera ES-8191	5,000	5,000	5,000
Replace Camera ES-8189	5,000	5,000	5,000
Replace Camera ES-20318	5,000	5,000	5,000
Replace Camera ES-8193	5,000	5,000	5,000
Replace PD09707 1997 Patrol Vehicle	25,302	25,302	25,302
Replace PD09709 1997 Patrol Vehicle	25,302	25,302	25,302
Replace PD09710 1997 Patrol Vehicle	25,302	25,302	25,302
Replace PD09704 1997 Patrol Vehicle	25,302	25,302	25,302
Replace PD09701 1997 CID Vehicle	23,668	23,668	23,668
Replace PD09719 1997 CID Vehicle	23,668	23,668	23,668
Replace PD09610 1996 Patrol Vehicle	25,302	25,302	25,302
Replace PD09703 1997 Patrol Vehicle	25,302	25,302	25,302
Replace PD09720 1997 Patrol Vehicle	24,042	24,042	24,042
Add Vehicle for CID Sergeant	23,668	23,668	23,668
Replace PD00407 2004 Patrol Vehicle	25,302	25,302	25,302
Add Patrol Vehicle for New Position	25,302	-	-
Add Patrol Vehicle for New Position	25,302	-	-
Total Capital Outlay	\$ 599,428	\$ 548,824	\$ 548,824
Public Services - Administration			
Computer Equipment Replacement	\$ 3,600	\$ 3,600	\$ 3,600
Total Capital Outlay	\$ 3,600	\$ 3,600	\$ 3,600
Public Services - Street			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Add Asphalt Cold Planer	20,000	20,000	20,000
Replace ST39301 1993 ODB Leaf Machine	30,906	30,906	30,906
Replace ST47801 1980 John Deere Motor Grader	197,950	186,000	186,000
Replace ST29504 1995 Johnson Street Sweeper	169,956	166,006	166,006
Total Capital Outlay	\$ 420,012	\$ 404,112	\$ 404,112

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Public Services - Cemetery			
Computer Equipment Replacement	\$ 3,500	\$ 3,500	\$ 3,500
Add PC for Breakroom	1,200	1,200	1,200
Total Capital Outlay	\$ 4,700	\$ 4,700	\$ 4,700
Public Services - Solid Waste			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Add PC for Breakroom; Recommended - move Supervisor's PC to Breakroom	1,200	-	-
Add Laptop for Supervisor	2,400	2,400	2,400
Replace WM29506 1995 White 24yd Packer	170,000	170,000	170,000
Total Capital Outlay	\$ 174,800	\$ 173,600	\$ 173,600
Public Services - Landscape Operations			
Add PC for Breakroom	\$ 1,200	\$ 1,200	\$ 1,200
Total Capital Outlay	\$ 1,200	\$ 1,200	\$ 1,200
Public Services - Hurley Park			
Computer Equipment Replacement	\$ 2,400	\$ 2,400	\$ 2,400
Add Agri Metal Leaf Collection Device	8,000	8,000	8,000
Total Capital Outlay	\$ 10,400	\$ 10,400	\$ 10,400
Public Services - Fleet			
Computer Equipment Replacement	\$ 5,900	\$ 5,900	\$ 5,900
Add PC for Breakroom	1,200	-	-
Replace FM27801 1978 Ford F8000 Tanker	35,006	35,006	35,006
Total Capital Outlay	\$ 42,106	\$ 40,906	\$ 40,906
Parks & Recreation			
Computer Equipment Replacement	\$ 7,200	\$ 7,200	\$ 7,200
Add PC for Breakroom-Community Park	1,200	1,200	1,200
Add PC for Breakroom-Cone Center	1,200	1,200	1,200
Upgrade replacement PC to laptop	1,200	1,200	1,200
Replace PR60006 2000 John Deere F1145	20,000	20,000	20,000
Add One Ton Dump Truck	40,000	40,000	40,000
Total Capital Outlay	\$ 70,800	\$ 70,800	\$ 70,800
Debt Service			
Principal and Interest	\$ 268,706	\$ 268,706	\$ 268,706
Total Capital Outlay	\$ 268,706	\$ 268,706	\$ 268,706



CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2008
With Estimated Actual for the Year Ending June 30, 2007 and
Actual for the Year Ended June 30, 2006

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Budget</u>
OPERATING REVENUES:			
Charges for services	\$ 16,289,386	\$ 17,490,071	\$ 18,030,207
Water and sewer taps	<u>602,276</u>	<u>395,950</u>	<u>396,100</u>
Total operating revenues	\$ 16,891,662	\$ 17,886,021	\$ 18,426,307
NONOPERATING REVENUES:			
Interest earned on investments	\$ 124,134	\$ 120,000	\$ 80,000
Capital contributions	6,663	-	-
Miscellaneous revenues	<u>936,914</u>	<u>971,650</u>	<u>980,453</u>
Total nonoperating revenues	<u>\$ 1,067,711</u>	<u>\$ 1,091,650</u>	<u>\$ 1,060,453</u>
 Total revenues and other financing sources	 <u>\$ 17,959,373</u>	 <u>\$ 18,977,671</u>	 <u>\$ 19,486,760</u>

CITY OF SALISBURY
FY 2007-2008 BUDGET SUMMARY
WATER AND SEWER FUND

	Actual		Budgeted		Requested		Mgr Recommends		Adopted	
	FY 05-06		FY 06-07		FY 07-08		FY 07-08		FY 07-08	
REVENUE	\$	17,948,088	\$	18,871,309	\$	17,797,890	\$	19,486,760	\$	19,486,760
EXPENSES										
UTILITIES MGT & ADMINISTRATION										
Personnel	\$	969,560	\$	952,906	\$	1,138,745	\$	938,358	\$	938,358
Operations		7,564,954		3,334,401		3,675,355		3,476,089		3,476,089
Capital		9,919		3,200		8,500		108,500		108,500
TOTAL	\$	8,544,433	\$	4,290,507	\$	4,822,600	\$	4,522,947	\$	4,522,947
PLANT OPERATIONS - WATER TREATMENT										
Personnel	\$	334,354	\$	360,514	\$	454,632	\$	451,957	\$	451,957
Operations		759,020		799,133		1,020,563		783,750		783,750
Capital		-		5,000		11,000		11,000		11,000
TOTAL	\$	1,093,374	\$	1,164,647	\$	1,486,195	\$	1,246,707	\$	1,246,707
SYSTEMS MAINTENANCE										
Personnel	\$	1,048,427	\$	1,140,153	\$	1,350,196	\$	1,207,619	\$	1,207,619
Operations		1,042,959		1,807,474		2,253,364		1,520,498		1,520,498
Capital		226,214		536,130		530,000		530,000		530,000
TOTAL	\$	2,317,600	\$	3,483,757	\$	4,133,560	\$	3,258,117	\$	3,258,117
ENVIRONMENTAL SERVICES										
Personnel	\$	496,538	\$	559,401	\$	517,045	\$	513,880	\$	513,880
Operations		99,273		106,249		112,671		103,002		103,002
Capital		-		8,000		38,100		38,100		38,100
TOTAL	\$	595,811	\$	673,650	\$	667,816	\$	654,982	\$	654,982
PLANT OPERATIONS - WASTEWATER TREATMENT										
Personnel	\$	830,653	\$	864,297	\$	917,255	\$	904,126	\$	904,126
Operations		1,282,882		1,248,134		1,575,258		1,378,115		1,378,115
Capital		-		-		-		-		-
TOTAL	\$	2,113,535	\$	2,112,431	\$	2,492,513	\$	2,282,241	\$	2,282,241
METER SERVICES										
Personnel	\$	404,159	\$	436,957	\$	463,123	\$	458,888	\$	458,888
Operations		123,471		152,524		169,406		132,130		132,130
Capital		-		-		13,021		10,400		10,400
TOTAL	\$	527,630	\$	589,481	\$	645,550	\$	601,418	\$	601,418
PLANTS MAINTENANCE										
Personnel	\$	465,651	\$	473,755	\$	492,924	\$	486,169	\$	486,169
Operations		874,513		1,080,883		2,241,677		1,089,179		1,089,179
Capital		(9,994)		700		700		60,000		60,000
TOTAL	\$	1,330,170	\$	1,555,338	\$	2,735,301	\$	1,635,348	\$	1,635,348

	Actual		Budgeted		Requested		Mgr Recommends		Adopted	
	FY 05-06		FY 06-07		FY 07-08		FY 07-08		FY 07-08	
DEBT SERVICE										
Personnel	\$	-	\$	-	\$	-	\$	-	\$	-
Operations		1,990,797		5,001,498		5,438,370		5,285,000		5,285,000
Capital		-		-		-		-		-
TOTAL	\$	1,990,797	\$	5,001,498	\$	5,438,370	\$	5,285,000	\$	5,285,000
CAPITAL PROJECTS										
Personnel	\$	-	\$	-	\$	-	\$	-	\$	-
Operations		-		-		-		-		-
Capital		31		-		-		-		-
TOTAL	\$	31	\$	-	\$	-	\$	-	\$	-
GRAND TOTAL										
Personnel	\$	4,549,342	\$	4,787,983	\$	5,333,920	\$	4,960,997	\$	4,960,997
Operations		13,737,869		13,530,296		16,486,664		13,767,763		13,767,763
Capital		226,170		553,030		601,321		758,000		758,000
TOTALS	\$	18,513,381	\$	18,871,309	\$	22,421,905	\$	19,486,760	\$	19,486,760

STATEMENT OF PURPOSE

To serve as the central management and administration source and engineering support for activities, operations, and projects related to Salisbury-Rowan Utilities (SRU).

COUNCIL PERFORMANCE GOALS

1. Develop, present and adopt State-mandated plans for Backflow Prevention and Fats, Oils and Grease (FOG) programs. **Outcome 10.1**
2. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project. **Outcome 11.1**
3. Safeguard Salisbury’s interest on the Yadkin River by participating in Federal Energy Regulatory Commission (FERC) relicensing of Yadkin Project. **Outcome 11.2**
4. Fund, design, construct, and complete first phase of Wasterwater Facilities Capital Improvements Project. **Outcome 11.3**
5. Explore water sales agreements with Kannapolis and Concord. **Outcome 11.4**

DEPARTMENTAL PERFORMANCE GOALS

1. Complete One Water Street adaptation and renovation as funding and schedule permits - basement floor renovations; exterior improvements; relocation of Plants Management; parking lot improvements at the corner of Kerr Street and Jackson Street.
2. Implement a comprehensive work-order system to include inventory, maintenance record-keeping and system improvements with full integration with the current GIS framework.
3. Continue efforts toward rate stabilization and overall fiscal stability. Expand focus and improve utilities fiscal function by development of comprehensive CIP; update of Rate model and 5-Year Budget Projections.
4. Pursue service expansions and business opportunities to add and diversify revenue stream for SRU.
5. Be proactive in providing excellent customer service.
 - Respond to customer concerns quickly and professionally
 - Continue the quick turnaround on making new water and sewer taps and repairs
 - All SRU staff to participate in any customer service training offered by City
6. Attract and retain qualified staff.
 - Continue staff training and development
 - Review and strengthen pre-employment hiring practices
 - Investigate the funding and implementation of an entity-wide wellness program
 - Provide more opportunities for certification of staff
7. Incorporate Good-to-Great strategies and concepts into SRU operations and planning.
 - Undertake City-standard Good-to-Great training for all SRU managers and supervisors
 - Complete full “hedgehog concept” for SRU
 - Pursue development of Upward Evaluation model for all levels of SRU management
8. Provide opportunities for staff training and development.
 - Increase level of required State Certification in all areas of the Utility
9. Increase diversity within Salisbury-Rowan Utilities.
10. Continue to develop joint water and sewer extension policies with consideration of managed growth criteria.
11. Assist in cooperative effort with County to extend water and sewer to growth corridors.
12. Continue strategic planning efforts resulting in short and long term plans for Utilities expansion and implement major Water and Sewer Capital Improvement Projects.
13. Complete the streamlining improvements to the Development Process.
 - Assist Land Management in pursuit of Local Permit Program for water/sewer extensions within SRU service area
14. Pursue appropriate expansion of SRU system.
 - Continue contract operation and work towards potential assumption of the Faith water & sewer systems.
 - Work with East Spencer on the funding and construction of water system improvements (with plan for continued contract operation and potential assumption)

15. Provide improved project design and better construction management resulting in the timely completion of water and sewer extension projects.
16. Protect and defend Salisbury and Rowan County's water rights and supply.
 - Monitor and participate in Yadkin Project (APGI) relicensing
 - Participate in High Rock Lake TMDL process to protect SRU interests

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Administrative Workload			
FTEs	91.5	91.5	91.0
Total Population Receiving Water Service (countywide) *	47,360	48,000	48,800
Total Population Receiving Sewer Service (countywide) *	45,000	45,500	46,000
Land Area Spanned for Water Service (square miles)	43.5	43.8	44.5
Land Area Spanned for Sewer Service (square miles)	37.0	39.6	42.0
Number of Accounts	15,996	16,228	16,691
Residential Water Rate (per 1 CCF) **	\$ 2.66	\$ 2.85	\$ 2.93
Residential Sewer Rate (per 1 CCF)	\$ 3.43	\$ 3.75	\$ 3.88
Administrative Efficiency			
Employee Turnover Rate	10%	16%	12%
Operating Costs Per 1,000 Population Served (water)	\$ 136,406	\$ 144,288	\$ 146,500
FTEs Per Square Mile Served	2.10	2.09	2.04
Average Elapsed Business Days From Request To Connection	20	20	20
Average Residential Utility Bill as Percent of Median Income	1.80%	1.91%	2.30%
Administrative Effectiveness			
Average Years of Experience	9.97	8.46	8.25
Service Density (Population Served per Square Mile) - Water	1,089	1,096	1,097
Service Density (Population Served per Square Mile) - Sewer	1,216	1,149	1,095
Average Residential Rate Increase (% over prior year)	6.9	7.45	2.92

* Estimate

** 1 CCF = 100 cubic feet of water

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 969,560	\$ 952,906	\$ 1,138,745	\$ 938,358	\$ 938,358
Operating	7,564,954	3,334,401	3,675,355	3,476,089	3,476,089
Capital	9,919	3,200	8,500	108,500	108,500
TOTAL	\$ 8,544,433	\$ 4,290,507	\$ 4,822,600	\$ 4,522,947	\$ 4,522,947

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (100)					
Assistant City Manager for Utilities	1	1	1	1	1
Deputy Utilities Director	1	1	1	1	1
Utilities Finance Manager	1	1	1	1	1
Management Analyst	.5	.5	0 ¹	0 ¹	0 ¹
Dept Secretary/Senior Office Assistant	1	1	1	1	1
Senior Office Assistant	1	1	1	1	1
Utility Plants Manager	1	1	1	1	1
Marketing & Community Relations Manager - NEW	0	0	1	0	0
Utilities Engineering (800)					
Utilities Engineering Manager	1	1	1	1	1
Utilities Engineer I/II/III	1	1	1	1	1
Engineering Technician I/II/III	1	1	1	1	1
Utilities Construction Inspector	1	1	0 ²	1 ⁴	1 ⁴
Utilities Engineer – NEW – Capital Projects	0	0	1	0 ⁶	0 ⁶
Utilities Engineer - NEW	0	0	1	0	0
Utilities GIS (801)					
Utilities Planning Manager	1	1	1	1	1
GIS Systems Analyst	0	0	1 ⁵	1 ⁵	1 ⁵
GIS Mapping Technician	<u>2</u>	<u>1</u> ³	<u>0</u> ⁵	<u>0</u> ⁵	<u>0</u> ⁵
TOTAL	13.5	12.5	14	12	12

¹ Position fully funded in GF-Management Services; one-half cost in increase in W&S Fund contribution to GF

² Position reclassified & transferred to Systems Maintenance-Utilities Construction

³ Position eliminated

⁴ Formation of Systems Maintenance-Utilities Construction not recommended; position transferred back

⁵ Reclassification

⁶ Position to be funded in Capital Projects Fund and costs allocated to Capital Projects within the Fund

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Utility Administration (100)			
800mhz Radio	\$ 3,500	\$ 3,500	\$ 3,500
Renovate Basement at One Water Street	-	100,000	100,000
Utility GIS (801)			
New GeoXT	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Capital Outlay	\$ <u>8,500</u>	\$ <u>108,500</u>	\$ <u>108,500</u>

STATEMENT OF PURPOSE

To provide the customers of Salisbury-Rowan Utilities with a sufficient supply of high quality potable water that meets all regulation standards for purity, taste, appearance, and flow adequacy at a reasonable cost to the consumer.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Water Treatment Workload			
Number of Water Treatment FTEs (includes lab & maintenance)	10	10	10
Millions of Gallons Potable Water Produced	2,738	2,868	2,900
Water Treatment Efficiency			
Number of FTEs Per Water Treatment Plant	10	10	10
Cost Per Million Gallons of Potable Water Produced	\$ 511	\$ 513	\$ 515
Water Treatment Effectiveness			
Average Water Plant Operational Capacity	42%	43%	44%
Average Daily Potable Water Turbidity (NTU)	0.05	0.05	0.05
Percent of Potable Water Sold to Total Treated	76.1%	73.5%	75.0%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 334,354	\$ 360,514	\$ 454,632	\$ 451,957	\$ 451,957
Operating	759,020	799,133	1,020,563	783,750	783,750
Capital	-	5,000	11,000	11,000	11,000
TOTAL	\$ 1,093,374	\$ 1,164,647	\$ 1,486,195	\$ 1,246,707	\$ 1,246,707

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Water Treatment Plant (811)					
Water Treatment Supervisor	1	1	1	1	1
Senior Water Treatment Plant Operator	3	3	2	2	2
Water Treatment Plant Operator I/II	3	3	4	4	4
Chemist	<u>0</u>	<u>0</u>	<u>1</u> ¹	<u>1</u> ¹	<u>1</u> ¹
TOTAL	7	7	8	8	8

¹ Position transferred from Environmental Services

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Water Treatment Plant (811)			
DI Still	\$ 5,000	\$ 5,000	\$ 5,000
HVAC Actiflo Office	6,000	6,000	6,000
Total Capital Outlay	\$ 11,000	\$ 11,000	\$ 11,000

STATEMENT OF PURPOSE

To provide Salisbury-Rowan Utilities with an effective, efficient system for the distribution of potable water and the collection of waste through an equally effective, efficient sewer system.

DEPARTMENTAL PERFORMANCE GOALS

1. Continue and increase Inflow & Infiltration reduction efforts.
 - Repair and replace identified wastewater lines

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Distribution & Collection Workload			
Inch Miles of Distribution Line Maintained	3,565	3,570	3,600
Inch Miles of Collection Line Maintained	3,809	3,833	3,840
Number of Pump Stations Maintained	8	8	9
Number of Lift Stations Maintained	36	36	35
Total Water, Sewer & Irrigation Taps Installed by SRU	219	201	210
Distribution Line Failures	111	137	95
Collection Line Failures	62	57	60
Distribution & Collection Efficiency			
Cost Per Inch Mile of Distribution Line Maintained	\$ 172	\$ 180	\$ 185
Cost Per Inch Mile of Collection Line Maintained	\$ 266	\$ 272	\$ 280
Cost Per Pump Station Maintained	\$ 16,500	\$ 17,000	\$ 17,500
Cost Per Lift Station Maintained	\$ 8,310	\$ 8,600	\$ 9,000
Cost Per Tap Installed (3/4" Water)	\$ 1,300	\$ 1,300	\$ 1,400
Cost Per Tap Installed (1" Water)	\$ 1,450	\$ 1,450	\$ 1,550
Cost Per Tap Installed (4" Sewer)	\$ 1,300	\$ 1,300	\$ 1,400
Distribution & Collection Effectiveness			
Failures Per Inch Mile of Distribution Line Maintained	0.031	0.038	0.026
Incidents Per Inch Mile of Collection Line Maintained	0.016	0.015	0.016
Average Tap Installations Per Day (3/4" Water)	1	1	1
Average Tap Installations Per Day (1" Water)	1	1	1
Average Tap Installations Per Day (4" Sewer)	1	1	1

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 1,048,427	\$ 1,140,153	\$ 1,350,196	\$ 1,207,619	\$ 1,207,619
Operating	1,042,959	1,807,474	2,253,364	1,520,498	1,520,498
Capital	<u>226,214</u>	<u>536,130</u>	<u>530,000</u>	<u>530,000</u>	<u>530,000</u>
TOTAL	\$ 2,317,600	\$ 3,483,757	\$ 4,133,560	\$ 3,258,117	\$ 3,258,117

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (100)					
Utilities Systems Manager	1	1	1	1	1
Assistant Systems Manager	2	2	2	2	2
Senior Office Assistant	1	1	1	1	1
Distribution Maint. & Const. (850)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	3	2	2	3 ⁴	3 ⁴
Utilities Maintenance Technician - NEW	0	0	1 ¹	0	0
New Water/Sewer Connections (851)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	3	3	4	4	4
Water/Sewer Service Replacement (853)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	3	3	3	3	3
Preventive Maintenance (854)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	2	2	1	2 ⁴	2 ⁴
Utilities Maintenance Technician - NEW	0	0	1 ¹	0	0
Assistant Systems Manager	0	0	1	1	1
Collection Maint. & Construction (856)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	4	4	3	3	3
Collection Inflow and Infiltration (858)					
Utilities Maintenance Technician	1	2	0	0	0
Utilities Construction (858) - NEW					
Utilities Construction Manager	0	0	1 ²	0 ⁴	0 ⁴
Utilities Maintenance Technician	<u>0</u>	<u>0</u>	<u>2³</u>	<u>0⁴</u>	<u>0⁴</u>
TOTAL	25	25	28	25	25

NOTE: Positions transferred between cost centers

¹ To replace position transferred to new Construction Division 813-858

² Position reclassified from Utilities Construction Inspector in 721-800 & transferred

³ Positions transferred from 813-850 & 813-854

⁴ Utilities Construction Division not recommended; positions transferred back to 721-800; 813-850; 813-854

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Distribution Maint/Const (850)			
Pumps, Gas Detectors, Hydraulic Gear	\$ 5,000	\$ 5,000	\$ 5,000
New Connections (851)			
Pumps, Air Monitoring Equip, Hydraulic Tools	5,000	5,000	5,000
Service Replacement (853)			
Hydraulic Tools, Generator	5,000	5,000	5,000
Preventive Maintenance (854)			
Hydraulic Tools	2,000	2,000	2,000
Camera Equipment Head, Jetter Head	3,000	3,000	3,000
Collection Maint/Const (856)			
Hydraulic Tools, Small Portable Generator	5,000	5,000	5,000
Water Sewer Extensions (857)			
Water System Extensions	250,000	250,000	250,000
Wastewater System Extensions	250,000	250,000	250,000
Inflow & Infiltration (858)			
Hydraulic Tools and Equipment	5,000	5,000	5,000
Total Capital Outlay	\$ 530,000	\$ 530,000	\$ 530,000

STATEMENT OF PURPOSE

To operate the Salisbury-Rowan Utilities wastewater analysis laboratory and effectively operate the City’s industrial pretreatment program.

DEPARTMENTAL PERFORMANCE GOALS

1. Develop, adopt, and administer a comprehensive Fats, Oils and Greases (FOG) ordinance and program which includes educating restaurant owners and the public and results in a reduction in the number of sanitary sewer overflows (SSOs) caused by FOG.
2. Develop commercial lab function for the water lab and increase revenue for both certified labs.
3. Stakeholder Communications and Public Education:
 - Increase public education efforts through brochures, newsletter, tours, presentations, etc.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Environmental Services Workload			
Number of Water Analyses Performed *	12,759	13,000	13,500
Number of Wastewater Analyses Performed *	15,324	14,500	15,500
Number of Sanitary Sewer Overflows (SSO) ^ **	10	8	9
Number of Industrial Violations Reported or Detected ***	37	50	30
Number of Water Quality Complaints	43	50	45
Environmental Services Efficiency			
Cost Per Water Analysis	\$ 18.00	\$ 19.00	\$ 20.00
Cost Per Wastewater Analysis	\$ 15.00	\$ 16.00	\$ 17.00
Average Cost Per SSO Response	\$ 120.00	\$ 120.50	\$ 121.00
Environmental Services Effectiveness			
Percent of Water Analyses Meeting or Exceeding Standard	100%	100%	100%
Percent of Wastewater Analyses Meeting or Exceeding Standard	97%	99%	99%
Percent of SSOs Responded To Within One Hour	100%	100%	100%
Percent of Industrial Violators Notified Within 24 Hours	100%	100%	100%
Percent of Complaints Addressed Within 24 Hours	100%	100%	100%

* Estimate

^ Number is dependent on rainfall, specifically inflow and infiltration from stormwater.

** Number of SSO episodes represents all occurrences, regardless of overflow size.

*** Number is contingent on how well each industrial enterprise maintains its system.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 496,538	\$ 559,401	\$ 517,045	\$ 513,880	\$ 513,880
Operating	99,273	106,249	112,671	103,002	103,002
Capital	-	8,000	38,100	38,100	38,100
TOTAL	\$ 595,811	\$ 673,650	\$ 667,816	\$ 654,982	\$ 654,982

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Support Services Manager	1	1	1	1	1
Laboratory Supervisor	1	1	1	1	1
Regulatory Compliance Technician	1	1	1	1	1
Laboratory Analyst	4	4	4	4	4
Chemist	2	2	1 ¹	1 ¹	1 ¹
Environmental Services Inspector	<u>0</u>	<u>1²</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	9	10	9	9	9

¹ Position transferred to Plant Operations-Water Treatment

² New Position

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
TKN Distillation Unit	\$ 3,700	\$ 3,700	\$ 3,700
Leeman Hg Unit	27,500	27,500	27,500
Benchtop Fume Hood	3,500	3,500	3,500
Composite Sampler	1,600	1,600	1,600
Sample Refrigerator	500	500	500
Portable pH/DO Meter	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
Total Capital Outlay	\$ 38,100	\$ 38,100	\$ 38,100

STATEMENT OF PURPOSE

To provide Salisbury-Rowan Utilities with a system capable of treating domestic and industrial waste generated by its customers using methods that satisfy all regulatory standards and requirements.

DEPARTMENTAL PERFORMANCE GOALS

1. Develop a plan for residuals process changes, identify funding source(s) and schedule implementation (producing a Class A product and eliminating or reducing land application program).
2. Pursue septic hauling operation as expansion of SRU core business.

PERFORMANCE MEASURES

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Projected</u>
Wastewater Treatment Workload			
Number of Wastewater Treatment FTEs (inc. lab & maintenance)	31	31	31
Millions of Gallons Wastewater Treated	3,100	2,700	3,000
Tons of Dry Bio-Solids Land-Applied	2,420	2,300	2,400
Wastewater Treatment Efficiency			
Number of FTEs Per Wastewater Treatment Plant	16	16	16
Cost Per Million Gallons of Wastewater Treated	\$ 943	\$ 1,135	\$ 1,050
Cost Per Ton of Dry Bio-Solids Produced and Land-Applied	\$ 276	\$ 304	\$ 334
Wastewater Treatment Effectiveness			
Average Wastewater Plant Operational Capacity	67%	59%	66%
Average Daily Wastewater Effluent Turbidity (TSS **)	12.0	12.4	12.0
Percent of Treated Wastewater Billed	50.3%	57.5%	51.7%
Gallons of Wastewater Returned Per Potable Gallons Produced	1.13	0.94	1.04
Pounds of Solids Out Per Pounds In (de-water/land apply)	2249/2420	1900/2200	1975/2300

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 830,653	\$ 864,297	\$ 917,255	\$ 904,126	\$ 904,126
Operating	1,282,882	1,248,134	1,575,258	1,378,115	1,378,115
Capital	-	-	-	-	-
TOTAL	\$ 2,113,535	\$ 2,112,431	\$ 2,492,513	\$ 2,282,241	\$ 2,282,241

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (100)					
Wastewater Treatment Supervisor	1	1	0	0	0
Assistant Plants Manager	0	0	1	1	1
Town Creek WWTP (901)					
Senior Wastewater Plant Operator	1	1	1	1	1
Wastewater Plant Operator	4	5 ¹	5	5	5
Grant Creek WWTP (902)					
Wastewater Treatment Supervisor	0	0	1	1	1
Senior Wastewater Plant Operator	1	1	0	0	0
Wastewater Plant Operator	5	5	5	5	5
Residuals Management (903)					
Residuals Supervisor	1	1	1	1	1
Residuals Operator	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	16	17	17	17	17

¹ Position reclassified and moved from Plants Maintenance

STATEMENT OF PURPOSE

To efficiently and effectively maintain, test, and read utility meters with a high degree of customer service.

DEPARTMENTAL PERFORMANCE GOALS

1. Research remote/radio reading (AMR) technology and develop phased implementation plan.
2. Develop, implement, and maintain a comprehensive backflow prevention program with an emphasis on public education.

PERFORMANCE MEASURES

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Projected
Workload			
Meter Readings Per Fiscal Year	225,125	230,106	235,000
Efficiency			
Cost Per 100 Meter Readings	\$ 175.14	\$ 176.00	\$ 177.00
Effectiveness			
Percent of Meters Misread	0.17%	0.15%	0.10%

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 404,159	\$ 436,957	\$ 463,123	\$ 458,888	\$ 458,888
Operating	123,471	152,524	169,406	132,130	132,130
Capital	-	-	13,021	10,400	10,400
TOTAL	\$ 527,630	\$ 589,481	\$ 645,550	\$ 601,418	\$ 601,418

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Meter Maintenance (852)					
Senior Meter Mechanic	1	1	1	1	1
Meter Services Technician	2	2	2	2	2
Meter Reading (855)					
Meter Services Supervisor	1	1	1	1	1
Senior Meter Reader	1	1	1	1	1
Meter Reader/Meter Services Technician	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
TOTAL	11	11	11	11	11

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Meter Maintenance (852)			
Meter Flow Test Rig	\$ 2,621	\$ -	\$ -
Mobile Data Terminal	2,600	2,600	2,600
Meter Services (855)			
3 Laptop Computers w/Air Cards & Mounts	<u>7,800</u>	<u>7,800</u>	<u>7,800</u>
Total Capital Outlay	\$ 13,021	\$ 10,400	\$ 10,400

STATEMENT OF PURPOSE

To maintain the process equipment for the Salisbury-Rowan Utilities’ water and wastewater facilities and oversee the maintenance of the buildings and grounds of the treatment plants.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 465,651	\$ 473,755	\$ 492,924	\$ 486,169	\$ 486,169
Operating	874,513	1,080,883	2,241,677	1,089,179	1,089,179
Capital	<u>(9,994)</u>	<u>700</u>	<u>700</u>	<u>60,000</u>	<u>60,000</u>
TOTAL	\$ 1,330,170	\$ 1,555,338	\$ 2,735,301	\$ 1,635,348	\$ 1,635,348

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
P.M. Administration (000)					
Systems Maintenance Technician	2	1 ¹	1	1	1
P.M. Raw Water Supply (810)					
Plants Maintenance Technician	1	1	1	1	1
P.M. Water Treatment Plant (811)					
Plants Maintenance Technician	1	1	1	1	1
P.M. Sewer Maintenance (856)					
Utility Systems Supervisor	1	1	1	1	1
Plants Maintenance Technician	2	2	2	2	2
P.M. Town Creek WWTP (901)					
Plants Maintenance Technician	1	1	1	1	1
P.M. Grant Creek WWTP (902)					
Plants Maintenance Supervisor	1	1	1	1	1
Systems Maintenance Technician	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	10	9	9	9	9

¹ Position reclassified and moved to Plant Operations-Wastewater Treatment

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration (000)			
Nail Gun	\$ 250	\$ -	\$ -
Dry Wall Sander	450	-	-
Grant Creek (902)			
Replace one pump - 5 or 7.5 MGD	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Total Capital Outlay	\$ 700	\$ 60,000	\$ 60,000

STATEMENT OF PURPOSE

To provide for principal and interest payments on outstanding Water and Sewer Fund debt.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	1,990,797	5,001,498	5,438,370	5,285,000	5,285,000
Capital	-	-	-	-	-
TOTAL	\$ 1,990,797	\$ 5,001,498	\$ 5,438,370	\$ 5,285,000	\$ 5,285,000

DEPARTMENT - Capital Projects

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	-	-	-	-
Capital	31	-	-	-	-
TOTAL	\$ 31	\$ -	\$ -	\$ -	\$ -



CITY OF SALISBURY, NORTH CAROLINA
WATER AND SEWER CAPITAL RESERVE FUND
STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES

For the Year Ending June 30, 2008
With Estimated Actual for the Year Ending June 30, 2007 and
Actual for the Year Ended June 30, 2006

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Budget</u>
REVENUES:			
Miscellaneous:			
Interest earned on investments	\$ 10,667	\$ 11,000	\$ 11,000
OTHER FINANCING SOURCES:			
Operating transfer from Water and Sewer Fund	\$ 422,868	\$ 469,366	\$ 480,395
Total other financing sources	<u>\$ 422,868</u>	<u>\$ 469,366</u>	<u>\$ 480,395</u>
Total revenues and other financing sources	<u>\$ 433,535</u>	<u>\$ 480,366</u>	<u>\$ 491,395</u>

FUND - Water and Sewer Capital Reserve

STATEMENT OF PURPOSE

The Water and Sewer Capital Reserve funds replacement cost of Water and Sewer Utility vehicles and computers and accrues reserves for future purchases.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	88,615	-	83,275	83,275
Capital	344,350	392,751	478,920	408,120	408,120
TOTAL	\$ 344,350	\$ 481,366	\$ 478,920	\$ 491,395	\$ 491,395

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Administration			
Computer Equipment Replacement	\$ 38,168	\$ 38,168	\$ 38,168
Upgrade Radios to Digital	60,000	-	-
Capital Replacement Reserve	-	83,275	83,275
Total Capital Outlay	\$ 98,168	\$ 121,443	\$ 121,443
Plant Operations - Water Treatment			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Add PC for Breakroom	1,200	1,200	1,200
Add Hybrid SUV; move WT19703 Ford F250 to another division	30,000	30,000	30,000
Total Capital Outlay	\$ 32,400	\$ 32,400	\$ 32,400
W/S Maintenance / Construction			
Computer Equipment Replacement	\$ 4,800	\$ 4,800	\$ 4,800
Add PC for Breakroom	1,200	-	-
Total Capital Outlay	\$ 6,000	\$ 4,800	\$ 4,800
Environmental Services			
Computer Equipment Replacement	\$ 9,102	\$ 9,102	\$ 9,102
Add PC for Breakroom	1,200	1,200	1,200
Replace TS19508 1995 Van	22,000	22,000	22,000
Total Capital Outlay	\$ 32,302	\$ 32,302	\$ 32,302
Plant Operations - Wastewater Treatment			
Computer Equipment Replacement	\$ 5,850	\$ 5,850	\$ 5,850
Add PC for Breakroom	1,200	1,200	1,200
Add PC for Breakroom	1,200	1,200	1,200
Add PC for Breakroom	1,200	1,200	1,200
Replace RM49001 1990 Case Loader; RM49001 will be transferred to System Maintenance to replace destroyed loader at landfill	120,000	120,000	120,000
Replace PO28903 1989 Mack Road Tractor	120,000	120,000	120,000
Total Capital Outlay	\$ 249,450	\$ 249,450	\$ 249,450

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Meter Services			
Computer Equipment Replacement	\$ 1,200	\$ 1,200	\$ 1,200
Add 4 Mobile Data Terminals	9,600	-	-
Add PC for Breakroom	1,200	1,200	1,200
Replace PO19703 1997 Ford F250 with F350; Move PO19703 to UA; remove PM19202 from Fleet	45,000	45,000	45,000
Total Capital Outlay	\$ 57,000	\$ 47,400	\$ 47,400
Plants Maintenance			
Computer Equipment Replacement	\$ 3,600	\$ 3,600	\$ 3,600
Total Capital Outlay	\$ 3,600	\$ 3,600	\$ 3,600



CITY OF SALISBURY, NORTH CAROLINA

TRANSIT FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2008
With Estimated Actual for the Year Ending June 30, 2007 and
Actual for the Year Ended June 30, 2006

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Budget</u>
OPERATING REVENUES:			
Charges for services	\$ 80,372	\$ 81,000	\$ 81,400
Other operating revenues	<u>2,420</u>	<u>-</u>	<u>-</u>
Total operating revenues	\$ 82,792	\$ 81,000	\$ 81,400
NONOPERATING REVENUES:			
Intergovernmental	\$ 489,428	\$ 568,259	\$ 1,242,204
Miscellaneous revenues	<u>142</u>	<u>300</u>	<u>700</u>
Total nonoperating revenues	<u>\$ 489,570</u>	<u>\$ 568,559</u>	<u>\$ 1,242,904</u>
OTHER FINANCING SOURCES:			
Operating Transfer from General Fund	<u>\$ 213,118</u>	<u>\$ 358,569</u>	<u>\$ 437,781</u>
Total other financing sources	<u>\$ 213,118</u>	<u>\$ 358,569</u>	<u>\$ 437,781</u>
Total revenues and other financing sources	<u>\$ 785,480</u>	<u>\$ 1,008,128</u>	<u>\$ 1,762,085</u>

CITY OF SALISBURY
FY 2007-2008 BUDGET SUMMARY
TRANSIT FUND

	Actual		Budgeted		Requested		Mgr Recommends		Adopted	
	FY 05-06		FY 06-07		FY 07-08		FY 07-08		FY 07-08	
REVENUE	\$	785,479	\$	1,002,828	\$	979,337	\$	1,762,085	\$	1,762,085
EXPENSES		Actual		Budgeted		Requested		Mgr Recommends		Adopted
		FY 05-06		FY 06-07		FY 07-08		FY 07-08		FY 07-08
TRANSIT - OPERATIONS										
Personnel	\$	410,827	\$	433,794	\$	459,380	\$	454,028	\$	454,028
Operations		179,786		213,895		239,495		194,400		194,400
Capital		-		-		-		-		-
TOTAL	\$	590,613	\$	647,689	\$	698,875	\$	648,428	\$	648,428
TRANSIT - ADMINISTRATION										
Personnel	\$	105,205	\$	104,523	\$	113,902	\$	113,059	\$	113,059
Operations		274,067		169,416		173,411		151,486		151,486
Capital		-		-		-		-		-
TOTAL	\$	379,272	\$	273,939	\$	287,313	\$	264,545	\$	264,545
TRANSIT - CAPITAL										
Personnel	\$	-	\$	-	\$	-	\$	-	\$	-
Operations		-		-		-		-		-
Capital		7,586		81,200		916,452		849,112		849,112
TOTAL	\$	7,586	\$	81,200	\$	916,452	\$	849,112	\$	849,112
GRAND TOTAL										
Personnel	\$	516,032	\$	538,317	\$	573,282	\$	567,087	\$	567,087
Operations		453,853		383,311		412,906		345,886		345,886
Capital		7,586		81,200		916,452		849,112		849,112
TOTALS	\$	977,471	\$	1,002,828	\$	1,902,640	\$	1,762,085	\$	1,762,085

STATEMENT OF PURPOSE

The Transit Administration Division of the Public Services Department provides a safe, efficient, and affordable transportation alternative to the general public in the cities of Salisbury, Spencer, and East Spencer; thus permitting greater accessibility to employment, social, recreational, educational, and medical facilities. The department also operates an ADA demand response paratransit system that includes three wheelchair lift-equipped vans for citizens unable to access fixed route vehicles because of mental or physical disabilities.

