

CITY OF SALISBURY NORTH CAROLINA

2006-07 BUDGET
For the Year Ending June 30, 2007



MAYOR, CITY COUNCIL, AND CITY OFFICIALS

MAYOR AND CITY COUNCIL

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

William R. Burgin

William R. Kennedy

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OFFICIALS

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City Management Team**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Salisbury
North Carolina**

For the Fiscal Year Beginning

July 1, 2005

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, 2005 (Fiscal Year 2005-2006).

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 2006-07 BUDGET
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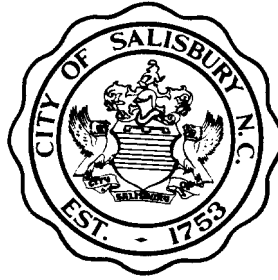
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May 2, 2006

BUDGET MESSAGE FISCAL YEAR 2006-07

MAYOR, CITY COUNCIL MEMBERS, AND CITIZENS OF SALISBURY

It is with pleasure that I present to you the City of Salisbury's FY2006-07 Annual Budget totaling \$55,605,065 for all funds.

The twenty-first Annual Future Directions and Goal Setting Conference for the City was held February 9 and 10, 2006 at various locations throughout the City of Salisbury, North Carolina including the Park Avenue Community Center, City Hall, F&M Trolley Barn and Horizons Unlimited. The theme for this conference was **"Thinking Creatively – Building Community"**.

After opening remarks by Mayor Susan Kluttz, Charles "Chic" Thompson, President of Creative Management Group and author of **"What A Great Idea"** provided information sessions to Salisbury City Council, the Management Team, Boards and Commissions members, and community leaders on key steps that creative people take in solving problems. He taught us to: be curious first...critical second; to diffuse "killer phrases"; cherish idea-friendly times; jump-start unproductive meetings; challenge assumptions; and thrive on change by thinking in opposites. It is my strong belief that learning and applying these key concepts in our community is the key to the future success and accomplishments in our City.

A significant part of the City of Salisbury's vision calls for Salisbury to remain a livable community with its own identity and sustainable growth. To this point, Dr. Anne Udall, Executive Director of the Lee Institute in Charlotte shared how Salisbury could build identity in a connected region. Joining Dr. Udall in the workshop were Mr. Brent Lane, of the UNC Flagler School of Business; Autumn Rieson Michael of Historic Charlotte; and Jeffrey York of the NC Arts Council. All workshop panelists gave conference participants a clear and honest look at Salisbury from the outside looking in. Much was learned about not only how others see our community, but how we look at ourselves. In this regard, it is recommended that the Salisbury City Council approve a provision in this year's budget which will lead to the creation of a unified community image which exemplifies our cultural, educational, historic, environmental, entrepreneurial, and arts attributes.

Later that afternoon, Tim Taft shared the results of a feasibility study on the City of Salisbury's extending Fiber to the Home (FTTH). Mr. Thomas L. Friedman, author of **"The World is Flat"**, tells us that the new frontier of fiber optics technology is its extension to homes. While broadband in many cases has reduced prices for businesses both in the United States and abroad, "it has not created the sort of competition that could bring cheap broadband capability to the

American masses in their homes. This has only started recently.” The Salisbury City Council has approved a one-year tactical goal of preparing a business plan to determine if there is a market for this service in Salisbury and whether or not it provides value to our citizens and is beneficial to the City.

Another part of the City of Salisbury’s vision includes the completion of all strategic plans successfully and effectively. In this regard, Police Chief Mark Wilhelm presented the Salisbury Police Department’s strategic plan to City Council. The plan is the result of a year-long planning process directed by Chief Wilhelm, the men and women of the Salisbury Police Department, and Centralina Council of Governments. Improving the department’s effectiveness and efficiency; increasing minority recruitment; reviewing salary and educational opportunities for department personnel; addressing juvenile gangs; and continuing and recognizing different cultures moving into Salisbury are some of the items contained in the plan.

Later that evening, all conference participants, boards and commissions members, and guests were invited to a reception at the F&M Trolley Barn featuring a display of many of the creative ideas and innovations employed by our City in service to our citizens.

Perhaps the major outcome approved by Salisbury City Council is to create a culture of excellent customer service within the City organization. In that regard, the City Management Team, the Customer Service Employee Design Team, and all City employees are working hard to develop and implement a comprehensive customer service plan within our City organization. City Council received an update from the Customer Service Employee Design Team on our City’s progress on this goal. We have learned in our “Good to Great” 101 classes for managers, supervisors, and other employees, that our City’s “hedgehog principle” is customer service. A “hedgehog principle”, according to Tom Collins, author of “**Good to Great**”, is what you are passionate about, what you think you can be the best in the business at, and what drives your economic engine. For the City of Salisbury, we think that is customer service.

In addition to changing the culture of our organization’s attitude about customer service, I am recommending the implementation of the Citizens Resource Management System (CRM) for our City. The wise application of technology can greatly help our service response to our citizens as well as streamline existing systems. While Salisbury citizens gave our City services good marks in our most recent Annual Performance Report, we who work in the City would like to go from good marks to great marks. We are not satisfied with just being good! Our citizens deserve our very best.

While customer service is number one throughout our City, Salisbury-Rowan Utilities is intent on providing 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. In that regard, Assistant City Manager of Utilities Matt Bernhardt, Mr. Don Garbrick of Pease and Associates, and utility staff, presented a report on how Salisbury-Rowan Utilities could avoid an \$80 million price tag while maximizing our existing wastewater plants. Many of the items contained in this report are included in the recommended Salisbury-Rowan Utilities Budget.

After receiving an economic outlook for our City presented by 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 eleven

outcomes, six one year tactical plans, and 25 other goals. A copy of the City of Salisbury's Strategic Plan follows the City Manager's Budget Message.

FUEL CONSERVATION AND COST CONTAINMENT POLICY

On August 31, 2005, your City Manager approved a fuel conservation and cost containment policy for our City. The policy consists of both short and long term considerations to be implemented to deal with crises and/or shortages and to operate within budget limitations. To date, in spite of our best efforts and while using less gallons of gasoline and diesel fuel, it is my best estimate that it will require an additional \$258,026 in the General Fund. This is in excess of **one cent on the tax rate** to provide fuel for the City's fleet.

FUNDING FIRE PROTECTION FOR OUR COMMUNITY

The most expensive undertaking approved in last year's City Budget was a recommendation to staff, equip, and construct a fire substation on US 70 west of Salisbury. Though an expensive undertaking, it will benefit the City in many ways:

- It will improve the emergency response time to residents, businesses, and industries along the US 70 growth corridor, thereby reducing the likelihood of loss of life due to an accident.
- It will put the City of Salisbury Fire Department in the best possible position to maintain its outstanding Class Two North Carolina Response Rating when evaluators come to Salisbury. The class two rating means lower insurance premiums especially to businesses and industry in our community. There are presently only five North Carolina fire departments that have fire ratings equal to or better than the Salisbury Fire Department.
- It will provide assistance to the City of Salisbury in achieving national accreditation by the Commission on Fire Accreditation International which represents a significant evaluation instrument for our citizens in confirming the quality of the Salisbury Fire Department Services.

At this point, all actions have been taken to achieve these fire service benefits, except for making provision to fund the costs that have been incurred to accomplish the goals. A breakdown of the costs associated with this goal is listed below.

Recommended Budget for Station 4

	Station 4 New Costs	Costs Transferred From Other Stations	Annexation
Personnel	\$ 332,670	\$ 275,868	\$ 10,569
Operations	57,197	4,200	700
Partially funded by tax increase	389,867		
Capital	100,000 ¹		
Total	\$ 489,867	\$ 280,068	\$ 11,269

¹ Offset revenue appropriated from fund balance
1.5 cents = \$346,190

Funding this effort will require a **tax increase of 1.5 cents** during FY2006-07.

REVISED FEES FOR SOLID WASTE COLLECTION

City vendors providing contract services have experienced significant increases in the cost of doing business as we have from fuel, equipment, and personnel. Increases in both recycling and front end collection (dumpsters) contracts have been passed on to the City this year. In addition to these immediate increases, the current vendor has already proposed that the recycling contract increase by 68% over the current amount and that the front end container (dumpster) contract increase by 36% over the current amount. These two contracts expire in October 2006.

The City's current policy provides that all recycling costs be recovered through the recycling fee. To cover increased costs, I am proposing the current recycling fee be increased to \$1.82 per month effective July 1, 2006.

The City needs to ask the following questions about the recycling service:

- Should the City continue to provide this service?
- What would be the cost to provide this service with City staff?
- Should the City rebid this contract?

At present, I am reluctant to discontinue the present recycling service. Many citizens in our community find this service to be both valuable and environmentally friendly. Could we provide this service directly? Based on a preliminary examination, I do not think the City of Salisbury could provide the same level of service even at the higher contracted cost quoted by our existing vendor. My recommendation is that we rebid this contract and adjust the recycling fee as needed for the new contract amount. If the cost of the contract actually ends up increasing 68%, the new recycling fee would need to be \$2.81 to cover the service's costs.

The front end collection contract is partially subsidized by the City. Currently, the City subsidizes \$44,484 of the \$293,642 annual contract. If the City decides not to bid out this contract, the total cost of the contract will increase to \$399,353 annually. The proposed fees for this service would change as follows:

<u>Size of Dumpster</u>	<u>Current Proposed Fee</u>	<u>New Contract Fee</u>
2 yard	21.34	40.68
4 yard	31.44	50.78
6 yard	41.54	60.88
8 yard	51.64	70.98

These proposed fees assume that the City maintains its current subsidy of \$44,484. The same three questions that we had for the recycling service also are valid for front end collection. Based on preliminary estimates, the City cannot provide the service at the cost quoted in our existing vendor's quote. It is my recommendation that the City rebid this contract and implement the current proposed fee identified above until such time a new contract is implemented or a decision is made to discontinue this as a service of the City.

HUMAN RESOURCES

The Human Resources Department continues to work towards achieving the goal of initiating programs to attract, retain and develop high quality City employees. To this end the following recommendations are made.

Merit Increases and Compensation

Based on this year's budget projections, an average three percent merit pay increase is recommended. This recommendation is made in order to continue efforts to remain competitive, and attract and retain high quality employees. The recommended merit increase adjustment will also further limit the impact of our inability to make overall salary adjustments.

Health Insurance

Due to the rising cost of health care, this year the City will experience a **9.8% increase** in the cost of group health insurance. In an effort to continue to contain costs, the co-payment component of the plan design will be adjusted. The prescription drug component continues to encourage and motivate employee participation as consumers. A more holistic strategy will be developed which incorporates and emphasizes Employee Wellness and other preventative maintenance. In addition, a business plan will explore the feasibility of the possible cost savings gained through the addition of an onsite employee health service.

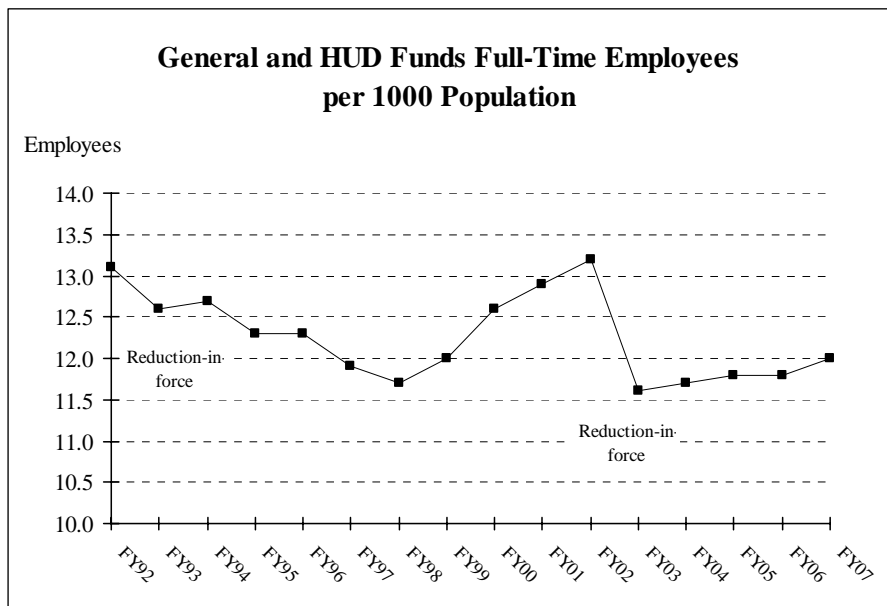
Training and Development

The FY2006-07 budget includes the cost of continuing the implementation of the City's Customer Service Initiative. This recommendation is consistent with City Council's number one goal. Funds appropriated will be utilized to further the development of a change in culture to that of excellent customer service and the elements to support the initiative on a Citywide and ongoing basis.

Personnel Recommendations

Of the 26 additional positions requested by our management team, I am recommending that **five additional full-time positions and two part-time positions** be included in the FY2006-07 General Fund Budget. The following full-time positions are included: 1) Public Information and Communications Manager to provide City-wide communications and information support; 2) Telecommunications Manager in lieu of current contractual agreement; 3) Telecommunications Technician in lieu of current contractual agreement; 4) Grounds Maintenance Worker (Landscape Operations) to continue current level of service; and 5) Grounds Maintenance Worker (Parks & Recreation) to meet the maintenance demands of the expanding greenway.

The two part-time positions are as follows: 1) Part-time Community Resource Specialist which has previously been funded through grant funds and 2) Part-time Fire Control Specialist I to comply with annexation requirements. There are no additional positions for the Water and Sewer Fund requested. As the graph shown to the right illustrates, even with these additional positions, the City still has fewer employees per 1,000 population than our historical average over the last 15 years.



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, City Office Buildings, Information Technologies, and Telecommunications Divisions.

Accounting

The Accounting Division is responsible for the day to day financial activities of the City. Major initiatives this year include the selection of a financial institution to provide the City its primary depository and other selected financial services. Also, the City will look to begin paying selected vendors electronically this year instead of using paper checks.

Budget and Performance Management

The Budget and Performance Management Division manages the budgeting process, performance measurement and is involved in 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.

For the past two years, the City has been the recipient of a grant from the National Center for Civic Innovation and has conducted surveys and focus group sessions in order to receive input from citizens and has published two performance reports. For FY2006-07, the division plans on conducting a citizen-driven performance measurement project and producing a third annual performance report.

Business Office

As mentioned above, the Business Office Division provides direct services to the public. Currently, over 16,000 active water and sewer accounts are managed including the billing, collection, customer service, and account management. The division also manages our privilege license program and the collection of all miscellaneous billings done by the City. Major initiatives during the upcoming year will be to add additional payment options for our customers and to provide an enhanced Interactive Voice Recognition system to both access and make payments to utility accounts.

Facilities Management

Facilities Management is responsible for maintaining the City's bricks and mortar assets. Ongoing municipal service contracts, buildings and grounds maintenance and repair projects, and new construction projects are managed by this division. During the FY2006-07, the completion of the construction of 14,000 square feet of additional space will occur at the Police Department. Upon completion of the addition, the existing facility will be renovated. Construction of Fire Station 54 on Statesville Boulevard has also begun with an expected completion date of fall 2006. Finally, 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.

To facilitate maintenance repairs and service, a formal work order system is used. This program allows Facilities Management to plan for the completion of various projects while addressing repairs and to track resource allocations by division and type.

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

As stated previously, City Council identified Fiber to the Home (FTTH) as one of Council's six primary 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 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 is currently working with a consultant to develop a business plan for FTTH. If this business plan shows the project is feasible, then the City will need to develop several RFP's this year, including one for the design and construction of the fiber plant.

This budget year I propose to upgrade the City's storage area network (SAN). Our current Xiotech Magnitude SAN has reached its end of life. This means that we can no longer purchase additional features for our SAN and the manufacturer will begin to phase out support. With this replacement we would be able to provide the infrastructure necessary for new projects like GIS color ortho-photography to which the City Council has already committed, video for Fire Department planning, and for the new document imaging system I am proposing for the Clerk's Office that all other departments will also be able utilize.

I am not recommending this year that we add an individual to assist in the management of the City's website and Access 16, the City's governmental channel. Currently, we have one person doing the work of a web designer and station manager for Access 16. This new position would have assumed the duties of the web designer and allowed the current position to concentrate on Access 16. Currently we are limiting our website activities in order to run Access 16. Until such time that we have additional funds, we will have to make hard choices on which area needs the attention the most.

Citizen Resource Management System

As I have already stated, I am also recommending funding for a CRM to complement the City's customer service initiative. In the last Five-Year Technology Plan of the City, the number one application identified was a CRM. This package would 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 could use this package to create and track work orders for everything from pothole repair to limb cutting. The citizens could use this package to place service requests, either using the phone or online through the web, that could be tracked for timeliness. The package would then provide an automated response to the citizens keeping them informed of the status of their request. Reports would provide a means to track the City's effectiveness and tie into the City's customer service initiative.

Over the past year, Information Technology Services has worked with all areas of the City to develop the requirements for a CRM. A team of employees that cross all departments have interviewed and selected a vendor. I have included \$500,000 in this year's budget to purchase the system. I plan to finance the purchase of this software package with a 59-month lease in which both the General Fund and the Water and Sewer Fund will equally split the payment of the debt service for this lease.

Telecommunications

I am recommending this year a new position, Telecommunications Manager. This position will be funded by removing the use of outside contractors for maintaining the City of Salisbury's tower site, radio programming, and vehicle installations. When these services are brought in-house, we will provide better coverage and service for the City's Police, and Fire departments, as well as other departments that depend on the 800MHz radio system. With the addition of this position, we will be able to reassign some of the other duties involving our telephone system and installation of the mobile data units used by Police, Fire and Utilities departments. This will free up additional resources within the Information Technologies Division to assist in the implementation of the CRM that was previously discussed.

I am also recommending funding to replace some antennas used with the City's radio system. There are two transmitting and two receiving antennas. These 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 is to replace these antennas over two years with the primary transmit and receive antennas replaced in FY2006-07. This will provide improved communications for our emergency providers.

When the City recently upgraded its 800MHz radio system, decisions were made that mobile radios in the vehicles would not be replaced, but we would rely entirely on portable radios. It has now been determined that this is not a feasible option. The portable radios do not have the power nor the battery life required. Therefore, I now recommending replacing the mobile radios over the next several years. We will replace as many mobile radios as funds are available, with the replaced units being used for spare parts.

POLICE DEPARTMENT

The Police Department continues to meet a variety of challenges that refine our resolve to deliver exemplary citizen service. Many challenges have evolved into unique opportunities for our individual and collective growth in the delivery of citizen service. The department will make every effort to create opportunities out of those challenges.

The Police Department unveiled the new Five Year Strategic Plan for 2006-2011. The plan was developed by the department's membership and implemented as a living guide to address our public safety commitments and chart our future collective growth.

Growth requires extra resources and commitment to deliver exemplary citizen service. The department is sensitive to the evolution of neighborhoods that are unique in their cultural or ethnic heritage. We are committed to positive community-based relationships that address crime and quality of life issues. Our commitment extends to the active recruitment, selection, development and retention of police employees that is inclusive and representative of Salisbury's citizenry.

The ability of a citizen to call for police services, receive a response in a reasonable time and receive professional service is critical in developing and maintaining the citizen's confidence in the Police Department. The department continually examines how calls for service are managed in order to ensure efficiency without compromising citizen or officer safety.

As we look to the future, we are still faced with the persistent problem of illegal drugs and gang activity. Project SAFE Salisbury continues to be very successful in the interception of violent career criminal offenders. Federal funding for the part-time program Community Resource Specialist will cease in FY2005-06. The City intends to continue funding this part-time position for the continued successes of the program as noted above.

The uncertainty of fuel prices continues to be a major concern. Our ability to deliver services depends heavily on fuel. Although we continue to look for ways to conserve, we are at a point where any further conservation measures will result in a reduction in service that we provide.

Progress continues on the construction of the new Police Department addition. It is currently anticipated that the addition will be ready for occupation by fall of 2006. The added space will help to improve our service delivery. We will again have a facility of which to be proud.

FIRE DEPARTMENT

The Salisbury Fire Department has been committed to protecting the lives and property of the citizens of Salisbury since December 7, 1817. Through the years, the department has preserved its primary mission of Preparedness and Prevention. This year's budget continues to represent this commitment along with our innovative and forward-thinking techniques.

The major points of this budget include the furnishing and equipping of Fire Station Four, equipping and running of an innovative prime-time fire and emergency medical squad, and the completion of transition to Quint (multi-use fire apparatus) Fire Operations.

Station Four represents a major undertaking for the City. Building construction and staffing are well underway. This budget includes the items necessary to adequately equip and modestly furnish our fine new building. This budget also includes the final inaugural steps of implementing the "prime time" emergency squad to respond to emergencies in place of the larger apparatus. A small squad truck is requested for the squad to operate.

The Salisbury Fire Department has been fortunate to have gained several important items through the financial grants system over the past five years. The future of Homeland Security grants and other funding alternatives at the federal level are presently in jeopardy. The North Carolina Department of Emergency Management's grants are also at risk of being reduced. Should the funds for our regularly utilized State and Federal resources be reduced or deleted, the

Fire Department will have to request additional funds to provide the current levels of service to our citizens in the areas of technical rescue, hazardous material emergency mitigation, and firefighter training.

The budget represents a modest approach to the growth that is necessary for the Department to provide life safety service to our citizens and communities. While new cost saving innovations are included, the one thing that will never change at the Salisbury Fire Department is: *When you call 9-1-1, we will come.*

PUBLIC SERVICES

The Public Services Department includes the following divisions: Street, Solid Waste Management, Traffic Operations, Transit, Fleet Management, Landscape Operations, Hurley Park, Cemetery Operations, and Code Enforcement.

Public Services Administration

Public Services administrative staff supports all divisions of the Department. Funds are requested to produce a strategic plan for the Public Services Department.

Street

The Street Division budget supports City street maintenance/construction, storm water system maintenance, and yard waste collection. All function as individual units, but each area of responsibility is blended together to provide functional and aesthetic improvements to City streets, sidewalks, drainage systems, and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. This year, the Street Division will once again attempt to provide the same level of service as in the past several years despite fiscal restraints and manpower shortages.

Solid Waste Management

The Solid Waste Division will continue the current level of service for the collection of residential and commercial refuse. As discussed previously, the City has been notified of substantial increases in both recycling and front end collection contracts. Once a decision is made for these two areas, the Division will make whatever adjustments are required.

Traffic Operations

The Traffic Operations Division will concentrate on primary duties such as renewing pavement markings, preventive maintenance and emergency repair to traffic control devices. The Division will also continue its internal support to other divisions in the form of Information Technology assistance, traffic control in work zones, and sign fabrication. A Telecommunication Technician is requested to repair 800 MHz system equipment and radios. The cost will be offset by the funds normally spent on contractors to carry out this service.

Fleet Management

The Fleet Management Division will continue to maintain the fleet at a service level that keeps safe and operable equipment on the road. Funds for repairs have been and remain low. The emphasis in the Division this year will continue to be on emission testing and ASE Certification training. The emission testing will assist mechanics in making the use of alternate fuels as efficient as possible. The ASE Certification program is designed to keep Fleet technicians trained and up-to-date on current technology.

Landscape

The Landscape Division will continue to maintain mowed areas and plant inventories currently in the ground. Although current budget and manpower numbers are low, Landscape Operations continues to respond to requests and more projects throughout the City. Landscape has been over-tasked over the last couple years and with the additional areas that the Division will begin maintaining this year, I have recommended a new position as identified earlier for this Division. Hurley Park operations continue to be jointly funded by the Hurley Foundation and the City of Salisbury. Due to increased plant inventories, additional manpower is needed to keep “level of service” from deteriorating.

Cemetery

In order for the Cemetery Division to maintain the current level of service, funding must be provided at a level that ensures the purchase of all supplies needed to keep the cemeteries in excellent condition on an ongoing basis.

Code Enforcement

Public Services Administration has direct supervision over Nuisance Code Enforcement. Code Enforcement as it applies to nuisance properties and automobiles must continue to provide the same level of service provided for in past years in order to fully support the City Council’s efforts to improve neighborhoods. Funds for contract abatements are essential in order to carry out fully what is expected from the City and to free up valuable time for the Landscape Operations Division which does the abatements when outside contractors cannot be hired.

Transit

Transit Division will to continue to operate a fixed route transportation system and oversee an “on demand” ADA Paratransit system for the disabled that cannot use the fixed route system. 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 eighteen Council Goals in the coming year. Most of the goals deal with the community image/environment/economy and development review. Additionally, Land Management & Development staff will coordinate several large projects with North Carolina Department of Transportation (NCDOT). Present staff levels will be seriously challenged by this high number of goals.

It is recommended that the City retain its current level of funding for Innes Street grants, Downtown grants, and historic preservation grants to help promote the architectural appearance of the community. Funding is also recommended to expand our historic districts so that more buildings will qualify for redevelopment tax credits. Funding is recommended to begin a Branding and Wayfinding Study and to continue development of the Art and History Trail to help promote tourism and the “creative economy”. A comprehensive bicycle planning grant will receive 70% NCDOT funding to promote alternate modes of travel.

The Council-appointed Land Development Ordinance Committee will be completing the replacement of our development ordinances this year. The revised ordinance will clarify standards of Vision 2020 and authorize staff to approve more construction permits with fewer delays. Salisbury-Rowan Utilities and Land Management staff will continue to update standards and procedures to improve permitting efficiencies.

The City has multi-year commitments for projects with NCDOT for sidewalks and noise barriers related to the widening of I-85, sidewalks on US Highway 70, and enhancements to the Innes Street bridge replacement. The Ellis Street Bridge replacement design and property acquisition are expected to be completed this year. The next phase of the Greenway will receive construction funding from NCDOT. An ADA-compliant passenger platform and trackside canopy at the train depot will be designed by NCDOT and constructed with 90% funding from NCDOT.

The recommended budget does not include funding for the following items in which City Council has expressed interest:

- Business incubator (one-year tactical plan) – Partnerships and federal funding are being explored for this effort
- North Main Street “impact” project (one-year tactical plan) – Project not yet identified
- Macay Law Office
- Drainage grants
- Salisbury infrastructure incentive fund
- Sidewalk installation for Prescott Drive in Eagle Heights
- Neighborhood street light improvements

PARKS AND RECREATION

The Parks and Recreation Department budget includes a maintenance position in support of the new one and a half miles of Greenway recently completed in the City. This position replaces a maintenance position lost in past reduction-in-force measures. New security systems will be installed in all facilities to reduce property damage and loss due to continued vandalism.

General operating funds continue to be limited by the ongoing increases in salaries, insurance, workers compensation, utilities, gasoline and health care coverage. This creates a growing pressure on staff to find outside sources of funding in order to continue the provision of parks and recreation services to the community.

Capital funds remain at a reduced level creating an ongoing deferral of maintenance and replacement creating an ever growing backlog of needs for our parks and facilities. Included in this budget is \$48,700 towards general repairs, one half of the funding for replacement tables and chairs at the Civic Center and \$40,000 towards the match of a PARTF grant to renovate the Sports Complex.

TRANSIT FUND

The recommended Transit Fund Budget for FY2006-07 is increased by \$195,965 excluding capital outlay. This does not represent an increase of the current level of service offered by the City. Over the last several years, the NCDOT has provided increasing amounts of State Maintenance Assistance Program (SMAP) funding. These funds are currently matched dollar for dollar that Salisbury provides in local funding. General Fund funding for the transit system has increased this year due to the higher cost of gas and to fund the mandatory ADA Paratransit contract. For the first time, this year the Transit Fund will reimburse the General Fund for services received, as the Water and Sewer Fund has historically done. By making these changes, the City may be able to qualify for additional SMAP funding this year and hopefully a larger amount next year.

Finally, to meet ADA Paratransit guidelines set forth by the Federal Transit Administration, we are recommending a discount 40 ride pass for patrons of this service.

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

Personnel	\$ 540,161
Operations	383,311
Capital	<u>81,800</u>
Total	<u>\$1,005,272</u>

SPECIAL REVENUE FUNDS

The City of Salisbury will receive approximately \$341,450 in Community Development Block Grant (CDBG) funds, \$126,926 in HOME funds, and \$75,000 in Program Income for a total budget of \$543,376. The following budget represents the requests made by citizens for use of the FY2006-07 CDBG and HOME funds.

<u>CDBG Activities</u>	<u>Funding</u>
Acquisition/Rehab/Resale	\$175,000
Emergency Rehabilitation	29,523
Dixonville-Lincoln Neighborhood Improvements	10,000
Program Administration	83,290
Debt Service Section 108 Loan	56,169
<u>Public Services:</u>	
Rowan Helping Ministries (CDBG)	25,750
Family Crisis Council (CDBG)	16,100
Rowan Community Care Clinic (CDBG)	11,520
Salisbury Youth Employment	7,500
Community Youth Garden	1,598
<u>HOME Activities</u>	
Acquisition/Rehabilitation/Resale	56,803
Homeownership Assistance	60,000
Program Administration	<u>10,123</u>
TOTAL BUDGET	\$543,376

VEHICLE EQUIPMENT REPLACEMENT FUNDS

It is recommended that \$1,618,871 included in the FY2006-07 General Fund Budget be transferred to the General Fund Capital Reserve Fund. These funds, plus \$68,000 from interest earnings, \$2,500 from refunds, \$670,000 in lease purchase revenue, and \$35,634 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 \$469,366 be transferred from the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund. These funds, plus \$12,000 from interest earnings, will be programmed to purchase the necessary Water and Sewer Fund vehicles and computer equipment in accordance with replacement schedules.

WATER AND SEWER FUND

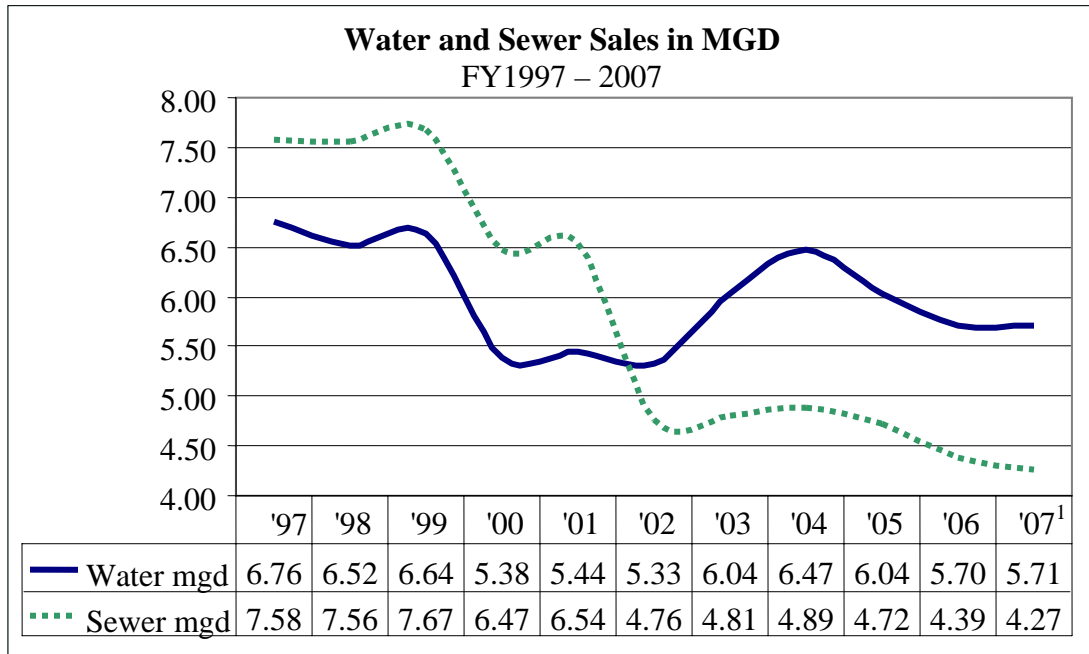
Salisbury-Rowan Utilities (SRU) has experienced yet another fast-paced year, as our partnerships with other communities and agencies and our service area continue to grow. During this past year SRU and Rowan County joined in partnership to undertake a project to extend sewer service along Interstate 85 from Salisbury to southern Rowan County through a jointly-funded \$6.5 million project to stimulate growth and economic development in Rowan County's primary growth corridor. In addition, SRU began contract-operation of the Town of Faith's utility system while working with the Town on a permanent transfer. Furthermore, SRU continues its ongoing contract operation of the Town of East Spencer's Utility Systems while SRU works with the Town and its consulting engineers on an upgrade of those systems.

Our successful partnerships with our current client communities (Granite Quarry, Rockwell, Spencer) as well as Rowan County, Progress Energy, and the Rowan-Salisbury Schools 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 match-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 both now and in the future.

Our directive to stabilize water and sewer rates continues to be a challenge. We are beginning to see a leveling trend in water demand; however, wastewater flows are still decreasing as commercial and industrial customers are finding ways to recycle and reuse water and 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.** We are blessed to have the Yadkin River as our water supply, and our 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 and transmission costs, and maintenance and repair expenses are all drivers of water and wastewater rates.

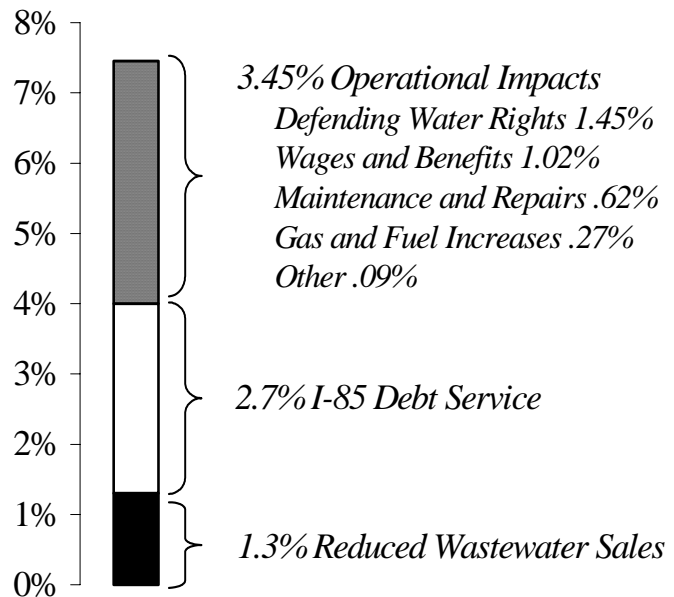
Although the future continues to look positive for SRU, it has become clear that our recent successes in expanding our system and adding additional use in an effort to regain our economy of scale have been partially offset by a recurring trend – the conservation of water use by our existing customers. SRU’s average daily water sales decreased from 6.04 MGD (million gallons per day) in FY2004-05 to 5.7 MGD in FY2005-06. A trend for the last twelve months indicates that water consumption has leveled out and is rising slightly. We have noticed, however, that average wastewater sales decreased from 4.72 MGD to 4.39 MGD (see graph below).



¹ FY07 is Projected

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 \$18.8 million for FY2006-07. This represents a **7.45%** average residential water and sewer rate increase. Average monthly residential water and sewer utility bills will increase from \$56.41 to \$60.61. The proposed rate increase will be effective July 1, 2006. To minimize the rate increase, SRU and City staff worked diligently to reduce the proposed Utilities budget by over \$3.2 million and did not request an increase in positions. The one new position requested (Environmental Services Inspector) will be offset by the elimination of a recently-vacated GIS Technician’s position. To help offset the loss of revenues over the past few years, SRU staff is continuing to work on identifying new business opportunities and developing new revenue sources and cost-saving measures.

The increase in the proposed rate can be broken down into three components as shown in the graph to the right. They are loss of wastewater sales, setting aside funds to pay debt service on the I-85 agreement with Rowan County and increases in operational costs. First, 1.3% of the rate increase is attributable to declining wastewater usage. Second, 2.7% of the proposed increase is towards the debt service cost of the I-85 wastewater sewer inceptor. Finally, the majority of the rate impact (3.45%) is derived primarily from operational increases in areas such as electricity, gas, and oil. More importantly, it is necessary to set aside additional funding to continue the City’s efforts to protect our water rights on the Yadkin River and guard against adverse sedimentation impacts. As our equipment ages, additional funds are budgeted to maintain them and the amount required for gas and oil has increased to reflect the rapidly-changing price at the pump.



The proposed rate increase would have SRU customers’ rates consistent with the regional comparison shown below:

Summary Comparison of Estimated Monthly Bills
Based on 8 billing units (equivalent to 6,000 gallons)

<u>Municipality</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Town of East Spencer	\$ 40.93	\$ 48.77	\$ 89.70
Town of Landis (Electric City)	43.10	45.12	88.22
Town of China Grove – Inside Rate	39.00	43.20	82.20
OWASA – Peak	41.04	27.45	68.49
City of Kannapolis – Inside Rate	32.82	32.72	65.54
Salisbury-Rowan Utilities - Proposed	26.52	34.09	60.61
City of Concord - Inside Rate (Electric City)	30.21	28.43	58.64
Salisbury-Rowan Utilities - Current	24.95	31.46	56.41
OWASA - Off-Peak	26.28	27.45	53.73
City of Statesville – Inside Rate (Electric City)	19.93	31.80	51.73
City of Lexington – Inside Rate (Electric City)	17.08	26.28	43.36
CMU	11.65	23.73	35.38
Town of Cleveland	16.00	19.11	35.11
City of Albemarle – Inside Rate (Electric City)	17.95	16.82	34.77

All other communities are shown at current rates; their expected rate increases are unknown.

It is important to note that this chart (above) shows the rates for our regional neighbors as they are *currently*, while showing SRU’s *proposed* rates. Most of these other communities are also facing significant rate hikes, such that SRU’s position within the region will therefore be better than this chart shows. Furthermore, this chart also shows clearly that SRU is undergoing the

same struggles as many of our neighboring communities to regain economy-of-scale, maintain infrastructure and capacity, and handle the continuing “growing pains” that are occurring within their counties and the region as a whole.

Our aging sewer infrastructure, coupled with expectation of stiffer federal/state regulations and possible nutrient limits on High Rock Lake may adversely affect our sewer rates over the next several years. During this current fiscal year, we worked on long-range planning efforts to focus on the plan for funding the expansion and renovation of 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. As presented during the 2006 Council Retreat and mentioned above, planned 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:
 - Replacement of the existing obsolete frame press with a belt-filter press

It is important to remember that these improvements and repairs being planned now for construction next year are intended to address critical plant issues and needs and must be undertaken to maintain regulatory compliance.

Sewer collection system capacity maintenance 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 FY2006-07 as a part of the City Council’s commitment to ensuring a positive business climate. Strong consideration has been given to recovering actual average costs of service as well as to examining 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, and 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 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 Rowan County Power, LLC meet these criteria and are fully consistent with the City’s Vision 2020 Plan. SRU

is therefore 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."

While we have made remarkable progress in a short amount of time towards that objective, recent trends are clearly showing that, while our consolidated "SRU model" is working, it will take time to achieve the necessary economy-of-scale that is our goal. This next fiscal year will continue to be another year of change and challenge for our Salisbury-Rowan Utilities.

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 and 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 FY2006-07 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.

In these times of uncertainty, the only thing constant is change itself. I am sure that 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 the Salisbury-Rowan Utilities.

David W. Treme
City Manager

ADDENDUM

On May 2, 2006, the City Manager presented a balanced FY2006-07 Budget proposal that totaled \$55,605,065 for all funds. The public hearing was set for Tuesday, May 16, 2006. Two citizens spoke at the public hearing.

The budget work session was set for Tuesday, May 23, 2006. Four hours of discussion related to the budget centered around the following topics:

- Recycling fees
- Front-end collection of dumpsters
- Fuel usage and costs
- Completion of Fire Station 4 and the budgetary impact
- Human Resource issues including new staffing, merit raises, and health insurance costs
- Salisbury-Rowan Utilities and the factors contributing to the utility rate increase
- Customer Resource Management software
- Fund balance for the General Fund

This budget work session was recessed until Wednesday, May 24, 2006. After discussion of General Fund budget changes from FY2006 to FY2007, the City Council requested that the City Manager develop a General Fund budget with a one cent tax increase and another budget with a one and one-half cent tax increase for the June 6, 2006 City Council meeting.

At the June 6, 2006 City Council meeting, City Council adopted the FY2006-07 Budget with a one cent tax increase for the General Fund. Due to lower funding needs, City Council approved a slight reduction in the Transit Fund budget, while approving the other Funds as recommended by the City Manager.

The final adopted FY2006-07 Budget for all funds was \$55,357,749 with the tax rate set at \$.625 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.

