

Salisbury, North Carolina
April 16, 2013

REGULAR MEETING

PRESENT: Mayor Paul B. Woodson Jr., Presiding; Council Members Mayor Pro Tem Maggie A. Blackwell, Karen Kirks Alexander, and, William Brian Miller; City Manager Doug Paris; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: Council Member William (Pete) Kennedy

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Mayor Woodson at 4:00 p.m. The invocation was given by Councilmember Miller.

PLEDGE OF ALLEGIANCE

Students from Livingstone College led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Woodson welcomed all visitors present. He recognized Rowan-Salisbury School Board Chair Dr. Richard Miller who was in the audience.

CHANGES TO THE AGENDA

Mayor Woodson explained two advertised public hearings regarding requests to amend the Land Development Ordinance and District Map to allow for Summerfield Apartments CD-02-2013, and Colonial Village Apartments CD-03-2013, have been postponed and will be re-advertised at a later date.

PROCLAMATIONS

Mayor Woodson proclaimed the following observances:

BETA SIGMA PHI WEEK

April 29-May 3, 2013

BETTER HEARING AND SPEECH MONTH

May 2013

CONSENT AGENDA

(a) Approval of Minutes

Approve Minutes of the Special Meeting of March 28, 2013 and the Regular Meeting of April 2, 2013.

(b) Marriott Circle – Accept for City Maintenance

Accept Marriott Circle for City Maintenance and adopt an **ORDINANCE** to establish stop conditions, begin the one year warranty period, and release the guarantee of construction upon completion of minor punch list items.

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. 24 at Page No. 13, and is known as Ordinance 2013-09.)

(c) Budget Ordinance Amendment – Parks and Recreation Donations

Adopt a Budget **ORDINANCE** Amendment to the FY2012-2013 budget in the amount of \$6,067 to appropriate various Parks and Recreation donations.

ORDINANCE AMENDING THE 2012-2013 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE VARIOUS RECREATIONS DONATIONS.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 14, and is known as Ordinance 2013-10.)

(d) Budget Ordinance Amendment – Eat Smart, Move More Grant

Adopt a Budget **ORDINANCE** Amendment to the FY2012-2013 budget in the amount of \$42,000 to appropriate the Eat Smart, Move More Grant.

ORDINANCE AMENDING THE 2012-2013 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE THE EAT SMART, MOVE MORE GRANT.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 15, and is known as Ordinance 2013-11.)

Thereupon, Ms. Alexander made a **motion** to adopt the Consent Agenda as presented. Ms. Blackwell seconded the motion. Messrs. Miller and Woodson, and Mses. Alexander and Blackwell voted AYE. (4-0)

LAND DEVELOPMENT DISTRICT MAP AMENDMENT CD-01-2013 – CIVIC PARK APARTMENTS

Senior Planner Trey Cleaton addressed Council regarding rezoning for the Civic Park Apartments. He explained the Salisbury Housing Authority is the petitioner and requests the rezoning of 19.1 acres from Urban Residential (UR8 and UR 12) and Institutional Campus (IC) to Residential Mixed-Use (RMX), and to establish a Conditional District (CD) Overlay to develop 181 multi-family residential units and a community center.

Mr. Cleaton indicated the parcel is in the West End neighborhood and adjacent to Livingstone College. He pointed out the existing Civic Park Apartments and noted the development consists of 72-units built in the 1950s. He stated rebuilding Civic Park Apartments is a key element of the West End Transformation Plan.

Mr. Cleaton displayed a map of the area and pointed out the surrounding zonings. He reviewed the proposed site plan, and he noted the Civic Park Apartments will be built in two phases. He explained Phase I will consist of higher density development and Phase II will contain townhomes and quadruplex housing units. He noted the higher density development will be in the west, the lower density in the east, and they will blend into the existing neighborhood.

Mr. Cleaton stated Phase I will consist of three, three-story buildings and a community center. He indicated there will be 80 garden-style apartments facing Brenner Avenue with parking in the rear. He pointed out the main entrance will be from Standish Street.

