SPECIAL MEETING

PRESENT: Mayor Al Heggins, Presiding; Mayor Pro Tem David Post; Council Members Karen Alexander, William Brian Miller, and Tamara Sheffield; City Manager W. Lane Bailey; Deputy City Clerk Emily Michael (left at 2:00 p.m.) and City Attorney Graham Corriher.

ABSENT: City Clerk Diane Gilmore.

The City Council of the City of Salisbury met at 10:30 a.m., Tuesday, June 11, 2019 in the Salisbury-Rowan Utilities Conference Room located at 1 Water Street. The meeting was called to order by Mayor Heggins.

RECOGNITION OF VISITORS

Mayor Heggins welcomed all visitors present. A moment of silence was taken.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Miller made a motion to adopt the Agenda as presented. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)
ROWAN-SALISBURY SCHOOL SYSTEM

Rowan Salisbury School System (RSSS) representatives presented a video regarding the school system’s Science Technology Engineering and Math (STEM) Training Program.

Ms. Candice Austin, Principal at Overton Elementary School, stated she works with a team of teachers from Salisbury High School, Knox Middle School, Overton Elementary and Isenberg Elementary School on the STEM Training Program. She noted during the last fiscal year the City provided funding for a stipend for four professional development training sessions from Discovery Education for teachers and a fifth training session to plan and execute the Salisbury STEM event.

Ms. Austin requested Council continue support of the STEM Program by providing a stipend to help continue professional development and to provide planning for the STEM event. She added the goal is to expand the program to Koontz Elementary School.

Ms. Austin reviewed the $95,000 budget request:

- $3,000 for 25 STEM teachers
  - $75,000 total request
- $4,000 for 5 schools STEM professional development/materials
  - $20,000 total request

Ms. Austin explained with one year of the cohort complete, teachers in the cohort are trained in foundational STEM concepts and have a deeper understanding of how to create and teach STEM units. She added the schools are ready to add their personal touch to the program. She introduced teachers Melissa Davies and Charles Hardin who shared their experiences as members of the cohort.

Mayor Heggins asked about the STEM training. Ms. Davies explained Discovery Education provided the training in sessions that included an overview of STEM. She noted the training sessions progressed into assessment and implementation into the classroom. She pointed out all the teachers in the cohort, elementary through high school, received the training and were able to adapt it to their classroom. She added the cohort would like to share what they have learned with the rest of the team.

Mr. Hardin stated the STEM-based lessons were designed so teachers across the district teaching in the same grade level could use the lessons. He noted the STEM Program is problem-solving based and is changing traditional thinking. Ms. Davies pointed out students work on social and emotional skills that are critical to early education and student’s success in the classroom.

Councilmember Miller asked how the investment in the teachers is improving the teacher’s skill set. Ms. Austin stated the STEM Training Program has improved teacher confidence and comfort level with the STEM Program. She explained STEM can be intimidating to teachers. She added she also noticed through the year members of the cohort became better acquainted and made connections. She pointed out it was beneficial to set aside a time and create an opportunity for the schools to work together.
Ms. Austin explained RSSS is requesting the stipend to compensate teachers for the additional work they are putting into the STEM Program. She added the stipend is an attractive way to retain teachers.

Mayor Pro Tem Post clarified test scores will be the data used to determine if the program is successful. Ms. Davies explained test scores are the only measurable consistent across schools and districts. Councilmember Miller pointed out the school system has an economic development impact on the community, and Council must do all it can to support the school system. He asked Ms. Austin if the STEM Training Program is helping her do a better job educating children in her school. Ms. Austin agreed.

Councilmember Miller stated he wants to continually find ways for the City to be involved with RSSS. He suggested Council engage with the cohort quarterly to support what is being done, and he pointed out that is where the funds from the City are being used if the City chooses to continue the program. He suggested the possibility of Council members attending a portion of a planning event.

Councilmember Miller referenced the RSSS Foundation, and he asked if the Foundation is providing any support to the cohort. Ms. Austin stated the Foundation is not contributing support to the cohort at this time. Councilmember Miller noted Council has been supportive in the past and he hopes future Councils will also support RSSS.

Mayor Heggins requested clarification regarding the request. Ms. Davies noted RSSS is requesting $95,000. She added she has a separate early childhood proposal that is not related to STEM. She clarified the $95,000 proposal before Council regards STEM. Councilmember Miller asked about the City’s support level last year. Ms. Davies noted the City contributed $91,200 to the RSSS, and she added the proposed increase is needed to include Koontz Elementary School in the program.

