

Salisbury, North Carolina
June 21, 2022

REGULAR MEETING

PRESENT: Mayor Karen K. Alexander, Presiding; Mayor Pro Tem Tamara Sheffield, Council Members Harry McLaughlin, David Post, and Anthony Smith; City Manager Jim Greene, Jr., City Clerk Kelly Baker; and City Attorney J. Graham Corriher.

ABSENT: None.

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Alexander at 6:00 p.m. A moment of silence was taken.

PLEDGE OF ALLEGIANCE

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

CHANGES TO THE AGENDA

Mayor Alexander noted the following changes to the Agenda:

- Add:** Council to consider adopting a Resolution of Appreciation honoring William Brian Hiatt
- Add:** Proclamations – Lifestyle Medicine Month – June 2022
Parks and Recreation Month – July 2022
- Add:** Item 8a – Council to consider adopting a moratorium concerning voluntary annexations.
- Postpone:** Item 6f – Receive the Certificate of Sufficiency for the voluntary annexation of –Tax Map 408 Parcel 011 located at 1215 Peeler Road and adopt a Resolution setting the date of the public hearing for July 19, 2022.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Post made a **motion** to adopt the Agenda as amended. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

RESOLUTION OF APPRECIATION HONORING WILLIAM BRIAN HIATT

Mayor Alexander asked Council to consider a Resolution of Appreciation honoring Interim City Manager William Brian Hiatt.

Thereupon, Councilmember Post made a **motion** to adopt a Resolution of Appreciation honoring William Brian Hiatt. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

RESOLUTION OF APPRECIATION HONORING WILLIAM BRIAN HIATT.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 33, and is known as Resolution 2022-25.)

Mayor Alexander read the Resolution and presented a framed copy to Mr. Hiatt. She also presented Mr. Hiatt with a framed Key to the City.

Mr. Hiatt thanked Council and staff for its support during his time as Interim City Manager, and he stated it has been an honor to work for the City. He added with the hiring of new City Manager Jim Greene and the leadership of Council, Salisbury is in great hands.

Mr. Greene thanked Mr. Hiatt for his guidance, support, and most importantly friendship as he transitioned into his role as City Manager.

Council expressed its thanks and appreciation to Mr. Hiatt for his guidance, financial expertise, and for all he has done for the City.

PROCLAMATION

Mayor to proclaim the following observances:

LIFESTYLE MEDICINE MONTH	June 2022
INDEPENDENT RETAILER MONTH	July 2022
PARKS AND RECREATION MONTH	July 2022

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the special meeting of June 7, 2022 and regular meeting of June 7, 2022.

(b) Budget Ordinance Amendment – Fire Department Donations

Adopt a budget Ordinance amendment to the FY2021-2022 budget in the amount of \$50,000 to appropriate an American Rescue Plan Act donation from Rowan County for the purchase of water rescue equipment for the Fire Department.

ORDINANCE AMENDING THE 2021-2022 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE FIRE DONATION FUNDS.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 118 and is known as Ordinance 2022-42.)

(c) Budget Ordinance Amendment – Water and Sewer Tap Fees

Adopt a budget Ordinance amendment to the FY2021-2022 budget in the amount of \$146,643 to appropriate revenues from Water and Sewer tap fees for the Kincaid Road Water and Sewer work project. Council awarded a contract to Triad Land Concepts, LLC at its May 3, 2022 meeting.

ORDINANCE AMENDING THE 2021-2022 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE ADDITIONAL WATER CONNECTION FEES.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 119 and is known as Ordinance 2022-43.)

(d) Voluntary Annexation – Majolica Road

Receive the Certificate of Sufficiency for the voluntary annexation of Tax Map 451 Parcel 227 located on Majolica Road and adopt a Resolution setting the date of the public hearing for July 19, 2022.

RESOLUTION SETTING DATE OF PUBLIC HEARING ON QUESTION OF THE ANNEXATION OF TAX MAP 451 PARCEL 227, LOCATED ON MAJOLICA ROAD, PURSUANT TO GENERAL STATUTE 160A-31.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 34-35, and is known as Resolution 2022-26.)

(e) Voluntary Annexation – The Gables Phase 6

Receive the Certificate of Sufficiency for the voluntary annexation of Tax Map 403 Parcel 192, The Gables Phase 6, located off of Faith Road and adopt a Resolution setting the date of the public hearing for July 19, 2022.

RESOLUTION SETTING DATE OF PUBLIC HEARING ON QUESTION OF THE ANNEXATION OF THE GABLES PHASE VI, OFF OF FAITH ROAD, TAX MAP 403 PARCEL 192 PURSUANT TO GENERAL STATUTE 160A-58.1.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 36-37, and is known as Resolution 2022-27.)