The following table details the changes that were approved by City Council for the General Fund and the Transit Fund:

General Fund Expenditure Additions/(Subtractions)	
Rufty Holmes Senior Center - Additional Funding	\$ 8,000
Planning and Community Development	
CAC Pocket Parks and Entrance Signage	5,000
Historic District Expansions	(20,000)
Reduce CAC Programs to FY06 level	(800)
Health Care - Budgeted 10%. Revised to 7.6%	(62,507)
Fleet Management	
Existing position replaced with a lower paid employee	(27,129)
Eliminate balance of funding for BS degree	(1,828)
Reduce Transfer to Transit Fund due to Transit Fund reductions	(2,444)
Public Services Strategic Plan in Public Services-Administration	(10,000)
Police	
Wellness Program Deferred	(4,500)
Reduce payment to vendor for radio repairs	(15,000)
Facilities Management	
General Fund Backflow Prevention Contract	(20,000)
Facilities Maintenance and Improvements	
Courtyard at Salisbury West Community Center	(5,000)
Repairs to accommodate HVAC change out at Plaza	(30,000)
Defer carpet on first floor of Zimmerman Building	(7,000)
Defer Council Street parking lot repair	(5,000)
Human Resources	
Employment Legal Counsel	(12,000)
Information Technologies	
Goals Management Software	(18,000)
Telecommunications	
Security system upgrade	(32,492)
Economic Development Commission - Additional Funding	15,828
Total General Fund Expenditure Changes	<u><u>\$ (244,872)</u></u>

General Fund Revenue Additions/(Subtractions)	
Reduce Property Tax Rate 1.5 cents per \$100 assessed valuation	\$ (350,286)
Balance of Project SAFE grant-not expended at June 30, 2006	8,518
SAFETEA Matching Funds-use Fund Balance	96,896
Total General Fund Expenditure Changes	<u><u>\$ (244,872)</u></u>

Transit Fund Expenditure Additions/(Subtractions)	
Health Care - Budgeted 10%. Revised to 7.6%	\$ (1,844)
Reduce funding for lighting upgrade in garage	(600)
Total Transit Fund Expenditure Changes	<u><u>\$ (2,444)</u></u>

Transit Fund Revenue Additions/(Subtractions)	
Reduce Transfer from General Fund due to Transit reductions	\$ (2,444)
Total Transit Fund Revenue Changes	<u><u>\$ (2,444)</u></u>

EXHIBITS

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

- Exhibit 1 Council Goals:** These goals were adopted at the Goal Setting Retreat on February 10, 2006. 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 1

CITY OF SALISBURY City Council

Outcomes & Goals – FY2006-07

Revised at Goal Setting Retreat February 10, 2006



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. Evaluate and implement an alarm ordinance – Police, Fire
- 2. Implement the Jersey City neighborhood plan – LM&D
- ★ 3. Identify and initiate an “impact project” as part of the North Main Street Small Area Plan

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

- ★ 1. Prepare and implement a Fiber To The Home business plan
- ★ 2. Establish a unified community image which exemplifies our communities’ cultural, educational, historic, environmental, entrepreneurial and arts attributes
- 3. Partner with Rowan County Chamber of Commerce and Downtown Salisbury, Inc. to conduct focus groups to gather input on the quality of life amenities that are important to young professionals who work in Salisbury and Rowan County – City of Salisbury, Chamber of Commerce, Downtown Salisbury, Inc.
- ★ 4. Implement the Business Incubator Plan as part of an overall economic development strategy for Salisbury and Rowan County
- 5. Investigate entrepreneurial loan pool and funding options – City Manager, LM&D, selected Development Organizations, Financial Institutions
- 6. Participate with Rowan County in the development and implementation of a unified incentive plan to attract industry and business to Salisbury and Rowan County
- 7. Support Rowan County in the promotion and development of the Rowan County airport
- 8. Explore the creation of an Airport Development Zone
- 9. Partner with Rowan Jobs Initiative

Outcome 4: Provide quality Parks and Recreation services

- 1. Complete master plans for individual parks – Parks & Rec

Outcome 5: Implement Salisbury Vision 2020 Plan

- 1. Consider adoption of the City of Salisbury Land Development Ordinance
- 2. Prepare East Innes Street streetscape plan – LM&D

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

- ★ 1. Implement strategies to recruit employees from diverse populations – Management Team, Human Resources
- 2. Develop strategies to attract and retain quality employees – Human Resources
- 3. Implement employee training and development plan – Human Resources

Outcome 7: Partner with Rowan-Salisbury Schools

- 1. Meet with School officials to determine needs with which the City can assist – City Council, Management Team

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– City Manager, Management Team, City Employees

Outcome 9: Improve and enhance Downtown Salisbury

- 1. Implement the Downtown Salisbury Master Plan – LM&D
- 2. Conduct a downtown ADA compliance audit – LM&D, Human Resources, Public Services

Outcome 10: Streamline development review process and ordinances

- 1. Review construction standards – LM&D, Utilities
- 2. Seek local permitting authority for utility extensions – Utilities, LM&D
- 3. Salisbury-Rowan Utilities to update and enforce existing State-mandated plans and programs (necessary to achieve local permit authority) – Utilities, LM&D
- 4. Develop a communication plan for sharing development processes and ordinances with stakeholders – City Council, City Manager, Utilities

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. Renewal of the City of Salisbury’s National Pollutant Discharge Elimination System (NPDES) discharge permit
- 4. Develop, fund, and implement a Wastewater Facilities Capital Improvement Plan for Salisbury-Rowan Utilities

**EXHIBIT 2
CITY OF SALISBURY
SPECIAL PROJECTS FOR FY2006-07**

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
CITY COUNCIL				
Chamber of Commerce Focused Forward-Year 3	\$ 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	20,000	-	-	-
Total Special Projects	<u>\$ 35,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
HUMAN RESOURCES				
Customer Service Program	\$ 32,000	\$ 10,000	\$ 10,000	\$ -
Diversity Population Recruitment Program	35,000	10,000	10,000	-
Performance Evaluation Review	50,000	30,000	30,000	-
Standard Salary Adjustments	100,000	-	-	-
Employee Health Services Program	110,000	-	-	-
Management Coaching Program	24,000	18,000	18,000	-
Employee Wellness Plan	7,500	-	-	-
Succession Planning Evaluation	7,500	-	-	-
Good to Go Program	21,000	-	-	-
Good to Great Training	6,000	-	-	-
Management Development Program	18,000	-	-	-
HRIS Training/Implementation	12,000	-	-	-
401k Additional Contribution	125,000	-	-	-
Public Safety Special Advertising	5,000	-	-	-
Public Safety Entry Level IPMA Exams	9,000	-	-	-
Market Data Software	35,000	-	-	-
Total Special Projects	<u>\$ 597,000</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ -</u>
MANAGEMENT SERVICES				
Web Applications	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Citizen Driven Performance Measurement Project	15,000	7,500	7,500	-
Third Annual Performance Report	7,000	5,500	5,500	-
Total Special Projects	<u>\$ 25,000</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ -</u>
INFORMATION TECHNOLOGIES				
Document Management Package	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Network Vulnerability Assessment	20,000	-	-	-
Disaster Recovery	25,000	-	-	-
Goals Management Software	30,000	15,000	-	-
Government Access Channel Program	10,000	-	-	-
Wireless Networking	35,000	-	-	-
Total Special Projects	<u>\$ 150,000</u>	<u>\$ 45,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>
TELECOMMUNICATIONS				
Wireless Backbone	\$ 50,000	\$ -	\$ -	\$ -
800 Communications Study	25,000	-	-	-
Total Special Projects	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
FACILITIES MANAGEMENT				
Energy Plan	\$ 15,000	\$ 7,500	\$ 7,500	\$
General Fund Backflow Prevention Contract	20,000	20,000	-	
Rekey to Master System	6,000	-	-	
Total Special Projects	<u>\$ 41,000</u>	<u>\$ 27,500</u>	<u>\$ 7,500</u>	<u>\$ -</u>
PLAZA				
North Wall Construction & Repairs	\$ 2,000,000	\$ -	\$ -	\$ -
	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
POLICE				
Diversity Enhancement	\$ 5,000	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-GIS				
Building Footprints Data Layer	\$ 14,000	\$ 14,000	\$ 14,000	\$
Sidewalk & Pedestrian Data Model & Data Collection	20,000	-	-	
Traffic Sign Data Model & Data Collection	20,000	-	-	
Tree Data Model & Data Collection	20,000	-	-	
Total Special Projects	<u>\$ 74,000</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ -</u>
LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT				
Branding & Wayfinding Study	\$ 50,000	\$ 35,000	\$ 35,000	\$
Innes Street Incentive Grant Program	25,000	25,000	25,000	
Business Incubator	100,000	-	-	
Establish Water & Sewer Extension Capital Fund	233,524	-	-	
Historic Preservation Grants	30,000	30,000	30,000	
North Main Impact Project	70,000	-	-	
Systematic Annexation	10,000	10,000	10,000	
History & Art Walk	20,000	20,000	20,000	
Innes Street Electrification	12,500	-	-	
Freedman's Cemetery Wall	20,000	-	-	
"The Square" Improvements study	20,000	-	-	
Reprint HPC Design Guidelines	8,000	-	-	
CAC Pocket Parks and Entrance Signage	5,000	-	5,000	
East Innes Parking Lot Improvements	70,000	-	-	
Sidewalk Amenities	15,000	-	-	
Bicycle Planning Grant	65,000	65,000	65,000	45,500
ETJ Signage	5,000	-	-	
Historic District Expansions	20,000	20,000	-	
Macay Law Office Project	10,000	-	-	
Small Area Planning	10,000	-	-	
Depot/Festival Plaza Design	10,000	-	-	
Imaging Archives	38,000	-	-	
On-site Posting for Certificate of Appropriateness	1,000	-	-	
Total Special Projects	<u>\$ 848,024</u>	<u>\$ 205,000</u>	<u>\$ 190,000</u>	<u>\$ 45,500</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
LAND MANAGEMENT & DEVELOPMENT-ENGINEERING				
I-85 Noise Barrier & Sidewalks, Project I-2511 CA	\$ 122,500	\$ 122,500	\$ 122,500	\$
Innes Street Bridge, Project B-3236	30,000	30,000	30,000	
Highway 70 Sidewalks, Project R-2911 E	40,000	40,000	40,000	
Depot Improvements, Project 04-ST-005	500,000	500,000	500,000	450,000
Greenway, Projects E-3308 & E4403	300,000	300,000	300,000	300,000
East Innes Street Improvements	253,000	-	-	
NPDES Compliance	35,000	25,000	25,000	
Drainage Grants	25,000	-	-	
Salisbury Incentive Fund	100,000	-	-	
Traffic Islands	7,500	-	-	
Traffic Calming	15,000	-	-	
Sidewalk on Prescott Drive	41,000	-	-	
900 Block East Liberty Street Improvements	60,000	-	-	
Total Special Projects	<u>\$ 1,529,000</u>	<u>\$ 1,017,500</u>	<u>\$ 1,017,500</u>	<u>\$ 750,000</u>
LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING				
Neighborhood Upgrades	\$ 7,500	\$ -	\$ -	\$
Lights on Brenner Avenue at Greenway	4,550	4,550	4,550	
Extra Decorative Lights	14,400	-	-	
Thoroughfare Upgrades	2,950	-	-	
Increased Maintenance of City-owned Lights	900	900	900	
	<u>\$ 30,300</u>	<u>\$ 5,450</u>	<u>\$ 5,450</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				
Public Services Strategic Plan	\$ 45,000	\$ 35,000	\$ 25,000	\$ -
Total Special Projects	<u>\$ 45,000</u>	<u>\$ 35,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
PUBLIC SERVICES-STREET				
Downtown Sidewalks & Handicapped Access	\$ 20,000	\$ -	\$ -	\$
Storm Water & Drainage Improvements	50,000	-	-	
SAFETEA Matching Funds	96,896	484,480	484,480	387,584
Target Neighborhood Improvements	10,000	-	-	
Total Special Projects	<u>\$ 176,896</u>	<u>\$ 484,480</u>	<u>\$ 484,480</u>	<u>\$ 387,584</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				
Improvements to Dixonville Cemetery	\$ 6,125	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 6,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PUBLIC SERVICES-FLEET				
Car Chip Program	\$ 2,500	\$ -	\$ -	\$ -
Total Special Projects	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>REQUESTED</u>	<u>MANAGER RECOMMENDS</u>	<u>ADOPTED</u>	<u>OFFSETTING REVENUE</u>
PUBLIC SERVICES-LANDSCAPE OPERATIONS				
Educational Information & Training	\$ 8,400	\$ 8,400	\$ 8,400	\$ 4,200
Neighborhood Tree Planting	5,000	-	-	
Tree Planting - Downtown Master Plan	5,000	-	-	
Total Special Projects	<u>\$ 18,400</u>	<u>\$ 8,400</u>	<u>\$ 8,400</u>	<u>\$ 4,200</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>\$ 5,729,345</u>	<u>\$ 1,950,430</u>	<u>\$ 1,890,430</u>	<u>\$ 1,187,284</u>
TOTAL OFFSETTING REVENUE	<u>\$ 1,472,284</u>	<u>\$ 1,187,284</u>	<u>\$ 1,187,284</u>	
TOTAL CITY SHARE	<u>\$ 4,257,061</u>	<u>\$ 763,146</u>	<u>\$ 703,146</u>	<u>\$ -</u>

EXHIBIT 3
SPECIAL COMMUNITY EFFORTS GROUPS APPROPRIATIONS FOR FY 2006-07

	<u>FY2005-06 ADOPTED</u>	<u>REQUESTED BY ORGANIZATION</u>	<u>MANAGER 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
Rowan Information & Referral	4,500	-	-	-
Salisbury-Rowan EDC	53,670 ²	69,498 ²	53,670	69,498
Downtown Salisbury, Inc.	90,000 ³	100,000 ^{3,4}	90,000	90,000
Rowan County Committee of 100	30,000	30,000 ⁵	30,000	30,000
Rowan Museum	6,000	20,000 ^{6,7}	6,000	6,000
Rowan Arts Council	45,000	45,000	45,000	45,000
Rufty Holmes Senior Center	50,000	58,000 ⁸	50,000	58,000
Horizons Unlimited	42,342	42,342	42,342	42,342
United Way	5,000	-	-	-
Smart Start Rowan	-	4,000	-	-
The Mural Preservation, Inc.	-	3,000	-	-
Communities in Schools	-	1,872	-	-
Partners In Learning Child Development	-	2,713	-	-
NC Transportation Museum	-	10,000	-	-
	<u>\$ 352,012</u>	<u>\$ 411,925</u>	<u>\$ 342,512</u>	<u>\$ 366,340</u>

¹ Agency Dissolved

² Increase to implement marketing strategy plan

³ Includes \$6,000 for Christmas Lights

⁴ Increase due to additional promotions plans and salary upgrades

⁵ Year 3 of 5 year commitment

⁶ Includes one time \$10,000 for elevator addition project

⁷ \$4000 increase to supplement existing and expanding programs

⁸ Increase due to inflation - no increase in 6 years

Exhibit 4
Position Listing and Salary Ranges

Position	Grade	Minimum	Maximum
Account Clerk I	118	\$21,394	\$35,301
Account Clerk II	122	\$23,606	\$38,950
Accountant I	126	\$26,047	\$42,977
Accountant II	131	\$29,455	\$48,601
Animal Control Specialist	120	\$22,473	\$37,081
Assistant City Manager for Utilities	532E	\$75,848	\$113,773
Assistant Fire Chief	445	\$54,067	\$72,455
Assistant Plants 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	\$21,981	\$36,269
Battalion Chief	439	\$42,363	\$59,609
Budget & Benchmarking Analyst	143	\$39,568	\$65,286
Budget & Performance Management Manager	150	\$47,001	\$77,552
Building & Grounds Maintenance Worker I	110	\$17,573	\$28,996
Building Maintenance Worker	110	\$17,573	\$28,996
Buyer	122	\$23,606	\$38,950
Cemetery Operations Manager	136	\$33,310	\$54,961
Chemist	520C	\$36,915	\$73,830
City Clerk	234	\$34,779	\$62,602
City Code Inspector	121	\$23,033	\$38,004
City Engineer	153	\$50,600	\$83,491
Civil Engineer I	140	\$36,753	\$60,643
Civil Engineer II	143	\$39,568	\$65,286
Civil Engineer III	147	\$43,658	\$72,036
Community Resource Specialist	143	\$39,568	\$65,286
Crime Analyst - Civilian	143	\$39,568	\$65,286
Customer Service Clerk I	114	\$19,390	\$31,993
Customer Service Clerk II	118	\$21,394	\$35,301
Customer Service Supervisor	131	\$29,455	\$48,601
Department Secretary	126	\$26,047	\$42,977
Deputy Clerk	126	\$26,047	\$42,977
Deputy Police Chief	349	\$45,632	\$73,012
Deputy Utilities Director	531E	\$68,953	\$103,430
Development Services Manager	147	\$43,658	\$72,036
Development Services Specialist	127	\$26,695	\$44,047
Engineering Technician - Ut	518C	\$32,618	\$65,236
Equipment Operator I	113	\$18,919	\$31,216
Equipment Operator II	120	\$22,473	\$37,081
Facilities Maintenance Supervisor	128	\$27,360	\$45,144

Position	Grade	Minimum	Maximum
Facilities Management Director	145	\$41,563	\$68,578
Facilities Manager	147	\$43,658	\$72,036
Finance & Administration Manager	529D	\$61,484	\$92,226
Finance Manager	155	\$53,152	\$95,673
Finance Specialist	126	\$26,047	\$42,977
Fire Captain	431	\$34,110	\$47,996
Fire Chief	255	\$58,414	\$105,146
Fire Control Specialist I	420	\$24,031	\$32,204
Fire Control Specialist II	424	\$26,494	\$37,280
Fire Engineer	427	\$28,062	\$39,486
Fire Investig/Inspec Officer	439	\$42,363	\$59,609
Fire Investig/Inspection Specialist	431	\$34,110	\$47,996
Fire Logistics Officer	431	\$34,110	\$47,996
Fire Projects Analyst	431	\$34,110	\$47,996
Fiscal Analyst	143	\$39,568	\$65,286
Fleet Services Manager	145	\$41,563	\$68,578
Fleet Services Shift Supervisor	134	\$31,711	\$52,323
Fleet Services Supervisor	136	\$33,310	\$54,961
GIS Mapping Technician	517C	\$28,367	\$56,735
Grounds Maintenance Worker I	109	\$17,146	\$28,291
Grounds Maintenance Worker II	114	\$19,390	\$31,993
Human Resources Analyst I	134	\$31,711	\$52,323
Human Resources Analyst II	139	\$35,860	\$59,169
Human Resources Director	255	\$58,414	\$105,146
Human Resources Technician I	126	\$26,047	\$42,977
Human Resources Technician II	130	\$28,740	\$47,420
Identification Specialist	120	\$22,473	\$37,081
Information Technologies Manager	600	\$55,761	\$97,125
Laboratory Analyst	513C	\$25,123	\$50,246
Laboratory Supervisor	523C	\$36,953	\$73,906
Land Mgmt & Dev Director	260	\$66,090	\$118,963
Landscape Division Manager	139	\$35,860	\$59,169
Landscape Maintenance Supervisor	128	\$27,360	\$45,144
Mail Coordinator	115	\$19,873	\$32,790
Management Analyst	143	\$39,568	\$65,286
Management Services Director	255	\$58,414	\$105,146
Marketing & Community Relations Mgr	136	\$33,310	\$54,961
Master Police Officer	327	\$34,284	\$53,140
Mechanic	700	\$26,377	\$47,479
Meter Services Supervisor	515C	\$30,707	\$61,415
Meter Services Technician	502A	\$17,544	\$35,088
Office Assistant	114	\$19,390	\$31,993
Park Curator	128	\$27,360	\$45,144
Parking Control Specialist	120	\$22,473	\$37,081
Parks & Recreation Maintenance Manager	139	\$35,860	\$59,169
Parks & Recreation Director	251	\$52,920	\$95,257

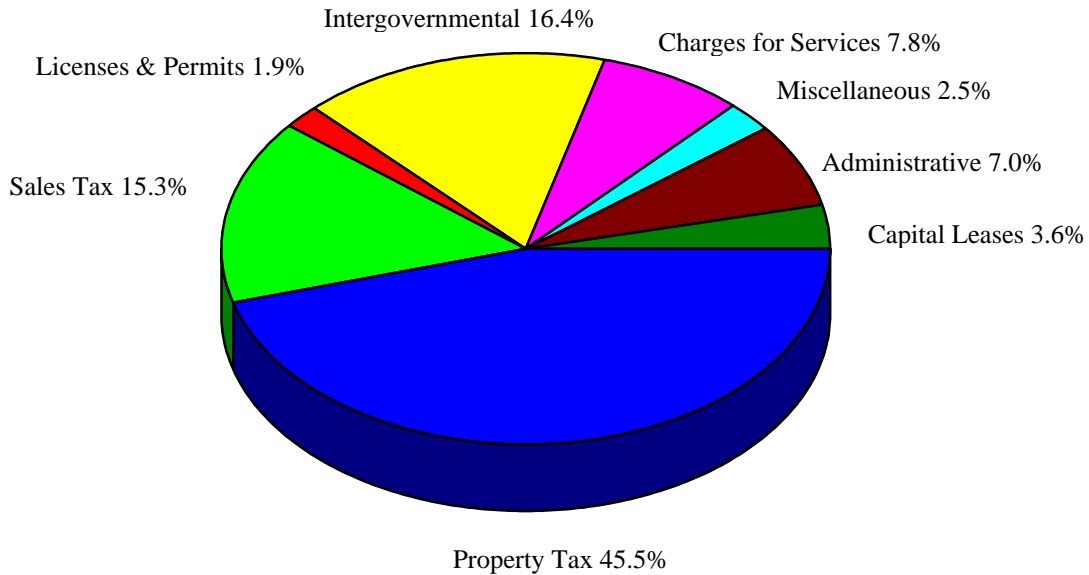
Position	Grade	Minimum	Maximum
Parks Maintenance Supervisor	128	\$27,360	\$45,144
Parts Clerk	115	\$19,873	\$32,790
Parts Manager	126	\$26,047	\$42,977
Permit Service Coordinator	121	\$23,033	\$38,004
Planner I	140	\$36,753	\$60,643
Planner II	143	\$39,568	\$65,286
Planning & Community Development Manager	151	\$48,172	\$79,483
Plants Maintenance Supervisor	523C	\$36,953	\$73,906
Plants Maintenance Technician	505B	\$25,885	\$51,770
Police Chief	255	\$58,414	\$105,146
Police Information Clerk	115	\$19,873	\$32,790
Police Lieutenant	339	\$41,484	\$64,300
Police Officer I	322	\$28,334	\$43,918
Police Officer II	324	\$31,167	\$48,309
Police Planner	143	\$39,568	\$65,286
Police Records Clerk	115	\$19,873	\$32,790
Police Records Coordinator	123	\$24,194	\$39,920
Police Sergeant	333	\$37,713	\$58,454
Police Services Supervisor	130	\$28,740	\$47,420
Police Telecommunicator	124	\$24,797	\$40,914
Productivity Analyst	143	\$39,568	\$65,286
Public Information and Communications Mgr	145	\$41,563	\$68,578
Public Services Director	251	\$52,920	\$95,257
Purchasing Manager	143	\$39,568	\$65,286
Recreation Aide	105	\$15,540	\$25,640
Recreation Coordinator	134	\$31,711	\$52,323
Recreation Program Manager	147	\$43,658	\$72,036
Recreation Program Supervisor	136	\$33,310	\$54,961
Recreation Programmer	131	\$29,455	\$48,601
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	\$26,695	\$44,047
Risk Manager	150	\$47,001	\$77,552
Seasonal Worker	117	\$20,875	\$34,443
Senior Bldg Maint Worker	119	\$21,927	\$36,180
Senior Building & Grounds Maintenance	122	\$23,606	\$38,950
Senior Customer Service Clerk	119	\$21,927	\$36,180
Senior Grounds Maint Worker	119	\$21,927	\$36,180
Senior Meter Mechanic	511C	\$27,916	\$55,832
Senior Meter Reader	510C	\$24,762	\$49,523
Senior Office Assistant	119	\$21,927	\$36,180

Position	Grade	Minimum	Maximum
Senior Office Assistant	500A	\$21,068	\$42,136
Senior Planner	147	\$43,658	\$72,036
Senior Wastewater Treatment Plant Operat	512C	\$37,685	\$75,371
Senior Water Treatment Plant Operator	512C	\$37,685	\$75,371
Signs & Marking Crew Leader	121	\$23,033	\$38,004
Signs & Marking Technician I	112	\$18,459	\$30,458
Signs & Marking Technician II	116	\$20,368	\$33,606
Solid Waste Equipment Operator	119	\$21,927	\$36,180
Solid Waste Mgmt Div Manager	136	\$33,310	\$54,961
Solid Waste Operations Supervisor	128	\$27,360	\$45,144
Street Maintenance Manager	143	\$39,568	\$65,286
Street Maintenance Supervisor	128	\$27,360	\$45,144
Street Maintenance Worker I	109	\$17,146	\$28,291
Street Maintenance Worker II	114	\$19,390	\$31,993
Support Services Manager	527D	\$54,824	\$85,236
Systems Analyst	601	\$43,906	\$76,475
Technical Services Supervisor	143	\$39,568	\$65,286
Technologies Services Technical Assist	132	\$30,189	\$49,811
Telecommunications Assistant	122	\$23,606	\$38,950
Telecommunications Manager	151	\$48,172	\$79,483
Temporary Worker	105	\$15,540	\$25,640
Traffic Operations Manager	139	\$35,860	\$59,169
Traffic Signal Technician I	118	\$21,394	\$35,301
Traffic Signal Technician II	122	\$23,606	\$38,950
Transit Dispatcher	118	\$21,394	\$35,301
Transit Manager	136	\$33,310	\$54,961
Transit Operator	118	\$21,394	\$35,301
Urban Design Planner	147	\$43,658	\$72,036
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
Utility Systems Supervisor	516C	\$31,418	\$62,836
Victim's Advocate	327	\$34,284	\$53,140
Wastewater Treatment Plant Operator	508C	\$25,334	\$50,667
Water Treatment Plant Operator	507C	\$23,764	\$47,528
Water Treatment Supervisor	524C	\$37,685	\$75,371
Zoning & Code Enforcement Spec	121	\$23,033	\$38,004



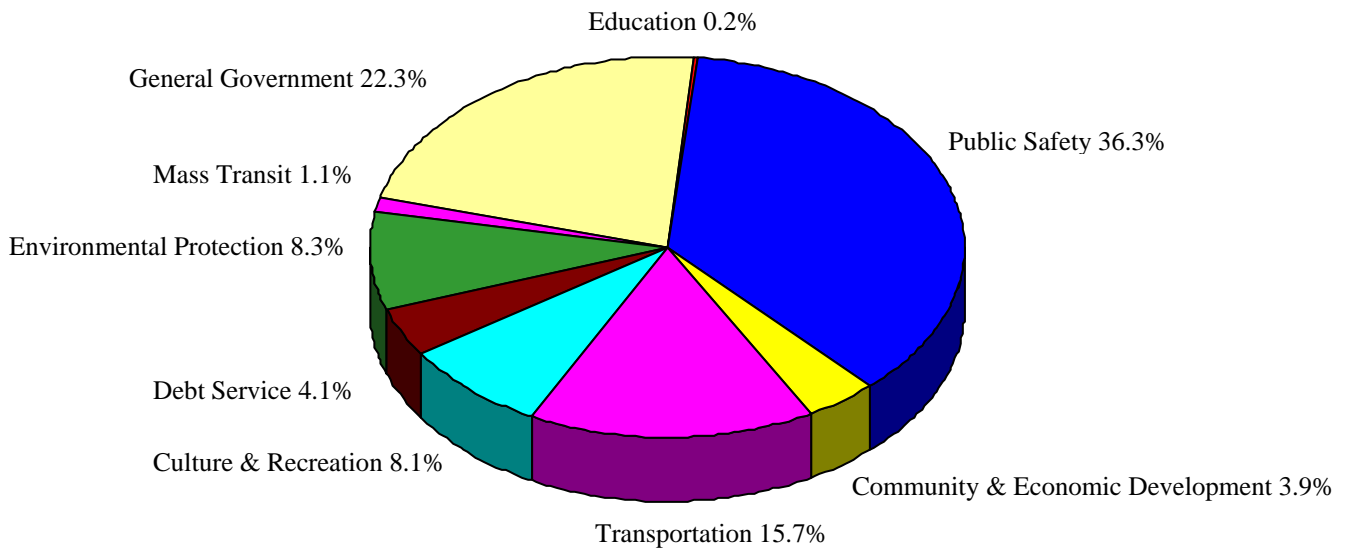
FY 2006-07 GENERAL FUND

Revenues - \$32,858,129



Where the Money Comes From

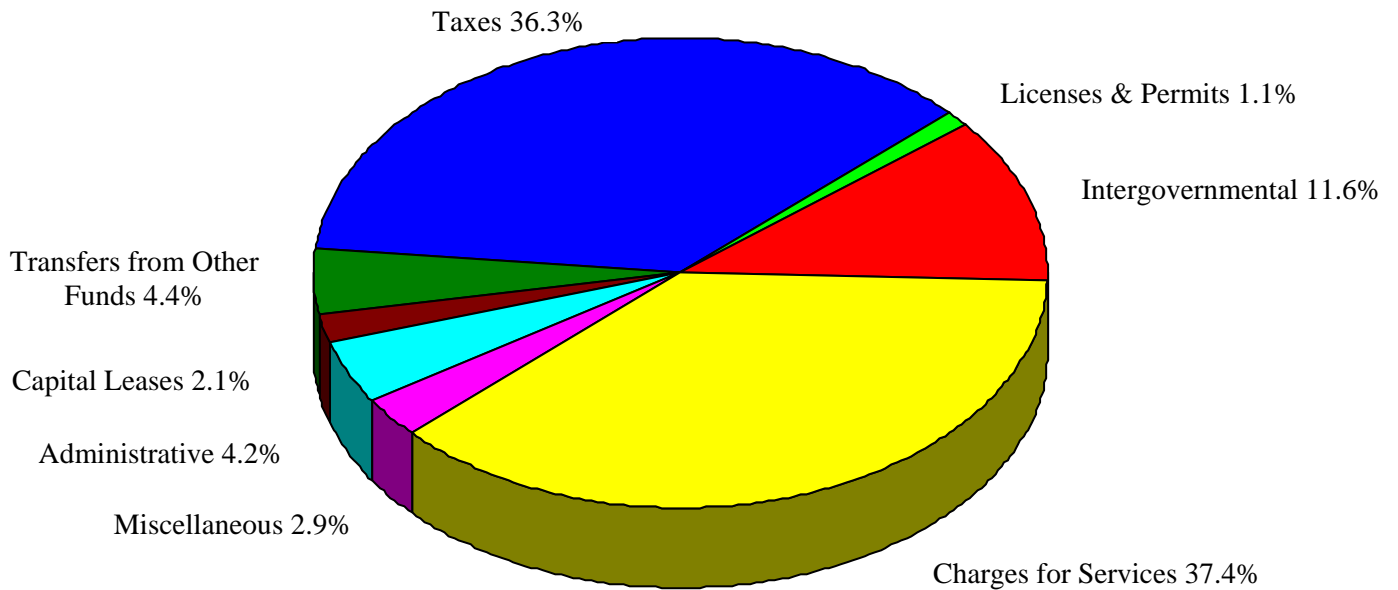
Expenditures - \$32,858,129



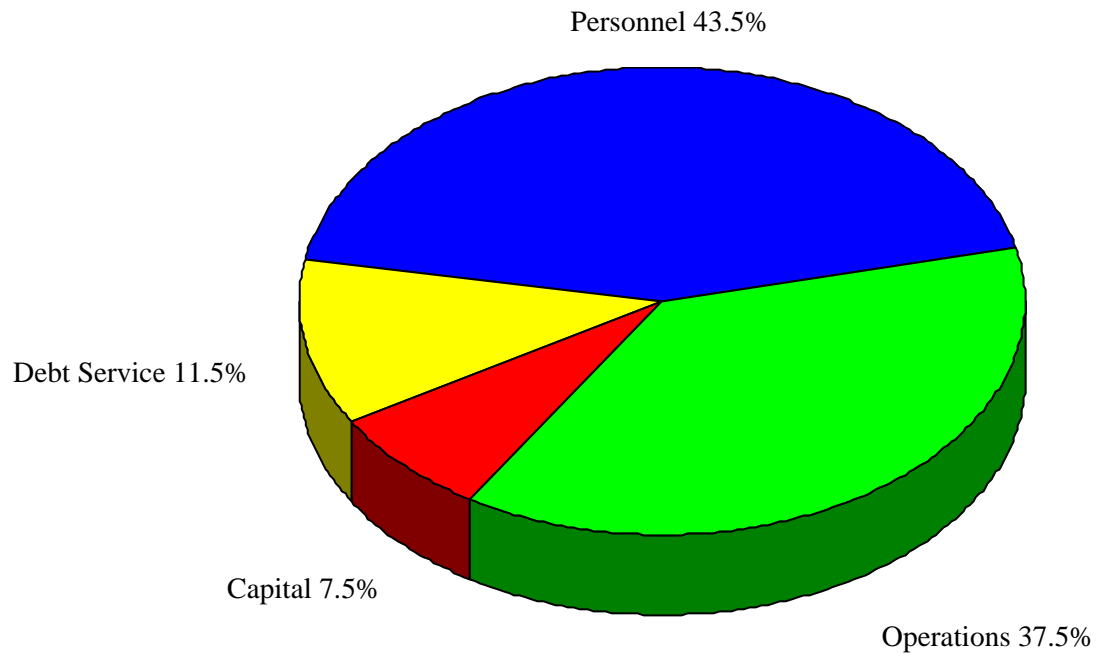
Where the Money Goes To

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

CITY REVENUES BY TYPE (All Funds)



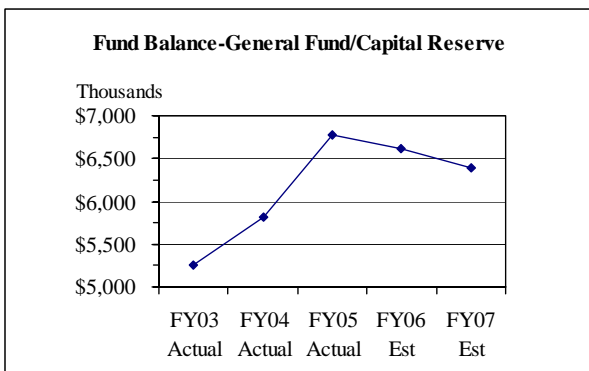
CITY EXPENDITURES BY CATEGORY (All Funds)



**CITY OF SALISBURY, NORTH CAROLINA
BUDGET SUMMARY
For the Year Ending June 30, 2007**

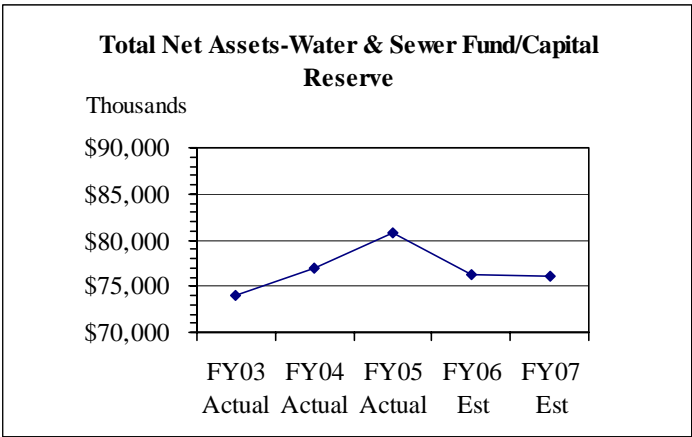
	General/Special Revenue Funds			Enterprise Funds			Total
	General Fund	General Fund Capital Reserve	Entitlement Fund	Water/Sewer	Water/Sewer Capital Reserve	Transit	
Estimated Fund Balance/ Net Assets 6/30/06	\$ 4,641,376	\$ 1,980,753	\$ 80,000	\$ 75,900,323	\$ 346,116	\$ 828,952	\$ 83,777,520
Budgeted Revenues & Other Financing Sources:							
Taxes	\$ 19,991,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,991,060
Licenses and Permits	606,808	-	-	-	-	-	606,808
Intergovernmental	5,387,427	-	468,376	-	-	568,259	6,424,062
Charges for Services	2,579,040	-	-	17,958,616	-	75,500	20,613,156
Miscellaneous	517,605	70,500	75,000	894,563	12,000	500	1,570,168
Administrative	2,303,159	-	-	-	-	-	2,303,159
Capital leases	500,000	670,000	-	-	-	-	1,170,000
Transfers From Other Funds	-	1,618,871	-	-	469,366	358,569	2,446,806
Total Available Resources	\$ 31,885,099	\$ 2,359,371	\$ 543,376	\$ 18,853,179	\$ 481,366	\$ 1,002,828	\$ 55,125,219
Expenditures:							
General Government	\$ 6,924,495	\$ 396,700	\$ -	\$ -	\$ -	\$ -	\$ 7,321,195
Public Safety	10,633,993	1,311,252	-	-	-	-	11,945,245
Transportation	5,092,347	54,750	-	-	-	-	5,147,097
Environmental Protection	2,281,430	455,512	-	-	-	-	2,736,942
Culture and Recreation	2,583,022	76,458	-	-	-	-	2,659,480
Community & Economic Development	1,275,035	18,661	543,376	-	-	-	1,837,072
Education	42,342	-	-	-	-	-	42,342
Water & Sewer	-	-	-	13,382,315	392,751	-	13,775,066
Mass Transit	-	-	-	-	-	1,002,828	1,002,828
Debt Service:							
Principal	900,052	68,550	-	3,201,697	-	-	4,170,299
Interest	371,839	13,122	-	1,799,801	-	-	2,184,762
Transfers To Other Funds	1,977,440	-	-	469,366	-	-	2,446,806
Total Expenditures	\$ 32,081,995	\$ 2,395,005	\$ 543,376	\$ 18,853,179	\$ 392,751	\$ 1,002,828	\$ 55,269,134
Budgeted Increase (Decrease) in Fund Balance	\$ (196,896)	\$ (35,634)	\$ -	\$ -	\$ 88,615	\$ -	\$ (143,915)
Full Accrual Adjustments: ¹							
Budgeted Capital Outlay	-	-	-	534,900	392,751	81,200	1,008,851
Budgeted Debt Principal	-	-	-	3,201,697	-	-	3,201,697
Estimated Depreciation	-	-	-	(4,299,953)	-	(231,878)	(4,531,831)
Estimated Fund Balance/ Net Assets 6/30/07	\$ 4,444,480	\$ 1,945,119	\$ 80,000	\$ 75,336,967	\$ 827,482	\$ 678,274	\$ 83,312,322

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, 2006, the City estimates a General Fund balance of almost \$6,600,000. 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 .

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, 2007**

	FUND	TO			
		General Fund Capital Reserve	Water & Sewer Capital Reserve	Transit	TOTAL OUT
F R O M	General	\$ 1,618,871	\$ -	\$ 358,569	\$ 1,977,440
	Water & Sewer	-	469,366	-	469,366
	TOTAL IN	\$ 1,618,871	\$ 469,366	\$ 358,569	\$ 2,446,806

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 FY2006-07, the projected amount of the hold-harmless amount is \$633,923.

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 FY2005-06, these four sources in the General Fund accounted for 64.5% 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 FY2006-07

General Fund Revenue

Taxes:

Property Taxes - Real property was estimated to increase by 2%, personal property by 1% and public service property 1% over the 2005 assessed values. This estimated growth for real and personal property and public service property is based on historical trend analysis. In addition to this growth, an annexation will also be effective June 30, 2006 which will add approximately \$28,000,000 to the tax base. A 3.0% uncollectible rate was used.

Prior Year Property Taxes - Based on historical trends adjusted by the size of the 2005 property tax receivable balance projected as of June 30, 2006.

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 business 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.

State - Based on FY2005-06 state shared receipts plus anticipated state grants. As mentioned in the previous section, the City receives funding from the State for the difference in 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 greenway construction and bicycle planning. (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 FY2006-07 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 FY2006-07 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 2006.

Nonoperating Revenues:

Interest Earned on Investments - Based on estimated cash balances during FY2006-07 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 FY2006-07 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 FY2006-07.

Special Revenue Funds Revenue

Intergovernmental:

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

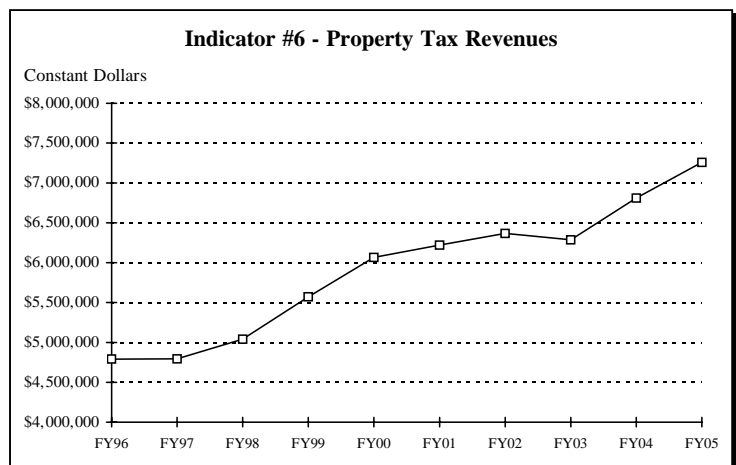
Miscellaneous:

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.

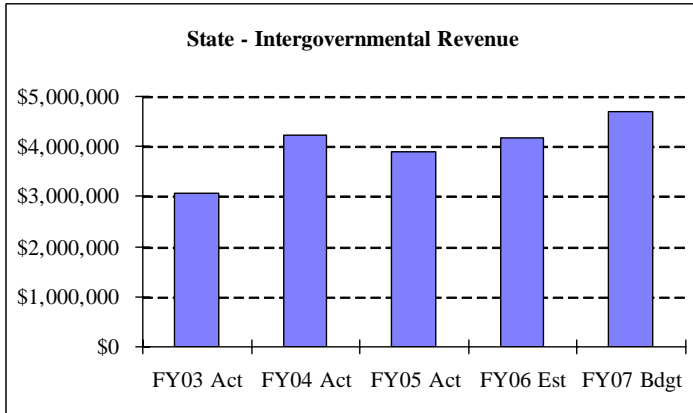


WARNING TREND:

Decline in property tax revenues (constant dollars)

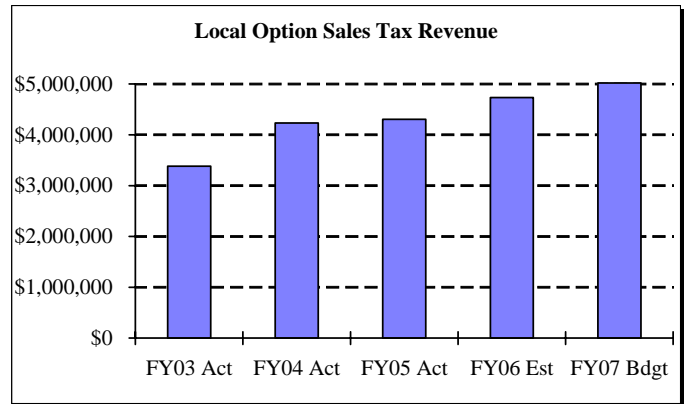
OTHER REVENUE TRENDS

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

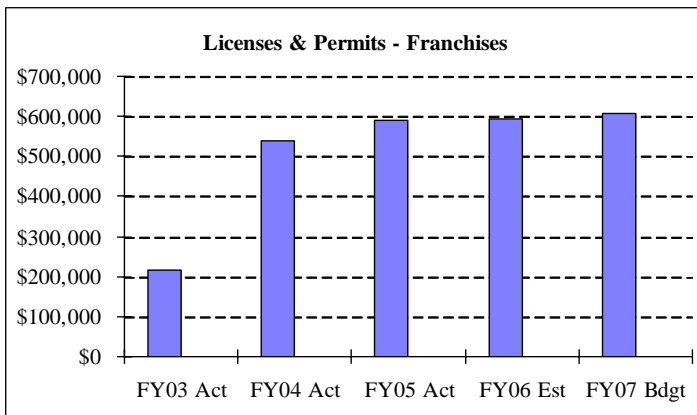


As stated in the assumptions, this revenue source is comprised of state-shared receipts and state grants. Due to the North Carolina State budget crisis, the Governor had withheld inventory reimbursements and utilities franchise tax from local governments in FY02. Subsequently, in FY03 the General Assembly 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.

This 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.

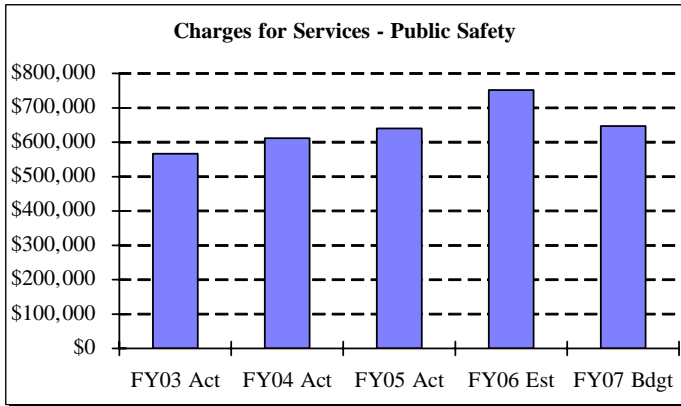
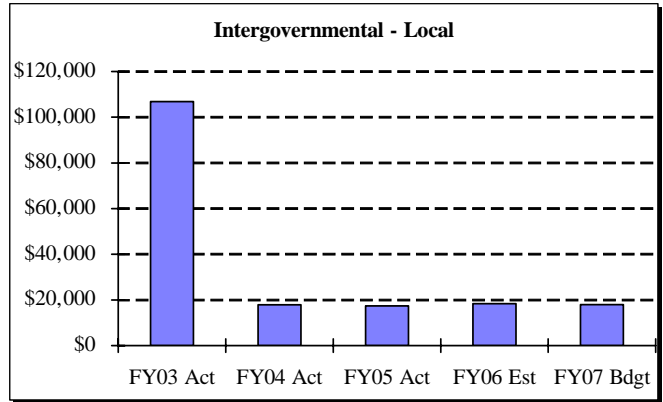


The following graphs depict major revenue sources that are based on historical trends. Each graph has a brief description of that particular revenue source along with an analysis of the trends.



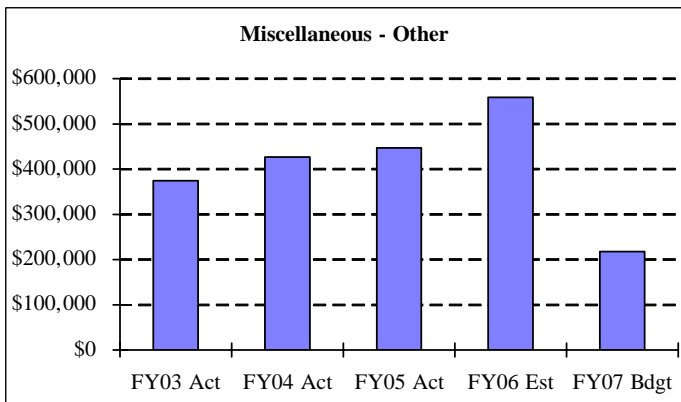
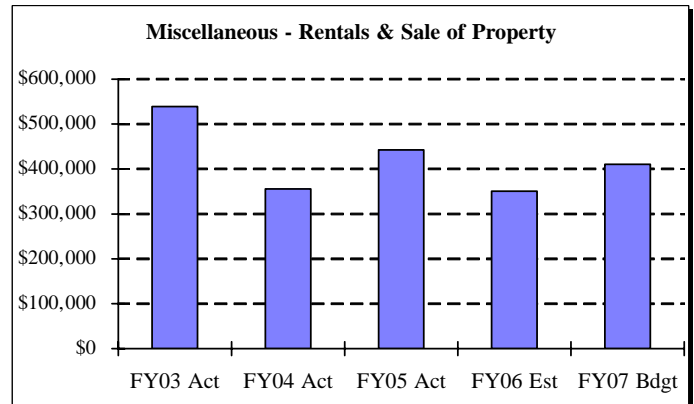
These revenues are based on gross revenues within the City limits of the cable television company. As the revenue base for the cable company increases, so does the revenue received by the City.