DIVISIONAL PERFORMANCE GOALS

1. Consistently provide exceptional customer service to all customers.
2. Continue to work on our strategic plan outcomes.
3. Work towards accreditation for our division and assist in other areas as needed.
4. Create a highly professional and well trained team.

PERFORMANCE MEASURES

	FY 2006	FY 2007	FY 2008
	Actual	Estimate	Projected
Workload			
Number of Passengers - Routine	138,633	139,000	140,390
Number of Passengers - ADA	6,357	6,719	7,122
Number of Full-sized Buses	4	4	4
Number of Mini-Buses	2	2	2
Number of Routes	3	3	3
Miles Driven	138,562	138,029	138,029
Gallons of Fuel Used	30,100	31,000	31,000
Fares Collected (Dollars)	77,585	75,500	76,300
State Matching Funds Collected	214,307	204,820	204,820
Efficiency			
Average Cost Per Mile	\$ 5.17	\$ 6.05	\$ 7.00
Average Cost Per Passenger - Routine	\$ 5.18	\$ 6.12	\$ 7.05
Average Cost Per Passenger - ADA	\$ 11.91	\$ 13.24	\$ 15.25
Effectiveness			
Complaints Received	10	12	5
Number of Vehicle Break-Downs	0	0	0
Number of Driver Vacancies	0	0	0
Accidents	1	4	0
Injuries	2	4	0

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 105,205	\$ 104,523	\$ 113,902	\$ 113,059	\$ 113,059
Operating	274,067	169,416	173,411	151,486	151,486
Capital	-	-	-	-	-
TOTAL	\$ 379,272	\$ 273,939	\$ 287,313	\$ 264,545	\$ 264,545

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Transit Manager	1	1	1	1	1
Transit Dispatcher	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	2	2	2	2	2

DEPARTMENT - Public Services
DIVISION - Transit Operations

651

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ 410,827	\$ 433,794	\$ 459,380	\$ 454,028	\$ 454,028
Operating	179,786	213,895	239,495	194,400	194,400
Capital	-	-	-	-	-
TOTAL	\$ 590,613	\$ 647,689	\$ 698,875	\$ 648,428	\$ 648,428

PERSONNEL DETAIL

Position Title	Authorized FY 05-06	Authorized FY 06-07	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Transit Operator	6	6	6	6	6
Mechanic/Master Mechanic	2	2	2	2	2
Fleet Services Shift Supervisor	1	1	1	1	1
Transit Operator (Temp/Part-Time)	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	12	12	12	12	12

DEPARTMENT - Public Services
DIVISION- Transit Capital Outlay

653

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	-	-	-	-
Capital	<u>7,586</u>	<u>81,200</u>	<u>916,452</u>	<u>849,112</u>	<u>849,112</u>
TOTAL	\$ 7,586	\$ 81,200	\$ 916,452	\$ 849,112	\$ 849,112

CAPITAL OUTLAY

	Requested FY 07-08	Mgr Recommends FY 07-08	Adopted FY 07-08
Office Furniture	\$ 9,281	\$ -	\$ -
Shop Equipment	10,946	5,000	5,000
Bus Equipment	61,100	61,100	61,100
Bus Shelter w/ Trash Cans	20,325	-	-
2 Heavy Duty Bio-Diesel Buses	781,000	783,012	783,012
Spare Parts for Buses	32,000	-	-
Personal Computer System	1,800	-	-
Total Capital Outlay	\$ 916,452	\$ 849,112	\$ 849,112



CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUNDS

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2008
With Estimated Actual for the Year Ending June 30, 2007 and
Actual for the Year Ended June 30, 2006

	2006	2007	2008
	Actual	Estimate	Budget
REVENUES:			
Intergovernmental:			
Federal	<u>\$ 467,036</u>	<u>\$ 309,000</u>	<u>\$ 451,416</u>
Miscellaneous:			
Other	<u>\$ 470,361</u>	<u>\$ 341,000</u>	<u>\$ 75,000</u>
Total revenues	<u><u>\$ 937,397</u></u>	<u><u>\$ 650,000</u></u>	<u><u>\$ 526,416</u></u>

FUND – Special Revenue Funds

STATEMENT OF PURPOSE

The Special Revenue Funds account for the operations of the City's Community Development programs as financed by the U.S. Department of Housing & Urban Development and the Cabarrus/Iredell/Rowan HOME consortium.

BUDGET REQUEST SUMMARY

	Actual FY05-06	Budgeted FY06-07	Requested FY07-08	Mgr Recommends FY07-08	Adopted FY07-08
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	851,895	543,376	526,416	526,416	526,416
Capital	-	-	-	-	-
TOTAL	\$ 851,895	\$ 543,376	\$ 526,416	\$ 526,416	\$ 526,416

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

FINANCIAL PLAN

For the Year Ending June 30, 2008

The following are the estimated revenues for Internal Service Fund for Employee Health Care:

Charges for Services	\$ 3,946,314
Interest Earned on Investments	40,000
Miscellaneous Revenues	<u>27,532</u>
Total Revenues	\$ 4,013,846

The following are the estimated expenditures for Internal Service Fund for Employee Health Care:

Employee Benefits	\$ 3,973,846
Miscellaneous Expenditures	<u>40,000</u>
Total Expenditures	\$ 4,013,846

The following are the estimated revenues for Internal Service Fund for Workers' Compensation:

Charges for Services	\$ 51,900
Interest Earned on Investments	12,000
Appropriate from Reserves	<u>92,100</u>
Total Revenues	\$ 156,000

The following are the estimated expenditures for Internal Service Fund for Workers' Compensation:

Employee Benefits	<u>\$ 156,000</u>
Total Expenditures	\$ 156,000



DESCRIPTION OF CAPITAL IMPROVEMENT PROGRAM

FISCAL YEARS 2008 – 2012

The Capital Improvement Program (CIP) contains the budgeted and proposed capital improvements by project description, proposed funding source, and scheduled costs. The CIP is a planning and financial tool for the City to prepare for future needs. The City's CIP is in two parts. The first part covers the proposed capital improvements in the General Fund. The second part covers those improvements in the Water and Sewer Fund. A brief narrative is provided for each proposed project. Following the narratives, a detailed CIP schedule for each fund is presented.

General Fund CIP

The following projects have been proposed over the next five years in the General Fund. Funding has been provided for the FY2007-08 projects in the budget.

Roof Replacement for Various Facilities: The City is continuing the annual roof audit process and is repairing and replacing roofs throughout the City on an 'as-needed' basis.

Impact on Operations: There will be no impact on operations.

HVAC Replacement for Various Facilities: The City is continuing the scheduled replacement of outdated HVAC systems.

Impact on Operations: There will be no impact on operations.

City Hall: Future capital needs include replacement of the floor in Council chambers and the installation of carpeting in the common areas.

Impact on Operations: There will be no impact on operations.

City Office Building: Current capital needs include tuck pointing and caulking of building's exterior. Future capital needs include an elevator replacement and renovations on the first, third and fifth floors.

Impact on Operations: There will be no impact on operations.

Park Avenue Building: Future capital needs include tuck pointing of building's brick exterior.

Impact on Operations: There will be no impact on operations.

The Plaza: Future capital needs include significant improvements to the north and west building walls to mitigate an on-going moisture issue. Other improvements include replacement of awnings, gutter repairs, refurbishing vacant units, and the scheduled replacement of appliances within the individual living units.

Impact on Operations: There will be no impact on operations.

Land Management and Development (LMD) – Engineering Division: Funding is recommended for the Ellis Street Bridge project, which includes bridge design and right-of-way acquisition. The City will pay the \$345,000 project costs up-front, and then be reimbursed by the North Carolina Department of Transportation for 80% of these costs (\$276,000).

Impact on Operations: There will be no impact on operations.

Fire Department: Future capital needs include the scheduled repair and renovation of the three older fire stations, including a comprehensive design and renovation of Station 53 and replacing the concrete parking lot behind station 51.

Impact on Operations: There will be no impact on operations.

Telecommunications: Current capital needs include the construction of a work bay for both radio upgrades and radio repairs. Future capital needs include the installation of fencing at the tower site.

Impact on Operations: There will be a minor increase due to utility costs for the operation of the facility.

Public Services – Cemetery: Current capital needs include the replacement of underground water lines at the Chestnut Hill cemetery.

Impact on Operations: There will be no impact on operations.

Public Services – Landscape Operations and Hurley Park: Future capital needs include additional parking at the building on South Main Street and updating Bell Tower Park.

Impact on Operations: There will be no impact on operations.

Public Services - Streets: Future capital needs include equipment and materials storage at the landfill to provide dry storage for materials such as compost, dirt, road salt, and sand, enclosing an equipment bay, an office addition, and additional employee parking.

Impact on Operations: There will be no impact on operations.

Public Services – Fleet: Future capital needs include a garage addition and the closing of garage pits in the work bays.

Impact on Operations: For the addition, debt will need to be issued and there will be a minor impact in utility costs. For the closing of the garage pits, there will be no impact on operations.

Parks and Recreation – Routine Park and Facility Improvements: Funding is recommended for the on-going improvement and replacement of worn park equipment and facilities.

Impact on Operations: There will be no impact on operations. A constant amount of funding is appropriated annually to improve and renovate park equipment and facilities.

Parks and Recreation – Hall Gym Parking: Future capital needs include additional citizen parking at Hall Gym.

Impact on Operations: There will be no impact on operations.

Parks and Recreation – Sports Complex Renovations: Funding is recommended for continued renovations at the Sports Complex.

Impact on Operations: There will be no impact on operations.

Parks and Recreation – Tennis Courts: Current capital needs include replacement of the tennis courts.

Impact on Operations: There will be no impact on operations.

Parks and Recreation – Park Land Acquisition: Future capital needs include general park land acquisition.

Impact on Operations: There will be no impact on operations.

Parks and Recreation – Town Creek Park Development: Future capital needs include park land acquisition for the Town Creek Park.

Impact on Operations: There will be no impact on operations.

Impact on Operations in General Fund – Most capital improvements will not have a major impact on the operating costs of the General Fund. A standard amount is allocated in the General Fund Budget for improvements related to the upgrade of aging and inadequate offices and buildings.

Water and Sewer Fund CIP

The Water and Sewer Fund's CIP is divided into Water Improvements and Sewer Improvements. The following projects have been proposed over the next five years. Funding has been provided for the FY2007-08 projects in the budget.

Water Improvements

Annexation: The City continues to annex areas adjacent to the corporate limits as they qualify. Salisbury-Rowan Utilities (SRU) has committed to providing water service to each new area that is annexed as required by the North Carolina General Statutes.

Property Acquisition: Salisbury-Rowan Utilities is trying to plan for the future growth and long-range needs of the City, Rowan County, and the expanding utility systems that we operate. Property in strategic locations is currently being identified and examined for acquisition to meet SRU's future needs.

Security Improvements: The Vulnerability Assessment mandated by the EPA in FY2003-04 identified utility sites and facilities where security improvements need to be implemented.

River Pump Station Improvements: There is a segment of raw water line located in the yard of the river pump station that is made of concrete. This line needs to be replaced with ductile iron. Additionally, the surge vault needs to be overhauled and/or replaced with an expansion tank to accommodate the variances in water pressure when the system is operating.

New River Pump Station Design: The existing Raw Water Pump Station was constructed in 1917, and expanded to its current size in the 1950s. In 1968, a new intake was constructed with a withdrawal capacity of 24 MGD. However, all of the structures were built in the flood plain. This is the only supply of water for the City of Salisbury and much of Rowan County. The station is both inaccessible and potentially vulnerable during flood events. A need exists to build a new raw water pump station at a location out of the floodplain, as well as to increase withdrawal capacity for future system demands.

Emergency Generators: Currently SRU has only one finished water booster station with stand-by emergency power generation. There are six additional booster stations that need back-up power to ensure that we can maintain water service to all of our customers during emergency conditions.

Rockwell Water Main: An upsizing of the main artery through downtown Rockwell is necessary to provide improved fire protection and to supply the future growth expected along the NC Highway 152 corridor.

Granite Quarry Secondary Supply Line: There is one main distribution line serving the towns of Granite Quarry and Rockwell. This line would provide a redundant source of water as well as improve the hydraulic characteristics of the distribution system along US Highway 52 South.

Faith Water Extension: The Town of Faith has completed a sanitary sewer system that discharges into SRU's Town Creek Basin. Long-range plans include running an appropriately sized line to serve that area with potable water and to provide additional fire protection.

Raw Water Reservoir (30 MG): This is for a new raw water reservoir. State regulations require a minimum of 5 days of off-site storage in the event of equipment failure or poor raw water quality. With the expansion of the Water Plant to 24 MGD, additional reservoir capacity will be needed for the protection of the system.

Water Treatment System Rehabilitation Projects:

- **Raw Water Reservoirs Apron Repair:** The NC Department of Environment and Natural Resources (DENR) has recommended that the aging, damaged sections of the existing wave aprons on our raw water reservoirs be repaired or replaced. The concrete wave aprons extend approximately 25 feet into the reservoirs. They are keyed into the walls of the reservoirs to prevent them from sliding into the basins. Some will need to be totally replaced and some will only require repairs. These are the original wave aprons that were installed when the two reservoirs were constructed in 1917 and 1964.

- **SCADA Remote Terminal Units (RTUs):** The existing SCADA system was installed in the late 1980s. Most of the equipment operating today is outdated and parts are not available. Technical support for this equipment has stopped. When equipment breaks down, it takes weeks to have repairs made to get back on-line. Since the SCADA equipment monitors the water system, it is critical to our operations.

Automated Meter Reading (AMR) System Conversion: The project is a phased implementation of automated (radio) meter reading. AMR is an acronym referring to the reading of meters using a system of communication (such as radio) to communicate between the meters and the unit performing the “read”. SRU plans to work toward the phased implementation of a system whereby individual water meters would be read by radio receivers mounted on water tanks and other high-elevation locations. These receivers would relay the information to the Customer Service division for preparation of the monthly utility bills. This would enable a smaller number of meter readers to repair/troubleshoot all of utility’s meters, thereby freeing up personnel for other duties. It will require a significant funding commitment over time, as each meter will require either change-out or adaptation.

Water Treatment Plant Renovations:

- **Back-up Diesel Pump** – If there is an electrical problem at the water treatment plant or if the switchgear fails, a diesel-fueled pump would provide enough pumping capacity to keep the distribution system from completely shutting down.
- **Upgrade Water Plant Filter Venturis** – Currently, the venturis are rated at eighteen million gallons per day. To increase the production capacity of the plant, the venturis assemblies need to be upsized.
- **Electrical System Upgrade** – The majority of the existing water treatment plant was built more than 30 years ago. Technological improvements now control a majority of the plant. Manual devices have been upgraded to automatic devices, and computers monitor portions of the vast treatment process. The original building’s electrical service was not designed for this power consumption. Certain circuits need to be upgraded to handle the existing and future demands.

Elevated Storage Tanks: The existing tanks were located to accommodate our present system. With the expansion of the water system to supply a larger service area, the need for additional storage will be necessary. This will help buffer high-demand periods at the Water Plant, correct pressure problems, and provide fire protection. Tanks will be needed in the near future along both the Highway 70 and Highway 29 corridors as demand grows.

Sewer Improvements

Annexation: The City continues to annex areas adjacent to the corporate limits as they qualify. Salisbury-Rowan Utilities has committed to providing sewer service to each new area that is annexed as required by the North Carolina General Statutes.

Property Acquisition: Salisbury-Rowan Utilities is trying to plan for the future growth needs of the City, Rowan County, and the utility system that we operate. Property in strategic locations is currently being identified and examined for potential usefulness in this planning process.

Wastewater System Security: SRU needs improvements to achieve compliance with state and federal anti-terror recommendations related to infrastructure protection. The Vulnerability Assessment mandated by the EPA in FY2004 identified utility sites where security needs to be improved.

Fiber Optic Extension: The majority of the facilities operated by Salisbury-Rowan Utilities are not served by the fiber optic network found throughout the city. By extending the current system to incorporate the satellite facilities, improved communications, security, and remote process monitoring can be implemented.

Inflow & Infiltration (I&I) Reduction: Repair of aging infrastructure is necessary to be in compliance with state and federal standards after being identified through regular, mandated inspections. I&I is a significant problem, as it taxes existing treatment plant and lift station capacity and also causes occasional overflows and spills. Lines identified by SRU staff may be targeted for major repair or replacement using this funding.

Emergency Generators: Currently, many of the sewer lift stations do not have emergency back-up power generation. Having stand-by power or having connections to mount a portable generator would allow the lift stations to operate without significant interruption.

Town Creek Belt Press: This item involves replacement of an aged plate-and-frame press at the Town Creek WWTP facility. The existing press cannot be cost-effectively maintained and is both obsolete and inefficient. The Grant Creek belt press is currently operating at maximum capacity seven days per week. When the Town Creek press is not operational, sludge must be hauled to the Grant Creek press for dewatering, and a single press cannot process the sludge from both plants. Rehabilitation of the existing plate-and-frame press would be as expensive as a new belt press. The belt press is both more efficient and less expensive to maintain and having two similar presses will be less costly to maintain and operate.

Elimination of the Biosolids Land Application Program: With environmental regulations becoming more stringent and the decreasing availability of farmland in this county, SRU is exploring the opportunities of turning the production of biosolids into a “Class A” fertilizer that has no regulatory requirements. This program would consist of:

- Heat dryers at the Town Creek and Grants Creek Wastewater Treatment Plants. These dryers “superheat” the residuals and eliminate virtually all moisture in the final product, with a resultant 5/2 reduction in volume.
- A conveyor system to move the product from the plant to a storage pad.
- A sludge thickener to make the process more efficient by removing as much moisture as possible before the product is entered into the dryers.

Wastewater Treatment Plant Equipment Replacement Projects:

- **Waste Pumps:** Re-plumbing and replacement of existing waste pumps at the existing facilities to accommodate an emergency pump-around solution while maintaining standard plant output. The current pumping system does not allow varying pump rates. New pumps would allow the operator to pump 24 hours per day at a lower rate. Re-plumbing would allow the operator to have redundant systems and additional operating capacity.
- **Grant Creek WWTP (GCWWTP) Aeration Basin Rehabilitation:** Rehabilitation of existing aeration basin at GCWWTP including four new aerators and six new mixers.
- **Screw Pumps Replacement:** Replacing ten old screw pumps at both Town Creek and Grant Creek.
- **Digester Aeration Replacement:** Replacement of existing TCWWTP Digester Aeration. Existing digester was installed when the plant was originally built.

I-85 Corridor Outfall Line: With the growth explosion along the I-85 corridor from the south, Salisbury-Rowan Utilities needs to extend an outfall line to provide sewer service in this area. This would open development opportunities in central and southern Rowan County. Rowan County is funding half of this project.

Plant Capacity Expansion: The Town Creek and Grant Creek Wastewater Treatment trains have a combined effluent discharge of 12.5 MGD. Now that the water treatment plant is completed, we have focused on improvements needed at the wastewater treatment plants. The study was commissioned to determine what upgrades were needed to extend the operations and maximize the current plants. The plan includes:

Grant Creek Wastewater Treatment Plant:

- The addition of digester capacity of 1 million gallons to enhance the treatment process and reduce sludge volume. This addition includes a new tank or basin, associated piping, pumps, aeration equipment and valving. The capacity of the existing digesters has not been upgraded since the plant treatment capacity was 5 MGD, even though our treatment capacity increased to 7.5 MGD.
- The digesters need improvements to mix the sludge, as well as the ability to decant the liquids from the solids better.
- A rotary drum thickener would be added in the process to further thicken the sludge, thereby reducing the processing necessary at the residual belt filter press.

Town Creek Wastewater Treatment Plant:

- Rehabilitation of the existing aeration basins – replacing and/or repairing the concrete sides and bottom, while making necessary piping changes for future plant expansion.
- Rehabilitation of existing clarifiers at Town Creek WWTP. These clarifiers have not had any major rehabilitation since they were installed in 1965. The clarifiers need new gearboxes and complete center-feed systems.
- Replacement of the existing plate-frame press with a belt-filter press like the one at Grant Creek.

Wastewater Plant Building Renovations: Plans include replacing the flooring system in the Laboratory with materials that will not be so vulnerable to the highly corrosive environment. Additional improvements include renovating the Atomic Absorption Spectrophotometer (AA) room and replacing the existing AA machine with an ICP testing device.

Sewer Line Renovations: In addition to routine sewer line repairs performed annually, some line renovations are needed within the small and moderately-sized trunk lines in the system.

Alternative Disinfection System: Alternate means of effluent disinfection to serve as either a backup or a supplement to the existing ultraviolet (UV) disinfection system. While the UV system is effective, it is expensive in terms of power, maintenance and equipment replacement. An alternate system could significantly reduce overall costs. The EPA and Division of Water Quality have previously questioned the lack of a backup system and it may be required in the near future.

SCADA Upgrades: There are several sewer lift stations that do not have any monitoring system on them. The majority of these installations are located in the Town of Spencer. This additional monitoring capability would reduce the need for seven-day per week monitoring visits by staff, resulting in less overtime and better use of personnel.

Town Creek Access Road: Currently, Heiligtown Road is the only point of access to the Town Creek Wastewater Treatment plant. This road is residential and SRU must use this road to operate tanker trucks and other heavy equipment on a daily basis. An access road is proposed to enter the plant from the south to avoid the residential neighborhood.

Impact on Operations in Water/Sewer Fund – Some of these capital improvements will have an adverse impact on the operating costs of the Water and Sewer Fund. Currently, no additional staffing is proposed due to any CIP project. Many of these proposed improvements are needed for upgrading aging infrastructure, providing services to new areas, equipping the system with a backup and meeting mandates from both state and federal agencies. Other projects will provide for greater efficiency of operations. All items shown for FY2007-08 to be funded by the Water and Sewer Fund have been included in the budget.

Debt service requirements for these projects have not been factored into the current proposed rates. The City does maintain a rate model with these projects included that does calculate the debt service impacts of issuing debt to fund those projects identified as being funded by revenue bonds. Utility rates for residential customers, including operations and debt service for existing debt is proposed to increase an average of 2.92% in FY2007-08.

**CAPITAL IMPROVEMENT PROGRAM (FY 2008-12)
GENERAL FUND SCHEDULE**

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 08-12	FIVE YEAR SCHEDULE (FY08 - FY12)				
			2007-08	2008-09	2009-10	2010-11	2011-12
			Roof Replacements & Repair	General Fund	\$ 774	\$ 26	\$ 160
HVAC Replacements & Repair	General Fund	275	87	42	60	86	-
City Hall							
Replace Floor in Chambers	General Fund	30	-	-	30	-	-
Install Carpet in Common Areas	General Fund	30	-	-	-	-	30
City Office Building							
First Floor Renovations	General Fund	120	-	120	-	-	-
Interior Basement Wall Repair	General Fund	20	-	-	-	-	20
Tuck Point & Caulk Exterior	General Fund	20	20	-	-	-	-
Elevator Replacement	General Fund	150	-	-	-	150	-
Replace Carpet on 3rd & 5th Floors	General Fund	30	-	15	15	-	-
Park Avenue Building							
Tuck Point Brick	General Fund	15	-	-	-	15	-
The Plaza							
Awning Replacement	General Fund	20	-	20	-	-	-
Repair Guttering	General Fund	10	-	10	-	-	-
Renovate Apartments	General Fund	60	-	-	20	20	20
Renovate Entrance Areas	General Fund	25	-	25	-	-	-
Renovate Common Areas	General Fund	105	-	-	35	35	35
Exterior Wall Repair	Lease Purchase	300	-	300	-	-	-
LMD-Engineering Division							
Ellis Street Bridge Design & ROW	General Fund/ Grants	345	345	-	-	-	-
Ellis Street Bridge Construction	General Fund/ Grants	1,428	-	1,428	-	-	-
Fire Department							
Station 51 - Concrete Parking Lot	General Fund	200	-	-	200	-	-
Station 52 - Renovations	Lease Purchase	600	-	-	-	-	600
Station 53 - Design & Renovation	Lease Purchase	900	-	100	800	-	-
Station 54 - Install Second Floor Exit	General Fund	10	-	10	-	-	-
Telecommunications - Building & Fence	General Fund	100	70	30	-	-	-
Public Services							
Cemetery - Replace Water Lines	General Fund	30	11	19	-	-	-
Landscape - Bell Tower Park	General Fund	120	-	120	-	-	-
Streets - Landfill Storage Building	General Fund	25	-	25	-	-	-
Streets - Enclose Equipment Bays	General Fund	120	-	30	30	30	30
Fleet - Pit Closing & Garage Addition	Lease Purchase	1,362	-	12	1,350	-	-
Parks and Recreation							
Park & Facilities Repair/Replacement	General Fund	600	100	125	125	125	125
Tennis Court Replacement	Lease Purchase	225	225	-	-	-	-
Hall Gym Parking	General Fund	35	-	35	-	-	-
Sports Complex Renovation	General Fund/ Grants	680	45	635	-	-	-
Play Structure Replacement	General Fund	210	40	50	50	50	20
Civic Center Foundation Wall	General Fund	75	-	-	75	-	-
Park Land Acquisition	General Fund	225	-	125	-	100	-
New Maintenance Building	General Fund	250	-	-	250	-	-
New Gym	Lease Purchase	1,500	-	-	-	-	1,500
TOTAL GENERAL FUND		\$ 11,024	\$ 969	\$ 3,436	\$ 3,256	\$ 664	\$ 2,699

CAPITAL IMPROVEMENT PROGRAM (FY 2008-12)
WATER AND SEWER FUND SCHEDULE

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL	FIVE YEAR SCHEDULE				
		PROJECT	(FY08 - FY12)				
		COST FY 08-12	2007-08	2008-09	2009-10	2010-11	2011-12
WATER IMPROVEMENTS							
Roof Replacements & Repair	W/S Fund	\$ 433	\$ 158	\$ 70	\$ 140	\$ 30	\$ 35
HVAC Replacements	W/S Fund	90	49	-	41	-	-
Annexation Area	Revenue Bonds	3,400	1,500	1,900	-	-	-
Property Acquisition	W/S Fund	460	-	200	200	-	60
Security Improvements	W/S Fund	215	-	215	-	-	-
River Pump Station Improvements	W/S Fund	150	-	-	-	-	150
New River Pump Station Design	Revenue Bonds	750	-	-	-	-	750
Emergency Generators	W/S Fund	1,180	-	590	590	-	-
Rockwell Water Main	Grants	700	500	200	-	-	-
Granite Quarry Secondary Line	W/S Fund	500	-	-	-	-	500
Faith Water Extension	Revenue Bonds	1,500	-	-	-	500	1,000
Raw Water Reservoir (30 MG)	Revenue Bonds	6,000	-	-	-	3,000	3,000
Raw Water Reservoir Apron	W/S Fund	300	-	300	-	-	-
SCADA RTUs	W/S Fund	220	-	110	110	-	-
Automated Meter Reading	Revenue Bonds	3,000	-	-	1,000	1,000	1,000
Treatment Plant Renovation	Revenue Bonds	2,900	2,000	900	-	-	-
Storage Tanks	Revenue Bonds	4,000	-	-	-	-	4,000
TOTAL WATER IMPROVEMENTS		\$ 25,798	\$ 4,207	\$ 4,485	\$ 2,081	\$ 4,530	\$ 10,495
SEWER IMPROVEMENTS							
Annexation	Revenue Bonds	\$ 4,400	\$ 1,500	\$ 2,900	\$ -	\$ -	\$ -
Property Acquisition	W/S Fund	500	-	-	500	-	-
Security Improvements	W/S Fund	195	-	19	176	-	-
Fiber Optic Extension	W/S Fund	330	-	-	330	-	-
I&I Reduction	W/S Fund	500	100	100	100	100	100
Emergency Generators	W/S Fund	230	-	230	-	-	-
Town Creek Belt Press	Revenue Bonds	750	750	-	-	-	-
Elimination of Land Application	W/S Fund	1,800	-	-	800	-	1,000
Plant Equipment Replacement	Revenue Bonds	2,740	300	600	1,840	-	-
I-85 Corridor Outfall Line	Revenue Bonds/ Rowan County	7,000	7,000	-	-	-	-
Plant Capacity Expansion	Revenue Bonds	8,200	-	-	2,000	5,200	1,000
Plant Building Renovations	Revenue Bonds	3,170	-	-	170	-	3,000
Sewer Line Renovations	W/S Fund	320	-	120	200	-	-
Alternative Disinfection System	Revenue Bonds	440	-	-	-	440	-
SCADA Upgrades	W/S Fund	564	-	250	250	64	-
Town Creek Access Road	W/S Fund	200	-	-	-	200	-
TOTAL SEWER IMPROVEMENTS		\$ 31,339	\$ 9,650	\$ 4,219	\$ 6,366	\$ 6,004	\$ 5,100
TOTAL WATER / SEWER IMPROVEMENTS		\$ 57,137	\$ 13,857	\$ 8,704	\$ 8,447	\$ 10,534	\$ 15,595

DEBT MANAGEMENT PROGRAM

OUTSTANDING DEBT

As of June 30, 2007, the City of Salisbury will have \$57,160,718 in outstanding debt for all funds. The type of debt with the breakdown between funds is shown below:

General Fund:	
General obligation bonds	\$ 1,875,000
Capital leases	<u>6,554,191</u>
	<u>\$ 8,429,191</u>
Water and Sewer Fund:	
General obligation bonds	\$ 10,075,000
Revenue bonds	25,465,772
Capital leases	2,535,695
State Clean Water Revolving Loans	<u>10,655,060</u>
	<u>\$ 48,731,527</u>
Total	<u>\$ 57,160,718</u>

General Fund

The City has lease agreements to finance the acquisition of various equipment. These agreements qualified as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, were recorded at the present value of the future minimum lease payments as of the date of their inception. These lease agreements are outlined as follows:

Lease for capital building improvements from BB&T, dated December 29, 1999, payable in twenty semi-annual installments of \$63,331.96 at an effective annual interest rate of 4.73%.

Lease for capital improvements of facilities from Bank of America, dated December 22, 2000, payable in thirty semi-annual installments varying from \$59,875 on June 22, 2001 to \$34,223 on December 22, 2015 at an effective interest rate of 5.3251%.

Lease for purchase of property from Farmers and Merchants Bank, dated February 24, 2003, payable in thirty-six monthly installments of \$3,292 on March 24, 2003 to February 24, 2006, in twenty-two monthly installments of \$7,372 on March 24, 2006 to December 24, 2007, and one payment of \$910,040 on January 24, 2008 all at an effective interest rate of 3.95%.

Lease for 800-trunking system upgrade from Wachovia Bank of North Carolina, dated April 12, 2004, payable in eighteen semi-annual installments consisting of \$110,583 principal plus interest at an effective interest rate of 2.93%.

Lease for purchase of 911 equipment from BB&T dated February 3, 2005, payable in fifty-nine monthly installments of \$3,524.25 at an effective annual interest rate of 3.45%.

Lease for construction and renovation of Police Department facilities and City Office Building facilities from Bank of America, dated May 2, 2006, payable in thirty semi-annual installments consisting of \$118,856 principal plus interest at an effective interest rate of 3.83%.

The construction and improvements to facilities funded by these leases are complete. All improvements are recorded at their construction cost upon completion. The purchase of property, funded by Farmers and Merchants Bank, has been recorded at its present value. The purchase of equipment funded by BB&T is complete and recorded at its purchase price.

In December 1997, the City issued \$3,000,000 general obligation bonds for parks and recreational improvements. These bonds were issued at an average rate of 4.79%, maturing serially to 2017.

Future maturities and interest on General Fund long-term debt are:

Year Ending June 30,	General Obligation Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	200,000	90,050	1,611,676	228,619	1,811,676	318,669
2009	200,000	80,550	685,713	181,379	885,713	261,929
2010	200,000	70,950	611,803	155,203	811,803	226,153
2011	200,000	61,350	525,545	134,325	725,545	195,675
2012	200,000	51,750	525,545	115,231	725,545	166,981
2013	200,000	42,150	525,545	96,059	725,545	138,209
2014	200,000	32,550	304,379	78,546	504,379	111,096
2015	200,000	22,950	304,379	65,893	504,379	88,843
2016	200,000	13,350	271,045	53,240	471,045	66,590
2017	75,000	3,750	237,712	43,246	312,712	46,996
2018	-	-	237,712	34,141	237,712	34,141
2019	-	-	237,712	25,037	237,712	25,037
2020	-	-	237,712	15,933	237,712	15,933
2021	-	-	237,712	6,828	237,712	6,828
Totals	<u>\$ 1,875,000</u>	<u>\$ 469,400</u>	<u>\$ 6,554,191</u>	<u>\$ 1,233,678</u>	<u>\$ 8,429,191</u>	<u>\$ 1,703,078</u>

Water and Sewer Fund

Long-term debt of the Water and Sewer Fund includes the following general obligation and revenue bond issues:

	Balance June 30, 2007
Water Bonds Series 1997, average rate of 4.79%, issued December 1997, maturing serially to 2008	\$ 25,000
Combined Enterprise Revenue Series 1998A, average rate of 4.87%, issued January 1998, maturing serially to 2018	1,345,000
Combined Enterprise Revenue Series 2002, average rate of 4.84%, issued April 2002, maturing serially to 2022 with terms in 2020 and 2027	18,220,000
Water Bonds Series 1998, average rate of 4.4%, issued June 1998, maturing serially to 2017	1,675,000
Refunding Water and Sewer Series 2003, average rate of 3.44%, issued August 2003, maturing serially to 2019	8,375,000
Revenue Bonds 2006, average rate of 3.44%, issued December 2006, maturing serially to 2019	<u>5,900,772</u>
	<u>\$35,540,772</u>

The general obligation bonds were issued to finance the construction of facilities utilized in the operations of the water and sewer systems and are being retired by the resources of the Water and Sewer Fund. These bonds bear interest, payable semiannually, and are collateralized by the full faith, credit, and taxing power of the City. The combined enterprise revenue bonds were issued to finance the construction of facilities utilized in the operations of the water and sewer systems and are being retired by the resources of the Water and Sewer Fund. These bonds bear interest, payable semiannually, and are collateralized by the receipts of only the Water and Sewer Fund.