(f) Voluntary Annexation – 1215 Peeler Road

Receive the Certificate of Sufficiency for the voluntary annexation of Tax Map 408 Parcel 011 located at 1215 Peeler Road and adopt a Resolution setting the date of the public hearing for July 19, 2022. *This item was postponed.*

(g) Right-of-Way Encroachment – Level 3 Communications

Approve a Right-of-Way encroachment by Level 3 Communications on Corporate Circle adjacent to 650 Julian Road in accordance with Section 11-24(27) of the City Code.

(h) Lash Drive Extension

Accept the extension of Lash Drive to include 190 linear feet of new roadway within existing right-of-way for maintenance and begin the one year warranty period.

(i) Ashton Manor Phase II

Accept the roads within Ashton Manor Phase II for maintenance, adopt an Ordinance to establish stop conditions, and begin the one year warranty period.

ORDINANCE AMENDING SECTION 13-332, ARTICLE X, CHAPTER 13 OF THE CODE OF THE CITY OF SALISBURY, RELATING TO STOP SIGNS.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 120 and is known as Ordinance 2022-44.)

(j) Resolution – North Carolina Governor’s Highway Safety Program Grant

Adopt a Resolution approving the acceptance of a North Carolina Governor’s Highway Safety Program grant in the amount of \$25,000 for the Police Department for overtime to enhance traffic enforcement efforts to increase traffic safety.

NORTH CAROLINA GOVERNOR'S HIGHWAY SAFETY PROGRAM LOCAL GOVERNMENT RESOLUTION.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 38, and is known as Resolution 2022-28.)

(k) Voluntary Annexation – 1465 Peeler Road

Receive a request for voluntary annexation 42.823 acres on Tax Map 406 Parcel 024 and Tax Map 410 Parcels 003 and 034 located at 1465 Peeler Road, and adopt a Resolution instructing the City Clerk to investigate the sufficiency of the request.

RESOLUTION DIRECTING THE CITY CLERK TO INVESTIGATE A PETITION RECEIVED UNDER G.S. 160A-58.1, FOR VOLUNTARY ANNEXATION OF 42.823 ACRES, LOCATED at 1465 PEELER ROAD AND IDENTIFIED ON TAX MAP 406 AS PARCEL 024, AND TAX MAP 410 AS PARCELS 003 AND 034.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 39, and is known as Resolution 2022-29.)

Thereupon, Councilmember McLaughlin made a **motion** to adopt the Consent Agenda as amended. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

PUBLIC COMMENT

Mayor Alexander opened the floor to receive public comments.

Mr. Gemale Black Salisbury-Rowan NAACP president thanked Council and staff for their continued support and collaboration during the Juneteenth celebration.

Mr. Craig Thomas and Mr. Kendre' Bates expressed concerns regarding the proposed demolition at 1027 West Horah Street. Mr. Thomas and Mr. Bates suggested using the land to renovate housing for low-income and at-risk families.

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

ECONOMIC DEVELOPMENT INCENTIVE REQUEST – PROJECT STRONG

Economic Development Commission (EDC) Vice-President Scott Shelton asked Council to consider approving an economic development incentive request for Project Strong.

Mr. Shelton explained the company behind Project Strong has been an existing employer in Salisbury for several decades and is proposing an expansion. He added as part of the project the company plans to retain current employment levels and create 14 well-paying jobs over three years. He noted the company proposes to acquire and expand an existing vacant facility in Salisbury and will invest approximately \$2.9 million in new construction and equipment.

Mr. Shelton noted the company is pursuing a \$75,000 Rural Building Reuse Grant from the State of North Carolina to aid in the renovations. He stated if approved, the grant would be awarded to the City on behalf of the company, and Salisbury would disburse funds to the company if it meets the contractual job requirements.

Mr. Shelton explained the Building Reuse Grant requires a local match from the municipality, but the City can satisfy the obligation by hiring a grant administrator to oversee the project. He displayed the estimated tax revenue projections for Project Strong, and he stated approximately \$177,000 in new taxes would be paid over the next ten years.

Mayor Alexander convened a public hearing after due notice regarding an economic development incentive request for Project Strong.

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

Thereupon, Councilmember Smith made a **motion** to approve an economic development incentive request for Project Strong consisting of an application to the State of North Carolina for a \$75,000 Rural Building Reuse Grant and hiring a grant administrator for an amount not to exceed \$6,000. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

AUTORIZING RESOLUTION BY THE CITY OF SALISBURY FOR THE NORTH CAROLINA DEPARTMENT OF COMMERCE BUILDING REUSE PROGRAM FOR STOUT HEATING AND AIR BUILDING REUSE PROJECT.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 40, and is known as resolution 2022-30)

VOLUNTARY ANNEXATION MORATORIUM

City Attorney Graham Corriher stated the request before Council is to adopt a temporary moratorium regarding voluntary annexation related to utility connections outside the City limits. He explained Rowan County expressed concerns about the effect of the City's Ordinance requiring property owners outside of the City limits to request annexation before connecting to the City's water and sewer system would have on economic development along the I-85 Corridor.