Ms. Austin introduced Kelly Street, Director of pre-K. She explained the next proposal is for a pre-K classroom at Overton Elementary designed to reach children that did not qualify for Headstart pre-K or cannot afford private pre-K tuition. Ms. Street added the proposal presented to Council provides a basic estimate of the funding needed to provide a pre-K classroom at an elementary school.

Councilmember Alexander asked about the 18 students in the proposed pre-K classroom. Ms. Street explained the maximum number of students in a pre-K classroom is determined by state law. She noted approximately 40% or 1,400 four year olds in Rowan County do not attend a pre-K. Mayor Pro Tem Post asked how many four year olds in the City may not attend pre-K. Ms. Street noted RSSS is working to obtain the information using census numbers.

Ms. Austin pointed out half of Overton Elementary School’s kindergarten class, approximately 55 to 65 students, had not attended pre-K. Mayor Pro Tem Post asked about Koontz Elementary School. Ms. Austin explained Koontz was not considered because of a change in administration that would make it difficult to implement the program. She noted the goal of pre-
K is to make sure the children are ready to be successful in the classroom. She explained third-grade reading predictions are based on kindergarten readiness. She added it is important to foster relationships and trust with parents before children enter kindergarten. She noted the need is there and the school system has recognized it must do more than kindergarten through 12th-grade education.

Councilmember Sheffield asked if other grants are available to help fund the proposed pre-K program. She then asked if private donors have been considered. Ms. Street stated the school system has applied for grants and has worked with the Robertson Foundation.

Councilmember Sheffield asked about the criteria for selecting students for the proposed pre-K program. Ms. Street explained there is an application process for Title I pre-K that focuses on at-risk children. Councilmember Miller asked how soon Salisbury-specific data relative to the need could be prepared. Ms. Street noted she could have the data in approximately one to two weeks. Mr. Miller noted the proposal does not seem large enough to meet the need, and he noted funding the School System is not Council’s primary function. He added anything Council is able to contribute is in addition to the City’s core mission. He indicated more partners are needed to reach more children.

Mayor Heggins stated the proposed pre-K class would service 18 students, and she pointed out there are approximately 100 children with a need. She asked if some of the students not included in the program would qualify for other programs. Ms. Street noted there is not enough Pre-K programs for students that cannot afford to pay for the service. Councilmember Alexander asked how many students do not have the financial means to attend a pre-K program. Ms. Street noted a maximum of 200 children between Koontz, Isenberg, and Overton Elementary Schools in the City do not have the means for a pre-K program. Mayor Heggins asked if any of the 200 students qualify for other programming. Ms. Street pointed out some of the parents do not trust the system and are not applying for pre-K.

Mayor Pro Tem Post added the request would help approximately 10% of the children who may qualify and are not covered through another means such as Smart Start or Head Start programs. He noted there are several hundred kindergarten students in City elementary schools and 40% would be 80 to 100 students have the need for an additional pre-K option.

Councilmember Miller stated he is a proponent of early childhood education. He indicated more work is needed on the proposal, and he commented if there were partnerships and a better understanding of the need it could provide an opportunity to justify the request. Ms. Austin stated the goal of the presentation was to make Council aware of the situation and the need. She added partnerships have been established and there are other funding sources that are interested in the proposal. She indicated everyone should be brought to the table.

Mayor Pro Tem Post pointed out there are other options that address the issues and create a better learning opportunity to prepare pre-K students for school. He indicated if Council continues to support RSSS it may want to consider other options next year. He suggested the school system bring options to Council for its consideration when it requests funding from the City. He commented there is a high percentage of at-risk children living in the City.
Mayor Heggins thanked the RSSS representatives for their presentation and she recognized the educators for all they do for their students and the community.

City Manager Lane Bailey stated he had conversations with Council members individually and there was a concern about funding stipends because the money would go toward salaries and if the funding source is eliminated the teachers would lose a source of revenue. He referenced Councilmember Miller’s earlier comment that a different Council may have a different view of the situation. He added there is also a possibility that the North Carolina General Assembly could say the stipends are no longer allowed.