The Revenue Bond General Trust Indenture requires that the City must maintain certain debt covenants relating to reporting requirements, annual budgets, and minimum utility funds revenues. Net revenues available for revenue bond debt service can not be less than one hundred twenty percent (120%) of the long-term debt service requirement for parity indebtedness. The calculations of the City's revenue bond coverage for the last three years are as follows:

Fiscal Year	Gross Revenues (1)	Operating Expenditures(2)	Net Revenues Available for Revenue Bond Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2004	16,218,662	10,696,926	5,521,736	1,472,506	1,420,340	2,892,846	190.88%
2005	16,841,357	10,952,357	5,889,000	1,492,506	1,375,815	2,868,321	205.31%
2006	18,132,373	11,843,353	6,289,020	630,000	980,535	1,610,535	390.49%

(1) Total operating revenues plus investment earnings exclusive of revenue bond investment earnings.

(2) Total operating expenses exclusive of depreciation.

(3) Parity debt includes revenue bonds and N. C. State Clean Water Bonds in 2004-2005, but only revenue bonds in 2006.

The City has entered into various agreements to lease certain water and sewer distribution systems. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Interest rates on these agreements range from 3.385% to 5.6%. The City has recorded water and sewer assets related to these leases at their fair market value of \$7,898,494. The future minimum lease payments at June 30, 2006 total \$3,506,176, including \$706,292 of interest. Upon completion of these lease payments the City will take ownership of the related assets.

In addition to this debt, the City also owes the State of North Carolina for debt issued through its Clean Water Revolving Loan program. Two of these loans were refinanced by the State of North Carolina reducing their average interest rate from 5.03% to 3.43% resulting in total savings over the remaining lives of the loans of \$573,284. Total Clean Water Debt is composed of the following four loans:

	Balance June 30, 2007
Clean Water Loan for Sewer purposes, average rate of 5.03%, issued July 1989, revised May 1, 2003 to 3.43% maturing serially to 2017	\$ 2,500,000
Clean Water Loan for Water purposes, average rate of 5.03%, issued January 1992, revised May 1, 2003 to 3.43% maturing serially to 2017	225,060
Clean Water Loan for Sewer purposes, average rate of 2.60%, issued June 1998, maturing serially to 2017	5,980,000
Clean Water Loan for Water purposes, average rate of 2.60%, issued January 1999, maturing serially to 2017	<u>1,950,000</u>
	<u>\$10,655,060</u>

Future maturities and interest of Water and Sewer Fund for all types of long-term debt are:

Year Ending June 30,	General Obligation Bonds		Revenue Bonds		Clean Water Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 1,330,000	\$ 360,915	\$ 879,464	\$ 1,166,633	\$ 882,506	\$ 299,650	\$ 260,847	\$ 104,983	\$ 3,352,817	\$ 1,932,180
2009	1,265,000	318,128	912,745	1,131,853	882,506	274,443	267,585	94,604	3,327,836	1,819,027
2010	1,245,000	277,728	951,362	1,094,845	882,506	249,236	274,409	83,860	3,353,277	1,705,668
2011	1,225,000	235,788	990,327	1,135,645	882,506	224,029	276,324	72,745	3,374,157	1,668,206
2012	1,210,000	192,388	1,034,655	1,009,687	882,506	198,822	283,334	61,480	3,410,495	1,462,377
2013	1,190,000	148,463	1,084,362	961,699	882,506	173,615	240,799	50,370	3,397,667	1,334,146
2014	1,175,000	103,794	1,129,461	914,889	882,506	148,408	240,799	40,830	3,427,766	1,207,920
2015	1,160,000	58,419	1,179,970	864,524	882,506	123,201	240,799	31,260	3,463,275	1,077,404
2016	175,000	12,375	1,230,904	811,244	882,506	97,994	240,799	21,690	2,529,209	943,303
2017	100,000	4,500	1,287,280	754,857	882,506	72,787	60,000	12,120	2,329,786	844,264
2018	-	-	1,349,118	694,915	610,000	47,580	60,000	8,670	2,019,118	751,165
2019	-	-	1,251,435	635,436	610,000	31,720	50,000	5,220	1,911,435	672,376
2020	-	-	1,309,251	575,870	610,000	15,860	30,000	2,320	1,949,251	594,050
2021	-	-	1,372,586	513,535	-	-	10,000	580	1,382,586	514,115
2022	-	-	1,436,461	448,160	-	-	-	-	1,436,461	448,160
2023	-	-	1,505,898	379,723	-	-	-	-	1,505,898	379,723
2024	-	-	1,580,920	307,951	-	-	-	-	1,580,920	307,951
2025	-	-	1,651,550	232,571	-	-	-	-	1,651,550	232,571
2026	-	-	1,732,813	153,808	-	-	-	-	1,732,813	153,808
2027	-	-	1,595,210	72,226	-	-	-	-	1,595,210	72,226
Totals	<u>\$ 10,075,000</u>	<u>\$ 1,712,495</u>	<u>\$ 25,465,772</u>	<u>\$ 13,860,070</u>	<u>\$ 10,655,060</u>	<u>\$ 1,957,343</u>	<u>\$ 2,535,695</u>	<u>\$ 590,732</u>	<u>\$ 48,731,527</u>	<u>\$ 18,120,639</u>

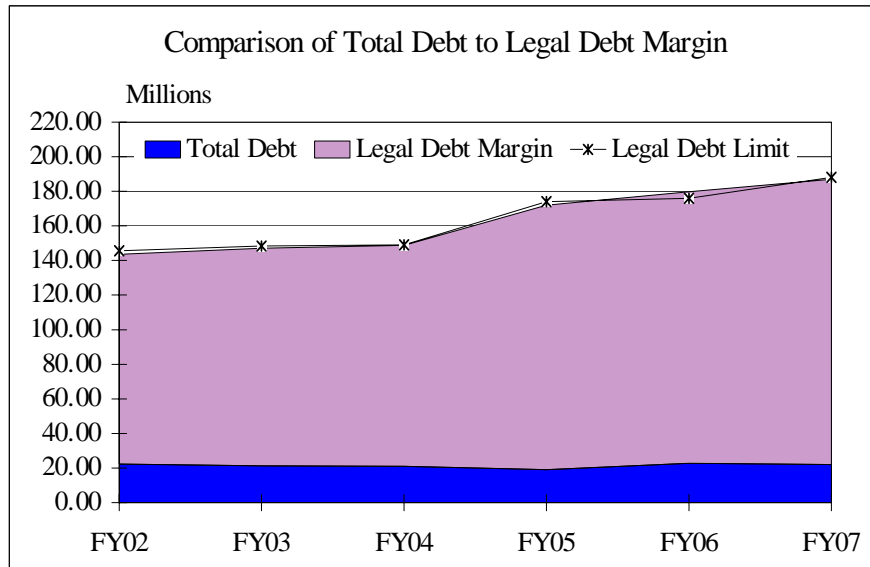
PROPOSED DEBT

The City of Salisbury currently anticipates issuing total debt during FY2007-08 of \$1,134,759 in the General Fund. Of this total, \$909,759 is proposed for refunding a lease from Farmers and Merchants Bank, dated February 24, 2003 that was used to purchase land in the City's downtown. This land is in the block adjacent to City Hall and will provide for future development. The remaining \$225,000 will be issued with the prior amount to provide funding to replace the existing tennis courts at City Park. The current courts have reached the end of their useful life and need to be demolished and new ones built. The estimated term of the lease is ten years at an estimated interest rate of 5%. Since the refunding date for the Farmers and Merchants Bank lease is in January 2008, the City anticipates having this lease funded then. The City estimates that no debt service payments will be payable until after June 30, 2008, therefore no funds have been budgeted this year for interest and principal payments.

The City also anticipates issuing Water and Sewer Revenue Bonds sometime during August 2007. The exact amount of this issue is not yet known, but is currently estimated to be \$8,400,000. These bonds will be used to make improvements to the City's two existing wastewater treatment plants. Although the exact terms of this debt issue have not been determined, the Water and Sewer Fund has included \$250,000 in their budget which can be used annually towards the debt service of this bond issue.

LEGAL DEBT MARGIN

As shown on the next page, the City has maintained an ample legal debt margin. This margin is based on a debt limit of eight percent of assessed valuation less total debt as required by North Carolina General Statutes. The margin allows for the incurring of proposed debt to finance the needed water and sewer infrastructure projects as outlined in Section 11 - CAPITAL IMPROVEMENT PROGRAM. Furthermore, the City complies with the Debt Management Policy as defined in Section 2.



Computation of Legal Debt Margin at June 30, 2007

Debt limit: Assessed value of \$2,441,050,045 x 8%	\$	195,284,004
Amount of debt applicable to debt limit:		
Total bonded debt	\$	11,950,000
Total capitalized lease obligation		<u>9,089,886</u>
Total outstanding debt		21,039,886
Less: Deductions allowed for water bonds issued		<u>1,700,000</u>
Total amount of debt applicable to debt limit		<u>19,339,886</u>
LEGAL DEBT MARGIN	\$	<u><u>175,944,118</u></u>

DIRECT AND OVERLAPPING DEBT⁽¹⁾

The table below shows the computation of direct and overlapping debt from the City and Rowan County. These amounts are as of June 30, 2006.

	Net General Obligation Debt Outstanding	Percentage Applicable to City of Salisbury	City of Salisbury's Share of Debt
	<u> </u>	<u> </u>	<u> </u>
City of Salisbury	\$ 9,884,152	100.00%	\$ 9,884,152
Rowan County ⁽²⁾	106,748,667	23.91%	<u>25,528,716</u>
Total direct and overlapping debt			<u><u>\$ 35,412,868</u></u>

⁽¹⁾ Based on assessed valuation.

⁽²⁾ Net debt and assessed valuation figures provided by Rowan County.



BALANCING COSTS AND SERVICES

A Five Year Service Level and Revenue Projection With Analysis

The Shopping Trip

You have just parked in the supermarket's parking lot and gone inside. As you stand at the beginning of the first aisle with your shopping cart, you see a variety of items for sale on the shelves. Some goods are necessities such as bread and milk. Others are luxuries such as smoked salmon or lobster. In selecting items and placing them in your shopping cart, you note the differences in quality, quantity, and price. As you are completing your trip to the supermarket, you arrive at the check-out counter. It is at this point that you have an opportunity to calculate the total cost of the individual selections that were made, and whether or not you have funds available to purchase them. Not wanting to come up short at the check-out counter, you have had to carefully select each item in accordance with your shopping list. Decisions and choices were made. You feel comfortable with the results.

Service Levels

Selecting levels of municipal services for the citizens of Salisbury is a lot like a trip to the supermarket. Decisions on service levels for various municipal services must be made in accordance with our "shopping list". For example, decisions regarding the selection of the City's Insurance Services Office (I.S.O.) fire rating must be made. There are significant differences in the level of fire service offered by a volunteer fire department and a class two I.S.O. rated fire department. Questions regarding the number of lane miles of roads to be resurfaced and the level of police patrol must be decided. Priorities must be set in order to select not only the different kinds of services to be offered to the citizens of Salisbury, but also for the varying levels of services offered. Quality of service and the full spectrum of costs must both be considered.

In the following analysis, each service department has prepared cost estimates to provide three different levels of service. This analysis includes the purpose of the department, a graph of the three expenditure projections, and a description of the services provided, eliminated, or added.

The current service level represents the level of service that the department currently provides the public or other City departments. The reduced service level represents a level of service below that which is currently provided. It may include such items as reduced staffing, elimination of capital expenditures, reduced maintenance of equipment and facilities, or elimination of a current program. An enhanced service level represents a level of service that is higher than what is currently provided. This enhanced service level might include such items as additional personnel, additional capital expenditures, or new programs. Using FY2007 as the base year, each level of service was evaluated and cost estimates were developed for a five-year period. These estimates detail personnel, operations, and capital outlay.

In reviewing each department's three proposed service levels, the City Council has the opportunity to determine the financial impact of selecting various levels of municipal services for our citizens. Some departments' reduced service levels represent the elimination or shifting of personnel, the elimination or deferral of capital outlay, special projects, or specific programs.

This listing of service levels is similar in many respects to the trip to the supermarket. North

Carolina General Statutes require the City to provide certain services. Other services may be selected based on the desire of our citizens and their willingness to pay for a particular level of service.

Revenue Structure

The City's General Fund has five major sources of revenues: taxes, licenses and permits; intergovernmental revenues; charges for services; administrative revenue; and miscellaneous revenues. Taxes are composed of property, sales, auto, and dog taxes. Licenses and permits are composed of privilege licenses and cable television franchise fees. Intergovernmental revenues are composed of grants and state-shared revenues. Charges for services are composed of user fees and reimbursed charges. Administrative revenue represents the Water and Sewer Fund contribution to the operations of the General Fund. Miscellaneous revenues are composed of interest revenue, sales, and revenues not allocated elsewhere.

It would appear that with these various revenue sources, the generation of revenue to meet service level expenditure requirements would be a simple task. This, however, is not the case.

Revenues available to finance our local government can be characterized as either "elastic" or "inelastic". Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up, elastic revenues rise in roughly proportional or greater amounts. Likewise, they go down during times of deflation and recession. For example, sales tax revenue, though the tax rate remains the same, increases during better economic periods due to the increase in retail business and declines during poor times. Yields from inelastic revenue sources, such as user fees and charges, are somewhat unresponsive to changes in economic conditions and require that government officials change fees and charges to obtain a change in revenue. Most City revenue sources are inelastic. Two of the few remaining elastic revenues the City has are sales tax revenue and privilege licenses.

Some revenue types such as Powell Bill and sales taxes are distributed within Rowan County based on population. The increased population in the County and in other County municipalities has decreased Salisbury's share of those revenues. The overall share of these revenues will continue to decline without annexation or extensive new growth annually.

The City has also faced the State tampering with state-shared revenues and reimbursements. In the past, the State had eliminated property tax on retail, wholesale, and manufacturers' inventories. They then placed a cap on income to municipalities from intangible taxes, utility franchise taxes, and inventory reimbursements. The cap on utility franchise taxes expired in FY1995. The intangible property tax was repealed by the General Assembly and replaced with an annual appropriation. Both the intangible property tax and inventory reimbursements were subject annually to the whims of the General Assembly for funding and also subject to being withheld by the Governor to balance the State's budget if needed. The City also discovered in February 2002 that other revenues that are collected by the State and remitted to the City are subject to being withheld by the Governor to balance the State budget.

During the 2002 General Assembly, reimbursements from the State were totally eliminated. This resulted in a loss of revenue to the City in its FY2003 budget of \$1,550,000. The General Assembly did approve an additional one-half cent sales tax for counties to levy. Rowan County passed the additional one-half cent sales tax that provided additional receipts for seven months in

FY2003. In addition to granting counties the ability to levy an additional one-half cent sales tax, the General Assembly provided a hold-harmless clause for those governmental units, like Salisbury, where the additional one-half cent sales tax would not generate the same amount of revenue as the lost reimbursements. Unfortunately, this hold-harmless provision did not take effect until FY2004. These actions by the General Assembly forced the City to cut almost \$1.2 million dollars from its FY2003 budget. The City eliminated almost all of its General Fund capital budget and most of its special projects as a result of the loss of these reimbursements.

The City directly controls only property taxes, user fees and charges, privilege licenses, and the Water and Sewer Fund contribution (which is actually a reimbursement for services performed in the General Fund on behalf of the Water and Sewer Fund). These four revenues are the only ones that City Council can increase or decrease at will. During FY2007, these four sources in the General Fund account for 67.8% of total revenue. The City lacks control over all other revenues.

Property taxes may be adjusted in two ways. The tax rate can either be changed, and/or the assessed value of the property can be raised or lowered. Each year, City Council sets the property tax rate as part of adopting the annual budget ordinance.

User fees and charges for some services have been established to reimburse the City for all or part of the cost for services. City Council has absolute control over both services for which to levy a fee and the amount of that fee.

Privilege licenses are controlled by both the State and City Council. A city may levy a privilege license on certain types of businesses and professions as established by State Statutes. The State also sets a maximum rate for some businesses and professions. Most businesses, however, do not have a maximum license rate or amount. City Council has the authority to set a license rate and/or amount for these businesses.

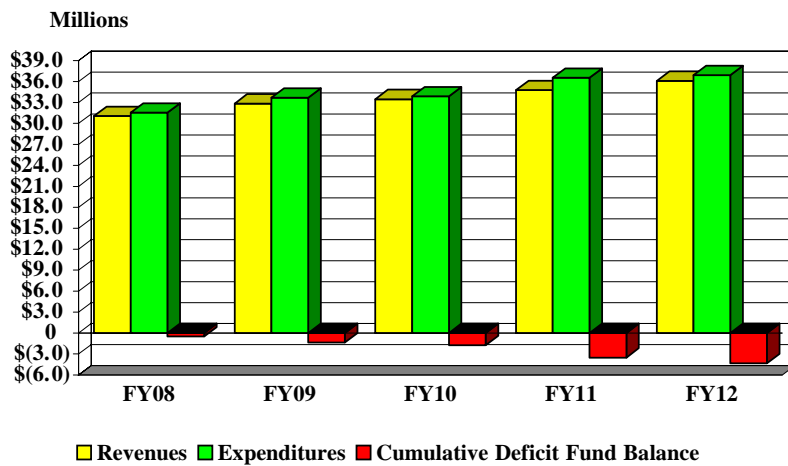
Administrative revenue is the Water and Sewer Fund's contribution to the operations of the General Fund. It represents the Water and Sewer Fund's share of expenses incurred in the General Fund for services such as water and sewer billing, financial administration, fleet management, purchasing, personnel administration, legal, and general management services. The funding of the contribution is a component of the water and sewer rates set by City Council and should not exceed the actual costs incurred in the General Fund for the Water and Sewer Fund's operations.

In summary, most City revenues can be characterized as inelastic with no City control. The City controls only property taxes, user fees and charges, privilege licenses, and administrative revenue.

Comparison Of Projected Expenditures For Five Years To Forecasted Revenues

As shown in Exhibit 1, projected expenditures are anticipated to exceed projected revenues over the next five years at current service levels. There are several primary reasons for revenues lagging projected expenditures. First, the economy's growth is lagging behind the increasing cost to provide our citizens those services that they desire. Sales tax receipts have been growing at a pace that matches our expenditure growth. Property tax growth has increased in the last two years. These two items comprise over half of the City's revenue. Unfortunately, the other items that comprise our revenues are very stagnant. There are positive signs that point to continued future growth in our property tax base. The final item that is driving the projected deficits over the next several years is deferred infrastructure maintenance and repairs. Over the past five years due to a

**Exhibit 1
REVENUE COMPARED TO
CURRENT LEVEL EXPENDITURES**



sagging revenue growth, many infrastructure projects have been deferred to avoid increasing taxes or cutting services. Many of these projects are reaching a point that they can no longer be deferred or some facilities will either become unusable or fall into a state of disrepair that will actually cost the city significantly more than to renovate or repair. For FY2008, the City Council will face these tough decisions on maintaining the current

service level while trying to address capital expenditures that have been deferred over the last several years. The current revenue structure will not support these capital expenditures without modifications to existing service levels or future tax rate increases, increased fees on services, or new fees for services.

The City also needs to continue to pursue the annexation of qualifying areas surrounding it. Failure to systematically annex eligible areas will result in increased tax rates and/or lower service levels over time since the residents of these areas do increase the demand for services within the City. These areas have significant property valuations and population that will allow the City to continue to grow while meeting the service demands requested by its citizens.

Previous Budget Actions

City Council each year evaluates additional measures that address revenue options, increased productivity measures, increased services, or the elimination of services. Actions taken by City Council included a major step in FY1999 to increase revenues to continue to provide existing service levels. City Council was provided options that would match revenues to expenditures through a combination of revenue enhancements and service reductions. After reviewing their options, City Council trimmed some service level enhancements, increased the property tax rate and added a commercial waste collection fee. This action allowed the City to continue providing current service levels for its citizens.

In FY2001, in response to a request from the citizens to address improving and maintaining viable neighborhoods, City Council increased the tax rate by three cents to fund an increase in service levels in the Fire Department, Police Department, and Community Development.

In FY2002, City Council had each department review its budget for items other than personnel and capital and make a 22% reduction in discretionary line items. These cuts were made to have a minimal impact on the current service level and eliminate the need to increase the tax rate.

The declining economy took its toll on ongoing revenues in the FY2003 budget. Property taxes did not generate a significant increase and most elastic revenues were showing decreases from

the prior year. City Council approved a budget that eliminated almost \$1.2 million in ongoing expenditures to match the expenditures of the City to projected revenues. This action included the elimination of seventeen full-time positions, ten summer positions, and one part-time position. Four positions were also frozen.

For FY2004, revenue projections were still flat, but the pent-up budgetary needs were nonetheless evident. Furthermore, the City had committed to repayment to the State of North Carolina for noise barriers and sidewalk improvements along with attaining goals related to the community. The budget proposal was for an effective tax rate increase of \$.04 per \$100 assessed valuation. But due to economic conditions within the area, Council did not feel that the tax increase was acceptable and opted for an increase of \$.02 per \$100 assessed valuation, further deferring needs and goals attainment.

In FY2005, City Council took several bold steps to respond to the national recession that was still severely impacting revenues. In order to maintain the existing level of services to our citizens, City Council approved an increase of \$.035 per \$100 assessed valuation and enacted a \$10 tax on all vehicles. Over the last couple of years, the North Carolina General Assembly had modified the funding formula for municipalities in state-shared revenues for roads. This shifted a share of the revenues that had been distributed to the municipalities back to the state. This action had resulted in a decrease in state-shared revenues of approximately \$200,000. The new \$10 tax on vehicles was expected to generate approximately the same amount.

In FY2006, the big budget issue was whether to construct a new fire station or not. A decision was made to construct one. The estimated annual cost to operate a new station was estimated at two and one half cents per \$100 assessed valuation (or of taxes). City Council declined to implement additional taxes to fund the construction of the station and decided to use Fund Balance to fund the entire cost of construction.

In FY2007, City Council faced rising costs for providing container pickup and recycling. In addition to these two areas, the City like everyone else faced the issue of significantly rising gas and oil costs. The new fire department substation was also due to be opened this year. City Council increased user fees to cover the additional costs of container pickup and recycling. The estimated increase of gas and oil and the operations of the new fire department substation were estimated to cost two and a half additional cents of taxes. City Council approved an increase of one cent in taxes and reduced discretionary spending and special projects to balance the budget.

How Do We Finance Local Government in the Future?

After City Council selects the desired service levels, the question becomes "how to generate sufficient revenues to finance these levels?" Currently, property taxes, user fees and charges, privilege licenses, and water and sewer rates are the only revenue sources the City controls. Each of these sources has both advantages and disadvantages.

The property tax possesses several elements which characterize its usefulness: it provides a stable source of revenue; it is easily administered; it is relatively easy to adjust; and it taxes nonresident property owners who benefit from local services.

Conversely, the property tax is ranked as the most unpopular tax along with the federal income tax. Reasons for this unpopularity include: the property tax falls on unrealized capital gains (as

opposed to income); it is collected in a large lump-sum amount; and there is anxiety about perceived inequities associated with property reappraisal.

User fees and charges accounted for 7.9% of FY2007 revenues, a slight increase of .4% from FY2006. Historically, the City has not used this revenue source to generate funds for operations. Advantages to user fees and charges include: charges increase users' awareness of the cost of providing a particular service; they give the City a clear indication of the level of service selected by citizens based on service usage; service charges are equitable in that the benefits of the service are paid for by those using the service; they ensure that service delivery decisions are based on the relationship of service levels to demand; and they focus on the cost of service.

Exhibit 2

SERVICES FOR WHICH LOCAL GOVERNMENTS COMMONLY CHARGE A FEE	
<p>Recreation and leisure activities Athletic fields (P) Athletic leagues (F)* Auditorium/civic center (F) Concession rental (F) Equipment rental (F) Parks (P) Recreation center rental (F) Recreation classes (F)* Swimming pools (P) Tennis courts (P)</p> <p>Planning and economic development Annexation (F) Development guide or manual (F) Maps (F) Plat processing (F) Zoning variance (F)</p> <p>Sanitation Landfill (P) Large-item solid-waste pickup (F)* Solid waste collection (F) Street cleaning (P)</p>	<p>Public works Abandoned-vehicle removal (F) Barricades (F) Cemeteries (P) Curb cuts (F) Maps (F) Sign permits (F) Street cuts (F) Weed cutting (P)</p> <p>Police protection Accident and offense reports (F) DWI processing (F) Funeral escorts (F) Other special-occasion escorts (F) Police services at special events (F) Serving warrants (F) Vehicle impoundment (F)</p> <p>Miscellaneous Document search (F) Meeting room rentals (F) Photocopying records (F) Vending machine space rental (F)</p>
<p>"F" means that the fee for service should be set so as to recover the <i>full</i> cost of providing the service. An "F*" indicates that full cost pricing should be required only for certain classes of users; a partial subsidy should be provided for some users, such as the elderly, children, or nonprofit organizations.</p> <p>"P" means that the fee for service should be set so as to recover only <i>part</i> of the cost of the service. A partial subsidy is justified for any one or all of the reasons discussed in the chapter.</p> <p>Source: Adapted from Robert L. Bland, <i>Financing City Government in Texas: A Revenue Manual for City Officials</i> (Austin: Texas Municipal League, 1986)</p>	

A negative public reaction to services which have been provided for "free" in the past can generally be expected as user fees and charges are implemented. Generally, revenue to support certain services has gone unnoticed as the support has been derived from many sources of municipal revenue. Cost analysis is the basis for the equitable implementation and administration of user fees and charges. Exhibit 2 shows examples of the types of user fees and charges the City could use. Also included are suggestions on the extent to which user fees and charges should cover the cost of a particular service.

Privilege licenses are levied on businesses and professions in the City limits, within the statutory authority of the General Assembly. This revenue accounted for 1.0% of the General Fund's revenue in FY2007. Receipts from this source come from both variable and fixed charges. State Statutes regulate the license rate for certain businesses and professions while exempting others. The City uses rates set forth in the State Statutes. All other businesses fall under the City's gross receipts tax. Under this provision, a business is taxed at a percentage, set by City Council, of its adjusted gross receipts.

Advantages to using privilege licenses as a revenue source to support local government include: the ease of administration; it can be easily adjusted; and changes in privilege license revenue increases proportionally to the local economy.

Administrative revenue represents the Water and Sewer Fund's contribution to the operations of the General Fund. Any increases or decreases in this revenue should be the result of a change in the cost of the services provided by the General Fund to the Water and Sewer Fund. This revenue source provides a method to recover the cost of services for the Water and Sewer Fund provided by the General Fund.

Besides the revenue options reviewed above, City Council may want to consider supporting changes in the NC General Statutes which could provide the City with additional sources of revenue. Four examples of changes in the statutes the City could utilize to increase revenues include a real estate transfer tax, a local income tax, prepared foods tax, and an auto tax. All four sources are used successfully by municipalities in other states. In North Carolina, some municipalities are already using the auto tax and prepared foods tax. Authority currently exists for the City to levy a ten dollar charge per vehicle whose proceeds are undesignated. Authority to levy an additional charge per vehicle must be approved by the General Assembly. In addition to changes at the local level, it is apparent that North Carolina local government will need the assistance of our General Assembly in addressing these challenges to finance local government.

Conclusion

The challenge of financing local government is a complex issue. Providing balanced revenues to equitably finance local government services and capital needs is a significant problem facing all local governments across North Carolina and the Country. With declining State and Federal assistance to cities, the citizens of Salisbury will receive the level of local government services for which they are willing to pay. Setting priorities has become more important. We may not be able to "be all things to all people".

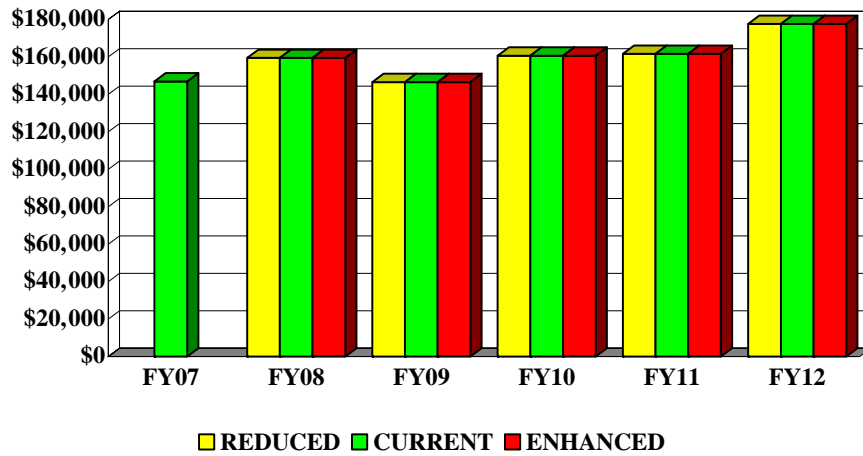
This analysis of local government revenues and the corresponding projection of local government expenditures is updated each year by the City's Management Services Department. This report anticipates local government revenue shortfalls in meeting local government service demands. Simultaneously, it is recommended that the City evaluate all existing and alternative sources of revenue available to finance local government. With this tool in hand, City Council will be in a better position to: equitably raise revenue to support local government services; determine the level of services offered to our citizens; consider certain productivity improvements to reduce local government costs; and determine priorities for the types of local government services offered. This approach offers no easy solutions. However, it provides our local government leaders options for addressing the financing of Salisbury's local government services.

CITY COUNCIL

Statement of Purpose

To function as the duly elected representatives of the citizens of Salisbury in creating and maintaining a balanced quality of life in accordance with North Carolina State Statutes and Federal law. To promote positive intergovernmental relationships with federal, state and other local governments. To generate and maintain up-to-date municipal codes, establish public policies, and adopt budgets designed to provide effective, efficient municipal services. To provide safety and security for all citizens, to protect the environment and to improve the overall quality of life in our community. To provide leadership and support for the continued economic development and planned growth of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Establish and maintain public services and facilities deemed necessary or desirable for the health, safety, comfort, welfare, convenience and good order of the public
- Provide for the organization of City government
- Provide for a City Manager under the Council/Manager form of government and a City Attorney in accordance with the City Charter
- Create and establish, by ordinance or resolution, Authorities and/or Boards and Commissions as it may deem necessary or appropriate for the administration, regulation, operation, services, activities, and functions which the City is authorized by law to perform, regulate, and continue
- Make and provide for the execution of regulatory ordinances
- Provide for planning, sub-division and building regulations
- Schedule regular and special public meetings and public hearings in order to hear the public and conduct City business
- Provide a Code of Ordinance in accordance with State Statutes

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

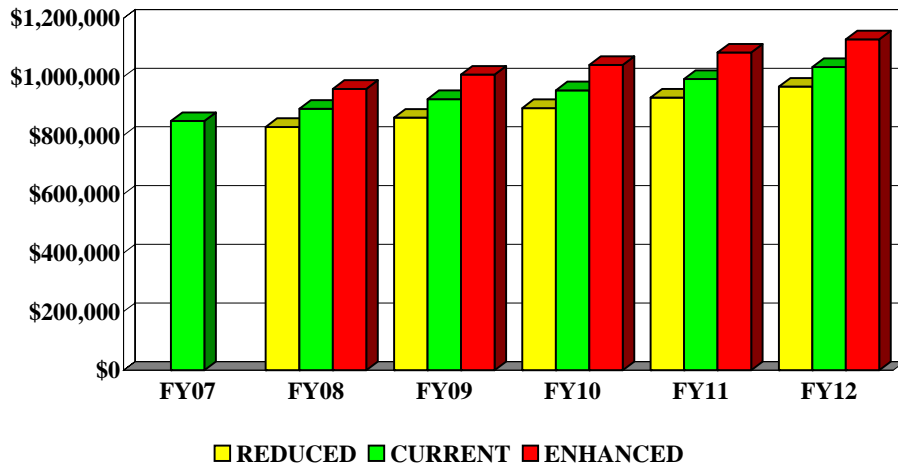
- No enhanced service level is proposed

CITY MANAGEMENT AND ADMINISTRATION

Statement of Purpose

To serve as a central source of information, advise and support services for the City Council and Management Team. To promote the development and performance of staff and employees throughout the organization. To assist elected officials and other community leaders to identify, work toward, and achieve community outcomes and goals. To provide functional and operational expertise and planning for all City services. To determine citizen needs and provide responsive, equitable services to the community. To promote a culture of customer service by maintaining a consistently high level of quality staff work, operational procedures and service delivery systems. To set an example that urges the organization and community toward experimentation, change, creative problem solving, and prompt action. To demonstrate an understanding of information technology and ensure that it is incorporated appropriately in plans to improve service delivery, information sharing, organizational communication, and citizen access. To demonstrate a commitment to democratic principles by respecting elected officials, community interest groups, and the decision making process. To understand and value the differences among individuals and foster those values throughout the organization and community. To prepare and administer the budget and report the findings of the annual audit to City Council. To interpret financial information to assess the short-term and long-term fiscal condition of the community, determine the cost-effectiveness of programs, and compare alternative strategies. To ensure that the policies and procedures for employee hiring, promotion, performance appraisal, and discipline are equitable, legal, and current. To position the organization and community for events and circumstances that are anticipated in the future. To facilitate the flow of ideas, information and understanding between and among individuals, advocating effectively in the community interest. To convey ideas of information effectively to others. To communicate information to the media in a way that increases public understanding of local government issues and activities and builds a positive relationship with the media and public. To demonstrate fairness, honesty, and ethical and legal awareness in all personal and professional relationships and activities. To provide a central source for the collection, storage and dissemination of official municipal records and documents. To provide Risk Management services for the municipality that includes safety, liability insurance management, worker’s compensation, OSHA compliance and third party claims against the City.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Direct and supervise the administration of all departments, offices and agencies of the City
- Recommend to the City Council policy or other matters affecting the City
- Ensure that all laws of the State, the City Charter, ordinances, resolutions and regulations of the City Council are faithfully executed in the City
- Prepare and submit the annual budget and capital improvements program to the City Council
- Submit annually to the City Council and make available to the public a complete report on the finances and administrative activities of the City
- Present reports to the City Council concerning the operations of City departments
- Award, approve and execute contracts including the acquisition of real property by the City in accordance with state and local laws and ordinances
- Recommend the adoption of a classification and compensation plan, performance appraisals and other personnel ordinances and regulations to the City Council
- Schedule items for and prepare minutes of City Council meetings and other proceedings
- Maintain and safeguard public records and official copies of City documents
- Assist the City Council in a goal setting and goal evaluation process
- Provide for executive development of City Council and City Management Team
- Respond to requests for information from the general public
- Communicate effectively with the media and public
- Provide administrative support to the Mayor, the City Council and the City Manager
- Coordinate activities with various City departments, citizens, other governmental units, outside agencies and organizations
- Direct, oversee, and participate in the development of the departments' work plans
- Monitor and review the City's liability insurance program
- Receive, review, and process annexation petitions and street and alley closing petitions
- Provide for legal assistance for the City Council, Management Team and the Municipal Corporation
- Maintain and update a Code of Ordinances for the City
- Provide a comprehensive safety and risk management program that includes training, inspection, investigation, and accident review
- Provide a Public Information Officer for the City

Reduced Service Level:

- Reduce level of clerical support

Enhanced Service Level:

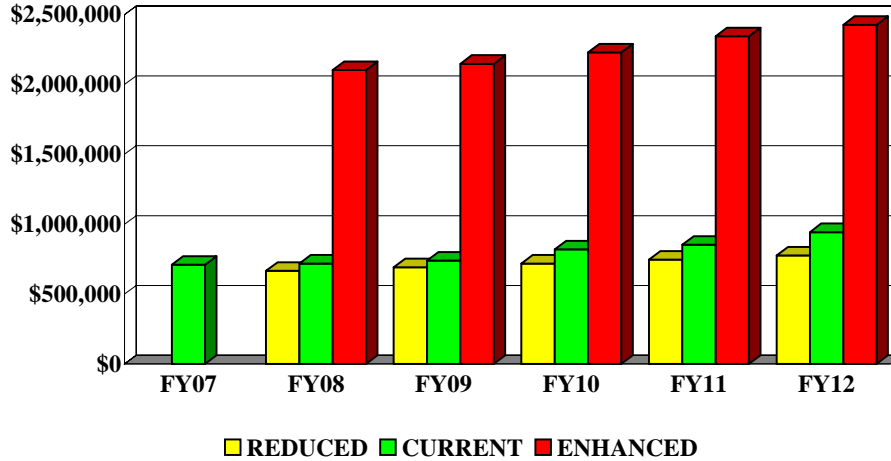
- Provide an Assistant to the City Manager

HUMAN RESOURCES

Statement of Purpose

To provide a centralized source of support and assistance to the City related to its need for the management of Human Resources. Specific functions include: providing general personnel administration, recruitment and selection, training and development, health and wellness, compensation and benefits administration and a city-wide multicultural program.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide systems to recruit, screen, and select City employees
- Coordinate employee separations, promotions, and reclassifications
- Provide a comprehensive employee benefits program
- Manage the employee classification and compensation system
- Manage the employee performance appraisal system
- Provide management, supervisory, and employee training programs
- Provide general employee orientation and coordinate departmental employee orientation
- Provide an annual employee service awards and recognition program
- Provide personnel policy and employee handbook
- Provide an Employee Assistance Program
- Provide employee relations assistance and consultation to managers, supervisors, and employees
- Manage the City's Affirmative Action Program
- Monitor employment trends relative to the City workforce
- Provide a comprehensive drug testing program
- Coordinate the police officer selection and promotion processes
- Provide a comprehensive Customer Service Program
- Provide staff support for Human Relations Board

Reduced Service Level:

- Eliminate comprehensive employee benefits program
- Provide bimonthly general employee orientation
- Eliminate management, supervisory, and employee training
- Eliminate employee awards and recognition program
- Eliminate employment trends monitoring

Enhanced Service Level:

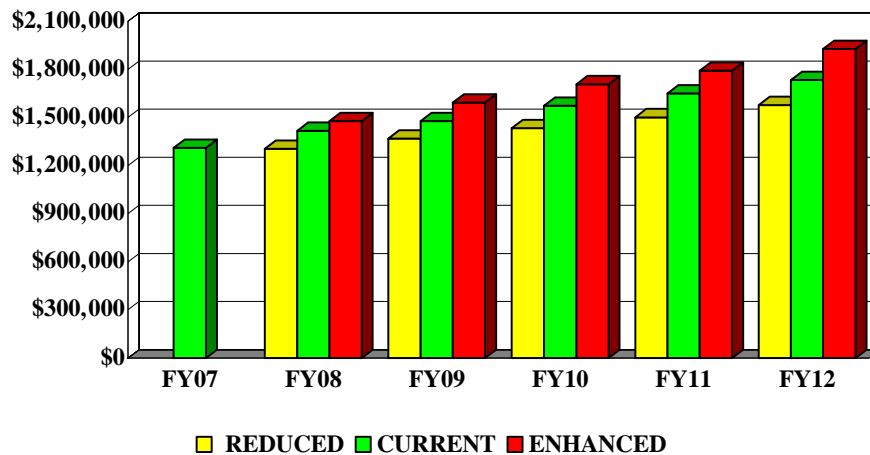
- Provide extensive in-house benefits counseling and administration
- Provide in-house management, supervisor and employee training and career development programs
- Provide extensive in-house occupational health/wellness program
- Provide extensive in-house Employee Assistance Program
- Provide extensive retirement/health benefits
- Provide recruitment incentives
- Provide scheduled salary adjustments annually
- Provide enhanced level of recruitment efforts for all departments
- Provide full broad banding salary plan including career development incentives
- Provide enhanced performance evaluation system
- Provide in-house volunteer recruitment and selection program
- Provide a community-wide multiculturalism program
- Provide an employee community volunteer leave program
- Provide a Customer Service Incentives Program
- Provide a Salisbury University Training Program
- Provide a Good to Go Training Program
- Provide an expanded Good to Great Training Program
- Provide a comprehensive Diversity Recruitment Strategies Program

MANAGEMENT SERVICES-ADMINISTRATION

Statement of Purpose

To provide a centralized source for handling the financial affairs of the City including: maintain a financial record-keeping system, protect municipal assets as required by the Local Government Budget and Fiscal Control Act, manage the City’s debt service program, prepare and monitor the annual and five-year budgets, prepare standards for performance and benchmarking, utilize an investment program for the City's idle cash, provide payroll and disbursement services, collect utility and other revenues, provide a source of information and support related to the purchase/lease of supplies, equipment and contractual services, manage a fixed asset system, and maintain a technology system that provides state-of-the-art data processing, computer, telephone, and telecommunications capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a biweekly payroll
- Provide weekly processing of outstanding accounts payable
- Provide monthly billing of water and sewer services
- Provide billing of business privilege licenses
- Collect receipts for water and sewer, privilege licenses, and other miscellaneous accounts receivable
- Provide daily posting and deposit of city receipts
- Provide assistance for water and sewer customers
- Assist in preparation of annual budget, budget documents, and budget amendments
- Provide assistance to auditors with the annual audit
- Prepare annual financial statements
- Provide maintenance of City general ledger and all subsidiary ledgers
- Prepare reports for other governmental entities
- Monitor cash requirements and invest available cash
- Coordinate authorization and issuance of City debt
- Conduct periodic inventory of fixed assets
- Participate in the North Carolina Local Government Performance Measurement Project
- Prepare and maintain fixed asset records
- Prepare annual Powell Bill financial report
- Provide special reports and projects as requested
- Provide part-time grants support
- Coordinate bank services, including direct deposit and direct debit
- Provide support to prepare and monitor the budget and produce benchmarking and performance measurement evaluations

Reduced Service Level:

- Eliminate ability to prepare for and participate in external outside projects
- Reduce investment opportunities to low yield overnight markets
- Eliminate Mail Coordinator which requires each department to send individuals to other departments for mail and inter-office correspondence

Enhanced Service Level:

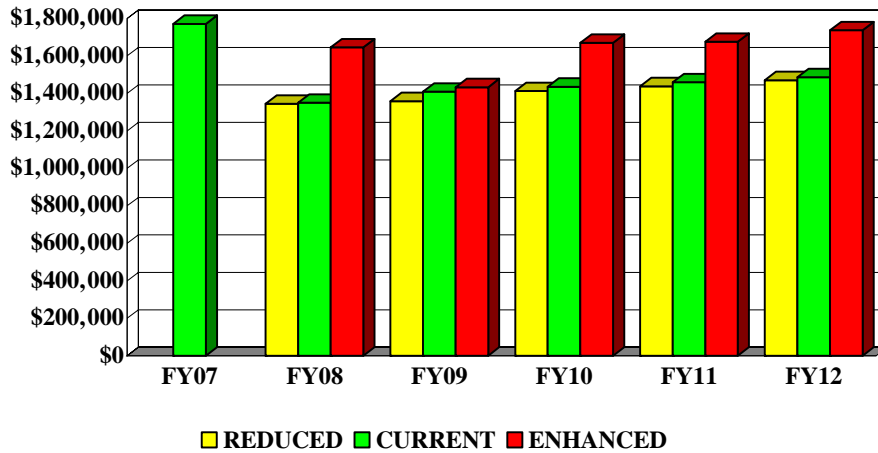
- Provide additional customer service support for utility, privilege license, and miscellaneous receivable billing and collection
- Provide additional collection support for delinquent receivables
- Provide additional support for benchmarking

MANAGEMENT SERVICES-INFORMATION TECHNOLOGIES

Statement of Purpose

To provide a centralized source of procedures, information and support related to the storage and electronic processing of data, business transactions, information and other computer-related capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Perform daily computer systems backup
- Maintain system security and system passwords
- Diagnose systems or software problems
- Plan and participate in the training of City personnel
- Assist users in resolving systems problems
- Plan and direct installation of new equipment
- Prepare documentation and instruction for users of systems
- Test and debug new software
- Maintain integrity of database
- Conduct feasibility studies
- Maintain efficient hardware configurations
- Design, implement, and monitor disaster recovery plan
- Evaluate and approve requests for computer hardware
- Initiate and monitor contracts for computer maintenance
- Continue implementation of information system plan
- Maintain City’s fiber system network
- Design, implement, and monitor City network infrastructure
- Assist other departments with video applications
- Maintain sound system in Council Chambers
- Sell surplus inventory using online auctions
- Design, implement and monitor City’s web site
- Design, implement, and monitor government/educational access channel
- Maintain and monitor citywide physical access and building security
- Issue identification badges
- Assist traffic operations with traffic cameras
- Assist traffic operations with maintenance of traffic signals
- Implement efficient and effective spam control
- Maintain and monitor spam software
- Maintain and monitor virus protections on citywide network

Current Service Level (Continued):

- Maintain and monitor internet connections citywide
- Maintain and monitor domain naming system information
- Maintain and monitor active directory
- Maintain and monitor servers citywide
- Implement, maintain and monitor wireless connections
- Install, maintain and repair mobile data units citywide
- Maintain and monitor automated software deployment
- Maintain and monitor firewall
- Maintain and monitor virtual private network
- Maintain and monitor multi-function printers
- Improve survivability of System

Reduced Service Level:

- Reduce scope of implementation of Information System Plan

Enhanced Service Level:

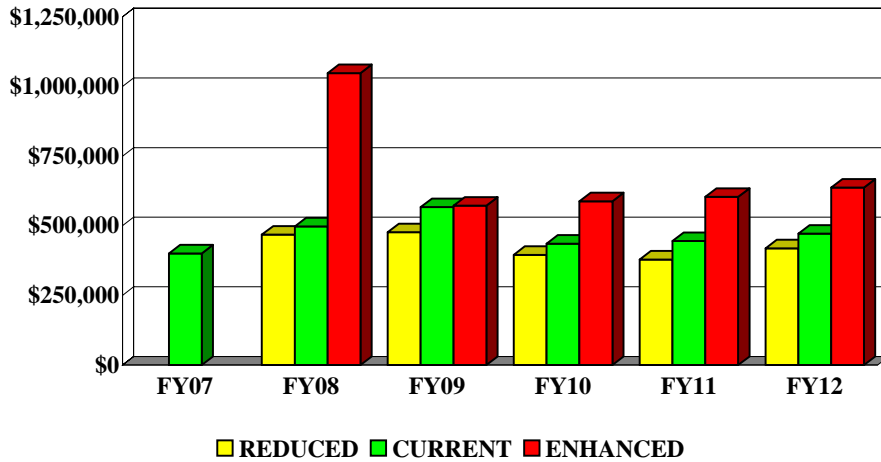
- Develop more in-house programs
- Develop in-house expertise in networking
- Expand implementation of Information System Plan

MANAGEMENT SERVICES-TELECOMMUNICATIONS

Statement of Purpose

To manage, coordinate and monitor the City's telecommunications system in the areas of telephone, radio, 9-1-1, cable and emergency services communications, and to specify, recommend and implement solutions to the City's communications needs.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide daily 9-1-1 service to City citizens
- Provide daily operation and maintenance for the City's radio systems
- Provide daily installation and repair service for the City's telephone and cable systems
- Operate and manage the tower site
- Manage and monitor citywide network fax system
- Manage and monitor City's unified messaging system
- Monitor cell phone usage
- Monitor and renegotiate cell phone contracts
- Act as City's cable franchise administrator
- Work with citizens to resolve issues with cable company
- Manage and monitor City's radio system licenses
- Work closely with County telecommunications to develop procedures and policies for 800 Radio Trunking System
- Manage and monitor City's internet contracts
- Manage and monitor City's telecommunications contracts
- Manage and monitor City's water tank, tower site and Plaza's antenna lease agreement
- Bill monthly for radios and pagers
- Issue, maintain, and monitor pagers and radios
- Coordinate 800 rebanding with Nextel to insure the integrity of the City's 800 system
- Removal and installation of equipment in City vehicles
- Removal and installation of equipment in other municipalities' vehicles
- Maintain communications recordings of radio and phone traffic
- Daily operational and maintenance of County radio equipment
- Daily operation and maintenance of County radio infrastructure
- Maintenance of City SCADA System
- Maintenance of mobile video equipment
- Installation and maintenance of fiber optic network

Reduced Service Level:

- Eliminate or defer purchases of telecommunications equipment

Enhanced Service Level:

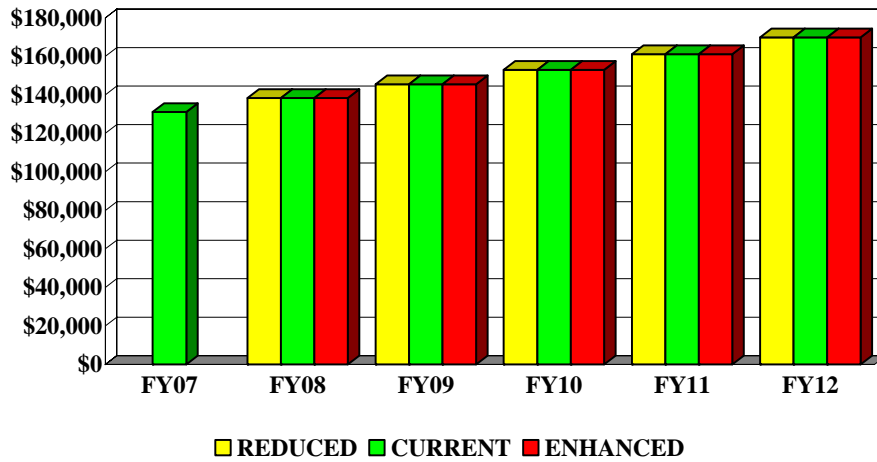
- Add two technicians in FY 2008
- Increase scope of telecommunications upgrades
- Provide fencing for tower site

MANAGEMENT SERVICES-PURCHASING

Statement of Purpose

To provide a centralized source of procedures, information, and support related to the purchase and/or lease of supplies, materials, equipment and contractual services for the City and to manage and maintain a system of fixed asset identification, reporting and accountability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Request and receive 132 quotations
- Request and receive 28 formal quotations annually
- Issue 642 purchase orders annually
- Assist in maintaining detailed records on the City's asset inventory
- Provide product knowledge and vendor information to user departments on a daily basis
- Assist in preparation of fleet specifications
- Provide contract administration services for various departments
- Receive, distribute and audit electronically 10,028 weekly transactions generated by the 193 users of the City's purchasing card program
- Receive, distribute, and audit manually 1,382 monthly "paper" statements with receipts for the City's purchasing card program
- Receive, distribute, and audit manually 14,474 weekly fuel statements for the City's fueling requirements for 387 users

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

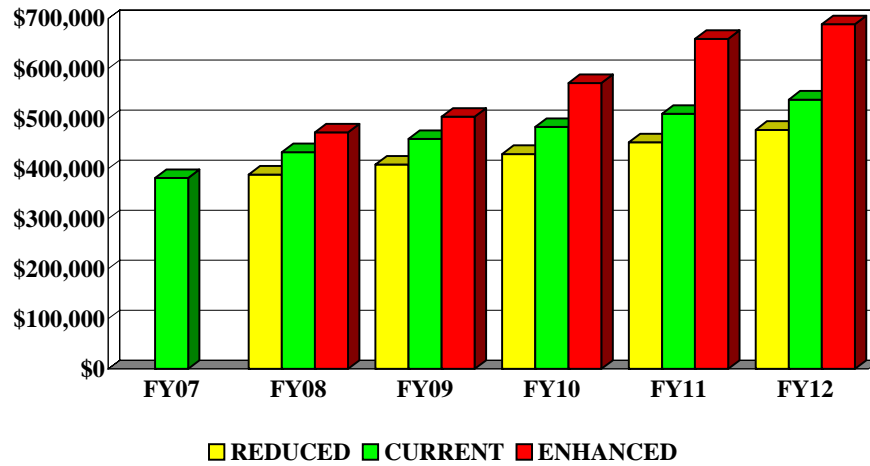
- No enhanced service level is proposed

MANAGEMENT SERVICES-FACILITIES MANAGEMENT

Statement of Purpose

To provide responsibility for buildings and facilities maintenance and repair as well as managing and coordinating new buildings and grounds construction projects. To manage ongoing municipal service contracts related to buildings and facilities.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Manage buildings and grounds contracted services
- Provide facility evaluations that encompass minimal replacement schedule projections, improvements, and repairs
- Provide maintenance and repair services to City facilities
- Provide owner representation for construction and repair projects
- Provide project management for capital and special projects
- Manage contracted services, capital and special projects
- Ensure compliance with regulatory agencies by making required changes to lighting fixtures thereby also realizing energy savings

Reduced Service Level:

- Reduce scope of projects

Enhanced Service Level:

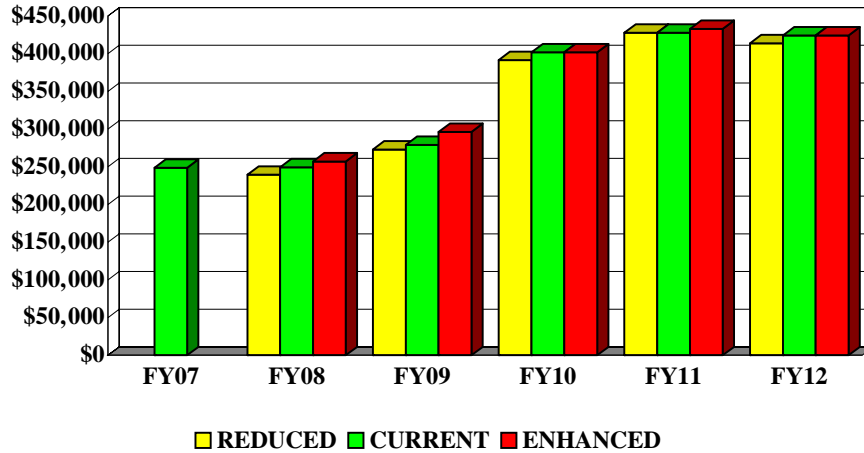
- Provide high security, non-duplicating locks to increase building security
- Increase maintenance staffing to facilitate maintenance and repair projects necessary to adequately maintain facilities
- Ensure safe water supply by installing back flow prevention at all City owned water taps
- Perform facility audits to realize energy savings identified through the audit process

MANAGEMENT SERVICES-CITY OFFICE BUILDINGS

Statement of Purpose

To provide centrally located facilities for holding meetings of the City Council, its Boards and Commissions and other groups who may from time-to-time need public meeting space. To provide office and conference space for the Mayor, City Manager, Management Services, Human Resources, Recreation Administration, Land Management and Development and other support staff engaged in the operation of municipal government in Salisbury.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide space for public meetings
- Provide central facilities to house administrative and some operating departments
- Provide maintenance and cleaning services for City office buildings

Reduced Service Level:

- Reduce/defer funding for renovation of office space

Enhanced Service Level:

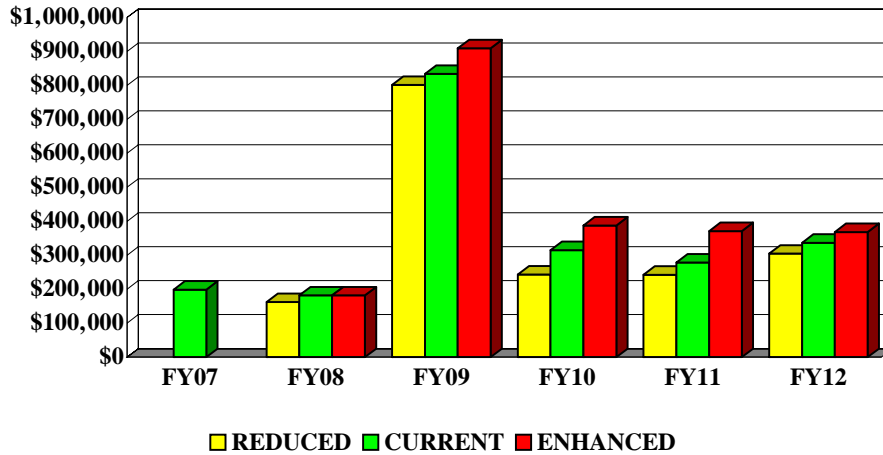
- Provide for further renovation of meeting and office space and exterior enhancements

PLAZA

Statement of Purpose

To continue ownership and management of the Plaza for the purpose of providing consistent economic vitality in the central business district and ensuring that residential, commercial and retail space is available in the downtown area, as well as providing the City with office facilities and meeting space.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Improve economic vitality of downtown business district
- Provide additional centralized office, commercial, retail, and meeting space

Reduced Service Level:

- Reduce scope of repairs and maintenance

Enhanced Service Level:

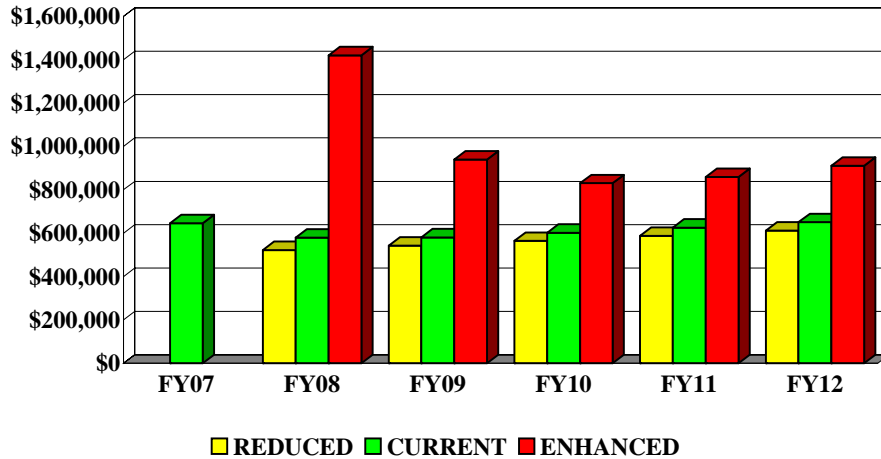
- Increase scope of repairs and maintenance

LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT

Statement of Purpose

To provide a coordinated planning program to ensure orderly growth within the City. To formulate, develop and recommend policies, plans and local ordinance in a manner consistent with the Vision 2020 Comprehensive Plan. To improve the overall livability, aesthetic value, environmental quality and economic climate within the City. To creatively and resourcefully implement special projects, programs, policies and initiatives to further community ideals related to neighborhood viability, cultural resources, environmental sustainability and a range of economic enterprises.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide staff for the Salisbury Planning Board
- Prepare zoning reports and analysis
- Prepare and assimilate statistical and census data
- Prepare ordinances, code updates, and annexation studies
- Conduct Boards and Commissions training
- Carry out comprehensive planning and Vision 2020 implementation
- Promote redevelopment within the central business district
- Staff Community Appearance Commission
- Provide design assistance for appearance issues
- Facilitate public/private development projects
- Staff Historic District Commission
- Administer Municipal Service District and Innes Street grant programs
- Acquire and dispose of property related to City development projects
- Administer Community Development programs through the Salisbury Community Development Corporation
- Apply for Federal and State grant funds
- Administer Federal and State grant and loan programs
- Maintain City map files
- Provide for affordable housing in City
- Develop and implement plans for neighborhood development and assistance
- Participate in regional planning efforts through Sustainable Environment for Quality of Life

Reduced Service Level:

- Reduce scope of special projects

Enhanced Service Level:

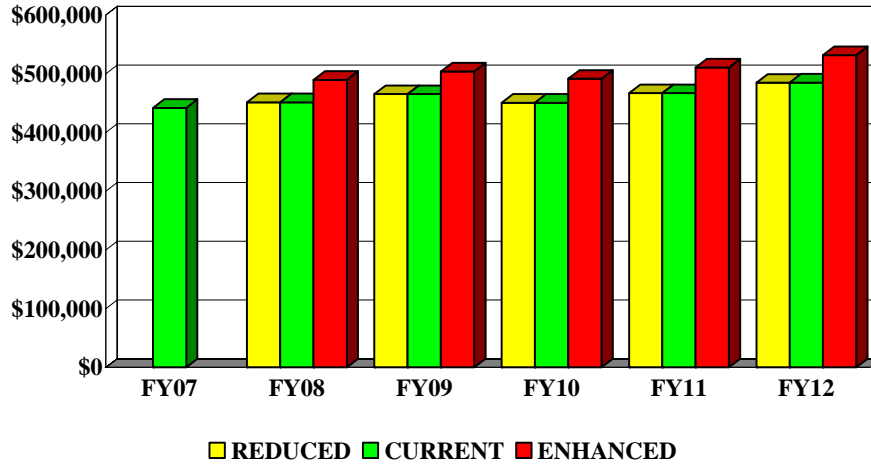
- Increase scope of special projects
- Improve historic preservation effort
- Enhance neighborhood improvement planning by hiring additional planner

LAND MANAGEMENT & DEVELOPMENT-DEVELOPMENT SERVICES

Statement of Purpose

To provide citizens, builders and developers a centralized source of information, permit services, code enforcement, zoning and special district boards support through a Development Services Center.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Administer and enforce City zoning ordinance
- Perform site inspections to ensure compliance with various codes and ordinances
- Issue certificates of compliance for new construction and renovation and additions
- Issue certificates of appropriateness for the Historic Preservation Commission for new construction and renovation and additions
- Administer and enforce Historic District ordinance and guidelines
- Maintain files for all improvements and work performed, such as water/sewer connections, fees paid, driveway permits, zoning permits, grading permits, and Boards and Commissions meetings
- Perform staff liaison and administrative work for the Zoning Board of Adjustment and the Historic District Commission
- Receive complaints, investigate problems, and proceed with appropriate action for abatement
- Assist developers, contractors, and the general public in securing the appropriate permits and approvals
- Maintain a street address system as prescribed by City Ordinance and coordinate all addresses with emergency service agencies and the U.S. Postal Service
- Process monthly Technical Review Committee meetings with various City, County, and State representatives
- Continuously update and maintain division files

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

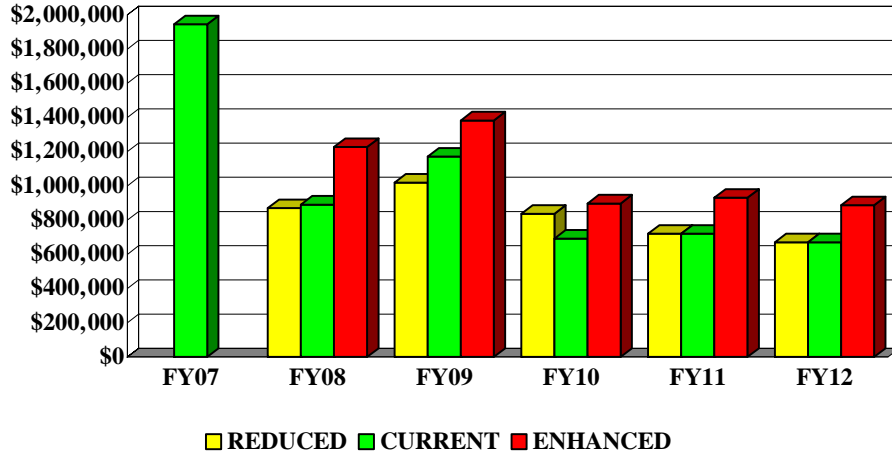
- Add additional Zoning and Code Enforcement officer

LAND MANAGEMENT & DEVELOPMENT-ENGINEERING

Statement of Purpose

To provide a centralized source of general engineering services for the City including traffic engineering, review and approval of plans submitted by outside consultants, coordination of project activities initiated between the City and other agencies, and investigation of citizen requests.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Prepare annual Powell Bill map and certified statement
- Prepare periodic reports for the City Council and NCDOT concerning traffic and transportation
- Respond to citizen requests concerning traffic, parking and storm drainage
- Administer the subdivision ordinance and the floodway ordinance
- Review designs submitted by outside consultants for conformance with City standards and policies
- Inspect construction projects for conformance with approval plans
- Administer voluntary annexations and alley closings
- Provide current City limits/street maps to all departments
- Participate in Cabarrus-Rowan Metropolitan Planning Organization
- Administer Municipal Agreements involving state funds for transportation improvements
- Administer the design and construction of special projects
- Implement NPDES compliance related to storm water quality
- Conduct traffic signal system efficiency studies in accordance with NCDOT schedule D
- Administer the design and construction of Congestion Mitigation and Air Quality (CMAQ) projects
- Administer replacement of the Ellis Street Bridge

Reduced Service Level:

- Reduce the number and scope of special projects and extend completion time
- Reduce the use of consulting advice for National Pollutant Discharge Elimination System (NPDES) compliance
- Delay replacement of the GeoXT (GPS receiver)

Enhanced Service Level:

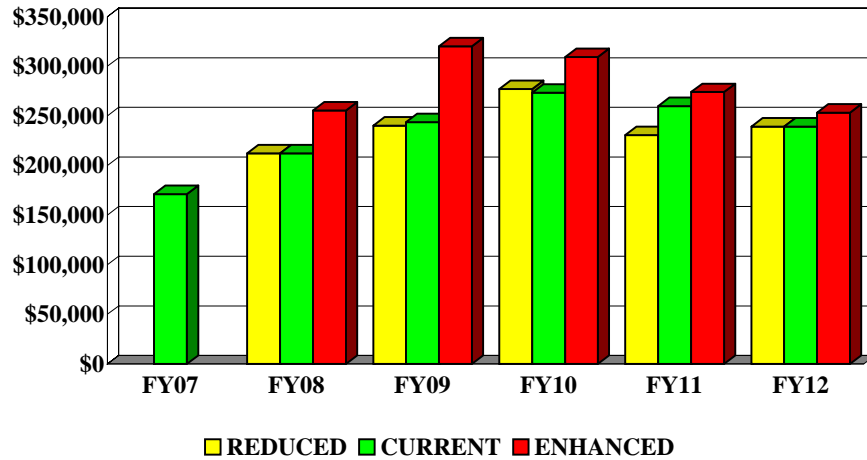
- Restore Engineering position that was transferred to GIS in FY 06-07
- Accept NCDOT updated construction cost estimate for trackside canopies
- Increase the use of consulting advice for NPDES compliance
- Restore funding of storm drainage grants
- Install traffic islands for new downtown stop signs
- Implement a traffic calming program
- Reconstruct the 900 block of East Liberty Street (behind Towne Creek Commons)
- Purchase additional GeoXT (GPS receiver)

LAND MANAGEMENT & DEVELOPMENT-GEOGRAPHIC INFORMATION SYSTEMS (GIS)

Statement of Purpose

To serve as the centralized source of procedures, information, and support related to GIS data development and mapping for the City including data development, project coordination, and application development and support. To coordinate efforts to improve data availability and data quality for City staff.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Develop and maintain centralized enterprise geospatial database
- Assist all City departments with GIS project design, development, and implementation
- Maintain centralized addressing database
- Assist all City departments with GIS data acquisition and development to support City needs
- Maintain data layers for various departments, including Fire, Parks & Recreation, Planning, and Police
- Develop custom ArcPad applications to facilitate improved data collection
- Provide GIS training to City employees
- Implement GIS Strategic Plan
- Participate in NOneMap, a comprehensive statewide geographic data resource
- Coordinate with Rowan County and regionally on cooperative data acquisition projects
- Coordinate with Rowan County on regional GIS needs
- Maintain urban progress zone designation
- Maintain metadata for all City GIS data layers
- Compile, edit, and distribute a GIS newsletter to City staff and interested regional parties
- Update CityGREEN data layer (every two years)
- Update aerial photography and building footprint data layers (every four years)

Reduced Service Level:

- Extend update cycle for CityGREEN data layer (every three years)
- Delay acquisition of ArcGIS Server for integration with CRM software by one year
- Delay update of GIS Strategic Plan for one year
- Delay categorizing color infra-red satellite imagery by one year

Enhanced Service Level:

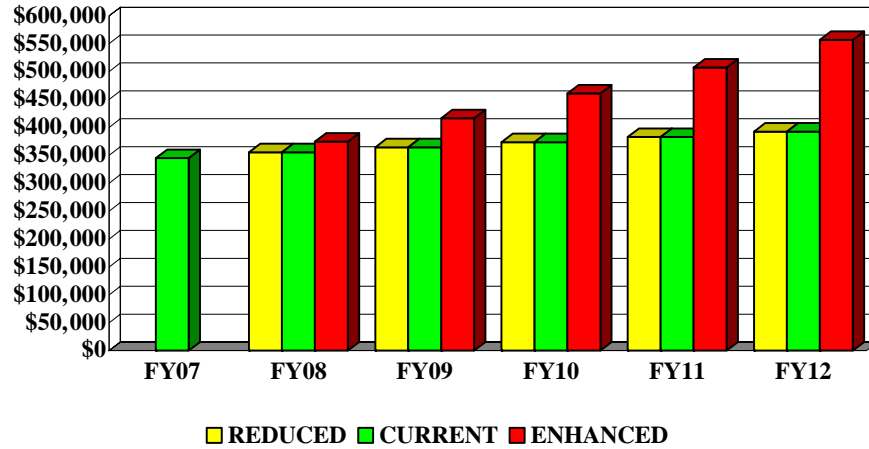
- Add GIS Programmer
- Develop and implement basemap online application for general use by the public
- Develop and implement online application related to urban progress zone
- Develop and implement online application related to Economic Development opportunities within Rowan County and the City of Salisbury
- Develop data model and perform data inventory for sidewalks and pedestrian planning to include proposed bicycle lanes and/or bicycle trails, greenway trails and bus routes/shelters in support of the Sidewalk Prioritization Plan and Bicycle Plan
- Develop data model and perform data inventory for traffic signs
- Develop data model and perform data inventory for street trees
- Develop and implement online application related to NPDES Phase II compliance
- Develop and implement online application related to availability of water and sewer service throughout County
- Develop and implement online application related to park locator and amenity browser
- Develop and implement online application related to availability of public transit
- Develop and implement online application related to Downtown Salisbury
- Obtain impervious surface data to support stormwater management
- Obtain oblique imagery data to support Police and Fire response

LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING

Statement of Purpose

To provide for the lighting of the City's streets.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain existing street lights
- Provide new street lights in new subdivisions
- Maintain downtown electrical panels
- Maintain City-owned pedestrian-scale lights

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

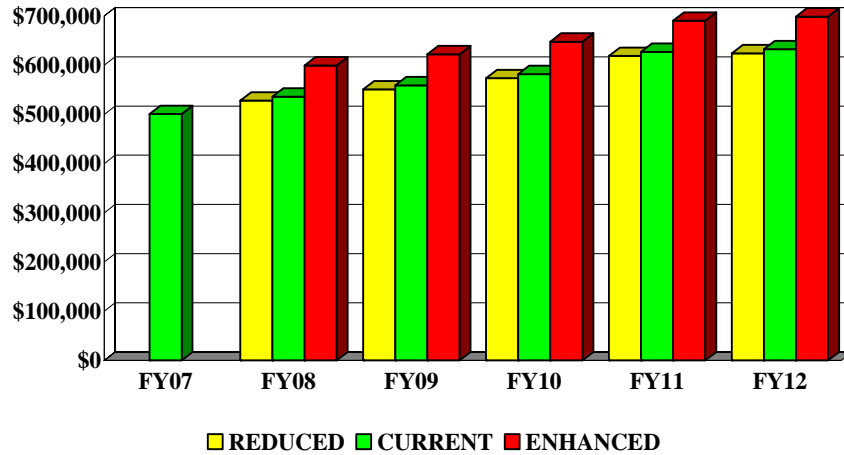
- Restore neighborhood street light improvements in response to citizen petitions
- Implement a program for lighting improvements for thoroughfares
- Increase maintenance for City-owned pedestrian-scale lights

