

Salisbury, North Carolina  
December 1, 2020

## **REGULAR MEETING**

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

**ABSENT:** None.

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

## **PLEDGE OF ALLEGIANCE**

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

## **RECOGNITION OF VIEWERS**

Mayor Alexander welcomed all viewers.

## **ADOPTION OF THE AGENDA**

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

**CONSENT AGENDA**

(a) Minutes

Adopt Minutes of the Regular meeting of November 17, 2020.

(b) Last Mile Transfer Program Agreement

Approve the Last Mile Transfer Program Agreement (LMTPA) between the North Carolina Department of Transportation and the City of Salisbury to offer travelers along the Raleigh-to-Charlotte rail corridor a free pass to help them reach their final destinations using public transportation.

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

**PUBLIC COMMENT**

Mayor Alexander opened the floor to receive public comments.

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

**COMMUNITY DEVELOPMENT BLOCK GRANT- CORONAVIRUS (CDBG-CV)**

Community Planning Services Director Hannah Jacobson stated the City received additional Community Development Block Grant (CDBG) funding to prevent, prepare for, and respond to COVID-19. She explained \$200,221 was received from the federal government in addition to \$168,950 that was received during the spring and summer. She added 100% of the first allocation was distributed to nine public service agencies who completed applications requesting assistance.

Ms. Jacobson noted before additional funds are distributed a public hearing must take place to receive input from the community regarding the use of the funds. She added following public input, recommendations and a draft amendment to the FY2020-20221 Action Plan will be developed and presented to Council at its January 5, 2021 meeting. She indicated final recommendations and amendments to the Action Plan will be presented to Council at its January 19, 2021 meeting for consideration. She added once recommendations are approved the plan will be sent to the United States Department of Housing and Urban Development (HUD) who will approve the plan and release the funds. She stated funds may be dispersed as early as February 2021.

Ms. Jacobson pointed out the use of funds will be restricted to COVID-19 related expenses and assistance to low to moderate income individuals, families, or populations. She added the use of funds is also required to address a goal of the City's Consolidated Plan. She indicated the funds may be used to increase the supply of affordable housing, improve public facilities and infrastructure, provide opportunities for home ownership, provide assistance to public service agencies, promote business growth and work in a robust workforce, further fair housing, and for planning and administration.

Ms. Jacobson noted public comments can be directed to Housing Planner Candace Edwards. She stated Ms. Edward's contact information is on the City's website and comments should be limited to 750 words or less.

Councilmember Post asked if the funds can be used to fund the Kiva program. Ms. Jacobson stated it may be possible to use the funds to back loans and provide grants to low and moderate income families for COVID-19 related expenses.

Mayor Alexander asked if the funds can be used to assist citizens who are struggling with utility bills, rent, and other expenses. Ms. Jacobson stated Rowan Helping Ministries received \$25,000 during the first allocation to assist citizens with rent and utility bills. She indicated organizations that applied to receive original funds are eligible to apply for additional funding. She added there is no cap on the total amount an organization can receive. She point out a draft plan for use of the funds will be presented in January. She added an application process will be developed to allow organizations to apply for funding.

Mayor Alexander asked if there are other ways to promote business growth and a robust work force if plans for Kiva do not work out in time. Ms. Jacobson stated the City can engage with community partners to develop parameters for programs regarding business growth and a robust workforce.

Mayor Pro Tem Heggins asked if the funds can be used to open a new business or to assist businesses to stay open during COVID-19. Ms. Jacobson replied the funds may be used for those purposes.

Councilmember Sheffield asked if there is a deadline to distribute the funds. Ms. Jacobson stated she does not believe there is a deadline, and she indicated staff expects the funds will be depleted quickly to address urgent needs.

b) Mayor Alexander convened a public hearing, after due notice thereof, to receive comments regarding the Community Development Block Grant-Coronavirus (CDBG-CV) funds.

There being no one to address Council, Mayor Alexander closed the public hearing and indicated the public will be able to provide comments on the CDBG-CV funds until December 25, 2020. She added comments can be sent to Housing Planner Candace Edwards at [candace.edwards@salisburync.gov](mailto:candace.edwards@salisburync.gov).