Mr. Corriher noted when the City enters into annexation agreements with surrounding municipalities, the areas will be removed from the agreement and the City can continue enforcing its Ordinance in those areas. He stated the proposed Ordinance would suspend enforcement of the City's Ordinance for six months or until the City enters into the agreements.

Mr. Corriher indicated some projects were exempt from the agreement so development could proceed. He explained the proposal is a compromise with the County and staff looks forward to working with the other municipalities regarding annexation agreements.

Thereupon, Councilmember Post made a **motion** to adopt an Ordinance establishing a temporary moratorium on annexation pursuant to Section 25-88 of the City Code of Ordinances. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON ANNEXATION PURSUANT TO SECTION 25-88 OF THE CITY CODE OF ORDINANCES.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 121-122 and is known as Ordinance 2022-45.)

VOLUNTARY ANNEXATION AND LAND DEVELOPMENT DISTRICT MAP AMENDMENT – PEACH ORCHARD ROAD

Senior Planner Victoria Bailiff addressed Council regarding the voluntary annexation of 43.1536 acres located on Tax Map 407 and Parcels 099, 112 and 113. She displayed a map of the area, and she pointed out the parcels and their proximity to I-85 and the Rowan County Airport. She explained the proposal is for a satellite annexation and there are public utilities at the site.

Ms. Bailiff stated the petitioner is the Sansone Group and the request is to rezone three parcels located at 735 Peach Orchard Road. She explained the two larger parcels are zoned I-85 Economic Development Corporate Park District and the smaller parcel is zoned Rural Residential (RR). She added the applicant is requesting to rezone the parcels to the City's Light Industrial (LI) zoning. She added the request is for a general rezoning and does not include conditions or site plans. She reviewed permitted uses under LI zoning.

Ms. Bailiff stated the Planning Board held a courtesy hearing on May 24, 2022, and voted unanimously to recommend approval as submitted, and that the proposal is consistent with the Vision 2020 Comprehensive Plan.

Councilmember McLaughlin asked if any concerns were received from the public. Ms. Bailiff noted staff did not receive any comments from the public.

Mayor Alexander convened a public hearing after due notice regarding the proposed voluntary annexation on Peach Orchard Road.

Mr. Brian Straley with the Sansone Group indicated it has been a pleasure to work with the City. He stated a neighborhood meeting was held and concerns were raised regarding how the proposal would affect neighboring property values. Councilmember Post asked if surrounding property values would increase or decrease. Mr. Straley explained the neighbors were trying to understand how a residential zoning next to an industrial zoning would be appraised. He added

some of the neighbors were interested in selling their properties, and he pointed out commercial properties are typically worth more than residential property.

There being no one else to address Council, Mayor Alexander closed the public hearing.

Mayor Alexander convened a public hearing after due notice regarding the proposed Land Development District Map Amendment on Peach Orchard Road.

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

Thereupon, Mayor Pro Tem Sheffield made a **motion** to adopt an Ordinance to extend the corporate limits of the City of Salisbury, North Carolina, to include 43.1536 acres, Tax Map 407A Parcels 099,112, and 113, on Peach Orchard Road. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE CITY OF SALISBURY, NORTH CAROLINA, TO INCLUDE 43.1536 ACRES, TAX MAP 407A PARCELS 099,112, AND 113, PEACH ORCHARD ROAD.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 123-124 and is known as Ordinance 2022-46.)

Mr. McLaughlin stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the properties described herein, as requested, is consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive due to the proposed petition, site characteristics, surrounding development pattern, and observations provided by City planning staff, identifying the policies that support the petition. Thereupon, Councilmember McLaughlin made a **motion** to adopt an Ordinance amending the Land Development District Map of the City of Salisbury, North Carolina, rezoning Tax Map 407A Parcels 099, 112 and 113 from Rowan County Zoning I-85 Economic Development Corporate Park District and Rural Residential to the City of Salisbury Zoning Light Industrial approximately 43.1536 acres upon annexation. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE AMENDING THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, REZONING APPROXIMATELY TAX MAP 407A PARCELS 099, 112 AND 113 FROM ROWAN COUNTY ZONING I-85 ECONOMIC DEVELOPMENT AND RURAL RESIDENTIAL TO THE CITY OF SALISBURY ZONING LIGHT INDUSTRIAL APPROXIMATELY 43.22 ACRES UPON ANNEXATION.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 125 and is known as Ordinance 2022-47.)

