

April 15, 2003

## **REGULAR MEETING**

**PRESENT:** Mayor Susan W. Klutz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.;

Councilmen William (Bill) Burgin; William (Pete) Kennedy; Robert (Bob) Martin; City Manager, David W. Treme; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

**ABSENT:** None.

The meeting was called to order by Mayor Klutz at 4:00 p.m. The invocation was given by Councilman Burgin.

## **PLEDGE OF ALLEGIANCE**

Mayor Klutz led those present in the Pledge of Allegiance to the United States flag.

## **RECOGNITION OF VISITORS**

Mayor Klutz recognized all visitors present.

## **ROWAN 250 FEST CELEBRATION**

Mayor Klutz congratulated and thanked the 250 Fest Committee and the County Commissioners on a fine birthday observance for Rowan County on Saturday, April 12. She commented that this had been an opportunity for the City, County, and neighboring municipalities to work closely over the last three years, and that the results had been very good.

## **RESOLUTION IN SUPPORT OF THE ARMED FORCES OF THE UNITED STATES AND RECOGNITION OF CITY EMPLOYEES DEPLOYED AND SERVING IN THE MILITARY**

Mayor Pro Tem Woodson made a **motion** to adopt a resolution in support of the armed forces of the United States. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0).

## **RESOLUTION IN SUPPORT OF THE ARMED FORCES OF THE UNITED STATES**

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 14, and is known as Resolution No. 2003-15.)

Mayor Klutz recognized Mr. Denny Morgan of the Salisbury Police Department who is currently serving in Kuwait as a Sergeant with the National Guard. The Mayor, on behalf of the City, expressed to both him and his family how much his service for us is appreciated. She commented that he will also be recognized when he returns.

## **RECOGNIZE CAPTAIN RICK BARKLEY - RECIPIENT OF THE U. S. AIR FORCE ACHIEVEMENT MEDAL**

Mayor Klutz recognized Captain Rick Barkley of the Salisbury Fire Department for receiving the U.S. Air Force Achievement Medal for Outstanding Leadership and Outstanding Service during Operation Enduring Freedom.

Mayor Kluttz noted that Airman Barkley distinguished himself by outstanding achievement while serving in the Fire Department of the 416th Air Expeditionary Group from March to June 2002. During that time, he served as Chief of an aviation, fire, and rescue team during both emergency responses and day-to-day operations.

Mayor Kluttz showed the medal he had received, and invited him to come forward to receive recognition and appreciation. She commented that all are proud of him and his service to our country, and that he has made the City of Salisbury proud.

### **PROCLAMATIONS**

Mayor Kluttz proclaimed the following observances:

NATIONAL CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT) WEEK	April 21-27, 2003
NATIONAL SPORTSCASTERS AND SPORTSWRITERS DAYS IN SALISBURY	April 26-28, 2003
NATIONAL DAY OF PRAYER	May 1, 2003
BETA SIGMA PHI WEEK	April 28-May 2, 2003
MUNICIPAL CLERKS WEEK	April 27-May 3, 2003
NATIONAL VOLUNTEER WEEK	April 27-May 3, 2003

### **MUNICIPAL Clerk Certification Program - Ms. Myra B. Heard**

Mayor Kluttz recognized Ms. Myra B. Heard, City Clerk, for her recent graduation from the International Institute of Municipal Clerk Certification Program which was held at the Institute of Government in Chapel Hill. Mayor Kluttz stated that after two years in service, Ms. Heard will attain the Certified Municipal Clerk status.

### **CONSENT AGENDA**

#### **(a) Minutes**

Approve Minutes of the regular meeting of April 1, 2003.

#### **(b) Group Development Site Plan - G-05-1998 - Crescent Cluster Homes**

Approve Group Development Site Plan G-05-1998, Crescent Cluster Homes at The Crescent-Hazeltine Court, off Jake Alexander Boulevard North, to amend rear yard setback.

#### **(c) Portion of Right-of-Way Closing - 300 Block of Julian Road**

Council received a petition to close a portion of right-of-way in the 300 block of Julian Road and adopted a resolution setting a public hearing for May 20, 2003.

#### **RESOLUTION PERTAINING TO THE PROPOSED CLOSING OF A PORTION OF RIGHT-OF-WAY IN THE 300 BLOCK OF JULIAN ROAD**

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 15, and is known as Resolution No. 2003-16.)

Thereupon, Mayor Pro Tem Woodson made a **motion** to approve the Consent Agenda as read. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voted AYE. (5-0).