## **LAND DEVELOPMENT ORDINANCE TEXT AMENDMENT TA-02-2020**

Senior Planner Catherine Garner stated Land Development Ordinance Text amendment TA-02-2020 includes several chapters related to legislative changes to North Carolina General Statute 160D and other changes over the last few years.

Ms. Garner indicated North Carolina General Statute (G.S.) 160D is the recodification of the enabling legislation and is previously known G.S. 160A for planning and zoning. She noted changes have been made to the statute to modernize the language and address inconsistencies between county and municipal regulations. She explained the proposed text amendment involve statutory reference changes and reformatting to resemble corresponding legislation. She added several edits reflect outdated legislative changes that were not revised in the ordinance.

Ms. Garner stated a major change in G.S. 160D-947 provides authorization to start Historic Preservation Commission (HPC) appeals in Superior Court instead of the Board of Adjustment. She added municipalities are authorized to choose a pathway, but the default is the Superior Court. She pointed out the Superior Court is staff recommended and the HPC's preference because it eliminates the conflict of interest for the City Attorney when representing the HPC during appeals.

Ms. Garner indicated another major change in the statute is special use permits will only be heard by Council. She explained G.S. 160D-301 prohibits Council from considering information outside of the hearing. She added information and recommendations from Planning Board hearings are not authorized. She noted the change will streamline the process for applicants. She added applicants will continue to receive extensive coaching, feedback, and support from staff to anticipate issues that may arise during a public hearing.

Ms. Garner pointed out the University of North Carolina School of Government confirmed that consent in writing must be recorded prior to enforcing sub conditions and conditional district rezoning conditions. She explained applicants and property owners will need to sign special use permits after Council has approved and enacted conditions on an application. She added a record of the permits will need to be filed with the Register of Deeds to provide information to future owners or subsequent purchasers of property.

Ms. Garner indicated G.S. 160D-602 requires developers to hold neighborhood meetings before submitting for a rezoning. She added there is a requirement for applicants to provide neighbors notice and information by mail regarding meetings. She stated applicants are required to submit copies of meeting materials, a sign in sheet, and a summary of input or questions that are received during the meetings. She added a mailing list will be generated that will correspond with the 250 foot mailing radius required for public hearing notifications. She noted applicants will be required to submit a signed affidavit of mailing.

Ms. Garner stated the Planning Board reviewed the proposed changes on November 10, 2020 and recommended adoption of the changes as proposed. She added no one has provided feedback on the changes. She requested Council consider adopting the changes in January 2021 following the public hearing.

b) Mayor Alexander convened a public hearing, after due notice thereof, to receive comments regarding Land Development Ordinance Text Amendment TA-02-2020.

There being no one to address Council, Mayor Alexander closed the public hearing and indicated the public will be able to provide comments on Land Development Ordinance Text Amendment TA-02-2020 for 24 hours following the close of the hearing. Ms. Garner stated comments can be sent to [catherine.garner@salisburync.gov](mailto:catherine.garner@salisburync.gov) or to the One Stop Development Shop at [1stop@salisburync.gov](mailto:1stop@salisburync.gov).

### **CONTRACT- NJR GROUP**

Assistant Public Works Director Chris Tester reviewed bids that were received for the asphalt bid contract. He noted NJR Group, Inc. submitted the lowest bid for the project.

Mr. Tester presented a map and identified the streets to be resurfaced. He pointed out Lincolnton Road is a major travel route requiring repairs. He added other streets that will be resurfaced include Confederate Avenue, 17<sup>th</sup> Street, 11<sup>th</sup> Street, Clubhouse Drive, Filbert Street and Roy Street.

Mr. Tester stated the department is requesting Council consider awarding the asphalt bid contract to NJR Group Inc. in the amount of \$388,993. He noted the amount budgeted for the project is \$472,000 and the estimated cost of remarking is \$77,669. He added the total cost of the project is expected to be approximately \$466,662. He pointed out the budget is unit price based and fluctuations are expected.