Mr. Bailey commented he believes pre-K is the greater need in the community because students without access to a pre-K may be lost by the third grade. He pointed out kindergarten students are typically at different levels at the beginning of school, and it can create a challenge for the school system. He added it is a worthy goal to work to improve pre-K education in the City. He explained supporting both programs may require an adjustment to the proposed tax rate.

BILLING ISSUE

City Manager Lane Bailey explained the recommended property tax rate includes funds to offset a billing error that took place in the current fiscal year. He pointed out City Attorney Graham Corriher can answer questions regarding the legality of collecting last year’s tax revenue in the coming fiscal year. He stated Mr. Corriher contacted the University of North Carolina (UNC) School of Government who proposed the means of collections.

Finance Director Shannon Moore stated the current recommended tax rate is $.71 and $.0027 is proposed to cover the billing error that took place last year. She noted the recommended budget includes a tax rate of $.7127. She pointed out the total tax rate would be $.7196 and would generate approximately $208,000 in additional tax revenue. Mayor Pro Tem Post clarified $208,000 is the difference between the tax rate of $.7196 and $.7127 which includes the fix from last year. Ms. Moore agreed.

TRANSIT GRANT

City Manager Lane Bailey noted staff is requesting to apply for a grant for additional transit vehicles. He explained the total cost for the buses is $600,000, and the City’s match would be $125,000. He added the grant will not impact the coming fiscal year’s budget if awarded. He indicated if the City receives the award it will be notified in October, November or December 2019 and it would have a year to purchase the buses. Councilmember Miller clarified the purchase will not impact the coming budget year but it will impact future budget years. Mr. Bailey agreed, and he pointed out the City has an older fleet and if it can get $600,000 worth of buses for $125,000 it is a good deal.
Councilmember Alexander asked if the buses will use sustainable fuel. Mr. Bailey explained sustainable fuel vehicles create additional costs but it can be considered. Ms. Alexander asked if the grant would cover any extra cost associated with sustainable fuel vehicles.

Transit Director Rodney Harrison explained the competitive grant application would be submitted June 21, 2019 and would cover low to no emission and traditional vehicles.

Thereupon Mr. Miller made a motion to pursue the grant discussed for replacement of four City buses.

Mr. Harrison stated the application includes a request for four transit vehicles that will hold 15 to 16 passengers. He added traditional 35-foot buses cost $500,000 to $600,000 each and the City is applying for four small to mid-sized transit vehicles that seat 15 to 16 passengers. Mayor Pro Tem Post clarified the City would receive four buses instead of one for $600,000. Mr. Harrison agreed. Councilmember Alexander added the smaller buses will be more in-line with City’s ridership. Councilmember Miller asked if the ridership counter will work on the new buses. Mr. Harrison stated it should work.

Thereupon Mr. Miller restated his motion to pursue the grant to purchase four transit vehicles. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

Mayor Pro Tem Post pointed out the additional transit vehicles will allow the City options to better serve the community. He added some of the current buses need to be retired, and he asked if the City is locked into fixed routes or if the additional transit vehicles allow for flexibility. Mr. Harrison explained the City may have to turn in four of its vehicles if it is awarded the grant. Mr. Bailey pointed out a route with more passengers would receive the larger bus and the less populated routes would receive the smaller vehicles.

Mayor Pro Tem Post requested clarification in Councilmember Miller’s motion that he is not opposed to exploring a more efficient or low emission bus. Mr. Miller stated the motion is to pursue the grant and if the grant is awarded the City will consider its options. Mr. Harrison noted the grant application is generic so the City will have flexibility regarding the transit vehicles to be purchased. He cautioned if alternative fuels are considered the price per vehicle will increase. Councilmember Alexander pointed out if the City stays with traditional fuels there is technology to reduce the diesel emission into the atmosphere but the technology must be requested. Mr. Harrison noted it is included in the grant request.

Councilmember Miller asked if by consensus Council could direct Mr. Harrison to consider options that have the least impact on the environment. Mr. Harrison explained there are three types of grants: performance, competitive and low emission. He added the goal is to conduct research analysis so there is a solid direction to pursue funding. He pointed out the buses are 15-years old and the City needs additional vehicles.

Mayor Heggins explained the grant application gives Council an opportunity to pursue the grant, and she added Council needs to consider low emission options.
Mr. Harrison suggested including dollar amounts in the motion. He clarified the total cost of the project is $600,000 and the 80% federal grant would be $480,000 and the local match would be $120,000.

