

Salisbury, North Carolina
May 25, 2012

RECESSED MEETING OF MAY 15, 2012

Continued
May 25, 2012
2:00 p.m.

The City Council of the City of Salisbury met at 2:00 p.m., Friday, May 25, 2012 in Council Chambers at City Hall located at 217 South Main Street pursuant to the recess of the Regular meeting of May 15, 2012, with the following members being present and absent:

PRESENT: Mayor Paul B. Woodson, Jr., Presiding; Council Members Maggie A. Blackwell, William (Pete) Kennedy, and William Brian Miller; City Manager Doug Paris, City Clerk Myra B. Heard and City Attorney F. Rivers Lawther, Jr.

ABSENT: Mayor Pro Tem Susan W. Kluttz

Mayor Woodson and members of City Council met at 2:00 p.m. in Council Chambers in City Hall located at 217 South Main Street. Councilmember Kennedy provided the invocation.

**SECOND READING – LAND DEVELOPMENT DISTRICT MAP AMENDMENT
CD-03-2012 STERLING TRACE APARTMENTS**

Mayor Woodson noted this Ordinance was approved by Council at its May 15, 2012 meeting by a vote of 3-0. He noted because of the 3-0 vote, the Ordinance required a second reading to be approved.

Ms. Blackwell stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property as described herein and by establishing a

Conditional District Overlay is consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan, and that adoption of the Ordinance is reasonable and in the public interest. Thereupon, Ms. Blackwell made a **motion** to adopt an Ordinance amending the Land Development Ordinance and the Land Development District Map of the City of Salisbury, North Carolina, by rezoning approximately six acres to establish a conditional district overlay to permit the development of an 80-unit campus-style multi-family development; identifying the development documents; identifying permitted uses; identifying development conditions; providing an effective date; and for other purposes. Mr. Kennedy seconded the motion. Messrs. Kennedy, and Woodson, and Ms. Blackwell voted AYE. (3 -0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT ORDINANCE AND THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 6 ACRES TO ESTABLISH A CONDITIONAL DISTRICT (CD) OVERLAY TO PERMIT THE DEVELOPMENT OF AN 80-UNIT CAMPUS-STYLE MULTI-FAMILY DEVELOPMENT; IDENTIFYING THE DEVELOPMENT DOCUMENTS; IDENTIFYING PERMITTED USES; IDENTIFYING DEVELOPMENT CONDITIONS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Pages No. 30-32, and is known as Ordinance 2012-18.)

**It was necessary to have a second reading on the above ordinance due to the lack of an affirmative vote of two-thirds of all members of the City Council required to pass an ordinance at its first reading.*

******Councilmember Miller joined the meeting at 2:06 p.m.

SECOND READING – LAND DEVELOPMENT DISTRICT MAP AMENDMENT LDOZ-02-2012 WILCO-HESS

Mayor Woodson noted this Ordinance was also approved by Council at its May 15, 2012 meeting by a vote of 3-0, and also required a second reading. He asked Councilman Miller if he would like an update on this item. Mr. Miller indicated that after reviewing the information provided, he is prepared to vote.

Mr. Kennedy stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property as described herein is not inconsistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan, and that adoption of the Ordinance is reasonable and in the public interest. Thereupon, Mr. Kennedy made a **motion** to adopt an Ordinance amending the Land Development Ordinance and the Land Development District Map of the City of Salisbury, North Carolina, by rezoning approximately 1.4 acres from district split-zoning of Corridor Mixed Use (CMX) and Highway Business (HB) to Highway Business (HB). Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller and Woodson, and Ms. Blackwell voted AYE. (4-0)

AN ORDINANCE AMENDING THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 1.4 ACRES FROM SPLIT-ZONING OF CORRIDOR MIXED USE (CMX) AND HIGHWAY BUSINESS (HB) TO HIGHWAY BUSINESS (HB).

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Pages No. 33-34, and is known as Ordinance 2012-19.)

**It was necessary to have a second reading on the above ordinance due to the lack of an affirmative vote of two-thirds of all members of the City Council required to pass an ordinance at its first reading.*

BOARDS AND COMMISSIONS

Zoning Board of Adjustment

Upon a **motion** by Ms. Blackwell, seconded by Mr. Kennedy, and with Messrs. Kennedy, Miller and Woodson and Ms. Blackwell voting AYE, the following appointment was made to fill an unexpired term on the Zoning Board of Adjustment as an Extra Territorial Jurisdiction (ETJ) alternate position:

Mr. Robert Cockerl

Term Expires 3/31/14

PRESENTATION OF FY2012-2013 PROPOSED BUDGET

City Manager Doug Paris thanked Assistant City Manager John Sofley, Budget and Performance Management Manager Teresa Harris, their staff, and the Management Team for their outstanding assistance in preparing the FY2012-2013 proposed budget. He commented he is very proud of the proposed budget and where it will take the City. He then presented the proposed budget to City Council in accordance with State Statute 159-11.