POLICE DEPARTMENT-ADMINISTRATION

Statement of Purpose

To serve as the central management for all activities and operations associated with the Police Department.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct internal affairs and complaint investigations
- Manage the rotation wrecker services
- Manage the inspections function
- Manage the Ride-along Program
- Manage the wellness program
- Coordinate the citizens’ police academy
- Analyze vehicle pursuits, citizen complaints, uses of force, grievances and the personnel early warning system
- Conduct internal affairs and complaint investigations
- Provide general administration for Police Department
- Provide fiscal management for Police Department (grants, payroll, inventory, purchasing)
- Plan annual budget for Police Department
- Conduct planning and research for Police Department
- Develop policies and procedures
- Supervise accreditation program
- Administer taxi permits
- Administer Project Safe Salisbury

Reduced Service Level:

- Eliminate police chaplain program
- Reduce funding for the Crime Control Plan

Enhanced Service Level:

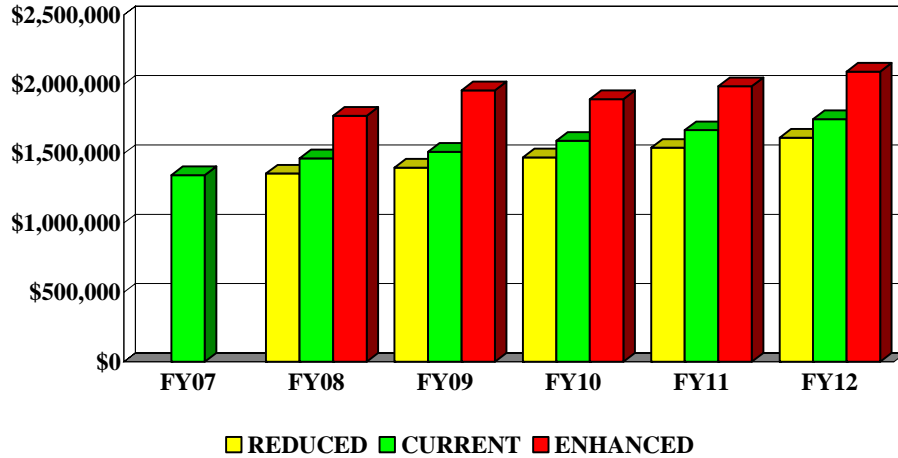
- Increase efforts for Crime Control Plan
- Provide funding for wellness program equipment
- Increase efforts for diversity enhancement

POLICE DEPARTMENT-SERVICES

Statement of Purpose

To serve as the support unit of the Police Department providing telecommunications, clerical and administrative services, evidence storage, animal control and tracking, D.A.R.E., crime prevention, a record-keeping system and building maintenance.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour radio and telephone communications
- Conduct records management
- Provide for evidence/property management
- Provide crime prevention and nuisance abatement services to the public
- Conduct Drug Abuse Resistance Education (D.A.R.E.) for local schools
- Provide animal control for City
- Provide downtown officer
- Provide training and recruitment
- Enforce parking control in downtown

Reduced Service Level:

- Eliminate parking enforcement officer and part-time animal control specialist
- Eliminate community service officer
- Eliminate part-time Telecommunicator

Enhanced Service Level:

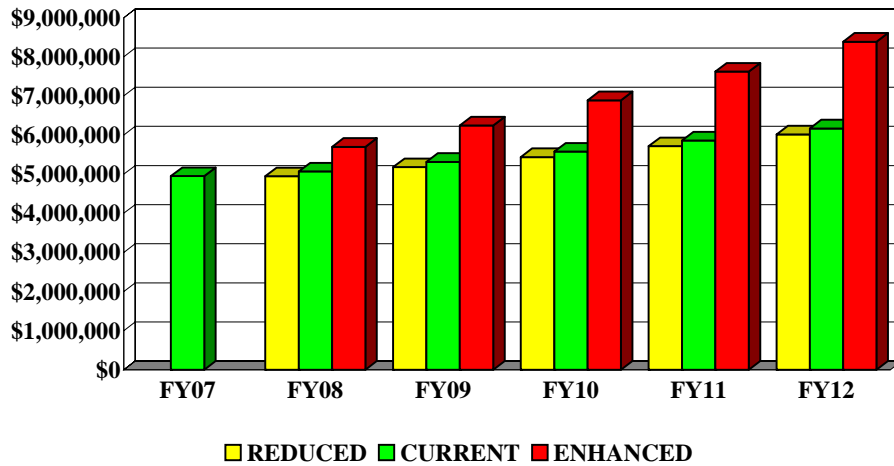
- Reinstate police telecommunications supervisor
- Add two telecommunications positions
- Add full-time animal control specialist
- Add one police information clerk and one police records clerk

POLICE DEPARTMENT-OPERATIONS

Statement of Purpose

To provide 24-hour law enforcement service for the citizens of Salisbury including: protection of life and property, traffic enforcement, investigation of traffic accidents, investigation of criminal activities, crime lab, school resource officers, crime analysis, and department armory.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour police patrol
- Respond to calls for service from citizens
- Provide crime analysis
- Investigate criminal activity
- Provide for specialized investigation of criminal activity
- Investigate non-criminal complaints
- Conduct traffic accident investigations
- Provide traffic law enforcement
- Provide special response to high risk situations (e.g. hostage situations)
- Provide for special police operations (stakeouts, etc.)
- Provide for specialized drug enforcement
- Conduct building and property checks
- Enforce State and local laws
- Provide vehicle fleet management
- Provide special permits
- Conduct G.R.E.A.T (Gang Resistance Education and Training) to City middle school
- Provide school resource officers in middle and high schools and the alternative high school

Reduced Service Level:

- Reduce patrol component by two officers
- Reduce equipment purchases

Enhanced Service Level:

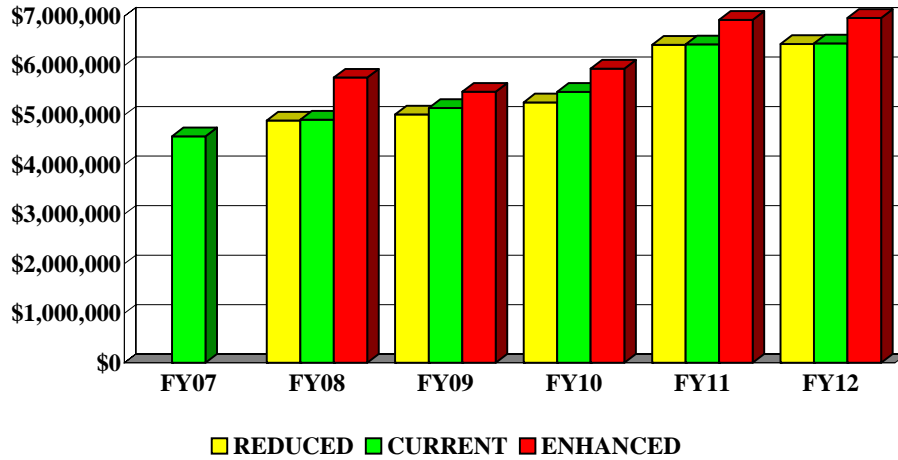
- Add two Patrol Sergeants in FY2008 to increase supervisory coverage
- Add three officers annually to increase patrol coverage and related enforcement activities
- Add two detectives annually in the Criminal Investigations Division
- Add one detective annually in the Drug Enforcement Unit
- Add one crime scene technician in FY2008 to implement a 2nd shift crime lab-crime scene response

FIRE DEPARTMENT

Statement of Purpose

To protect the quality of life for present and future generations through interaction with our community, compassionate service and an atmosphere that encourages innovation, professionalism and diversity.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Continue implementation of the Strategic Plan
- Reclassify three Battalion Chief positions to District Chief positions
- Coordinate the development and publishing of a City-wide Emergency Preparedness Plan
- Increase the use of Access 16 to educate the public in emergency preparedness and fire safety
- Provide Company Officer certification program to all Company Officers
- Mitigate hazards and emergencies by rapidly responding to all request for service with highly skilled, professional members and adequate and effective equipment
- Provide public safety education and hazard prevention services to our community
- Provide members with professional development that enhances and insures professional and proficient services to our citizens
- Protect human life from fire and other hazards as a first priority
- Prevent property damage through prevention, inspection and prompt response to fires
- Extinguish fires of all types
- Provide emergency medical care for the sick and injured
- Handle hazardous material and rescue emergencies
- Maintain high customer satisfaction through excellent customer service
- Continue with activities to maintain Class II fire rating
- Implement “Quint Concept” to strengthen ISO rating
- Work towards National Fire Department Accreditation
- Conduct public fire education for schools and community groups
- Conduct water flow tests as needed for industry and insurance companies
- Provide blood pressure screening program for citizens
- Install free smoke detectors for the elderly and handicapped
- Maintain and instruct up-to-date state certification training
- Conduct product research and analysis
- Provide data management
- Prepare, submit, and administer departmental budget
- Conduct plans review for new developments and industries
- Correct deteriorating conditions of fire department infrastructure

Current Service Level (continued):

- Serve as emergency management coordination office
- Investigate suspicious fires for cause and origin
- Improve life safety issues by enforcement of the fire codes and minimum housing codes through inspection services

Reduced Service Level:

- Reduce/defer capital purchases and facilities maintenance

Enhanced Service Level:

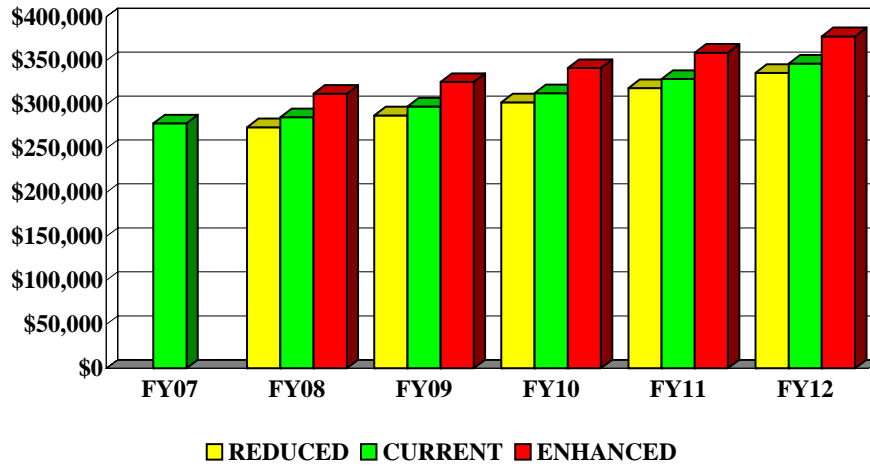
- Increase customer satisfaction through excellent customer service with increased personnel resources
- Employ a Fire Education Specialist and increase public education and awareness activities
- Become more involved with community activities
- Employ a training captain for more in-house training for State and National certifications
- Hire two temporary positions for hydrant maintenance in FY2008
- Improve training facilities with the purchase of flash over rooms
- Construct or lease additional storage facilities
- Add an administrative officer

PUBLIC SERVICES-ADMINISTRATION

Statement of Purpose

To serve as the central management and administration source for activities and operations related to the Public Services Department including Fleet Management, Landscape Operations, Cemetery, Hurley Park, Traffic Operations, Solid Waste Management, Street Division, Transit Division and Code Enforcement.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct daily planning/information sessions with division managers
- Maintain office hours for ten hours daily (7:00 am - 5:00 pm)
- Provide administrative and clerical support to seven division managers
- Provide real time response to public inquiries and/or provide immediate notification to division managers
- Provide temporary staffing in reaction to special projects or for unforeseen circumstances
- Provide code enforcement

Reduced Service Level:

- Eliminate accreditation assistance

Enhanced Service:

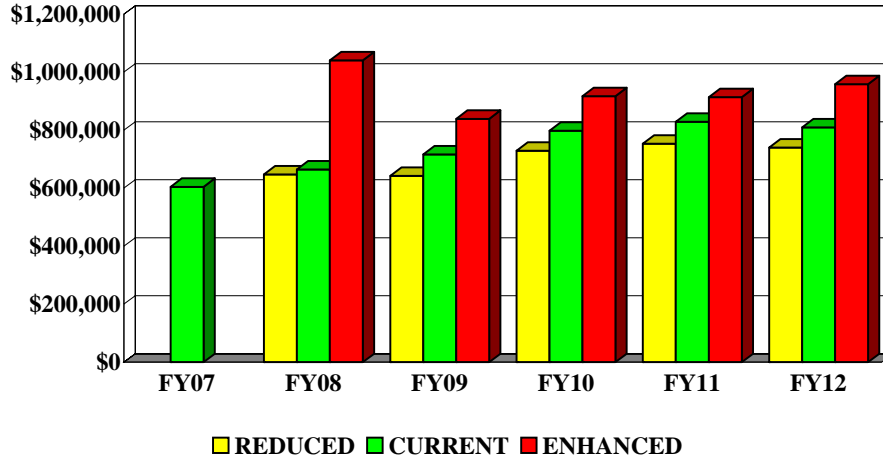
- Add part-time code enforcement officer to provide more effective coverage during peak seasons

PUBLIC SERVICES-TRAFFIC OPERATIONS

Statement of Purpose

To provide the City with a resource capable of effectively monitoring and evaluating municipal traffic safety, traffic flow, and parking needs and to develop and implement programs designed to address those needs through a network of traffic signals, traffic control signs, pavement markings and parking control devices. To provide installation and maintenance of a telecommunications system throughout the organization (excluding public safety telecommunications equipment).

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Monitor and evaluate traffic safety, flow and parking as needed
- Maintain and repair 100 traffic signals annually
- Maintain and repair 9,000+ traffic control signs
- Maintain 22,000 feet of crosswalk and stop bar markings
- Maintain 80 miles of yellow center line
- Maintain 700 directional arrows
- Maintain and repair 275 telephone sets
- Maintain and repair 3.2 miles of phone cable
- Install new phone sets and phone systems
- Install and repair computer cabling
- Provide on-call service for after hours repair to traffic signals and signs
- Provide on-call service for problems at tower site in Granite Quarry
- Install and remove mobile and base station radios
- Assist in studies to alleviate citizens' requests and complaints
- Perform electrical projects and repairs within City departments
- Maintain the Brown Street Clock on the Square with assistance from Facilities Maintenance
- Provide troubleshooting and repair assistance to the Plaza
- Fabricate signs for City departments
- Provide traffic control in work zones for City departments

Reduced Service Level:

- Maintain City-owned signals, signs, and pavement markings only
- Eliminate in-house repair to City telecommunications systems
- Eliminate fabrication of signs for City departments
- Eliminate traffic control assistance to City departments
- Eliminate thermoplastic markings installation

Enhanced Service Level:

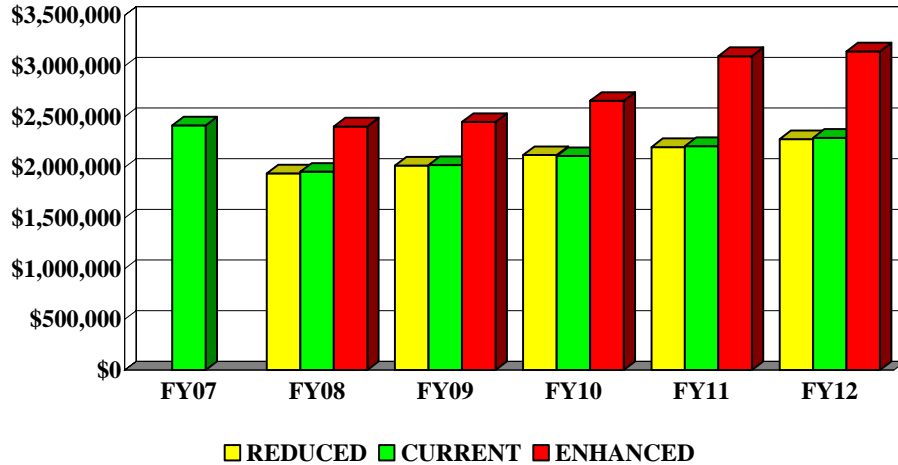
- Add a Traffic Operations Supervisor position
- Add one new crew in FY2007 to rejuvenate thermoplastic material biannually
- Upgrade street name signs from 6" to 9"
- Upgrade stop signs to 36" high-intensity minimum
- Take over maintenance of all signals in the county
- Construct Traffic Operations facility

PUBLIC SERVICES-STREETS

Statement of Purpose

To plan, implement and manage the construction and maintenance of all City streets, sidewalks, drainage systems and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. To fund activities associated with street construction, maintenance, cleaning and rights-of-way maintenance as provided for by revenue received from the State of North Carolina through the Powell Bill Fund.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Install a minimum of 75 new driveway aprons annually
- Replace a minimum of 6,000 feet of sidewalk annually
- Repair approximately 1,200 feet of curb and gutter annually
- Construct, repair, and upgrade drainage systems within rights-of-way as needed
- Remove debris from streets and gutters within 45 working days on a rotating schedule
- Provide passable street conditions during periods of ice and snow, covering all City streets within an eight hour period or as conditions allow
- Provide support to other divisions and departments with equipment and manpower as needed
- Use Powell Bill funds to provide pavement maintenance to 154 miles of city streets, resurface approximately 16 lane miles of city streets annually, and perform road maintenance to four miles of gravel streets
- Perform paving and patching of street cuts as a result of utility connections and service

Reduced Service Level:

- Defer purchase of capital equipment

Enhanced Service:

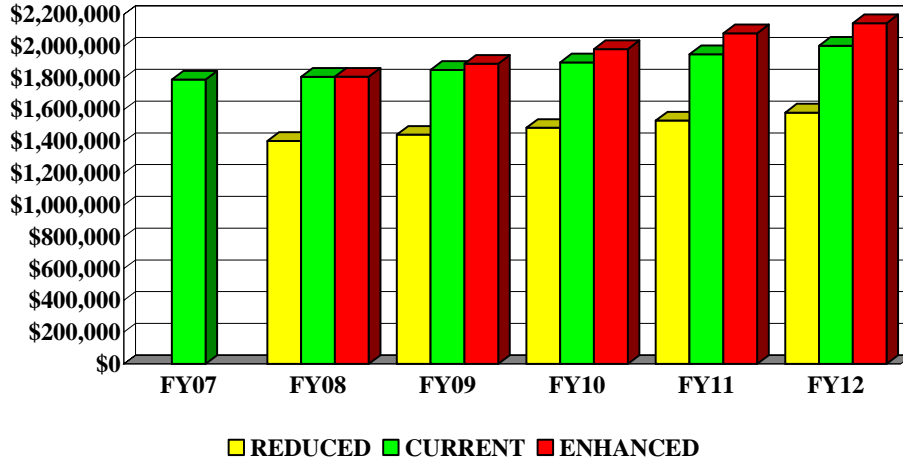
- Provide funding to increase sidewalk repairs/installations
- Add street sweeper to enhance removal of debris from streets and gutters within thirty working days
- Increase manpower and add equipment to upgrade street maintenance and concrete operations
- Enhance dry storage for equipment and materials
- Provide funds for target neighborhoods, utility strips, and drainage improvements
- Build an addition to current facility
- Fund asphalt cold planner attachment for skid steer loader

PUBLIC SERVICES-WASTE MANAGEMENT

Statement of Purpose

To maintain a clean, healthy environment for the citizens of Salisbury through the regular collection, transportation, and disposition of industrial, commercial and residential refuse and other debris using an effective, efficient system of waste management and recycling.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide once weekly curbside residential garbage and trash collection
- Provide multiple commercial collections by City crews
- Provide once weekly curbside recycling by contractor
- Provide once weekly dumpster collection by contractor

Reduced Service Level:

- Eliminate once weekly dumpster collection by contractor

Enhanced Service Level:

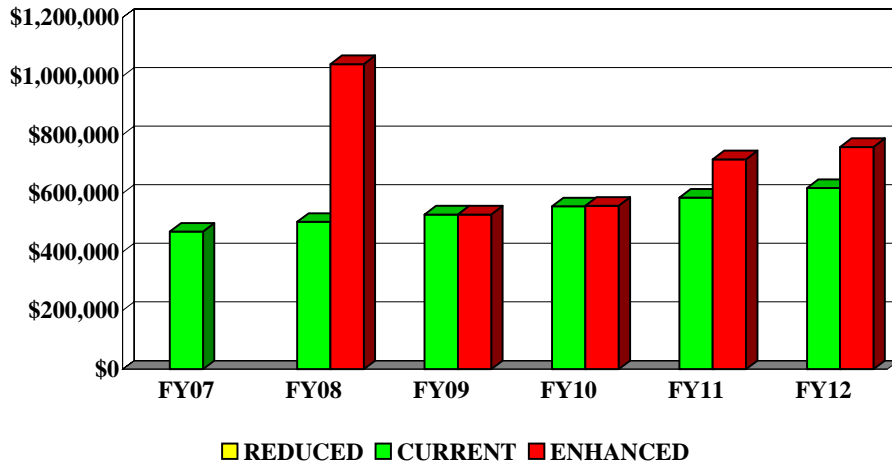
- Use two operators per truck (six two man crews)

PUBLIC SERVICES-WASTE MANAGEMENT-OTHER

Statement of Purpose

To provide the citizens of Salisbury with weekly limb and bagged yard debris collection to coincide with the current solid waste and recycling collection, and provide curbside loose leaf collection a minimum of every three weeks during the months of October – March.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide yard debris collection weekly on same day as other collections
- Provide leaf collection every three weeks on a rotating schedule from mid October to the end of March using a vacuum machine

Reduced Service Level:

- Eliminate loose leaf collection
- Eliminate limb and yard waste collection

Enhanced Service:

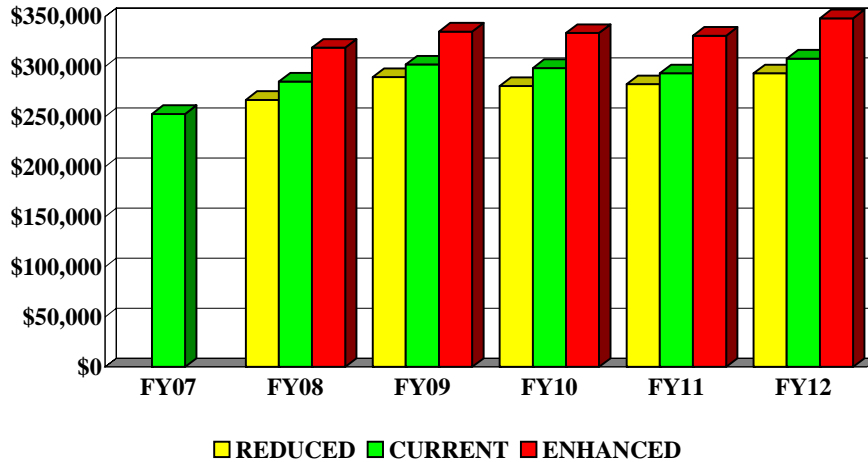
- Conduct pilot program for yard debris roll-out carts
- Purchase orange roll-out carts City wide for yard debris which will allow the transfer of one yard waste crew to Street Maintenance

PUBLIC SERVICES-CEMETERY

Statement of Purpose

To operate, maintain and develop seven municipal cemeteries totaling 79.65 acres of publicly controlled burial grounds.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Offer, for sale, grave spaces in three of the seven municipal cemeteries
- Open 136 grave sites annually
- Maintain existing graves as required
- Mow all cemeteries every other week
- Cut perimeter hedges at Chestnut Hill Cemetery two or three times during the 6 month mowing season

Reduced Service Level:

- Reduce frequency of mowing during summer months
- Cut perimeter hedges at Chestnut Hill Cemetery once during the mowing season
- Delay purchase of a mower by one year

Enhanced Service Level:

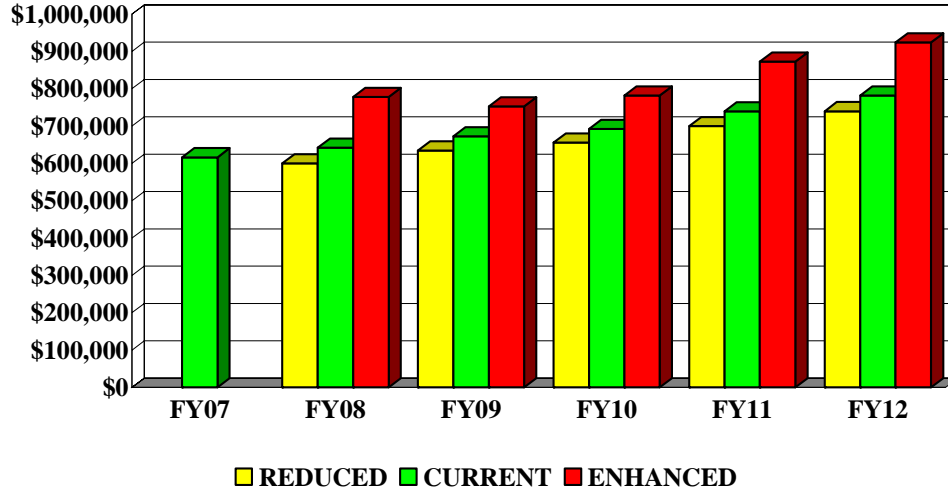
- Mow on nine day cycle
- Cut the highly visible hedges at Chestnut Hill Cemetery on a monthly schedule during the mowing season
- Add an additional flatbed trailer to the cemetery fleet for the transportation of equipment for better efficiency and productivity
- Install a fenced area to lock up any additional equipment
- Hire one additional Grounds Maintenance worker to bring total fulltime employees to five
- Add equipment for additional personnel
- Replace water lines in Chestnut Hill and Memorial Park Cemeteries because of leaks and bursts due to the age of galvanized lines

PUBLIC SERVICES-LANDSCAPE OPERATIONS DIVISION

Statement of Purpose

To provide a centralized resource for the management and development of City-owned landscapes and urban forest resources. To provide staff support to the Salisbury Tree Board, provide management of vegetation on City properties and rights-of-way, and ensure compliance with community standards regarding vegetative nuisances, unsanitary conditions and junked or abandoned vehicles on private property.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide mowing operations for 154 miles of street rights-of-way every 14 to 21 days and for approximately 100 acres of parks and open space and over 100 parcels of public property every seven to ten days
- Maintain landscaped areas including trees, shrubs, turf grass areas, and City facilities every ten to fourteen days
- Provide aerial lift truck for Christmas decorations, etc.
- Facilitate goals/objectives of Salisbury Tree Board and Community Appearance Commission; which is to plant 100 trees and complete three to four landscape projects annually
- Perform tree safety maintenance along public rights-of-way and parks on a case-by-case basis
- Provide support to Street Division during snow removal and leaf collection
- Provide staff support to Public Services Director for special projects
- Provide maintenance for the Greenway to assist Parks and Recreation twice annually
- Provide maintenance for Eastern Gateway, Bell Tower and Magnolia Park daily
- Provide seasonal color change four times per year
- Provide trash removal along highly visible roadside areas every seven to ten days
- Provide mowing for utilities contract every 10 to 14 days / Jake Alexander Boulevard every 30 days

Reduced Service Level:

- Provide mowing operations for street rights-of-way every 21 to 28 days, and parks, open space, and public property every 14 to 21 days
- Implement/maintain landscape areas every 14 to 21 days
- Plant 20 to 30 trees annually and eliminate landscape projects
- Respond to nuisance abatement within 15 days

Enhanced Service Level:

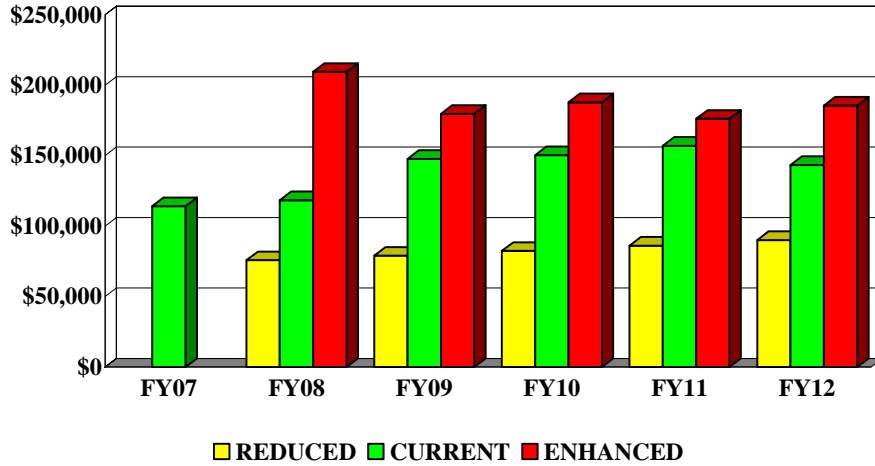
- Provide mowing operations for street rights-of-way every seven to ten days, and parks, open space, and public property every five to seven days
- Implement/maintain landscaped areas every seven to ten days
- Plant 400 to 500 trees and complete four to six landscape projects annually
- Implement a systematic tree safety maintenance program
- Increase scope of special projects

PUBLIC SERVICES-LANDSCAPING-HURLEY PARK

Statement of Purpose

To maintain and further develop the 15 acre Elizabeth Holmes Hurley Park in conjunction with J.F. Hurley Foundation and the City of Salisbury’s Hurley Park Advisory Commission.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain plant collections, trails, and display gardens daily
- Maintain records of daily park activities
- Apply agricultural chemicals as needed
- Generate Hurley Park newsletter quarterly
- Administer and monitor park use
- Maintain structures, park furniture, and irrigation systems daily
- Locate and procure plant materials and supplies
- Facilitate goals and objectives of Hurley Park Advisory Committee within the context of the Hurley Park Master Plan which is to complete three special projects annually

Reduced Service Level:

- Maintain plant collections, trails, and display gardens weekly
- Eliminate records maintenance
- Eliminate Hurley Park newsletter
- Maintain structures, park furniture, and irrigation systems weekly
- Complete one special project annually

Enhanced Service Level:

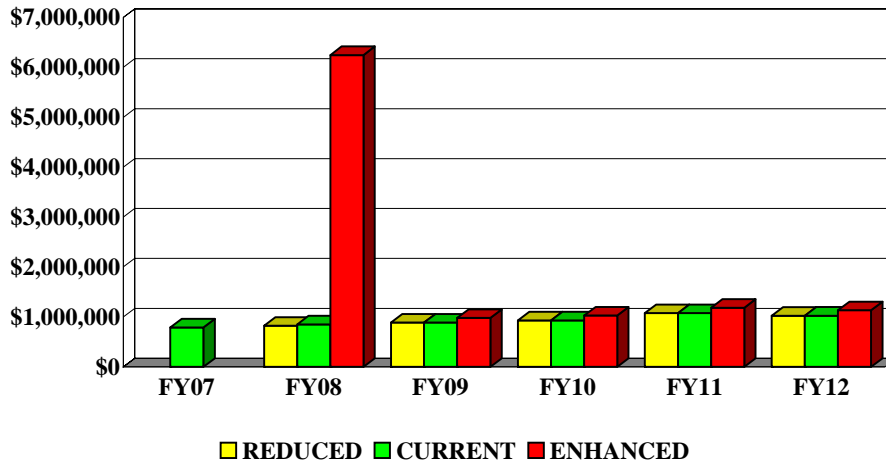
- Provide additional funds for park development
- Complete five special projects annually

PUBLIC SERVICES-FLEET MANAGEMENT

Statement of Purpose

To provide a centralized resource for the management and repair of City vehicles and equipment, including Transit System buses, and to offer expertise in the development of specifications used in the purchase of new vehicles and equipment.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Repair and maintain the City fleet
- Provide a comprehensive preventive maintenance program for the City fleet
- Prepare vehicle modifications as needed
- Load test Salisbury-Rowan Utilities generator sets
- Maintain emergency fuel truck and fuel supply
- Make replacement recommendations to the Vehicle Review Committee
- Meet with department personnel regarding fleet vehicle and equipment needs
- Develop vehicle and equipment specifications
- Arrange vehicle and equipment demonstrations
- Obtain bids on vehicles and equipment under \$90,000
- Write purchase orders for vehicles and equipment under \$90,000
- Provide service calls for City of Salisbury and Salisbury-Rowan Utilities
- Maintain titles and licenses for City fleet
- Rebuild vehicle components
- Provide parts and supplies for the City fleet and other divisions' needs
- Maintain employee development through training
- Provide equipment and vehicle operator training
- Maintain the Salisbury Clean Air Project for vehicles and equipment
- Provide data for the North Carolina Local Government Performance Measurement Project
- Continue implementation of fleet management computerization system to track vehicle maintenance cost, preventive maintenance, repair history, inventory control, productivity and life cycle cost

Reduced Service Level:

- Incur longer vehicle/equipment downtime for maintenance
- Reduce funding for capital outlay

Enhanced Service Level:

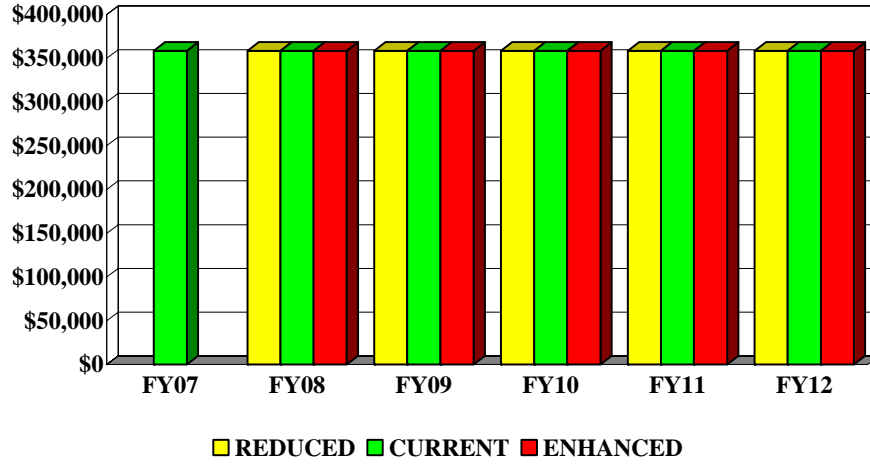
- Increase funding for capital outlay
- Build and upfit joint City-County Shop

PUBLIC SERVICES-TRANSPORTATION

Statement of Purpose

To provide funding for the City's share of the City Transit System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide City supplement to Mass Transit operations

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

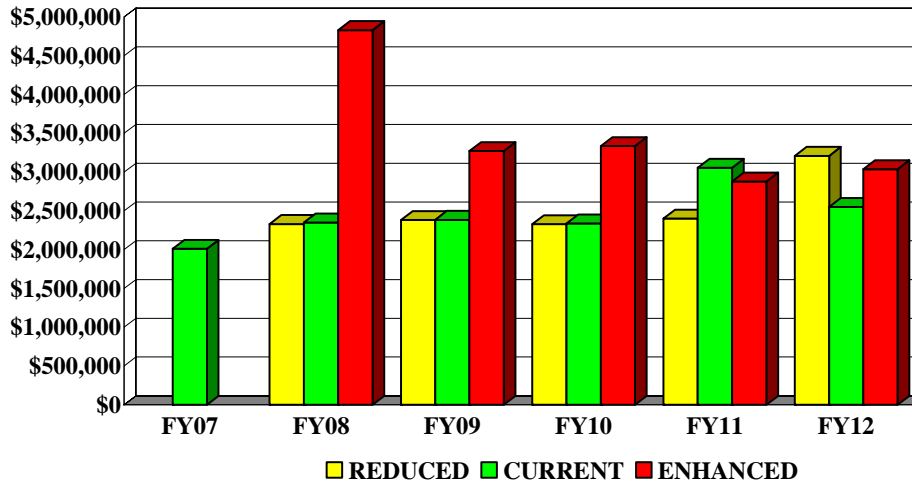
- No enhanced service level is proposed

PARKS AND RECREATION

Statement of Purpose

To provide the citizens of Salisbury with a variety of quality leisure services through safe, attractive, maintained parks and diversified programs that meet the current and future needs of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide administration, planning, and development of a comprehensive park system, quality leisure activities, and programming
- Provide comprehensive youth/teen programming in athletics, craft classes, workshops, camps, playgrounds, and afterschool activities at four facilities
- Provide comprehensive adult programming in athletics, fitness, craft classes, life skills, and enrichment workshops at four facilities
- Provide quality tennis programming for all residents at two locations on ten courts
- Provide special events and services for residents
- Provide senior citizen programming through support of the Rufty-Holmes Senior Center
- Maintain all parkland, facilities, and playground equipment for the safety of all participants
- Make available for public use Parks and Recreation facilities for community events
- Provide a public pool for aquatic activities May - August
- Maintain 506 acres of parkland in 16 locations (mowing, trash collection, and repairs)
- Maintain four sections of the Greenway approximately two and three quarter miles in length
- Maintain and prepare for public and tournament use nine ball fields, four soccer fields, nine outdoor basketball courts, four cross country courses and one disc golf course
- Provide maintenance staff for the Salisbury Community Park and the Greenway
- Renovate the Sports Complex

Reduced Service Level:

- Delay Kelsey Scott Park Master Plan until FY2009

Enhanced Service Level:

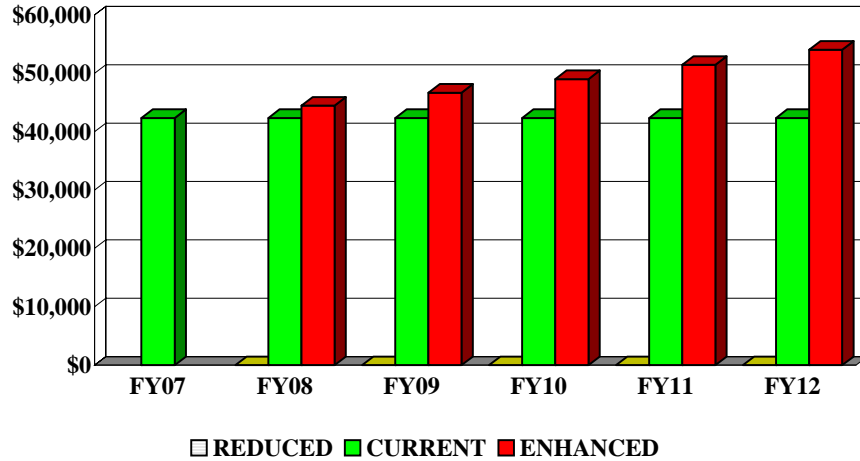
- Increase Program staff in FY2009 and Maintenance staff in FY2008 & 2009 to support additional parkland and facilities operations
- Complete Park Land acquisition, Town Creek Park development, construct a Park Maintenance Building at the Community Park and construct a new gym at the Civic Center

EDUCATION

Statement of Purpose

To provide for funding the Supplementary Education System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a supplement to the Supplementary Education Center at historical levels

Reduced Service Level:

- Eliminate any supplement to Supplementary Education Center

Enhanced Service Level:

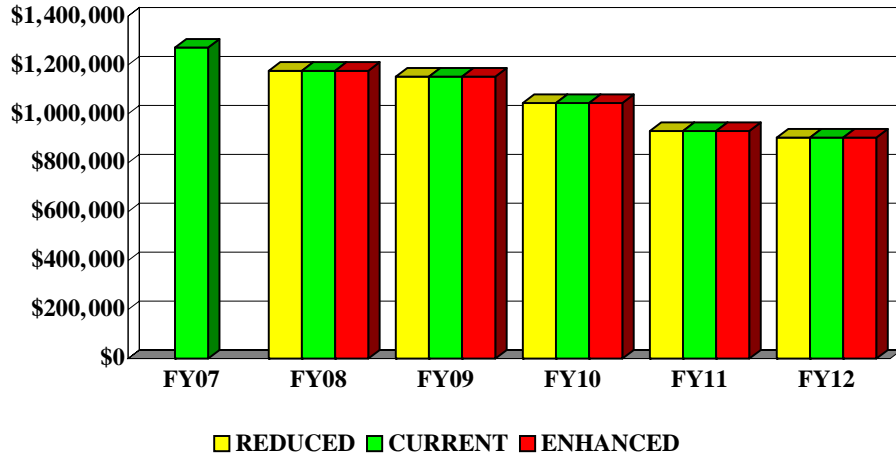
- Increase funding by 5% annually, which could be used to enhance curriculum materials or special projects

DEBT SERVICE

Statement of Purpose

To provide for the payment of interest and principal payments on outstanding General Fund debt.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide funding for the existing General Fund debt service

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

- No enhanced service level is proposed

PERFORMANCE MEASUREMENT

The North Carolina Local Government Performance Measurement Project

This section summarizes Salisbury's results from the North Carolina Local Government Performance Measurement Project ("the project"). The following pages present performance and cost information for the City of Salisbury in comparison with fifteen other cities participating in the project along with explanatory information about the services. This information is reprinted from the School of Government report entitled "North Carolina Local Government Performance Measurement Project – Final Report on City Services for Fiscal Year 2005-06 Performance and Cost Data", dated February 2007. Specific information on the other cities' results and a discussion about the performance measures can be found in the official publication.