Councilmember Miller made a motion to withdraw his motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

Thereupon Mr. Miller made a motion to apply for a grant for the June 21, 2019 grant cycle that involves the purchase of four transit vehicles at a total cost of $600,000, a City match of $120,000 and a federal share of $480,000 for the 5339 (b) Buses and Bus Facilities Program Grant. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller, and Sheffield voted AYE. (5-0)

**BUDGET WORK SESSION ITEMS**

Mayor Pro Tem Post requested an outline of the issues City Manager Lane Bailey feels need to be covered in the Budget Work Session. Mr. Bailey noted Parks and Recreation will be addressed along with Fibrant and its cost to the budget. Mr. Bailey explained the $3.8 million allocated for Fibrant is higher than the debt service because it includes revenue for pole attachments. He pointed out an estimated $600,000 in revenue from Hotwire Communications will reduce the General Fund contribution to Fibrant. Mayor Pro Tem Post asked if the information could be added to the Agenda. Mr. Bailey agreed.

Councilmember Miller noted Council needs to consider the education stipend. Mr. Bailey pointed out at the last meeting Council discussed recycling and the challenges it faces. He stated modifications have been made so the solid waste fees cover the operational cost of recycling.

Mayor Pro Tem Post noted the Intelligent, Design, and Evolution Awareness (IDEA) Center is not included in the budget. Mr. Bailey indicated the Empire Hotel also needs to be addressed. He recommended the current debt service payment for Downtown Salisbury, Inc. (DSI) go toward the IDEA Center.

**PARKS AND RECREATION**

City Manager Lane Bailey noted at the budget hearing Councilmember Miller requested Parks and Recreation Director Nick Aceves provide options regarding capital funding for recreation.

Parks and Recreation Director Nick Aceves reviewed a list of Parks and Recreation priority projects which total $1,195,000:

- Lake improvements – including boardwalk and sidewalk - $550,000
- Park exterior bathrooms
  - Kelsey Scott Park - $130,000
- City Park - $130,000
- Pool Plastering - $60,000
- Hall Gym Floor - $100,000
- City Park Rec Room renovations
  - Interior bathroom - $50,000
  - Flooring - $90,000
  - Kitchen Renovation - $20,000
- Tennis Court Lighting - $50,000
- Miller Center Kitchen Remodel - $15,000

Mr. Aceves pointed out Public Services and Parks and Recreation share responsibility on many of the projects since Public Services provides the maintenance.

Councilmember Alexander asked if the floor inside of the Civic Center could be marked for pickleball courts. Mr. Aceves noted it is an option, and he pointed out the VCT flooring gets slippery when it is wet. He added the Civic Center opens at noon and the Recreation Coordinator who runs the Civic Center also serves as Aquatics Director and monitors the pool. He indicated an indoor pickleball court at the Civic Center could create staffing issues.

Mr. Aceves stated the financially sound decision would be to convert two tennis courts at City Park into pickleball courts. He added there are donated funds for the project, and the conversion would reduce the cost to resurface the remaining four tennis courts. He indicated if Council recommends resurfacing six tennis courts and providing a standalone pickleball facility the need would come in after the Hall Gym floor.

Mr. Aceves noted the City Lake improvements include the possibility of sidewalks, boardwalks, and mechanical dredging. He thanked Public Services and Stormwater for their work to mechanically dredge Memorial Pond. He pointed out the nutrient-rich fill from the dredge can be used for other projects within the City.

Councilmember Miller asked what is included in the recommended budget and what additions have been presented today. Mr. Aceves noted the City Lake renovations are included in the recommended budget at $350,000. Senior Management Analyst Anna Bumgarner noted the additional $200,000 for City Lake is included in the Capital Improvement Plan (CIP). She pointed out the dredging could be completed in the coming fiscal year and other improvements to City Lake could be completed in the following fiscal year. Finance Director Shannon Moore added the $350,000 dredging project is being paid for with Fund Balance because it is a one-time capital expense.

Mr. Aceves noted staff is requesting a full renovation and revitalization of City Lake, and he indicated some of the tree roots around the lake are causing drainage issues. He pointed out a walkway is needed and some trees should be removed and others replanted to add beautification and enhance the environment without negatively impacting the lake. He noted permanent bathrooms are included in the future request.
Mayor Heggies asked if the request for City Lake includes funds for Memorial Park. Mr. Bailey noted the memorial is considered separate from City Lake.