### **SOLID WASTE MANAGEMENT PLAN OF 2003 FOR ROWAN COUNTY**

Ms. Lori Swaim, Recycling Coordinator for Rowan County, presented an overview of the Solid Waste Management Plan of 2003 for Rowan County. She noted that the plan is for a ten-year period and details what the County plans to do with solid waste issues which present themselves on a daily basis. Ms. Sides explained that since the last three-year update, the basic change has been a slight revision of goals. She noted that in 2000, the County had peaked at 1.13 tons per capita disposal rate which was a little high for counties the size of Rowan County, but that in 2002, the rate had dropped to 1.04. She pointed out that it is believed the drop resulted from the closing of industry and business and not from changes made by the County. Ms. Swaim noted that the goal which has been set for the next 10 years is for 1.0 ton per person disposal rate, and that one ton seems to be a key figure for counties our size. She

commented that for comparative purposes, data for Mecklenburg County shows about 3.0 tons per person disposal rate.

Ms. Swaim explained that the focus in this plan is going to be twofold: 1) to put more emphasis on business, which produces the bulk of the waste in the County, by trying to divert that waste into recycling companies rather than landfills and 2) to continue working with the non-municipalities in a type of pay-as-you-throw system to get more waste out of their trash cans and into recycling. She noted that these programs have worked very well in communities of this size. Ms. Swaim pointed out another basic difference between the plan of three years ago and the plan this year is the Temporary Disaster Plan which details information and actions that the County and the municipalities would take in the event of a disaster such as the ice storms of 2002-2003.

Thereupon, Mr. Kennedy made a **motion** to adopt the resolution for accepting and endorsing the Solid Waste Management Plan of 2003 for Rowan County. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

#### RESOLUTION ACCEPTING AND ENDORSING THE SOLID WASTE MANAGEMENT PLAN OF 2003 FOR ROWAN COUNTY

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 16, and is known as Resolution No. 2003-17.)

#### **REPORT FROM THE SALISBURY VISION 2020 IMPLEMENTATION TASK FORCE**

Mr. Mark Lewis, Chairman of the Salisbury Vision 2020 Implementation Task Force, informed the Council that the Task Force had completed the charge which was given to them, and that Mr. Joe Morris, Staff Liaison, would highlight the recommendations.

Mr. Morris reviewed the following components of the plan:

##### Task Force Objectives

- Examine existing City policies, procedures, practices, ordinances and services
- Identify barriers to implementation
- Identify strategies to enable implementation of Salisbury Vision 2020

##### Vision 2020 Audit Process

- Engaged the Services of The Lawrence Group
- Review of existing plans
- Consolidation of Vision 2020 policies
- Interviews with City Staff and development community
- Code Analysis
- Recommendations

##### Vision 2020 Recommendations

- Continue the Task Force to oversee the implementation of the Vision 2020 Plan
- Re-write the existing development ordinances
- Streamline the permitting process
- Complete small area plans within targeted areas of Salisbury
- Establish development incentives to encourage new development and redevelopment
- Encourage greater communication between Planning Department & other City

##### Departments

- Encourage communication between the City & County
- Establish clear and measurable goals related to the fulfillment of the Vision 2020 Plan

Mayor Klutz asked for clarification reference adoption of the recommendations. Mr. Treme, City Manager, explained that he would take the elements pertinent to the City goal-setting process and include them in the budget message to be adopted with the budget on July 1, 2003.

Mayor Klutz recognized and presented certificates to those individuals who served on the task force.

Mark Lewis, Chair	Bryant Norman	<u>City of Salisbury</u>
Karen Alexander	Bob Martin	Joe Morris
Jake Alexander, Jr.	Rodney Queen	Dan Mikkelson
Steve Blount	Johnny Safrit	Hubert Furr
Bill Burgin	Jason Walser	Patrick Kennerly
	Eldridge Williams	Harold Poole
Herman Burney	Chanaka Yatawara	Lynn Raker

Steve Fisher

**REQUEST FROM THE SALISBURY-ROWAN ECONOMIC DEVELOPMENT COMMISSION**

Mr. Randy Harrell, Executive Director, Salisbury-Rowan Economic Development Commission, introduced Mr. Bill Wagoner, City Appointee to the Economic Development Commission, who thanked the Council for the support it has given, stating that it was necessary to keep the Commission moving forward in light of the current economic situation in North Carolina. Mr. Wagoner commented that the Commission recognizes that the City is operating under a stringent set of economic circumstances and drawing on reserves, and that the Economic Commission, in preparing their operating budget for 2003-2004, must also be prepared to operate out of their set of dwindling reserves. He noted that the Commission will be able and is committed to keeping its operating budget at a level which will allow them to request financial support for this coming fiscal year which is identical to that for last year with no increase. Mr. Wagoner stated that sum of funds as \$53,670.