The Performance Measurement Project

The Performance Measurement Project is an ongoing effort by numerous cities in North Carolina to both measure and compare local government services and costs and to identify "best practices". The City of Salisbury is a long-standing participant in the Performance Measurement Project, which includes the cities of Asheville, Carrboro, Cary, Charlotte, Concord, Durham, Gastonia, Greensboro, Hickory, High Point, Matthews, Raleigh, Wilmington, Wilson, and Winston-Salem. Coordinated by the School of Government at the University of North Carolina – Chapel Hill, the report analyzed the following local services: residential refuse collection, household recycling, yard waste and leaf collection, police services, emergency communications, asphalt maintenance and repair, fire services, fleet maintenance and human resources. The production of drinking water by municipalities is a service area that is scheduled for inclusion in next year's report.

The scope and purpose of the Performance Measurement Project includes:

- Developing methods that North Carolina's cities can use in their efforts to measure, assess and improve the performance and costs of public services and test and refine these methods by applying them to a select group of local government services
- Producing reliable data that the participating local jurisdictions can use in assessing the performance and costs of the services studied in the project
- Providing information to help local governments identify performance benchmarks as well as innovative or improved methods of service delivery

By participating in the Performance Measurement Project, local governments have comparative performance and cost data to track their performance and costs in relation to other local governments along with their own historical performance and cost data. By using this information, local governments strive to provide services more efficiently and effectively to the citizens they serve.

Operationalizing Performance Measurement in Salisbury

The City of Salisbury has committed to continuing in the North Carolina Local Government Performance Measurement Project in FY2007-08 and beyond. During the February 2006 planning and goal-setting retreat, the City Council made the decision to "operationalize" the City's performance measurement processes, as the Council now views this management practice as routine and expected.

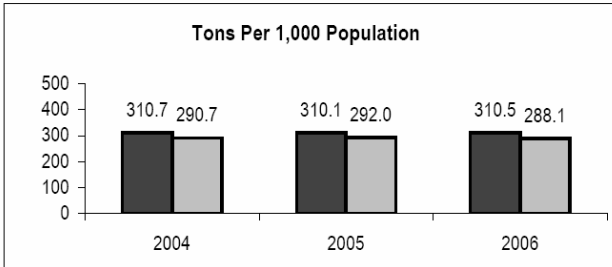
Salisbury

Residential Refuse Collection

FISCAL YEARS 2004, 2005, and 2006

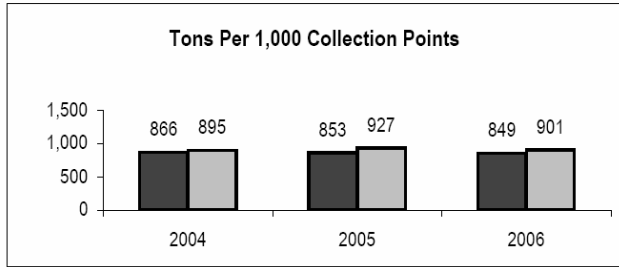
Chart Legend: City Average

Workload Measure



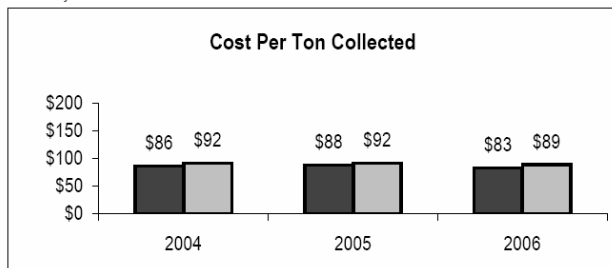
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Workload Measure



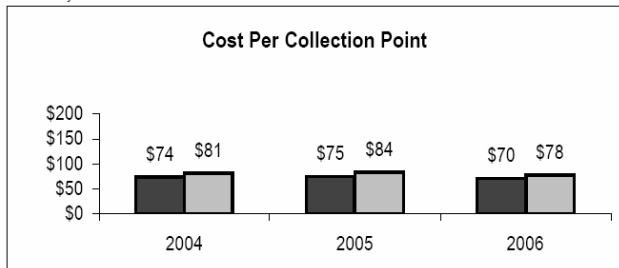
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Efficiency Measure



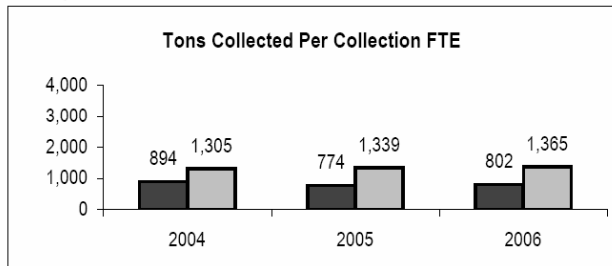
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Efficiency Measure



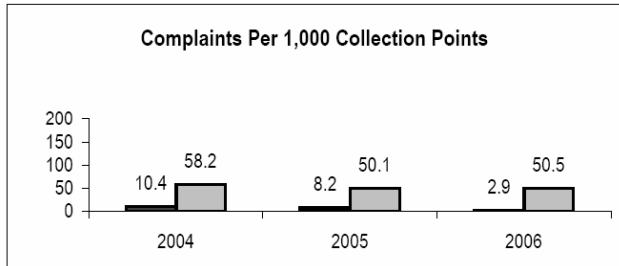
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Efficiency Measure



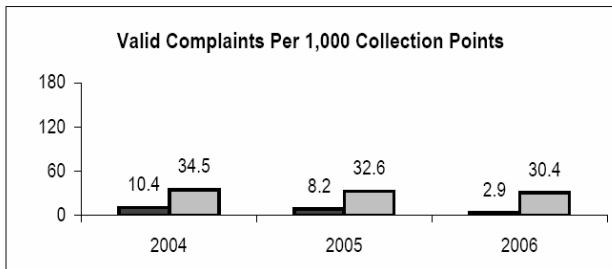
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Effectiveness Measure



n=14

Effectiveness Measure



n=13

Salisbury

Residential Refuse Collection

Fiscal Year 2005–06

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
Topography	Gently rolling
County	Rowan
Climate	Moderate; little snow & ice
Median Family Income (US Census 2000)	\$41,108

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	58.9%
Operating Costs	23.4%
Capital Costs	17.7%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 441,425
Operating Costs	\$ 175,088
Capital Costs	\$ 132,652
TOTAL	\$ 749,165

SERVICE PROFILE

FTE Positions—Collection	11.25
FTE Positions—Other	2.00
Tons Collected	9,023
Residential Customers (number represents collection points)	10,632
Collection Location (backyard for fee and disabled)	Curbside
Collection Frequency	1 x week
Size of Crews (most commonly used)	1 & 2 person
Percentage of Service Contracted	0%
Service Fee	Yes
Type of Equipment	6 packers

EXPLANATORY INFORMATION

Service Level and Delivery

Salisbury provides residential refuse collection service once per week at curbside. Backyard collection service is provided for disabled customers only. The city charges a monthly fee of \$2.98 for residential collection.

The city employed six crews during FY 2005–06, three composed of one driver and three with two driver-operators. Six semi-automated packers were used during the fiscal year. Fifteen collection routes were used with an average of one four-mile trip per route per day to the transfer station.

Each resident has one ninety-five-gallon roll-out cart provided and paid for by the city. A second cart may be obtained. The city collected 9,023 tons of residential refuse during FY 2005–06 at a cost per ton of \$83. Not included in the cost per ton was a \$33 landfill tipping fee.

Salisbury defines its semi-automated packers as low-entry compactors that can be driven from either side of the truck, with the refuse being dumped in the rear of the truck from roll-out carts.

Conditions Affecting Service, Performance, and Costs

Salisbury's total tons collected includes bulk trash, which is collected along with residential refuse and cannot be separated for reporting purposes.

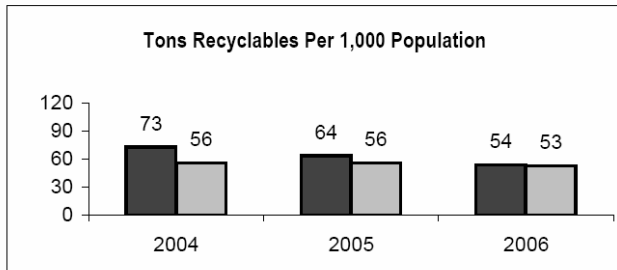
Salisbury

Household Recycling

FISCAL YEARS 2004, 2005, and 2006

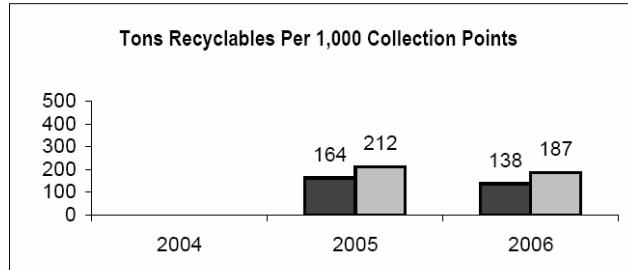
Chart Legend: City Average

Workload Measure



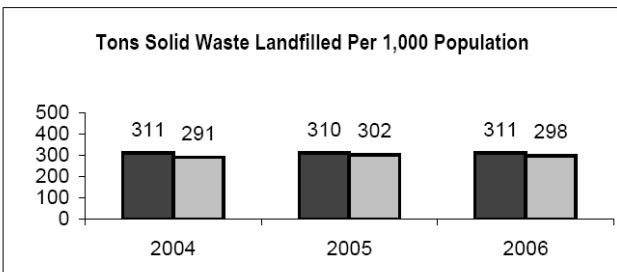
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Workload Measure



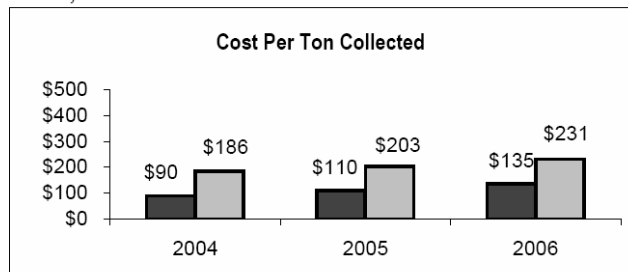
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Workload Measure



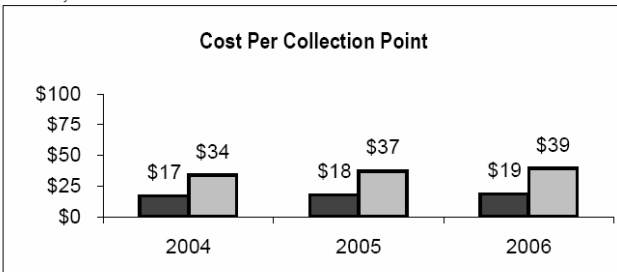
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Efficiency Measure



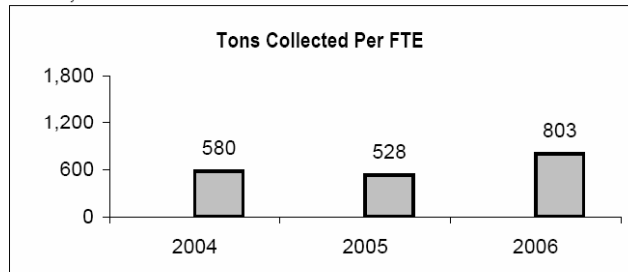
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Efficiency Measure



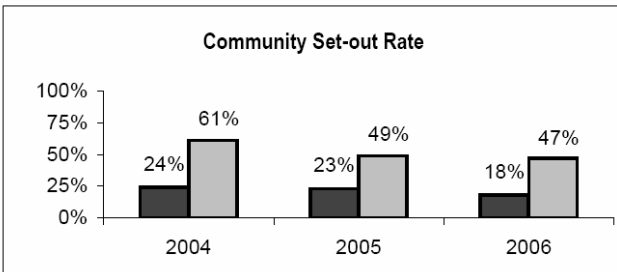
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Efficiency Measure



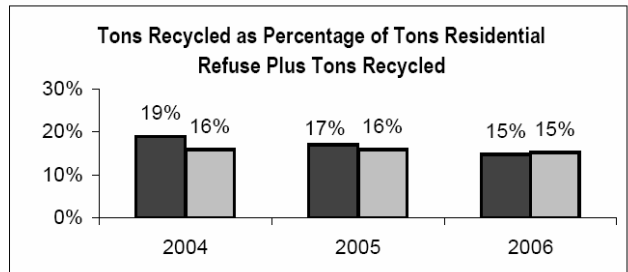
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Effectiveness Measure



n=15

Effectiveness Measure



n=15

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
Topography	Gently rolling
County	Rowan
Climate	Moderate; Some snow & ice
Median Family Income (US Census 2000)	\$41,108

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	0.0%
Operating Costs	100.0%
Capital Costs	0.0%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ -
Operating Costs	\$ 211,883
Capital Costs	\$ -
TOTAL	\$ 211,883

SERVICE PROFILE

FTE Positions—Collection	0.0
FTE Positions—Other	0.0
Tons Collected	1,570
Collection Points	11,400
Collection Location	Curbside
Collection Frequency	1 x week
Number of City Drop-Off Centers	0
Percentage of Service Contracted	100%
Revenue from Recycling	\$0
Revenue as Percent of Cost	NA

EXPLANATORY INFORMATION

Service Level and Delivery

Salisbury provides once-a-week curbside collection of recyclable materials from households. The city charged a monthly recycling fee of \$1.66 in FY 2005–06. The city provides and pays for the fourteen-gallon recycling bins that residents use. The city contracts 100 percent of its recycling program. Recyclables are sorted at the curb by the contractor and taken to the county recycling site.

The recyclable materials collected include:

- glass (all colors)
- newspaper
- magazines and catalogs
- mixed paper and mail
- telephone books
- cardboard—broken down and cereal boxes
- plastics—No. 1 and No. 2
- aluminum cans
- steel cans

Salisbury defines all complaints as valid complaints. The contractor missing a bin is the usual complaint.

Conditions Affecting Service, Performance, and Costs

The measure "tons recyclables per 1,000 collection points" was a new measure as of FY 2004-05.

The set-out rate was reported quarterly by the contractor. The city reserves the right to conduct unannounced follow-up inspections of the collection process.

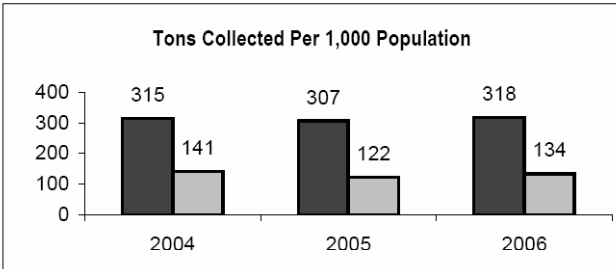
Salisbury

Yard Waste/Leaf Collection

FISCAL YEARS 2004, 2005, and 2006

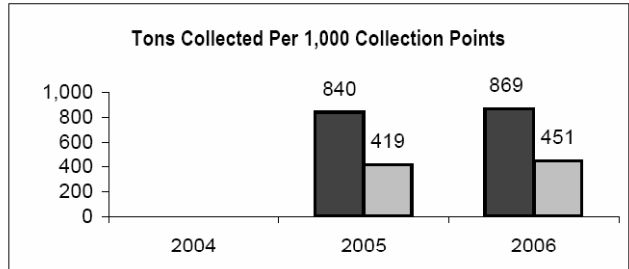
Chart Legend: City Average

Workload Measure



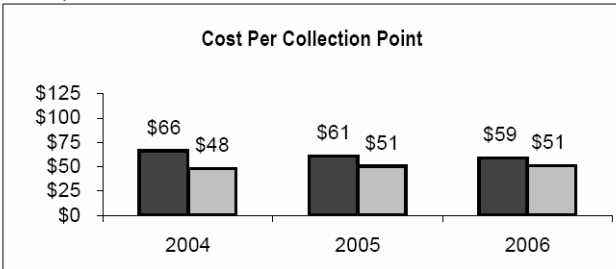
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Workload Measure



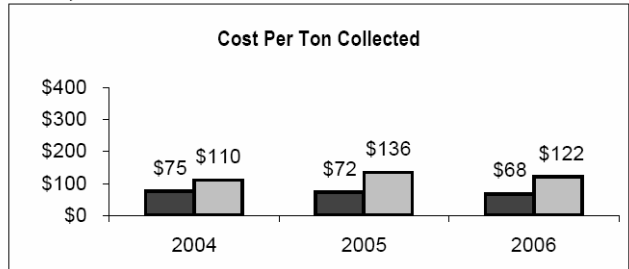
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Efficiency Measure



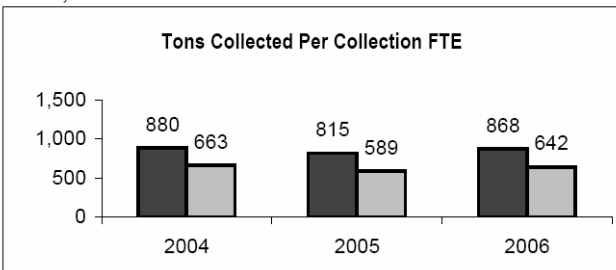
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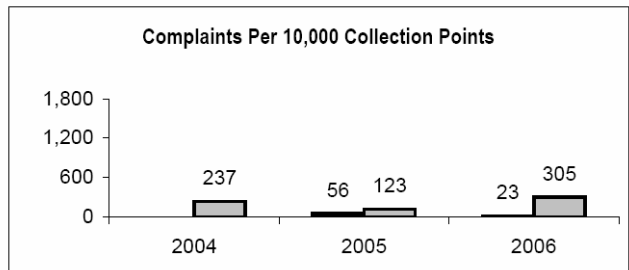
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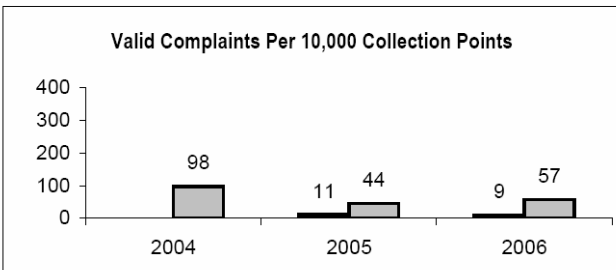
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Effectiveness Measure



n=14

Effectiveness Measure



n=12

Salisbury

Yard Waste/Leaf Collection

Fiscal Year 2005–06

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
Topography	Gently Rolling
County	Rowan
Climate	Moderate; some snow & ice
Median Family Income (US Census 2000)	\$41,108

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	65.7%
Operating Costs	23.9%
Capital Costs	10.3%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 412,509
Operating Costs	\$ 150,345
Capital Costs	\$ 64,909
TOTAL	\$ 627,763

SERVICE PROFILE

FTE Positions—Collection	10.65
FTE Positions—Other	1.00
Collection Points	
Yard Waste	10,632
Leaf Collection	10,632
Tons Collected	
Yard Waste	6,640
Leaves	2,602
Total	9,242
Collection Frequency	
Yard Waste	1 x week
Bagged Leaves	1 x week
Loose leaves (seasonal collection)	1 x 3 weeks
Service Fee	\$0

EXPLANATORY INFORMATION

Service Level and Delivery

Yard waste is picked up weekly at the curb in Salisbury. Yard waste includes limbs, shrubs, bagged grass clippings, and bagged leaves. It is collected the same day as trash and recycling materials for city residents.

The city uses from two to three two-person crews, each consisting of a driver and laborer, on packer trucks for yard waste collection. One to two additional two-member crews operating two knuckleboom trucks collect large brush piles and limbs. One supervisor patrols the routes throughout the day, coordinating pick-ups, and responding to citizen requests.

Loose leaves are collected from curbside during leaf season, which runs from mid-October through March. Loose leaves are collected every third week during leaf season. Bagged leaves are collected as part of the weekly yard waste program.

One to seven crews, each composed of an operator, a street maintenance worker, and a seasonal worker, are used for the annual leaf collection program.

The city did not charge a fee for its yard waste collection program during FY 2005–06.

Conditions Affecting Service, Performance, and Costs

The measure "tons collected per 1,000 collection points" was a new measure as of FY 2004-05.

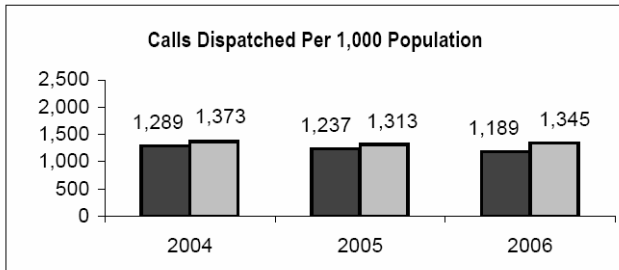
Salisbury

Police Services

FISCAL YEARS 2004, 2005, and 2006

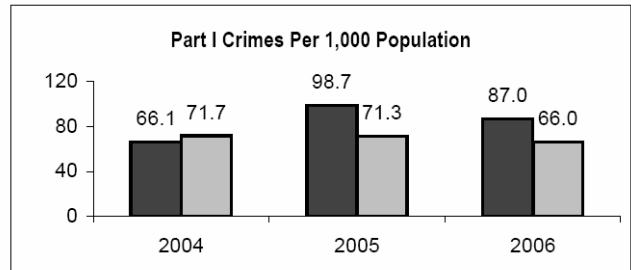
Chart Legend: City Average

Workload Measure



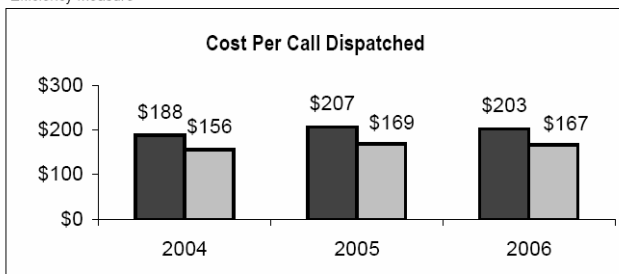
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Workload Measure



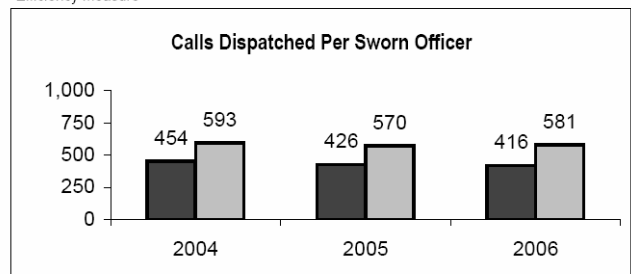
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Efficiency Measure



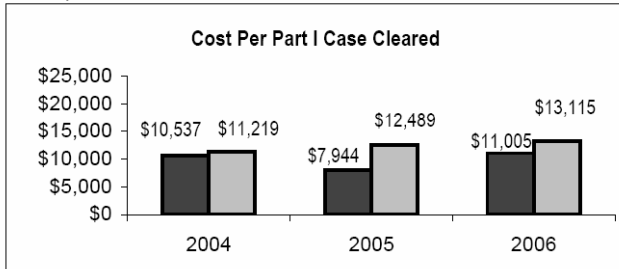
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Efficiency Measure



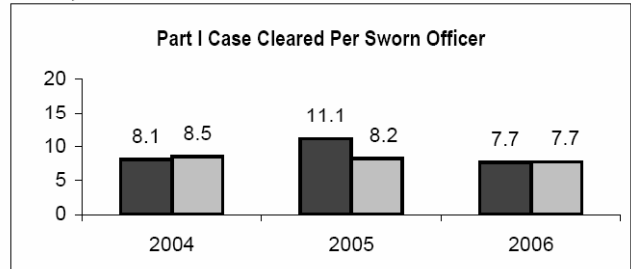
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Efficiency Measure



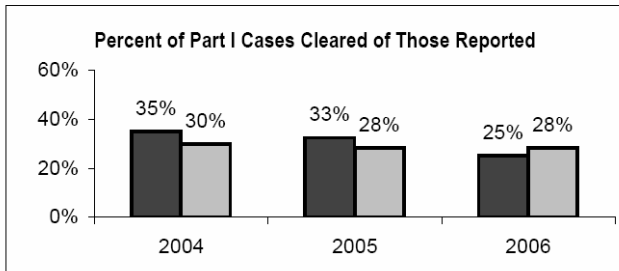
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Efficiency/Effectiveness Measure



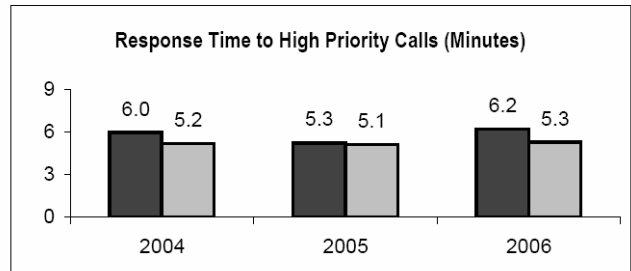
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Effectiveness Measure



n=15

Effectiveness Measure



n=15

Salisbury

Police Services

Fiscal Year 2005–06

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
County	Rowan
Median Family Income (US Census 2000)	\$41,108
Unemployment Rate (ESC-05)	5.4%
Part I Crimes Reported	
Homicide	4
Rape	18
Robbery	104
Assault	146
Burglary	620
Larceny	1,473
Auto Theft	147
Arson	15
TOTAL	<u>2,527</u>

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	70.7%
Operating Costs	20.9%
Capital Costs	8.4%
TOTAL	<u>100.0%</u>
Cost Breakdown in Dollars	
Personal Services	\$ 4,950,429
Operating Costs	\$ 1,463,976
Capital Costs	\$ 584,887
TOTAL	<u>\$ 6,999,292</u>

SERVICE PROFILE

FTE Positions—Sworn	83.0
FTE Positions—Other	26.0
Part I Crimes Cleared	
Persons	114
Property	522
Total	<u>636</u>
Reporting Format	IBR
Part II Crimes Reported	2,347
Number of Calls Dispatched	34,556
Traffic Accidents	1,891
Property Damage	\$6,104,387

EXPLANATORY INFORMATION

Service Level and Delivery

Salisbury's police department provides an array of police services, including patrol, investigations, traffic, canine, special response, bicycle patrol, drug enforcement units, animal control, a school program, and other programs.

The city had eighty-three sworn officer positions authorized for FY 2005–06, with an average length of service of 10.3 years. The police department is located in a two-story facility and also has two substations. One substation is located in a neighborhood and one substation is office space located at Rowan Regional Medical Center.

Uniformed officers work a variety of shift schedules. The most common schedule is one twelve-hour shift, with two days on and two off, three days on and two off, and then two days on and three off. A few officers work 10.5 hour shifts, with four days on and three off. This 10.5 hour shift serves as flex coverage during the day's heaviest call volume period and can be moved according to departmental need.

Officers are assigned a vehicle when hired and are allowed to take it home if they live within Rowan County. If they live within Rowan County but beyond five miles of the city limits, they have to reimburse the city for the cost of mileage in excess of the five miles.

The police department was successful in clearing a total of 636 Part I cases in FY 2005–06.

Sixty-nine complaints about police officers were received in FY 2005–06, with twenty-one of the complaints sustained.

The city defines high priority emergency calls as those crimes that are in progress, life threatening, or potentially life threatening circumstances.

Conditions Affecting Service, Performance, and Costs

The average response time to high priority calls reflects the response time of the first arriving unit. Self-initiated calls with a response time of zero are included in the average response time to high priority calls.

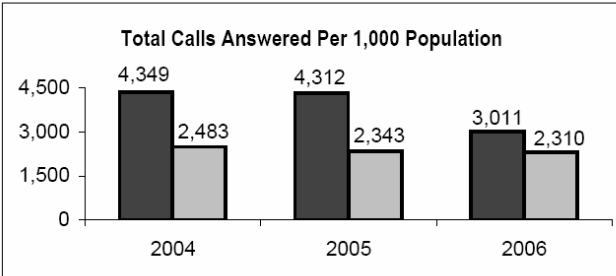
Salisbury

Emergency Communications

FISCAL YEARS 2004, 2005, and 2006

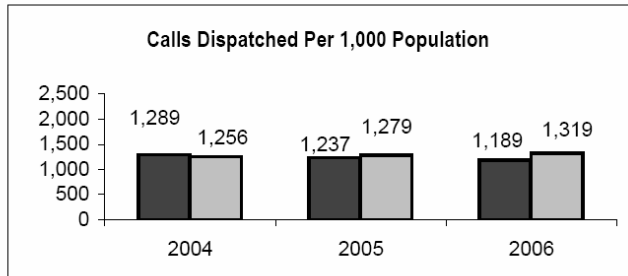
Chart Legend: City Average

Workload Measure



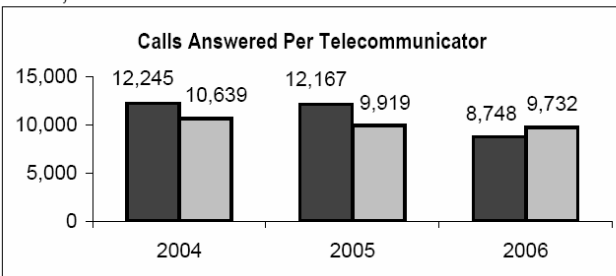
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Workload Measure



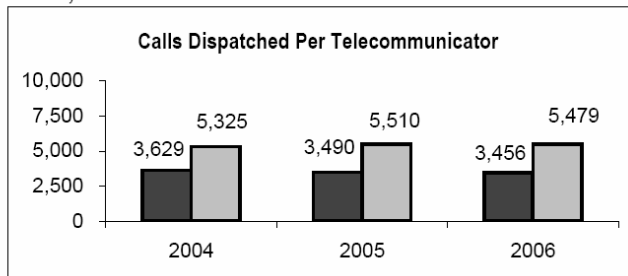
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Efficiency/Workload Measure



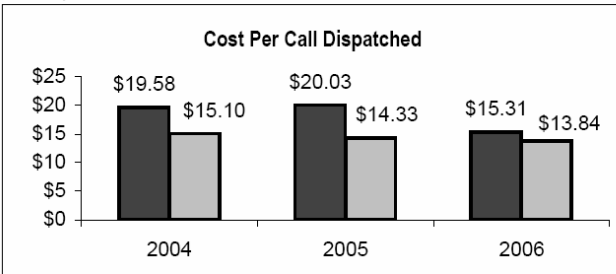
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Efficiency Measure



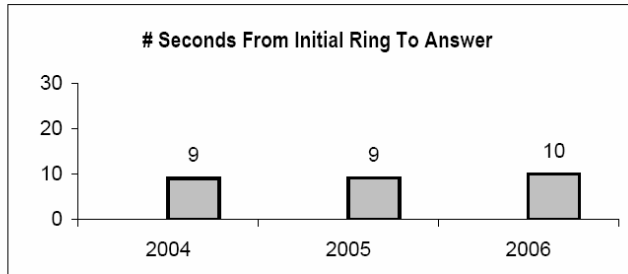
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Efficiency Measure



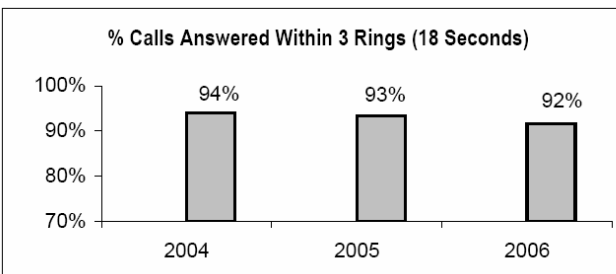
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Effectiveness Measure



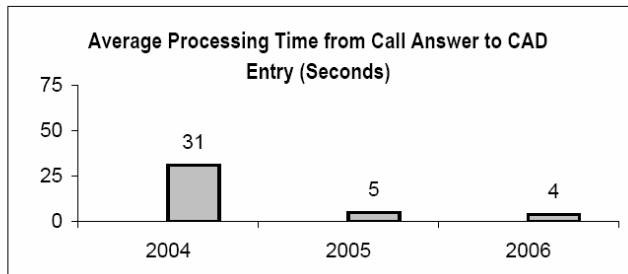
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Effectiveness Measure



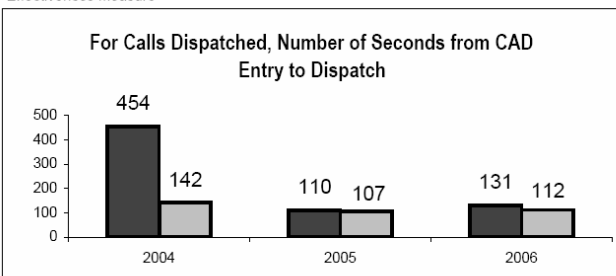
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Effectiveness Measure



n=3

Effectiveness Measure



n=10

Salisbury

Emergency Communications

Fiscal Year 2005–06

MUNICIPAL PROFILE

Population Served	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
County	Rowan
Median Family Income (US Census 2000)	\$41,108
Unemployment Rate (ESC-05)	5.4%
Population Growth (OMB 2000–2005)	9.8%

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	76.1%
Operating Costs	20.6%
Capital Costs	3.3%
TOTAL	100.0%
Cost Breakdown in Dollars	
Personal Services	\$ 402,556
Operating Costs	\$ 108,721
Capital Costs	\$ 17,690
TOTAL	\$ 528,967

SERVICE PROFILE

FTE Positions	
Telecommunicators/Call-takers	10.0
Other	0.0
Total Incoming Calls	87,483
Total 911 Calls	13,671
Total Calls Dispatched	34,556
E-911 Fee	\$0.65
Revenue from Fee	NA

EXPLANATORY INFORMATION

Service Level and Delivery

The emergency communications center is located in the police department and processes 911 emergency and nonemergency calls. Fire and EMS calls are handled by Rowan County. Many of the calls come directly to the center. Others from city residents go initially to the Rowan County communications center and are immediately switched to the city's police communications center. The city's center operates twenty-four hours a day, seven days a week.