Councilmember Miller clarified $350,000 is included in the budget for improvements to City Lake. Mr. Aceves agreed. Mr. Miller stated the total request for City Lake is $550,000. He pointed out bathrooms at Kelsey Scott Park are listed at $130,000 and he asked how much is included in the recommended budget. Ms. Bumgarner noted the bathrooms for Kelsey Scott Park were cut from the recommended budget. Mr. Bailey explained with the exception of the $350,000 for City Lake and the annual playground replacements, the projects listed on the sheet are not funded. Mayor Pro Tem Post indicated of the $1,195,000 listed on the sheet $350,000 is financed. Mr. Aceves agreed.

Councilmember Miller asked about the Bell Tower Green. Ms. Aceves noted the Bell Tower Green is included in the CIP. Mr. Bailey explained the Bell Tower Green is funded in term of the match in this year’s budget. Mr. Miller commented the City is being given a $10 million dollar park, and he asked about the City’s contribution. Mr. Bailey noted the City contributions will come in future years.

Councilmember Miller referenced the priority list. He commented if $350,000 for City Lake is removed it leaves $845,000 and if pickleball is added and tennis courts resurfaced the total request is $1 million. Mr. Aceves agreed. Ms. Moore explained the monies are borrowed from the General Fund and this is the fund that would be paying for those projects.

Councilmember Alexander asked if the proposal for pickleball includes donations for the project. Mr. Aceves noted the total does not include the donations. Mayor Pro Tem Post clarified the total cost for the pickleball facility is $95,000 minus the lights, and he commented the donation will be lost because it requires lights to be at the park. Mayor Heggies asked if the City was able to keep the donation if it could be used to help with the lights. Mr. Aceves noted that would be up to the donors. Mr. Bailey indicated it has been mentioned to use bonds to pay for the project, but he pointed out the total cost is too low for bond financing. He added money could be borrowed but it will need to go through the Local Government Commission (LGC). He pointed out the terms and interest rates would need to be considered. He explained bonds are more secure for the investor but it would cost too much for this small amount of money through the bond process. He added Council could consider financing some of the debt, but it would need to know what the payment would be each year and what the City is comfortable paying. He pointed out five-year terms would include a $200,000 payment plus interest.

Mr. Bailey clarified the priority needs are $1 million, and he asked Council how much of an annual debt payment it would be comfortable with. Councilmember Miller asked for an estimate of the payment. Ms. Moore noted the payment would depend on the attractiveness of the loan package and the interest rates. Mr. Miller pointed out the first year’s payment would be covered in the budget, and he noted subsequent budgets will have different pressures. Councilmember Alexander asked if that is the preferable way to fund these projects and do more at one time.
Mayor Pro Tem Post referenced the Civic Center renovations and improvements, and he asked about the importance of the project. Mr. Aceves noted the Civic Center has its deficiencies, and he added it is not Americans with Disabilities Act (ADA) accessible downstairs. He added the Civic Center is one of the largest revenue makers for Parks and Recreation. Mayor Pro Tem Post asked if the flooring is a structural issue. Mr. Aceves indicated the floor is washing out underneath and a structural engineer assessed the building and recommended drilling holes and pumping foam into the floor. He commented the outside of the building has drainage issues that need to be addressed. Mr. Post asked if the problem will continue to worsen. Councilmember Alexander agreed. Councilmember Sheffield clarified the structure is safe. Mr. Aceves agreed, and he pointed out if the floor is leveled once the holes are drilled the floor will need to be replaced. Mr. Bailey stated he is not certain he would invest $500,000 in the Civic Center, and he commented it has space and design issues. He added the building is safe to use.

Councilmember Miller stated maintenance is being deferred on the City’s Parks and Recreation facilities. Mr. Bailey stated he asked Mr. Aceves to prioritize the need at the City’s Parks and Recreation facilities. Mr. Aceves noted City Lake improvements are included in the proposed budget, and he indicated there is a need for a boardwalk and sidewalk at City Park, pool plastering at the Fred M. Evans pool, bathrooms at City Lake and Kelsey Scott Park, resurfacing of the tennis courts and/or the Hall Gym floor. He pointed out the gym floor gets more daily use than the tennis courts, and he suggested refinishing the gym floor first. He noted a United States Tennis Association (USTA) grant could supplement a portion of the funds needed to resurface the tennis courts.