Mr. Wagoner commented that this financial support will allow the Commission to move forward with the operating budget they have and maintain their programs. He also noted that they are working on a number of initiatives that are unique, creative economic development ideas, and that they would be prepared to talk with Council about those in the upcoming first six months of the next fiscal year.

**ZONING TEXT AMENDMENT - THEATRE SIGNS FOR INDIVIDUAL PROPERTIES IN THE B-7 DISTRICT**

(a) Mr. Harold Poole, Senior Planner, explained that the request on theatre signs originated from Mr. Leo Wallace and Mr. Glenn Ketner, and that the result of the proposal would allow the sign which is on Highway 70 at the Mall to remain. He noted that it would also allow for new signs if requirements are met. Mr. Poole pointed out that it is important to note that this zoning text amendment pertains to theatres on individual lots and not to theatres in group developments such as Tinseltown in the Innes Street Market. He reminded Council that there is still some question as to whether the theatre on Highway 70 is or is not in a group development. Mr. Poole noted that Mr. Ketner assures the Planning Office that it is an individual property, and that once that matter is resolved, all requirements will be met.

Mr. Poole, presented the requirements for theatre signs as follows:

- o Theatre is at least 300 feet from the front property line
- o Size: 35 square feet in size for every 50 feet that theatre lies from the front property line
- o Height: 10 feet for every 100 feet that theatre lies from the front property line
- o Theatre sign shall have no more than two (2) sides
- o Theatre sign may take the place of a ground sign, but not to be in addition to a ground sign
- o Content: Name of theatre and current or future movies or events only
- o Does not apply to theatres in group developments

Councilman Burgin commented that in the listed requirements, the size and height of the sign is not limited, and that he felt placing maximum limitations was important. Mr. Poole noted that the size of the current theatre sign on Highway 70 is 210 square feet and the height is 25 feet, and that those figures could be set as the maximum if so desired.

(b) Mayor Klutz convened a public hearing, after due notice and advertisement thereof, on the following zoning text amendment relative to theatre signs for individual properties in the B-7 District.

Those speaking in **favor** of the above proposal were:

Mr. Glenn Ketner, Attorney with Ketner & Associates, and also representing Mr. Leo Wallace, commented that he had worked with Mr. Poole and his staff and has no objection to the requirements outlined in the presentation. He noted that he felt it would accomplish the purpose of restoring viability to the property in question, and that there were several prospects for using the building as a movie theatre provided the sign is in place. Mr. Ketner indicated that he supported the proposal including the size and height limitations as discussed during the presentation.

Mr. Mark Lewis, 136 Rugby Road, commented that six months ago when efforts were being made to change the sign ordinance in an attempt to resolve the theatre sign problem presented by Mr. Wallace, he spoke against those changes. He noted that like Councilman Burgin he feels like the sign ordinance has served the community well over the last 15 years or so, but recognizing the need for change as the mores of society change, this is the way to handle the need for Mr. Wallace and the theatre. Mr. Lewis noted that theatre signs, just as barber shop signs, are unique to their industry and that it is not always necessary to change the entire sign ordinance for an individual problem. He stated that this is the way to resolve such issues, and that he supports the proposal with the limitations identified in the discussion.

No one else was present to speak for or against the above proposal. Therefore, Mayor Klutz closed the public hearing.

(c) Thereupon, Mr. Burgin made a **motion** to adopt the proposed text amendment with the additional amendments that the size be limited to 210 square feet and the height be a maximum of 25 feet. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING APPENDIX B, ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF SALISBURY, NORTH CAROLINA, BY AMENDING A PORTION OF ARTICLE IX: SIGNS, SECTION 9.05: SIGNS PERMITTED BY DISTRICT;

SUBSECTION (6): B-7 (LIMITED BUSINESS) ZONING DISTRICT.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter XI - Zoning & Planning, at Page No. 20, and is known as Ordinance No. 2003-29.)

**ZONING TEXT AMENDMENT - TEMPORARY SIGNS FOR SPECIAL EVENTS OR PROMOTIONS**

(a) Mr. Harold Poole, Senior Planner, explained that several months ago the City Council set up a joint committee of the Planning Board and the Community Appearance Commission to study the issue of temporary signs for special events or promotions. He noted that the task force met quite a number of times and is providing Council with the following proposal which deals primarily with banners and balloons:

Temporary Signs for Special Events or Promotions

- Permitted in all districts, except for Historic overlay
- Permitted 6 times per year per business
  - 10 days for each permit
  - At least 30 days between permits
- One banner, no larger than 32 square feet in size, attached to building
- Unlimited number of balloons
  - No higher than 10 feet above ground level
  - Set back at least 20 feet from street right-of-way
  - Maximum 18 inches in diameter

Violations

- First violation — verbal warning
- Second violation — written civil citation
- Third violation — written civil citation
  - \$50 fine, no additional permits for 3 months
- Fourth violation — written civil citation
  - \$100 fine, no additional permits for 6 months
- Additional violations - \$100 fine per day

Mr. Poole added that it was recommended that the temporary signs be reviewed no more than a year from now to assess and adjust as necessary.