These 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.



These revenues 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 FY07, slightly more than fifty percent of this revenue category 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.



This 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 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%) 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 an Equipment Replacement Fund for the replacement of vehicles. The Fund will purchase each vehicle 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 a new vehicle 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 XII 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.

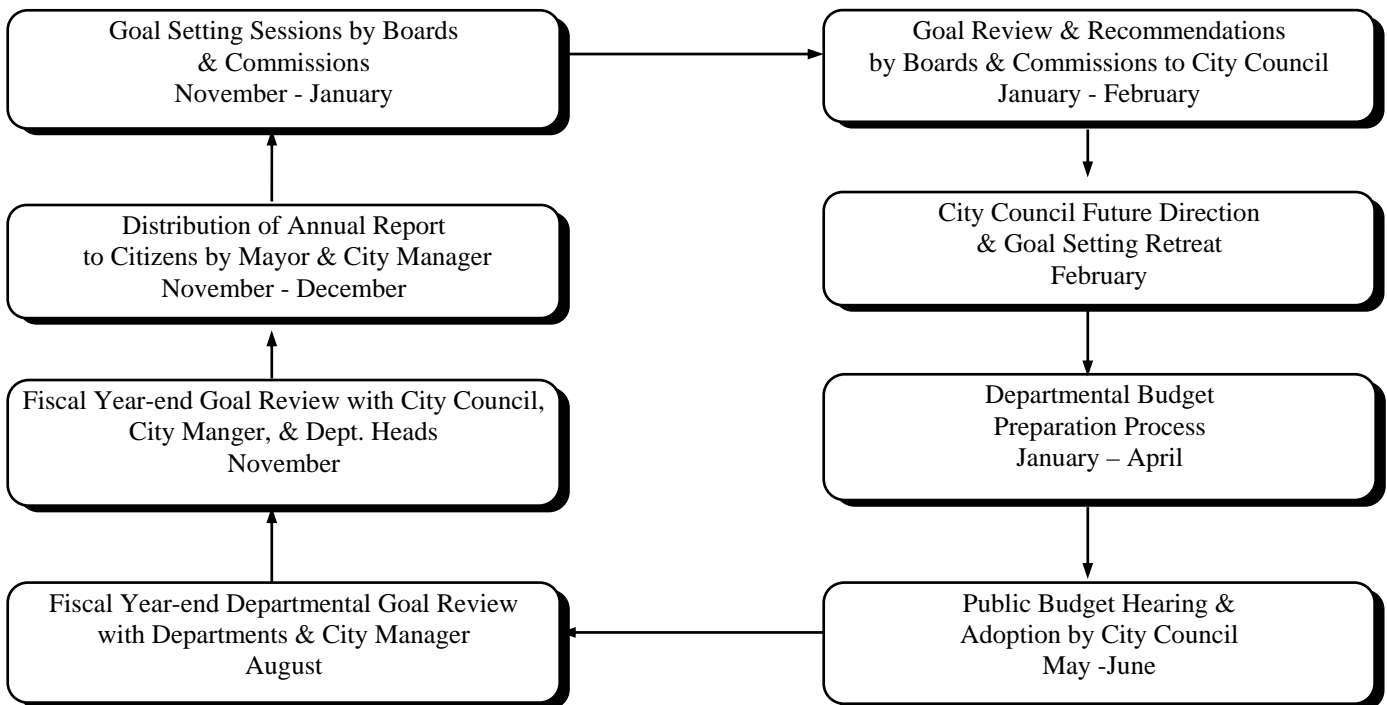
The City Manager submits the budget to City Council and after proper public notice, the City Council conducts public hearings and a budget work session. The City Council then adopts the budget through the passage of an ordinance before June 30.

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 FY2006-07 BUDGET CALENDAR

12/20/05	Distribute 5-Year Service Level Report to be completed by Department Managers.	City Manager and Finance Director
1/13/06	Complete 5-Year Service Level Report and return to City Manager.	Management Team and Division Managers
1/3/06 - 1/31/06	Prepare Personnel Request forms; present staffing patterns and Personnel request information. 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.	Finance Director
Distribute to Mgmt Team on or before 2/6/06	Prepare FY2006-07 -- 2010-11 Capital Improvement Program request forms.	
TBD	Vehicle Review Committee meeting for evaluation of vehicles.	Vehicle Review Committee
1/6/06 1/17/06 2/7/06	Chairmen of Boards and Commissions to present goals to City Council.	Chairmen of City Boards and Commissions and appropriate City Staff
1/24/06 1/31/06	Hold CDBG Public Hearing on citizens' needs and concerns.	Land Management Staff and CDBG Consultant
2/9/06 – 2/10/06	Hold Goal Setting Retreat to establish goals.	Mayor, City Council, City Manager and Staff
2/20/06 - 3/23/06	Prepare FY2005-2006 year-end revenue estimates and FY2006-07 revenue estimates on all funds.	Finance Director, Utilities Director and Transit Manager
2/20/06	Assign Retreat Goals to Staff for inclusion in Budget.	City Manager and Staff
3/7/06	Hold CDBG Public Hearing to receive citizens' comments and receive proposals.	City Council
3/6/06	Complete all budget request forms no later than March 6, 2006.	Management Team and Division Managers
3/6/06	Evaluate all Personnel Requests for any changes from current staffing patterns.	Human Resources, Department Heads and Finance
3/21/06 4/4/06	Presentation of oral and written Budget requests to Mayor and Council.	Special Community Efforts Groups
As Returned	Review of Specific Budget Proposals.	Budget Team, Department Head and Division Manager



CITY OF SALISBURY FY2006-07 BUDGET CALENDAR

3/21/06	Present draft of 2006-07 CDBG Budget and Home Budget to City Council for review and consideration.	CDBG Consultant
4/4/06	City Council to approve 2006-07 Action Plan for CDBG and HOME application after second reading.	City Council
4/10/06 - 4/14/06	Review recommended Budget with Departments.	Finance Director, City Manager and Staff
4/28/06	Distribution of City Manager's recommended Budget.	City Manager and City Management Team
5/2/06	City Manager to preview recommended Budget for City Council.	City Manager
5/3/06	Place ad in THE SALISBURY POST to advertise one time for public hearing on May 16, 2006.	City Clerk
5/16/06	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 Management Team, and City Council
6/6/06	City Council to adopt Budget.	City Council
July 2006	Report tax rate to Rowan County Tax Supervisor.	City Clerk
Summer 2006	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 29,087 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 12 million gallons per day. Average daily usage during fiscal year 2005 was 6.97 million gallons per day. The filter plant is designed for expansion as needed to 18 million gallons per day by adding pumping and settling capacity. 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 2005 was 12.5 million gallons. Average daily treatment in FY 2005 was 8.44 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. WBTB 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	3	Miles of Streets	225
Number of Police Stations	1	Regional Utilities Department:	
Recreation Facilities:		Number of Customers	16,018
Number of Parks	14	Miles of Water Line	465
Number of Recreation Centers	4	Miles of Sewer Line	480
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 FOR THE CITY OF SALISBURY ASSESSED VALUE OF TAXABLE PROPERTY FOR THE LAST TEN FISCAL YEARS

Fiscal Year				
Ended		Personal	Public Service	
June 30,	Real Property	Property	Property	Total
2007	¹ \$1,872,340,624	\$300,588,778	\$62,396,919	\$2,235,326,321
2006	¹ \$1,808,781,022	\$297,612,651	\$61,779,128	\$2,168,172,801
2005	1,736,220,169	420,799,528	61,461,291	2,218,480,988
2004	1,686,507,911	419,625,418	65,288,150	2,171,421,479
2003	1,399,477,044	398,430,259	64,817,634	1,862,724,937
2002	1,381,515,869	405,754,659	67,540,438	1,854,810,966
2001	1,337,944,798	417,818,187	64,805,231	1,820,568,216
2000	1,287,042,497	409,874,134	67,811,314	1,764,727,945
1999	1,042,366,457	382,196,263	57,889,345	1,482,452,065
1998	967,242,955	357,072,088	57,825,316	1,382,140,359

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, 2004 and will be revalued again for the FY2008 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, 2005

<u>Business</u>	<u>Type of Enterprise</u>	<u>2004 Assessed Valuation</u>	<u>Percentage Value of Total</u>
Food Lion, Inc.	Commercial	\$ 93,144,719	4.22%
Heritage Realty Limited Partnership	Real Estate	27,314,405	1.24%
Duke Energy Corp.	Utility	22,783,715	1.03%
ICI Americas	Industrial	20,879,909	0.95%
Norandal USA	Industrial	18,022,680	0.82%
Bellsouth Telephone	Communication	17,246,016	0.78%
Rowan Regional Medical Center	Hospital	16,813,822	0.76%
Salisbury Mall Ltd.	Commercial	13,600,000	0.62%
Wal-Mart Stores	Retail	13,422,932	0.61%
Piedmont Natural Gas	Utility	10,653,761	0.48%
Totals		<u>\$ 253,881,959</u>	<u>11.51%</u>

Source: Comprehensive Annual Financial Report, Fiscal Year ending June 30, 2005

DEMOGRAPHIC STATISTICS CITY OF SALISBURY
For the Year Ended June 30, 2005

<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>
2005	28,249	\$19,825	37.7	6.0%
2004	28,199	19,626	37.5	9.0%
2003	28,199	19,433	37.3	5.7%
2002	26,559	19,241	37.3	5.7%
2001	26,462	18,864	37.1	6.5%
2000	27,500	23,634	38.8	3.8%
1999	26,792	22,509	38.7	3.4%
1998	26,884	21,631	38.5	3.0%
1997	26,177	20,787	38.3	2.9%
1996	24,543	19,976	38.1	3.6%

Source: Comprehensive Annual Financial Report, Fiscal Year ending June 30, 2005

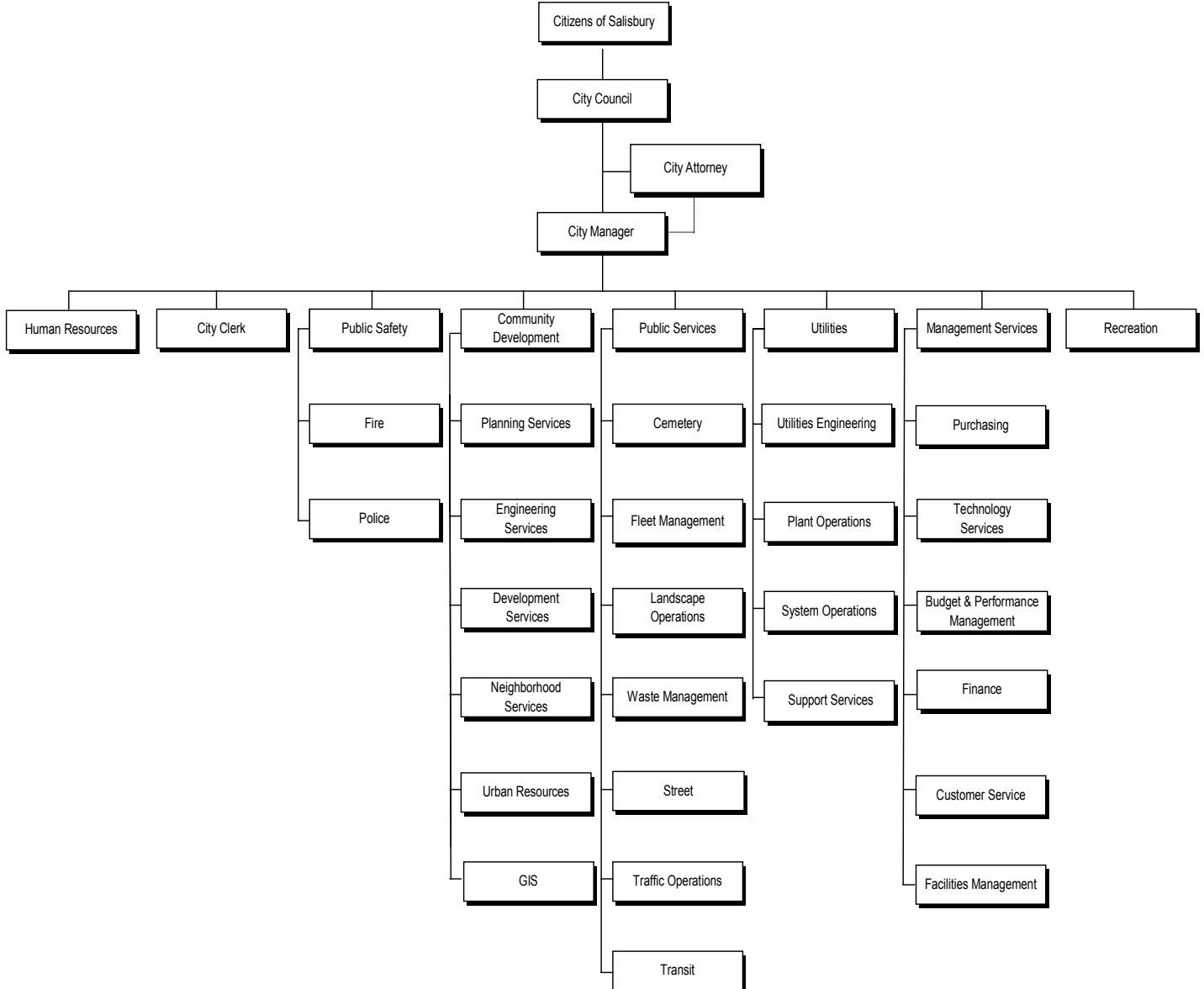
**CITY OF SALISBURY
LIST OF PRINCIPAL OFFICIALS**

May 1, 2006

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
 Interim 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 2005 – 2007

	<u>APPROVED</u> FY 2004-05	<u>APPROVED</u> FY 2005-06	<u>REQUESTED</u> FY 2006-07	<u>RECOMMENDED</u> FY 2006-07	<u>APPROVED</u> FY 2006-07
GENERAL FUND					
City Council	5	5	5	5	5
Management & Administration	7	7	8	8	8
Human Resources	6	6	10	6	6
Management Services	17.5	18.5	19.5	19.5	19.5
Information Technologies	8	8	9	8	8
Purchasing	2	2	2	2	2
Facilities Management	5	6	7	6	6
Planning & Community Development	5	5	6	5	5
GIS	1	1	2	1	1
Development Services	5	5	6	5	5
Engineering	6	7	7	7	7
Telecommunications	-	-	2	1	1
Police	103	105	109	105	105
Fire	68	78	81	79	79
Public Svcs-Administration	4	4	4	4	4
Public Svcs-Traffic Operations	8	8	8	9	9
Public Svcs-Streets	23	24	23	23	23
Public Svcs-Cemetery	6	6	6	6	6
Public Svcs- Solid Waste Management	10	11	11	11	11
Public Svcs-Waste Management-Other	8	8	9	9	9
Public Svcs-Landscape Operations	12	12	13	13	13
Public Svcs-Landscape-Hurley Park	3	2	3	2	2
Public Svcs-Fleet Management	11.5	11	12	11	11
Parks and Recreation	56	56	57	57	57
TOTAL	380.0	395.5	419.5	402.5	402.5
WATER AND SEWER FUND					
Utility Management	13.5	13.5	13.5	12.5	12.5
Water Treatment	8	7	7	7	7
Systems Maintenance	27	25	25	25	25
Enviromental Services	9	9	10	10	10
Wastewater Treatment Plants	17	16	17	17	17
Meter Services	11	11	11	11	11
Plants Maintenance	10	10	9	9	9
TOTAL	95.5	91.5	92.5	91.5	91.5
TRANSIT FUND					
Transit-Operations	11.5	12	12	12	12
Transit-Administration	2	2	2	2	2
TOTAL	13.5	14.0	14.0	14.0	14.0
TOTAL ALL FUNDS	489	501	526	508	508.0
<i>Permanent Full-time</i>	438	449	470	453	453.0
<i>Permanent Part-time</i>	7	5	5	5	5.0
<i>Temporary Full-time</i>	24	24	25	24	24.0
<i>Temporary Part-time</i>	20	23	26	26	26.0
TOTAL ALL FUNDS	489	501	526	508	508.0

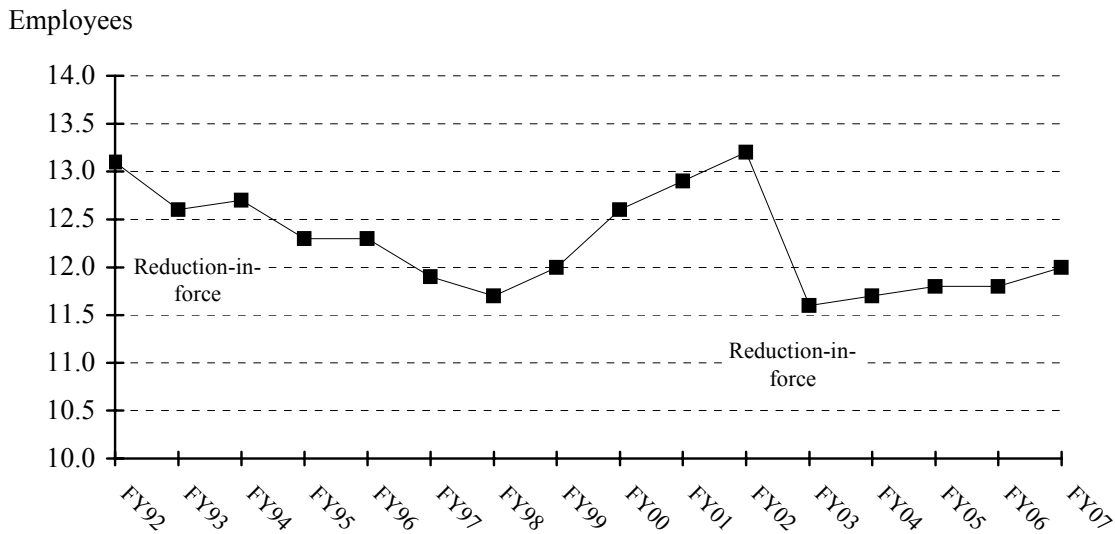
In FY2007, restated to eliminate frozen positions from counts for previous fiscal years

For the FY2006-07 Recommended Budget, the total number of positions for the City has increased by seven over the previous fiscal year. The following table shows the changes.

GENERAL FUND:	
Add Public Information & Communication Manager	Management & Administration
Eliminate full-time Mail Coordinator and add one Mail Coordinator & one Customer Service Clerk	Management Services; converted from one full-time Mail Coordinator to two temporary part-time positions, no benefits
Add part-time firefighter	Fire – added for 6/30/06 annexation
Add Telecommunications Manager	Telecommunications – funded through elimination of contracts
Add Telecommunications Technician	PS-Traffic Operations – funded through elimination of contracts
Add Grounds Maintenance Worker	PS-Landscape Operations
Add Greenway Maintenance Worker	Parks & Recreation
Community Resource Specialist-temporary part-time	Police – previously grant-funded; recommended for General Fund funding
WATER & SEWER FUND:	
Eliminate GIS Mapping Technician	Utility Management-GIS
Add Environmental Services Inspector	Environmental Services
TRANSIT FUND:	
No Changes	

City Council approved all of the above positions for FY2006-07.

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 FY2006-07 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 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, 2007
With Estimated Actual for Year Ending June 30, 2006 and
Actual for Year Ended June 30, 2005

	<u>2005 Actual</u>	<u>2006 Estimate</u>	<u>2007 Budget</u>
REVENUES:			
Taxes:			
General property - current	\$ 13,173,937	\$ 13,686,481	\$ 14,365,250
General property - prior	423,809	327,073	328,000
Interest on delinquent tax	84,809	64,898	76,000
Local option sales tax	4,306,693	4,732,723	5,021,310
Other taxes	103,855	197,152	200,500
	<u>\$ 18,093,103</u>	<u>\$ 19,008,327</u>	<u>\$ 19,991,060</u>
Licenses and permits:			
Privilege licenses	\$ 331,989	\$ 333,278	\$ 336,742
Franchises	257,286	259,570	270,066
	<u>\$ 589,275</u>	<u>\$ 592,848</u>	<u>\$ 606,808</u>
Intergovernmental:			
Federal	\$ 425,181	\$ 106,882	\$ 663,584
State	3,898,192	4,181,478	4,705,843
Local	17,400	18,356	18,000
	<u>\$ 4,340,773</u>	<u>\$ 4,306,716</u>	<u>\$ 5,387,427</u>
Charges for services:			
Environmental protection	\$ 830,503	\$ 844,400	\$ 1,046,697
Culture and recreation	173,484	175,714	180,000
Public safety	416,920	550,746	452,475
Cemetery	135,545	118,232	140,000
Radio antenna and paging rentals	222,872	200,966	351,026
Rentals and sale of property	306,844	231,989	270,272
Community services	130,144	129,602	138,570
	<u>\$ 2,216,312</u>	<u>\$ 2,251,649</u>	<u>\$ 2,579,040</u>
Miscellaneous:			
Interest earned on investments	\$ 127,330	\$ 300,000	\$ 300,000
Donations	290,093	430,270	82,185
Other	156,581	130,463	135,420
	<u>\$ 574,004</u>	<u>\$ 860,733</u>	<u>\$ 517,605</u>
Administrative charges:			
Interfund revenues	\$ 1,711,559	\$ 2,070,628	\$ 2,303,159
Total revenues	<u>\$ 27,525,026</u>	<u>\$ 29,090,901</u>	<u>\$ 31,385,099</u>
OTHER FINANCING SOURCES:			
Proceeds from capital leases	\$ 191,000	\$ -	\$ 500,000
Fund balance appropriated	-	-	196,896
Total other financing sources	<u>\$ 191,000</u>	<u>\$ -</u>	<u>\$ 696,896</u>
Total revenues and other financing sources	<u>\$ 27,716,026</u>	<u>\$ 29,090,901</u>	<u>\$ 32,081,995</u>

CITY OF SALISBURY
FY 2006-2007 BUDGET SUMMARY
GENERAL FUND

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
REVENUE	\$ 27,716,026	\$ 31,621,540	\$ 31,196,754	\$ 32,326,867	\$ 32,081,995
EXPENSES	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
CITY COUNCIL					
Personnel	\$ 43,969	\$ 69,021	\$ 72,036	\$ 71,323	\$ 70,724
Operations	68,146	143,775	82,000	76,212	76,212
Capital	-	-	-	-	-
TOTAL	\$ 112,115	\$ 212,796	\$ 154,036	\$ 147,535	\$ 146,936
MANAGEMENT & ADMINISTRATION					
Personnel	\$ 467,019	\$ 479,603	\$ 572,651	\$ 568,623	\$ 567,141
Operations	219,104	262,928	315,416	278,800	278,800
Capital	-	-	3,500	3,500	3,500
TOTAL	\$ 686,123	\$ 742,531	\$ 891,567	\$ 850,923	\$ 849,441
HUMAN RESOURCES					
Personnel	\$ 382,255	\$ 391,107	\$ 488,016	\$ 401,191	\$ 400,360
Operations	178,095	241,638	970,800	320,523	308,523
Capital	-	800	3,300	1,500	1,500
TOTAL	\$ 560,350	\$ 633,545	\$ 1,462,116	\$ 723,214	\$ 710,383
MANAGEMENT SERVICES - ADMINISTRATION					
Personnel	\$ 877,510	\$ 960,389	\$ 1,018,231	\$ 1,012,677	\$ 1,010,099
Operations	250,096	276,773	321,789	297,121	297,121
Capital	15,287	1,500	4,000	4,000	4,000
TOTAL	\$ 1,142,893	\$ 1,238,662	\$ 1,344,020	\$ 1,313,798	\$ 1,311,220
MANAGEMENT SERVICES - INFORMATION TECHNOLOGIES					
Personnel	\$ 570,548	\$ 576,838	\$ 706,969	\$ 624,950	\$ 623,752
Operations	544,444	658,546	1,393,628	1,135,348	1,117,348
Capital	134,297	96,575	57,500	30,000	30,000
TOTAL	\$ 1,249,289	\$ 1,331,959	\$ 2,158,097	\$ 1,790,298	\$ 1,771,100
MANAGEMENT SERVICES - PURCHASING					
Personnel	\$ 111,725	\$ 129,423	\$ 122,437	\$ 121,542	\$ 121,175
Operations	10,730	10,676	9,973	9,873	9,873
Capital	-	-	-	-	-
TOTAL	\$ 122,455	\$ 140,099	\$ 132,410	\$ 131,415	\$ 131,048
MANAGEMENT SERVICES - TELECOMMUNICATIONS					
Personnel	\$ -	\$ -	\$ 123,808	\$ 73,544	\$ 73,293
Operations	254,302	287,226	406,017	203,932	203,932
Capital	271,292	79,500	153,500	150,000	123,321
TOTAL	\$ 525,594	\$ 366,726	\$ 683,325	\$ 427,476	\$ 400,546

	Actual FY 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
MANAGEMENT SERVICES - FACILITIES MANAGEMENT					
Personnel	\$ 249,022	\$ 301,109	\$ 361,621	\$ 324,082	\$ 322,832
Operations	23,821	42,030	105,106	78,837	58,837
Capital	1,987	-	-	-	-
TOTAL	\$ 274,830	\$ 343,139	\$ 466,727	\$ 402,919	\$ 381,669
MANAGEMENT SERVICES - CITY OFFICE BUILDINGS					
Personnel	\$ 323	\$ -	\$ -	\$ -	\$ -
Operations	316,215	222,127	240,764	233,718	233,718
Capital	17,201	10,400	46,700	32,000	15,000
TOTAL	\$ 333,739	\$ 232,527	\$ 287,464	\$ 265,718	\$ 248,718
PLAZA					
Personnel	\$ 16,161	\$ 12,000	\$ -	\$ -	\$ -
Operations	106,804	161,977	2,202,911	176,389	176,389
Capital	24,759	6,000	52,500	52,500	22,500
TOTAL	\$ 147,724	\$ 179,977	\$ 2,255,411	\$ 228,889	\$ 198,889
LAND MANAGEMENT & DEVELOPMENT - PLANNING & COMMUNITY DEVELOPMENT					
Personnel	\$ 310,069	\$ 322,367	\$ 407,960	\$ 340,677	\$ 339,799
Operations	296,893	340,500	983,604	321,914	306,114
Capital	-	-	-	-	-
TOTAL	\$ 606,962	\$ 662,867	\$ 1,391,564	\$ 662,591	\$ 645,913
LAND MANAGEMENT & DEVELOPMENT - GIS					
Personnel	\$ 65,510	\$ 61,964	\$ 113,936	\$ 64,267	\$ 64,137
Operations	65,988	85,657	196,182	105,094	105,094
Capital	-	-	16,950	1,950	1,950
TOTAL	\$ 131,498	\$ 147,621	\$ 327,068	\$ 171,311	\$ 171,181
LAND MANAGEMENT & DEVELOPMENT - DEVELOPMENT SERVICES					
Personnel	\$ 188,564	\$ 217,337	\$ 267,542	\$ 229,730	\$ 228,745
Operations	148,044	196,772	202,350	197,311	213,139
Capital	-	-	1,800	-	-
TOTAL	\$ 336,608	\$ 414,109	\$ 471,692	\$ 427,041	\$ 441,884
LAND MANAGEMENT & DEVELOPMENT - ENGINEERING					
Personnel	\$ 445,393	\$ 482,931	\$ 504,483	\$ 500,775	\$ 499,423
Operations	227,521	1,958,455	1,619,962	1,100,801	1,100,801
Capital	15,351	350,450	345,000	345,000	345,000
TOTAL	\$ 688,265	\$ 2,791,836	\$ 2,469,445	\$ 1,946,576	\$ 1,945,224
LAND MANAGEMENT & DEVELOPMENT - STREET LIGHTING					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	309,286	353,324	357,820	344,870	344,870
Capital	-	-	-	-	-
TOTAL	\$ 309,286	\$ 353,324	\$ 357,820	\$ 344,870	\$ 344,870
POLICE - SERVICES					
Personnel	\$ 1,014,889	\$ 1,107,823	\$ 1,113,281	\$ 1,104,317	\$ 1,100,392
Operations	201,746	510,717	322,961	241,350	241,350
Capital	48,981	-	8,670	2,570	2,570
TOTAL	\$ 1,265,616	\$ 1,618,540	\$ 1,444,912	\$ 1,348,237	\$ 1,344,312

	Actual FY 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
POLICE - ADMINISTRATION					
Personnel	\$ 315,650	\$ 337,317	\$ 351,953	\$ 329,997	\$ 329,398
Operations	116,060	183,571	191,115	176,102	171,602
Capital	-	-	15,000	-	-
TOTAL	\$ 431,710	\$ 520,888	\$ 558,068	\$ 506,099	\$ 501,000
POLICE - OPERATIONS					
Personnel	\$ 3,743,617	\$ 3,955,908	\$ 4,288,599	\$ 4,082,417	\$ 4,069,304
Operations	676,610	738,253	934,836	892,094	877,094
Capital	127,986	94,762	3,000	3,000	3,000
TOTAL	\$ 4,548,213	\$ 4,788,923	\$ 5,226,435	\$ 4,977,511	\$ 4,949,398
FIRE					
Personnel	\$ 3,168,446	\$ 3,204,669	\$ 3,781,122	\$ 3,655,632	\$ 3,641,578
Operations	660,405	1,890,499	940,864	756,654	756,654
Capital	389,424	151,867	499,303	175,954	175,954
TOTAL	\$ 4,218,275	\$ 5,247,035	\$ 5,221,289	\$ 4,588,240	\$ 4,574,186
PUBLIC SERVICES - ADMINISTRATION					
Personnel	\$ 219,083	\$ 226,215	\$ 228,630	\$ 226,951	\$ 226,324
Operations	31,531	22,863	79,297	62,382	52,382
Capital	-	6,100	1,300	-	-
TOTAL	\$ 250,614	\$ 255,178	\$ 309,227	\$ 289,333	\$ 278,706
PUBLIC SERVICES - TRAFFIC OPERATIONS					
Personnel	\$ 364,699	\$ 390,881	\$ 395,914	\$ 442,701	\$ 440,968
Operations	111,694	123,652	170,519	140,018	140,018
Capital	6,005	6,000	24,000	24,000	24,000
TOTAL	\$ 482,398	\$ 520,533	\$ 590,433	\$ 606,719	\$ 604,986
PUBLIC SERVICES - STREETS					
Personnel	\$ 906,085	\$ 1,023,669	\$ 1,060,526	\$ 1,052,253	\$ 1,048,179
Operations	781,236	1,029,287	1,194,286	1,347,515	1,347,515
Capital	4,686	11,500	96,000	18,000	18,000
TOTAL	\$ 1,692,007	\$ 2,064,456	\$ 2,350,812	\$ 2,417,768	\$ 2,413,694
PUBLIC SERVICES - CEMETERY					
Personnel	\$ 156,980	\$ 182,587	\$ 182,272	\$ 181,003	\$ 180,390
Operations	60,611	61,495	81,925	70,920	70,920
Capital	3,120	9,700	13,500	1,400	1,400
TOTAL	\$ 220,711	\$ 253,782	\$ 277,697	\$ 253,323	\$ 252,710
PUBLIC SERVICES - SOLID WASTE MANAGEMENT					
Personnel	\$ 490,974	\$ 509,508	\$ 525,503	\$ 510,939	\$ 508,974
Operations	989,935	1,078,925	1,321,098	1,279,521	1,279,521
Capital	645	-	11,450	1,500	1,500
TOTAL	\$ 1,481,554	\$ 1,588,433	\$ 1,858,051	\$ 1,791,960	\$ 1,789,995
PUBLIC SERVICES - WASTE MANAGEMENT OTHER					
Personnel	\$ 359,439	\$ 313,829	\$ 359,569	\$ 356,746	\$ 355,148
Operations	95,070	114,493	175,718	114,115	114,115
Capital	-	-	-	-	-
TOTAL	\$ 454,509	\$ 428,322	\$ 535,287	\$ 470,861	\$ 469,263

	Actual FY 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
PUBLIC SERVICES - LANDSCAPE OPERATIONS					
Personnel	\$ 401,266	\$ 415,379	\$ 468,316	\$ 464,674	\$ 462,723
Operations	140,543	142,478	160,337	148,633	148,633
Capital	3,168	6,550	5,069	5,069	5,069
TOTAL	\$ 544,977	\$ 564,407	\$ 633,722	\$ 618,376	\$ 616,425
PUBLIC SERVICES - LANDSCAPE - HURLEY PARK					
Personnel	\$ 77,886	\$ 81,503	\$ 91,394	\$ 86,222	\$ 85,990
Operations	21,062	34,964	54,704	28,147	28,147
Capital	-	10,000	-	-	-
TOTAL	\$ 98,948	\$ 126,467	\$ 146,098	\$ 114,369	\$ 114,137
PUBLIC SERVICES - FLEET MANAGEMENT					
Personnel	\$ 673,800	\$ 644,096	\$ 755,314	\$ 701,749	\$ 672,399
Operations	100,307	79,798	109,697	95,236	93,408
Capital	16,769	16,900	29,900	23,650	23,650
TOTAL	\$ 790,876	\$ 740,794	\$ 894,911	\$ 820,635	\$ 789,457
PUBLIC SERVICES - TRANSPORTATION					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	173,570	213,118	313,118	361,013	358,569
Capital	-	-	-	-	-
TOTAL	\$ 173,570	\$ 213,118	\$ 313,118	\$ 361,013	\$ 358,569
PARKS & RECREATION					
Personnel	\$ 1,159,329	\$ 1,223,881	\$ 1,316,622	\$ 1,308,037	\$ 1,304,136
Operations	638,202	574,315	659,743	598,579	600,766
Capital	94,941	103,575	403,600	107,000	107,000
TOTAL	\$ 1,892,472	\$ 1,901,771	\$ 2,379,965	\$ 2,013,616	\$ 2,011,902
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	881,989	954,833	1,213,893	1,271,891	1,271,891
Capital	-	-	-	-	-
TOTAL	\$ 881,989	\$ 954,833	\$ 1,213,893	\$ 1,271,891	\$ 1,271,891
GRAND TOTAL					
Personnel	\$ 16,780,211	\$ 17,621,354	\$ 19,678,705	\$ 18,837,019	\$ 18,747,383
Operations	8,742,402	13,038,007	17,374,775	12,507,255	12,425,698
Capital	1,175,899	962,179	1,795,542	982,593	908,914
TOTALS	\$ 26,698,512	\$ 31,621,540	\$ 38,849,022	\$ 32,326,867	\$ 32,081,995

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 2.3**
3. Prepare and implement a Fiber To The Home business plan. **Outcome 3.1**
4. Establish a unified community image which exemplifies our communities’ cultural, educational, historic, environmental, entrepreneurial and arts attributes. **Outcome 3.2**
5. Implement the Business Incubator Plan as part of an overall economic development strategy for Salisbury and Rowan County. **Outcome 3.4**
6. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 43,969	\$ 69,021	\$ 72,036	\$ 71,323	\$ 70,724
Operating	68,146	143,775	82,000	76,212	76,212
Capital	-	-	-	-	-
TOTAL	\$ 112,115	\$ 212,796	\$ 154,036	\$ 147,535	\$ 146,936

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 2.3**
3. Prepare and implement a Fiber To The Home business plan. **Outcome 3.1**
4. Establish a unified community image which exemplifies our communities' cultural, educational, historical, environmental, entrepreneurial and arts attributes. **Outcome 3.2**
5. Implement the Business Incubator Plan as part of an overall economic development strategy for Salisbury and Rowan County. **Outcome 3.4**
6. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**

DEPARTMENTAL PERFORMANCE GOALS

1. Partner with Rowan County Chamber of Commerce and Downtown Salisbury, Inc. to conduct focus groups to gather input on the quality of life amenities that are important to young professionals who work in Salisbury and Rowan County.
2. Participate with Rowan County in the development and implementation of a unified incentive plan to attract industry and business to Salisbury and Rowan County.
3. Support Rowan County in the promotion and development of the Rowan County airport.
4. Explore the creation of an Airport Development Zone.
5. Partner with Rowan Jobs Initiative.
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.
7. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project.
8. Safeguard Salisbury's interests on the Yadkin River by participating in Federal Energy Regulatory Commission (FERC) relicensing of Alcoa's Yadkin Project.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
Risk Management (201)	Actual	Estimate	Projected
Workload			
Number of Workers Compensation Claims Filed	15	15	17
Number of Third-Party Insurance Claims Filed	36	55	48
Number of Self-Initiated OSHA Inspections (Preventive)	120	120	120
Efficiency			
Cost Per Negotiated Workers Compensation Claim	\$ 1,597	\$ 3,000	\$ 3,000
Cost Per Negotiated Insurance Claim	\$ 1,001	\$ 800	\$ 800
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	3%	0%	0%
OSHA Fine Totals Per Self-Initiated OSHA Inspection	\$ -	\$ -	\$ -

* Non-negotiable and did not require settlement.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 467,019	\$ 479,603	\$ 572,651	\$ 568,623	\$ 567,141
Operating	219,104	262,928	315,416	278,800	278,800
Capital	-	-	3,500	3,500	3,500
TOTAL	\$ 686,123	\$ 742,531	\$ 891,567	\$ 850,923	\$ 849,441

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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
Public Information & Communication Manager - NEW	0	0	1	1	1
Risk Management (201)					
Risk Management Officer	1	1	1	1	1
Risk Management Assistant	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	7	7	8	8	8

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Desk for new position	\$ 3,500	\$ 3,500	\$ 3,500
Total Capital Outlay	\$ 3,500	\$ 3,500	\$ 3,500

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. **Outcome 6.3**
5. 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**

DEPARTMENTAL PERFORMANCE GOALS

1. Facilitate the creation, development and implementation of a change process that results in a culture of excellent customer service within the City.
2. Continue to facilitate the establishment, development and initiation programs to attract, retain, and develop high quality City employees.
3. Facilitate the establishment and implementation of strategies to recruit and select employees from diverse populations.
4. Continue to conduct multiculturalism training for all employees and assist and support the conducting of community multiculturalism training sessions.
5. Review and evaluate all internal operation procedures to ensure efficiency and effectiveness.
6. Continue to provide human resource management through a variety of department functions.
7. Review and evaluate all Human Resource systems to ensure incorporation of High Performance Organizations and the “Good to Great” principles in departmental operations.
8. Evaluate, revise and implement a performance evaluation system consistent with the principles of a High Performance Organization and the City’s mission, vision and core values.
9. Evaluate and recommend changes to the City’s compensation plan.
10. Continue to evaluate, recommend and implement cost control strategies and promote efficiency and effectiveness in the employee health insurance program.
11. Develop and implement an employee wellness program which includes measurable standards to improved wellness and medical care reductions.
12. Facilitate, coordinate, and conduct training and development sessions on a variety of subject matters related to issues of compliance, technical, management, skills enhancement and personal growth on a monthly basis.
13. Facilitate, coordinate, and conduct training to provide development of a High Performance Organization at all levels of the organization.
14. Continue to establish resources to increase Latino community involvement in Human Resources programs.
15. Assess the broadbanding approach in all departments and determine necessary changes.
16. Evaluate law enforcement pay plans and make recommended changes to compensation plan.
17. Continue to assist City departments and non-profit agencies as a resource in resolving matters related to multiculturalism.
18. Develop and implement a comprehensive strategic plan which includes the input of all stakeholders.
19. Continue to research, identify and implement alternative funding sources for Human Resource programs.
20. Continue to provide staff with resource material and opportunities for career development.
21. Continue to provide staff assistance to the Human Relations Council.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 382,255	\$ 391,107	\$ 488,016	\$ 401,191	\$ 400,360
Operating	178,095	241,638	970,800	320,523	308,523
Capital	-	800	3,300	1,500	1,500
TOTAL	\$ 560,350	\$ 633,545	\$ 1,462,116	\$ 723,214	\$ 710,383

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 (TFT) - NEW	0	0	1	0	0
Customer Svc Program Manager - NEW	0	0	1	0	0
Nurse Practitioner - NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	6	6	10	6	6

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Training room white board	\$ 1,800	\$ -	\$ -
Desk	1,500	1,500	1,500
Total Capital Outlay	\$ 3,300	\$ 1,500	\$ 1,500

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, City Office Buildings, Information Technologies, and Telecommunications Divisions.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 1,809,128	\$ 1,967,759	\$ 2,333,066	\$ 2,156,795	\$ 2,151,151
Operating	1,399,608	1,497,378	2,477,277	1,958,829	1,920,829
Capital	440,064	187,975	261,700	216,000	172,321
TOTAL	\$ 3,648,800	\$ 3,653,112	\$ 5,072,043	\$ 4,331,624	\$ 4,244,301

PERSONNEL DETAIL

	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Permanent Full-Time (PFT)	31.5	33.5	36.5	33.5	33.5
Temporary Part-Time (TPT)	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	32.5	34.5	39.5	36.5	36.5

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. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
2. Investigate entrepreneurial loan pool and funding options. **Outcome 3.5**
3. Participate with Rowan County in the development and implementation of a unified incentive plan to attract industry and business to Salisbury and Rowan County. **Outcome 3.6**

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.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Accounting (101)			
Workload			
Number of Checks Issued	6,707	6,250	6,300
Number of ACH Transactions (Payroll)	12,152	12,150	12,200
Number of Journal Entries	1,004	920	950
Efficiency			
Cost Per Check Issued	\$ 7.78	\$ 8.53	\$ 8.71
Cost Per ACH Transaction	\$ 1.71	\$ 1.74	\$ 1.78
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%	25%	25%
Customer Service (102)			
Workload			
Number of Utility Bills Generated	190,228	191,500	192,800
Number of Teller Transactions	135,653	143,792	132,288
Number of Non-Teller Transactions	51,552	55,676	27,838
Number of Telephone Transactions	76,420	81,200	87,900
Number of New Businesses Issued Privilege Licenses	333	340	355

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Customer Service (102) Cont.			
Efficiency			
Cost Per Utility Bill Issued	\$ 0.45	\$ 0.50	\$ 0.50
Cost Per Teller Transaction	\$ 0.61	\$ 0.56	\$ 0.58
Cost Per Telephone Transaction	\$ 1.76	\$ 1.47	\$ 1.54
Effectiveness			
Percent of Utility Bills Mailed Without Error	99.9%	99.9%	99.9%
Total Dollar Value of Tellers' Over & Short Account	\$ 15.87	\$ 4.90	\$ 8.75
Service-Related Complaints Per Telephone Transaction	0.01%	0.01%	0.01%

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 877,510	\$ 960,389	\$ 1,018,231	\$ 1,012,677	\$ 1,010,099
Operating	250,096	276,773	321,789	297,121	297,121
Capital	15,287	1,500	4,000	4,000	4,000
TOTAL	\$ 1,142,893	\$ 1,238,662	\$ 1,344,020	\$ 1,313,798	\$ 1,311,220

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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	0	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	.5	.5	.5
Account Clerk	2	2	2	2	2
Customer Service (102)					
Customer Service Supervisor	1	1	1	1	1
Asst Customer Svc Supervisor	0	0	1 ³	1 ³	1 ³
Customer Service Clerk Sr./I/II	6	6	5 ³	5 ³	5 ³
Customer Service Clerk (TPT)	1	1	2 ²	2 ²	2 ²
Mail Coordinator (TPT)	0	0	1 ²	1 ²	1 ²
Mail Coordinator (PFT)	<u>1</u>	<u>1</u>	<u>0</u> ²	<u>0</u> ²	<u>0</u> ²
TOTAL	17.5	18.5	19.5	19.5	19.5

¹ Position transferred from Police-Administration

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 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (000)			
Desk	\$ 2,000	\$ 2,000	\$ 2,000
Accounting (101)			
Desk	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Capital Outlay	\$ 4,000	\$ 4,000	\$ 4,000

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’s Resource Management System.
2. Implement Document Imaging System.
3. Implement a Goals Review and Tracking System.
4. Determine next steps for FTTH upon receipt of business plan.
5. Continue programming of Access 16.
6. Implement next phase of City-wide security system.
7. Continue installation and implementation of mobile data units in emergency fire vehicles.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Number of PCs Directly Supported	370	380	352
Average Number of Service Requests Per PC	4.5	5.4	7.1
Number of Servers Directly Supported	39	42	45
Average Number of Service Requests Per Server	1.2	1.1	1.1
Number of Applications Directly Supported	120	127	133
Total Number of Helpdesk Requests Received	1,652	2,064	2,500
Efficiency			
Number of PCs Supported Per Analyst	62	63	59
Number of Servers Supported Per Analyst	39	42	45
Number of Applications Supported Per Analyst	20	21	22
Number of Helpdesk Requests Processed Per Analyst	275	344	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)	2.4	2.5	2.50
Average Annual Network Availability *	99.0%	99.0%	99.0%
Percent of Helpdesk Requests Closed < One Day	45.0%	46.0%	47.0%

* Estimate designed to demonstrate network reliability
 "Computers" include PCs, laptops & MDTs

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 570,548	\$ 576,838	\$ 706,969	\$ 624,950	\$ 623,752
Operating	544,444	658,546	1,393,628	1,135,348	1,117,348
Capital	134,297	96,575	57,500	30,000	30,000
TOTAL	\$ 1,249,289	\$ 1,331,959	\$ 2,158,097	\$ 1,790,298	\$ 1,771,100

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (000)					
Information Technologies Manager	1	1	1	1	1
Technologies Services Technical Assistant	1	1	1	1	1
Operations (151)					
Web Designer	1	1	1	1	1
Systems Analyst	5	5	5	5	5
Systems Analyst-NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	8	8	9	8	8

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Operations (151)			
Upgrade Juniper SSL VPN appliance	\$ 7,500	\$ 7,500	\$ 7,500
Web software applications	25,000	10,000	10,000
Fax card - Clancy server	2,500	2,500	2,500
Uninterruptible Power Supply (UPS) phone upgrade	7,500	-	-
Office furniture	2,500	-	-
Video streaming	5,000	-	-
Network monitoring upgrade	5,000	-	-
Network test equipment upgrade	2,500	-	-
Non-Departmental (155)			
Council Chambers Sound System	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total Capital Outlay	\$ 57,500	\$ 30,000	\$ 30,000

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 training in purchasing policies and procedures as requested by user departments.
4. Continue to monitor and train users involving the transition to web-based accounting through a conversion to EAGLS software with Bank of America.
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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 111,725	\$ 129,423	\$ 122,437	\$ 121,542	\$ 121,175
Operating	10,730	10,676	9,973	9,873	9,873
Capital	-	-	-	-	-
TOTAL	\$ 122,455	\$ 140,099	\$ 132,410	\$ 131,415	\$ 131,048

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ 123,808	\$ 73,544	\$ 73,293
Operating	254,302	287,226	406,017	203,932	203,932
Capital	<u>271,292</u>	<u>79,500</u>	<u>153,500</u>	<u>150,000</u>	<u>123,321</u>
TOTAL	\$ 525,594	\$ 366,726	\$ 683,325	\$ 427,476	\$ 400,546

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Telecommunications Manager-NEW	0	0	1 ¹	1 ¹	1 ¹
Telecommunications Technician-NEW	<u>0</u>	<u>0</u>	<u>1¹</u>	<u>0²</u>	<u>0²</u>
TOTAL	0	0	2	1	1

¹ Position funded through elimination of contracts

² Position recommended in Public Services – Traffic Operations

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Service monitor	\$ 30,000	\$ 30,000	\$ 30,000
Mitel system software upgrade	6,000	6,000	6,000
Mitel controller upgrade	19,000	19,000	19,000
Spare parts for Quantar repeaters	15,000	15,000	15,000
Desk and Chairs	3,500	2,500	2,500
Phone sets	5,000	2,500	2,500
Security system - next phase	50,000	50,000	23,321
Replace mutual aid repeaters	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Capital Outlay	\$ 153,500	\$ 150,000	\$ 123,321

STATEMENT OF PURPOSE

To provide responsibility for buildings and facilities maintenance and repair as well as managing and coordinating buildings and facilities.