FY2022-2023 PROPOSED CITY BUDGET

City Manager Jim Greene, Jr. and Finance Director Wade Furches presented the FY2022-2023 proposed City Budget to Council for its consideration. Mr. Greene noted the process began when Council held its annual Goal Setting Retreat, and a recommended budget was presented in May followed by the required public hearing. He stated the \$93 million budget is balanced and does not include a property tax increase. He added there is a recommendation for a water and sewer rate increase and an increase in the vehicle tax.

Mr. Furches provided information on the Broadband Fund and noted:

- Fibrant was created in 2008
- The City borrowed \$33,560,000 to install optical fiber cable instead of coaxial cables
 - Salisbury became a Gig City, offering upload and download speeds of 1 gigabit per second
- The City partnered with Hotwire Communications in 2018
- Positive cash flow from Hotwire of approximately \$580,000 per year
- FY2022-2023 budget reduces the General Fund transfer by \$245,000
 - 8.3% reduction
- Debt principal has been reduced to \$17.255 million and will be paid off March 2029
- Interfund loan has been reduced from \$7.2 million to \$5.6 million
 - An additional \$300,000 debt payment is proposed in FY2022-2023
- On track to eliminate the deficit fund balance in FY2022-2023

Councilmember Post pointed out before the City entered the agreement with Hotwire it had to cover the debt service payment and the operating loss which has been eliminated. Mayor Alexander pointed out the service was critical for students during the pandemic.

Salisbury-Rowan Utilities Director (SRU) Jim Behmer thanked Council for its support of SRU which serves Salisbury and 10 other municipalities within Rowan County. He reviewed the large capital projects planned for FY2022-2023:

- Replacement of 750kW generator at Town Creek Waste Water Treatment Plant (WWTP) - \$355,000
 - Provides sewer service to Granite Quarry, Rockwell and Faith
- Purchase of new 250 kW portable emergency generator - \$165,000
- Water main capacity upgrades (system-wide) - \$500,000
- Town Creek Access Road Re-Route (East Spencer) - \$500,000
- Grant Creek interceptor rehabilitation - \$250,000
 - Provides service to Landis, China Grove, and portions of Salisbury

Mr. Behmer reviewed system-wide improvements that are being proposed:

- Other system-side sewer line repairs - \$500,000
- Replacement of four floating aerators - \$200,000

- Mill Village lift station rehabilitation in China Grove - \$240,000
- Crane Creek lift station capacity upgrades - \$100,000
 - Provides service to Granite Quarry, Rockwell, and Faith

Mr. Behmer noted large capital expenditures that have been made since 2017:

- Sanitary Sewer Rehabilitation - \$2,400,000
- Peeler Road waterline - \$326,000
- AMI endpoint upgrades - \$1,000,000
- Water treatment plant upgrades - \$7,221,000
- Waste water treatment plant upgrades - \$27,000,000
- 4th Street water line replacement (Spencer) - \$660,000
- Crane Creek lift station upgrades - \$1,932,000
- Water treatment plant bypass sedimentation basins - \$848,000
- Modular floating reservoir covers - \$517,000
- Conversion of meters to AMI - \$7,200,000

Mr. Behmer explained SRU reinvests its revenues into the system which helps the utility remain viable. He added an independent financial analysis of the utility system was conducted and it recommended funding the Capital Improvement Plan (CIP) which is included in the budget and reliant upon revenue growth of 2% which can come from new industries, homes, or rate increases.

Mr. Behmer noted the River Pump Station will need to be modified or relocated. He explained the River Pump Station was last modified in the 1960s and is included in the CIP. Mayor Alexander asked about the budget for the project. Mr. Behmer noted the project will cost approximately \$30 million.

Councilmember Post asked about the total investment in SRU. Mr. Behmer noted staff will bring the information back to Council. Mr. Furches estimated the undepreciated fixed assets for the Water and Sewer Fund at approximately \$110 million.

Parks and Recreation Director Nick Aceves reviewed Parks and Recreation budget requests:

- \$41,400 increase in program funding at recreation centers
- Two full-time Recreation Programmers
- Total impact of increased program funding and additional staff - \$142,708
- Restart full-day summer camp and after-school programs
- Continuation of current athletic and mentoring programs
- Bell Tower Green events - \$156,700 for a full year

Mayor Pro Tem Sheffield asked if there is a way to continually evaluate the needs at Bell Tower Green Park to make sure funding is available. Mr. Aceves agreed. Mr. Aceves pointed out the park received a \$25,000 sponsorship from the Tourism Development Authority, and staff will

continue to look for sponsors to continue programs at Bell Tower Green and other Parks and Recreation facilities. Mr. Greene stated staff will evaluate costs and monitor opportunities that become available. He indicated the first year at Bell Tower Green Park will be challenging and he is hopeful there will be opportunities to add funding to parks and recreation services and to the Bell Tower Green Park. Mayor Alexander pointed out the community is very gracious, and she asked about grants from outside the community. Mr. Aceves noted staff is constantly looking for grants.