Mayor Kluttz asked if fees had been established. Mr. Poole indicated that fees would be established at a later date by the City Council with input from the City Manager and the Finance Director.

Mr. Woodson asked for clarification as to whether or not the proposal was for all merchants, stating that a number of downtown merchants were not pleased with their exclusion. Mr. Poole stated that it was for all merchants except those in the historic overlay. The historic overlay district includes downtown merchants.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, on the following zoning text amendment relative to temporary signs for special events or promotions.

No one was present to speak **for** or **against** the above proposal. Mayor Kluttz closed the public hearing.

Mr. Burgin commented that he appreciated downtown and their request, but knows that they already have differences such as sandwich signs, store-fronts close to the public, etc., that are not afforded to other merchants. He stated that given those differences it would not appear that they are being put at an unfair advantage. He indicated that through Downtown Salisbury, Inc. (DSI) there is protection, as well as vehicles for promoting downtown businesses, and that he would be in support of the proposal as presented.

Mr. Woodson, indicated he too would be in support of the proposal, but just wanted to make sure it was fair to downtown. He noted that 15 or 16 merchants have come to him with concerns about slow business and have asked what Council can do to help them. Mr. Woodson raised the thought as to whether or not there should be a different set for downtown.

Mayor Kluttz indicated that this had bothered her also, because Council has always tried to be fair and equal with everyone, but that when one considers that downtown has DSI which other merchants do not have, maybe there is a balance there.

Mr. Martin stated that he agrees with Mr. Burgin who made some good points about downtown. He commented that he was glad that more common sense is being used in trying to resolve some of the problems such as barber shop poles and the theatre sign for which the guidelines were too strict. He noted that good grounds have now been reached, that he agrees that downtown has advantages that other merchants do not have, and that the playing field is now evened out.

Mr. Kennedy stated that he was in agreement with the proposed zoning text amendment. He indicated that some say the Council is not business-friendly, and this is a step to let the merchants know that we are trying to help everybody.

(c) Thereupon, Mr. Burgin made a **motion** to adopt the text amendment for temporary signs for special events or promotions. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING APPENDIX B, ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF SALISBURY, NORTH CAROLINA, BY AMENDING A PORTION OF ARTICLE IX: SIGNS, BY ADDING A NEW SECTION, SPECIFICALLY, SECTION 9.13 TO BE ENTITLED "TEMPORARY SIGNS FOR SPECIAL EVENTS OR PROMOTIONS."

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter XI - Zoning & Planning, at Page Nos. 21-22, and is known as Ordinance No. 2003-30.)

### **ZONING TEXT AMENDMENT - WALL SIGNS FOR CHURCHES AND THEIR ACCESSORY STRUCTURES IN THE R-6A DISTRICT**

(a) Mr. Patrick Kennerly, Planner II, stated that a request was made several weeks ago by the First Baptist Church, which has purchased the old YMCA building on North Fulton Street to place a wall sign which is larger than what the current ordinance would allow in a residential district. He noted that Council had referred it to the Planning Board for a zoning text amendment which would allow for a slightly larger sign. The Planning Board unanimously approved the following recommendations for consideration in the proposed zoning text amendment:

#### Church Signs

- For churches on lots 3+ acres in size, located in R-6A
- Wall sign may be 12 sq. feet per acre, or 50 sq. feet (whichever is less)

(b) Mayor Klutz convened a public hearing, after due notice and advertisement thereof, on the following zoning text amendment relative to wall signs for churches and their accessory structures in the R-6A District.

No one was present to speak **for** or **against** the above proposal. Mayor Klutz closed the public hearing.

Mayor Klutz commented that this is another example of using common sense with respect to the sign ordinance. She also noted that it is very fortunate that First Baptist Church bought the YMCA building so that the community was not left with a huge, big box in the middle of a residential area of town. She stated her approval to amend the ordinance.

(c) Thereupon, Mr. Burgin made a **motion** to adopt the proposed zoning text amendment for church signs. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING APPENDIX B, ZONING, OF THE CODE OF ORDINANCES OF THE CITY OF SALISBURY, NORTH CAROLINA, BY AMENDING A PORTION OF ARTICLE IX: SIGNS, SECTION 9.05: SIGNS PERMITTED BY DISTRICT; SUBSECTION (8): RESIDENTIAL ZONING DISTRICTS, SPECIFICALLY, PART B.6 FOR CHURCH SIGNS.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter XI - Zoning & Planning, at Page No. 23, and is known as Ordinance No. 2003-31.)