COUNCIL PERFORMANCE GOALS

1. Develop and implement a comprehensive customer service plan within the City organization. **Outcome 1.1**
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. **Outcome 8.1**

DEPARTMENTAL PERFORMANCE GOALS

1. Manage Buildings & Grounds and Building & Grounds Contracted Services line items.
2. Work with internal personnel and contractors to ensure that the Police and Fire Department designs satisfy operational requirements.
3. Perform owner representative responsibilities associated with the Police and Fire Department construction projects.
4. Increase knowledge of purchasing policies.
5. Facilitate and manage completion of special projects across departments as needed.
6. Improve customer service to departments served.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 249,022	\$ 301,109	\$ 361,621	\$ 324,082	\$ 322,832
Operating	23,821	42,030	105,106	78,837	58,837
Capital	1,987	-	-	-	-
TOTAL	\$ 274,830	\$ 343,139	\$ 466,727	\$ 402,919	\$ 381,669

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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	2	3 ¹	3	3	3
Sr Blg & Grnds Maint Worker–NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	5	6	7	6	6

Positions transferred from City Office Buildings and Plaza in FY2004-05

¹ New position funded through elimination of contract

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 323	\$ -	\$ -	\$ -	\$ -
Operating	316,215	222,127	240,764	233,718	233,718
Capital	<u>17,201</u>	<u>10,400</u>	<u>46,700</u>	<u>32,000</u>	<u>15,000</u>
TOTAL	\$ 333,739	\$ 232,527	\$ 287,464	\$ 265,718	\$ 248,718

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
City Office Building (000)			
Council Street parking lot repair	\$ 5,000	\$ 5,000	\$ -
Exterior cleaning/waterproofing	15,000	15,000	15,000
Third floor cabinetry	3,500	-	-
Zimmerman Building (250)			
First floor carpet	7,000	7,000	-
Basement renovation to add break area	5,000	-	-
City Hall (251)			
Storage cabinets-Planning Department	6,200	-	-
Salisbury West Community Center (252)			
Courtyard renovations	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Capital Outlay	\$ 46,700	\$ 32,000	\$ 15,000

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. Revise tenant guidelines.
3. Maintain the Plaza in a manner that complements Downtown Salisbury’s Master Plan and in accordance with Historical District guidelines.
4. Maintain 90% occupancy in retail, office, commercial and residential space.
5. Continue providing quality services to Plaza tenants.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 16,161	\$ 12,000	\$ -	\$ -	\$ -
Operating	106,804	161,977	2,202,911	176,389	176,389
Capital	<u>24,759</u>	<u>6,000</u>	<u>52,500</u>	<u>52,500</u>	<u>22,500</u>
TOTAL	\$ 147,724	\$ 179,977	\$ 2,255,411	\$ 228,889	\$ 198,889

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Appliance replacements	\$ 6,000	\$ 6,000	\$ 6,000
Refurbish apartments	6,000	6,000	6,000
Washer/dryer replacements	2,500	2,500	2,500
Repairs to accommodate HVAC change out	30,000	30,000	-
Paint trellis	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
Total Capital Outlay	\$ 52,500	\$ 52,500	\$ 22,500

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 1,009,536	\$ 1,084,599	\$ 1,293,921	\$ 1,135,449	\$ 1,132,104
Operating	1,047,732	2,934,708	3,359,918	2,069,990	2,070,018
Capital	<u>15,351</u>	<u>350,450</u>	<u>363,750</u>	<u>346,950</u>	<u>346,950</u>
TOTAL	\$ 2,072,619	\$ 4,369,757	\$ 5,017,589	\$ 3,552,389	\$ 3,549,072

PERSONNEL DETAIL

	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Permanent Full-Time (PFT)	17	18	21	18	18

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 ordinances 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. Complete the Land Development Ordinance. **Outcome 5**
2. Identify strategies to enhance the creative economy through a cultural resource audit, brand identification, and wayfinding signage. **Outcome 3**
3. Identify and initiate an “impact project” for the North Main Street neighborhood. **Outcome 2.3**

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. Assist with efforts to create a business incubator for Salisbury.
9. Provide appropriate training for all boards and commissions.
10. Identify properties within the City for future infill development.
11. Identify opportunities to support Vision 2020 through city operations.
12. Broker projects to improve housing in selected neighborhoods.
13. Conduct needs assessment to identify additional selected neighborhood(s).
14. Provide staff support to the Planning Board.
15. Provide staff support and assistance to the Community Appearance Commission.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Rezoning Requests Processed	17	22	25
Certificates of Appropriateness (COA) Requested	65	60	64
Certificates of Minor Works (CMW) by Committee Requested	37	40	42
Certificates of Minor Works (CMW) by Staff Requested	76	82	85
Efficiency			
Average Number of Processing Days Per Rezoning Request	40	40	40
Average Number of Days for Issuance a COA	16	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	47%	50%	50%
Percent of COA Requests Approved	97%	94%	94%
Percent of CMW by Committee Requests Approved	98%	98%	99%
Percent of CMW by Staff Requests Approved	98%	98%	99%

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 310,069	\$ 322,367	\$ 407,960	\$ 340,677	\$ 339,799
Operating	296,893	340,500	983,604	321,914	306,114
Capital	-	-	-	-	-
TOTAL	\$ 606,962	\$ 662,867	\$ 1,391,564	\$ 662,591	\$ 645,913

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 Customer Resource Management software.
6. Implement ArcSDE enterprise GIS data storage solution.
7. Complete priority GIS data layers.
8. Coordinate with other City staff to implement electronic project tracking.
9. Provide GIS training for City staff.
10. Update GIS strategic plan.
11. Assist Utilities GIS with inventory of water and sewer infrastructure.
12. Assist Fire Department with creation of data layers for improved pre-planning and fire response.
13. Assist Police Department with maintenance of data layers for computer aided dispatch.
14. Develop metadata for all City data layers.
15. Maintain international GIS certification through the Geographic Information Systems Certification Institute.
16. Implement online GIS applications.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Number of Parcel Notifications Processed	5,623	6,000	6,000
Efficiency			
Average Processing Time Per Parcel Notification (minutes)	0.34	0.30	0.30
Effectiveness			
Hours Saved by Automating the Parcel Notification Process (GIS)	155	170	170

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 65,510	\$ 61,964	\$ 113,936	\$ 64,267	\$ 64,137
Operating	65,988	85,657	196,182	105,094	105,094
Capital	-	-	16,950	1,950	1,950
TOTAL	\$ 131,498	\$ 147,621	\$ 327,068	\$ 171,311	\$ 171,181

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Systems Analyst I	1	1	1	1	1
GIS Mapping Technician – NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	1	1	2	1	1

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
GIS computer for new technician	\$ 2,500	\$ -	\$ -
Additional Arc Info license	7,500	-	-
Additional hard drives for storage area network	5,000	-	-
Additional memory for training room computers	1,950	1,950	1,950
Total Capital Outlay	<u>\$ 16,950</u>	<u>\$ 1,950</u>	<u>\$ 1,950</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. Continue to evaluate and streamline the “one stop shop” permitting process. **Outcome 10**

DIVISIONAL PERFORMANCE GOALS

1. Continue zoning, group development administration, review, and enforcement.
2. Continue staffing the Historic Preservation Commission, Planning Board, and the Zoning Board of Adjustment.
3. Continue to assist in the development of the Geographic Information System (GIS) capability within the Division.
4. Continue to monitor and improve plan review.
5. Continue to monitor, improve, and upgrade files.
6. Continue 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. Continue to administer and update the City’s street address system.
9. Continue to provide customer service to developers, contractors, and the general public in securing the appropriate permits and approvals.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Group Development Plans (GDP) Submitted	42	20	25
Efficiency			
Average Days Elapsed Between GDP Submittal & Approval	24	27	27
Effectiveness			
Percent of GDP Approved as Presented	5%	2%	2%
Percent of GDP Approved with Modifications	95%	98%	98%
Percent of GDP Denied	0%	0%	0%

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 188,564	\$ 217,337	\$ 267,542	\$ 229,730	\$ 228,745
Operating	148,044	196,772	202,350	197,311	213,139
Capital	-	-	1,800	-	-
TOTAL	\$ 336,608	\$ 414,109	\$ 471,692	\$ 427,041	\$ 441,884

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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	5	5	6	5	5

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Desk and chair for new position	\$ 1,800	\$ -	\$ -
Total Capital Outlay	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ -</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. Foster a customer service attitude among all City workers. **Outcome 1**
2. Implement strategies to recruit employees from diverse populations. **Outcome 6.1**
3. Incorporate the “Good to Great” concepts into the City’s culture. **Outcome 8.1**
4. Review construction standards. **Outcome 10.1**
5. Seek local permitting authority for utility extensions. **Outcome 10.2**
6. Develop a communication plan for sharing development processes and ordinances with stakeholders. **Outcome 10.4**
7. Prepare East Innes Street streetscape plan. **Outcome 5.2**

DIVISIONAL PERFORMANCE GOALS

1. Implement a comprehensive sidewalk program.
2. Coordinate projects with NCDOT (I-85 widening, Innes Street bridge replacement, TEA 21 Grants, Highway 70 widening, Ellis Street bridge replacement, 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. Consider smart growth standards and incentives.
8. Implement recommendations of Downtown Salisbury, Inc. Parking Committee.
9. Implement a traffic calming program.
10. Implement a comprehensive sidewalk program.

PERFORMANCE MEASURES

	<u>FY-2005</u> <u>Actual</u>	<u>FY-2006</u> <u>Estimate</u>	<u>FY-2007</u> <u>Projected</u>
Workload			
Subdivision Construction Documents (CD) Submitted	3	4	5
Efficiency			
Average Number of Days CD Plans Reviewed By City Staff	59	59	59
Average Number of Days CD Plans Processed By Developer	247	247	247

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 445,393	\$ 482,931	\$ 504,483	\$ 500,775	\$ 499,423
Operating	227,521	1,958,455	1,619,962	1,100,801	1,100,801
Capital	15,351	350,450	345,000	345,000	345,000
TOTAL	\$ 688,265	\$ 2,791,836	\$ 2,469,445	\$ 1,946,576	\$ 1,945,224

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY05-06	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	4	5 ¹	5	5	5
Senior Office Assistant	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	6	7	7	7	7

¹ One position transferred from Water & Sewer Fund

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Ellis Street Bridge design	\$ 255,000	\$ 255,000	\$ 255,000
Ellis Street Bridge right-of-way acquisition	90,000	90,000	90,000
Total Capital Outlay	<u>\$ 345,000</u>	<u>\$ 345,000</u>	<u>\$ 345,000</u>

STATEMENT OF PURPOSE

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

COUNCIL PERFORMANCE GOALS

1. Adopt standards and ordinances that support implementation of Vision 2020. **Outcome 5**
2. Identify opportunities to support Vision 2020 through City operations. **Outcome 5**
3. Review construction standards. **Outcome 10.1**

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	309,286	353,324	357,820	344,870	344,870
Capital	-	-	-	-	-
TOTAL	\$ 309,286	\$ 353,324	\$ 357,820	\$ 344,870	\$ 344,870

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-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Number of Sworn Police Officers (Authorized Positions) ^	82	84	84
Total Incoming Calls (911, Direct-Dial, Information-Seeking, etc.)^^	137,039	87,765	89,025
Number of 'False Alarm' Police Responses (calls coded 2, 4 or 5)	2,887	2,949	2,500
All Part I Crimes Reported (homicide, assault, robbery, larceny, etc.)	2,397	2,212	2,150
Departmental Internal Affairs (IA) Investigated Complaints	36	51	45
Efficiency			
Number of Sworn Police Officer Vacancies (all causes)	6	8	8
Calls Resulting In A Dispatch (including walk-ins and officer initiated)	34,904	34,091	34,000
Cost Per False Alarm Response	\$ 42.41	\$ 45.00	46.00
Part I Crimes Investigated By Criminal Investigations Division (CID)^^^	255	258	250
IA Complaints Sustained	9	11	10
Effectiveness			
Departmental Turn-Over Rate (Sworn Police Officers)	7.3%	9.5%	9.5%
Percent of Incoming Calls That Result in an Officer Dispatch	25.5%	38.8%	38.2%
Dispatches Coded 'False Alarm' (as a Percent of Total Dispatches)	8.3%	8.7%	7.4%
CID Part I Case Clearance Rate ^^^^	37.0%	42.0%	40.0%
IA Complaints Sustained as a Percent of Total IA Complaints Filed	25.0%	21.6%	22.2%

Notes

- ^ Council authorized two new patrol positions due to the 6/30/05 annexation
- ^^ Phone recorder system over-stated the number of incoming calls in FY-05
- ^^^ Patrol investigates **all** crime. CID is used for the most serious cases or when limited evidence exists
- ^^^ Defined as: cases cleared through arrest, cases declared unfounded, or when prosecution is declined

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 5,074,156	\$ 5,401,048	\$ 5,753,833	\$ 5,516,731	\$ 5,499,094
Operating	994,416	1,432,541	1,448,912	1,309,546	1,290,046
Capital	176,967	94,762	26,670	5,570	5,570
TOTAL	\$ 6,245,539	\$ 6,928,351	\$ 7,229,415	\$ 6,831,847	\$ 6,794,710

PERSONNEL DETAIL

	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
Permanent Full-Time (PFT)	100	102	107	102	102
Temporary Part-Time (TPT)	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>3</u>
TOTAL	103	105	109	105	105

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. Continue to assist patrol operations with the implementation of the TraC (crash reports), E-citation and arrest modules used in the Mobile Data Terminals.
2. Continue to increase the number of local community college, high school and college contacts for recruiting efforts.
3. Increase the number of recruiting events attended.
4. Conduct bi-annual in-service driver’s training for sergeants and officers.
5. Implement additional mandated firearms training for sworn officers.
6. Expand the D.A.R.E. program to Knox Middle School.
7. Reduce calls for service dispatch priority levels from 7- 4.
8. Review Animal Control ordinances and make recommendations for changes.
9. Bar code all items in the property and evidence system.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 1,014,889	\$ 1,107,823	\$ 1,113,281	\$ 1,104,317	\$ 1,100,392
Operating	201,746	510,717	322,961	241,350	241,350
Capital	48,981	-	8,670	2,570	2,570
TOTAL	\$ 1,265,616	\$ 1,618,540	\$ 1,444,912	\$ 1,348,237	\$ 1,344,312

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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
Communications (302)					
Police Telecommunicator	10	10	10	10	10
Police Telecommunicator (TPT)	1	1	1	1	1
Community Service (303)					
Community Services Officer	1	1	1	1	1
Master Police Officer (Victim’s Advocate)	1	1	1	1	1

	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Evidence & Identification (304)					
Police Evidence & Property Custodian (MPO)	1	1	1	1	1
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	1	1	1
Senior Office Assistant	<u>0</u>	<u>1¹</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	24	25	25	25	25

¹ Moved from Police-Field Operations-CID

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Communications (302)			
Replacement of work chairs	\$ 2,570	\$ 2,570	\$ 2,570
Four touch screens (CML equipment)	6,100	-	-
Total Capital Outlay	<u>\$ 8,670</u>	<u>\$ 2,570</u>	<u>\$ 2,570</u>

STATEMENT OF PURPOSE

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

COUNCIL PERFORMANCE GOALS

1. Improve neighborhoods and safety for all areas of the City. **Outcome 2**
2. Improve overall management of City and departments. **Outcome 8**
3. Attract, retain and develop high quality City employees. **Outcome 6**

DIVISIONAL PERFORMANCE GOALS

1. Continue to support and build upon the success of Project SAFE and the Crime Control Plan.
2. Review the department’s case management process and implement identified improvements.
3. Adjust the number of call priorities.
4. Increase minority recruitment.
5. Develop new patrol personnel allocation standards based on commitment time.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 315,650	\$ 337,317	\$ 351,953	\$ 329,997	\$ 329,398
Operating	116,060	183,571	191,115	176,102	171,602
Capital	-	-	15,000	-	-
TOTAL	\$ 431,710	\$ 520,888	\$ 558,068	\$ 506,099	\$ 501,000

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (000)					
Police Chief	1	1	1	1	1
Police Planner	1	1	1	1	1
Fiscal Analyst	1	0 ²	0	0	0
Finance Specialist	0	1	1	1	1
Police Lieutenant-Professional Stds	1	1	1	1	1
Project Safe Grant (315)					
Project SAFE Coordinator (TPT) Grant Funded	1 ¹	1 ¹	0	0	0
Community Resource Specialist (PFT) – NEW	0	0	1	0	0
Community Resource Specialist (Project SAFE) – (TPT) Non Grant Funded - NEW	0	0	0	1	1
TOTAL	5	5	5	5	5

¹ Position funded by grant

² Transferred to Management Services-Administration

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Update outdated office furnishings	\$ 15,000	\$ -	\$ -
Total Capital Outlay	\$ 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. Conduct bi-annual Weapons of Mass Destruction and disaster preparedness exercises with City Fire, Public Services, Salisbury-Rowan Utilities and Rowan County public safety providers to test, evaluate, and maintain our local emergency preparedness.
3. Conduct weekly specialized traffic enforcement operations to address speeding, hazardous-reckless vehicle operation and high collision intersections at specific locations within the City.
4. Implement a Spanish language and cultural awareness course of instruction for Police Officers to enhance the quality and delivery of police services to our citizens.
5. Implement the automated FBI-AFIS Fingerprint Classification System in our Crime Lab.
6. Train and certify four School Resource Officers in the Gang Resistance and Education Training Program (GREAT).
7. Enhance the Special Response Team’s tactical response capabilities with the addition of a night scope for the counter-sniper weapon systems.
8. Identify, train and certify additional Vehicle Accident Reconstructionist.
9. Identify, train and certify additional polygraph examiner.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 3,743,617	\$ 3,955,908	\$ 4,288,599	\$ 4,082,417	\$ 4,069,304
Operating	676,610	738,253	934,836	892,094	877,094
Capital	<u>127,986</u>	<u>94,762</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
TOTAL	\$ 4,548,213	\$ 4,788,923	\$ 5,226,435	\$ 4,977,511	\$ 4,949,398

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Operations Administration (320)					
Deputy Police Chief	1	1	1	1	1
Police Officer I- ANNEXATION	0	2 ¹	0 ²	0 ²	0 ²
District I (321)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	3	3	3	3	3
Police Officer I/II/MPO	24	24	24	24	24
District II (322)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	3	3	3	3	3
Police Officer I/II/MPO	21	21	23 ²	23 ²	23 ²
Police Officer I/II/MPO - NEW	0	0	2	0	0
District III (323)					
Police Lieutenant	1	1	1	1	1
Police Officer I/II/MPO	3	3	3	3	3

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Criminal Investigations (326)					
Police Lieutenant	1	1	1	1	1
Police Sergeant	1	1	1	1	1
Police Officer I/II/MPO	11	11	11	11	11
Police Officer I/II/MPO - NEW	0	0	2	0	0
Senior Office Assistant	1	0 ³	0	0	0
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	74	75	79	75	75

¹ Positions added for 6/30/2005 Annexation

² Positions transferred within the department

³ Position transferred to Police-Support Services

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Field Operations Administration (320)			
PD-4 handheld electronic multi-lingual translator	\$ 3,000	\$ 3,000	\$ 3,000
Total Capital Outlay	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

STATEMENT OF PURPOSE

To provide capable, well-trained personnel and necessary equipment to suppress fires and effectively manage hazardous materials accidents that may occur in our community related to transportation or industry. To provide rescue services as needed and life support through an updated First Responder Program. To continue to work toward a more fire-safe community through loss prevention activities, including minimum housing responsibilities, building inspections, code enforcement, and public education programs.

DEPARTMENTAL PERFORMANCE GOALS

1. Coordinate the development and publishing of a City-wide Emergency Preparedness Plan.
2. Increase the use of Access 16 to educate the public in emergency preparedness and fire safety.
3. Complete the mobile data computer program for pre-fire planning.
4. Participate in the city’s recruiting and retention “Mission Possible” committee.
5. Develop and administer a cross-training program to develop all Battalion Chief level officers in all specialized fire service fields including loss prevention, investigations, training, safety, administration and fire control.
6. Develop protocols for the part-time prime-time fire units.
7. Provide Company Officer certification program to all company officers.
8. Place the new fire station in service.
9. Mitigate hazards and emergencies by rapidly responding to all request for service with highly skilled, professional members and adequate and effective equipment.
10. Provide public safety education and hazard prevention services to our community.
11. Provide member professional development that enhances and ensures professional and proficient services to our citizens.
12. Work in an excellent avocation ever mindful of fiscal responsibility.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
EMS / Rescue Responses	1,979	2,177	2,395
Fire Responses	176	178	180
False Alarm Responses	405	409	414
Service Calls	168	170	172
Hazardous Material Responses	198	200	202
Overpressure or Explosion (no fire) Responses	30	33	34
Good Intent Calls	285	308	308
Total Calls	3,242	3,475	3,705
Average Calls Per Day	8.9	9.0	9.0
Average Time Spent Per Call (minutes)	28.2	29.0	30.0
Average Hours of Call Workload (in 24 hours)	4.2	4.3	4.4
Average Training Hours per Firefighter per Day	2.4	3.0	3.0
Total Fire Control Training Hours	19,688	21,462	21,462
Public Education Events	84	100	110
Fire Hydrants Tested	1,743	1,767	1,787
Land Area Serviced (square miles)	19.91	20.23	20.50
People Protected	29,260	29,426	29,526

	FY-2005 Actual	FY-2006 Estimate	FY-2007 Projected
Efficiency			
Annual FD Cost (not including indirect costs)	\$4.34 Million	\$4.35 Million	\$4.36 Million
Cost Per Response (average)	\$ 1,340	\$ 1,341	\$ 1,342
Fire Department Cost Per Citizen Per Day	\$ 0.41	\$ 0.41	\$ 0.41
Fire Stations	3	4	4
Fire Station Coverage (average in square miles)	6.64	5.06	5.13
Firefighters Per Shift Strength	19	22	22
Firefighters Per 100 Calls for Service	0.59	0.63	0.59
Firefighters Per 1,000 Population	0.65	0.75	0.75
Total Dollar Value of All Property Protected	\$2.21 Billion	\$2.27 Billion	\$2.31 Billion
Firefighters Per \$100 Million of Property Protected	0.86	0.97	0.95
Effectiveness			
Fire Injuries - Civilian	5	0	0
Fire Injuries - Firefighter	0	0	0
Fire Deaths - Civilian	0	0	0
Fire Deaths - Firefighter	0	0	0
Fire Loss (Dollars)	\$ 524,297	\$ 246,323	\$ 273,418
False Alarm Responses As a % of Total Responses	12.5%	12.0%	9.0%
ISO Class Rating	2	2	2
Pre-Fire Plans Completed	260	1,040	1,300
On-Scene Time % within 5 Minutes	52%	60%	80%

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 3,168,446	\$ 3,204,669	\$ 3,781,122	\$ 3,655,632	\$ 3,641,578
Operating	660,405	1,890,499	940,864	756,654	756,654
Capital	389,424	151,867	499,303	175,954	175,954
TOTAL	\$ 4,218,275	\$ 5,247,035	\$ 5,221,289	\$ 4,588,240	\$ 4,574,186

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Fire Administration (000)					
Fire Chief	1	1	1	1	1
Assistant Fire Chief	1	1	0 ⁵	0 ⁵	0 ⁵
Fire Logistics Officer (Captain)	1	1	1	1	1
Office Assistant	1	1	1	1	1
Battalion Chief Administration – NEW	0	0	1 ⁵	1 ⁵	1 ⁵
Fire Station #54 (350)					
Fire Captain	0	3 ¹	3	3	3
Fire Control Specialist I/II	0	6 ^{1,2}	6	6	6
Fire Engineer	0	3 ²	3	3	3
Temporary Firefighter (TPT) – NEW	0	0	1 ⁴	1 ⁴	1 ⁴
Temporary Firefighter (TPT)	0	4 ¹	4	4	4

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Fire Station #51 (351)					
Battalion Chief	3	3	3	3	3
Fire Captain	6	6	6	6	6
Fire Captain/Investigation/Inspection Specialist	0	0	3 ²	3 ²	3 ²
Fire Control Specialist I/II	15	15	12 ²	12 ²	12 ²
Fire Engineer	6	6	6	6	6
Fire Station #52 (352)					
Fire Captain	3	3	3	3	3
Fire Control Specialist I/II	6	3 ²	6	6	6
Fire Engineer	6	3 ²	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	1	0 ⁵	0 ⁵	0 ⁵
Battalion Chief	0	0	1 ⁵	1 ⁵	1 ⁵
Fire Investigation/Inspection Specialist	2	3 ³	1 ²	1 ²	1 ²
Training Division (357)					
Battalion Chief	1	1	1	1	1
Fire Projects Analyst	1	1	1	1	1
Fire Training Captain – NEW	0	0	1	0	0
Public Educator Captain - NEW	0	0	1	0	0
Minimum Housing/Code Enforcement (358)					
Fire Investigation/Inspection Specialist	1	1	0 ²	0 ²	0 ²
Minimum Housing/Inspection Specialist	<u>1</u>	<u>0³</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	68	78	81	79	79

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

² Position transferred between cost centers

³ Position reclassified and transferred

⁴ For 6/30/06 Annexation

⁵ Position reclassified

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Fire Administration (000)			
Digital dispatch CAD interface	38,882	38,882	38,882
Knox box security	7,600	7,600	7,600
10% FEMA match	37,180	-	-
Building improvements	30,000	-	-
ISO Equipment	8,000	8,000	8,000
New Fire Station #54 (350)			
Essential furniture and equipment	334,399	100,000	100,000
Fire Station #51 (351)			
Firecom System	14,572	14,572	14,572
Electric Positive Pressure Ventilation fans	10,770	-	-
Fire Station #52 (352)			
Food lockers	900	900	900
Treadmill	6,250	-	-
Fire Station #53 (353)			
Decon washer	6,000	6,000	6,000
Training (357)			
Global Positioning System (GPS) unit	4,750	-	-
Total Capital Outlay	<u>\$ 499,303</u>	<u>\$ 175,954</u>	<u>\$ 175,954</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 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Personnel	\$ 3,650,212	\$ 3,787,667	\$ 4,067,438	\$ 4,023,238	\$ 3,981,095
Operating	2,505,559	2,901,073	3,660,699	3,647,500	3,633,228
Capital	<u>34,393</u>	<u>66,750</u>	<u>181,219</u>	<u>73,619</u>	<u>73,619</u>
TOTAL	\$ 6,190,164	\$ 6,755,490	\$ 7,909,356	\$ 7,744,357	\$ 7,687,942

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Permanent Full-Time (PFT)	79.5	82	84	84	84
Permanent Part-Time (PPT)	2	0	0	0	0
Temporary Full-Time (TFT)	<u>4</u>	<u>4</u>	<u>5</u>	<u>4</u>	<u>4</u>
TOTAL	85.5	86	89	88	88

DEPARTMENT - Public Services
DIVISION – Administration

560

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 219,083	\$ 226,215	\$ 228,630	\$ 226,951	\$ 226,324
Operating	31,531	22,863	79,297	62,382	52,382
Capital	-	6,100	1,300	-	-
TOTAL	\$ 250,614	\$ 255,178	\$ 309,227	\$ 289,333	\$ 278,706

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Replace floor tiles at Public Services Admin office	\$ 1,300	\$ -	\$ -
Total Capital Outlay	\$ 1,300	\$ -	\$ -

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 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-2002	FY-2003	FY-2004	FY-2005	FY-2006
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>
Miles of Pavement Markings Repainted	24.5	40.5	43	36	12.4
Traffic Signal Bulbs Replaced	1081	1,179	1,727	1219	661
Traffic Studies Completed	67	85	80	84	171
Signs Repaired	629	660	497	608	609

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	<u>FY04-05</u>	<u>FY05-06</u>	<u>FY06-07</u>	<u>FY06-07</u>	<u>FY06-07</u>
Personnel	\$ 364,699	\$ 390,881	\$ 395,914	\$ 442,701	\$ 440,968
Operating	111,694	123,652	170,519	140,018	140,018
Capital	<u>6,005</u>	<u>6,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
TOTAL	\$ 482,398	\$ 520,533	\$ 590,433	\$ 606,719	\$ 604,986

PERSONNEL DETAIL

Position Title	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 06-07</u>	<u>FY 06-07</u>
Traffic Operations Manager	1	1	1	1	1
Signs and Marking Crewleader	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 -NEW	<u>0</u>	<u>0</u>	<u>0</u>	<u>1¹</u>	<u>1¹</u>
TOTAL	8	8	8	9	9

¹ Position funded through elimination of contracts

CAPITAL OUTLAY

	Requested	Mgr Recommends	Adopted
	<u>FY 06-07</u>	<u>FY 06-07</u>	<u>FY 06-07</u>
Replace malfunctioning monitor unit	\$ 9,000	\$ 9,000	\$ 9,000
Sign-making equipment	15,000	15,000	15,000
Total Capital Outlay	\$ 24,000	\$ 24,000	\$ 24,000

STATEMENT OF PURPOSE

To plan, implement and manage the construction and maintenance of all City streets, sidewalks, drainage system 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.

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-2002	FY-2003	FY-2004	FY-2005	FY-2006
	Actual	Actual	Actual	Actual	Estimate
Lane Miles of Streets Paved	9.6	5.0	11.5	10.4	14.8
Lane Miles of Streets Maintained	294	294	308	320	325
Potholes Filled	574	629	914	800	650
Driveways	73	50	35	40	30
Sidewalks Replaced / Repaired - Feet	7,511	6,333	9,760	7,000	7,500
Curb & Gutter - Feet	3,246	906	4,435	3,500	3500
New Handicap Ramps	37	40	100	100	110

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 906,085	\$ 1,023,669	\$ 1,060,526	\$ 1,052,253	\$ 1,048,179
Operating	781,236	1,029,287	1,194,286	1,347,515	1,347,515
Capital	4,686	11,500	96,000	18,000	18,000
TOTAL	\$ 1,692,007	\$ 2,064,456	\$ 2,350,812	\$ 2,417,768	\$ 2,413,694

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (000)					
Street Maintenance Manager	1	1	1	1	1
Street Maintenance (420)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	3	3	3	3	3
Street Maintenance Worker I/II	2	2	2	2	2
Equipment Operator I-ANNEXATION	0	1 ¹	0 ²	0 ²	0 ²
Concrete Construction (421)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	3	2	2	2	2
Street Maintenance Worker I/II	1	2	2	2	2
Street Cleaning (422)					
Street Maintenance Supervisor	1	1	1	1	1
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	23	24	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

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Street Administration (000)			
Equipment storage - landfill	\$ 30,000	\$ -	\$ -
Enclose bay - Street Division	30,000	-	-
Street Maintenance (420)			
Asphalt saw	1,500	1,500	1,500
Compaction tamp	3,000	3,000	3,000
Concrete Construction (421)			
Concrete forms	2,000	2,000	2,000
Concrete saw	1,500	1,500	1,500
Bridge/Winter Maintenance (427)			
Material spreader	10,000	10,000	10,000
Salt brine application tank	10,000	-	-
Salt brine storage tank	8,000	-	-
Total Capital Outlay	<u>\$ 96,000</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>

STATEMENT OF PURPOSE

To operate, maintain and develop seven municipal cemeteries totaling 78.6 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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 156,980	\$ 182,587	\$ 182,272	\$ 181,003	\$ 180,390
Operating	60,611	61,495	81,925	70,920	70,920
Capital	3,120	9,700	13,500	1,400	1,400
TOTAL	\$ 220,711	\$ 253,782	\$ 277,697	\$ 253,323	\$ 252,710

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Install dropped ceiling in Chestnut Hill shop building	\$ 5,100	\$ -	\$ -
Paint exterior of Chestnut Hill bay building	2,400	-	-
Purchase two (2) riding lawn mowers	2,800	1,400	1,400
Purchase a side discharge deck for 1145 mower	3,200	-	-
Total Capital Outlay	\$ 13,500	\$ 1,400	\$ 1,400

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.

PERFORMANCE MEASURES

	FY-2002	FY-2003	FY-2004	FY-2005	FY-2006
	Actual	Actual	Actual	Actual	Estimate
City-Collected Garbage - Tons	8,400	8,357	8,500	8,750	9,200
Commercial Garbage Collection - Tons	12,200	12,000	11,334	11,100	10,000
Residential Recycling - Tons	2,248	1,957	2,057	1,900	1,700
Cardboard Collected for Recycling - Tons	400	400	400	400	Contracted

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 490,974	\$ 509,508	\$ 525,503	\$ 510,939	\$ 508,974
Operating	989,935	1,078,925	1,321,098	1,279,521	1,279,521
Capital	<u>645</u>	<u>-</u>	<u>11,450</u>	<u>1,500</u>	<u>1,500</u>
TOTAL	\$ 1,481,554	\$ 1,588,433	\$ 1,858,051	\$ 1,791,960	\$ 1,789,995

PERSONNEL DETAIL

Position Title	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
Solid Waste Manager	1	1	1	1	1
Solid Waste Operations Supervisor	1	1	1	1	1
Solid Waste Equipment Operator	8	8	9	9	9
Solid Waster Equipment Operator for ANNEXATION	<u>0</u>	<u>1¹</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	10	11	11	11	11

¹ Position added for 6/30/2005 Annexation

CAPITAL OUTLAY

	Requested	Mgr Recommends	Adopted
	FY 06-07	FY 06-07	FY 06-07
Paint shop walls	\$ 4,600	\$ 750	\$ 750
Replace ceiling tiles	3,200	750	750
Replace flooring	<u>3,650</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ 11,450	\$ 1,500	\$ 1,500

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 359,439	\$ 313,829	\$ 359,569	\$ 356,746	\$ 355,148
Operating	95,070	114,493	175,718	114,115	114,115
Capital	-	-	-	-	-
TOTAL	\$ 454,509	\$ 428,322	\$ 535,287	\$ 470,861	\$ 469,263

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Limb/Yard Waste Collection (423)					
Street Maintenance Supervisor	1	1	1	1	1
Equipment Operator I/II	2	2	3 ¹	3 ¹	3 ¹
Street Maintenance Worker I/II	3	3	3	3	3
Leaf Collection (424)					
Equipment Operator I/II	1	2	2	2	2
Street Maintenance Worker I/II	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	8	8	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, 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-2002	FY-2003	FY-2004	FY-2005	FY-2006
	Actual	Actual	Actual	Actual	Estimate
Miles of Right-of-Way Maintained	N/A	N/A	N/A	100	110
Acres of Contract Mowing Responsibility	N/A	N/A	N/A	57.8	59.0
Trees Maintained	N/A	N/A	N/A	280	364
Number of Additional Projects (medians, etc.)	N/A	N/A	N/A	5	5

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 401,266	\$ 415,379	\$ 468,316	\$ 464,674	\$ 462,723
Operating	140,543	142,478	160,337	148,633	148,633
Capital	3,168	6,550	5,069	5,069	5,069
TOTAL	\$ 544,977	\$ 564,407	\$ 633,722	\$ 618,376	\$ 616,425

PERSONNEL DETAIL

Position Title	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
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	6	6	6	6
Grounds Maint. Worker I - NEW	0	0	1	1	1
Contract Mowing (460)					
Grounds Maintenance Worker I/II	2	2	2	2	2
Seasonal Worker (TFT)	2	2	2	2	2
TOTAL	12	12	13	13	13

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Paint rail at Robertson Eastern Gateway Park	<u>5,069</u>	<u>5,069</u>	<u>5,069</u>
Total Capital Outlay	\$ 5,069	\$ 5,069	\$ 5,069

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
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).

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 77,886	\$ 81,503	\$ 91,394	\$ 86,222	\$ 85,990
Operating	21,062	34,964	54,704	28,147	28,147
Capital	-	10,000	-	-	-
TOTAL	\$ 98,948	\$ 126,467	\$ 146,098	\$ 114,369	\$ 114,137

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Park Curator (PFT)	0	2 ^{1,2}	2	2	2
Park Curator (PPT)	1	0 ¹	0	0	0
Sr. Grounds Maintenance Worker	1	0 ²	0	0	0
Grounds Maint. Worker (PPT)	1	0 ¹	0	0	0
Seasonal Worker (TFT) – NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	3	2	3	2	2

¹ Two Perm/Part-Time positions combined into one Perm/Full-Time position

² Position reclassified

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 673,800	\$ 644,096	\$ 755,314	\$ 701,749	\$ 672,399
Operating	100,307	79,798	109,697	95,236	93,408
Capital	16,769	16,900	29,900	23,650	23,650
TOTAL	\$ 790,876	\$ 740,794	\$ 894,911	\$ 820,635	\$ 789,457

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Fleet Services Manager	1	1	1	1	1
Fleet Services Supervisor	1	1	1	1	1
Fleet Service Shift Supervisor	.5 ¹	0 ²	0	0	0
Mechanic/Master Mechanic	7	7	7	7	7
Automotive Service Technician	1	1	1	1	1
Parts Manager	1	1	1	1	1
Mechanic - NEW	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>
TOTAL	11.5	11	12	11	11

¹ Position half funded in Transit Fund

² Position fully funded in Transit Fund

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
18,000 lb shop lift	\$ 15,000	\$ 15,000	\$ 15,000
Platform ladder	1,800	-	-
Update NGS equipment	2,500	2,500	2,500
Shelving for parts storage	1,900	950	950
State inspection update	1,200	1,200	1,200
Update scanner software	2,000	2,000	2,000
Update Mitchell on Demand software	2,000	2,000	2,000
Tool set	3,500	-	-
Total Capital Outlay	\$ 29,900	\$ 23,650	\$ 23,650

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	173,570	213,118	313,118	361,013	358,569
Capital	-	-	-	-	-
TOTAL	\$ 173,570	\$ 213,118	\$ 313,118	\$ 361,013	\$ 358,569

DEPARTMENT – Education

641

STATEMENT OF PURPOSE

To provide for funding the Supplementary Education System.

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	881,989	954,833	1,213,893	1,271,891	1,271,891
Capital	-	-	-	-	-
TOTAL	\$ 881,989	\$ 954,833	\$ 1,213,893	\$ 1,271,891	\$ 1,271,891

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.

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. Support and promote crime presentation effort through youth involvement in Parks and Recreation programs.
4. Support and promote environmental education and healthy lifestyles through increased awareness of the Parks and Recreation programs, parks, and facilities.
5. Support the open space standards review process.
6. Conduct department assessment through “Good to Great” training and develop strategic plan.

PERFORMANCE MEASURES

	<u>FY-2005</u> <u>Actual</u>	<u>FY-2006</u> <u>Estimate</u>	<u>FY-2007</u> <u>Projected</u>
Workload			
Acres of Park Space Owned	505	507	507
Acres of Park Space Maintained ^	250	252	300
Yards of Greenway Maintained	6,983	12,773	16,000
Number of Athletic Fields and Athletic Surfaces Maintained	28	28	30
Number of Recreational Programs Administered	782	750	765
Number of Recreational Program Participations *	150,945	162,000	165,000
Number of Maintenance and Safety Inspections Conducted	9,600	9,600	10,000
Number of Volunteer Hours Utilized	4,489	4,500	4,600
Number of Inmate Hours Utilized	1,100	1,200	1,200
Efficiency			
Cost Per Acre Maintained	\$ 27	\$ 30	\$ 32
Cost Per 1,000 Yards of Greenway Maintained	\$ 5,000	\$ 5,250	\$ 5,512
Cost Per Athletic Field and Athletic Surface Maintained	\$ 1,607	\$ 1,687	\$ 1,771
Cost Per Recreational Program Administered	\$ 70	\$ 73	\$ 71
Program FTEs Per 1,000 Program Participations	0.1086	0.1012	0.0993
Cost per Maintenance and Safety Inspection Performed	\$ 6	\$ 7	\$ 8
Cost Per Volunteer Hour	no significant costs		
Cost Per Inmate Hour	\$ 0.14	\$ 0.12	\$ 0.13
Effectiveness			
Percent of City Devoted to Parks, Recreation and Greenway	3.9%	3.9%	3.8%
City-wide Average for Athletic Field / Surface Availability	95%	95%	95%
Participations Per Program	193	216	215
Percent of Program Participants Identified as City Residents	69%	70%	72%
City-wide Average for Equipment & Facilities Availability **	97%	97%	97%
Estimated Departmental Savings Through Use of Volunteers	\$44,890	\$45,000	\$45,000
Estimated Departmental Savings Through Use of Inmates	\$16,500	\$18,000	\$18,000

^ 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.