Mayor Pro Tem Heggins asked if the resurfaced roads will receive bike lane markings. Mr. Tester stated the estimated cost for road markings is for original markings to be reapplied to each road. He added bike lanes will be applied to roads that have bike lanes before the resurfacing. He explained some roads will require widening to meet minimum standards for two-lane roads and additional widening would be necessary to add bike lanes.

Councilmember Post asked if 20% of the cost of resurfacing is the average cost for roadway markings. Mr. Tester stated the cost of markings depend on the amount of markings that are needed. He noted some roads do not require markings while others require extensive markings which will increase costs.

Mr. Tester discussed the conditions of the roads that will be resurfaced. He indicated the cost of road markings for heavily traveled roads includes the cost of traffic control to allow continued use of the roadways.

Councilmember Post asked if the price for the resurfacing can fluctuate based on how deep the asphalt is in certain areas. Mr. Tester stated the price can fluctuate based on asphalt thickness, but most areas require 1.5 inches of asphalt. He added with fluctuations inevitable staff can estimate costs to within \$8,000 to \$10,000 of the final cost.

Thereupon, Councilmember Post made a **motion** to award a unit based contract to NJR Group, Inc. in the amount of \$388,993 for the paving of streets in Salisbury. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

### **DOWNTOWN MAIN STREET PLAN**

Urban Design Planner Alyssa Nelson stated there are two plans included in the Downtown Main Street Plan. She indicated there is a striping plan in preparation for the repaving of Main Street by the North Carolina Department of Transportation (NCDOT) and a vision plan for sidewalks and parking improvements along Main Street.

Ms. Nelson noted the Downtown Main Street Plan consists of a ten block span from Monroe Street on South Main Street to the railroad tracks on North Main Street. She explained the purpose of the project is to make infrastructure improvements to pavement, sidewalks, curbs and gutters, bump-outs, storm sewer systems, and lighting along Main Street. She added the project is in the stage of receiving community feedback on the restriping and the opportunity to change lanes and parking angles on the street. She indicated NCDOT plans to repave Main Street between March and November of 2021, which will provide an opportunity to make changes. She explained Main Street was paved in 2004 and after the 2021 repaving it will not be paved again for another 10 years.

Ms. Nelson pointed out the project began in 2016 when Downtown Salisbury Inc. (DSI) hosted an open house session on ways to improve the downtown. She explained the project is an element of the Downtown Master Plan and will be used to assist in applying for grants. She added in 2018 the Planning Department was supported by Engineering and DSI to issue a request for qualifications to hire an engineering and design firm to create plans to improve the safety, mobility, and appearance of the ten blocks of Main Street. She indicated in 2019 staff began working with McAdams Landscape Architecture and Engineering firm. She introduced McAdams Senior Landscape Architect Dan Lambert.

Mr. Lambert stated in the last 18 months staff has observed Main Street downtown and decided to take a structured approach in planning. He explained the planning process started with public and stakeholder input followed by a site analysis and traffic studies. He noted revisions were made to the plan, after consulting with NCDOT, which led to the recommendation of a hybridized plan.

Mr. Lambert indicated public input included a preference survey and a community value survey. He noted heat maps were created to identify areas that are most frequently visited. He added an in-person survey was conducted that was also available online. He explained the survey consisted of 21 questions regarding Main Street and its utilization. He stated demographic questions were included to ensure the results represented an adequate sample of the population. He added the survey remained online for several weeks, and there were 230 participants in the survey.

Mr. Lambert explained after receiving input from the public and stakeholders a site analysis was conducted which allowed a refined look into the utilization of Main Street. He stated staff closely observed the existing traffic, pedestrian facilities, parking, and connections for redevelopment opportunities. He added staff also reviewed areas and issues that may be problematic such as changes in grade. He pointed out results were combined with heat maps to emphasize the strong points and identify places that need the most change.

Mr. Lambert stated the traffic study that was conducted reviewed existing traffic patterns, vehicle counts, and turn maneuvers along Main Street. He indicated the information was used to identify ways to create a positive industrial environment. He explained traffic patterns and parking issues were also reviewed to assist in creating a safe environment. He added the review led to the idea that a three-lane street will be more conducive to a safer environment. He explained Main Street has four lanes with steep angle parking, but can be converted to three lanes with shallow parking angles and pedestrian enhancements. He added three lanes will increase and preserve the functionality of traffic.