### **STREET CLOSING - TWO UNIMPROVED RIGHTS-OF-WAY IN THE CRESCENT SUBDIVISION**

(a) Mr. Dan Mikkelson, Land Management & Development Director and City Engineer, informed Council that on March 18, 2003, a resolution of intent to close two unimproved rights-of-way in the Crescent Subdivision, was adopted by City Council. He noted that there had been a number of phone calls resulting from an easy mis-understanding. Mr. Mikkelson showed the location of the two rights-of-way, Street A and Street B in relation to Hogan's Valley Way and Bent Grass Drive. He explained that before the Crescent was developed, these two existing rights-of-way were called paper streets, and that when the original developer built the public streets, Hogan's Valley Way and Bent Grass Drive, it was his intention to do away with those old rights-of-way streets. Mr. Mikkelson noted that this was never accomplished, and when Fisher Harriss Development purchased the remaining lots and began marking property, they realized the oversight and are requesting to close those old streets.

Mr. Mikkelson explained that State Statutes require, prior to holding a public hearing, the posting of a sign stating that the street

is to be closed. He noted that this posting, notification of property owners, and advertisements in the newspaper have all been completed. He further explained that these closings will not affect access for anyone nor will they close the new public streets.

Mr. Mikkelson stated that the staff has reviewed the request and it appears that closing the two unimproved rights-of-way in the Crescent Subdivision will not be contrary to the public interest and no individual shall be deprived of reasonable means of ingress and egress to this property.

(b) Mayor Klutz convened a public hearing, after due notice and advertisement thereof, concerning the proposed closing of the unimproved rights-of-way in the Crescent Subdivision.

Those speaking in **favor** of the above proposal were:

Mr. Chuck Harriss of Fisher Harriss Development, 614 North Main Street, stated that he was in favor of the proposal. He noted that it represents going from a bad situation to a better situation, and explained on the vicinity map the areas of access for property owners including the Jarrett Family. He noted that the property owners impacted had agreed to the closings by way of a deed recorded in Book 822, page 349, filed May 20, 1998.

Since no one else was present to speak for or against the above proposal, Mayor Klutz closed the public hearing.

(c) Thereupon, Mr. Kennedy made a **motion** to adopt the resolution to accept the dedication for the public use of two unimproved rights-of-way in the Crescent Subdivision. Mr. Woodson seconded the motion, and Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

**RESOLUTION PERTAINING TO THE ACCEPTANCE OF AN OFFER OF DEDICATION FOR PUBLIC USE OF TWO UNIMPROVED RIGHTS-OF-WAY IN THE CRESCENT SUBDIVISION.**

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 17, and is known as Resolution No. 2003-18.)

(d) Thereupon, Mr. Kennedy made a **motion** to adopt an ORDER to close the two unimproved rights-of-way in the Crescent Subdivision. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

**NORTH CAROLINA** \* **BEFORE THE CITY COUNCIL OF**  
**ROWAN COUNTY** \* **THE CITY OF SALISBURY**  
\* **NORTH CAROLINA**  
**IN THE MATTER OF:** \*  
\* **ORDER CLOSING TWO RIGHTS-**  
\* **OF-WAY PURSUANT TO**  
\* **STATUTE OF NORTH CAROLINA**  
**CLOSING OF TWO UNIMPROVED** \* **SECTION 160A-299**  
**RIGHTS-OF-WAY IN THE** \*  
**CRESCENT SUBDIVISION** \*  
\*

**THIS CAUSE**, coming on to be heard and being heard before the City Council of the City of Salisbury, Rowan County, North Carolina, at the regular meeting of said Council held on April 15<sup>th</sup> at 4:00 p.m., in the City Office Building at 217 South Main Street, Salisbury, North Carolina, and it appearing to the Council that all persons, firms and corporations owning property adjoining the street described in the Petition filed in this cause are parties to this proceeding; and it further appearing that said streets are not maintained by the Department of Transportation; and it further appearing that notice of this hearing was duly published in THE SALISBURY POST on March 21, March 28, April 4, and April 11, 2003

And it further appearing to the Council and the Council finding as a fact, that the closing of the streets as described in the Petition filed in this cause, is not contrary to the public interest or the property rights of any individual, and that no individual owning property in the vicinity of said alley or in the subdivision in which they are located will be deprived of reasonable means of ingress and egress to his property by the closing of said alley; and it further appearing to this Council that the relief prayed in the Petition should be granted.