Councilmember Alexander requested a total for the items Mr. Aceves is recommending. Mr. Aceves noted the total for the bathrooms, pool plastering, resurfacing the tennis courts and Hall Gym floor would be approximately $480,000. Councilmember Miller questioned the needs at City Park. Mr. Aceves explained the critical part of City Lake is included in the proposed budget. Councilmember Alexander noted nothing is included for pickleball. Mr. Aceves explained a standalone pickleball facility without lighting would cost approximately $90,000. Mayor Pro Tem Post questioned why the City would fund resurfacing the tennis courts that are not used and not fund pickleball courts or build them without lights when they are used.

Councilmember Miller asked if there will be a surplus in the current budget. Ms. Moore noted Fund Balance will be used in the current budget. Mr. Miller asked if the City will appropriate more or less than expected. Mr. Moore noted the appropriation should be better than expected, and she added staff is expecting to use $2 million in appropriation.

Mr. Bailey indicated bathrooms at Kelsey Scott Park and City Park, the pool plastering, Hall Gym floor, tennis court resurfacing, pickleball and $200,000 for improvements at City Lake are all needed. He pointed out City Lake could be the City’s showplace park and to fund the options listed the City would need $775,000. He requested Council allow staff time to consider funding options. He suggested possibly funding the first year’s payment out of Fund Balance and to consider what would be needed going forward to make the future payments. He noted staff could bring its recommendations to Council at its June 18, 2019 meeting.
Mr. Bailey explained the proposed $775,000 includes $200,000 for improvements at City Lake, $130,000 each for bathrooms at Kelsey Scott Park and City Park, pool plastering, Hall Gym floor, tennis court resurfacing, and pickleball. Councilmember Miller asked if the items on the list are the things Council wishes to support. He asked about a reasonable repayment schedule if a City facility is used to finance the project. Ms. Moore stated five or six years would be a reasonable repayment schedule on $1 million.

By consensus, Council agreed for Mr. Bailey and Ms. Moore to research possible funding options.

**NEWSOME ROAD PROJECT**

City Manager Lane Bailey explained the City prepaid for the Newsome Road Project and funds will be reimbursed by the State.

Finance Director Shannon Moore commented the Newsome Road Project is set to be completed within the year. City Engineer Wendy Brindle indicated the City was not eligible for reimbursements until 2021, but the North Carolina Department of Transportation (NCDOT) advanced the project and funds will be available to the City by July 1, 2019. Councilmember Miller asked if the funds will be added to the fiscal year 2019-2020 budget, and he questioned the amount of the expected reimbursement. Ms. Moore noted reimbursement funds would be allocated in the coming fiscal year. Ms. Brindle stated the maximum reimbursement is $1.1 million, but the City will only be reimbursed for the dollar amounts spent on the project which is approximately $800,000. Councilmember Miller asked if the reimbursement could fund other projects. Ms. Moore agreed, and she explained the reimbursement is for a one-time project.

Councilmember Miller pointed out the Parks and Recreation Master Plan can help address deferred maintenance expenses. He noted the reimbursement is an offsetting revenue that could cover Parks and Recreation expenses.

Mayor Pro Tem Post commented the $800,000 in reimbursements was not spent by or for the Parks and Recreation Department. He suggested the reimbursement could be used to repay and replenish the City’s Fund Balance.

Councilmember Alexander asked where the $800,000 would be allocated in the budget and commented if the reimbursement relates to roads then those funds should be used toward roadway repairs. Ms. Moore indicated Fund Balance appropriations were used over the last two or three years to support the Newsome Road Project. She added in a normal situation reimbursement funds would return to the Fund Balance to replenish amounts.

Councilmember Miller suggested there needs to be a review of the debt package because the time frame is unclear. Mr. Bailey stated a review can take place within the next week.
IDEA CENTER

Council discussed a funding request from the Intelligent, Design, and Evolution Awareness (IDEA) Center. City Manager Lane Bailey noted the initial request was for a multi-year commitment to be funded with Rowan County. He stated at the time staff anticipated using funds that were previously used for the Empire Project, but the timing for the Empire has been extended and those funds will not be released as anticipated. He noted one option is to pay off the debt service for the Empire using Fund Balance. He added once the Empire is purchased using Fund Balance the money for the debt service could be used towards the back stop lease or for the IDEA Center. Mr. Bailey noted he has had discussions with the County Manager and the County has indicated it may provide funds if the City will match them and there was a question for the term of the commitment.