Mr. Lambert pointed out several options were created based on the increased functionality of three lanes. He explained staff reviewed the possibility of different parking arrangements to include parking in the turning lanes, planted islands in the center of the road where there is no need for turns, improvements to curb cuts and driveways, pedestrian crossings, landscape enhancements, and nodes where pedestrians gather. He added staff also identified areas where sidewalks could be used by local businesses for leisure activity and extra space.

Mr. Lambert stated he worked with staff to develop and refine a dream plan for Main Street that was sent to NCDOT for review. He indicated the plan included options for pedestrian nodes, reverse angle parking, angled parking, parallel parking, and bike lanes on Main Street. He added NCDOT reviewed the plan, and its recommendations were used to create a revised plan. He explained NCDOT does not recommend reverse angle parking, mid-block pedestrian crosswalks, planter islands in the center, and other options that are no longer legal or safe.

Mr. Lambert reviewed the striping plan. He explained a few blocks beyond the transition area were observed to insure the striping alignment will be maintained. He indicated the plan reveals blocks that have parallel parking, angled parking, and diagonal parking on both sides of the street near the square, left turn lanes throughout the corridor, and dedicated areas for buses to load and unload. He explained several blocks do not have access to an alleyway which creates a problem for trucks needing to park. He added parking areas are identified in the plan to allow trucks to safely park outside of the traffic pattern and can be used as drop-off areas for ride sharing. He indicated further up Main Street beyond the square the area changes from diagonal parking on both sides to split parking consisting of diagonal and parallel parking. He added certain areas have extra spaces because of the frequency of use and other areas have no additional spaces and include a wider planting strip or larger sidewalks.

Mr. Lambert presented renderings of sections of Main Street after implementing changes to lanes, sidewalks and parking. He indicated mid-block pedestrian crossings are included in the plan but are not recommended by NCDOT who may approve the option later. He added places where the pedestrian connections are blocked have bump-outs to prepare for potential mid-block

pedestrian crosswalks. He stated some areas of Main Street will have enough width to include bike lanes in each direction because there is no parking on either side of the street. He added on the sections of the street with two travel lanes in the center, bike lanes are seven and one-half feet wide and will provide ample space for bikes to pass one another. He pointed out the narrow areas of the street may house more activity which is a benefit.

Mr. Lambert stated the next step in the process is gaining public feedback on the proposed plan. He noted gathering information from the public during COVID-19 has been interesting, but there has been success using adaptive engagement programs where tools and technology are at the center. He added an online software called Concept Board can also be used and will allow the input of a plan map for groups to access, draw, and make comments. He indicated specific interaction is helpful and graphic communication will be used to gain optimal feedback. He added the recommended input plan is to have at least two large-scale virtual meetings to address questions that citizens may have regarding how to participate and provide input. He explained staff will also include an online public opinion survey that will remain open to provide access to individuals who are not able to attend meetings. He added he will discuss with staff the option of socially distanced, in-person input. He pointed out the in-person option is not preferred given the current circumstances, but there are ways to safely conduct the gatherings to accommodate individuals who do not have access to technology.

Mayor Pro Tem Heggins asked if there is a way to incorporate bike lanes in the downtown area. Mr. Lambert stated bike lanes can be incorporated if diagonal parking is not implemented. He indicated diagonal parking will not work with bike lanes because the right-of-way would narrow significantly. He added the amount of available sidewalk will be decreased as well. He explained parallel parking can be paired with bike lanes but number of parking spaces would decrease. He added one of the major concerns from the public was parking access close to businesses.

Mayor Pro Tem Heggins asked about the number of parking spaces that would be lost if bike lanes were paired with parallel parking. Mr. Lambert stated the loss would be significant at approximately 40 to 50 parking spaces over the 10-block stretch of Main Street.

Ms. Nelson stated once bikers arrive at the parallel streets in the downtown markings can be placed on the street to indicate bikers are sharing the road with motorists.