**IT IS NOW, THEREFORE, ORDERED AND DECREED** by the City Council of the City of Salisbury, Rowan County, North Carolina, pursuant to and in accordance with the authority vested in this Council by the General Statutes of North Carolina, Section 160A-299:

1. All of that certain street running in a northwesterly direction from the western margin of the right of way of Highway #601 as shown on the plat recorded in Map Book Page 1292. The metes and bounds description of said street is shown on said recorded plat and this Street is identified as Street "B" on a plat recorded in Map Book Page 1541.
2. Any and all portions of Street "A" as shown on the plat recorded in Map Book Page 1541 that is within the boundaries of Lot 190 of Crescent Estates, Sect. Two as shown on a plat recorded in Map Book Page 4619. (Note: There may not be any portion of Street "A" within the boundaries of Lot 190, but the intent of this petition is to abandon whatever portion, if any, of Street "A" that may be within the boundaries of Lot 190.)

3. All portions of Street "A" as shown on the plat recorded in Map Book Page 1541 that are north of the line on said plat that begins on the eastern boundary of the right of way of Street "A" at the northwest corner of the property identified on said plat as "D.W. Jarrett Jr. Block 9 Lot 4 0.9621AC." and runs thence South 66 degrees 16 minutes West 60.00 feet to a point on the western boundary of the right of way of Street "A" in the eastern boundary line of property identified on said plat as "L.J. Jarrett Estate".

Be and the same are hereby forever closed.

This the 15th day of April, 2003.

CITY COUNCIL OF THE CITY OF  
SALISBURY, NORTH CAROLINA

BY:	s/s Susan W. Kluttz
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Mayor

s/s Myra B. Heard
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City Clerk

**BOARDS AND COMMISSIONS**

Planning Board

Upon **motion** of Mr. Woodson, seconded by Mr. Burgin, and with Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voting AYE, the following reappointment was made to the Planning Board:

Mr. Jeff Smith                      reappointment                      Term expires 3-31-06

Zoning Board of Adjustment

Upon **motion** of Mr. Kennedy, seconded by Mr. Burgin, and with Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voting AYE, the following appointment was made to the Zoning Board of Adjustment:

Mr. Randy Reamer                      appointment                      (ETJ Alternate)                      Term expires 3-31-05

**REPORT ON REASSESSMENT**

Mr. David Treme, City Manager, and Mr. John Sofley, Finance Director, presented to Council a report on Reassessment.

Mr. Treme commented that he and his staff are deep in the middle of the budget process and that he wanted to take this opportunity to share with Council some of the issues with which they are dealing. He noted that the budget will be impacted by major factors such as the revaluation by the County this year, the reduction of funds at the state level including the Powell Bill Revenues for the resurfacing program, and the outcome of the 1/2 cent sales tax if the Governor is successful in taking those funds from the City. He further noted that he and the Mayor are closely monitoring action at the state level.

Mr. Sofley noted that the City had received notification from the county as to the anticipated total valuation with reassessment for the new year, and explained the taxable property analysis that was prepared by the staff. He noted that the data being presented represents the anticipated valuation and what their values would be with the reassessment.

(a) Taxable Property Analysis

	-	-	-	-	<b>Projected</b>	<b>Percent</b>
	-	-	-	<b>Projected</b>	<b>Without</b>	<b>of</b>
	-	<b>Annexation</b>	<b>Total FY2003</b>	<b>Growth</b>	<b>Revaluation</b>	<b>Value</b>
	<b>FY2003</b>				<b>FY2004</b>	

Real Property	\$1,401,245,546	\$50,672,787	\$1,451,918,333	3%	\$1,495,475,883	75%
Vehicles	164,005,674	3,893,500	167,899,174	5%	176,294,132	9%
Personal Property	236,865,082		236,865,082	3%	243,971,034	13%
Public Service Property	64,817,634		64,817,634	1%	65,465,810	3%
	\$1,866,933,936	\$54,566,287	\$1,921,500,223		\$1,981,206,860	100%
Rowan County Tax Assessors Projected Value					\$2,130,000,000	
Percent Increase					7.51%	

Mr. Sofley described the categories of values on the "Taxable Property Analysis" chart as:

- o Real property/value - property which was reassessed this year
- o Vehicles
- o Personal Property - machinery and equipment
- o Public Service Property - utilities (phones, electricity, natural gas, trains)

Mr. Sofley noted that the valuation as a tax base for FY2003 was \$1,866,933,936. He explained that every year projected growth in each category is used to aid in preparation of the new budget, and that those growth rates were usually 3% for new construction of real property, 5% for vehicles to include purchase and replacement, 3% for personal property, and 1% for public service property. He stated that with no reassessment, the projected budget for FY 2004 would be \$1,981,206,860. Mr. Sofley noted that based on reassessment of real property this year, the Rowan County Tax Assessor has notified the City of Salisbury that we could estimate a total value of these categories of \$2,130,000,000 for the upcoming year. He explained that due to reassessment there would be an increase of 7.51% in property value, and that with no change in the current tax rate of 60 cents per \$100, approximately \$900,000 in additional tax receipts would be generated.