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

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 1,159,329	\$ 1,223,881	\$ 1,316,622	\$ 1,308,037	\$ 1,304,136
Operating	638,202	574,315	659,743	598,579	600,766
Capital	94,941	103,575	403,600	107,000	107,000
TOTAL	\$ 1,892,472	\$ 1,901,771	\$ 2,379,965	\$ 2,013,616	\$ 2,011,902

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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
B&G Maintenance Worker I/II-Greenway	1	1	0 ¹	0 ¹	0 ¹
Greenway Supervisor	0	0	1 ¹	1 ¹	1 ¹
Greenway Maint Worker- NEW	0	0	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
Public Relations/Marketing (607)					
Marketing & Community Relations Manager					
TOTAL	$\frac{1}{56}$	$\frac{1}{56}$	$\frac{1}{57}$	$\frac{1}{57}$	$\frac{1}{57}$

¹ Reclassified

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Buildings and Grounds (604)			
Tables, chairs and racks	\$ 30,600	\$ 15,300	\$ 15,300
5 foot 3-point hitch tiller	3,000	3,000	3,000
3 point hitch boom sprayer	800	-	-
20 foot scaffold	2,200	-	-
Floor buffer	2,000	-	-
Parks & facilities repairs	100,000	48,700	48,700
Sports complex renovations	40,000	40,000	40,000
Hall Gym parking lot	25,000	-	-
Tennis court replacement	200,000	-	-
Total Capital Outlay	<u>\$ 403,600</u>	<u>\$ 107,000</u>	<u>\$ 107,000</u>



CITY OF SALISBURY

GENERAL FUND CAPITAL RESERVE FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2007
With Estimated Actual for Year Ending June 30, 2006 and
Actual for Year Ended June 30, 2005

	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Estimate</u>	<u>2007</u> <u>Budget</u>
REVENUES:			
Miscellaneous:			
Interest earned on investments	\$ 34,057	\$ 60,000	\$ 68,000
Other	<u>1,351</u>	<u>2,207</u>	<u>2,500</u>
Total revenues	<u>\$ 35,408</u>	<u>\$ 62,207</u>	<u>\$ 70,500</u>
OTHER FINANCING SOURCES:			
Proceeds from capital leases	\$ -	\$ -	\$ 670,000
Operating transfer from General Fund	1,330,417	1,460,303	1,618,871
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>35,634</u>
Total other financing sources	<u>\$ 1,330,417</u>	<u>\$ 1,460,303</u>	<u>\$ 2,324,505</u>
Total revenues and other financing sources	<u>\$ 1,365,825</u>	<u>\$ 1,522,510</u>	<u>\$ 2,395,005</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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating		108,884	81,672	81,672	81,672
Capital	<u>1,408,854</u>	<u>1,381,419</u>	<u>3,187,491</u>	<u>2,313,333</u>	<u>2,313,333</u>
TOTAL	\$ 1,408,854	\$ 1,490,303	\$ 3,269,163	\$ 2,395,005	\$ 2,395,005

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
City Council			
Computer Equipment Replacement	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ 1,300</u>
Total Capital Outlay	\$ 1,300	\$ 1,300	\$ 1,300
Management & Administration			
Computer Equipment Replacement	\$ 7,800	\$ 7,800	\$ 7,800
Add computer for new position	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>
Total Capital Outlay	\$ 10,000	\$ 10,000	\$ 10,000
Human Resources			
Computer Equipment Replacement	<u>\$ 5,600</u>	<u>\$ 5,600</u>	<u>\$ 5,600</u>
Total Capital Outlay	\$ 5,600	\$ 5,600	\$ 5,600
Management Services - Information Technologies			
Add computer for new position	\$ 2,200	\$ -	\$ -
Add three servers	10,000	-	-
Storage Area Network Upgrade	270,000	174,000	174,000
Computer Equipment Replacement	<u>89,650</u>	<u>89,650</u>	<u>89,650</u>
Total Capital Outlay	\$ 371,850	\$ 263,650	\$ 263,650
Management Services - Telecommunications			
Laptop for new postion for radio repairs	\$ 2,200	\$ 2,200	\$ 2,200
Replace existing trunked radio system antenna hardware	100,000	67,700	67,700
Add computer for new position	2,200	2,200	2,200
Add emergency mobile generator	15,000	-	-
800 Trunking Upgrade	250,000	-	-
Replace generator TS78901	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ 419,400	\$ 72,100	\$ 72,100

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Management Services - Administration			
Computer Equipment Replacement	\$ 25,350	\$ 25,350	\$ 25,350
Add Proxy/Projector	1,700	1,700	1,700
Add departmental laptop	2,200	2,200	2,200
Add computer for Customer Service change-out	1,300	1,300	1,300
Total Capital Outlay	\$ 30,550	\$ 30,550	\$ 30,550
Management Services - Facilities Mgmt			
Computer Equipment Replacement	\$ 2,600	\$ 2,600	\$ 2,600
Total Capital Outlay	\$ 2,600	\$ 2,600	\$ 2,600
Management Services - City Office Bldg			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Total Capital Outlay	\$ 1,300	\$ 1,300	\$ 1,300
Land Mgmt & Development - Planning			
Computer Equipment Replacement	\$ 7,402	\$ 7,402	\$ 7,402
Add computer for new position	2,200	-	-
Add color LaserJet printer	3,507	3,507	3,507
Total Capital Outlay	\$ 13,109	\$ 10,909	\$ 10,909
Land Mgmt & Development - Development Services			
Add computer for new position	\$ 2,200	\$ -	\$ -
Computer Equipment Replacement	7,752	7,752	7,752
Add full size pickup truck for new employee	18,546	-	-
Total Capital Outlay	\$ 28,498	\$ 7,752	\$ 7,752
Land Management & Development - GIS			
Computer Equipment Replacement	\$ 5,700	\$ 5,700	\$ 5,700
Add computer for new position	2,500	-	-
IP Desk Phone	500	-	-
Total Capital Outlay	\$ 8,700	\$ 5,700	\$ 5,700
Land Management & Development - Engineering			
Computer Equipment Replacement	\$ 2,600	\$ 2,600	\$ 2,600
Add laptop for traffic signal system	2,500	2,500	2,500
Total Capital Outlay	\$ 5,100	\$ 5,100	\$ 5,100
Fire			
Computer Equipment Replacement	\$ 32,474	\$ 32,474	\$ 32,474
Add three computers for new station	3,900	3,900	3,900
Add computer to replace old computer not on replacement schedule	1,300	1,300	1,300
Replace FD58801 1988 E-One Pumper	670,000	670,000	670,000
Replace FD19104 1991 Ford F250 with Quick Response Vehicle	77,256	77,256	77,256
Replace FD19302 1993 Ford 4x4 Rescue with Quick Response Vehicle	77,256	77,256	77,256
Total Capital Outlay	\$ 862,186	\$ 862,186	\$ 862,186

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Police			
Computer Equipment Replacement	\$ 109,610	\$ 109,610	\$ 109,610
Add Touch Screens for Communications	-	6,100	6,100
Replace six video cameras	30,000	30,000	30,000
Replace 25 mobile radios	100,000	100,000	100,000
Replace PD09704 1997 Patrol Vehicle	25,187	25,187	25,187
Replace PD09709 1997 Patrol Vehicle	25,187	25,187	25,187
Replace PD09610 1996 Patrol Vehicle	25,187	25,187	25,187
Replace PD09705 1997 Patrol Vehicle	25,187	25,187	25,187
Replace PD09710 1997 Patrol Vehicle	25,187	25,187	25,187
Replace PD09702 1997 CID Vehicle	24,507	24,507	24,507
Replace PD09706 1997 CID Vehicle	24,507	24,507	24,507
Replace PD09716 1997 CID Vehicle	24,507	24,507	24,507
Total Capital Outlay	\$ 439,066	\$ 445,166	\$ 445,166
Public Services - Traffic Operations			
Computer Equipment Replacement	\$ 2,600	\$ 2,600	\$ 2,600
Add computer for employees	1,300	1,300	1,300
Total Capital Outlay	\$ 3,900	\$ 3,900	\$ 3,900
Public Services - Street			
Add Skid Steer Tractor	\$ 42,800	\$ 42,800	\$ 42,800
Replace ST29504 1995 Johnson Street Sweeper	169,956	-	-
Replace ST47801 1980 John Deere Motor Grader	197,950	-	-
Computer Equipment Replacement	6,850	6,850	6,850
Total Capital Outlay	\$ 417,556	\$ 49,650	\$ 49,650
Public Services - Waste Management-Other			
Replace ST39301 ODB Leaf Vacuum	\$ 30,906	\$ -	\$ -
Add Industrial Tub Grinder	310,006	310,006	310,006
Total Capital Outlay	\$ 340,912	\$ 310,006	\$ 310,006
Public Services - Cemetery			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Total Capital Outlay	\$ 1,300	\$ 1,300	\$ 1,300
Public Services - Solid Waste			
Replace WM229506 1995 White Xpeditor	\$ 144,206	\$ 144,206	\$ 144,206
Total Capital Outlay	\$ 144,206	\$ 144,206	\$ 144,206
Public Services - Landscape Operations			
Computer Equipment Replacement	\$ 2,600	\$ 2,600	\$ 2,600
Replace LS60004 Scag with zero turn 60" mower	11,000	11,000	11,000
Add F250X Cab Truck with liftgate & bed liner	29,358	29,358	29,358
Total Capital Outlay	\$ 42,958	\$ 42,958	\$ 42,958

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Public Services - Fleet			
Computer Equipment Replacement	\$ 3,900	\$ 3,900	\$ 3,900
Total Capital Outlay	\$ 3,900	\$ 3,900	\$ 3,900
Parks & Recreation			
Computer Equipment Replacement	\$ 14,300	\$ 14,300	\$ 14,300
Add three computers for Maintenance Supervisors	3,900	3,900	3,900
Add computer for Civic Center	1,300	1,300	1,300
Add new 20 ft. Tandem Axle Trailer	3,500	3,500	3,500
Add 4x4 Gator	10,500	10,500	10,500
Replace PR18301 1983 Ford Ranger	-	-	-
Replace PR18507 1985 Chevorlet S10	-	-	-
Total Capital Outlay	\$ 33,500	\$ 33,500	\$ 33,500
Debt Service			
Principal and Interest	\$ 81,672	\$ 81,672	\$ 81,672
Total Capital Outlay	\$ 81,672	\$ 81,672	\$ 81,672



CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2007
With Estimated Actual for the Year Ending June 30, 2006 and
Actual for the Year Ended June 30, 2005

	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Estimate</u>	<u>2007</u> <u>Budget</u>
OPERATING REVENUES:			
Charges for services	\$ 15,342,078	\$ 15,879,538	\$ 17,408,616
Water and sewer taps	<u>\$ 474,771</u>	<u>\$ 582,217</u>	<u>\$ 550,000</u>
Total operating revenues	\$ 15,816,849	\$ 16,461,755	\$ 17,958,616
NONOPERATING REVENUES:			
Interest earned on investments	\$ 62,639	\$ 91,150	\$ 90,000
Capital contributions	570,000	-	-
Miscellaneous revenues	<u>793,586</u>	<u>819,752</u>	<u>804,563</u>
Total nonoperating revenues	<u>\$ 1,426,225</u>	<u>\$ 910,902</u>	<u>\$ 894,563</u>
OTHER FINANCING SOURCES:			
Proceeds from the sale of bonds	\$ 83,531	\$ -	\$ -
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 17,326,605</u>	<u>\$ 17,372,657</u>	<u>\$ 18,853,179</u>

CITY OF SALISBURY
FY 2006-2007 BUDGET SUMMARY
WATER AND SEWER FUND

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
REVENUE	\$ 17,326,605	\$ 18,036,343	\$ 17,687,239	\$ 18,853,179	\$ 18,853,179
EXPENSES	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
UTILITIES MGT & ADMINISTRATION					
Personnel	\$ 829,634	\$ 967,691	\$ 991,115	\$ 952,906	\$ 952,906
Operations	6,736,452	2,951,734	3,888,675	3,334,401	3,334,401
Capital	6,092	55,000	15,500	3,200	3,200
TOTAL	\$ 7,572,178	\$ 3,974,425	\$ 4,895,290	\$ 4,290,507	\$ 4,290,507
PLANT OPERATIONS - WATER TREATMENT					
Personnel	\$ 381,289	\$ 360,324	\$ 363,146	\$ 360,514	\$ 360,514
Operations	755,215	712,508	896,148	799,133	799,133
Capital	-	15,000	55,000	5,000	5,000
TOTAL	\$ 1,136,504	\$ 1,087,832	\$ 1,314,294	\$ 1,164,647	\$ 1,164,647
SYSTEMS MAINTENANCE					
Personnel	\$ 1,047,166	\$ 1,118,514	\$ 1,148,784	\$ 1,140,153	\$ 1,140,153
Operations	870,587	1,275,203	2,043,773	1,807,474	1,807,474
Capital	79,283	442,000	625,000	518,000	518,000
TOTAL	\$ 1,997,036	\$ 2,835,717	\$ 3,817,557	\$ 3,465,627	\$ 3,465,627
ENVIRONMENTAL SERVICES					
Personnel	\$ 443,024	\$ 462,997	\$ 555,258	\$ 559,401	\$ 559,401
Operations	120,934	99,527	105,684	106,249	106,249
Capital	6,239	-	108,000	8,000	8,000
TOTAL	\$ 570,197	\$ 562,524	\$ 768,942	\$ 673,650	\$ 673,650
PLANT OPERATIONS - WASTEWATER TREATMENT					
Personnel	\$ 792,299	\$ 795,175	\$ 870,614	\$ 864,297	\$ 864,297
Operations	1,239,132	1,253,895	1,334,013	1,248,134	1,248,134
Capital	-	15,000	550,000	-	-
TOTAL	\$ 2,031,431	\$ 2,064,070	\$ 2,754,627	\$ 2,112,431	\$ 2,112,431
METER SERVICES					
Personnel	\$ 400,236	\$ 421,704	\$ 440,381	\$ 436,957	\$ 436,957
Operations	114,083	130,300	169,609	152,524	152,524
Capital	1,694	-	13,021	-	-
TOTAL	\$ 516,013	\$ 552,004	\$ 623,011	\$ 589,481	\$ 589,481
PLANTS MAINTENANCE					
Personnel	\$ 530,094	\$ 485,768	\$ 477,252	\$ 473,755	\$ 473,755
Operations	954,174	1,090,041	2,199,594	1,080,883	1,080,883
Capital	-	-	153,200	700	700
TOTAL	\$ 1,484,268	\$ 1,575,809	\$ 2,830,046	\$ 1,555,338	\$ 1,555,338

	Actual FY 04-05		Budgeted FY 05-06		Requested FY 06-07		Mgr Recommends FY 06-07		Adopted FY 06-07	
DEBT SERVICE										
Personnel	\$	-	\$	-	\$	-	\$	-	\$	-
Operations		2,098,706		5,115,958		5,116,138		5,001,498		5,001,498
Capital		-		-		-		-		-
TOTAL	\$	2,098,706	\$	5,115,958	\$	5,116,138	\$	5,001,498	\$	5,001,498
CAPITAL PROJECTS										
Personnel	\$	-	\$	-	\$	-	\$	-	\$	-
Operations		-		-		-		-		-
Capital		-		268,004		-		-		-
TOTAL	\$	-	\$	268,004	\$	-	\$	-	\$	-
GRAND TOTAL										
Personnel	\$	4,423,742	\$	4,612,173	\$	4,846,550	\$	4,787,983	\$	4,787,983
Operations		12,889,283		12,629,166		15,753,634		13,530,296		13,530,296
Capital		93,308		795,004		1,519,721		534,900		534,900
TOTALS	\$	17,406,333	\$	18,036,343	\$	22,119,905	\$	18,853,179	\$	18,853,179

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. Partner with Rowan County to implement the Town Creek/I-85 growth corridor interceptor sewer extension project. **Outcome 11.1**
2. Safeguard Salisbury’s interest on the Yadkin River by participating in Federal Energy Regulatory Commission (FERC) relicensing of Yadkin Project. **Outcome 11.2**
3. Renewal of the City of Salisbury’s National Pollutant Discharge Elimination System (NPDES) discharge permit. **Outcome 11.3**

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.
 - Development of comprehensive CIP
 - Update of Rate model
 - 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

	<u>FY-2005</u> <u>Actual</u>	<u>FY-2006</u> <u>Estimate</u>	<u>FY-2007</u> <u>Projected</u>
Administrative Workload			
FTEs Per Square Mile Served			
Total Population Receiving Water Service (countywide) *	45,675	46,600	47,520
Total Population Receiving Sewer Service (countywide) *	42,630	43,480	44,350
Land Area Spanned for Water Service (square miles)	43.5	44.1	45.0
Land Area Spanned for Sewer Service (square miles)	35.7	36.2	42.0
Number of Accounts	15,714	15,996	16,100
Residential Water Rate (per 1 CCF) **	\$ 2.47	\$ 2.66	\$ 2.85
Residential Sewer Rate (per 1 CCF)	\$ 3.17	\$ 3.43	\$ 3.75
Administrative Efficiency			
Employee Turnover Rate	15%	12%	12%
Operating Costs Per 1,000 Population Served (water)	\$ 133,540	\$ 135,728	\$ 136,784
FTEs Per Square Mile Served	2.18	2.15	2.11
Average Elapsed Days From Request To Connection ***	20	20	20
Average Residential Utility Bill as Percent of Median Income	1.68%	1.80%	1.87%
Administrative Effectiveness			
Average Years of Experience	8.56	9.00	8.74
Complaints Per Million Gallons Sold	0.8	0.73	0.67
Service Density (Population Served per Square Mile) - Water	1,050	1,056	1,056
Service Density (Population Served per Square Mile) - Sewer	1,194	1,201	1,055
Average Residential Rate Increase (% over prior year)	6.48	6.9	7.45

* Estimate

** 1 CCF = 100 cubic feet of water

*** Business Days

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 829,634	\$ 967,691	\$ 991,115	\$ 952,906	\$ 952,906
Operating	6,736,452	2,951,734	3,888,675	3,334,401	3,334,401
Capital	6,092	55,000	15,500	3,200	3,200
TOTAL	\$ 7,572,178	\$ 3,974,425	\$ 4,895,290	\$ 4,290,507	\$ 4,290,507

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (100)					
Assistant City Manager for Utilities	1	1	1	1	1
Deputy Utilities Director	1	1	1	1	1
Finance & Administration Manager	1	1	1	1	1
Management Analyst	.5	.5	.5	.5	.5
Dept Secretary/Senior Office Assistant	1	1	1	1	1
Senior Office Assistant	0	1 ²	1	1	1
Utility Plants Manager	0	1 ³	1	1	1
Utilities Engineering (800)					
Utilities Engineering Manager	1	1	1	1	1
Utilities Engineer I/II/III	2	1 ¹	1	1	1
Engineering Technician I/II/III	1	1	1	1	1
Engineering Intern	1	0 ⁴	0	0	0
Utilities Construction Inspector	1	1	1	1	1
Utilities GIS (801)					
Utilities Planning Manager	1	1	1	1	1
GIS Mapping Technician	<u>2</u>	<u>2</u>	<u>2</u>	<u>1⁴</u>	<u>1⁴</u>
TOTAL	13.5	13.5	13.5	12.5	12.5

¹ Position reclassified and transferred to General Fund – Engineering

² Position transferred from Plant Operations-Water Treatment Plant

³ Position transferred from Plant Operations-Plants Maintenance Administration

⁴ Position eliminated

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Utility Administration (100)			
800mhz Radio	\$ 3,500	\$ 3,200	\$ 3,200
Utility GIS (801)			
New GeoXT	5,000	-	-
New Plotter	7,000	-	-
Total Capital Outlay	<u>\$ 15,500</u>	<u>\$ 3,200</u>	<u>\$ 3,200</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-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Water Treatment Workload			
Number of Water Treatment FTEs (includes lab & maintenance)	10	11	11
Millions of Gallons Potable Water Produced	2,544	2,711	2,800
Water Treatment Efficiency			
Number of FTEs Per Water Treatment Plant	10	11	11
Cost Per Million Gallons of Potable Water Produced	\$ 3,423	\$ 3,277	\$ 3,214
Water Treatment Effectiveness			
Average Water Plant Operational Capacity	60%	41%	42%
Average Daily Potable Water Turbidity (NTU)	0.06	0.06	0.06
Percent of Potable Water Sold to Total Treated	80.0%	82.0%	85.0%

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 381,289	\$ 360,324	\$ 363,146	\$ 360,514	\$ 360,514
Operating	755,215	712,508	896,148	799,133	799,133
Capital	-	15,000	55,000	5,000	5,000
TOTAL	\$ 1,136,504	\$ 1,087,832	\$ 1,314,294	\$ 1,164,647	\$ 1,164,647

PERSONNEL DETAIL

Position Title	Authorized	Authorized	Requested	Mgr Recommends	Adopted
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 06-07
Water Treatment Plant (811)					
Water Treatment Supervisor	1	1	1	1	1
Senior Office Assistant	1	0 ¹	0	0	0
Senior Water Treatment Plant Operator	2	3	3	3	3
Water Treatment Plant Operator I/II	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	8	7	7	7	7

¹ Position transferred to Utilities Administration

CAPITAL OUTLAY

	Requested	Mgr Recommends	Adopted
	FY 06-07	FY 06-07	FY 06-07
Water Treatment Plant (811)			
Polymer Feed Machine	\$ 50,000	\$ -	\$ -
Spectrophotometer - Nitrate - Nitrite	5,000	5,000	5,000
Total Capital Outlay	\$ 55,000	\$ 5,000	\$ 5,000

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

Continue Inflow & Infiltration (I&I) reduction efforts through repair and replacing of identified wastewater lines.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Distribution & Collection Workload			
Inch Miles of Collection Line Maintained	3,800	3,820	3,835
Number of Pump Stations Maintained	8	8	9
Number of Lift Stations Maintained	34	34	35
Total Water, Sewer & Irrigation Taps Installed by SRU	243	210	250
Distribution Line Failures	79	110	95
Collection Line Failures	83	73	80
Distribution & Collection Efficiency			
Cost Per Inch Mile of Collection Line Maintained	\$ 10,160	\$ 11,176	\$ 12,293
Cost Per Pump Station Maintained	\$ 8,215	\$ 9,037	\$ 9,941
Cost Per Lift Station Maintained	\$ 1,300	\$ 1,300	\$ 1,400
Cost Per Tap Installed (3/4" Water)	\$ 1,450	\$ 1,450	\$ 1,500
Cost Per Tap Installed (1" Water)	\$ 1,300	\$ 1,300	\$ 1,300
Cost Per Tap Installed (4" Sewer)			
Distribution & Collection Effectiveness			
Incidents Per Inch Mile of Collection Line Maintained	0.022	0.019	0.021
Average Tap Installations Per Day (3/4" Water)	1	1	2
Average Tap Installations Per Day (1" Water)	1	1	2
Average Tap Installations Per Day (4" Sewer)	1	1	2

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 1,047,166	\$ 1,118,514	\$ 1,148,784	\$ 1,140,153	\$ 1,140,153
Operating	870,587	1,275,203	2,043,773	1,807,474	1,807,474
Capital	79,283	442,000	625,000	518,000	518,000
TOTAL	\$ 1,997,036	\$ 2,835,717	\$ 3,817,557	\$ 3,465,627	\$ 3,465,627

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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	4	3 ¹	2 ¹	2 ¹	2 ¹
New Water/Sewer Connections (851)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	4	3	3	3	3
Water/Sewer Service Replacement (853)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	2	3 ¹	3	3	3
Preventive Maintenance (854)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	3	2 ¹	2	2	2
Collection Maint. & Construction (856)					
Utilities Maintenance Supervisor	1	1	1	1	1
Utilities Maintenance Technician	4	4	4	4	4
Collection Inflow and Infiltration (858)					
Utilities Maintenance Technician	<u>1</u>	<u>1</u>	<u>2¹</u>	<u>2¹</u>	<u>2¹</u>
TOTAL	27	25	25	25	25

¹ Position moved between cost centers

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (100)			
Equipment Bldg at Landfill	\$ 30,000	\$ -	\$ -
Distribution Maint/Const (850)			
Pumps, Gas Detectors, Hydraulic Gear	5,000	3,000	3,000
New Connections (851)			
Pumps, Air Monitoring Equip., Hydraulic Tools	5,000	3,000	3,000
Service Replacement (853)			
Hydraulic Tools, Generator for Remote Locations	5,000	3,000	3,000
Preventive Maintenance (854)			
Hydraulic Tools	2,000	-	-
Camera Equipment Head	3,000	3,000	3,000
Existing Camera Van Renovation	65,000	-	-
Collection Maint/Const (856)			
Hydraulic Tools, Small Portable Generator	5,000	3,000	3,000
W/S Extensions (857)			
Water Extensions	250,000	250,000	250,000
Sewer Extensions	250,000	250,000	250,000
Inflow & Infiltration (858)			
Hydraulic Tools and Equipment	5,000	3,000	3,000
Total Capital Outlay	\$ 625,000	\$ 518,000	\$ 518,000

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

	<u>FY-2005</u> <u>Actual</u>	<u>FY-2006</u> <u>Estimate</u>	<u>FY-2007</u> <u>Projected</u>
Environmental Services Workload			
Number of Water Analyses Performed *	14,224	15,000	15,500
Number of Wastewater Analyses Performed *	14,124	15,000	15,500
Number of Sanitary Sewer Overflows (SSO) ^ **	9	10	10
Number of Industrial Violations Reported or Detected ***	27	15	14
Number of Water Quality Complaints	43	30	25
Environmental Services Efficiency			
Cost Per Water Analysis	\$ 11.00	\$ 12.00	\$ 13.00
Cost Per Wastewater Analysis	\$ 17.00	\$ 18.00	\$ 19.00
Average Cost Per SSO Response	\$ 120.00	\$ 120.00	\$ 120.00
Average Cost Per Industrial Violation Reported or Detected	\$ 54.00	\$ 56.00	\$ 56.00
Average Cost Per Water Quality Complaint Response	\$ 45.00	\$ 46.00	\$ 46.00
Environmental Services Effectiveness			
Percent of Water Analyses Meeting or Exceeding Standard	100%	100%	100%
Percent of Wastewater Analyses Meeting or Exceeding Standard	100%	100%	100%
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	98%	99%	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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 443,024	\$ 462,997	\$ 555,258	\$ 559,401	\$ 559,401
Operating	120,934	99,527	105,684	106,249	106,249
Capital	6,239	-	108,000	8,000	8,000
TOTAL	\$ 570,197	\$ 562,524	\$ 768,942	\$ 673,650	\$ 673,650

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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	5	4 ¹	4	4	4
Chemist	1	2 ¹	2	2	2
Environmental Services Inspector (NEW)	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	9	9	10	10	10

¹ Reclassified

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Composite Sampler	\$ 1,600	\$ 1,600	\$ 1,600
Refrigerator Sampler for Plants	4,600	4,600	4,600
Sample Refrigerator	500	500	500
Portable pH/DO Meter	1,300	1,300	1,300
ICP to Replace AA	<u>100,000</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	\$ 108,000	\$ 8,000	\$ 8,000

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-2005	FY-2006	FY-2007
	<u>Actual</u>	<u>Estimate</u>	<u>Projected</u>
Wastewater Treatment Workload			
Number of Wastewater Treatment FTEs (inc. lab & maintenance)	31	31	32
Millions of Gallons Wastewater Treated	2,853	3,000	3,100
Tons of Dry Bio-Solids Land-Applied	2,052	2,250	2,500
Wastewater Treatment Efficiency			
Number of FTEs Per Wastewater Treatment Plant	15	16	16
Cost Per Million Gallons of Wastewater Treated	\$ 3,052	\$ 2,961	\$ 2,903
Cost Per Ton of Dry Bio-Solids Produced and Land-Applied	\$ 268	\$ 322	\$ 276
Wastewater Treatment Effectiveness			
Average Wastewater Plant Operational Capacity	63%	66%	68%
Average Daily Wastewater Effluent Turbidity (TSS **)	9.4	10.0	12.0
Percent of Treated Wastewater Billed	62.6%	52.8%	55.0%
Gallons of Wastewater Returned Per Potable Gallons Produced	1.08	1.16	1.19
Pounds of Solids Out Per Pounds In (de-water/land apply)	1882/2032	1975/2130	2075/2240

BUDGET REQUEST SUMMARY

	Actual	Budgeted	Requested	Mgr Recommends	Adopted
	FY04-05	FY05-06	FY06-07	FY06-07	FY06-07
Personnel	\$ 792,299	\$ 795,175	\$ 870,614	\$ 864,297	\$ 864,297
Operating	1,239,132	1,253,895	1,334,013	1,248,134	1,248,134
Capital	-	15,000	550,000	-	-
TOTAL	\$ 2,031,431	\$ 2,064,070	\$ 2,754,627	\$ 2,112,431	\$ 2,112,431

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (100)					
Wastewater Treatment Supervisor	1	1	1	1	1
Town Creek WWTP (901)					
Senior Wastewater Plant Operator	1	1	1	1	1
Wastewater Plant Operator	4	4	5 ¹	5 ¹	5 ¹
Sr Wastewater Plant Operator (Temp/Part-Time)	1	0 ²	0	0	0
Grant Creek WWTP (902)					
Senior Wastewater Plant Operator	1	1	1	1	1
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	17	16	17	17	17

¹ Position reclassified and moved from Plants Maintenance

² Position eliminated

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Town Creek WWTP (901)			
Lime Feed System	\$ 250,000	\$ -	\$ -
4" Backflow Prevention Assembly & Cover	25,000	-	-
Grant Creek WWTP (902)			
Lime Feed System	250,000	-	-
4" Backflow Prevention Assembly & Cover	25,000	-	-
Total Capital Outlay	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>FY-2005</u> <u>Actual</u>	<u>FY-2006</u> <u>Estimate</u>	<u>FY-2007</u> <u>Projected</u>
Workload			
Meter Readings Per Fiscal Year	215,907	220,225	224,629
Efficiency			
Cost Per 100 Meter Readings	\$ 187.58	\$ 179.04	\$ 186.50
Effectiveness			
Percent of Meters Misread	0.10%	0.10%	0.10%

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 400,236	\$ 421,704	\$ 440,381	\$ 436,957	\$ 436,957
Operating	114,083	130,300	169,609	152,524	152,524
Capital	1,694	-	13,021	-	-
TOTAL	\$ 516,013	\$ 552,004	\$ 623,011	\$ 589,481	\$ 589,481

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Meter Maintenance (852)			
Meter Flow Test Rig	\$ 2,621	\$ -	\$ -
Mobile Data Terminal	2,600	-	-
Meter Services (855)			
Three Laptop Computers w/ Air Cards & Mounts	<u>7,800</u>	<u>-</u>	<u>-</u>
	\$ 13,021	\$ -	\$ -

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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 530,094	\$ 485,768	\$ 477,252	\$ 473,755	\$ 473,755
Operating	954,174	1,090,041	2,199,594	1,080,883	1,080,883
Capital	-	-	153,200	700	700
TOTAL	\$ 1,484,268	\$ 1,575,809	\$ 2,830,046	\$ 1,555,338	\$ 1,555,338

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
P.M. Administration (000)					
Utility Plants Manager	1	0 ²	0	0	0
Maintenance Technician	0	2 ²	1 ³	1 ³	1 ³
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	2	1 ¹	1	1	1
Plants Maintenance Technician	1	2 ¹	2	2	2
P.M. Town Creek WWTP (901)					
Plants Maintenance Technician	2	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	10	9	9	9

¹ Position reclassified/moved within the department/division

² Position transferred to Utilities Administration

³ Position reclassified and moved to Plant Operations-Wastewater Treatment

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration (000)			
Nail Gun	\$ 250	\$ 250	\$ 250
Dry Wall Sander	450	450	450
Distribution Maint/Const (850)			
SCADA RTU Upgrades	75,000	-	-
Collection Maint/Const (856)			
SCADA RTU Upgrades	75,000	-	-
Grant Creek (902)			
Ice Machine - GC Lab	2,500	-	-
Total Capital Outlay	\$ 153,200	\$ 700	\$ 700

STATEMENT OF PURPOSE

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

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	2,098,706	5,115,958	5,116,138	5,001,498	5,001,498
Capital	-	-	-	-	-
TOTAL	\$ 2,098,706	\$ 5,115,958	\$ 5,116,138	\$ 5,001,498	\$ 5,001,498

DEPARTMENT - Capital Projects

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	-	-	-	-
Capital	-	268,004	-	-	-
TOTAL	\$ -	\$ 268,004	\$ -	\$ -	\$ -



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

For the Year Ending June 30, 2007
With Estimated Actual for the Year Ending June 30, 2006 and
Actual for the Year Ended June 30, 2005

	2005	2006	2007
	Actual	Estimate	Budget
REVENUES:			
Miscellaneous:			
Interest earned on investments	\$ 5,941	\$ 11,000	\$ 12,000
 OTHER FINANCING SOURCES:			
Operating transfer from Water and Sewer Fund	\$ 395,578	\$ 422,868	\$ 469,366
Total other financing sources	<u>\$ 395,578</u>	<u>\$ 422,868</u>	<u>\$ 469,366</u>
 Total revenues and other financing sources	 <u>\$ 401,519</u>	 <u>\$ 433,868</u>	 <u>\$ 481,366</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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	35,204	-	88,615	88,615
Capital	554,459	393,664	682,385	392,751	392,751
TOTAL	\$ 554,459	\$ 428,868	\$ 682,385	\$ 481,366	\$ 481,366

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Administration			
Computer Equipment Replacement	\$ 12,316	\$ 12,316	\$ 12,316
Vehicle Replacement Reserve	-	88,615	88,615
Total Capital Outlay	\$ 12,316	\$ 100,931	\$ 100,931
Utilities Engineering			
Computer Equipment Replacement	\$ 4,800	\$ 4,800	\$ 4,800
Replace UE19718 1997 Full Size Pick-up with Hybrid SUV	29,526	-	-
Total Capital Outlay	\$ 34,326	\$ 4,800	\$ 4,800
Utilities GIS			
Computer Equipment Replacement	\$ 6,600	\$ 6,600	\$ 6,600
Total Capital Outlay	\$ 6,600	\$ 6,600	\$ 6,600
Water Treatment Plant			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Add 5,000 Gallon Water Tanker	47,106	-	-
Total Capital Outlay	\$ 48,406	\$ 1,300	\$ 1,300
W/S Maintenance / Construction Admin			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Total Capital Outlay	\$ 1,300	\$ 1,300	\$ 1,300
W/S Maint/Constr-Dist Maint/Constr			
Add Remote Controlled Compactor	\$ 36,326	\$ 36,326	\$ 36,326
Total Capital Outlay	\$ 36,326	\$ 36,326	\$ 36,326
W/S Maint/Constr-Preventive Maint			
Replace WS29003 1990 Sewer Vacuum Truck	\$ 93,186	\$ 93,186	\$ 93,186
Total Capital Outlay	\$ 93,186	\$ 93,186	\$ 93,186
W/S Maint/Constr-Collection Maint/Constr			
Add Commercial Enclosed Cab Mower	\$ 82,886	-	-
Total Capital Outlay	\$ 82,886	\$ -	\$ -
Wastewater Treatment-Town Creek WWTP			
Computer Equipment Replacement	\$ 2,600	\$ 2,600	\$ 2,600
Total Capital Outlay	\$ 2,600	\$ 2,600	\$ 2,600

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Wastewater Treatment-Grant Creek WWTP			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Total Capital Outlay	\$ 1,300	\$ 1,300	\$ 1,300
Wastewater Treatment-Residuals Mgmt			
Computer Equipment Replacement	\$ 1,300	\$ 1,300	\$ 1,300
Replace RM29002 1990 Tandem Dump Truck with Two Dump Trailors	108,156	-	-
Replace RM28903 1989 Mack Truck/Tractor	121,106	121,106	121,106
Total Capital Outlay	\$ 230,562	\$ 122,406	\$ 122,406
Environmental Services			
Computer Equipment Replacement	\$ 6,500	\$ 6,500	\$ 6,500
Total Capital Outlay	\$ 6,500	\$ 6,500	\$ 6,500
Meter Services			
Computer Equipment Replacement	\$ 10,100	\$ 10,100	\$ 10,100
Replace MS10607 2006 Compact Pick-up with Full-size Pick-up (Existing vehicle transferred to FOG Program)	29,526	18,546	18,546
Replace MS19603 1996 Compact Pick-up with Full-size Pick-up	29,526	18,546	18,546
Total Capital Outlay	\$ 69,152	\$ 47,192	\$ 47,192
Plants Maint-Collection Maint/Constr			
Replace PM79704 Trailer Mounted 1997 55KW Generator	\$ 56,925	\$ 56,925	\$ 56,925
Total Capital Outlay	\$ 56,925	\$ 56,925	\$ 56,925



CITY OF SALISBURY, NORTH CAROLINA

TRANSIT FUND

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2007
With Estimated Actual for the Year Ending June 30, 2006 and
Actual for the Year Ended June 30, 2005

	2005	2006	2007
	Actual	Estimate	Budget
OPERATING REVENUES:			
Charges for services	\$ 64,225	\$ 76,620	\$ 75,500
Other operating revenues	<u>1,860</u>	<u>-</u>	<u>-</u>
Total operating revenues	\$ 66,085	\$ 76,620	\$ 75,500
NONOPERATING REVENUES:			
Intergovernmental	\$ 1,427,045	\$ 495,235	\$ 568,259
Miscellaneous revenues	<u>366</u>	<u>500</u>	<u>500</u>
Total nonoperating revenues	\$ 1,427,411	\$ 495,735	\$ 568,759
OTHER FINANCING SOURCES:			
Operating Transfer from General Fund	\$ 173,570	\$ 213,118	\$ 358,569
Fund equity appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	\$ 173,570	\$ 213,118	\$ 358,569
 Total revenues and other financing sources	 <u>\$ 1,667,066</u>	 <u>\$ 785,473</u>	 <u>\$ 1,002,828</u>

**CITY OF SALISBURY
FY 2006-2007 BUDGET SUMMARY
TRANSIT FUND**

	Actual FY 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
REVENUE	\$ 1,667,066	\$ 772,307	\$ 979,337	\$ 1,005,272	\$ 1,002,828
EXPENSES	Actual FY 04-05	Budgeted FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
TRANSIT - OPERATIONS					
Personnel	\$ 391,197	\$ 435,135	\$ 439,443	\$ 435,392	\$ 433,794
Operations	149,097	142,250	216,940	213,895	213,895
Capital	-	-	-	-	-
TOTAL	\$ 540,294	\$ 577,385	\$ 656,383	\$ 649,287	\$ 647,689
TRANSIT - ADMINISTRATION					
Personnel	\$ 104,283	\$ 112,151	\$ 105,674	\$ 104,769	\$ 104,523
Operations	171,999	37,971	180,331	169,416	169,416
Capital	-	-	-	-	-
TOTAL	\$ 276,282	\$ 150,122	\$ 286,005	\$ 274,185	\$ 273,939
TRANSIT - CAPITAL					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	-	-	-	-	-
Capital	1,324	44,800	111,556	81,800	81,200
TOTAL	\$ 1,324	\$ 44,800	\$ 111,556	\$ 81,800	\$ 81,200
GRAND TOTAL					
Personnel	\$ 495,480	\$ 547,286	\$ 545,117	\$ 540,161	\$ 538,317
Operations	321,096	180,221	397,271	383,311	383,311
Capital	1,324	44,800	111,556	81,800	81,200
TOTALS	\$ 817,900	\$ 772,307	\$ 1,053,944	\$ 1,005,272	\$ 1,002,828

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. Review existing fixed routes for efficiency.
2. Participate in contracting for an operator of the RTS paratransit system.
3. Upgrade ADA paratransit pamphlets.
4. Update fixed route maps and schedules.

PERFORMANCE MEASURES

	FY-2005	FY-2006	FY-2007
	Actual	Estimate	Projected
Workload			
Number of Passengers - Routine	142,873	137,415	144,286
Number of Passengers - ADA	7,593	6,399	6,719
Number of Full-sized Buses	8	8	6
Number of Mini-Buses	2	2	1
Number of Fixed Bus Routes	3	3	3
Miles Driven	130,005	138,029	138,029
Gallons of Fuel Used	28,055	31,000	31,000
Fare Revenue Collected	\$ 64,225	\$ 72,000	\$ 75,500
State Matching Funds Collected	\$ 173,570	\$ 214,307	\$ 213,118
Other Funds Collected (grants, interest, transfers, etc.)	\$1.43 M	\$ 495,935	\$ 716,654
Efficiency			
Average Cost Per Mile	\$ 4.73	\$ 5.50	\$ 6.05
Average Cost Per Passenger - Routine	\$ 3.20	\$ 5.56	\$ 6.12
Average Cost Per Passenger - ADA	\$ 10.18	\$ 12.04	\$ 13.24
Effectiveness			
On-Time Percentage	N/A	N/A	N/A
Complaints Received	N/A	12	9
Number of Transit Vehicle Break-Downs	2	1	0
Number of Driver Vacancies	1 PT	0	0
Traffic Accidents Involving Transit Vehicle	0	0	0
Injuries	0	4	0

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 104,283	\$ 112,151	\$ 105,674	\$ 104,769	\$ 104,523
Operating	171,999	37,971	180,331	169,416	169,416
Capital	-	-	-	-	-
TOTAL	\$ 276,282	\$ 150,122	\$ 286,005	\$ 274,185	\$ 273,939

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ 391,197	\$ 435,135	\$ 439,443	\$ 435,392	\$ 433,794
Operating	149,097	142,250	216,940	213,895	213,895
Capital	-	-	-	-	-
TOTAL	\$ 540,294	\$ 577,385	\$ 656,383	\$ 649,287	\$ 647,689

PERSONNEL DETAIL

Position Title	Authorized FY 04-05	Authorized FY 05-06	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
Transit Operator	6	6	6	6	6
Mechanic/Master Mechanic	2	2	2	2	2
Fleet Services Shift Supervisor	.5 ¹	1 ²	1	1	1
Transit Operator (Temp/Part-Time)	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
TOTAL	11.5	12	12	12	12

¹ Position split-funded with P/S-Fleet Management

² Position funded fully through P/S-Transit Operations

DEPARTMENT - Public Services
DIVISION- Transit Capital Outlay

653

BUDGET REQUEST SUMMARY

	Actual FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	-	-	-	-
Capital	<u>1,324</u>	<u>44,800</u>	<u>111,556</u>	<u>81,800</u>	<u>81,200</u>
TOTAL	\$ 1,324	\$ 44,800	\$ 111,556	\$ 81,800	\$ 81,200

CAPITAL OUTLAY

	Requested FY 06-07	Mgr Recommends FY 06-07	Adopted FY 06-07
26" Tire Changer	\$ 7,600	\$ 7,600	\$ 7,600
Radio Base Station - 3	18,000	18,000	18,000
Mobile Base Unit - 8	32,000	28,000	28,000
Hand Held Radio Unit - 3	12,000	12,000	12,000
Hybrid Vehicle	25,756	-	-
16" Tire Changer	4,200	4,200	4,200
Tool set for Service Truck	3,500	3,500	3,500
Laptop Computer w/ specialized software	3,900	3,900	3,900
Upgrade lighting in Transit garage	4,600	4,600	4,000
Total Capital Outlay	\$ 111,556	\$ 81,800	\$ 81,200

CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUNDS

**STATEMENT OF REVENUES
AND OTHER FINANCING SOURCES**

For the Year Ending June 30, 2007
With Estimated Actual for the Year Ending June 30, 2006 and
Actual for the Year Ended June 30, 2005

	2005	2006	2007
	Actual	Estimate	Budget
REVENUES:			
Intergovernmental:			
Federal	<u>\$ 618,046</u>	<u>\$ 520,000</u>	<u>\$ 468,376</u>
Miscellaneous:			
Other	<u>\$ 310,430</u>	<u>\$ 350,000</u>	<u>\$ 75,000</u>
Total revenues	<u>\$ 928,476</u>	<u>\$ 870,000</u>	<u>\$ 543,376</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 FY04-05	Budgeted FY05-06	Requested FY06-07	Mgr Recommends FY06-07	Adopted FY06-07
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	1,025,687	946,134	543,376	543,376	543,376
Capital	-	-	-	-	-
TOTAL	\$ 1,025,687	\$ 946,134	\$ 543,376	\$ 543,376	\$ 543,376

DESCRIPTION OF CAPITAL IMPROVEMENT PROGRAM

FISCAL YEARS 2007 – 2011

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 FY2006-07 projects in the budget.