Mayor Pro Tem Heggins asked if there will be areas for bike riders to park and lock their bikes. Ms. Nelson stated there are several areas to park bikes with more areas to be constructed. Mr. Lambert indicated each bump-out in the plan is sizable and has the potential of providing space for bicycle parking.

Councilmember Post asked if the repaving can be pushed back for a year because of the challenge with public engagement during COVID-19. Mr. Lambert stated NCDOT will be resurfacing, repainting, and making no changes to the markings on the street. He indicated staff will only be presenting NCDOT with a striping plan to implement a new traffic pattern. He added the striping plan is a vision of what the area can look like once funding is available. He explained NCDOT will not expect a finalized design for where the curbs will be in the future. He added when



NCDOT resurfaces in 2021, they will resurface the road and paint, but the painting can change to a new traffic pattern. He indicated the striping plan will allow citizens to become familiar with a new traffic pattern with a broader design before the curb work is completed. He stated cost was taken out of the presentation because the plan is not finalized and has not gone through construction documents for estimates. He added downtown is very old and there can be hidden problems underground once construction has begun. He noted the estimated cost for the project at the current stage would be broad and will not give an adequate idea of the real cost. He added it is a benefit that NCDOT will have completed everything between the curbs even in the new plan.

Mayor Alexander asked if the work to be completed later will destroy the work that NCDOT will be completing. She indicated the City is working on large projects such as the Empire Hotel. She stated there may be different needs after the in-progress projects are completed. She asked if there was a way to use loading zones for parking during peak business times because loading is mostly done in the early morning hours.

Mr. Lambert indicated areas of new development are considered in the plan. He explained staff considered adding sidewalk space to many areas to broaden the potential for redevelopment opportunities. He noted the plan is part of a mechanism to give members of the community options regarding vacant spaces in areas of high activity. He added the purpose of the plan is to increase pedestrian space and parking. He pointed out the parking study revealed a significant amount of parking downtown. He added converting some of the parking to pedestrian space and loading zones will not cause a great impact to parking. He explained the loading zones were specifically targeted for areas that do not have easy alleyway access and have no other options.

Engineering Director Wendy Brindle stated NCDOT plans to resurface Main Street and will replace the current markings or change the markings to something that is more desirable to the City. She explained NCDOT informed staff that the project is out for bid and will start between March and November 2021. She added NCDOT has paid for and completed restriping in the past, and she will verify if it will provide the same service for the 2021 resurfacing. She indicated NCDOT will set up a template for the striping in the plan.

Councilmember Miller stated it is necessary to have an interim plan to serve as a sample of how the new street will appear. He asked if the planned parking spaces are deep enough to allow parking without vehicles sticking out into traffic. Mr. Lambert indicated the parking will provide adequate room for vehicles to park completely outside of the flow of traffic. He added parking will be designed based on the depth necessary for a Ford F-150 quad cab, which is one of the longest vehicles that may be parked. He stated there will also be space in front of parking spaces to allow vehicles to be pulled up close to the curb without bumping into anything.

Councilmember Miller asked if any portion of the design plan will prohibit the City from having parades in the future. Mr. Lambert stated if there is a controlled parade route the center lane would be ideal and allow more room for people to interact with the parade. Mr. Miller indicated once the plan is in the final stages he would like to review how different areas would be utilized during special events.

Councilmember Miller stated it is important to have a plan to help qualify for grants to offset the high cost of projects. He added the plan will benefit the City in several ways and bring more people into the community. He thanked Mr. Lambert and his team for assisting in the development of the plan.

Councilmember Sheffield thanked the development team for addressing concerns with storefront parking. She asked if the sidewalk expansion would allow for outside dining and still meet ADA (Americans with Disability Act) requirements. Mr. Lambert stated outside dining and other activity is possible on 95% of the planned sidewalks. He added there are few areas where the width of the sidewalk is approximately 12 feet to 15 feet wide and would only be able to accommodate restricted dining to maintain pedestrian flow.

Councilmember Sheffield asked about the deadline for receiving public input. Ms. Nelson stated the department is expecting to have comments in by January 2021.