Mr. Treme commented that the difference of about \$900,000 is representative of about 4 1/2 cents of tax increase if there were no decrease in the tax rate, and that each time there is revaluation, he wants it a part of the record that these are the numbers being used and the projected growth being using based on the statistical analysis that is conducted to estimate revenue for the City. He explained that if the situation for this year was the same as last year, without any impact of revaluation, the projection would be a total of about \$1,981,206,860 of valuation for the City, and that if the same tax rate were to be maintained, the current 60 cents would have to be reduced by 4 1/2 cents in order to derive the same tax dollars. Mr. Treme noted further that his policy is to share this information with the elected officials so that there is understanding if there is any type of tax increase. He also indicated that revenue generated from the \$1,981,206,860 value is being used in the process of trying to balance this budget with no tax increase.

(b) Salisbury's Fund Balance Reserve Policy

Mr. Treme commented that with the data from the Taxable Property Analysis as a base, it was necessary to note the City's conservative fund balance reserve policy, which was adopted by the City Council, is part of the budget we adopt to maintain an unreserved fund balance of 10% of the General Fund Operating Budget. He noted that those in Raleigh thought we should pay for the shortcomings in the state budget, and that the City has lost the flexibility it had in prior years in terms of addressing problems.

Mr. Sofley explained that data for this "Fund Balance Analysis" chart was extracted from the Annual Financial Report as presented to Council in December, 2002.

Fund Balance Analysis

Reserved by State Statute	\$1,735,362
Reserved for Encumbrances	26,462
Reserved for Prepaid Items	3,600
Unreserved:	
Designated for Capital Replacement	1,473,927
Undesignated	<u>1,636,493</u>
Fund Balance June 30, 2002	\$ 4,875,844

General Fund Budget FY2003

\$

24,674,628

Available Fund Balance per State	\$ 3,110,420
Available Fund Balance per State as Percent	13%
Available Fund Balance per City Policy	\$1,636,493
Available Fund Balance per City Policy as Percent	7%
Amount Fund Balance Required per City Policy at 10%	\$ 2,467,463
Fund Balance Shortfall \$	\$830,970

Mr. Sofley explained the two items in the Unreserved section: 1) Designated for Capital Replacement funds are those set aside each year for replacement of vehicles and electronic equipment. 2) Undesignated funds are those which are not designated or reserved for any specific purposes. He noted that the state wants local jurisdictions to maintain an 8% "available fund" balance, and that their definition of "available fund" balance relates to all funds that are not reserved, including even those which are designated in the Unreserved Funds. Salisbury does not include designated funds in its calculation of available fund balance. Mr. Sofley pointed out that when the state applied their definition to our budget the Available Fund balance was 13% and when we apply our definition the Available Fund Balance for undesignated funds is only 7%. He noted that the policy in the budget that City Council established a number of years ago stipulates a 10% balance, and that we are currently \$830,970 under what the Council's policy would call for at this time.

Mr. Treme commented that if the City were to maintain the 10% available fund balance, it would be difficult to put the shortfall back in one year. He noted that there are situations which occur and cannot be deferred, citing the Steele Street tunnel drop as an example. Mr. Treme indicated that due to the millions of dollars taken out of our budget by the state, the City ended up with a \$900,000 deficit last year which was reported as soon as that action was taken in February. He noted that the Governor's action basically attacked the financial policy of the City causing us to be out of balance.

Mr. Sofley stated that it is important to recognize that as the City looks toward the future and any additional debt that would have to be issued for water and sewer projects, that bond rating agencies look for financial policies set by Council and whether or not there is compliance. If the City is not in compliance with their policies, the bond rating agencies will want to know what steps are being taken to rectify the problem. Mr. Sofley stated that if the City is not going to rectify the problem, the policy should be changed.

(c) One-Half Cent Sales Tax Hold Harmless Reimbursement

Mr. Treme commented that another item which has received attention is the One-Half Cent Sales Tax Hold Harmless Funds. He explained that Salisbury was one of the cities that received more reimbursements, based on our high manufacturing and high intangible taxes, than we will generate from the one-half cent sales tax. He noted that the amount of reimbursement was \$835,000, and that a provision was put into the law six months ago indicating that for those cities who would receive less for a period of ten years, the state of North Carolina would hold them harmless and grant them the additional funds so that their financial position could be maintained. Mr. Treme noted that, in his opinion, there will be attacks on the reimbursement funds every year. He also noted that in talking with the North Carolina Metropolitan Coalition that the North Carolina House and Senate Groups do not seem inclined to take that money from the cities and counties, but the budget that the Governor submitted would not be balanced without those funds. Mr. Treme cautioned that it is known that in ten years the \$835,000 will be gone, and that there are both short and long-term financial implications as to how those funds can be made up. He noted that the time to start planning for this is in the first year, and that he will be bringing ideas to the City Council as the budget process moves forward.