City Office Building: Current capital needs include cleaning and water-proofing the building's exterior. Future capital needs include the renovation of the first floor, replacement carpet on several floors, and basement wall repairs.

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

City Hall: Future capital needs include replacement of the carpet throughout the building and other routine building renovations.

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

Zimmerman Building: Current needs consist of replacing the carpet on the first floor. Future capital needs include replacement of the carpets on the other floors and the replacement of the kitchen floor.

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

Salisbury West End Community Center: Future needs consist of repainting the facility.

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

The Plaza: Current needs consist of refurbishing vacant apartments, replacing appliances and HVAC as needed, and painting the roof trellis. Future capital needs include significant improvements to the north and west building walls to mitigate an on-going moisture issue. Other improvements include window replacements, refurbishing vacant units, the scheduled replacement of appliances within the individual living units, awning replacement, and other various building maintenance.

Impact on Operations: There will be an impact to future debt service to fund debt that is anticipated to be issued to repair one of the building walls and upgrade the building's HVAC. Additional debt service is currently estimated at \$200,000 annually. There will be no impact on operations.

Roof and HVAC Replacements 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. Likewise, the City is continuing the scheduled replacement of outdated HVAC systems.

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

Fire Department: Future capital needs include the scheduled repair and renovation of the other three old fire stations. Improvements include window replacement and restroom facility renovations.

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

Land Management and Development – 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 (NCDOT) for 80% of these costs (\$276,000). In the following year, construction will begin on the project with the NCDOT funding 80% of the cost of the project.

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

Land Management and Development – Engineering Division: Funding is recommended for the Depot project, which includes design and construction. The City will pay the \$500,000 project costs up-front, and then be reimbursed by the NC Department of Transportation for \$450,000 of these costs.

Impact on Operations: *There will be some impact to operations for the ongoing maintenance of the facility, but the exact amount is unknown since the facility has yet to be designed.*

Land Management and Development – Engineering Division: Funding is recommended for two Greenway projects, which includes design and construction. The City will pay the \$750,000 project costs up-front, and then be reimbursed by the North Carolina Department of Transportation for \$700,000 of these costs.

Impact on Operations: *A parks maintenance worker has been added to the budget in FY2006-07 to maintain these additional segments of the City's greenway system.*

Land Management and Development – Engineering Division: The City has received \$253,000 in private donations to make streetscape improvements along East Innes Street for enhanced street lighting, landscaping, and the development of public green space.

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

Public Services – Street Division: Local funding of \$96,896 is recommended to match a federal grant of \$387,584. These funds will be used to make improvements to the sidewalks and streets of the 100 and 200 blocks of East Fisher Street and the 100 and 200 blocks of South Lee Street. 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 – Landscape Operations: Future capital needs include additional parking at the building on South Main Street.

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

Public Services – Hurley Park: Future capital needs include the installation of an irrigation system on Craige Street.

Impact on Operations: *If an irrigation system is installed, it will result in higher operational cost due to the cost of purchasing water.*

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: Future 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 – New Maintenance Facility: Future capital needs include the construction or acquisition of a new maintenance facility.

Impact on Operations: *An increase in operational cost for operating a larger facility is anticipated.*

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 FY2006-07 projects in the budget.

Water Improvements

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.

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

Annexation: The annexation in the US Highway 29/Airport Road area became effective June 30, 2005. Water line installation would begin during FY2006-07 and be completed in FY2007-08. Salisbury-Rowan Utilities (SRU) has committed to providing both public necessity and public convenience water to serve the entire annexation area. The proposed lines will provide our newest citizens with the same quality level of service and fire protection that our current residents enjoy.

Property Acquisition: SRU 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 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 (RWR) 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: 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.

Polymer Feed System: A redundant polymer feed system is needed at the Water Treatment Plant to ensure continued treatment/processing capability in the event of the primary feed system becoming inoperable. This is the only chemical feed system at the plant that does not have a back-up system.

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 US Highway 70 and US Highway 29 corridors as demand grows.

Sewer Improvements

Annexation: The annexation in the US Highway 29/Airport Road area became effective June 30, 2005. Sewer line installation would begin during FY2006-07 and be completed in FY2007-08. SRU has promised to provide both public necessity and public convenience sewer to serve the entire annexation area. The proposed lines will provide our newest citizens with the same quality level of service that our current customers enjoy.

Property Acquisition: SRU 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: Needed improvements to achieve compliance with state and federal anti-terror recommendations related to infrastructure protection. The Vulnerability Assessment mandated by the EPA in FY2003-04 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 needed 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.

Polymer Feed System: Residuals currently use a “bucket in the barrel” approach to dosing polymer in the dewatering process. A polymer feed system is needed to more accurately measure and apply the chemical. By efficiently measuring and dosing, the operators will be able to maximize the polymer inventory.

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 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 Town Creek WWTP Digester Aeration. Existing digester was installed when the plant was originally built.

I-85 Corridor Outfall Line: SRU has entered into an agreement with Rowan County to construct an outfall line that will roughly parallel the I-85 corridor to the south. SRU and Rowan County have agreed to split the cost in half with each funding its share. This will open development opportunities in central and southern Rowan County.

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 (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: Implement 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.

Spencer Plant Demolition: With the completion of the Spencer pump station and force main, SRU can formally decommission and remove the Town of Spencer's old wastewater plant. Piping and valving must be cut and sealed so the old pipes can no longer be used. All facilities are to be secured and demolished.

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 backup and meeting mandates from both state and federal agencies. Other projects will provide for greater efficiency of operations.

Debt service requirements for the CIP are calculated in the Water/Sewer rate structure. The City anticipates the issuance of debt to pay for its share of the I-85 Corridor Outfall Line Project and the annexation projects during FY2006-07. Utility rates, including operations and debt service for residential customers, are proposed to increase an average of 7.45% in FY2006-07. To fund all projects identified with revenue bonds will definitely have an adverse effect on future water and sewer rates unless the SRU experiences substantial increases in sales.

**CAPITAL IMPROVEMENT PROGRAM (FY 2007-11)
GENERAL FUND SCHEDULE**

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL PROJECT COST FY 07-11	FIVE YEAR SCHEDULE (FY07 - FY11)					
			2006-07	2007-08	2008-09	2009-10	2010-11	
City Office Building								
Waterproofing and Renovations	General Fund	\$ 198	\$ 15	\$ -	\$ 120	\$ 30	\$ 33	
City Hall								
Chamber Floor and Renovations	General Fund	72	-	6	30	11	25	
Zimmerman Building								
Floor Replacement	General Fund	25	7	4	-	7	7	
Salisbury West Community Center								
Painting	General Fund	12	-	-	12	-	-	
The Plaza								
Apartment Refurbishments, Updates, and Routine Appliance Replacements	General Fund	2,345	53	2,085	61	67	79	
Roof Replacements & Repair	General Fund	660	8	160	109	138	245	
HVAC Replacements & Repair	General Fund	399	86	90	78	70	75	
Fire Department								
Renovation of Existing Buildings	General Fund	120	-	30	30	30	30	
Land Management & Development - Engineering Division								
Ellis Street Bridge Design and ROW	General Fund/ Grants	345	345	-	-	-	-	
Ellis Street Bridge Construction	General Fund/ Grants	1,428	-	1,428	-	-	-	
Depot Improvements	General Fund/ Grants	500	500	-	-	-	-	
Greenway Design & Construction	General Fund/ Grants	750	300	50	400	-	-	
East Innes Street Improvements	Donations	253	253	-	-	-	-	
Public Services - Street Division								
Landfill - Equipment Storage	General Fund	60	-	30	-	30	-	
Landfill - Material Storage	General Fund	50	-	25	-	25	-	
Enclose Equipment Bay	General Fund	120	-	30	30	30	30	
Winter Material Storage	General Fund	100	-	-	-	-	100	
Street Division Addition	General Fund	150	-	-	-	150	-	
Additional Parking	General Fund	25	-	-	25	-	-	
Rehabilitation of Fisher Street	General Fund/ Grants	484	484	-	-	-	-	
Public Services - Landscape Ops.								
Additional Parking	General Fund	35	-	35	-	-	-	
Public Services - Hurley Park								
Install Irrigation System Near Craig St.	General Fund	10	-	10	-	-	-	
Parks and Recreation								
Park & Facility Repair & Replacement	General Fund	424	49	125	125	125	-	
Hall Gym Parking	General Fund	25	-	25	-	-	-	
Sports Complex Renovation	General Fund/ Grants	720	40	45	-	635	-	
Tennis Court Replacement	General Fund	200	-	200	-	-	-	
Park Land Acquisition	General Fund	125	-	125	-	-	-	
New Maintenance Building	General Fund	250	-	-	250	-	-	
Town Creek Park Development	General Fund	400	-	400	-	-	-	
TOTAL GENERAL FUND		\$ 10,285	\$ 2,140	\$ 4,903	\$ 1,270	\$ 1,348	\$ 624	

CAPITAL IMPROVEMENT PROGRAM (FY 2007-11)

WATER AND SEWER FUND SCHEDULE

PROJECT DESCRIPTION (\$ 000's)	PROPOSED FUNDING SOURCE	TOTAL	FIVE YEAR SCHEDULE				
		PROJECT	(FY07 - FY11)				
		COST FY 07-11	2006-07	2007-08	2008-09	2009-10	2010-11
WATER IMPROVEMENTS							
Roof Replacements	W/S/ Fund	\$ 389	\$ 141	\$ 108	\$ 80	\$ 60	\$ -
HVAC Replacements	W/S/ Fund	31	31	-	-	-	-
Annexation Area	Revenue Bonds	1,750	1,750	-	-	-	-
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	750	50	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	-
Polymer Feed System - Backup	W/S Fund	50	-	50	-	-	-
Storage Tanks	Revenue Bonds	4,000	-	-	-	-	4,000
TOTAL WATER IMPROVEMENTS		24,145	\$ 1,972	\$ 1,773	\$ 4,480	\$ 5,460	\$ 10,460
SEWER IMPROVEMENTS							
Annexation	Revenue Bonds	1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -
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	-	-	-
Polymer Feed System	W/S Fund	50	-	50	-	-	-
Elimination of Land Application	W/S Fund	1,800	-	800	-	-	1,000
Plant Equipment Replacement	Revenue Bonds	2,790	50	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	-
Spencer Plant Demolition	W/S Fund	200	-	-	200	-	-
TOTAL SEWER IMPROVEMENTS		28,739	\$ 8,650	\$ 4,369	\$ 7,726	\$ 3,830	\$ 4,164
TOTAL WATER / SEWER IMPROVEMENTS		\$ 52,884	\$ 10,622	\$ 6,142	\$ 12,206	\$ 9,290	\$ 14,624



DEBT MANAGEMENT PROGRAM

OUTSTANDING DEBT

As of June 30, 2006, the City of Salisbury will have \$54,400,598 in outstanding debt for all funds. The type of debt with the breakdown between funds is shown below:

General Fund:	
General obligation bonds	\$ 2,075,000
Capital leases	<u>6,293,147</u>
	<u>\$ 8,368,147</u>
Water and Sewer Fund:	
General obligation bonds	\$ 11,480,000
Revenue bonds	20,215,000
Capital leases	2,799,885
State Clean Water Revolving Loans	<u>11,537,566</u>
	<u>\$ 46,032,451</u>
Total	<u>\$ 54,400,598</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 Wachovia Bank of North Carolina, BB&T, and Bank of America (except the May 2, 2006 lease) 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
2007	\$ 200,000	\$ 99,550	\$ 722,863	\$ 270,952	\$ 922,863	\$ 370,502
2008	200,000	90,050	1,611,951	228,619	1,811,951	318,669
2009	200,000	80,550	685,713	181,379	885,713	261,929
2010	200,000	70,950	611,802	155,203	811,802	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	492,212	96,059	692,212	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>\$ 2,075,000</u>	<u>\$ 568,950</u>	<u>\$ 6,293,147</u>	<u>\$ 1,422,691</u>	<u>\$ 8,368,147</u>	<u>\$ 1,991,641</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, 2006
Water Bonds Series 1997, average rate of 4.79%, issued December 1997, maturing serially to 2008	\$ 100,000
Combined Enterprise Revenue Series 1998A, average rate of 4.87%, issued January 1998, maturing serially to 2018	1,435,000
Combined Enterprise Revenue Series 2002, average rate of 4.84%, issued April 2002, maturing serially to 2022 with terms in 2020 and 2027	18,780,000
Water Bonds Series 1998, average rate of 4.4%, issued June 1998, maturing serially to 2017	1,850,000
Refunding Water and Sewer Series 2003, average rate of 3.44%, issued August 2003, maturing serially to 2019	<u>9,530,000</u>
	<u>\$31,695,000</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	
2003	15,297,190	10,022,035	5,275,155	1,107,506	1,297,994	2,405,500	219.30%
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%

- (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 only.

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, 2006
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	\$ 2,750,000
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	247,566
Clean Water Loan for Sewer purposes, average rate of 2.60%, issued June 1998, maturing serially to 2017	6,440,000
Clean Water Loan for Water purposes, average rate of 2.60%, issued January 1999, maturing serially to 2017	<u>2,100,000</u>
	<u>\$11,537,566</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
2007	\$ 1,405,000	\$ 401,053	\$ 650,000	\$ 958,331	\$ 882,506	\$ 324,857	\$ 264,190	\$ 115,559	\$ 3,201,696	\$ 1,799,800
2008	1,330,000	360,915	675,000	934,226	882,506	299,650	260,847	104,983	3,148,353	1,699,773
2009	1,265,000	318,128	700,000	907,728	882,506	274,443	267,585	94,604	3,115,091	1,594,902
2010	1,245,000	277,728	730,000	879,336	882,506	249,236	274,409	83,860	3,131,915	1,490,159
2011	1,225,000	235,788	760,000	929,101	882,506	224,029	276,324	72,745	3,143,830	1,461,662
2012	1,210,000	192,388	795,000	812,472	882,506	198,822	283,334	61,480	3,170,840	1,265,161
2013	1,190,000	148,463	835,000	774,190	882,506	173,615	240,799	50,370	3,148,305	1,146,637
2014	1,175,000	103,794	870,000	737,479	882,506	148,408	240,799	40,830	3,168,305	1,030,510
2015	1,160,000	58,419	910,000	697,623	882,506	123,201	240,799	31,260	3,193,305	910,502
2016	175,000	12,375	950,000	655,277	882,506	97,994	240,799	21,690	2,248,305	787,335
2017	100,000	4,500	995,000	610,267	882,506	72,787	60,000	12,120	2,037,506	699,674
2018	-	-	1,045,000	562,162	610,000	47,580	60,000	8,670	1,715,000	618,412
2019	-	-	935,000	515,000	610,000	31,720	50,000	5,220	1,595,000	551,940
2020	-	-	980,000	468,250	610,000	15,860	30,000	2,320	1,620,000	486,430
2021	-	-	1,030,000	419,250	-	-	10,000	580	1,040,000	419,830
2022	-	-	1,080,000	367,750	-	-	-	-	1,080,000	367,750
2023	-	-	1,135,000	313,750	-	-	-	-	1,135,000	313,750
2024	-	-	1,195,000	257,000	-	-	-	-	1,195,000	257,000
2025	-	-	1,250,000	197,250	-	-	-	-	1,250,000	197,250
2026	-	-	1,315,000	134,750	-	-	-	-	1,315,000	134,750
2027	-	-	1,380,000	69,000	-	-	-	-	1,380,000	69,000
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
Totals	<u>\$ 11,480,000</u>	<u>\$ 2,113,548</u>	<u>\$ 20,215,000</u>	<u>\$ 12,200,188</u>	<u>\$ 11,537,566</u>	<u>\$ 2,282,199</u>	<u>\$ 2,799,885</u>	<u>\$ 706,291</u>	<u>\$ 46,032,451</u>	<u>\$ 17,302,226</u>

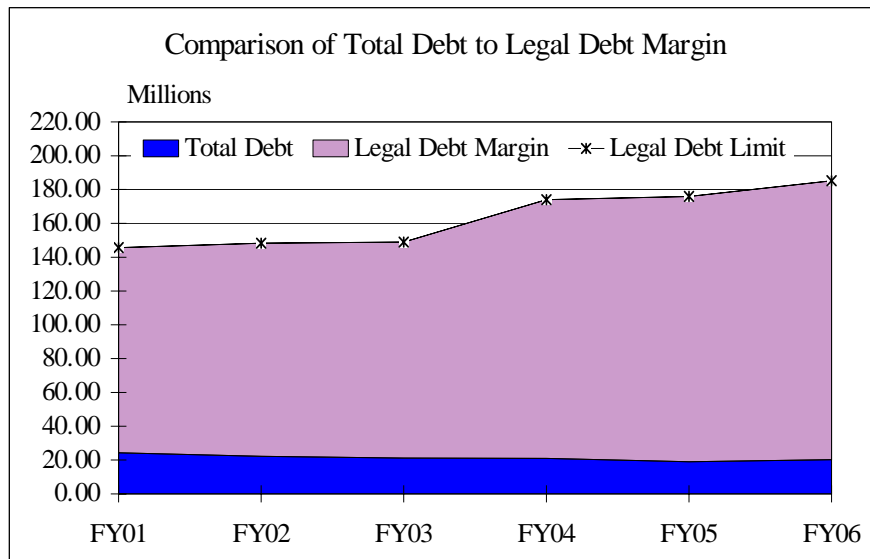
PROPOSED DEBT

The City of Salisbury currently anticipates issuing total debt during FY2006-07 of \$1,170,000 in the General Fund. Of this total, \$500,000 is proposed for funding Customer Service Management software to be used across all City departments. The estimated term of the lease is fifty-nine months at an estimated interest rate of 5%. One half of the debt service cost for this purchase will be paid by the Water and Sewer Fund. The City currently anticipates having this lease funded in December 2006 and has budgeted one half of a year's principal and interest for this lease. The balance of \$670,000 is proposed to be issued to fund the cost of a new fire truck to replace an existing one. The estimated term of this lease is sixty months at an estimated interest rate of 5%. The estimated funding date for this lease is June 2007 and no funds have been budgeted this year for interest and principal payments.

The City also anticipates issuing Water and Sewer Revenue Bonds sometime during the late spring or early summer of 2007. The exact amount of this issue is not yet known, but is currently estimated to be \$6,500,000. These bonds will be used to extend water and sewer lines to serve new areas surrounding the City. Although the exact terms of this debt issue has not been determined, the Water and Sewer Fund has included in their budget \$450,000 to be used annually towards the debt service of this bond issue.

LEGAL DEBT MARGIN

As shown, 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 10 - 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, 2006

Debt limit: Assessed value of \$2,407,463,772 x 8%	\$ 192,597,102
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 13,555,000
Total capitalized lease obligation	<u>9,093,032</u>
Total outstanding debt	22,648,032
Less:	
Deductions allowed for water bonds issued	<u>1,950,000</u>
Total amount of debt applicable to debt limit	<u>20,698,032</u>
LEGAL DEBT MARGIN	<u>\$ 171,899,070</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, 2005.

	Net General Obligation Debt Outstanding	Percentage Applicable to City of Salisbury	City of Salisbury's Share of Debt
City of Salisbury	\$ 2,265,000	100.00%	\$ 2,265,000
Rowan County ⁽²⁾	100,975,000	23.45%	<u>23,678,638</u>
Total direct and overlapping debt			<u><u>\$ 25,943,638</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 the citizens of Salisbury, but 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 FY2006 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 FY2006, these four sources in the General Fund account for 64.5% 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.

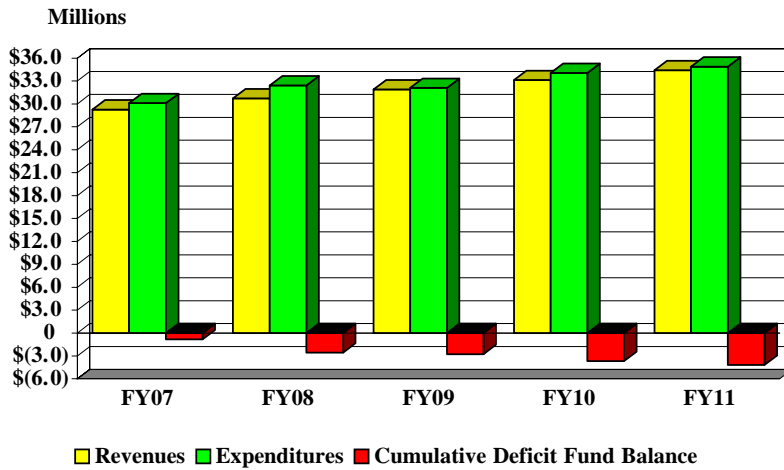
Administrative revenue is the Water and Sewer Fund's contribution to the operations of the General Fund. It represents the Water and Sewer Fund's share of expenses incurred in the General Fund for services such as water and sewer billing, financial administration, fleet management, purchasing, personnel 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, but our property tax base has not. There are some positive signs that point to future growth in our property tax base, but they are still several years away. 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 sagging economy, many infrastructure projects have been deferred to avoid increasing taxes or cutting services. Many of these projects

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



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 then to renovate or repair. For FY2007, 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 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 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, the 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 is expected to generate approximately the same amount.

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 7.5% of FY2006 revenues, a slight decrease of .1% from FY2005. 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.

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

Exhibit 2

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 1.2% of the General Fund's revenue in FY2006. 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.

SERVICES FOR WHICH LOCAL GOVERNMENTS COMMONLY CHARGE A FEE

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)

Planning and economic development

Annexation (F)
Development guide or manual (F)
Maps (F)
Plat processing (F)
Zoning variance (F)

Sanitation

Landfill (P)
Large-item solid-waste pickup (F)*
Solid waste collection (F)
Street cleaning (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)

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)

Miscellaneous

Document search (F)
Meeting room rentals (F)
Photocopying records (F)
Vending machine space rental (F)

"F" means that the fee for service should be set so as to recover the *full* 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" means that the fee for service should be set so as to recover only *part* of the cost of the service. A partial subsidy is justified for any one or all of the reasons discussed in the chapter.

Source: Adapted from Robert L. Bland, *Financing City Government in Texas: A Revenue Manual for City Officials* (Austin: Texas Municipal League, 1986)

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".

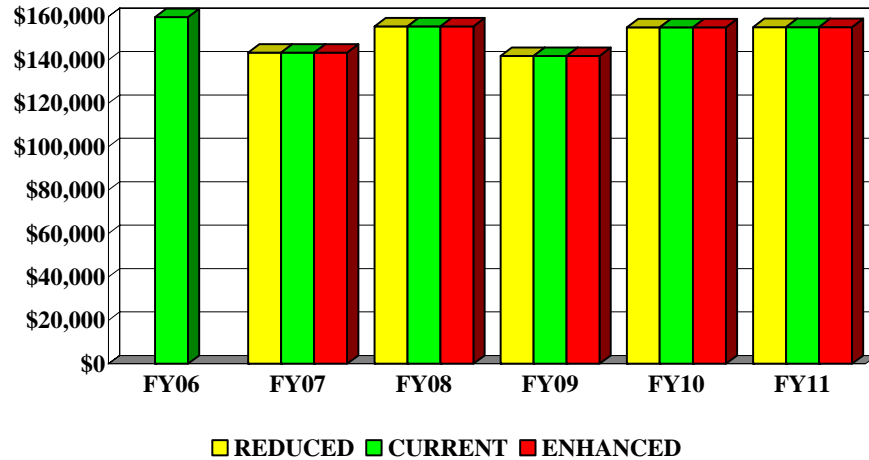
This analysis of local government revenues and the corresponding projection of local government expenditures is updated each year by the City's Management Services Department. This report anticipates local government revenue shortfalls in meeting local government service demands. Simultaneously, it is 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:

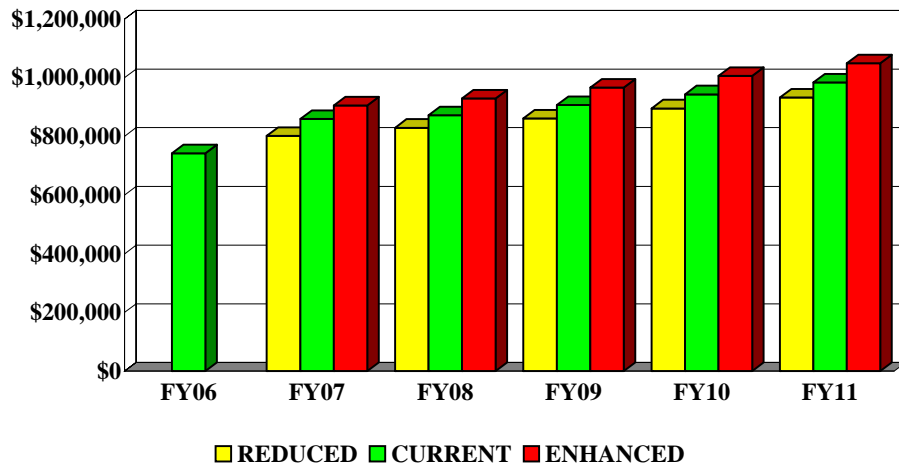
- No enhanced service level is proposed

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 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.

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
- Provide administrative support to the Mayor, the City Council and the City Manager

Current Service Level (Continued):

- 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:

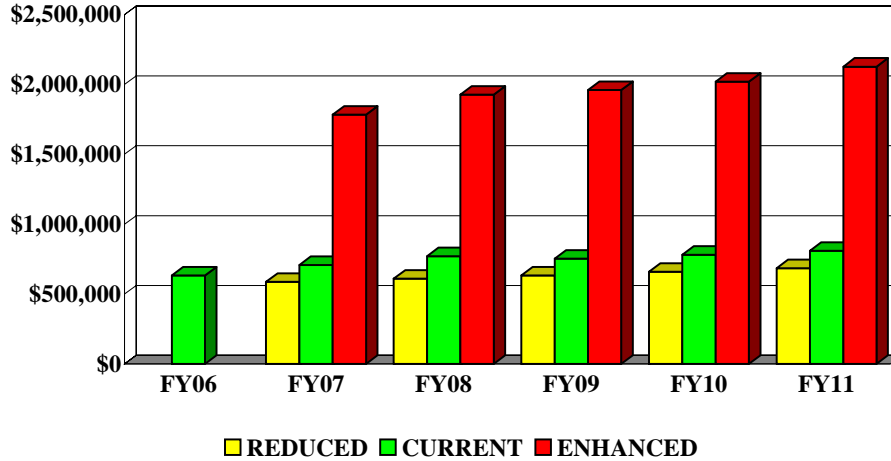
- Add position for enhanced office support

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:

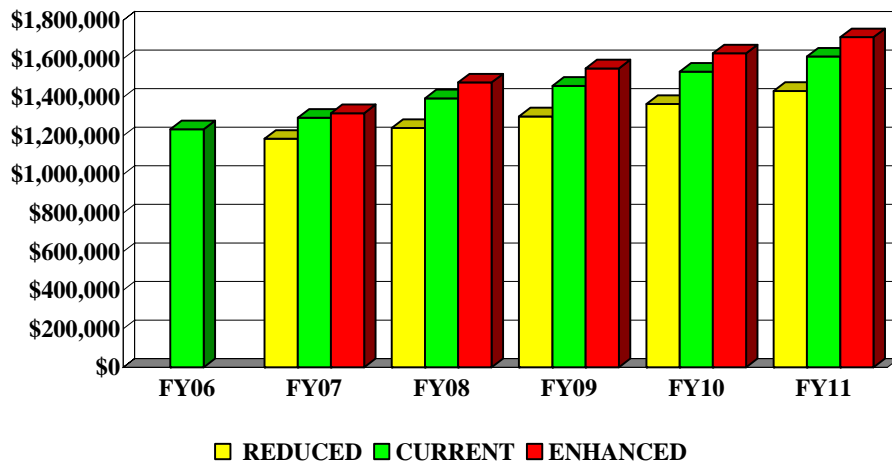
- Provide extensive in-house benefits counseling and administration
- Provide in-house management, supervisor and employee training and career development programs
- Provide extensive in-house occupational health/wellness program
- Provide extensive in-house Employee Assistance Program
- Provide extensive 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

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 Account Clerk position, which decreases timely information in general ledger maintenance and reporting function
- Eliminate a customer service clerk which reduces support for utility customer assistance
- Reduce processing for accounts payable to biweekly cycle
- 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:

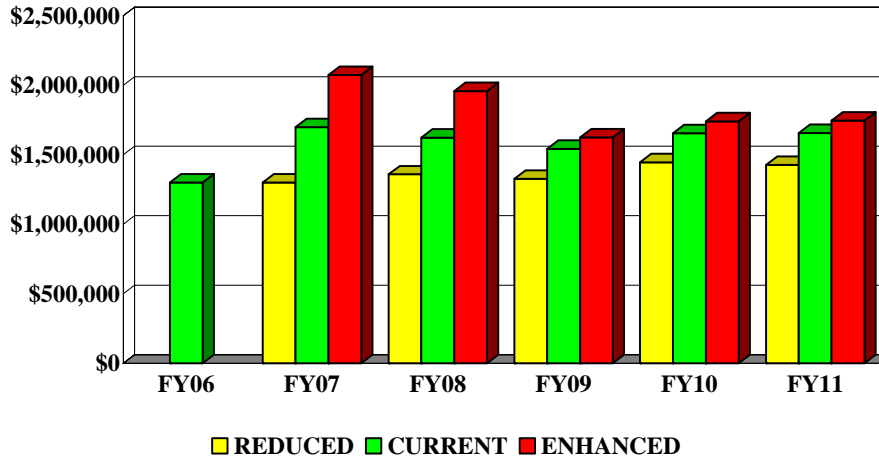
- Provide additional customer service support for utility, privilege license, and miscellaneous receivable billing and collection
- Provide additional collection support for delinquent receivables
- Provide additional support for benchmarking

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

Reduced Service Level:

- Reduce scope of implementation of Information System Plan

Enhanced Service Level:

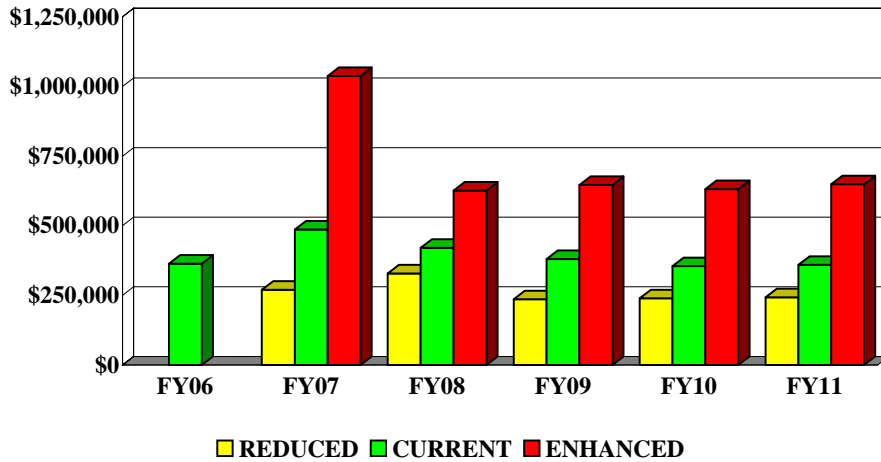
- Develop more in-house programs
- Develop in-house expertise in networking
- Expand implementation of Information System Plan

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

Reduced Service Level:

- Eliminate 9-1-1 service to the public
- Eliminate or defer purchases of telecommunications equipment

Enhanced Service Level:

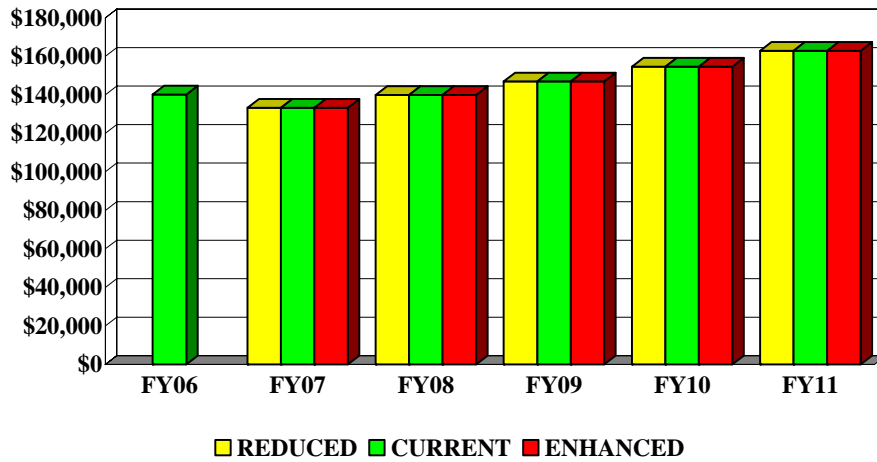
- Add telecommunications manager and technicians in FY2007
- Increase scope of telecommunications upgrades

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:

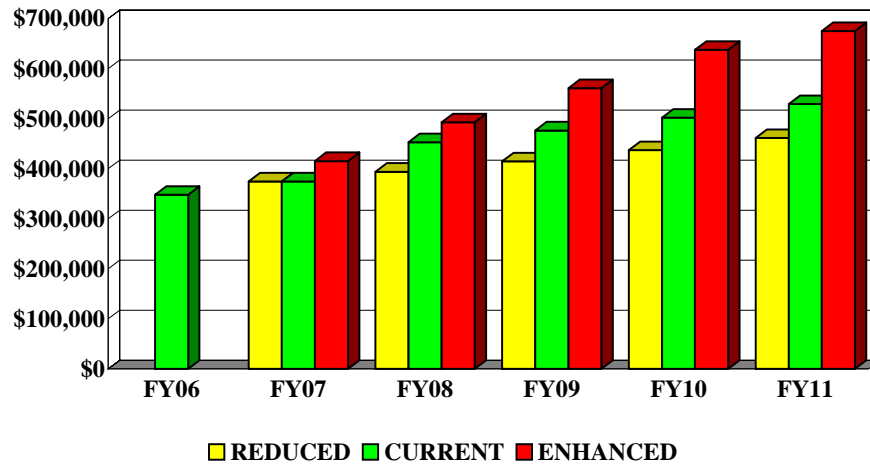
- No enhanced service level is proposed

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

Reduced Service Level:

- Omit high security locks on essential doors to increase building security
- Omit funds to ensure safe water supply by installing back flow prevention at all City owned water taps

Enhanced Service Level:

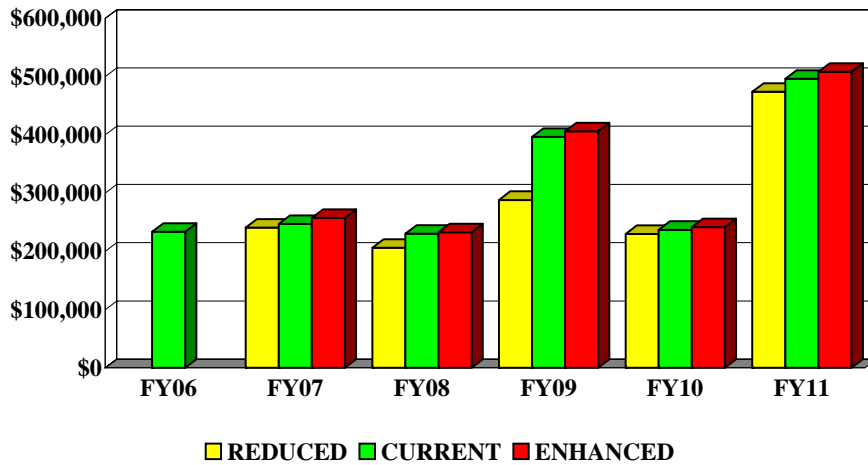
- Enhance replacement schedule to meet facility needs
- Increase maintenance staffing to facilitate maintenance and repair projects necessary to adequately maintain facilities
- Increase custodial staffing to minimize contracted services for custodial work

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:

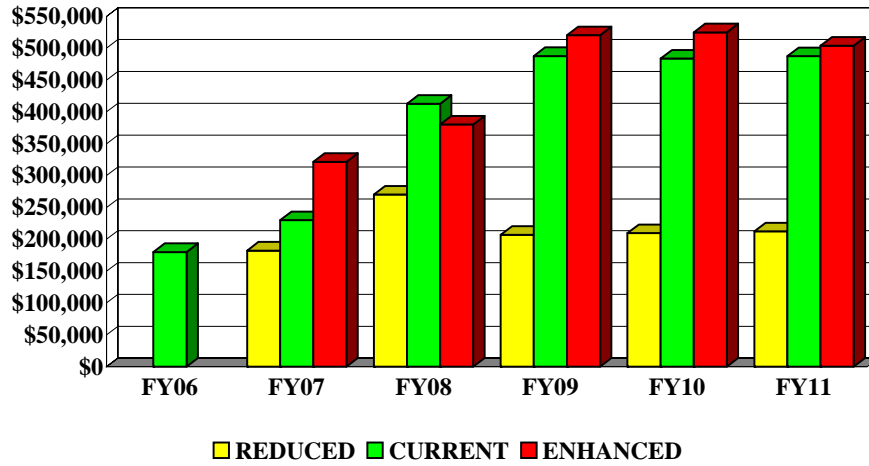
- Provide for further renovation of meeting and office space and exterior enhancements

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

Enhanced Service Level:

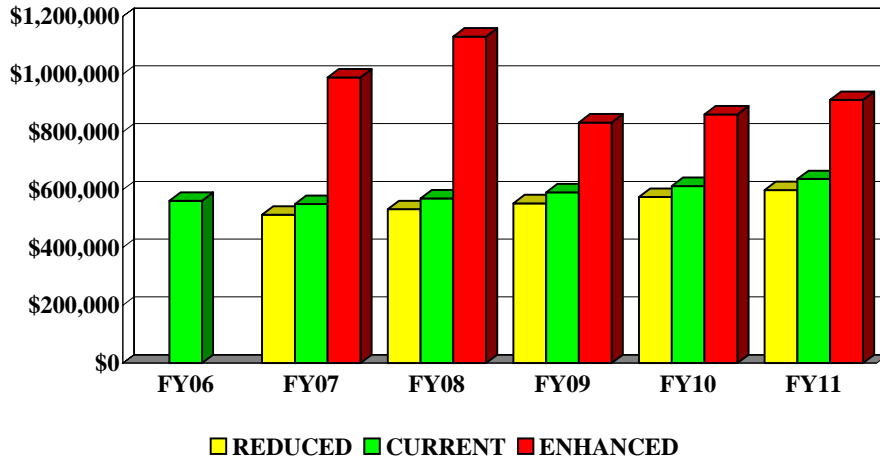
- Increase scope of repairs

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:

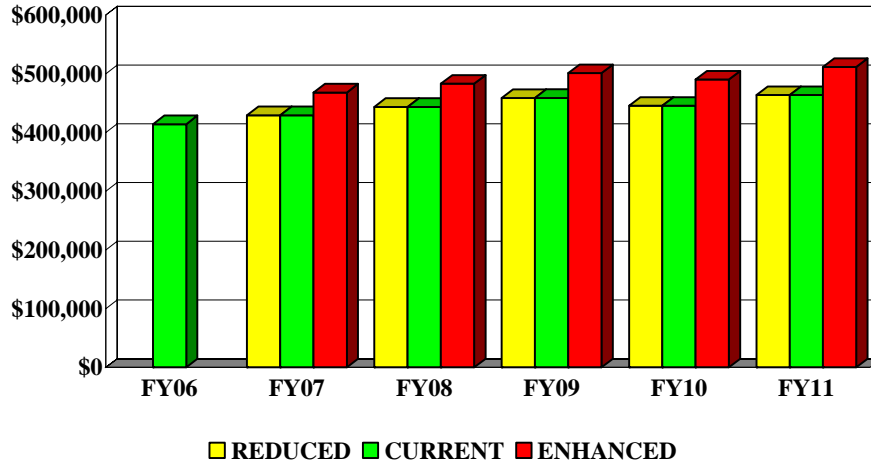
- Increase scope of special projects
- Improve historic preservation effort
- Enhance neighborhood improvement planning by hiring additional planner

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
- Perform inspections to ensure compliance with various codes and ordinances
- Issue certificates of compliance
- 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 resolution
- 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
- Conduct a monthly Technical Review Committee meeting 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:

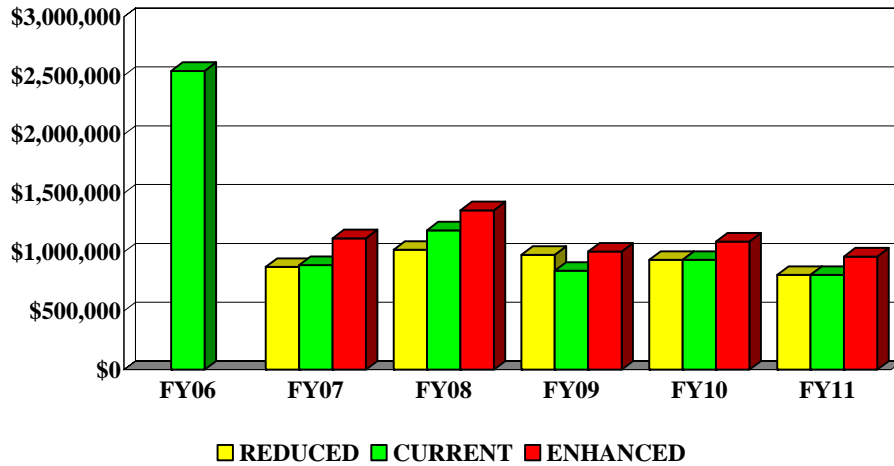
- Add additional Zoning and Code Enforcement Specialist in FY2007

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
- Provide preliminary surveying for analysis and design
- 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 and 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:

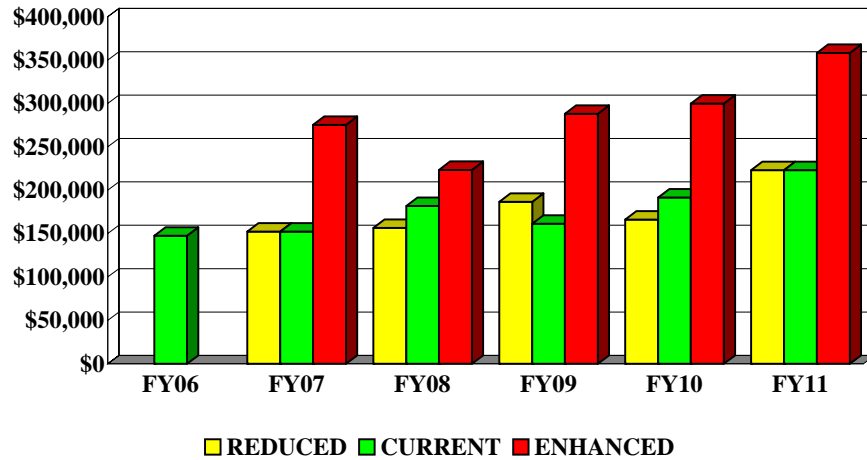
- Increase the use of consulting advice for NPDES compliance
- Restore funding of storm drainage grants
- Implement a traffic calming program
- Reconstruct the 900 block of East Liberty Street (behind Towne Creek Commons)
- Purchase new laptop computer dedicated to traffic signal system
- Purchase additional 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
- 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 on cooperative data acquisition projects
- Coordinate with Rowan County on regional GIS needs
- Maintain state development zone boundary 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)

Reduced Service Level:

- Extend update cycle for CityGREEN data layer (every three years)

Enhanced Service Level:

- Add GIS Programmer
- Add GIS Technician
- Develop and implement basemap online application for general use by the public
- Develop and implement online application related to state development 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

Enhanced Service Level (Continued):