Mayor Alexander stated she would like information, specific dates, and links advertised to the public to allow everyone to provide feedback. She indicated it is important for the public to understand that the plan will be completed in stages and that each stage will look different. She added the plan is significant and will benefit the City in many ways including applying for grants.

Mayor Pro Tem Heggins stated she believes the plan will revitalize and bring life to the downtown area.

Mayor Alexander thanked Ms. Nelson, Mr. Lambert, and staff for their hard work in developing the plan.

### **CITY ATTORNEY'S REPORT**

City Attorney Graham Corriher had nothing to report to Council.

### **RECESS**

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

### **CITY MANAGER'S REPORT**

#### a) First Quarter Financial Report

City Manager Lane Bailey asked Finance Director Shannon Moore to present the first quarter financial report. Ms. Moore stated General Fund revenue is seeing a slight increase when compared to the first quarter of FY2020. She explained the increase is due to an increase in revenues related to cemetery services and an increase in the current year's budget for the recycling

contract. She indicated the City received deferred revenue from the sale of a house that was part of the City's Housing Rehabilitation Program. Ms. Moore pointed out increases in the Water and Sewer Fund, the Stormwater Fund, and an increase in planning and development fees related to development services, permitting, and plan review.

Ms. Moore explained the increases are offset by revenue reductions in Parks and Recreation user fees due to COVID-19 and reductions in interest earnings. She commented during the first quarter of FY2020 the City had \$52,000 in General Fund interest earnings and in FY2021 the City had \$8,000 in General Fund interest earnings.

Ms. Moore referenced current year property taxes, and she noted the City is at 64% of the budgeted 97% collection rate. She added the actual collection percentage through September for FY2020 was 64.6% and during the first quarter of FY2021 the collection rate is 61.61%. She pointed out Rowan County billed public utility taxes quicker than in previous years which drives the collection percentage down. She indicated staff is hopeful the revenue will increase in the second quarter. She commented the budget for property taxes was \$20.1 million and the County billed just over \$21 million. She indicated if the City has a collection rate of 95.9%, it will be very close to the budgeted amount.

Ms. Moore stated the City has not received sales tax in the first quarter, and she explained sales tax revenue is received three month after the sale takes place. She indicated staff saved the October and November disbursements, which are for the months earned in July and August, and each of those months increased respectively from FY2019 to FY2020 to FY2021. She pointed out August shows a very modest increase, and it is promising that those amounts are up for FY2021 when compared to the previous two years.

Ms. Moore referenced General Fund expenses, and she pointed out most departments are within budget. She noted General Government, which includes the Telecomm and IT departments, is at 26% due to large purchases that take place in the very first part of the fiscal year. She stated two quarters of education expenses were paid in the first quarter and all other departments are within budget. She noted interest and principle is based on the payment due date in the debt service contract.

Ms. Moore then referenced the Stormwater Fund, and she noted a modest increase in the monthly Equivalent Runoff Unit (ERU) fee which makes up the \$4,000 revenue difference from FY2020 to FY2021. She pointed out the budget is higher due to a carry-over that accounts for a portion of the \$2.3 million overall budget. She explained if the carry-over is removed the City is at 25% of the budgeted revenue for Stormwater. Ms. Moore noted Stormwater expenses are less than the adopted budget due to the timing of larger budgeted projects.

Ms. Moore reviewed Water and Sewer Fund revenues, and she indicated the amount billed in the first quarter of FY2021 is approximately \$800,000 less than what was billed in the first quarter of FY2020. She explained some of the large industries are operating at reduced capacity, and she pointed out September 2021, in comparison to September 2020, has the largest reduction in billed revenue for water and sewer. She stated there is a \$1 million dollar reduction in Water

and Sewer Fund expenses from FY2020 to FY2021 that is attributed to large capital projects that were carried forward from FY2019 and completed in the FY2020.