Public Works Director Craig Powers provided an update on the resurfacing program:

- Prices for asphalt material have risen 40% since last year and could continue to increase
- 8.4% increase in the Consumer Price Index will affect installation costs
- The City has budgeted approximately \$500,000 for street resurfacing in the past which resulted in approximately seven lanes miles resurfaced annually
- Resurfacing one lane mile is equivalent to paving six city blocks that are two lanes wide
 - An example of one lane mile would be Horah Street from Main Street to Craige Street with one and one-half inch surface

Mr. Powers reviewed the vehicle tax:

- No increase in vehicle tax would equal approximately \$500,000
- \$10 increase would equal approximately \$600,000
 - \$100,000 for resurfacing and \$20,000 for other street-related expenses
- \$20 increase would equal approximately \$720,000
 - Additional \$120,000 would be used for resurfacing
- \$120,000 should resurface approximately 1.5 extra lane miles or approximately 9 city blocks

Mr. Powers pointed out if the vehicle tax is increased to \$20 there will still be a reduction in street paving due to inflation. Mayor Alexander asked how many lane miles are in the City. Mr. Powers stated the City has 346 lane miles, and he pointed out if the vehicle tax was increased to \$30 it would take between 30 and 40 years to resurface all of the City's lane miles. He added:

- Residential streets need to be resurfaced every 30 years with thoroughfares needing to be resurfaced every 15 to 20 years depending on truck traffic
- A consulting engineering firm is performing a pavement condition survey
 - The last pavement condition survey was conducted in 2008
 - The survey will provide valuable information on resurfacing, treatment options and funding needs
 - Survey should be completed fall 2022 and data will be brought to Council

Councilmember Post noted increasing the vehicle tax to \$30 would provide 8.99 lane miles at current pricing, and it would take approximately 40 years to resurface all the streets in the City.

Mayor Alexander clarified citizens are paying a \$10 vehicle tax annually that is allocated toward street paving. Mr. Furches explained half of the \$10 vehicle tax is for the street division and the other half is for transit. He added if Council increases the vehicle tax the additional revenue will be used for the Street Department. Mr. Powers explained the City also receives Powell Bill funding to supplement street paving.

Mr. Greene thanked staff for all it has done to present a balanced budget that provides efficient services, stretches the funding and works to address Council priorities.

Thereupon, Councilmember Post made a **motion** to adopt the Budget Ordinance of the City for the fiscal year beginning July 1, 2022 and ending June 30, 2023 including a \$30 adjustment to the vehicle tax. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

BUDGET ORDINANCE OF THE CITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2022 AND ENDING JUNE 30, 2023.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 126-143 and is known as Ordinance 2022-48.)

CONTRACT – FEDERAL LOBBYING SERVICES

Administrative Services Director Kelly Baker addressed Council regarding the renewal of a contract with Strategics Consulting for federal lobbying services beginning August 1, 2022. She noted the City has worked with Strategics Consulting for several years and the relationship has proven to be successful. She pointed out the City has received approximately \$2.5 million in grants since working with Strategics, who also helped the City develop relationships with its congressional delegation, their staff, and federal agencies.

Ms. Baker noted Strategics Consulting helped the City develop and update its Federal Action Plan. She stated the contract will expire on July 31, 2022 and staff requests Council consider renewing the contact for two years. She explained the City currently pays \$48,000 per year for consulting services, and the fee would increase to \$60,000, which is the industry standard. She added the cost would be split between the General Fund and the Water and Sewer Fund.

Thereupon, Councilmember Post made a **motion** to renew a contract with Strategics Consulting for two years in the amount of \$60,000 annually for federal lobbying services beginning August 1, 2022. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

PROPOSED DEMOLITIONS

Code Services Manager Michael Cotilla provided an update on demolitions in the City. He explained a list of vacant, dilapidated, and abandoned structures was compiled last summer after the previous year's demolitions were completed. He indicated the finalized list is provided to City Attorney Graham Corriher for an extensive title search. He added the case work begins once all parties of interest are identified. He noted all parties are notified by order of compliance, minimal housing public hearing notices are posted, public hearings are held to discuss housing conditions, and intent to repair notices are issued at the end of the hearings.