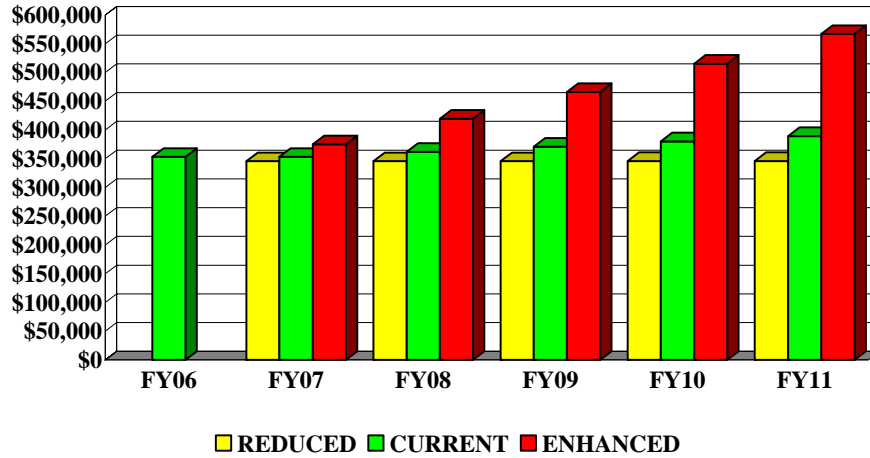
- Develop data model and perform data inventory for traffic signs
- Develop data model and perform data inventory for street trees
- Develop and implement online application related to NPDES Phase II compliance
- Develop and implement online application related to park locator and amenity browser
- Develop and implement online application related to availability of water and sewer service throughout County
- Develop and implement online application related to availability of public transit
- Develop and implement online application related to Downtown Salisbury

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
- Administer neighborhood street light improvements in response to citizen petitions

Reduced Service Level:

- Eliminate neighborhood improvements by petition

Enhanced Service Level:

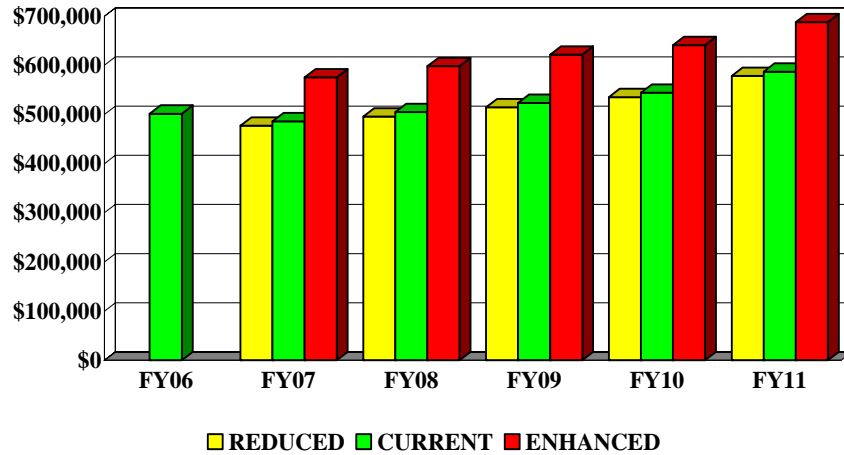
- Increase maintenance for City-owned pedestrian-scale lights
- Implement a program for lighting improvements for thoroughfares
- Pay the monthly operating expense of “extra” lights in decorative light systems

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 citizen’s 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 with grant-funded position

Reduced Service Level:

- Eliminate police chaplain program, diversity enhancement services, and wellness program

Enhanced Service Level:

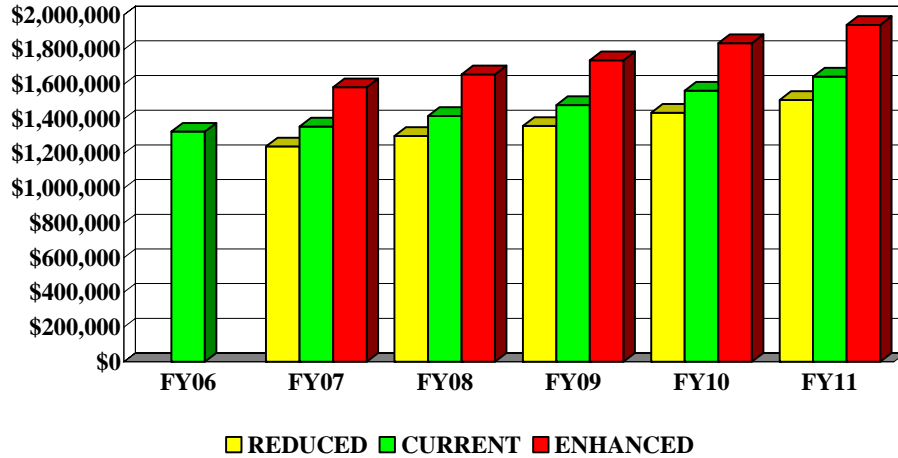
- Increase efforts for Crime Control Plan
- Increase funding for wellness program equipment
- Increase efforts for diversity enhancement
- Continue Project Safe Salisbury without grant funding for position

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:

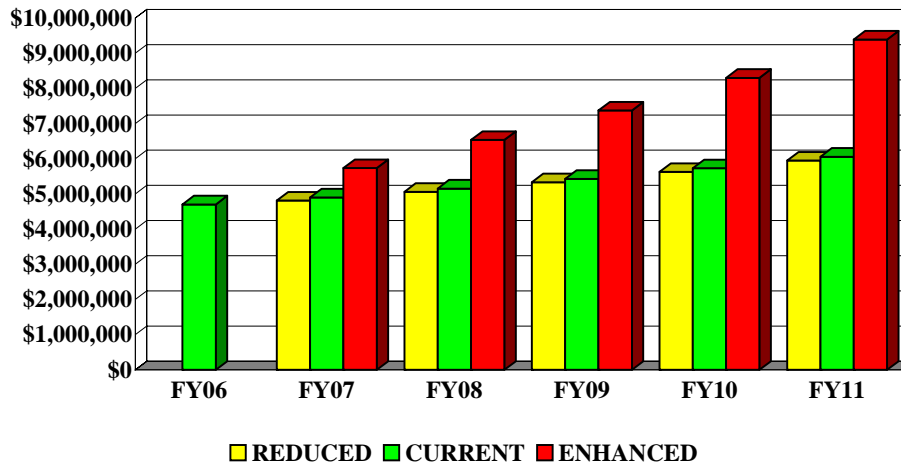
- Reinstate police telecommunications supervisor
- Add two telecommunications positions
- Add full-time animal control specialist
- Add one police information clerk and one police records clerk

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 one officer
- Reduce equipment purchases

Enhanced Service Level:

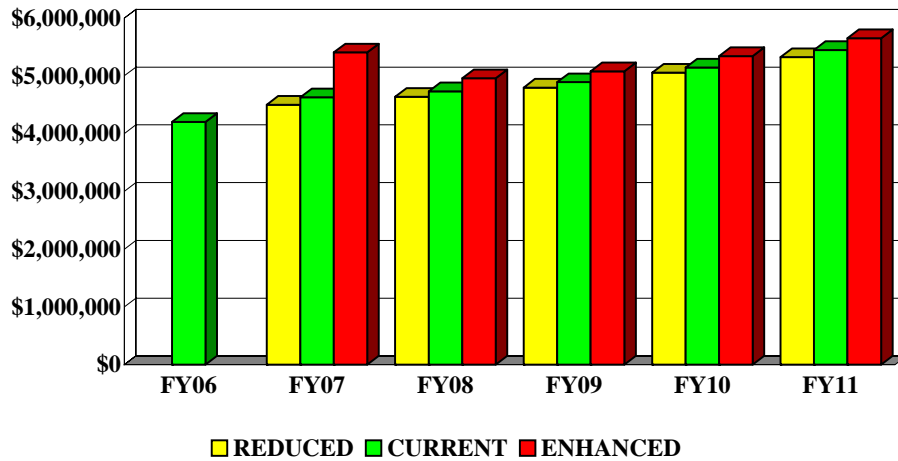
- Reinstate the two frozen patrol officer positions
- Add eight patrol officers annually to increase patrol coverage and related enforcement activities
- Add sergeant to Criminal Investigations Division
- Add detectives in the Criminal Investigations Division
- Add detectives in the Drug Enforcement Unit
- Add one Specialized Traffic Enforcement – Accident Reconstructionist Officer

FIRE DEPARTMENT

Statement of Purpose

To provide capable, well-trained personnel and necessary equipment to suppress fires and effectively manage hazardous materials accidents that may occur in our community related to transportation or industry. To provide rescue services as needed and life support through an updated First Responder Program. To continue to work toward a more fire-safe community through loss prevention activities, including minimum housing responsibilities, building inspections, code enforcement, and public education programs.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain high customer satisfaction through excellent customer service
- Place Station 4 in service
- Continue implementation of the Strategic Plan
- Continue with activities to maintain Class II fire rating
- Implement “Quint Concept” to strengthen ISO rating
- Continue planning for 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
- 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:

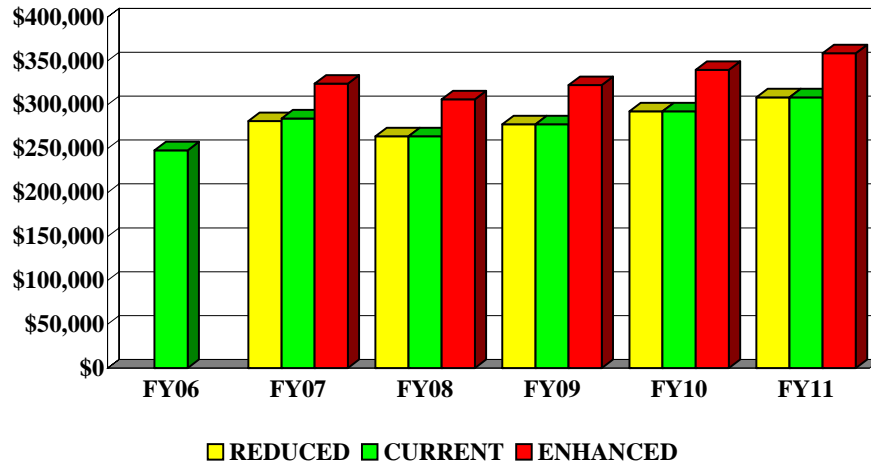
- Increase customer satisfaction through excellent customer service with increased personnel resources
- Employ a Fire Education Specialist and increase public education and awareness activities
- Become more involved with community activities
- Employ a training captain for more in-house training for State and National certifications
- Hire two temporary positions for hydrant maintenance in FY2007
- Seek Fire Department Accreditation
- Improve training facilities with the purchase of flash over rooms
- Construct or lease additional storage facilities

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 unforeseen circumstances
- Keep public those activities of the Public Services Department directly affecting the general public
- Provide code enforcement

Reduced Service Level:

- Defer building maintenance

Enhanced Service:

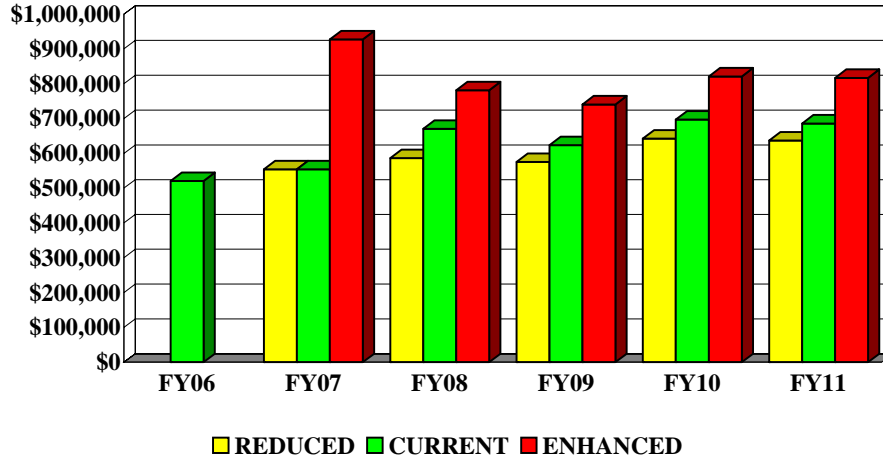
- Add another code enforcement officer to provide more effective coverage

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
- 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:

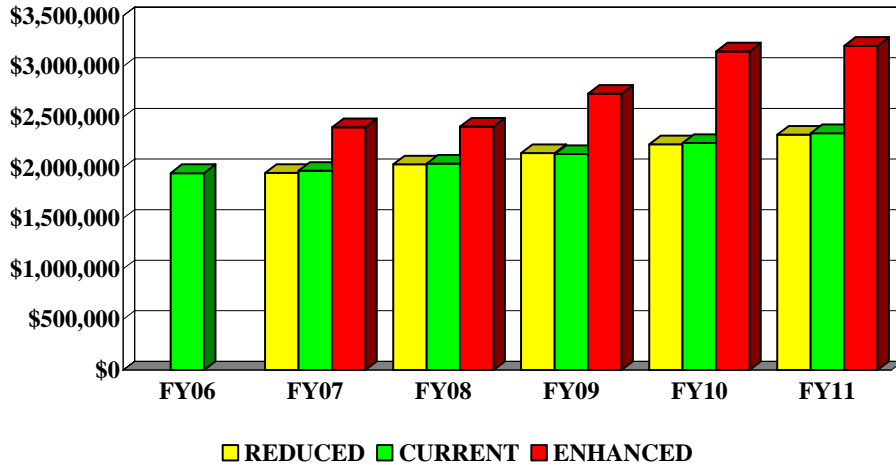
- Add one new crew in FY2007 to rejuvenate thermoplastic material biannually
- Upgrade street name signs from 6" to 9"
- Upgrade stop signs to 36" high-intensity minimum
- Take over maintenance of all signals in the county
- Construct Traffic Operations facility

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:

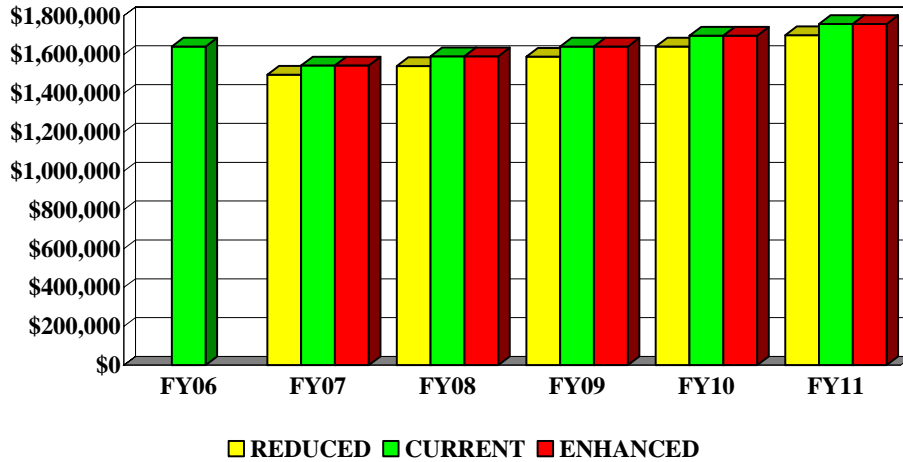
- Provide funding to increase sidewalk repairs/installations
- Add street sweeper to enhance removal of debris from streets and gutters within 30 working days
- Increase manpower and add equipment to upgrade street maintenance and concrete operations
- Enhance dry storage for equipment and materials
- Provide funds for target neighborhoods, utility strips, and drainage improvements
- Build an addition to current facility

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

Reduced Service Level:

- Eliminate one position which compromises daily collections

Enhanced Service Level:

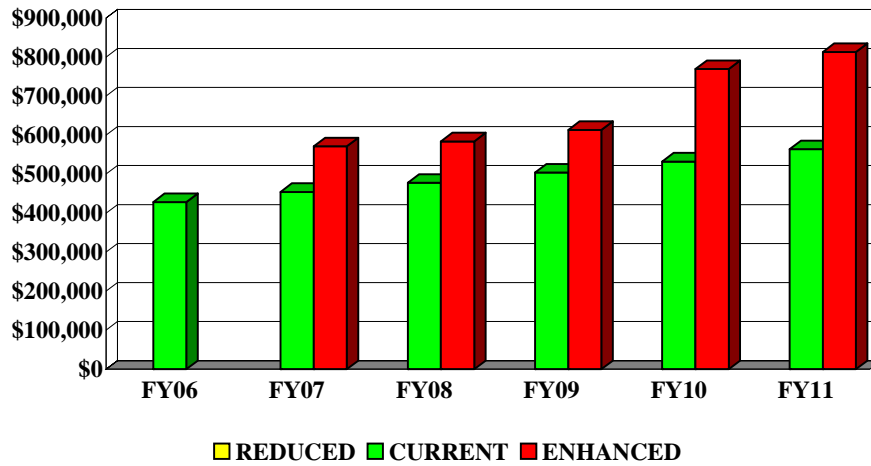
- No enhanced service level is proposed

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 3 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:

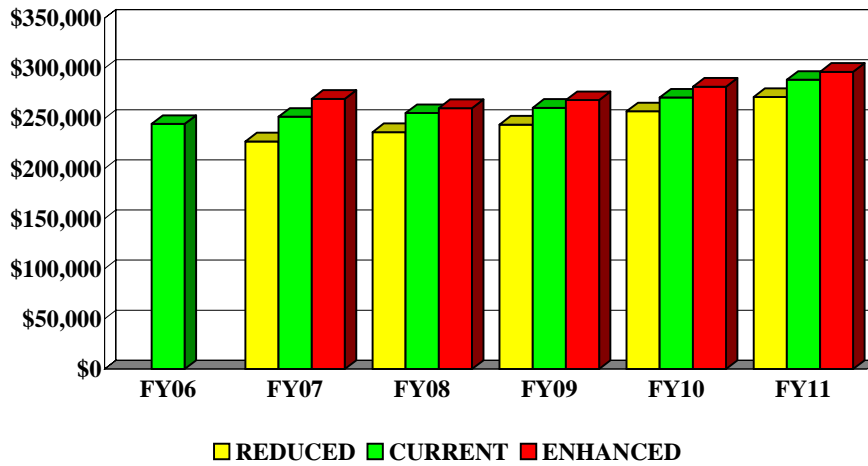
- Conduct pilot program for yard debris roll-out carts
- Purchase tub grinder

PUBLIC SERVICES-CEMETERY

Statement of Purpose

To operate, maintain and develop seven municipal cemeteries totaling 78.6 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 200 grave sites annually
- Maintain existing graves as required
- Mow all cemeteries biweekly

Reduced Service Level:

- Reduce frequency of mowing during summer months

Enhanced Service Level:

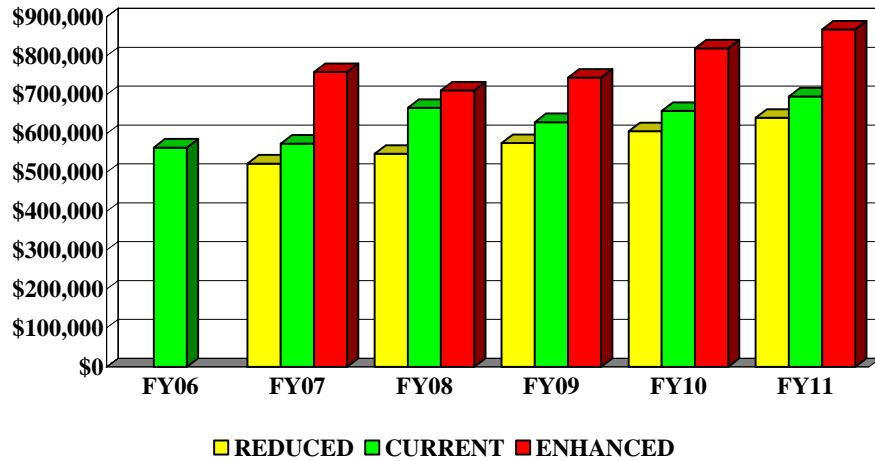
- Mow on nine day cycle
- Carry out improvements at Dixonville Cemetery

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 200 acres of parks and open space and over 100 parcels of public property every seven to ten days
- Maintain landscaped areas including trees, shrubs, turfgrass 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: plant 500 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 Park every seven to ten days
- Provide seasonal color change four times per year
- Provide trash removal along highly visible roadside areas every seven to ten 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 150 to 200 trees annually and eliminate landscape projects
- Respond to nuisance abatement within 15 days

Enhanced Service Level:

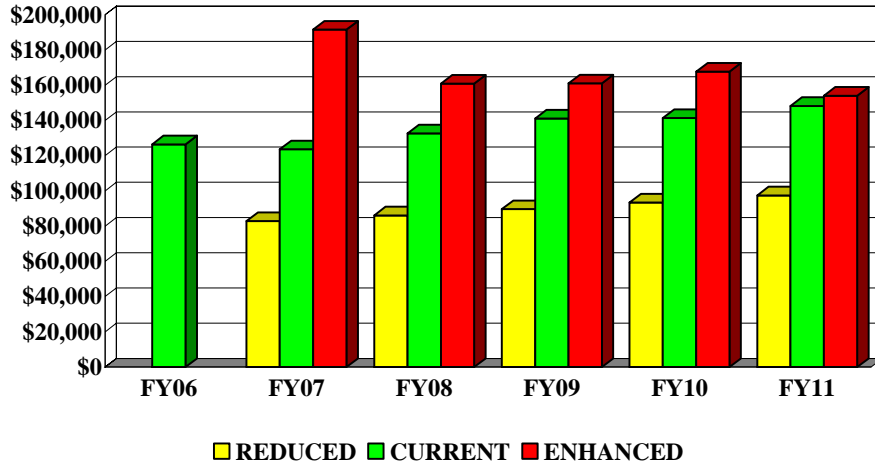
- Provide mowing operations for street rights-of-way every seven to ten days, and parks, open space, and public property every five to seven days
- Implement/maintain landscaped areas every seven to ten days
- Plant 700 to 800 trees and complete four to six landscape projects annually
- Implement a systematic 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/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:

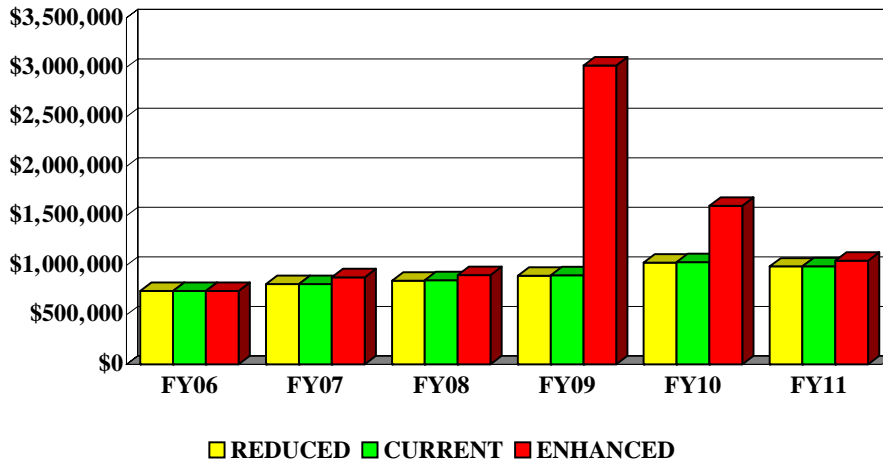
- Provide additional funds for park development
- Complete five special projects annually

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
- Incur declining level of technical abilities of personnel
- Reduce funding for capital outlay

Enhanced Service Level:

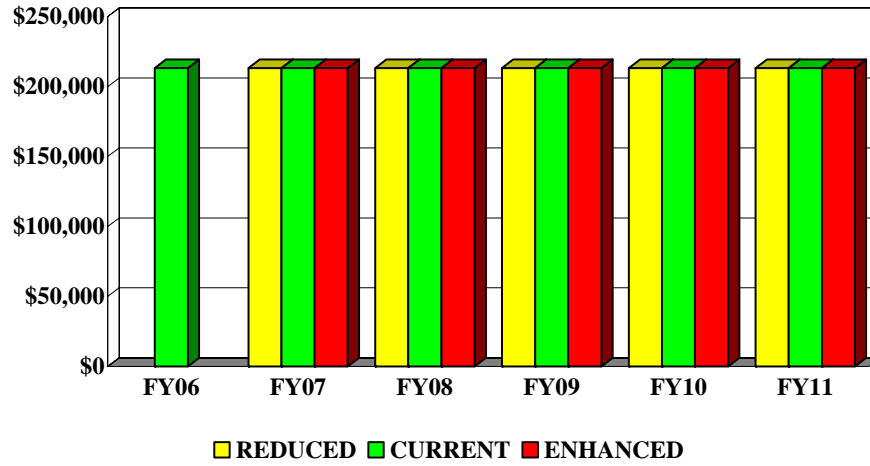
- Increase funding for capital outlay
- Build and upfit joint City-County Shop

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:

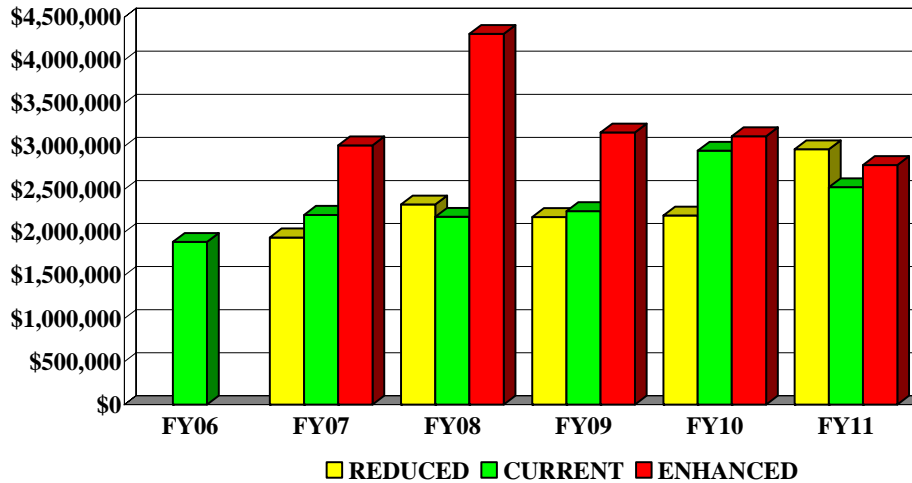
- No enhanced service level is proposed

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 505 acres of parkland in 15 locations (mowing, trash collection, and repairs)
- Maintain three sections of the Greenway approximately one mile in length
- Maintain and prepare for public and tournament use nine ball fields, four soccer fields, nine outdoor basketball courts and one disc golf course
- Provide maintenance staff for the Salisbury Community Park and the Greenway
- Renovate the Sports Complex

Reduced Service Level:

- Delay development of the Town Creek Park until FY2008
- Delay park maintenance support until FY2008
- Delay replacement of the City Park Tennis Courts until FY2008

Enhanced Service Level:

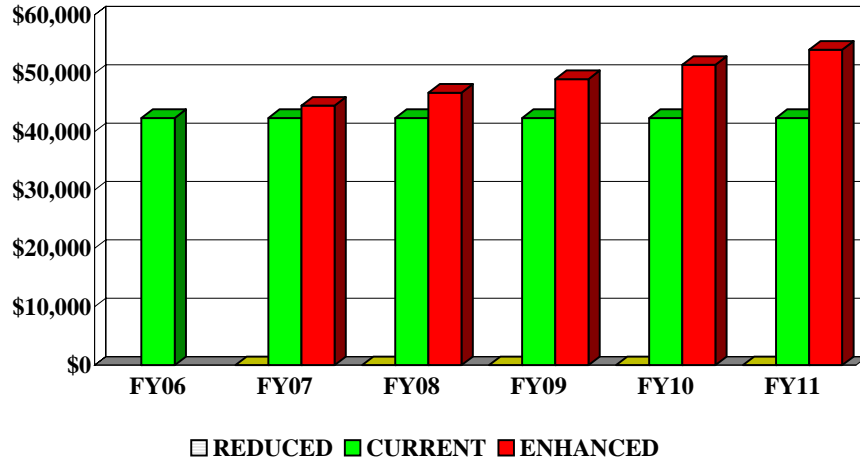
- Increase scope of capital funds for facility repairs and replacements
- Expand maintenance for new Greenway sections of additional 1 ¾ miles

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:

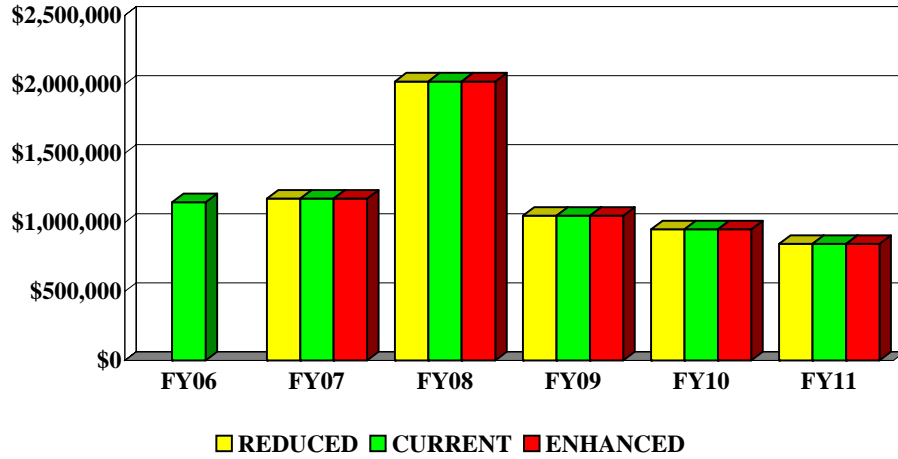
- Increase funding by 5% annually, which could be used to enhance curriculum materials or special projects

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 2004-05 Performance and Cost Data", dated February 2006. 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 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 FY2006-07 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.

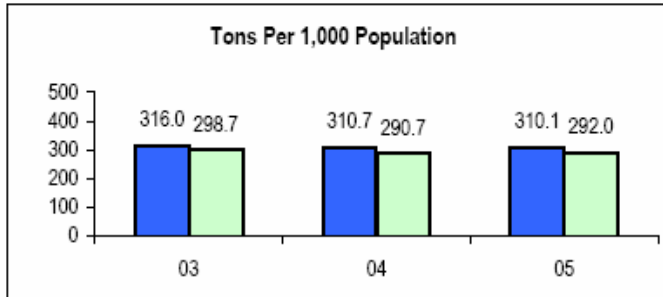
Salisbury

Residential Refuse Collection

FISCAL YEARS 2003, 2004, & 2005

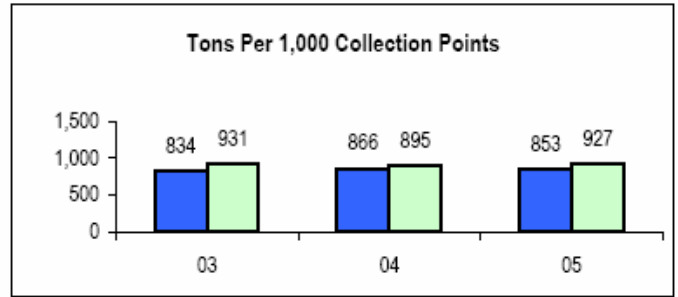
Chart Legend: City Average

Workload Measure



n=16

Workload Measure



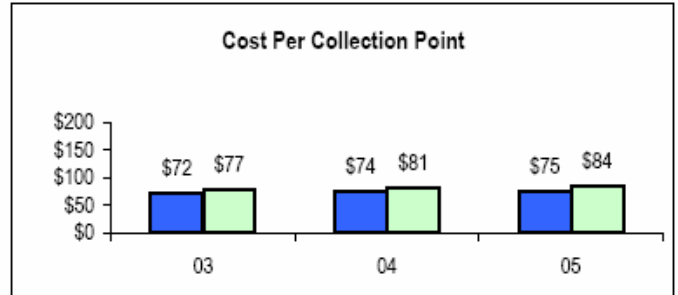
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Efficiency Measure



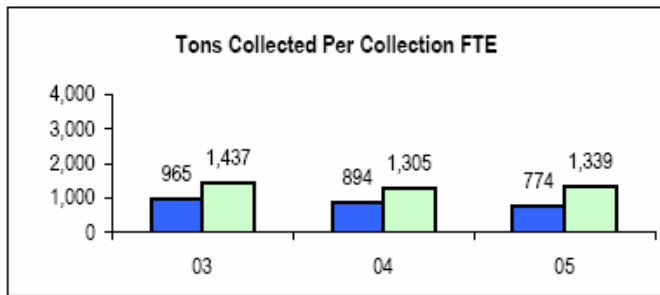
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Efficiency Measure



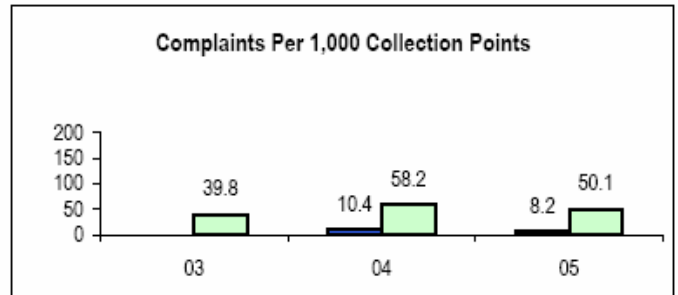
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Efficiency Measure



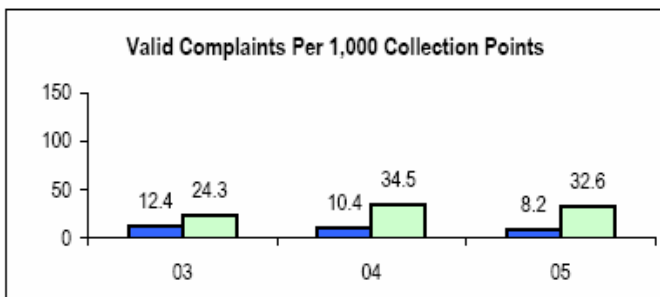
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Effectiveness Measure



n=13

Effectiveness Measure



n=12

Salisbury

Residential Refuse Collection

Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
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	56.5%
Operating Costs	29.6%
Capital Costs	13.9%
TOTAL	100.0%
Cost Breakdown in Dollars	
Personal Services	\$ 433,557
Operating Costs	\$ 226,807
Capital Costs	\$ 107,052
TOTAL	\$ 767,416

SERVICE PROFILE

FTE Positions—Collection	11.30
FTE Positions—Other	2.00
Tons Collected	8,750
Residential Customers (number represents collection points)	10,259
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 \$2.96 for residential collection.

The city employed six crews during FY 2004–05, 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. The city collected 8,750 tons of residential refuse during FY 2004–05 at a cost per ton of \$88. Not included in the cost per ton was a \$30 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.

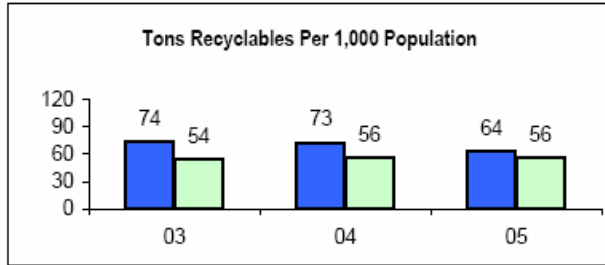
Salisbury

Household Recycling

FISCAL YEARS 2003, 2004, & 2005

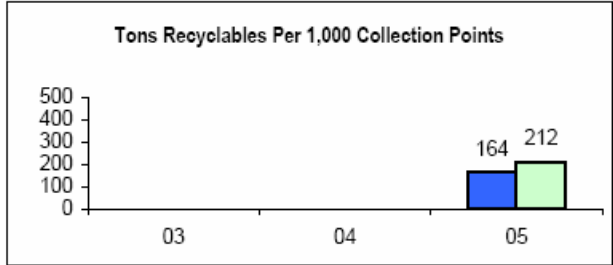
Chart Legend: City Average

Workload Measure



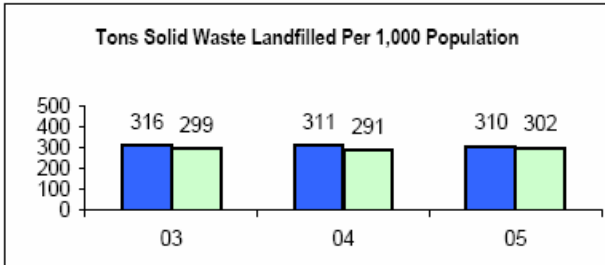
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Workload Measure



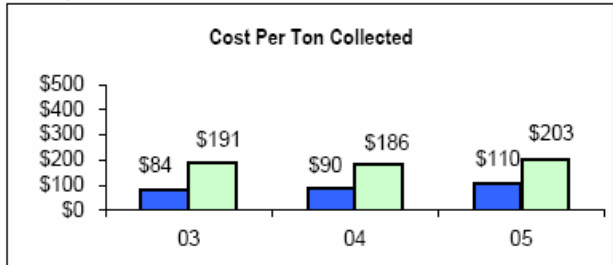
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Workload Measure



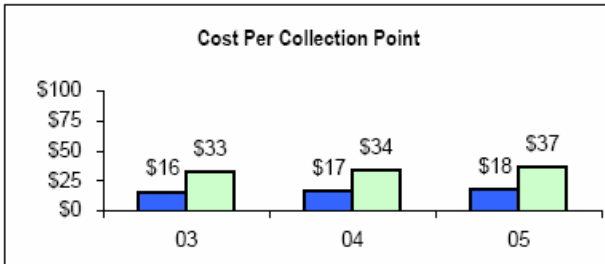
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Efficiency Measure



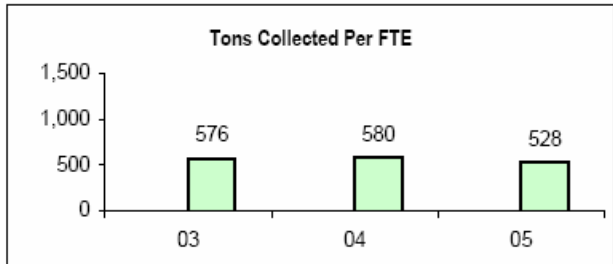
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Efficiency Measure



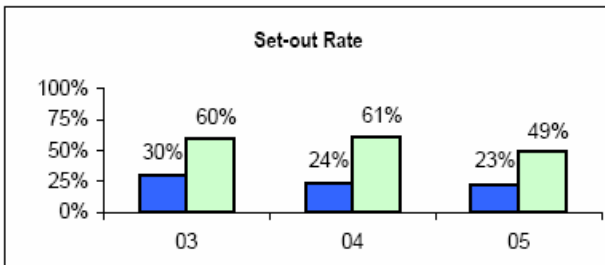
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Efficiency Measure



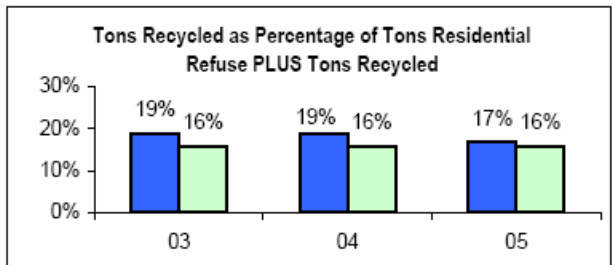
n=6

Effectiveness Measure



n=14

Effectiveness Measure



n=15

Salisbury

Household Recycling Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
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	\$ 197,326
Capital Costs	\$ -
TOTAL	\$ 197,326

SERVICE PROFILE

FTE Positions—Collection	0.0
FTE Positions—Other	0.0
Tons Collected	1,800
Collection Points	11,000
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 \$1.44 in FY 2004–05. 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 are:

- 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

The city reported 168 total complaints during FY 2004–05. All complaints were treated as "valid."

Conditions Affecting Service, Performance, and Costs

The measure "tons recyclables per 1,000 collection points" is a new measure for this fiscal year.

The set-out rate was reported monthly by the contractor. The city reserves the right to conduct unannounced follow-up inspections of the collection process.

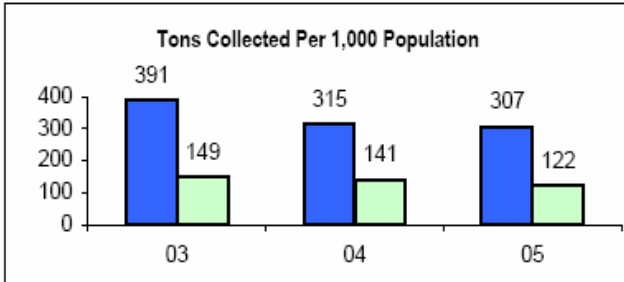
Salisbury

Yard Waste/Leaf Collection

FISCAL YEARS 2003, 2004, & 2005

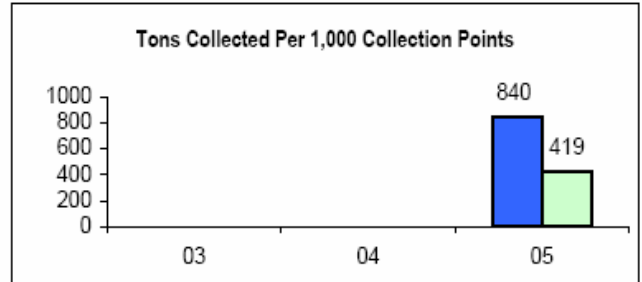
Chart Legend: ■ City ■ Average

Workload Measure



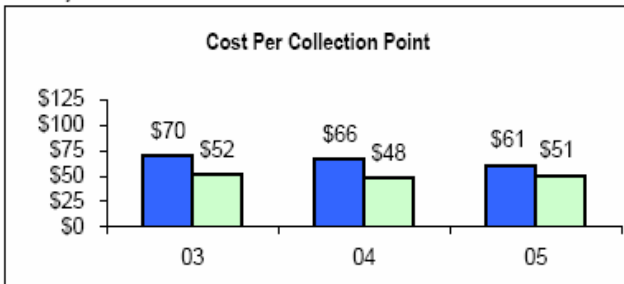
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Workload Measure



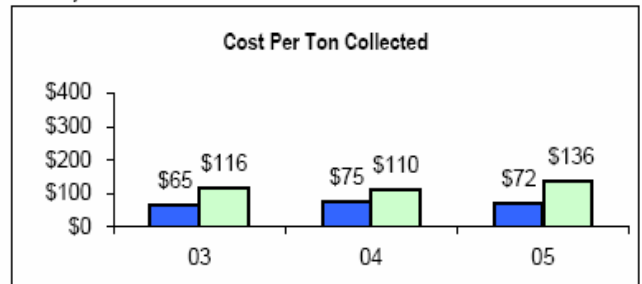
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Efficiency Measure



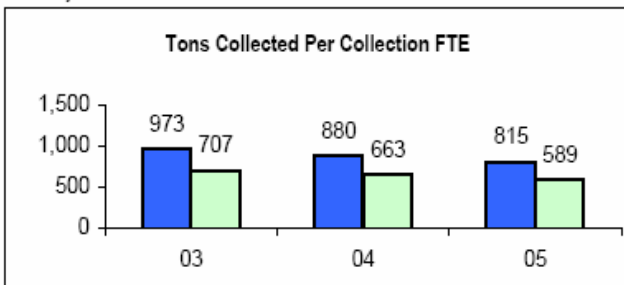
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Efficiency Measure



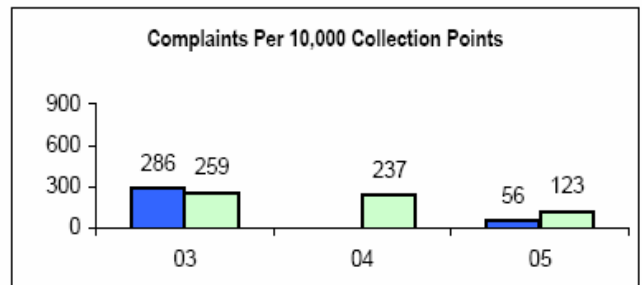
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Efficiency Measure



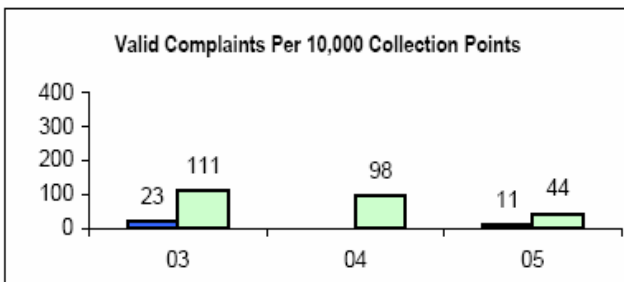
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Effectiveness Measure



n=13

Effectiveness Measure



n=12

Salisbury

Yard Waste/Leaf Collection

Fiscal Year 2004-05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
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		58.3%
Operating Costs		34.2%
Capital Costs		7.5%
TOTAL		100.0%
Cost Breakdown in Dollars		
Personal Services	\$	365,039
Operating Costs	\$	214,160
Capital Costs	\$	46,708
TOTAL	\$	625,907

SERVICE PROFILE

FTE Positions—Collection	10.7
FTE Positions—Other	1.0
Collection Points	
Yard Waste	10,327
Leaf Collection	10,327
Tons Collected	
Yard Waste	6,457
Leaves	2,218
Total	8,675
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 2004-05.