Mr. Paris noted the City must be in strong financial health in order to protect the quality of life, strengthen neighborhoods, bolster the local economy and maintain and improve the infrastructure. He stated Council adopted several new goals this year to operate the City at the highest level of financial responsibility including quarterly financial reports, fiscal notes on Agenda items, and Return on Investment analysis for all major capital projects. He commented the FY2012-2013 budget is designed to meet these new goals.

Mr. Paris reviewed the initiatives proposed in the FY2012-2013 budget:

Business Initiatives

- Business Licenses
 - Business license fees for all new businesses opening during FY12-13 will be rebated
- Development Services Fees
 - The first 25 new construction or redevelopment projects inside Salisbury will have their development services fees rebated
- One Stop Shop
 - The one-stop shop will open and the goal will be completed during FY12-13
- Express Review
 - City Manager will form a Task Force to study the City of Salisbury's ability to provide express plan review and inspections to customers as an option to Rowan County's service

General Fund

- Penny for Public Safety
 - Covers cost of 4 Police Department officers coming off Community Oriented Policing Services (COPS) grant (Federal Mandate)
 - Covers additional public safety expenses (Staffing For Adequate Fire & Emergency Response Grants (SAFER), Self-contained breathing apparatus (SCBA), protective equipment)
- Penny for Streets/Paving
 - Begin tackling the backlog of paving and street improvements deferred over the last 4 years due to the recession
 - Penny will allow the worst streets in the City of Salisbury to be improved and repaved during FY2012-2013
- Street Lighting
 - Funding to eliminate the current backlog of street lighting requests
 - Plan to request LED options from Duke Energy
- General Fund Impact
 - City Council cut 2.39 cents off the tax rate last fiscal year
 - The City is currently 2.39 cents under the revenue neutral rate
 - This proposal will maintain our position under revenue neutral rate

Garbage Service

- Residential Garbage Service
 - Full cost recovery: Running like a business
- Bulky Item Pickup
 - Remains a service

- New fee schedule
- Consistent with Town of Spencer fee schedule

Stormwater Mandate

- Stormwater Program
 - Federal Mandate (unfunded)
 - Salisbury is at the end of the road
 - Goal: Implementing in a way that is the lowest burden to residents and businesses
- Major Components
 - Permit compliance
 - Public system upgrades
 - Public system maintenance
 - Public system operations
 - Grant program for private systems
 - Mapping of systems and data gathering
 - Regulatory/Development requirements
- Model funding mechanism across North Carolina is stormwater utility
- Fee calculated to be \$4.25 per month per (Equivalent Runoff Unit) ERU = 2,500 square feet for residential and business

Mr. Paris reviewed how the proposed stormwater fee compared to surrounding municipalities:

- | | |
|-----------------|--------|
| ● Kannapolis | \$4.00 |
| ● Salisbury | \$4.25 |
| ● Concord | \$4.30 |
| ● Winston-Salem | \$4.50 |
| ● Landis | \$5.00 |
| ● Archdale | \$5.00 |
| ● Charlotte | \$8.22 |

Mr. Paris discussed the rate for businesses and noted the fee is based on 13,000 square feet or 5.19 ERU:

- | | |
|-----------------|---------|
| ● Kannapolis | \$16.00 |
| ● Concord | \$17.85 |
| ● Winston-Salem | \$20.65 |
| ● Archdale | \$20.65 |
| ● Salisbury | \$22.08 |
| ● Charlotte | \$37.01 |

Mr. Paris noted he felt the proposed rate in the business model could be improved, and he stated he will challenge staff to reduce the proposed rate to bring the City more in-line with Kannapolis and Concord.

Water and Sewer

- New environment
 - No annexation (State law changed)
 - Slow development (economy)
 - Return on Investment analysis for all projects (Council goal)
- Historical Analysis
 - Average rate increase over 20 years – 7%
 - Proposed rate increase FY2012-2013 – 0%
 - First time in 21 years there is no rate increase

Broadband

- New General Manager is in the evaluation stage
- Staff does not want to rush evaluation because of a budget deadline – make the right decisions
- General Manager to present recommendations to City Manager in August 2012
- Focus: firm-up steps to reduce expenses

Employees

- New Positions
 - No new positions in General Fund and Water/Sewer Fund
 - Stormwater Utility will require new positions
 - Broadband will bring contract positions in-house only if it results in operational savings

Mr. Paris reviewed a 10-year trend in the number of full-time employees per capita and pointed out the City is currently operating with its lowest number of full-time employees in a decade. He reviewed the proposed increase for employees:

- Flat \$1,000 pay adjustment for all employees
- Equivalent to a 3% raise for a “median” employee on the City’s salary schedule
- Larger percentage increase for those at the bottom of the pay scale than those at the top
- Funded by elimination of frozen positions – bulk from City Hall
- City Manager will not take an adjustment

Mr. Paris pointed out he will not take a salary adjustment for the next three-year period.