Mr. Cotilla pointed out:

- 25 properties were cited for minimum housing type violations
- Three structures have been demolished by Code Services under abatement
- Four structures were demolished by the property owners after being cited for minimum housing violations
- One structure is under a 120-day Historic Preservation Commission (HPC) demolition delay that will expire in July
- Two properties were sold after being issued an order of compliance for minimum housing violations
- Five structures are compliant and the cases were closed
- Three structures are under renovation and expected to be compliant with the minimum housing ordinance within 90 days
- Three property owners were granted extensions due to a significant amount of work been completed
- Four structures are being presented to Council for demolition
- 22 additional structures have been identified as potential demolitions for FY2022-2023

Mayor Alexander thanked Mr. Cotilla for the update. She pointed out citizens complain about houses that are not maintained or have hazardous conditions. Mr. Cotilla noted the demolition list is generated from citizen complaints, calls to the Salisbury Police Department, and during routine patrols by Code Services.

Mr. Cotilla pointed out the property at 1027 West Horah Street was inspected on February 1, 2022 and an order of compliance was issued. He added the structure was posted with public hearing notices and ads ran in the Salisbury Post on February 2, 2022 and again on May 10, 2022 with public hearing dates of February 16, 2022 and May 31, 2022. He indicated no heirs or property owners attended the public hearings, and he noted the 90-day compliance date was May 16, 2022. He provided pictures of the property, and he explained the windows are boarded up, a significant structural support has collapsed in the crawl space and a main support beam has failed.

Mr. Cotilla explained the property at 425 Messner Street was inspected on February 1, 2022 and an order of compliance was issued. He pointed out the structure was posted with public hearing notices and ads ran in the Salisbury Post on February 2, 2022 and again on May 10, 2022 with public hearing dates of February 16, 2022 and May 31, 2022. He indicated no heirs or property owners attended the public hearings and the 90-day compliance date was May 16, 2022.

Mr. Cotilla provided pictures of the property, and he explained the property is maintained by the City with mowing and removal of trash or debris.

Mr. Cotilla pointed out the property at 623 Forney Street was inspected on February 1, 2022 and an order of compliance was issued. He pointed out the structure was posted with public hearing notices and ads ran in the Salisbury Post on February 2, 2022 and again on May 10, 2022 with public hearing dates of February 16, 2022 and May 31, 2022. He indicated no heirs or property owners attended the public hearings, and he noted the 90-day compliance date was May 16, 2022. He provided pictures of the property, and he pointed out the property is also maintained by the City with mowing and removal of trash and debris. He added the property was boarded up in 2019 and has been re-boarded four times since.

Mr. Cotilla explained the property at 318 Vanderford Street was inspected on February 1, 2022 and an order of compliance was issued. He pointed out the structure was posted with public hearing notices and ads ran in the Salisbury Post on February 2, 2022 and again on May 10, 2022 with public hearing dates of February 16, 2022 and May 31, 2022. He indicated no heirs or property owners attended the public hearings, and he noted the 90-day compliance date was May 16, 2022. He provided pictures of the property, and he added the back portion of the structure has overgrowth, a large hole in the structure since at 2018, and further structural damage.

Councilmember McLaughlin asked about the process for an extension. Mr. Cotilla explained a significant amount of work has to be completed within 90 days from the time Code Services meets with the property owner in order to bring the property up to minimal housing code regarding siding, windows, doors, roof, power and water. He added if the property is halfway to compliant an extension would be granted.

Mayor Pro Tem Sheffield noted the property at 1027 Horah Street has an interested person who is not an heir, and she asked what steps can be taken before demolition. City Attorney Graham Corriher noted Council has the authority is to demolish the structure or deny the demolition. He added the interested person would have to obtain title to the property.

Councilmember McLaughlin asked about the City's involvement since there are no heirs. Mr. Cotilla noted after the demolition the City will place a lien on the property for the cost of the demolition not including administration fees, civil citations, or other charges. Mr. McLaughlin asked if the public could show interest in the property following demolition. Mr. Cotilla noted if someone finds an heir to sell the property to them, then the lien would have to be paid in order for the title to be transferred and the back taxes would have to be paid to the County.

Mayor Pro Tem Sheffield asked about giving Mr. Thomas and Mr. Bates extra time before the demolition takes place. Mr. Cotilla indicated he shared the demolition list with Mr. Thomas and this property has been on the list since last fall. Councilmember McLaughlin explained he has had a number of individuals ask about the property.

Mayor Alexander asked if the Community Development Corporation (CDC) has an interest in the property. Mr. Cotilla stated he shared the list with the CDC and it did not express an interest.

Councilmember Smith asked if there have been significant complaints regarding 1027 West Horah Street. Mr. Cotilla commented there have not been significant complaints besides the adjacent neighbors expressing their concerns. He indicated complaints regarding the other proposed demolitions have occurred.

Councilmember Sheffield proposed Council pull the proposed demolition at 1027 West Horah Street and offer an extension. City Manager Jim Greene, Jr. suggested a 90-day extension due to the heir research needed for this property and for Council to move forward with the other demolitions. Mr. Cotilla agreed 90 days would be an adequate extension and following the 90 days the property will be demolished if no one comes forward. He added if someone comes forward that person will receive another 90 days to bring the property into compliance.