The city owns its communications equipment, including infrastructure. The system is a Motorola 800 MHz trunked Smartnet system with a single, twenty-channel analog site and two GHz microwave sites.

Salisbury's center reported total incoming calls of 87,483 for FY 2005–06, dispatching 34,556 of them. The city defines highest priority emergency calls as crimes in progress and calls involving injury or imminent injury to a person.

Conditions Affecting Service, Performance, and Costs

Salisbury was unable to provide data for some of the effectiveness measures given the structure of its database.

The money collected from the E-911 fee in Salisbury all goes to Rowan County.

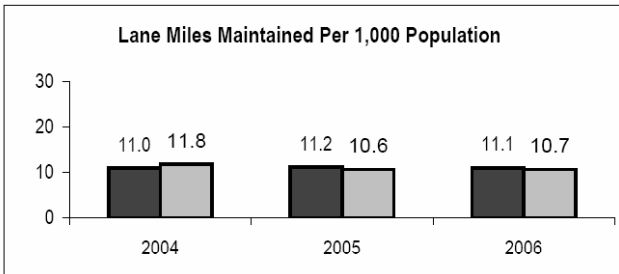
Salisbury

Asphalt Maintenance and Repair

FISCAL YEARS 2004, 2005, and 2006

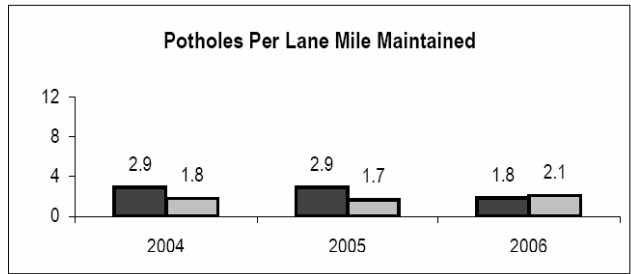
Chart Legend: City Average

Workload Measure



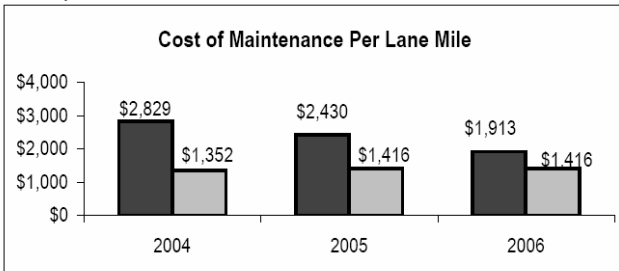
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Workload Measure



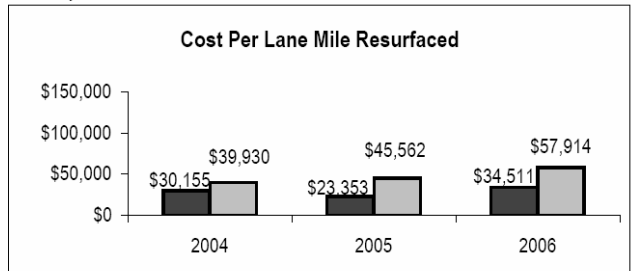
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Efficiency Measure



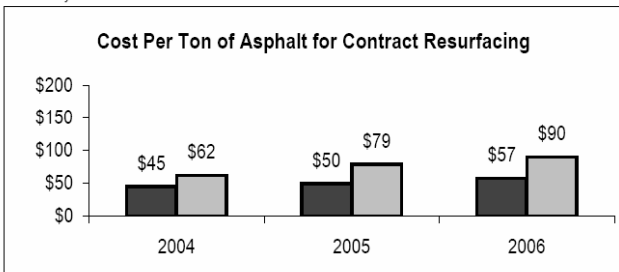
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Efficiency Measure



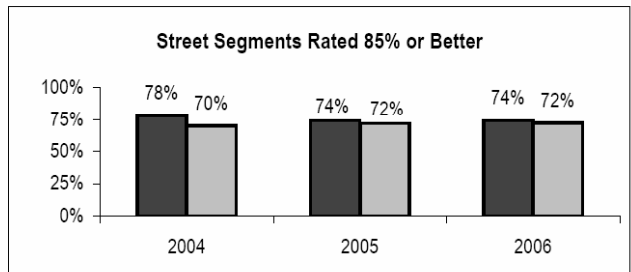
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Efficiency Measure



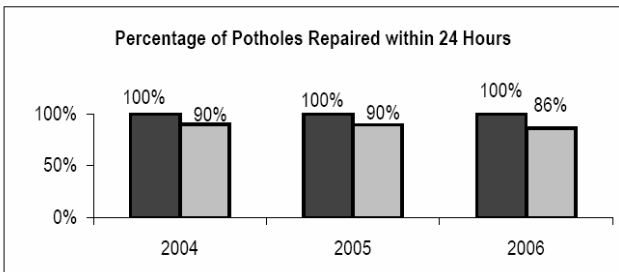
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Effectiveness Measure



n=15

Effectiveness Measure



n=14

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
Topography	Gently rolling
County	Rowan
Climate	Moderate; some snow & ice
Median Family Income (US Census 2000)	\$41,108

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	30.4%
Operating Costs	61.6%
Capital Costs	7.9%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 342,509
Operating Costs	\$ 693,167
Capital Costs	\$ 89,163
TOTAL	\$ 1,124,839

SERVICE PROFILE

FTE Positions—Crews	8.25
FTE Positions—Other	0.50
 Lane Miles Maintained	 321.2
 Lane Miles Resurfaced—Contract	 14.79
Lane Miles Resurfaced—City	0.00
Total	14.79
 Tons of Asphalt Used—Resurfacing	
Contractor	8,896
City Crews	0
 Cost of Repaving—Contract	 \$510,413
Cost of Repaving—City Crews	\$0
Cost of Maintenance	\$614,426
 Registered Vehicles	 21,900
Registered Vehicles/Square Mile	1,153

EXPLANATORY INFORMATION

Service Level and Delivery

The City of Salisbury was responsible for maintaining 321.16 lane miles during FY 2005–06.

The city resurfaced 14.79 lane miles, equating to approximately 4.6 percent of total lane miles. A total of 8,896 tons of asphalt was used during the fiscal year by contractors for resurfacing projects. The average resurfacing depth used by the city was 1.5 inches.

The city reported that 74 percent of its street segments rated 85 percent or above on its most recent rating conducted in the year 2005. The city used ITRE as its rating system.

The number of potholes reported for FY 2005–06 was 588. The percentage of potholes repaired within twenty-four hours was 100 percent. The city reported a resurfacing cycle of twenty-one years.

Conditions Affecting Service, Performance, and Costs

The rising price of oil significantly increased the cost of asphalt used for resurfacing and repair work.

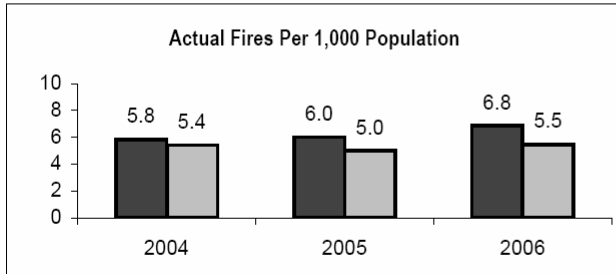
Salisbury

Fire Services

FISCAL YEARS 2004, 2005, and 2006

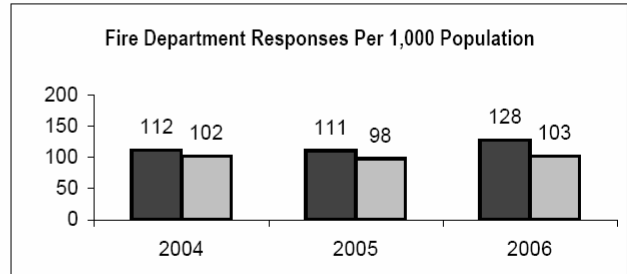
Chart Legend: City Average

Workload Measure



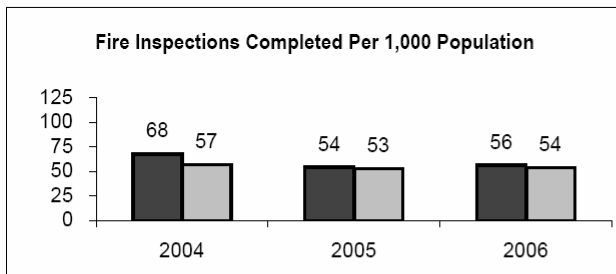
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Workload Measure



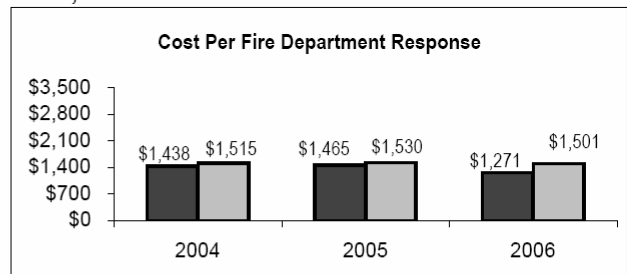
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Workload Measure



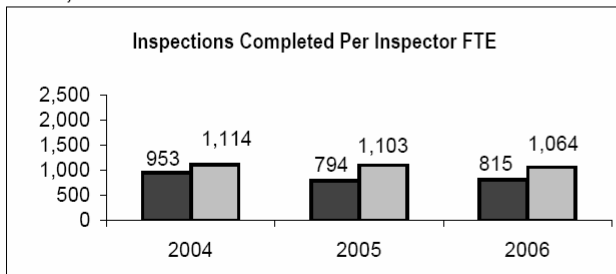
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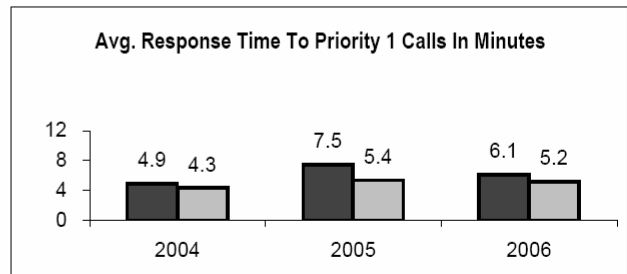
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Efficiency Measure



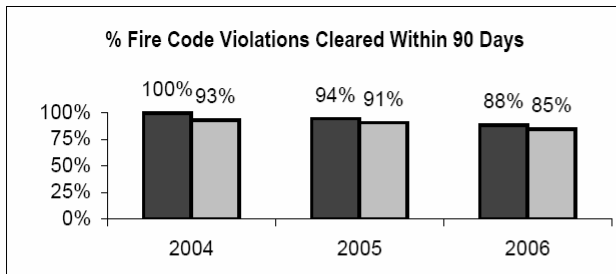
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Effectiveness Measure



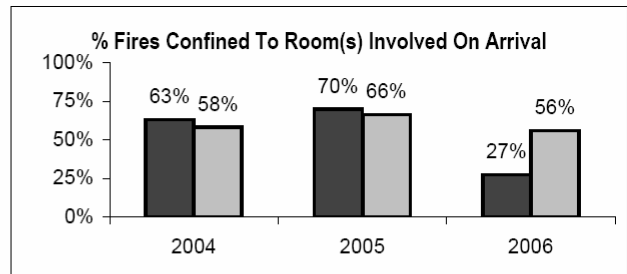
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Effectiveness Measure



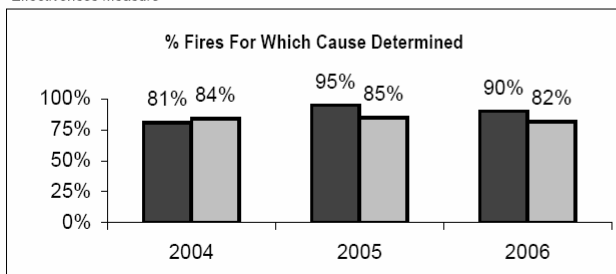
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Effectiveness Measure



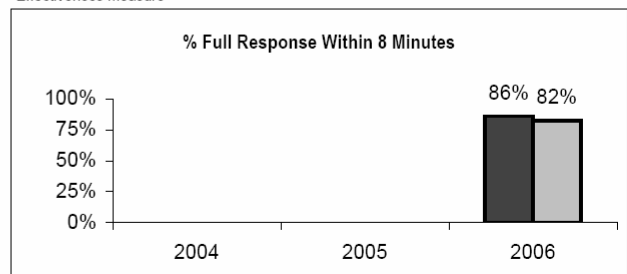
n=15

Effectiveness Measure



n=14

Effectiveness Measure



n=12

MUNICIPAL PROFILE

Population Served	29,087
Land Area Served (Square Miles)	20.3
Persons Served per Square Mile	1,433
Topography	Gently rolling
County	Rowan
Climate	Moderate; some snow & ice

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	71.6%
Operating Costs	20.5%
Capital Costs	7.9%
TOTAL	100.0%
Cost Breakdown in Dollars	
Personal Services	\$ 3,382,935
Operating Costs	\$ 967,891
Capital Costs	\$ 371,094
TOTAL	\$ 4,721,920

SERVICE PROFILE

FTE Positions—Firefighters	60.0
FTE Positions—Other	8.0
Fire Stations	3
Amount of Property Protected	\$1,873,862,414
Fire Apparatus	
Pumpers	3
Aerial Trucks	1
Reserve Equipment—Other	5
Total	9
Fire Department Responses	
Fires	199
Medical	2,227
False alarms	464
Other	825
Total	3,715
Engine Companies	3
Actual Fires Reported	199
Structural Fires Reported	51

EXPLANATORY INFORMATION

Service Level and Delivery

The statement of purpose for the Salisbury Fire Department is to provide capable, well-trained personnel and necessary equipment to suppress fires and effectively manage hazardous chemical accidents that may occur in the community related to transportation or industry; to provide rescue services as needed and basic life support through an updated First Responder Program; and to work toward a more fire safe community through loss prevention activities, including inspections, code enforcement, minimum housing activities, and public education programs.

The fire department contained the following divisions in FY 2005–06: fire control, loss prevention, training, and logistics.

The shift schedule for the fire department is twenty-four hours on and forty-eight hours off for three cycles. There are three shifts. Captains and firefighters get a twenty-four hour Kelley day plus four hours off for any twenty-eight day cycle exceeding 212 hours worked.

The fire department reported an average turnout time of one minute and average travel time of 5.12 minutes. Average dispatch time was not available.

The city had an ISO rating of 2 for FY 2005–06.

The fire department reported 1,630 fire inspections conducted in FY 2005–06. The city follows or exceeds the state guidelines for frequency of inspections for all occupancies. Apartment buildings have one file number. Reinspections are performed at thirty-day intervals. Fees are assessed at the third inspection.

Conditions Affecting Service, Performance, and Costs

The performance measures "percentage of full response within 8 minutes" is new as of FY 2005–06. Previously this had been measured as the percentage within ten minutes but was changed to match NFPA 1710 performance guidelines.

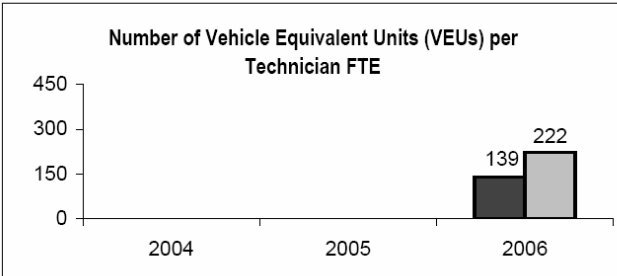
Salisbury

Fleet Maintenance

FISCAL YEARS 2004, 2005, and 2006

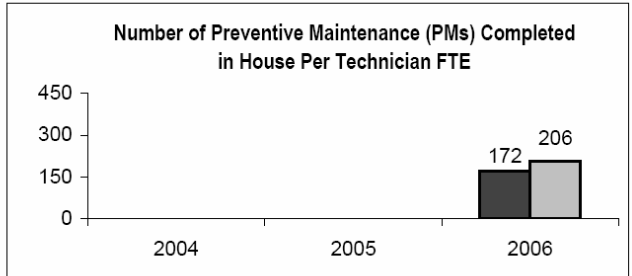
Chart Legend: City Average

Workload/Efficiency Measure



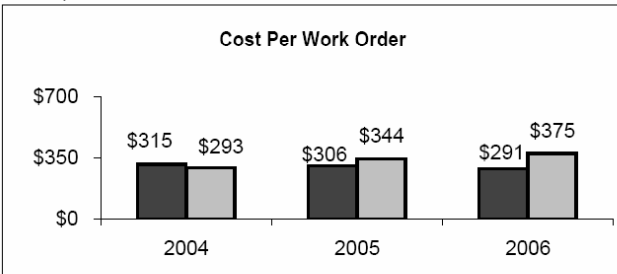
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Workload/Efficiency Measure



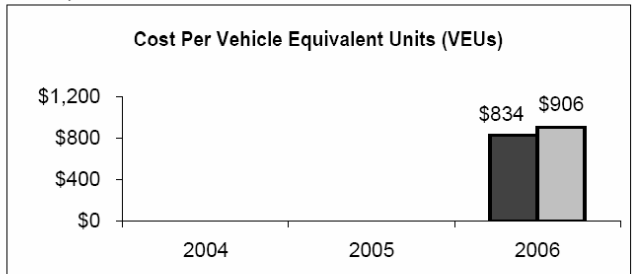
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Efficiency Measure



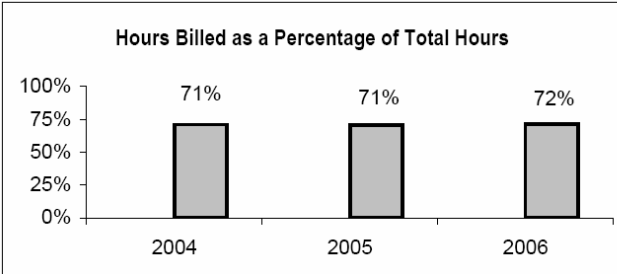
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Efficiency Measure



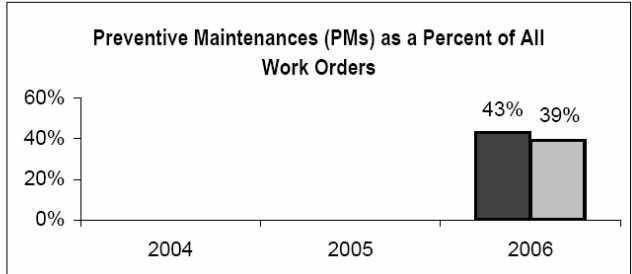
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Efficiency Measure



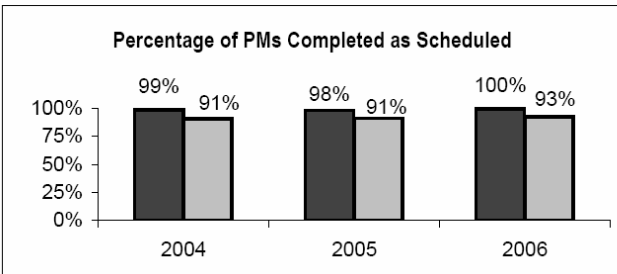
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Effectiveness Measure



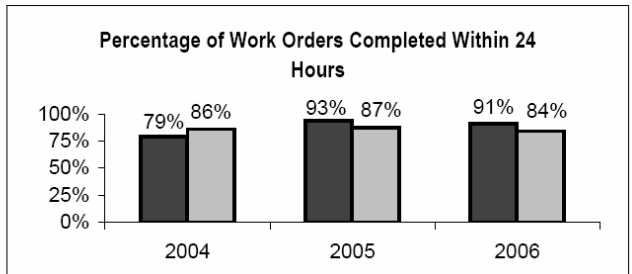
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Effectiveness Measure



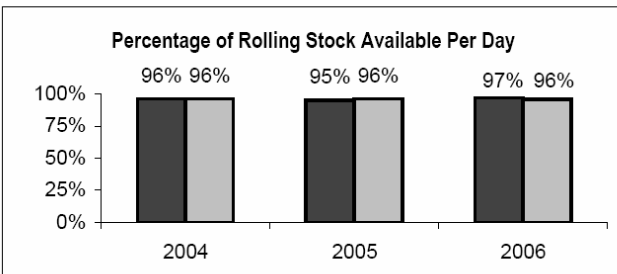
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Effectiveness Measure



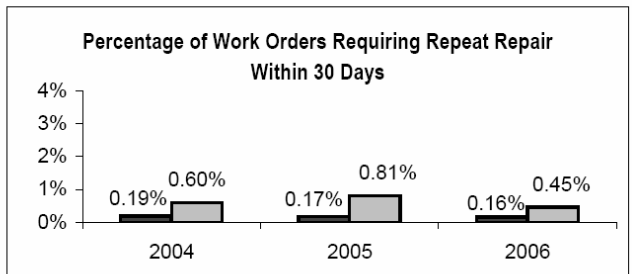
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Effectiveness Measure



n=16

Effectiveness Measure



n=14

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
County	Rowan
Topography	Gently rolling
Climate	Moderate
Rolling Stock Maintained	No. Average age
Cars—Normal Usage	10 6.1 Years
Cars—Severe Usage	78 5.2 Years
Light Vehicles	134 7.0 Years
Medium Vehicles	14 8.5 Years
Heavy—Sanitation	10 5.3 Years
Heavy—Sewer	2 12.0 Years
Heavy—Fire Apparatus	13 12.3 Years
Heavy—Other	23 11.0 Years
Trailed Equipment	74 15.8 Years
Off-road/Construction/Tractors	90 16.0 Years
Buses	10 9.7 Years
Total	458
Vehicle Equivalent Units (VEUs)	1,528

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	51.4%
Operating Costs	46.8%
Capital Costs	1.8%
TOTAL	100.0%
Cost Breakdown in Dollars	
Personal Services	\$ 655,229
Operating Costs	\$ 595,595
Capital Costs	\$ 23,126
TOTAL	\$ 1,273,950

SERVICE PROFILE

FTE Positions—Technician	11.0
FTE Positions—Other	3.0
Work Bays	14
Average Rolling Stock Units Available Per Day	443
Hours Billed	NA
Work Orders	4,380
Repeat Repairs within 30 Days	7
Work Orders Completed within 24 hours	3,985
Preventive Maintenance (PMs)	1,887
PMs Completed as Scheduled	1,887

EXPLANATORY INFORMATION

Service Level and Delivery

Fleet Maintenance is a division of the Public Services Department and operates the fleet and transit shops. All activities in this operation were accounted for in Salisbury's general fund for FY 2005–06.

There is no markup on any parts sold or sublet work performed. Parts inventory turned over 1.77 times during the fiscal year.

The following services were contracted out during FY 2005–06:

- body work
- exhaust system repairs
- towing

In addition to maintenance responsibilities for the city's rolling stock, the fleet maintenance division also maintains forty-one vehicles for Rowan County and two trolleys for downtown Salisbury. The division also has responsibility for 284 pieces of equipment including generators, water pumps, hydraulic power units, mowers, tamps, weed wackers, jack hammers, rescue equipment, air compressors, load bank, sidewalk sweepers, thermo plastic equipment, hydraulic hammers, pavement saws, chain saws, and other city equipment.

Conditions Affecting Service, Performance, and Costs

Following a review of the fleet service function, five new performance measures were added with their data reporting beginning in FY 2005-06: "number of vehicle equivalent units (VEUs) per technician FTE", "number of preventive maintenance (PMs) completed in house per technician FTE", "cost per vehicle equivalent units (VEUs)", and "preventive maintenances (PMs) as a percent of all work orders".

Vehicle Equivalent Units (VEUs) are a weighted measure of the maintenance effort associated with different classes of vehicles. A normal use car is considered equal to 1 VEU. Vehicles such as fire trucks or police cars have higher VEUs reflecting greater expected levels of maintenance.

In Salisbury, the preventive maintenance completion standard for "percentage of PMs completed as scheduled" is within thirty days of scheduled maintenance or within defined mileage parameters.

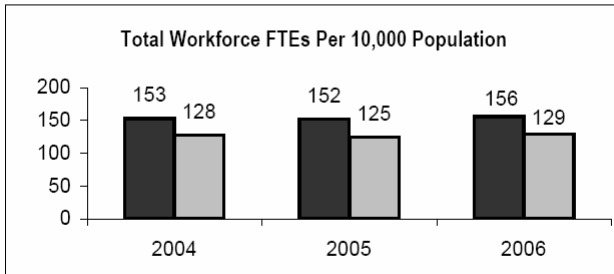
Salisbury

Human Resources

FISCAL YEARS 2004, 2005, and 2006

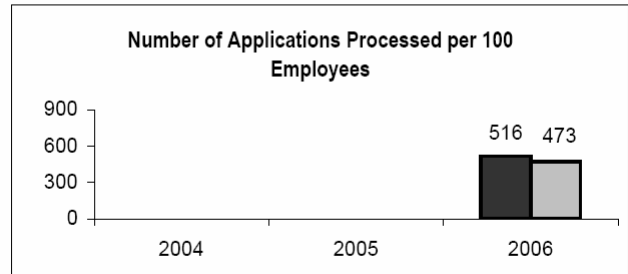
Chart Legend: City Average

Workload Measure



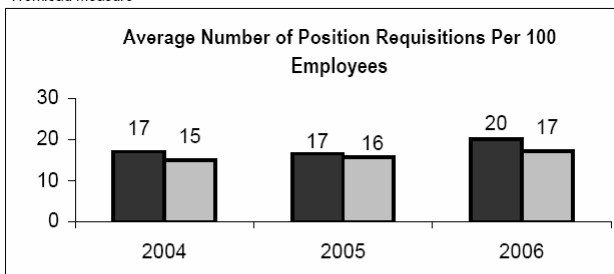
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Workload Measure



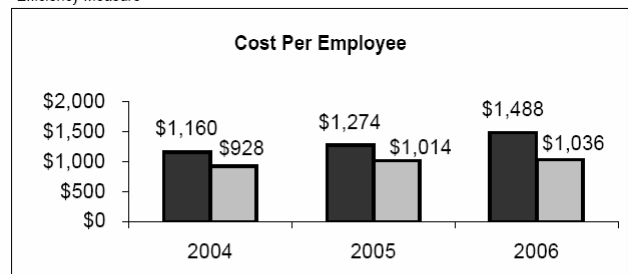
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Workload Measure



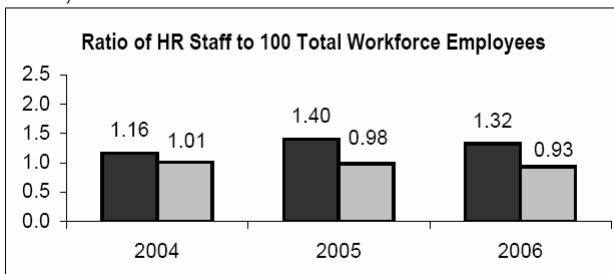
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Efficiency Measure



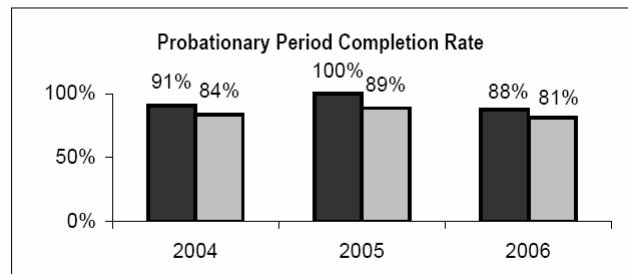
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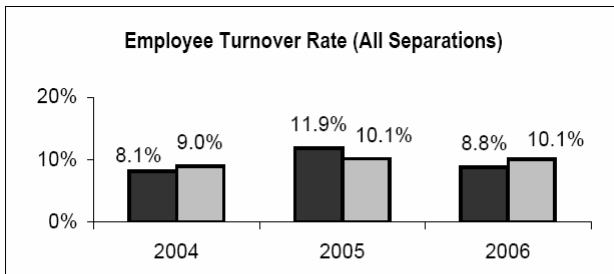
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Effectiveness Measure



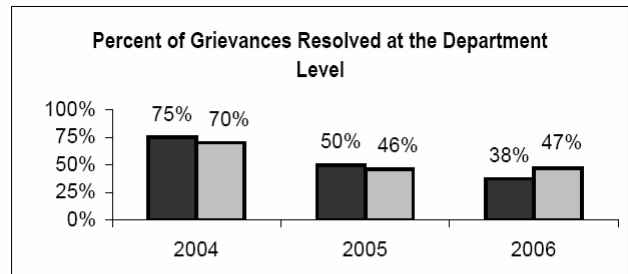
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Effectiveness Measure



n=15

Effectiveness Measure



n=13

Effectiveness Measure



n=13

MUNICIPAL PROFILE

Population (OMB 2005)	29,058
Land Area (Square Miles)	20.11
Persons per Square Mile	1,445
Unemployment Rate (ESC-05)	5.4%
County	Rowan
Topography	Gently rolling
Climate	Moderate

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	55.8%
Operating Costs	44.2%
Capital Costs	0.0%
TOTAL	100.0%
Cost Breakdown in Dollars	
Personal Services	\$ 377,000
Operating Costs	\$ 298,594
Capital Costs	\$ -
TOTAL	\$ 675,594

SERVICE PROFILE

FTE Positions	
Administration	1.00
Generalist/Specialist	4.00
Staff Support (Clerical)	1.00
Total Authorized Workforce	454
Number of Position Requisitions	91
Number of Recruitment Cycles	45
Employment Applications Processed	2,344
Employee Turnover	
Voluntary Separations	30
Involuntary Separations	10
Total Separations	40
Average Length of Service (Months)	109.0
Formal Grievances Filed by Employees	8
EEOC Complaints Filed	0
Length of Probationary Employment Period	6 months
Compensation Studies Completed	0

EXPLANATORY INFORMATION

Service Level and Delivery

The human resources function in Salisbury is a centralized unit that provides internal support and assistance with six staff members, including the director (administration, equal employment opportunity and grievance, and special investigations), an analyst II (benefits administration, HRIS, policy interpretation, and wellness), an analyst II (training and development), an analyst I (recruitment, compensation, classification, and position control), an analyst I (multiculturalism program), and a technician (applicant flow, administrative support, budget preparation, and corporate giving).

The city conducted no compensation studies during FY 2005–06.

The city's probationary period was six months for employees during FY 2005–06.

Conditions Affecting Service, Performance, and Costs

The workload measure "number of applications processed per 100 employees" is a new measure starting with FY 2005-06.



**"BUDGET ORDINANCE OF THE CITY OF SALISBURY FOR THE FISCAL YEAR
BEGINNING JULY 1, 2007, AND ENDING JUNE 30, 2008.**

Be it ordained by the City Council of the City of Salisbury, North Carolina, as follows:

Section 1. Appropriations

That for the expense of the City Government and its activities for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the amounts in the following subsections, or so much of each as may be necessary, are hereby appropriated:

(1) That for said fiscal year there is hereby appropriated out of the GENERAL FUND the following:

City Council	\$	177,826
Management and Administration		927,123
Human Resources		806,688
Information Technologies		1,358,922
Management Services		1,385,831
Purchasing		133,520
Community Development		636,252
GIS		209,676
Development Services		502,984
Facilities Management		440,427
Central City Buildings		262,326
Plaza		187,350
Police Services		1,461,956
Police Administration		523,227
Police Operations		5,235,225
Fire Department		4,837,253
Telecommunications		388,153
Traffic Operations		583,950
Street Lighting		378,460
Transportation		437,781
Engineering		2,605,257
Public Services - Administration		284,929
Streets		2,049,707
Cemetery		263,925
Solid Waste Management		1,802,474
Waste Management - Other		489,274
Landscape Operations		610,277
Hurley Park		114,842
Parks and Recreation		2,272,017
Fleet Management		811,637
Education		42,342
Debt Service		<u>2,086,501</u>
 TOTAL GENERAL FUND	\$	 <u>34,308,112</u>

- (2) That for said fiscal year there is hereby appropriated out of the WATER AND SEWER FUND the following:

Water and Sewer Debt Service	\$ 5,285,000
Utilities Mgt. and Administration	4,522,947
Plant Operations-Water Treatment	1,246,707
Systems Maintenance	3,258,117
Environmental Services	654,982
Plant Operations-Wastewater Treatment	2,282,241
Meter Services	601,418
Plants Maintenance	<u>1,635,348</u>

TOTAL WATER AND SEWER FUND \$ 19,486,760

- (3) That for said fiscal year there is hereby appropriated out of the TRANSIT FUND for the purpose of operating Salisbury's Transit System, the sum of

\$ 1,762,085

- (4) That for said fiscal year there is hereby appropriated out of the GENERAL FUND CAPITAL RESERVE FUND for the purpose of purchasing equipment, the sum of

\$ 2,001,076

- (5) That for said fiscal year there is hereby appropriated out of the WATER AND SEWER CAPITAL RESERVE FUND for the purpose of purchasing equipment, the sum of

\$ 491,395

- (6) That for the 2007-08 Community Development Block Grant Entitlement there is hereby appropriated out of the SPECIAL REVENUE FUNDS for the purposes outlined within the grant, the sum of

\$ 402,526

- (7) That for the Rental Rehab Fund there is hereby appropriated out of the SPECIAL REVENUE FUNDS for the purposes of performing housing rehabilitation and down payment assistance, the sum of

\$ 123,890

Section 2. Revenue Estimates

The City Council has and does estimate that the following revenues will be available during the fiscal year beginning July 1, 2007 and ending June 30, 2008:

General Fund:	
Taxes	\$ 21,080,974
Licenses and permits	605,785
Intergovernmental	5,278,432
Charges for services	2,675,596
Miscellaneous	857,177
Administrative charges	2,417,857
Other financing sources	<u>1,392,291</u>
Total revenues	<u>\$ 34,308,112</u>

Water and Sewer Fund:	
Operating revenues	\$ 18,426,307
Nonoperating revenues	<u>1,060,453</u>
Total revenues and other financing sources	<u>\$ 19,486,760</u>
Transit Fund:	
Charges for services	\$ 81,400
Intergovernmental revenues	1,242,204
Miscellaneous	700
Other financing sources	<u>437,781</u>
Total revenues and other financing sources	<u>\$ 1,762,085</u>
General Fund Capital Reserve Fund:	
Transfer from General Fund	\$ 1,766,644
Miscellaneous	90,000
Other financing sources	<u>144,432</u>
Total revenues	<u>\$ 2,001,076</u>
Water and Sewer Capital Reserve Fund:	
Transfer from Water and Sewer Fund	\$ 480,395
Miscellaneous	<u>11,000</u>
Total revenues	<u>\$ 491,395</u>
Special Revenue Funds:	
Entitlement Fund:	
Intergovernmental revenue	\$ 327,526
Miscellaneous	<u>75,000</u>
Total revenue	<u>\$ 402,526</u>
Rental Rehab:	
Miscellaneous	\$ 123,890
Total revenue	<u>\$ 123,890</u>

Section 3. Tax Levy

There is hereby levied the following rates of Ad Valorem Tax on each one hundred dollars (\$100.00) valuation of taxable property, as listed for taxes as of January 1, 2007 for the purpose of raising the revenue from current year's property tax, as set forth in the foregoing estimate of revenue, and in order to finance the foregoing appropriation, to wit:

General Fund:

(For the expense incident to the proper government of the City of Salisbury)

-- \$.59

Municipal Service District:

(To promote, encourage and assist in the revitalization and economic health and stability of the downtown area)

-- \$.16

The estimated Ad Valorem Tax income is based upon collection of the above Tax rates as applied to the valuation of \$2,683,900,000 for General Fund purposes.