Mayor Heggins asked how many people are served by the IDEA Center. Mr. Bailey indicated he was unsure of the number of people serviced. Mayor Pro Tem Post pointed out the IDEA Center was financed by Rowan County early in its mission.

Councilmember Sheffield commented the IDEA Center has been in existence for two years yet she is unsure what the Center does. She stated if the City decides to participate she would only want to commit for one year.

Councilmember Miller clarified funding for the IDEA Center was not in the proposed budget. Mr Bailey indicated it is not. Mayor Heggins stated Council needs to see a budget for the IDEA Center and what it has accomplished. Councilmember Alexander agreed and noted a budget and additional information should be provided by the IDEA Center.

TAX RATE

Councilmember Sheffield commented she does see a reason to drop the tax rate when the impact on the budget would be beneficial, especially if the City can work with the schools to help with STEM implementation. She added Parks and Recreation also have large projects that could be completed. She noted she does not believe revenue to be received for the Newsome Road Project should be dedicated for one purpose.

BUDGET

City Manager Lane Bailey noted the budget message in the proposed budget identifies the main issues in the budget. Mayor Heggins indicated she would have liked for the budget to be more easily understood and discussable for the public during the public hearing.
**PROJECT FINANCING**

Councilmember Miller asked if it would make sense to borrow money rather than use Fund Balance to pay for some of the requests. Mr. Bailey indicated Fund Balance may be used but he cautioned against using too much too quickly adding he would not want to the percentage of Fund Balance to drop below twenty-five (25) percent.

Finance Director Shannon Moore stated whether projects are financed through the issuance of debt or through Fund Balance depends on the interest rates. Mr. Bailey stated issuing debt is complicated and other items In the Capital Improvement Plan (CIP) may need to be reviewed to see if they can be added to a financing package. Ms. Moore commented a mechanism to repay the debt will have to be identified.

Councilmember Miller commented the City must invest in itself or the general market will not invest. Mr. Bailey indicated there is a need to invest in quality of life for citizens and education makes a big difference for the growth of the community.

**PROPERTY TAX RATE**

Councilmember Milled stated he is uncomfortable with the current rate but understands the need to maintain it. He noted he does not see a choice because of the needs but he does not think the City can sustain a continued increase. He indicated the success of a large economic project and Hotwire could offer relief for the tax rate.

City Manager Lane Bailey asked if there is a consensus to keep the same tax rate which would generate an additional $208,000 which could be used to fund $75,000 for the IDEA Center, $95,000 for the school, and the remainder going toward a debt service payment for the Parks and Recreation priority projects.

Councilmember Sheffield stated she is not fully committed to funding the IDEA Center. Mr. Bailey noted Council does not have to commit to funding for the IDEA Center but could wait to make a decision when it has additional information.

Mr. Bailey clarified Council would like to leave the tax rate at the same level with different options for how to use the additional revenue. He noted staff can provide options for the funding to include the IDEA Center, an option for it to be excluded, and options to pay debt service for Parks and Recreation projects. He added all options would include funding for the schools and will be provided to Council at its June 18, 2019 meeting.
CLOSED SESSION

Thereupon, Councilmember Miller made a motion to go into closed session to consult with an attorney as allowed by NCGS 143-318.11(a)(3). Councilmember Alexander seconded the motion. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller and Sheffield voted AYE. (5-0)

RETURN TO OPEN SESSION

Thereupon, Councilmember Alexander made a motion to return to open session. Mayor Heggins, Mayor Pro Tem Post, and Councilmembers Alexander, Miller and Sheffield voted AYE. (5-0)

Council discussed the format of its Special meeting scheduled for Monday, June 17, 2019 regarding the Confederate Monument. Mayor Heggins noted each speaker will be allowed three minutes to speak and there will be a two hour limit on the public comment period. It was noted the City Attorney will provide a brief summary of the law and legal issues surrounding the monument. Council agreed there would be no sign-up sheet for the public comment and speakers will be asked to form a line to speak.

ADJOURNMENT

Motion to adjourn the meeting was made by Mayor Pro Tem Post. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 3:55 p.m.

Al Heggins, Mayor

Diane Gilmore, City Clerk