SPECIAL MEETING

PRESENT: Mayor Karen Kirks Alexander, Presiding; Mayor Pro Tem Maggie Blackwell; Council Members Kenneth L. Hardin, William Brian Miller, and David B. Post (joined by telephone), City Manager W. Lane Bailey, Deputy City Clerk Kelly Baker and City Attorney F. Rivers Lawther

ABSENT: City Clerk Myra B. Heard and City Attorney F. Rivers Lawther

Mayor Alexander and members of City Council met in a Special session in Council Chambers, located 217 South Main Street. The meeting began at 1:00 p.m. and Councilmember Brian Miller provided the invocation. Councilmember David Post joined the meeting via conference call.

City Manager Lane Bailey introduced Jessica Coates who will serve as the new City reporter for the Salisbury Post and Cody Haire, an MPA student from Appalachian State University who is completing an internship with the City over the summer.

Budget and Performance Manager Shannon Moore reviewed the revenue forecast for the General Fund. She noted there is small growth anticipated in assessed property values. She indicated in FY18, one cent is equivalent to approximately $277,000 in tax revenue.

Ms. Moore indicated there had been growth in the local option sales tax, and staff projects a $500,000 increase for FY18. She stated the utilities franchise tax depends heavily on weather and electricity prices, but overall, staff has built a 0.5% increase in the proposed budget. She commented there is no growth budgeted for beer and wine tax revenue, and the Powell Bill revenue has decreased slightly from FY17.

Ms. Moore then reviewed the revenues for the Water/Sewer Fund and noted a small increase in revenue for both water and sewer is anticipated. She indicated 1% is the equivalent of approximately $217,783. She stated $1 million has been budgeted as Fund Balance appropriation to be transferred to the Capital Project Fund for the Automated Meter Implementation project.
Utilities Director Jim Behmer stated projects identified in the Capital Improvement Plan (CIP) will be funded with the small increase in revenues. He also discussed how the new smart meters will provide accurate meter readings. He commented some users may see an increase in their bills, but customers will be charged for what they are actually using. He explained the older meters are not able to maintain accurate readings so while customers may see an initial increase, the reading will be an accurate reflection of their use. Mr. Behmer indicated information will be included in customers’ next bills and added to the City’s website. He stated staff will also follow-up with door hangers once the meters are installed.

Mr. Behmer reviewed the rates for surrounding communities and pointed out Salisbury-Rowan Utilities’ (SRU) rates remain stable.

Ms. Moore then reviewed the FivRant revenues and noted video and telephone revenues are down from last year. She pointed out this is somewhat expected in the industry because internet is increasing the fewer people are using video and telephone. Ms. Moore noted the City is now charging itself a more accurate rate for dark fiber which reduces the fund’s revenues.

**ROWAN-SALISBURY SCHOOLS**

Dr. Lynn Moody, Rowan-Salisbury School Superintendent, discussed the previous agreement the City had with Knox Principal Dr. Michael Waiksnis and Deputy Principal Chris McNeil. She indicated Dr. Waiksnis is leaving Knox in June and Michael Cartwright will be moved from Hanford Dole to Knox. She noted that the contract was reduced from $100,000 to $61,000 after Dr. Dixon left last year, with the $61,000 being used as a supplement for Dr. Waiksnis and Mr. McNeil.

Dr. Moody indicated there is a principal shortage at the schools and retaining veteran principals is very challenging. She presented a Salisbury Community Schools Plan for Council’s consideration to create a leadership team to include principals from Koontz, Hanford Dole, Isenberg, Overton, Knox and Salisbury High School. She pointed out the plan creates a coordinator/mentor to meet with community officials, write grants, mentor principals, plan inner-city professional development and provide positive communication and alignment of resources. The first plan proposed using the budgeted $61,000 for:

- Principal supplement of $10,000 for Knox Deputy Principal
- Principal supplement of $13,000 for Coordinator/Mentor for additional work
- Principle supplement of $15,000 for Knox Middle and Salisbury High Principals
- Principal supplement of $2,000 for Koontz, Hanford Dole, Isenberg, and Overton principals
Dr. Moody also presented an alternate plan for the money which would provide:

- Principal supplement of $10,000 for Knox
- Deputy Principal supplement of $7,500 for Knox
- Principal supplement of $2,500 for Coordinator
- Principal supplement of $5,000 each for 5 principals
- Teacher supplements of $2,500 each for 6 teachers
- Professional development for leadership $1,000

Councilmember Hardin indicated there has been some discontent around Chris McNeil because it appears he is being passed over for the principal position. Dr. Moody explained why two veteran principals were placed at Knox when the contract with the City began. She noted after Dr. Dixon left and Mr. McNeil became a Deputy Principal, she had hoped he would have more time to work with Dr. Waiknis. She commented she would like Mr. McNeil to have one more year in order to focus on instructional issues with the school. She added she believes Mr. McNeil would also like one more year and is choosing to stay where he is.

Mayor Alexander commented she liked the idea of a teacher supplement for the principals of the schools whose students will go Knox Middle School. Dr. Moody commented she thinks the supplement should be tied to a payout in June to serve as an incentive for the teachers and principals to stay.

Council discussed the two plans, and Councilmember Miller commented the plan should augment and not lesson what the School System will do for all teachers. He noted it is critically important for the school to get to where they need to be, and he suggested $75,000 for supplements and $25,000 for schools that serve City students to focus on literacy programs to help students that feed into Knox. He added the additional $39,000 could be taken from Fund Balance.

Mr. Bailey noted the Fund Balance is in good shape, but it would not be sustainable.

Dr. Moody indicated she will work with City staff to develop a plan that uses the funds appropriated by Council. Mr. Miller noted the City needs to encourage employees to be involved in volunteer efforts with the schools. He suggested a coordinator to match the people who are willing to serve to the needs.

Councilmember Post commented it is important to whatever is possible to help the schools. He noted taking money from Fund Balance is not sustainable, but the additional funds this year would not be material.

Mr. Hardin stated he would like to ensure stability because for Knox Middle School, because it costs money to keep replacing people. He commented outcomes cannot be ensured without stability, and he indicated he agrees with doing whatever is needed.
By consensus, Council agreed to use $39,000 from Fund Balance to appropriate a total of $100,000 for the schools. Council also agreed that Dr. Moody will work with Mr. Bailey to bring a plan back to Council for use of the funds.

Mr. Miller asked about the schedule to replace the Knox facility. Dr. Moody indicated the School System has over $2,000,000 in capital needs, a committee is looking at the needs, which include Knox.

POLICE BUDGET

City Manager Lane Bailey indicated the top goal from Council’s budget retreat was support for the Police Department. He noted all of the requests have been included in the proposed budget. He pointed out the proposed tax increase does not cover all of the expense because some of the costs were absorbed by revenue growth.

Mr. Bailey noted the salary increases will take effect July 1, 2017, and there are experienced people who have indicated they will submit an application, but they are waiting to see if the increases are approved.

Councilmember Miller asked if there is residency requirement for police officers. Chief Stokes indicated there is not a requirement, but there are incentives, such as take home vehicles, for officers who live within the county.

Councilmember Hardin asked if any feedback had been received from the press conference held earlier in the day regarding the reward for information about the shooting that killed Ayanna Allen. Chief Stokes indicated he had not been notified of any tips, but the family was very appreciative of putting the issue back in the forefront.

DOWNTOWN SALISBURY, INC.

City Manager Lane Bailey noted staff is working with the Downtown Salisbury, Inc. (DSI) board to bring DSI into the City organization. He stated if the transition moves forward it will increase the capabilities for DSI by running events through Parks and Recreation. He added the City can also provide additional administrative support and communication for events. He pointed out DSI would like to have input on the budget so the numbers may be adjusted, but there will not be substantial changes.

Budget and Performance Manager Shannon Moore indicated last year the City appropriated $131,500 from the City budget along with $33,000 for payment for management of the Plaza building. She noted the Municipal Service District (MSD) tax is a pass-through, and the money is given to DSI as it is received. She added the MSD is approximately $128,000 to $130,000. Mr. Bailey stated the $164,500 appropriated by the
City will be used for personnel and to enhance marketing, and the MSD tax revenues are used for marketing.

Mayor Pro Tem Blackwell questioned why MSD revenue was not shown along with the DSI positions in the budget. Mr. Bailey indicated staff is still working on the transition, and when the DSI budget is defined it will be added.