(d) Powell Bill Revenues and Paving

Mr. Treme commented that another issue which impacts the budget is the Powell Bill Funds that come to the City for road resurfacing. He noted that state funding has decreased in the Powell Bill since FY01 and that our level of service in terms of street resurfacing has suffered because of these cut-backs. Mr. Treme pointed out the reduction in lane miles being resurfaced from 16.00 in FY01 to approximately 8.00 in FY03. He commented that this is another issue, and that if Council wants to increase this level of service to former years, new plans must be developed and implemented.

Revenues		Street Paving Expenditures		Lane Miles Resurfaced
FY01 Actual	\$949,871	FY01 Actual	\$319,712	16.00
FY02 Actual	\$926,450	FY02 Actual	\$222,104	9.58
FY03 Actual	\$878,123	FY03 Budgeted	\$177,000	Approx. 8.00
FY04 Projected	\$807,873	FY04 Projected	\$162,840	n/a

Note: For consistent analysis purposes, the FY04 annexation revenue/expenditures have been omitted.

Mr. Woodson asked for clarification on the chart reference the dollar difference between revenues and expenditures of the Powell Bill Revenues. It was pointed out that aside from paving, expenditures included funding for pothole repairs, labor, equipment, and street maintenance. He noted that the general policy in the past had been about 50% from the Powell Bill Revenues and 50% from the City General Fund, but that during the last several years, some capital items, including resurfacing, had been reduced in order to balance the budget with no tax increase.

(e) Summary

Mr. Treme explained that this will be another difficult budget year, and he felt it was important to share these issues with Council. He noted that as he and his staff develop the budget proposal which will be presented in May, he wanted Council to have an understanding of the issues which will impact the overall financial condition. He re-emphasized the importance that the one-half cent sales tax reimbursement not be taken away this year, because without that money it would be a horrible situation.

Mr. Kennedy asked whether or not the state would approve their budget prior to the City approving its budget. Mr. Treme indicated that it may well be necessary to adopt an interim budget until it is known what the state is going to do, but that much hinges on having the \$835,000 from the one-half cent sales tax reimbursement.

Mayor Klutz added that the North Carolina Metropolitan Coalition will be meeting by phone every two weeks. She noted that the director is in Raleigh monitoring the situation, and if need be, she and others will be in Raleigh immediately. She said that they are going to do their best to stay on top of the situation.

#### **COMMENTS FROM CITY MANAGER**

##### **(a) Planning Board Recommendations**

Council received The Planning Board recommendations and comments from their April 8, 2003 meeting.

##### **(b) Federal Emergency Management Association (FEMA) Funding for Hazard Mitigation**

Mr. John Vest, Deputy Utilities Director, noted that the power outage resulting from the ice storm in December pointed out how vulnerable the water and wastewater systems are to power outage. He stated that the City had been notified through the state that the Federal Emergency Management Association (FEMA) has set aside some funding for grants for hazard mitigation, and that a grant application for \$2,091,000 had been prepared by Willis Engineers. He commented that four components are addressed: 1) standby power for 26 sewer lift stations, 2) standby power for 5 major water booster pump stations, 3) relocation of power service for Yadkin River Raw Water Pump Station, and 4) standby power for Yadkin River Raw Water Pump Station. Mr. Vest noted that this is a 75% grant, and, should we be successful, the local match would be slightly over 1/2 million dollars. He stated that the request today was for Council to authorize the application for the grant money and approve designation of the applicant's agent as Matt Bernhardt, Assistant City Manager for Utilities.

Mr. Burgin asked for clarification of matching funds. Mr. Vest confirmed that the City's match would be 25% of the awarded grant amount.

Thereupon, Mr. Kennedy made a **motion** to approve the grant application. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

Thereupon, Mr. Kennedy made a **motion** to appoint Mr. Matt Bernhardt, Assistant City Manager for Utilities, as applicant's agent. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

#### **ADJOURNMENT:**

**Motion** to adjourn the meeting was made by Mr. Woodson, seconded by Mr. Kennedy. All Council members agreed unanimously to adjourn. The meeting was adjourned at 5:43 p.m.

Mayor

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City Clerk

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