Thereupon, Mayor Pro Tem Sheffield made a **motion** adopt an Ordinance to order the demolition of a dwelling unit unfit for human habitation located at 318 Vanderford Street in the City of Salisbury, North Carolina. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE TO ORDER THE DEMOLITION OF A DWELLING UNIT UNFIT FOR HUMAN HABITATION LOCATED AT 318 VANDERFORD STREET IN THE CITY OF SALISBURY, NORTH CAROLINA.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 144-145 and is known as Ordinance 2022-49.)

Thereupon, Mayor Pro Tem Sheffield made a **motion** adopt an Ordinance to order the demolition of a dwelling unit unfit for human habitation located at 425 Messner Street in the City of Salisbury, North Carolina. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE TO ORDER THE DEMOLITION OF A DWELLING UNIT UNFIT FOR HUMAN HABITATION LOCATED AT 425 MESSNER STREET IN THE CITY OF SALISBURY, NORTH CAROLINA.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 146-147 and is known as Ordinance 2022-50.)

Thereupon, Mayor Pro Tem Sheffield made a **motion** adopt an Ordinance to order the demolition of a dwelling unit unfit for human habitation located at 623 Forney Street in the City of Salisbury, North Carolina. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE TO ORDER THE DEMOLITION OF A DWELLING UNIT UNFIT FOR HUMAN HABITATION LOCATED AT 623 FORNEY STREET IN THE CITY OF SALISBURY, NORTH CAROLINA.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 148-149 and is known as Ordinance 2022-51.)

Thereupon, Mayor Pro Tem Sheffield made a motion adopt an Ordinance to order the demolition of a dwelling unit unfit for human habitation located at 1027 West Horah Street in the City of Salisbury, North Carolina after 90 days from adoption. Mayor Alexander, Mayor Pro Tem Sheffield, Councilmembers McLaughlin, Post, and Smith voted AYE. (5-0)

ORDINANCE TO ORDER THE DEMOLITION OF A DWELLING UNIT UNFIT FOR HUMAN HABITATION LOCATED AT 1027 WEST HORAH STREET IN THE CITY OF SALISBURY, NORTH CAROLINA.

(The above Ordinance is recorded in full in Ordinance Book No. 30 at Page No. 150-151 and is known as Ordinance 2022-52.)

FY2022-2023 ACTION PLAN AND BUDGET FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDS

Planning Director Hannah Jacobson presented the proposed draft of the FY2022-2023 Action Plan and Budget for the use of the Community Development Block Grant (CDBG) and HOME Program funds. She noted the City receives funding each year from the U.S. Housing and Urban Development Office (HUD) to improve neighborhoods and expand housing opportunities primarily to benefit low and moderate income individuals and families. She pointed out the City will receive \$514,920 in CDBG and HOME Program funds.

Ms. Jacobson noted every five years the City conducts a five year consolidated plan that looks at community needs and determines local priorities. She explained the Consolidated Plan goals adopted in 2020 include:

- Increase supply of decent and affordable housing
- Improve public facilities and infrastructure (West End Community Garden)
- Provide opportunities for home ownership
- Provide assistance to public service agencies
- Affirmatively further fair housing
- Effectively plan and administer programs

Ms. Jacobson pointed out the planning and implementation framework includes the five year strategic goals of the Consolidation Plan, adoption of an Action Plan and Budget to further the goals, and identifying sub-recipient activities.

Ms. Jacobson presented information regarding programs proposed to be funded with the CDBG and HOME Program funds. She provided an overview of the proposed CDBG and HOME Program budget, and she explained the proposed funding amounts of each program:

- Owner-Occupied Rehabilitation Program - \$149,706.60

- New Single Family Construction Program - \$132,611
- Down Payment Assistance Program - \$60,000
- West End Community Garden - \$45,000
- Park Avenue Loan Payment - \$14,395
- Support for Public Service Agencies - \$43,500
- Program Administration and Fair Housing Activities – \$69,657
 - \$58,150 from CDBG funds
 - \$11,557 from HOME Program funds

Ms. Jacobson pointed out July 13, 2022 is the last day for the public review and comment period, and the Action Plan and Budget will be presented to Council at its July 19, 2022 meeting for its consideration. She added if approved, the proposal will be submitted to HUD on July 20, 2022.

Councilmember Post asked about fair housing education for the public. Ms. Jacobson indicated staff is working to secure grant funding for fair housing education and outreach. Mr. Post suggested tenant rights education also be provided to the public.