Ms. Blackwell commented when DSI positions are included in the budget it would be expected that the revenues would be shown as well. Mr. Bailey noted the revenues will be shown going forward. He added DSI will still be a non-profit with a separate budget. Ms. Moore stated staff did not have a final budget for DSI when the proposed budget was presented. She indicated she was under the impression the MSD would remain as a pass-through because those fund do not pay for personnel but are used for special projects and marketing. She indicated if the funds are received after the budget is adopted, staff will return to Council with an amendment to appropriate the tax.

Councilmember Post asked if DSI will continue to manage the Plaza. Mr. Bailey indicated the City will handle Plaza management with a different department. Council discussed the roles of the two DSI positions and it was noted that the scope of their work will be increased. Mr. Bailey stated he is hopeful the benefits of municipal employment will provide strong applicants for the Director’s position.

GENERAL DISCUSSION

Mayor Pro Tem Blackwell pointed out the City had agreed to accept accountability for the Mural but it was not shown in the budget. City Manager Lane Bailey indicated the City will accept responsibility through the Public Art Committee, and he has a meeting with Barbara Perry to discuss the Mural.

Ms. Blackwell indicated the list of boards and commissions under Community Planning Services (CPS) does not include the Community Appearance Commission. Community Planning Services Director Janet Gapen stated it was an oversight, and the CAC will be added.

Ms. Blackwell stated the CPS budget also includes notes regarding the Nuisance Animal Committee. Ms. Gapen indicated she will review the language because the Committee should no longer be included.

Ms. Blackwell asked why the CPS budget was reduced by $325,000. Ms. Gapen indicated the budget had initially included funds for the Maxwell Chambers Trust project but those funds were taken out because work will not take place this year. She noted the current budget also had $100,000 for the Comprehensive Plan that is not included in the proposed budget because the work will be complete.
Ms. Blackwell noted a new recycling contract had been recently approved, and she asked if there is a plan for the old bins. Public Services Director Tony Cinquemani indicated the old contractor will pick up their bins as the new bins are delivered.

Ms. Blackwell commented there is a large population in the community who are not plugged-in, and low-technology communication is needed at places such as the library, laundry mats and grocery stores. Communications Director Linda McElroy indicated flyers are currently shared at the library, customer service center, Social Services and the YMCA, but staff will try to increase the locations.

Councilmember Post referred to the Klumac Road sidewalks in Special Projects. Ms. Moore noted staff was notified that the sidewalks were paid out of the current budget so it was taken out of the proposed budget. Mr. Post also asked about the upgrade for the pre-emption system. Ms. Moore noted staff spoke with a vendor and it is half the price to complete the project at one time rather than piecemeal over five years.

Mr. Post asked about vocational training. Mr. Bailey noted this was discussed during the retreat and $100,000 is budgeted, and staff is working with Rowan County to identify grant funding. He added they are also working with Rowan Cabarrus Community College to assist with funding for the program. Councilmember Hardin noted he has worked with staff to identify programs.

Mr. Post indicated the funds in CPS for BlockWork have been reduced. Ms. Blackwell noted BlockWork is a joint effort with the Housing Advocacy Commission (HAC) and Community Appearance Commission (CAC) and a portion of the funds have been shifted to the HAC.

Mr. Post stated $150,000 is budgeted for sidewalk repairs, and he asked if there is a specific project. Assistant Public Services Director Craig Powers noted the funds are to continue the Innes Street sidewalk project to make it uniform.

Mr. Hardin reiterated his support for vocational training and stated he believes it will have a wider impact on the community. He commented if the program is implemented it will help police and economic development.

Mr. Post asked if there are any critical needs in Information Technology that are not being funded. Mr. Bailey indicated if there is a failure staff will adjust the budget, but the items cut from the budget are what the Information Technology department indicated could wait.

Mayor Alexander thanked everyone for their time and effort on the budget. She thanked Council for their wisdom and input.

Mr. Bailey indicated staff will have all of the changes that have been identified included in the budget for the June 6 public hearing.
ADJOURNMENT

Motion to adjourn the meeting was made by Mr. Miller and seconded by Mr. Hardin. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 3:22 p.m.

Karen Kirks Alexander, Mayor

Kelly Baker, Deputy City Clerk