Ms. Moore reviewed Transit Fund expenses, and she noted a decrease in revenues. She commented some of the decrease is attributed to the timing of the federal draw-down. She explained the City did a draw-down in the second quarter to account for revenues related to first quarter expenses. She stated the City drew down approximately \$213,000 for July, August and September expenses in early November. She referenced FY2021 budgeted revenues, and she pointed out Transit was budgeted to receive \$195,000 from the State Maintenance Assistance Program (SMAP). She explained after the budget was adopted staff was notified that the state would not be sending SMAP allocations. She pointed out Transit received Coronavirus Aid, Relief and Economic Security (CARES) funds related to COVID-19 and has \$549,000 remaining to draw from. She added staff planned to draw \$358,000 of the funds in the current fiscal year and that will almost make up for what the City will lose in SMAP funding. She noted the interest for this fund was budgeted at \$2,000, but the City will only receive half of what it budgeted. She indicated transit service is currently operating as a fare free service and fares and ticket sales were budgeted at \$67,000. She explained in order to have the lowest impact on Transit revenues staff will need to look at maximizing the reimbursement from CARES funds and any federal resources for qualifying expenses. She indicated the current projection is a \$71,000 loss in revenues overall to the Transit Fund that can be made up with Fund Balance in the Transit Fund and or increasing the contribution from the General Fund.

Ms. Moore referenced Transit Fund expenses, and she noted a reduction of \$40,000 from FY2020 to FY2021. She pointed out most of the expense reduction is due to a change in services related to COVID-19. She pointed out Transit is working to control expenses to account for some of the revenue loss.

Ms. Moore reviewed Fibrant Fund revenues, and she pointed out the majority of operational revenue in the Fibrant Fund comes from the Hotwire lease which is due 45 days after the end of each quarter. She explained the City does not receive its first quarter payment until the second quarter. She noted the \$743,000 in revenue consists of a quarterly transfer of \$742,500 from the General Fund.

Ms. Moore stated the Hotwire lease revenue the City received for the first quarter remained consistent, \$196,000 for the last quarter of FY2020 versus \$194,000 for the first quarter of FY2021. She noted a reduction in debt write-off which helped with the drop credits, and she pointed out dark fiber and rent are consistent each quarter.

Ms. Moore explained the City received \$131,201.51 in lease revenue from Hotwire, and she reviewed Hotwire subscriber counts for the first quarter. She stated Fibrant had expenses of \$312,000 which includes a semi-annual interest payment of approximately \$291,000 and an expense related to the drop connection contract that is reimbursed by Hotwire.

Ms. Moore stated Share 2 Care, the City's water and sewer utility assistance program, received \$1,648 in donations that will be distributed by the Rowan Helping Ministries Utility

Assistance Program. She requested Council consider adopting a Budget Ordinance to release the funds to Rowan Helping Ministries for disbursement.

Councilmember Post pointed out donations made directly to Rowan Helping Ministries to assist with water bills are not included in this amount. Ms. Moore agreed. Mr. Post asked if the donations to the Share 2 Care Program are considered tax deductible contributions. Ms. Moore noted per IRS guidelines it appears to be a tax deductible donation.

Councilmember Post asked about Transit ridership. Transit Director Rodney Harrison explained the \$67,000 in fares consist of \$1 for regular fares and \$.50 reduced fares for seniors and those with a disability. Mr. Post asked how many riders the budget anticipated. Mr. Harrison stated Transit had 114,000 trips for FY2020. Mr. Post pointed out most of the trips would be \$.50 fares, and he asked about ridership during the first quarter of FY2021 compared to the first quarter of FY2020. Mr. Harrison explained Transit has experienced a decrease in ridership due to COVID-19 which is consistent across the country. He pointed out Transit is running a reduced schedule, no longer offering Saturday services, and has shortened its hours of operation. He added the changes are consistent with what other transit agencies are doing to minimize interaction between drivers and riders to mitigate the spread of COVID-19.

Councilmember Post noted the first quarter financial update compared this fiscal year to last fiscal year as opposed to the budgeted amount. Ms. Moore explained the budget is based on an annual amount and it is not easy to divide the annual amount into quarters. She stated staff considers a three-year historical trend regarding when the funds are typically received throughout the quarters and multiplies it by the total budget to arrive at a budgeted amount per quarter. Mr. Post stated revenue is down when compared to the budgeted amount. Ms. Moore clarified if the current revenue is all that was received for the year then revenue would be down. Mr. Post asked if the FY2021 budget includes a Fund Balance appropriation. Ms. Moore agreed, and she noted it is currently at 2.214% before the last Council meeting where Council appropriated Bell Tower revenue funds that will be included in the next quarterly report.