CITY ATTORNEY’S REPORT

Annexation Agreement with East Spencer

City Attorney Graham Corriher addressed Council regarding an annexation agreement with East Spencer. He explained a Special Meeting has been called for June 29, 2022, and Council does not need to take action at this time.

Mr. Corriher pointed out the parcel in question is contiguous to the City of Salisbury, but it is within the Town of East Spencer's Extra Territorial Jurisdiction (ETJ). He explained the proposed agreement would give East Spencer permission to annex the parcel, but it is more economical to serve the area with Salisbury-Rowan Utilities (SRU). He indicated:

- Salisbury agrees that East Spencer can annex the parcel
- East Spencer agrees that SRU will serve those customers
 - Remaining municipal services would be provided by East Spencer

Mr. Corriher stated the proposed annexation agreement will be the only Agenda item for the June 29, 2022 meeting. He noted if both municipalities approve the agreement the developer will purchase the property and proceed with development.

Councilmember Smith clarified the agreement is between East Spencer and the City of Salisbury.

Mayor Pro Tem Sheffield asked about the approval process. Mr. Corriher explained both municipalities must approve the agreement before it is effective. Mayor Alexander indicated the agreement has been reviewed and approved by East Spencer’s attorney. Mr. Corriher agreed.

CITY MANAGER'S REPORT

City Manager Jim Greene, Jr. had no report for Council.

COUNCIL COMMENTS

Councilmember Smith thanked NAACP President Gemale Black, the Salisbury Rowan-NAACP, and staff for its work during the Juneteenth celebration. He noted citizens felt the community come together with a successful event by being welcoming and inclusive as Juneteenth was celebrated.

Councilmember McLaughlin pointed out the Juneteenth and Cheerwine events were impressive with the community and staff participation, and he looks forward to the next event.

Councilmember Post commended Finance Director Wade Furches regarding the budget presentation and staff collaboration. He thanked Interim City Manager Brian Hiatt for his work to prepare the budget.

Councilmember Post suggested Council consider a logo for the City like other municipalities in Rowan County use instead of using the City seal. Councilmember Smith agreed. Mayor Alexander commented she spoke with Communications Director Linda McElroy about the possibility of creating a logo, however it will be a process and would require a budget. City Manager Jim Greene, Jr. agreed, and he suggested Council discuss the logo at a later date, possibly at the next Council Retreat, so there is an opportunity to evaluate ideas and for public engagement.

MAYOR PRO TEM'S COMMENTS

Mayor Pro Tem Sheffield commented the Juneteenth celebration was a great community event. She added it was great for the City to recognize Juneteenth as a holiday which sends a message of the community learning about the history of all. She pointed out she is very proud of everyone who worked to make the event a success.

Mayor Pro Tem Sheffield stated the Salisbury Pride Festival will take place Saturday, June 25, 2022 from 11:00 a.m. until 5:00 p.m. at the Bell Tower Green Park.

Mayor Pro Tem Sheffield pointed out difficult decisions have to be made regarding the budget especially with any anticipated increase in fees, but she noted she is proud of staff for its hard work and also Interim City Manager Brian Hiatt and new City Manager Jim Greene, Jr. She congratulated Finance Director Wade Furches on his first budget completed as the Finance Director, and she thanked staff for all it does for the City.

MAYOR'S ANNOUNCEMENTS AND COMMENTS

Mayor Alexander thanked Council for presenting the Juneteenth Proclamation with her at the Juneteenth celebration at the Bell Tower Green Park. She indicated the community appreciated Council being there together. She also thanked staff for its hard work for the event.

(a) 2022 Salisbury Citizen's Academy

Mayor Alexander announced applications are now being accepted for the 2022 Salisbury Citizen's Academy. The academy is a 10-week program that meets each Thursday evening from 5:30 p.m. until 8:30 p.m. beginning September 8, 2022. Applications are available online at salisburync.gov/citizensacademy or by contacting Kelly Baker at kbake@salisburync.gov. All applications must be received by July 15.

(b) Krazy Klearance

Mayor Alexander announced Downtown Salisbury Inc., in partnership with the Salisbury Post, presents Krazy Klearance in downtown Salisbury July 13 through 16, 2022. Shoppers can register to win \$100 in Krazy Klearance bucks at participating businesses. For more information visit www.downtownslaisburync.com.

(C) Salisbury Pride Festival

Mayor Alexander announced the Salisbury Pride Festival will take place Saturday, June 25, 2022 at the Bell Tower Green Park.

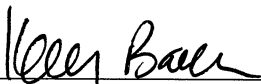
ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Post. Mayor Alexander, Mayor Pro Tem Sheffield and Councilmembers McLaughlin, Post and Smith voted AYE. (5-0)

The meeting was adjourned at 8:37 p.m.



Karen Alexander, Mayor



Kelly Baker, City Clerk