FY12-13 Service Delivery Improvement

- Service Delivery Committee
 - City Manager's Committee for Innovation in Service Delivery
 - Focus: review of one service area per year
 - First area to be studied will be leaf and limb because substantial capital outlay on the horizon
- Inspection Task Force
 - Task Force of industry professionals and staff
 - Focus is studying City's ability to offer an inspection alternative to Rowan County
 - Contracted full cost recovery option for those that prefer it

Debt Issuances

- FY12-13 No New Debt
 - No new debt FY12-13 (all funds)
 - Focus will be paying down current tab, not adding to it
 - Continue to look for opportunities for savings on debt
 - FY12-13 budgeted to pay off \$7.2 million in existing debt
 - City's debt limit is \$174 million, after FY12-13 the City will be at, or just below, 20 percent of that legal debt limit

Councilmember Miller commented interest rates are at an all-time low, and there will be a window of time the rates are available. He asked if staff can prioritize capital needs for the next 15 years in order to take advantage of the lower interest rates during the next few years. He commented he would like to have feedback on this issue going into the next budget cycle.

Mr. Paris stated he believes the recommendations in the proposed budget will strengthen the City financially. He added he understands some of the proposals may not be favorable to everyone, but he does think it is the right time to rebuild the City's financial position. He stated he is confident receiving citizen feedback and Council's worksessions will result in a much better proposal.

Mayor Woodson commented there is no question the Police officers are needed, and Council made a commitment three years ago to fund the positions. He added the City also needs road construction. He noted it has been several years since employees have had increases, and it is his understanding the increase will be performance based. Mr. Paris confirmed this is correct. Mayor Woodson indicated the garbage fee and stormwater fee may need to be reviewed.

Councilmember Blackwell referred to the penny requested for paving and asked if there is an estimate as to how far down the priority list paving might be achieved. Mr. Paris responded staff projects the penny would allow the worst eight streets in the City to be paved. He noted once the projects begin, staff can determine if additional projects

may be able to be added. Ms. Blackwell pointed out asphalt costs are associated with the price of oil and this is why the costs for asphalt are often inflated.

Councilmember Kennedy indicated he is pleased with no increase in the water and sewer rate. He pointed there is a request for a stormwater fee which will appear on the water bill, so citizens will still see an increase on their water bills, but not their water rates.

Mayor Woodson reiterated that the proposed increase for employees is from savings realized from cutting positions. Mr. Kennedy stated he supports this wholeheartedly and noted he was recently at a meeting in Raleigh and found that many cities are giving their employees an average increase of three percent.

Councilmember Miller indicated Mr. Paris' presentation was very logical, and he appreciates the way the budget was presented. He stated he would like to look at issues through a logical, business-minded approach. He noted the City must improve the way it works with the development community because if the tax base increases, the City will be able to accomplish more things. Mr. Miller stated the City must have the goal of being a model City as it relates to how it works with the development community. He noted Council cannot continue to raise the tax rate on the same tax base, although he understands the raises proposed by Mr. Paris.

Mayor Woodson pointed out Council cut 2.39 cents last year which put the rate below revenue neutral with the revaluation. He noted the requested two cents will put back the two cents cut last year to become revenue neutral.

Mr. Kennedy indicated he would like to review the fee schedule for bulky item pick-up. Mr. Paris stated the fee schedule is included in the budget and budget Ordinance. He commented this area needs to be operated more like a business in order for it to be competitive.

Mayor Woodson asked if County residents are charged extra for couches or other large items. Mr. Paris responded the County does not provide trash collection, and County residents use private haulers. He added he does not think these vendors offer bulky item service and most of the residents must take the items to a waste center or the County landfill. Mr. Paris noted the proposed fee schedule is the same schedule used by the Town of Spencer, who has had success with its bulky item and garbage fees. He stated Spencer residents pay \$15 per month for trash collection, along with the fee associated with bulky item pick-up. Mr. Paris indicated there will be a large educational campaign to go along with the new fees, and he would also recommend a grace period as part of the implementation.

Thereupon, Mr. Miller made a **motion** to set a public hearing for June 5, 2012 to receive public comment on the City of Salisbury's FY2012-2013 proposed budget. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller and Woodson and Ms. Blackwell voted AYE. (4-0)

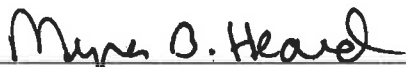
Mr. Kennedy asked how the public may access the proposed budget. Mr. Paris stated the budget will be put on the City's website at www.salisburync.gov, as well as a Twitter notification. City Clerk Myra Heard stated the proposed budget will also be on file in the City Clerk's office and available for review.

ADJOURNMENT

Motion to adjourn the meeting was made by Ms. Blackwell seconded by Mr. Kennedy. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 3:08 p.m.



Paul B. Woodson, Jr., Mayor



Myra B. Heard, City Clerk