Conditions Affecting Service, Performance, and Costs

The measure "tons collected per 1,000 collection points" is a new measure for this fiscal year.

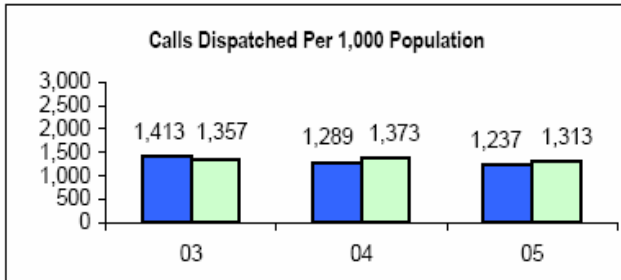
Salisbury

Police Services

FISCAL YEARS 2003, 2004, & 2005

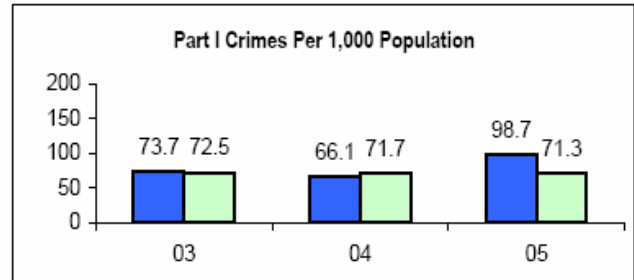
Chart Legend: ■ City ■ Average

Workload Measure



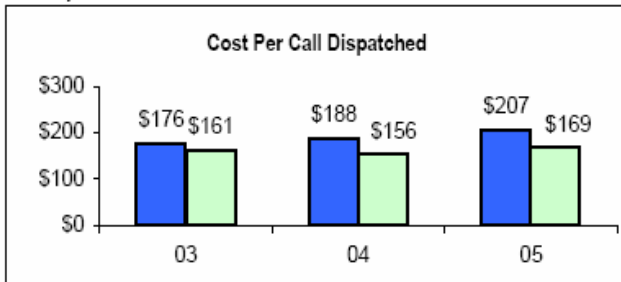
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Workload Measure



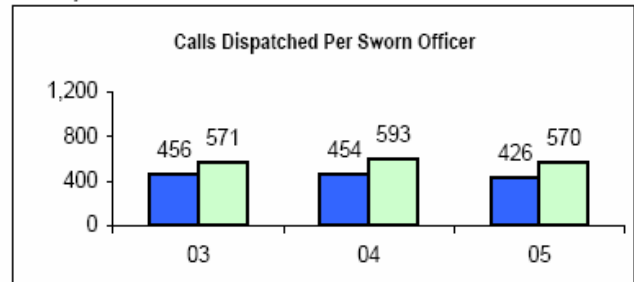
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Efficiency Measure



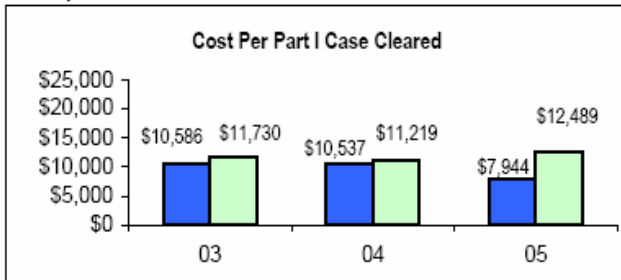
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Efficiency Measure



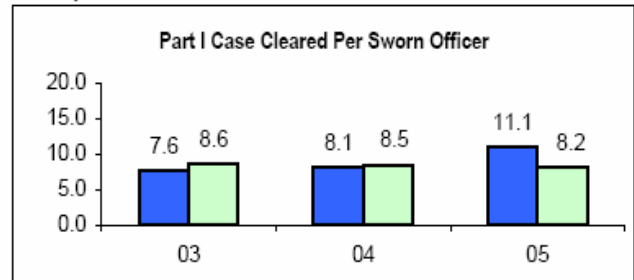
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Efficiency Measure



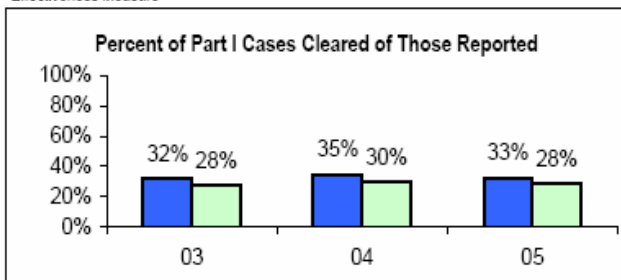
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Efficiency/Effectiveness Measure



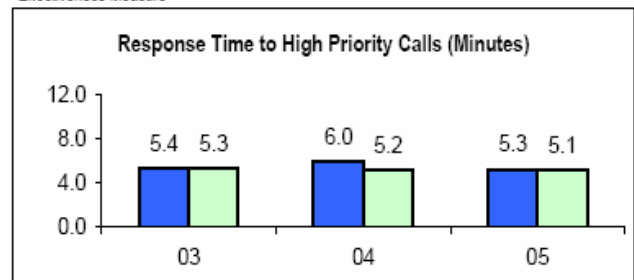
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Effectiveness Measure



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Effectiveness Measure



n=16

Salisbury

Police Services Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
County	Rowan
Median Family Income (US Census 2000)	\$41,108
Unemployment Rate (ESC-04)	7.2%
Part I Crimes Reported	
Homicide	3
Rape	12
Robbery	87
Assault	358
Burglary	417
Larceny	1,779
Auto Theft	114
Arson	15
TOTAL	2,785

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	66.6%
Operating Costs	24.8%
Capital Costs	8.6%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 4,806,157
Operating Costs	\$ 1,785,794
Capital Costs	\$ 621,493
TOTAL	\$ 7,213,444

SERVICE PROFILE

FTE Positions—Sworn	82.0
FTE Positions—Other	21.0
Part I Crimes Cleared	
Persons	326
Property	582
Total	908
Reporting Format	IBR
Part II Crimes Reported	1,426
Number of Calls Dispatched	34,904
Traffic Accidents	1,812
Property Damage	\$5,632,675

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-two sworn officer positions authorized for FY 2004–05, with an average length of service of 10.6 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 located at Rowan Regional Medical Center.

Uniformed officers work a variety of shift schedules. The most common schedule is one twelve-hour shift, with either two days on, two off, three days on, and two off or 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 allowed to take it home if they live within five miles of the city limits. If they live beyond the five-mile radius, 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 908 Part I cases in FY 2004–05.

Thirty-six complaints about police officers were received in FY 2004–05, with nine 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 in FY 2004–05 reflects the response time of the unit assigned to the call. Self-initiated calls with a response time of zero are included in the average response time to high priority calls.

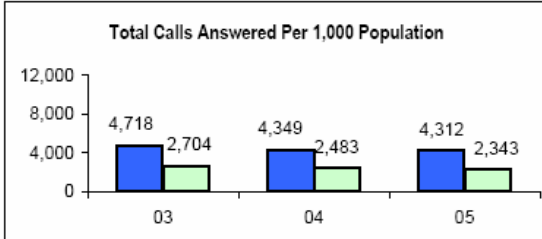
Salisbury

Emergency Communications

FISCAL YEARS 2003, 2004, & 2005

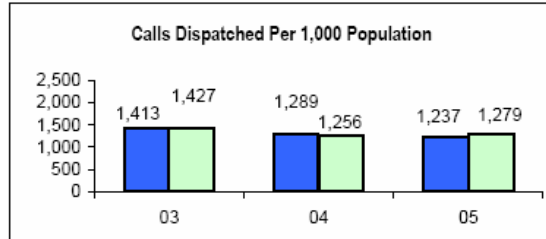
Chart Legend: City (Blue), Average (Green)

Workload Measure



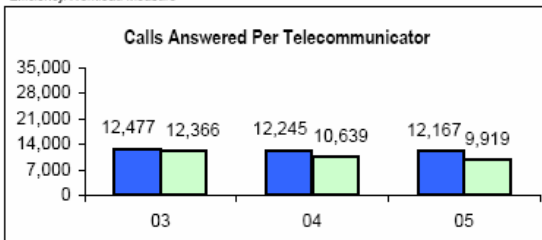
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Workload Measure



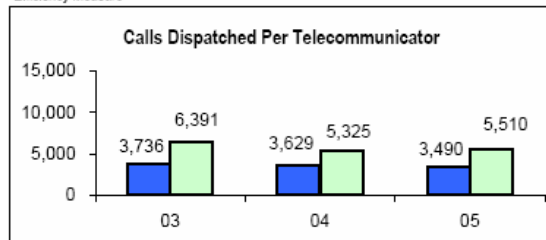
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Efficiency/Workload Measure



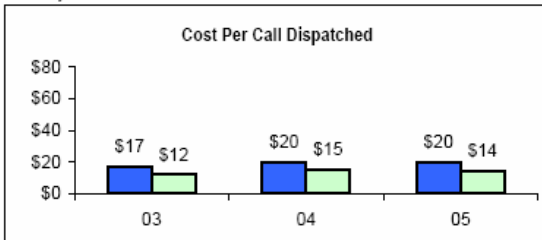
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Efficiency Measure



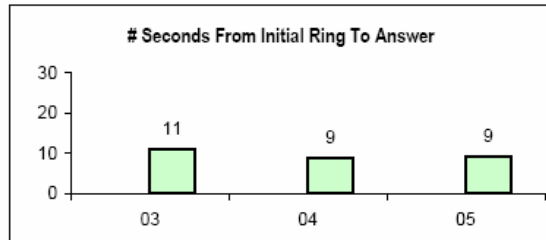
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Efficiency Measure



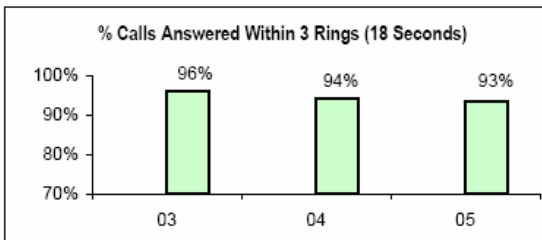
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Effectiveness Measure



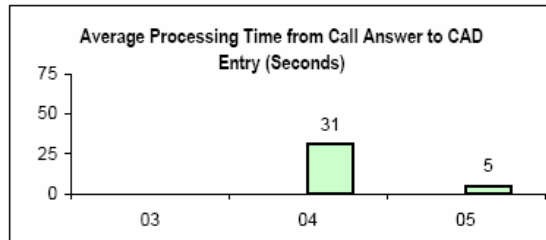
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Effectiveness Measure



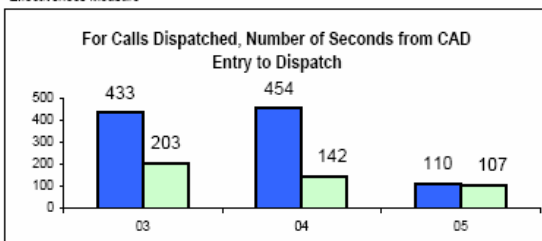
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Effectiveness Measure



n=3

Effectiveness Measure



n=11

Salisbury

Emergency Communications

Fiscal Year 2004–05

MUNICIPAL PROFILE

Population Served	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
County	Rowan

Median Family Income (US Census 2000)	\$41,108
--	----------

Unemployment Rate (ESC-04)	7.2%
----------------------------	------

Population Growth (OMB 2000–2004)	6.6%
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FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	48.8%
Operating Costs	49.5%
Capital Costs	1.6%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 341,498
Operating Costs	\$ 346,419
Capital Costs	\$ 11,332
TOTAL	\$ 699,249

SERVICE PROFILE

FTE Positions	
Telecommunicators/Call-takers	10.0
Other	0.0

Total Incoming Calls	121,668
Total 911 Calls	15,371

Total Calls Dispatched	34,904
------------------------	--------

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 121,668 for FY 2004–05, dispatching 34,904 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 three of the four effectiveness measures given the structure of its database.

The money collected from the E-911 fee in Salisbury all goes to Rowan County.

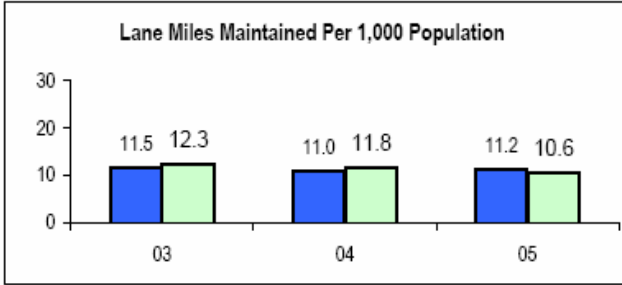
Salisbury

Asphalt Maintenance & Repair

FISCAL YEARS 2003, 2004, & 2005

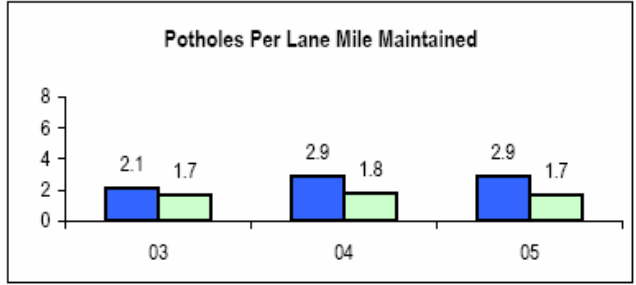
Chart Legend: ■ City ■ Average

Workload Measure



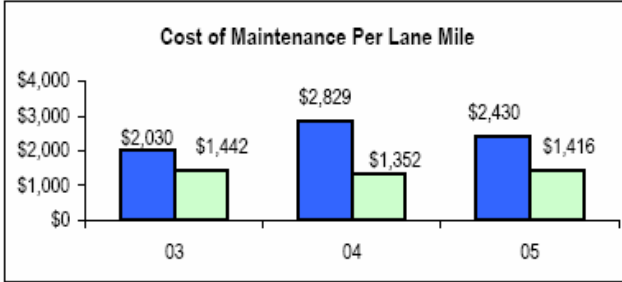
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Workload Measure



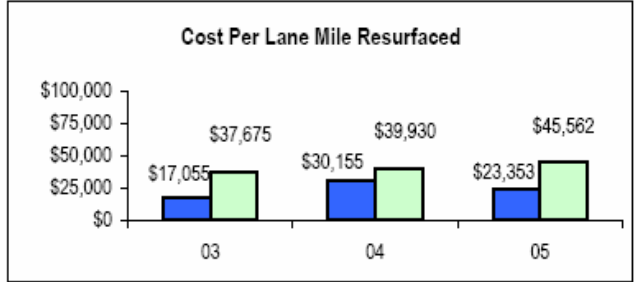
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Efficiency Measure



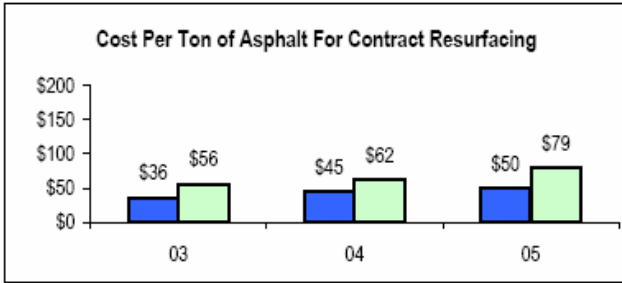
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Efficiency Measure



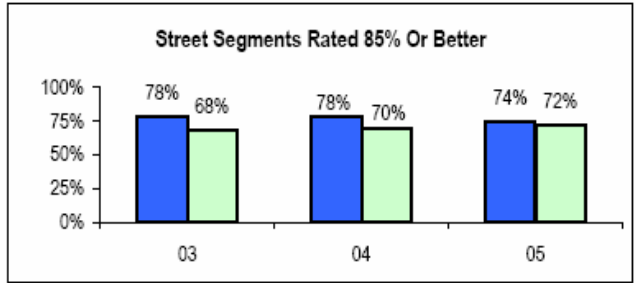
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Efficiency Measure



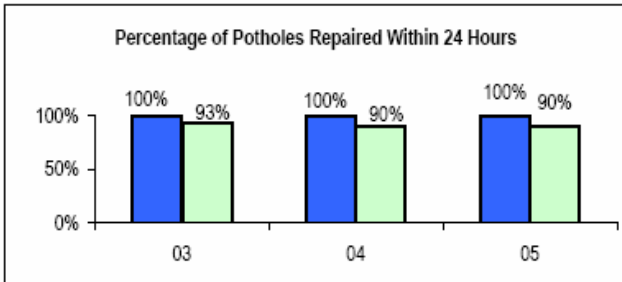
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Effectiveness Measure



n=15

Effectiveness Measure



n=14

Salisbury

Asphalt Maintenance & Repair

Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
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	30.6%
Operating Costs	56.5%
Capital Costs	12.8%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 310,035
Operating Costs	\$ 572,538
Capital Costs	\$ 130,000
TOTAL	\$ 1,012,573

SERVICE PROFILE

FTE Positions—Crews	8.3
FTE Positions—Other	0.5
Lane Miles Maintained	317.0
Lane Miles Resurfaced—Contract	10.37
Lane Miles Resurfaced—City	0.00
Total	10.37
Tons of Asphalt Used—Resurfacing	
Contractor	4,879
City Crews	0
Cost of Repaving—Contract	\$242,170
Cost of Repaving—City Crews	\$0
Cost of Maintenance	\$770,403
Registered Vehicles	21,875
Registered Vehicles/Square Mile	1,151

EXPLANATORY INFORMATION

Service Level and Delivery

The city of Salisbury was responsible for maintaining 317 lane miles during FY 2004–05.

The city resurfaced 10.37 lane miles, equating to approximately 3.3 percent of total lane miles. A total of 4,879 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 2004–05 was 929. The percentage of potholes repaired within twenty-four hours was 100 percent. The city reported a resurfacing cycle of fifteen years.

Conditions Affecting Service, Performance, and Costs

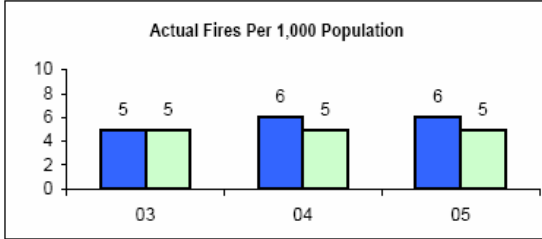
Salisbury

Fire Services

FISCAL YEARS 2003, 2004, & 2005

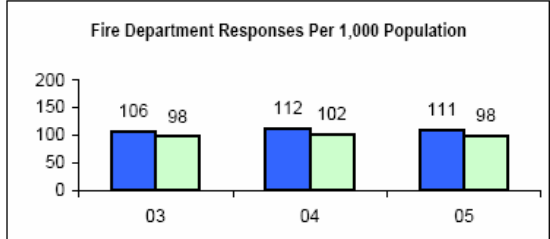
Chart Legend: ■ City ■ Average

Workload Measure



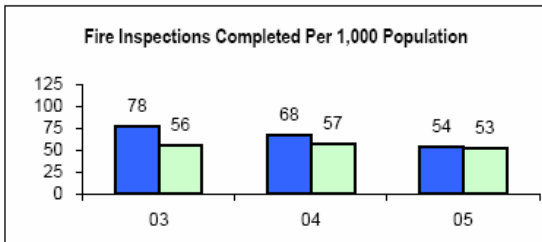
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Workload Measure



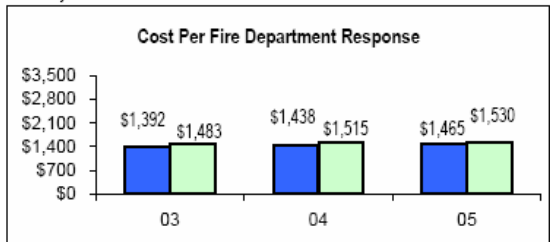
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Workload Measure



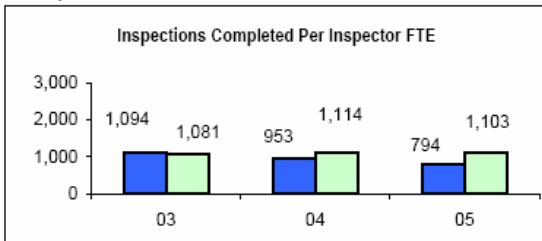
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Efficiency Measure



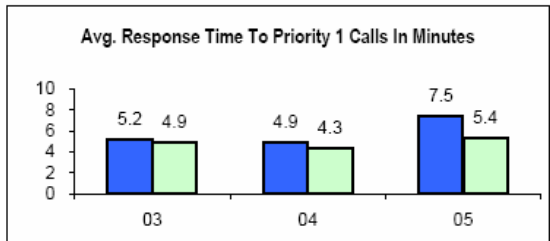
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Efficiency Measure



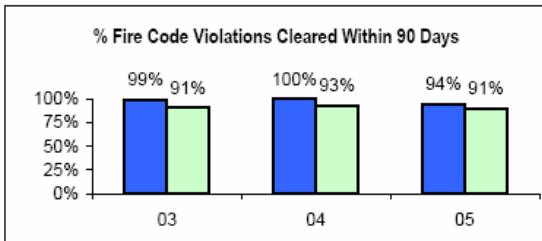
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Effectiveness Measure



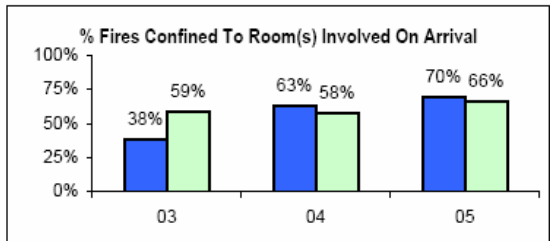
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Effectiveness Measure



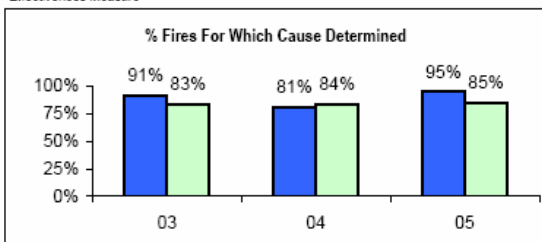
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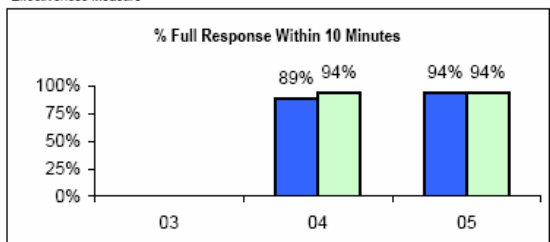
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Effectiveness Measure



n=15

Effectiveness Measure



n=13

Salisbury

Fire Services Fiscal Year 2004–05

MUNICIPAL PROFILE

Population Served	29,260
Land Area Served (Square Miles)	19.9
Persons Served per Square Mile	1,470
Topography	Gently rolling
County	Rowan
Climate	Moderate; some snow & ice

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	66.0%
Operating Costs	24.5%
Capital Costs	9.5%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 3,134,398
Operating Costs	\$ 1,164,022
Capital Costs	\$ 450,327
TOTAL	\$ 4,748,747

SERVICE PROFILE

FTE Positions—Firefighters	60.0
FTE Positions—Other	8.0
Fire Stations	3
Amount of Property Protected	\$1,866,904,249
Fire Apparatus	
Pumpers	3
Aerial Trucks	1
Reserve Equipment—Other	7
Total	11
Fire Department Responses	
Fires	176
Medical	1,980
False alarms	405
Other	681
Total	3,242
Engine Companies	3
Actual Fires Reported	176
Structural Fires Reported	43

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 2004–05: 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 kelly day plus four hours off for any twenty-eight day cycle exceeding 212 hours worked.

The fire department reported an average turnout time of 1.00 minute and average travel time of 6.46 minutes. Average dispatch time was not available.

The city had an ISO rating of 2 for FY 2004–05.

The fire department reported 1,588 fire inspections conducted in FY 2004–05. 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.

Conditions Affecting Service, Performance, and Costs

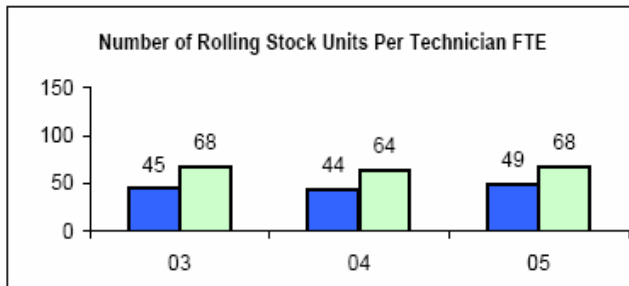
Salisbury

Fleet Maintenance

FISCAL YEARS 2003, 2004, & 2005

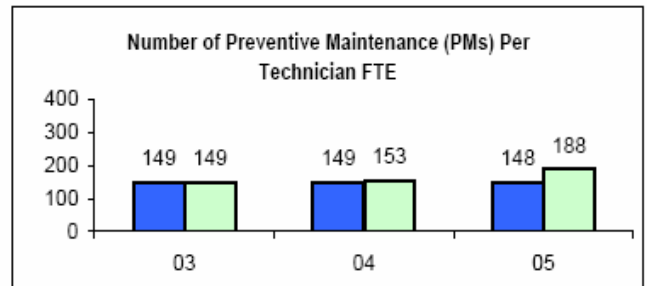
Chart Legend: ■ City ■ Average

Workload Measure



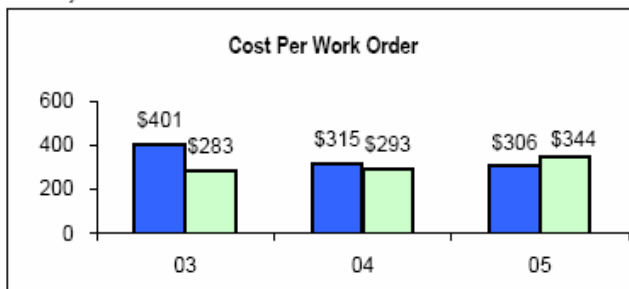
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Workload Measure



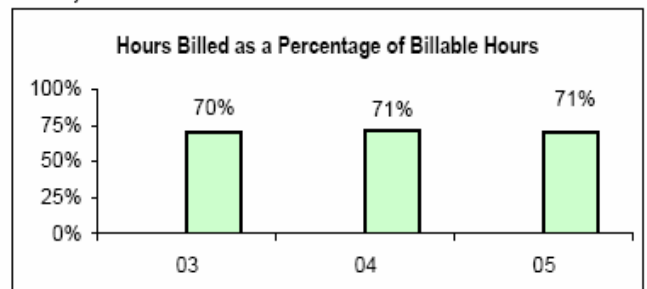
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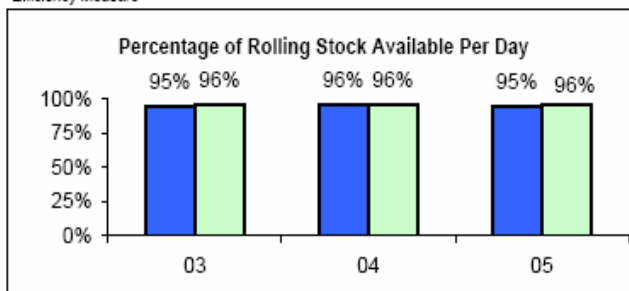
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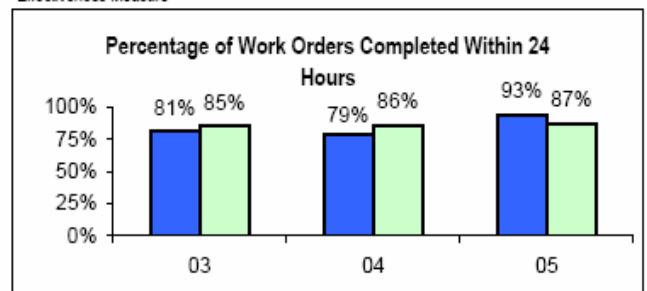
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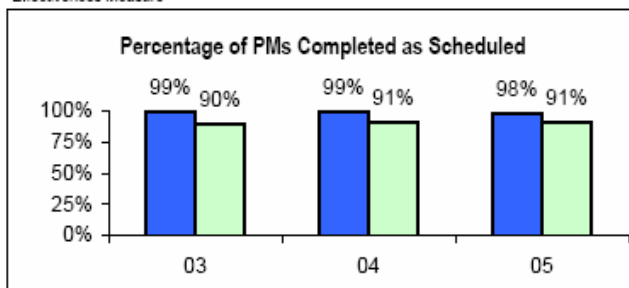
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Effectiveness Measure



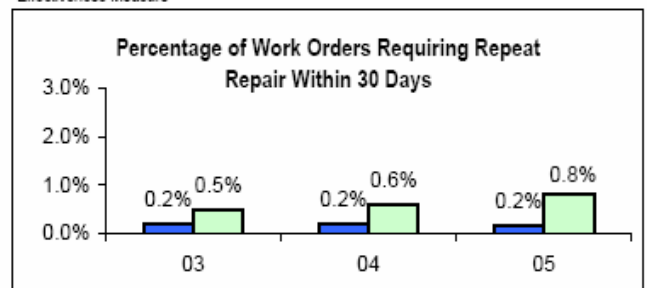
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Effectiveness Measure



n=14

Effectiveness Measure



n=12

Salisbury

Fleet Maintenance Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484
County	Rowan
Topography	Gently rolling
Climate	Moderate
Rolling Stock Maintained	No. Average age
Cars—Normal Usage	10 12.0 years
Cars—Severe Usage	77 4.5 years
Light Vehicles	126 7.0 years
Medium Vehicles	12 7.5 years
Heavy—Sanitation	10 4.7 years
Heavy—Sewer	2 10.5 years
Heavy—Fire Apparatus	12 16.0 years
Heavy—Other	23 10.0 years
Trailed Equipment	72 13.0 years
Off-road/Construction/Tractors	88 15.0 years
Buses	12 9.8 years
Total	444

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	57.7%
Operating Costs	39.5%
Capital Costs	2.9%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 820,594
Operating Costs	\$ 561,871
Capital Costs	\$ 40,814
TOTAL	\$ 1,423,279

SERVICE PROFILE

FTE Positions—Technician	9.0
FTE Positions—Other	5.0
Average Rolling Stock Units Available Per Day	422
Billable Hours	NA
Hours Billed	NA
Work Orders	4,656
Repeat Repairs within 30 Days	8
Work Orders Completed within 24 Hours	4,351
Preventive Maintenance (PMs)	1,333
PMs Completed as Scheduled	1,309

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 2004–05.

There is no markup on any parts sold or sublet work performed. Parts inventory turned over 1.99 times during the fiscal year.

The following services were contracted out during FY 2004–05:

- 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, two trolleys for downtown Salisbury, and 227 other pieces of equipment. Other pieces of equipment include generators, hydraulic power units, and other items.

Conditions Affecting Service, Performance, and Costs

The preventive maintenance completion standard for "percentage of PMs completed as scheduled" is within thirty days of scheduled maintenance or within certain mileage parameters.

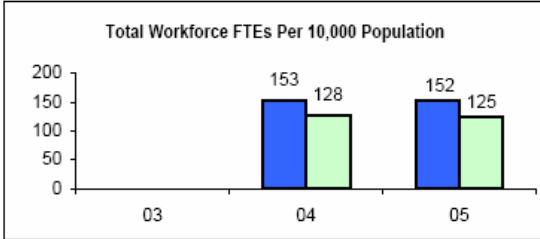
Salisbury

Human Resources

FISCAL YEARS 2003, 2004, & 2005

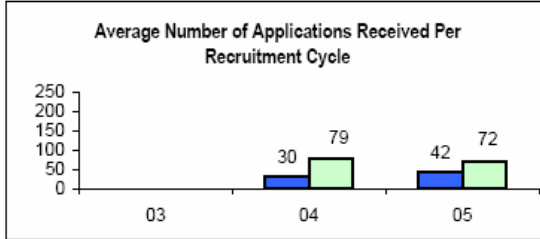
Chart Legend: ■ City ■ Average

Workload Measure



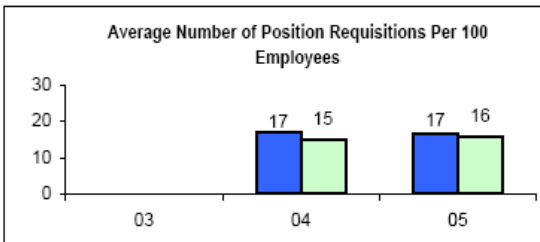
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Workload Measure



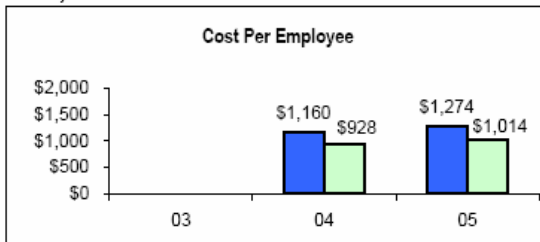
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Workload Measure



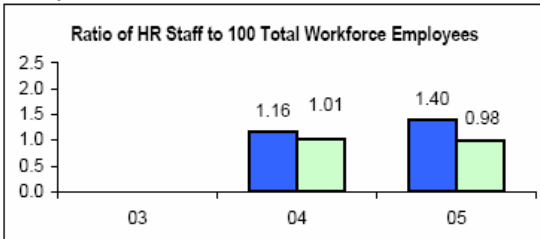
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Efficiency Measure



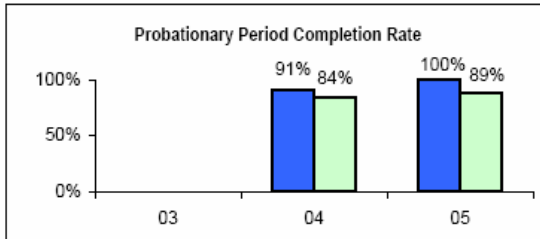
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Efficiency Measure



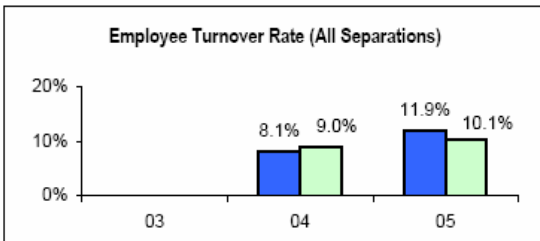
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Effectiveness Measure



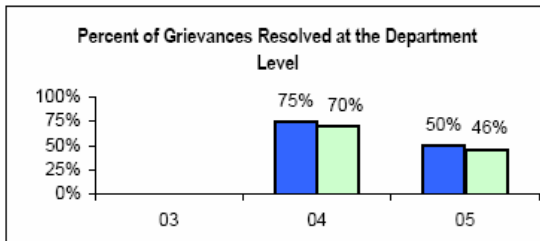
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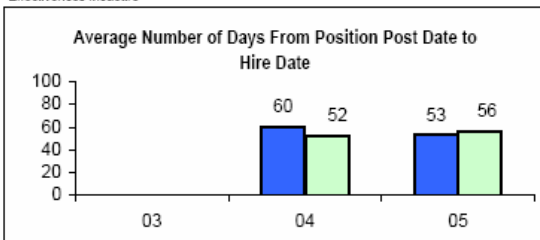
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Effectiveness Measure



n=11

Effectiveness Measure



n=14

Salisbury

Human Resources Fiscal Year 2004–05

MUNICIPAL PROFILE

Population (OMB 2004)	28,215
Land Area (Square Miles)	19.0
Persons per Square Mile	1,484

County	Rowan
Topography	Gently rolling
Climate	Moderate

FULL COST PROFILE

Cost Breakdown by Percentage	
Personal Services	70.5%
Operating Costs	29.1%
Capital Costs	0.3%
TOTAL	100.0%

Cost Breakdown in Dollars	
Personal Services	\$ 386,455
Operating Costs	\$ 159,641
Capital Costs	\$ 1,875
TOTAL	\$ 547,971

SERVICE PROFILE

FTE Positions	
Administration	1.00
Generalist/Specialist	4.00
Staff Support (Clerical)	1.00
Total Authorized Workforce	430
Number of Position Requisitions	71
Number of Recruitment Cycles	56
Employment Applications Processed	2,331
Employee Turnover	
Voluntary Separations	38
Involuntary Separations	13
Total Separations	51
Average Length of Service (Months)	116.8
Formal Grievances Filed by Employees	4
EEOC Complaints Filed	0
Average Length of Probationary Employment Period	6 months
Compensation Studies Completed	33

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 thirty-three compensation studies during FY 2004–05. An overall salary study for 161 job classifications was completed and a partial salary adjustment was made based on the results.

The city's probationary period was six months for employees during FY 2004–05.

Conditions Affecting Service, Performance, and Costs

**"BUDGET ORDINANCE OF THE CITY OF SALISBURY FOR THE FISCAL YEAR
BEGINNING JULY 1, 2006, AND ENDING JUNE 30, 2007.**

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, 2006, and ending June 30, 2007, 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	\$	146,936
Management and Administration		849,441
Human Resources		710,383
Information Technologies		1,771,100
Management Services		1,311,220
Purchasing		131,048
Community Development		645,913
GIS		171,181
Development Services		441,884
Facilities Management		381,669
Office Buildings		248,718
Plaza		198,889
Police Services		1,344,312
Police Administration		501,000
Police Operations		4,949,398
Fire Department		4,574,186
Telecommunications		400,546
Traffic Operations		604,986
Street Lighting		344,870
Transportation		358,569
Engineering		1,945,224
Public Services - Administration		278,706
Streets		2,413,694
Cemetery		252,710
Solid Waste Management		1,789,995
Waste Management - Other		469,263
Landscape Operations		616,425
Hurley Park		114,137
Parks and Recreation		2,011,902
Fleet Management		789,457
Education		42,342
Debt Service		<u>1,271,891</u>
 TOTAL GENERAL FUND	\$	<u><u>32,081,995</u></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	\$ 5,001,498
Utilities Mgt. and Administration	4,290,507
Plant Operations-Water Treatment	1,164,647
Systems Maintenance	3,465,627
Environmental Services	673,650
Plant Operations-Wastewater Treatment	2,112,431
Meter Services	589,481
Plants Maintenance	<u>1,555,338</u>

TOTAL WATER AND SEWER FUND \$ 18,853,179

(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

\$ 1,002,828

(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

\$ 2,395,005

(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

\$ 481,366

(6) That for the 2006-07 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

\$ 416,450

(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

\$ 126,926

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, 2006 and ending June 30, 2007:

General Fund:	
Taxes	\$ 19,991,060
Licenses and permits	606,808
Intergovernmental	5,387,427
Charges for services	2,579,040
Miscellaneous	517,605
Administrative charges	2,303,159
Other financing sources	<u>696,896</u>
Total revenues	<u>\$ 32,081,995</u>

Water and Sewer Fund:	
Operating revenues	\$ 17,958,616
Nonoperating revenues	<u>894,563</u>
Total revenues and other financing sources	<u>\$ 18,853,179</u>
Transit Fund:	
Charges for services	\$ 75,500
Intergovernmental revenues	568,259
Miscellaneous	500
Other financing sources	<u>358,569</u>
Total revenues and other financing sources	<u>\$ 1,002,828</u>
General Fund Capital Reserve Fund:	
Transfer from General Fund	\$ 1,618,871
Miscellaneous	70,500
Other financing sources	<u>705,634</u>
Total revenues	<u>\$ 2,395,005</u>
Water and Sewer Capital Reserve Fund:	
Transfer from Water and Sewer Fund	\$ 469,366
Miscellaneous	<u>12,000</u>
Total revenues	<u>\$ 481,366</u>
Special Revenue Funds:	
Entitlement Fund:	
Intergovernmental revenue	\$ 341,450
Miscellaneous	<u>75,000</u>
Total revenue	<u>\$ 416,450</u>
Rental Rehab:	
Miscellaneous	<u>\$ 126,926</u>
Total revenue	<u>\$ 126,926</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, 2006 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)

-- \$.625

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 \$2,407,463,772 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, 2006 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 tape
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
On vellum up to 4 ft in length	\$10
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
To overlay originals	\$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)	\$200
Engineering Plan Review Fee (Sewer)	\$200
Field Inspection of Water Lines	\$1.00/Ft.
Engineering Plan Review Fee (Sewer)	\$1.00/Ft.
Media Charges	
3.5" 2HD diskette (1.4 MB)	\$5
CD-ROM (650 MB)	\$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)	\$780 per person
Introduction to Programming ArcObjects w/ VBA (5 Days)	\$1500 per person

POLICE

Copies	\$0.10 per copy;
(No fee to victims of crime or traffic accidents for first copy of a report, but charged for any additional copies)	minimum of \$1; \$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

	Fee
Plans Review	\$25 + \$1 per 5,000 sq. ft.; \$30 max.
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
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	\$45.34/hour
Repair of Hazardous Material Van:	
Labor	\$45.34/hour
Repair Parts	Actual Cost + 10%
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	\$1.00
Reduced (Handicapped & Senior Citizens)	\$0.50
Transfers	FREE
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)	
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

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	
Diskette, each	\$5
CD Disk, each	\$20
Engineering Plan Review Fee (Water)	\$200
Engineering Plan Review Fee (Sewer)	\$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
On vellum up to 4 ft in length	\$10

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

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

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 \$150
Residential owner-occupants including single family townhouses
and condominiums shall be exempted.
- (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) \$25
- (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) Direct debit credit		\$1/Month
(u) Recycling fee - prior to October 1, 2006 - \$1.82 on and after October 1, 2006		\$2.81/Month
(v) Landfill fee		
(1) Residential (per container)		\$2.96/Month
(2) Commercial (per container)		\$5.53/Month
(w) Waste collection fee		
(1) Commercial (per container)		\$8/Month
(2) Commercial (per 2 yard dumpster)	prior to October 1, 2006	\$21.34/Month
(3) Commercial (per 4 yard dumpster)	prior to October 1, 2006	\$31.44/Month
(4) Commercial (per 6 yard dumpster)	prior to October 1, 2006	\$41.54/Month
(5) Commercial (per 8 yard dumpster)	prior to October 1, 2006	\$51.64/Month
(6) Commercial (per 2 yard dumpster)	on and after October 1, 2006	\$40.68/Month
(7) Commercial (per 4 yard dumpster)	on and after October 1, 2006	\$50.78/Month
(8) Commercial (per 6 yard dumpster)	on and after October 1, 2006	\$60.88/Month
(9) Commercial (per 8 yard dumpster)	on and after October 1, 2006	\$70.98/Month
(x) Unauthorized reconnection fee (charge for disconnecting a meter that has been illegally reconnected after meter has been disconnected due to non-payment)		\$50
(y) Locking Devices Cut or Damaged		\$20
(u) 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, effective July 1, 2006.

Monthly Water Rates:

Minimum charge per meter size	3/4" =	\$3.72
	1" =	\$5.46
	1-1/2" =	\$8.36
	2" =	\$11.84
	3" =	\$22.86
	4" =	\$39.10
	6" =	\$83.76
	8" =	\$141.76
	10" =	\$222.96
	12" =	\$292.56
	16" =	\$582.56

Volume charge per 100 cubic feet:

Raw water	\$0.55
Finished, potable water	\$2.85
Rowan Power	\$1.32

**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, effective July 1, 2006.

Monthly Sewer Rates:

(1) Minimum charge per meter size	3/4" =	\$4.09
	1" =	\$6.13
	1-1/2" =	\$9.53
	2" =	\$13.61
	3" =	\$26.53
	4" =	\$45.57
	6" =	\$97.93
	8" =	\$165.93
	10" =	\$261.13
	12" =	\$342.73
	16" =	\$682.73
Volume charge per 100 cubic feet		\$3.75
(2) Flat rate sewer charge		\$34.09

**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
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

<u>PARAMETER</u>		<u>FEE PER ANALYSIS</u>
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.