There is hereby levied a Municipal Vehicle Tax of \$10.00 on each vehicle resident as authorized by General Statute 20-97.

There is hereby levied an Animal Tax of one dollar on each dog as authorized by General Statute 160A-212.

Section 4. Appropriations hereinabove authorized and made shall have the amounts of the unearned portion of contracts at June 30, 2007 added to each appropriation as it applied in order to properly account for the payment against the fiscal year in which it is paid.

Section 5. The City Manager is hereby authorized to make any budget amendments as may be required within each fund as long as the total appropriation for each fund does not change and contingency funds are not utilized.

Section 6. Copies of this ordinance shall be furnished to the City's Management Services Director, to be kept on file by him, for his direction in the disbursement of City funds.

Section 7. The following schedules and fees are hereby adopted and all references to these fees in the City Code of Ordinances are amended to reflect these new schedules and fees as appropriate:

	Fee
ADMINISTRATION	
Sale of Salisbury Code of Ordinances-soft back binder	\$271.65
Sale of Salisbury Code of Ordinances-hard back binder	\$304.80
Sale of Salisbury City Council meeting recording	\$5 per CD
Sale of Salisbury Code Supplement Updates	\$24.50 per set
Copy Machine Fee	\$0.10 per copy; Minimum of \$1
Copy of Reports/Files	Actual cost of supplies and mailing
 LAND MANAGEMENT & DEVELOPMENT	
<i>Development Services</i>	
Standards Manual (includes zoning and subdivisions)	\$20
Group Developments:	
Residential involving four or more units	\$200 + \$6/unit
Nonresidential	\$500
Zoning Board of Adjustment:	
Administrative review	\$100
Appeals	\$100
Conditional uses (except \$10 for renewals of annual events)	\$150
Special exceptions	\$150
Variances	\$150

Zoning Fees:

Base fee of \$150 PLUS: (A) Level of change +\$30 - \$150

(B) Size of property +\$0 - \$100 (C) Number of lots +0 - \$100

(A) Level of change:

Level I: Residential - Single & Two-family

A-1 Agricultural (low density single family residential)

R-20 Single family residential

R-15 Single family residential

R-8 Single family residential

LR-6 Limited two family residential

R-6 Two family residential

SFC Single family conservation

Level II: Residential - Multi-family

R-6A Multi-family residential

RD-A Residential Development "A"

RD-B Residential Development "B"

Level III: Office Institutional & Related Classes

B-1 Office institutional

LOI Limited office institutional

PSP Public/semi-public

CU College & University

Level IV: Commercial - Low & Medium Intensity

B-2 Retail business ("old" shopping center district)

B-CS Convenience service business

B-5 Central business (downtown)

B-7 Limited business ("new" shopping center district)

Level V: Commercial - High Intensity

B-RT Retail trade

B-4 Highway business

B-6 General business

Level VI: Industrial

LLI Limited light industrial

LLI-2 Limited light industrial-2

M-1 Light industrial

M-2 Heavy industrial

Fee for change request within the same level

Add \$30

Change from Level I to Level II

Add \$30

Change from Level I to Level III

Add \$60

Change from Level I to Level IV

Add \$90

Change from Level I to Level V

Add \$120

Change from Level I to Level VI

Add \$150

Change from Level II to Level III

Add \$30

Change from Level II to Level IV

Add \$60

Change from Level II to Level V

Add \$90

	Fee
Change from Level II to Level VI	Add \$120
Change from Level III to Level IV	Add \$30
Change from Level III to Level V	Add \$60
Change from Level III to Level VI	Add \$90
Change from Level IV to Level V	Add \$30
Change from Level IV to Level VI	Add \$60
Change from Level V to Level VI	Add \$30
Fee for down zoning request is also based on the change in levels as above	
(B) Size of property (in number of acres):	
Under one acre	\$0
1 - 4 acres	\$20
4 - 10 acres	\$40
10 - 20 acres	\$60
20 - 50 acres	\$80
More than 50 acres	\$100
(C) Number of lots:	
One lot	\$0
2 - 3 lots	\$20
4 - 6 lots	\$40
7 - 10 lots	\$60
11 - 20 lots	\$80
More than 20 lots	\$100
Overlay Districts	
For requested overlay district, includes	\$30
HA -- Historic; GD-A - General Development;	
HD - Higher Density Residential; MH - Mobile Home	
Zoning Text Amendment Request	\$250
Special Use Permits	\$250
Zoning Permits (remodeling & normal business)	\$10
Zoning Permits Additions (new principal structures & special sign outlays)	\$20

Engineering/GIS

Street & alley closings filing fee	\$500
Exception plat	\$20
Minor plat	\$30 per lot
Temporary Dumpster Permit	\$5 per day per parking space
Preliminary plat	\$200 + \$10/lot
Xerox/blue prints:	
On paper up to 4 ft in length (E size sheet)	\$5
On mylar up to 4 ft in length	\$20
Of the 1200 ft scale city map	\$2
Of the 600 ft scale city map	\$10
Of the zoning map	\$25
Of pages from the zoning atlas	\$5

Fee

Printed Maps	
Up to 11"x17" (ledger size)	\$1
34"x44" (E size sheet)	\$5
City Street Map	\$5
Custom Map	\$35
Engineering Plan Review Fee (Water Only)	\$200
Engineering Plan Review Fee (Sewer Only)	\$200
Field Inspection of Water Lines	\$1.00/Ft.
Field Inspection of Sewer Lines	\$1 per ft

Media Charges

CD Disk, Each	\$20
DVD Disk, Each	\$20
Mobile GIS Using ArcPad	\$595 per person
Intro to ArcGIS I Training	\$600 per person
Intro to ArcGIS II Training	\$900 per person
Working with ArcGIS Spatial Analyst	\$1000 per person
Introduction to Programming ArcObjects w/ VBA (3 Days)	\$900 per person
Introduction to Programming ArcObjects w/ VBA (5 Days)	\$1500 per person
Geoprocessig Scripts using Python	\$600 per person
Learning ARCGIS	\$600 per person
Training Room Rental	\$50 per person, per day

POLICE

Copies	\$0.10 per copy;
(No fee to victims of crime or traffic accidents for first copy	minimum of \$1;
of a report, but charged for any additional copies)	\$1 extra for mailing
Fingerprinting	\$10
Picket Permits	\$25
Handicapped Parking Violation	\$250
Pool Hall Permits	\$100
Taxi permits - one time only	\$15
Parking ticket - illegal parking	\$5
Parking ticket - overtime parking (more than 2 hours)	\$5

FIRE

Reinspection (for violation correction)	\$30
Fireworks Stand-by	\$100
Firewatch Stand-by	\$100
Assembly Stand-by	\$25
Permits:	
Permit for demolition	\$20
Permit for moving	\$20
Fireworks	\$130
Cutting and Welding (In non-approved areas)	\$25
Burning	\$35
HazMat Operations	\$100
HazMat Storage (as per Tier 11)	\$120
Tent Permits (Funeral Homes and tents less than 700 sq. ft. exempt)	\$40
Plans Review	\$25 + \$1 per 5,000 sq.

ft.; \$30 max.

	Fee
HazMat/Material Recovery	Actual Cost including equipment
Private Hydrant Testing/Maintenance	\$30 per unit
Tank Installation/Removal Inspection	\$50
Fire Flows	\$200
Copies of Reports (First report is free to victims)	\$0.10 per copy; minimum of \$1;
PUBLIC SERVICES	
<i>Administration</i>	
Nuisance abatement	Mobilization fee \$125 + \$50 for every hour or portion thereof
Removal of trash, overgrowth, trees, household items on the outside, demolitions or securing of buildings or any other nuisances identified by the Code of Ordinances.	Mobilization fee \$200 + \$100 for every hour or portion thereof + associated landfill fees Not less than \$500
Second violation within 12 months by the same owner at the same location	Not less than \$500
<i>Traffic Operations Division</i>	
Repair of traffic control devices-materials	Actual cost + 10% for handling
Repair of traffic control devices-labor	Hourly rate + fringe benefits
Repair of traffic control devices-use of bucket truck or paint machine	\$50/hour
Repair of traffic control devices-use of service truck or small equipment	\$9/hour
<i>Solid Waste</i>	
Collection of indoor furniture to include televisions (not other appliances)	\$5 per item paid in advance
Bagged garbage and trash outside of cart (more than 5 bags)	\$10 paid in advance
Unbagged trash (non-yard waste) outside of cart	\$10 paid in advance
<i>Street Division</i>	
Cut & remove existing curb & other material	\$4 LF
Cut & remove existing sidewalk (up to 5 ft wide)	\$4 LF
18-inch concrete curb & gutter	\$8 LF
24-inch concrete curb & gutter	\$11 LF
30-inch concrete curb & gutter	\$15 LF
24-inch concrete valley gutter	\$11 LF
2 ft driveway lip only	\$10 LF
6-inch x 2 ft driveway lip with gutter	\$18 LF
6-inch x 5 ft driveway lip with gutter	\$25 LF
4-inch concrete sidewalk	\$17 SY
6-inch concrete driveway for additional area	\$20 SY
<i>Street Division</i>	
Miscellaneous concrete patch	\$125 CY
Miscellaneous asphalt patch	\$25 SY
Install storm drain on right-of-way (owner supply pipe)	\$5 LF
Limbs and cuttings exceeding truck load per week	\$175 per load paid in advance

	Fee
<i>Cemetery</i>	
Burial-adult	\$600
Burial-infant	\$400
Disinterment	\$600
Interments - two--one grave-adult	\$650
Interments - two--one grave-infant	\$500
Interment - Crematory remains	\$375
Interment - Mausoleum (City employee direct involvement)	\$300
Interment - Mausoleum (no involvement- recording fee only)	\$25
Funeral processions entering cemetery after 4:00 P.M. weekdays	\$100
Funeral processions entering cemetery on weekends and holidays	\$200
Monument installation permit	\$20
Deed Change	\$10
Cemetery Lot Fee Schedule:	
Adult, City resident	\$550
Adult, non-City resident	\$750
Infant, City resident	\$325
Infant, non-City resident	\$375
<i>Fleet Management</i>	
Repair of Rowan Transit System Fleet and Trolley Fleet	\$46.67/hour
Repair of Hazardous Material Van:	
Labor	\$46.67/hour
Repair Parts	Actual Cost + 20%
Repair Sublet	Actual Cost + 15%
<i>Landscape</i>	
Cooperative tree planting on public right-of-way	Actual cost of tree
Hurley Park Gazebo rental	\$150 security deposit; \$50 refundable
Robertson Eastern Gateway	\$150 security deposit; \$50 refundable
Bell Tower/ Temple Gazebo	\$150 security deposit; \$50 refundable
<i>Transit</i>	
Individual Fares:	
Regular- All Locations (no transfer fee)	\$1.00
Reduced (Handicapped & Senior Citizens)	\$0.50
40 Ride pass:	
Regular	\$35
Reduced	\$17
ADA Paratransit System (all fares)	\$2
ADA 40 Ride Pass	\$70
PARKS & RECREATION	
Civic Center	
Multi-purpose room & kitchen - for first eight hours each day, after eight hours - \$75/hour	\$400 + \$100 deposit/ \$250 if serving alcohol
Multi-purpose room, small room & kitchen - for first eight hours each day, after eight hours: \$75/hour	\$450 + \$100 deposit/ \$250 if serving alcohol
Small meeting room only (per hour)	\$50 per hour + \$50 deposit

	Fee
City Park *	
Arts & craft room	\$30 per hour + \$50 deposit
Multi-purpose room	\$50 per hour + \$50 deposit
Any room with kitchen	\$10/ hr. Additional
Meeting room	\$30 per hour + \$50 deposit
Room A	\$30 per hour + \$50 deposit
Hall Gym & Lincoln Pool *	\$30 per hour + \$50 deposit
Miller Center *	
Arts & craft room	\$30 per hour + \$50 deposit
Multi-purpose room	\$50 per hour + \$50 deposit
Meeting room	\$30 per hour + \$50 deposit
Any room with kitchen	\$10/ hr. Additional
<u>Note: *Two (2) hour minimum for rentals during non-operational hours</u>	
Shelters & Gazebo Rentals	
Cannon Park Gazebo Rental (Electricity Included)	\$150 security deposit;
(only available for groups 40 or less)	\$50 (Refundable)
Shelter Reservation Fee	
City Park 1 & 2, Kelsey Scott Park 1 & 2, Town Creek Park, Salisbury Community Park Shelters (3) & Decks (2)	
8:00 AM - 12:00 Noon	\$10
1:00 PM - Close	\$10
All Day	\$20
Electricity - Additional (per shelter)	\$15
Advertising Fees	
Salisbury Community Park	\$300 annual renewal
Salisbury Greenway	\$1000 - \$5000
Athletic Fields	
Flat rate rentals will generally apply; the Director has authority to negotiate rates for major (regional/national) co-sponsored events.	
Youth & Adult Softball/Baseball	
Flat Fee	\$12.50/ hr.
Additional per hour charge for lights	\$25
Field Prep Fee	\$65
Tournament Fees (multiple teams/multiple games)	
1/2 day tournament (5 p.m. - 11 p.m.)	\$185
1 day (8 a.m. - 11 p.m.) includes 4 hours lighting	\$300
2 day	\$485
3 day	\$670
Non-refundable deposit of 50% of day rate or \$150	
Rate includes: 1 field/1 field prep (additional preps \$65 each)	
Soccer	
Flat Fee	\$25/hr.
Field Prep Fee	\$45
Tournament Fees (prep \$45)	
1/2 day tournament/1 field (8 a.m. - 1 p.m.) 5 hrs.	\$125
1 day tournament/1 field	\$250
Rate Includes: 1 field & 1 field prep	

Fee

Football	
Flat Fee	\$25/hr.
Tournament Fees (prep \$45)	
Cross Country Prep Fee	\$150
Tennis	
No fee - first come first serve	
Special Event Permits	
1 Day	\$25
Special Event Permits	
Gate Permit	\$50/day
Concession Permit	\$50/day
Vending Permit	\$50/day

PARK AVE COMMUNITY CENTER *

Multi-purpose room & kitchen (Kitchen is light use only-not Commerical)

Non-profit organizations	\$40 per hour + \$50 deposit
Non-profit organizations / fund raiser	\$55 per hour + \$50 deposit
For profit organizations	\$70 per hour + \$50 deposit

Arts & Crafts Room

Room availabiltiy is subject to Park Ave. activities.

Non-profit organizations	\$30 per hour + \$50 deposit
For profit organizations	\$40 per hour + \$50 deposit

Note: *Two (2) hour minimum for rentals

WEST END COMMUNITY CENTER

Conference Room	\$50/hr
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UTILITY ENGINEERING

Engineering, Consulting, and Technical Services

Project Manager - Professional Engineer	\$100/hr
Civil Engineer	\$75/hr
Engineering Technician	\$50/hr
Construction Inspector	\$50/hr
Survey Field Crew (2 person)	\$75/hr
Clerical	\$25/hr
Set of Bid Documents, each	\$50
Utility Location Maps	
Paper Document	\$15
Digital Format	
CD Disk, each	\$20
DVD Disk, each	\$20
Engineering Plan Review Fee (Water Only)	\$200
Engineering Plan Review Fee (Sewer Only)	\$200
Field Inspection of Water Lines	\$1 per ft
Field Inspection of Sewer Lines	\$1 per ft
Xerox/blue prints:	
On paper up to 4 ft in length	\$5
On mylar up to 4 ft in length	\$20

TELECOMMUNICATIONS

Dispatch service:	
Cost per unit	\$10
Surcharge per radio for companies with less than 25 radios	\$4
Secure Conversation	\$5
Interconnect Service - Telephone	\$24
Interconnect Service - Telephone/Hark Number	\$25
One-time hook-up (per radio)	\$25
Pager System Usage Fee:	
Numeric or Alphanumeric	\$7
One time hookup charge	\$10
If agency uses a PC to page with	\$7
Radio Programming:	
Programming charge	\$30
ID Change Only	\$20
Partial Map Build	\$100
Fleet Map Build	\$200
Modem	\$30
Laptop	\$75
Radio Diagnostic	\$75
Repair (Hourly rate)	\$95
Hourly Travel Rate outside City Limits (from City Office Building)	\$60
Equipment Installation:	
Radio Dash Mount	\$75
Radio Dash Removal	\$25
Radio Remote Mount	\$125
Radio Remote Removal	\$35
Ambulance dual installation	\$240
Ambulance dual Removal	\$75
Camera Installation	\$150
Camera Removal	\$75
MDT Mount Installation	\$75
MDT Mount Removal	\$25
Modem Installation	\$75
Modem Removal	\$25
Wig Wag Installation	\$50
Wig Wag Removal	\$25
4 Corner Strobes Installation	\$125
4 Corner Strobes Removal	\$40
Flashlight Installation	\$20
Flashlight Removal	\$10
Charger Installation	\$40
Charger Removal	\$10
Light bar Installation	\$125
Light bar Removal	\$60
Siren Installation	\$75
Siren Removal	\$25

Parts

Actual Cost + 10%

	Fee
MANAGEMENT SERVICES	
Accounts Receivable (30 days past-due)	1.5% per month
Privilege License Gross Sales Schedule:	
Sales not exceeding \$10,000	\$25
More than \$10,000 and not more than \$20,000	\$30
More than \$20,000 and not more than \$30,000	\$45
More than \$30,000 and not more than \$40,000	\$60
More than \$40,000 and not more than \$50,000	\$75
More than \$50,000 and not more than \$60,000	\$90
More than \$60,000 and not more than \$70,000	\$105
More than \$70,000 and not more than \$80,000	\$120
More than \$80,000 and not more than \$90,000	\$135
More than \$90,000 and not more than \$100,000	\$150
More than \$100,000	\$150 plus, per \$1,000 or portion thereof in excess of \$100,000 @ \$0.225
Maximum gross receipts cap other than those with a specific limit	\$3,000
All privilege licenses other than gross sales are calculated at maximum State allowed rate.	
Copy machine fee	\$0.10 per copy; minimum of \$1 \$1 extra for mailing
Copy of reports/files	Actual cost of supplies and mailing

**SCHEDULE A
CASH DEPOSITS**

Charges in Schedule A shall be as authorized by Chapter 25, Article II, Section 25-32, of the City Code.

- (a) Domestic consumer of water and/or dischargers of sewage
Residential owner-occupants including single family townhouses
and condominiums shall be exempted. \$150
- (b) Commercial, industrial, and institutional recipients \$150
Local, state, and federal governments or agencies thereof shall be exempted.
- (c) Consumers with more than one account at the same location shall be required to make only one
deposit if the customer has a good pay history. Commercial or industrial customers who operate
multiple businesses under one corporate management shall be required to pay a deposit for each
business or industry.
- (d) Deposits shall be returned at termination of service less any unpaid rates and charges.

SCHEDULE B
METER INSTALLATION AND SEWER CONNECTION CHARGES

Charges in Schedule B shall be as authorized in Chapter 25, Article II, Section 25-33, of the City Code.

- (a) Three-fourths-inch water meter and tap and backflow prevention device:
 - ¾” Water tap - SRU installed \$1,300
 - ¾” Water tap - Developer installed \$200
 - ¾” Water tap - Crescent \$400
- (b) One-inch water meter and tap and backflow prevention device \$1,450
- (c) Irrigation taps are one-half the cost of regular meter taps and not subject to any discounts.
- (d) Services larger than one inch, both inside and outside City shall be charged on the basis of labor, material, equipment and overhead costs at then prevailing or established rates. Master meter installations required for private water or sewer systems shall be charged on the basis of material costs at then prevailing or established rates (See Chapter 22, Article I, Section 22-2 City Code).
- (e) Four-inch sewer connections:
 - 4” Sewer tap - SRU Installed \$1,300
 - 4” Sewer tap – Developer Installed*: \$250

*Note: Includes the Crescent Subdivision
- (f) Sewer service larger than four-inch, both inside and outside City shall be charged on the basis of labor, materials, equipment and overhead costs at then prevailing or established rates (See Chapter 22, Article I, Section 22-2 City Code).
- (g) Reconnection fee for non-payment during business hours \$50
 Reconnection fee for non-payment after business hours \$100
- (h) Physical notification of non-payment of a utility bill (hanging tag) \$50
- (i) Turn on or off during business hours; shall be applied to utility bill if not prepaid \$50
 Turn on or off after hours; shall be applied to utility bill if not prepaid \$100
- (j) Testing meter if delivered to City facilities (per test) \$15
- (k) Field testing of meters: First test is free and each additional test within twelve months \$50
- (l) Unauthorized use of fire protection system \$100
- (m) Fire protection system testing (per test) \$50
- (n) Meter reinstallation charge (per meter) \$35
- (o) Water or sewer connection inspection fee (per connection) \$20
- (p) Should a property owner replace an existing service line with a larger one, the charges scheduled above will apply in full.
- (q) Payment of lump sum charges or charges based on estimated costs, as above, is a prerequisite to issuance of a building permit pursuant to Section 7-65 of the City code. Overpayments made as a result of overestimating costs will be reimbursed, and the City will invoice underpayments to the developer.
- (r) The City’s charge for a returned check or debit, as authorized in Section 25-34, shall be the maximum allowed by State law. This amount shall be applied to current utility bill, along with amount of the unpaid check.
- (s) Lateral transfer fee \$1,300
- (t) Recycling fee \$2.81/Month
- (u) Landfill fee
 - (1) Residential (per container) \$2.96/Month
 - (2) Commercial (per container) \$5.53/Month
- (v) Waste collection fee
 - (1) Commercial (per container) \$8/Month
 - (2) Commercial (per 2 yard dumpster) \$58.11/Month
 - (3) Commercial (per 4 yard dumpster) \$58.11/Month
 - (4) Commercial (per 6 yard dumpster) \$58.11/Month
 - (5) Commercial (per 8 yard dumpster) \$58.11/Month
- (w) Unauthorized reconnection fee (charge for disconnecting a meter that has been illegally reconnected after meter has been disconnected due to non-payment) \$50
- (x) Locking Devices Cut or Damaged \$20
- (y) Meter Yokes Damaged \$100

**SCHEDULE C
WATER SERVICE CHARGES**

Charges in Schedule C shall be authorized by Chapter 25, Article II, Section 25-35, of the City Code.

Monthly Water Rates:

Minimum charge per meter size	3/4" =	\$3.76
	1" =	\$5.56
	1-1/2" =	\$8.56
	2" =	\$12.16
	3" =	\$23.56
	4" =	\$40.36
	6" =	\$86.56
	8" =	\$146.56
	10" =	\$230.56
	12" =	\$302.56
	16" =	\$602.56

Volume charge per 100 cubic feet:

Raw water	\$0.57
Finished, potable water	\$2.93
Rowan Power	\$1.36

**SCHEDULE D
WATER SERVICE CHARGES FOR BULK RATE**

Charges in Schedule D shall be as authorized by Chapter 26, Article II, Section 26-23 of the City Code.

- (a) Nongovernmental customers may receive water in bulk lots at the central fire station. Such purchases, which shall be made at the business office, shall be conditioned upon an advance payment of one hundred dollars (\$100.00) per twenty-five thousand (25,000) gallon increment and shall be limited to a maximum of one-hundred thousand (100,000) gallons during any thirty (30) day period.
- (b) Subject to the provisions of Sections 26-7 and 26-8, nongovernmental customers may purchase water directly from fire hydrants or other water outlets. Meters, however, will be placed on hydrants to allow accurate measurement for billing purposes. Arrangements shall be made with the utilities and fire departments at least one week in advance to ensure availability and scheduling of equipment and manpower, all subject to applicable provisions of Schedules C and D, and an advance payment of one hundred dollars (\$100.00).

**SCHEDULE E
SEWER SERVICE CHARGES**

Charges in Schedule E shall be as authorized by Chapter 25, Article II, Section 25-37, of the City Code.

Monthly Sewer Rates:

(1) Minimum charge per meter size	3/4" =	\$4.14
	1" =	\$6.26
	1-1/2" =	\$9.78
	2" =	\$14.01
	3" =	\$27.41
	4" =	\$47.15
	6" =	\$101.43
	8" =	\$171.93
	10" =	\$270.63
	12" =	\$355.23
	16" =	\$707.73

Volume charge per 100 cubic feet	\$3.88
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(2) Flat rate sewer charge	\$35.18
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**SCHEDULE F
SEWER SURCHARGE**

Surcharges shall be as authorized by Chapter 25, Article II, Section 25-38 of the City Code Sewer Surcharge Rates.

- (a) For Chemical Oxygen Demand (COD) in excess of six hundred (600.0) mg/l, the surcharge shall be at the rate of one-hundred nineteen dollars and seventy-four cents (\$119.74) per one thousand pounds.
- (b) For Total Suspended Solids (TSS) in excess of three hundred (300.0) mg/l, the surcharge shall be at the rate of one-hundred seventy dollars and forty-two cents (\$170.42) per one thousand pounds.
- (c) For Total Kjeldahl Nitrogen (TKN) in excess of forty (40.0) mg/l, the surcharge shall be at the rate of one-thousand one hundred eighty-two and forty-eight cents (\$1,182.48) per one thousand pounds.
- (d) Contract haulers of wastewater discharging at City treatment facilities will be assessed a charge of seventy-five dollars (\$75.00) for up to two-thousand gallon load discharged, as defined in Chapter 25, Article II, Section 25-38.

**SCHEDULE G
ANALYTICAL TESTING**

Charges in Schedule G shall be as authorized by Chapter 25, Article II, Section 25-38, of the City Code.

<u>PARAMETER</u>	<u>FEE PER ANALYSIS</u>
Acidity	\$10.00
Alkalinity	\$10.00
Aluminum (Colorimetric)	\$5.00
Aluminum (AAS)	\$20.00
Ammonia Nitrogen	\$17.00
Biochemical Oxygen Demand	\$24.00
Chemical Oxygen Demand	\$30.50
Chloride	\$10.00
Chlorine (Colorimetric)	\$15.00
Coliform (MPN)	\$15.00
Coliform (MF)	\$10.00
Copper (Colorimetric)	\$12.00
Copper Flame (AAS)	\$20.00
Copper Furnace (AAS)	\$30.00
Dissolved Oxygen	\$5.00
Dissolved Oxygen (Winkler)	\$10.00
Fecal Coliform (MF)	\$15.00
Fixed Suspended Solids	\$12.00
Fluorides (Specific Ion)	
Water	\$17.00
Wastewater	\$25.00
Hardness (Titrimetric)	\$5.00
Iron (Colorimetric)	\$5.00
Iron Flame (AAS)	\$20.00
Iron Furnace (AAS)	\$30.00
Jar Test	\$10.00
Manganese (Colorimetric)	\$6.50
Manganese Flame (AAS)	\$20.00
Manganese Furnace (AAS)	\$30.00
Mercury 3112B	\$30.00

<u>PARAMETER</u>	<u>FEE PER ANALYSIS</u>
Metals:	
Antimony - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Cadmium - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Chromium - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Lead - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Nickel - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Zinc - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Silver - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Arsenic - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Selenium - Flame (AAS)	\$20.00
Furnace (AAS)	\$30.00
Titanium	\$35.00
Sulfate	\$27.00
Sampling and Setup	\$15.00
Nitrate Nitrite	\$20.00
Oil Grease 413.1 (Freon)	\$25.00
Percent Solids	\$10.00
pH	\$5.00
Phenols	\$30.00
Phosphate (Colorimetric)	\$15.00
Orthophosphate	\$20.00
Settleable Solids	\$5.00
Specific Conductivity	\$10.00
Total Cyanide	\$25.00
Specific Gravity	\$10.00
Standard Plate Count	\$5.00
Temperature	\$5.00
Total Kjeldahl Nitrogen	\$30.00
Total Phosphorus	\$20.00
Total Solids	\$10.00
Total Dissolved Solids	\$10.00
Total Suspended Solids	\$10.00
Total Volatile Solids	\$15.00
Total Volatile Suspended Solids	\$15.00
Turbidity (Nephelometric)	\$5.00
Zeta Potential	\$10.00
Parameters not listed	Case-by-case basis: Consult Environmental Services

Section 8. That this ordinance shall be effective upon its passage.



GLOSSARY OF TERMS

ADA: The commonly used acronym for the Americans with Disabilities Act.

ACCRUAL ACCOUNTING: A basis of accounting in which revenues and expenses are recorded at the time they are earned or incurred, instead of when cash is actually received or disbursed. For example, in accrual accounting, revenue earned between June 1 and June 30, but for which payment was not received until July 12, is recorded as earned on June 30, rather than on July 12.

ADOPTED BUDGET: Term used to describe revenues and expenditures for the upcoming year beginning July 1 as adopted by the City Council.

APPROPRIATION (BUDGETING): An authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinances.

ASSESSED VALUATION: A value established for real property for use as a basis for levying property taxes.

BALANCED BUDGET: Occurs when planned expenditures equal anticipated revenues. In North Carolina, it is a requirement that the budget submitted to the City Council be balanced.

BOND FUNDS: Resources derived from issuance of bonds for specific purposes and related Federal project grants used to finance capital expenditures.

BOND REFERENDUM: An election in which registered voters vote on whether the City will be allowed to issue debt in the form of interest-bearing bonds.

BROADBANDING COMPENSATION PROGRAM: A classification and pay system that allows similar jobs to be grouped into bands with wide pay ranges. The program creates more organizational flexibility, fosters a flatter organization, and encourages skill development.

BUDGET: A comprehensive financial plan of operation for a specified period of time that matches all planned revenues and expenditures with various municipal services.

BUDGET CALENDAR: The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT (PROGRAM AND FINANCIAL PLAN): The official written statement prepared by the City staff reflecting the decisions made by the City Council in their deliberations.

BUDGET MESSAGE: A general discussion of the budget which provides the City Council and the public with a general summary of the most important aspects of the budget changes from previous fiscal years, City Council goals, and the views and recommendations of the City Manager.

BUDGET ORDINANCE: The schedule of revenues and expenditures for the upcoming fiscal year by fund which is adopted by the City Council each year.

CAPITAL EQUIPMENT: Vehicles, equipment, software, and furniture purchased by the City which individually amount to a value in excess of \$5,000 and an expected life of more than one year.

CAPITAL IMPROVEMENTS: Major construction, repair of or addition to buildings, parks, streets, bridges and other City facilities. Capital Improvements projects cost \$10,000 or more and have a useful life of more than three years.

CAPITAL IMPROVEMENTS BUDGET: The schedule of project expenditures for the acquisition and construction of capital assets for the current fiscal year.

CAPITAL IMPROVEMENTS PROGRAM (CIP): The annually updated plan or schedule of project expenditures for public facilities and infrastructure (buildings, roads, etc.), with estimated project costs, sources of funding, and timing of work over a five year period.

CAPITAL OUTLAY: A classification consisting of Capital Equipment and Capital Improvement.

CAPITAL RESERVE FUND: A special fund (also known as Equipment Replacement Fund) used as a clearing house for monies being transferred from General Fund and Water and Sewer Fund operations. Amounts based on the type, estimated life, and replacement costs of each piece of equipment are transferred from every department/division. From this fund, the City purchases equipment based on a replacement schedule and recommendations from Fleet Management, Information Technologies and Purchasing Divisions.

COST CENTER: The smallest unit of activity or area of responsibility for which costs are accumulated.

DEBT SERVICE: The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

DEPARTMENT: A major administrative division of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area. A department usually has more than one program and may have more than one fund.

ENCUMBRANCE ACCOUNTING: The system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

ENTERPRISE FUND: A grouping of activities whose expenditures are wholly or partially offset by revenues collected from consumers in the form of fees or charges.

FIXED ASSETS: Assets of a long-term character which are intended to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FISCAL YEAR: The time period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year. Budgeting is carried out on a fiscal year schedule.

FUNCTION: A group of related programs crossing organization (departmental) boundaries and aimed at accomplishing a broad goal or major service.

FUND BALANCE: Amounts shown as fund balance represent monies which remain unspent after all budgeted expenditures have been made. North Carolina statutes dictate that a portion of fund balance is not available for appropriation in the following fiscal year.

FUND: A fund is a fiscal and accounting entity with a self-balancing set of accounts.

GAAP: Acronym for Generally Accepted Accounting Principles which are the conventions, rules, and procedures necessary to describe accepted practice at a particular time.

GENERAL FUND: The general operating fund of the city used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION (G.O.) BONDS: Debt issued by the City, repayment of which is backed by full taxing power.

GEOGRAPHIC INFORMATION SYSTEM (GIS): A project which will link the City to a city-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by City departments.

GFOA: Acronym for Government Finance Officers Association.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community.

INVESTMENT REVENUE: Revenue earned on investments with a third party. The City uses a pooled cash system. We pool cash from all funds and invest it in total. The interest earned is then allocated back to the individual funds by the average cash balance in that fund.

INTERFUND TRANSFERS: Amounts transferred from one fund to another.

IRT: Acronym for Involvement and Response Team. A system for empowering all employees into functional decision-making teams for operational improvements.

ISO: Acronym for Insurance Services Office. An agency which rates fire protection and suppression abilities/capabilities of fire departments.

LEASE PURCHASE: Method of financing used for the acquisition or improvements. Title to the property transfers to the City at the expiration of the lease terms.

MODIFIED ACCRUAL: The basis of accounting for the City. Under this system, expenditures are recognized when encumbered, and revenues are recognized when they are collected.

NET ASSETS: The difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

NCDOT: Acronym for North Carolina Department of Transportation.

OBJECTIVE: A statement of specific direction, purpose or intent to be accomplished by staff within a program.

OPERATING BUDGET: The City's financial plan which outlines proposed expenditures for the coming fiscal year and estimates the revenues which will be used to finance them.

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

PERFORMANCE MEASURES: Descriptions of a program's effectiveness or efficiency.

POWELL BILL FUND: Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

PRODUCTIVITY: A measure of the increase of service output of City programs compared to the per unit of resource input invested.

PROGRAM: An organized set of related work activities, which are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

PROPERTY TAX RATE: The rate at which real and personal property in the City is taxed in order to produce revenues sufficient to conduct necessary governmental activities.

PROPERTY TAXES (AD VALOREM TAXES): Taxes paid by those owning property in the City. These taxes are based on assessed value.

RESERVE: A portion of fund balance earmarked to indicate 1) that it is not available for expenditure, or 2) is legally segregated for a specific future use.

RESOURCES: Assets that can be used to fund expenditures. These can be such things as Property Taxes, Charges for Service, Beginning Fund Balance or Working Capital.

REVENUE: Income received from various sources used to finance government services; for example, sales tax revenue.

REVENUE BONDS: Bonds payable from a specific source of revenue and which do not pledge the full faith and credit of the issuer.

SERVICE LEVEL: Measurement of services provided by the City to the public.

WWTP: Acronym for Wastewater Treatment Plant.