Mayor Alexander asked Ms. Moore if she could prepare a report regarding where the City is at in comparison to the budget for the next quarterly report. Ms. Moore agreed.

Mr. Bailey recognized Ms. Moore and the Finance Department for receiving the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the 29<sup>th</sup> consecutive year.

Thereupon, Councilmember Sheffield made a **motion** to adopt an Ordinance amending the FY2020-2021 Budget Ordinance of the City of Salisbury, North Carolina to appropriate donations in the Share2Care Fund. Upon a roll call vote Mayor Alexander voted AYE, Mayor Pro Tem voted AYE, Councilmember Miller voted AYE, Councilmember Post voted AYE, and Councilmember Sheffield voted AYE. (5-0)

ORDINANCE AMENDING THE 2020-2021 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE DONATIONS IN THE SHARE 2 CARE FUND.

(The above Ordinance is recorded in full in Ordinance Book No. 29 at Page No. 84, and is known as Ordinance 2020-56.)

**COUNCIL’S COMMENTS**

Councilmember Sheffield noted today is Giving Tuesday, and she encouraged citizens to donate to their favorite charity. She pointed out the Share 2 Care Program helps those in the community.

Councilmember Sheffield indicated Spruce Up Week will take place January 4-8, 2021.

Councilmember Sheffield thanked the ‘Tis the Season Spectacular Committee and everyone who worked to make the drive-through parade a success. She stated it was a bright spot in a tough year.

Councilmember Post stated City Park looks wonderful. He noted last Saturday all six pickleball courts were being used and additional people were in the stands waiting to play. He noted Council made the right decision when it created pickleball courts, and thanked the various donors who have added amenities to the courts.

Councilmember Post stated he joined a virtual Town Hall Meeting hosted by Senator Thom Tillis who spoke about COVID-19, vaccines, and masks. He stated Senator Tillis encouraged everyone to take the vaccine, and he pointed out according to CDC guidelines if 70% of the people take the vaccine it would create herd immunity and the economy can be opened. Mr. Post also encouraged citizens to wear a mask, wash their hands, and to practice social distancing.

**MAYOR PRO TEM COMMENTS**

Mayor Pro Tem Heggins thanked staff for all it does for the City. She added she is excited about the Downtown Main Street Plan and looks forward to seeing it come to fruition. She recognized the Tis the Season Committee for a great holiday event.

Mayor Pro Tem Heggins noted the organizers and family of remembrance events for Ayanna Allen are asking people in the City and County to turn on a porch light, light a candle, or shine flashlight for Ayanna on December 4, 2020 at 7:00 p.m. in remembrance of her life. She wished everyone a wonderful holiday season.

**MAYOR'S ANNOUNCEMENTS AND COMMENTS**

Mayor Alexander thanked Ms. Shari Graham and Ms. Hen Henderlite for all they did to make the 'Tis the Season Spectacular a success. She then thanked the Fire Department and Captain Rodney Misenheimer who decorated the antique 1941 fire engine that Council used for the event. She recognized the Public Works Department who handled the safety measures, worked with downtown merchants to respond to their concern, and quickly removed the cones after the event.

Mayor Alexander recognized Chief Stokes and the Police Department for a wonderful article in the *Salisbury Post* regarding the new crime center and the use of data to solve crimes.

Mayor Alexander indicated she has heard from many people in the community who enjoy the new pickleball courts, the lake and the beauty of City Park.

Mayor Alexander wished everyone a Happy Holiday, and she thanked City Manager Lane Bailey and staff for all they do for the City.

**ADJOURNMENT**

Motion to adjourn the meeting was made by Councilmember Miller. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 8:50 p.m.

  
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Kelly Baker, City Clerk

  
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Karen Alexander, Mayor