Mr. Cleaton noted the plan is to build Phase I, then move the current residents of Civic Park Apartments into Phase I. He explained Phase II will be developed on the existing Civic Park Apartments site. He reviewed the elevation of Phase I and explained the petitioner is requesting alternatives to the required elevations and dimensional standards. He displayed the elevation of the community center and noted it will be used for indoor recreation, offices, and a meeting space for the community.

Mr. Cleaton explained Phase II will consist of 61 townhomes and 40 quadruplex units. He reviewed the proposed elevations for the townhomes and the one and two bedroom quadruplex units. He pointed out each quadruplex unit will have an outside entrance instead of a common breezeway.

Mr. Cleaton reviewed the CD Overlay:

- Floating overlay district that exempts specific Ordinance provisions
 - Encourages innovative site and building design
 - Petition and Master Plan
- Conditions may be added
 - Recommended by Planning Board
 - Adopted by City Council
 - Must be agreed-upon by the petitioner

Mr. Cleaton reviewed the RMX-CD proposed permitted uses:

- Dwelling – multi-family, four units/building or less
- Dwelling – multi-family, more than four units/building
- Child day care center
- Cultural or community facility
- Meeting facilities
- Recreational facilities, indoor
- Recreational facilities, outdoor

Mr. Cleaton explained the proposed prohibited uses:

- All other Permitted Uses for RMX: Permitted (P), Permitted with Standards (PS), Special Use Permit (SUP) and CD
- If adopted, a CD Amendment would be required to change the list of permitted uses

Mr. Cleaton reviewed the alternate design available to CD:

- Industrial Standards of Chapter Two
- Building orientation to street/recreational open space
- Building materials
- Building design standards
 - Petitioner requests a higher density
 - Petitioner requests 51 percent fenestration on the front rather than 60 percent, and 19 percent on the side and rear rather than 30 percent
- Building dimensional standard
 - Petitioner requests difference in setbacks for the design and unit count

- Street cross sections
- Street connectivity and stub standards
- Parking
- Private lighting

Mr. Cleaton reviewed the Vision 2020 Comprehensive Plan polices for the older neighborhoods:

- Policy N-2: Pedestrian-level streetlights and appropriately designed private property lights shall be encouraged, particularly in walkable neighborhoods
- Policy N-4: The provision of meeting places to encourage community interaction and cohesiveness shall be encouraged
- Policy N-6: The City shall continually reinvest in the infrastructure of its older urban neighborhoods, including but not limited to: park improvements, sidewalks, street maintenance, street trees, street lights, water and sewer lines, and drainage

Mr. Cleaton reviewed the Vision 2020 Comprehensive Plan polices for the proposed neighborhoods:

- Policy N-13: New neighborhoods shall be generally compact in form
- Policy N-14: New neighborhood streets shall be no wider than necessary to serve their intended purpose
- Policy N-16: New neighborhoods should include one or more neighborhood centers or focal points in each neighborhood planning area
- Policy N-18: As new neighborhoods are developed, a mixture of housing types/sizes/pricing shall be provided within the bounds of each neighborhood planning area
- Policy N-19: Higher density housing projects, such as apartment complexes and condominiums developments, should be located adjoining places of work, shopping and public transit. Access to such higher density housing shall not be through a lower density housing area. Higher density housing may often act as a transitional use between offices or shops and lower density housing
- Policy N-20: New neighborhoods shall be connected to other residential, shopping, and work areas within the neighborhood planning area
- Policy N-21: Street designs in new neighborhoods shall give equal priority to the pedestrian and the automobile

Mr. Cleaton reviewed the West End Transformation Plan housing replacement strategy:

- Housing Replacement Plan: All public housing units will be replaced one-for-one as part of the new Civic Park Apartment Community, with the exception of ten, four-bedroom homes which will be built on scattered sites in the West End

- Amenities: The new Civic Park will feature parks, playgrounds, walking trails and other amenities found in the non-subsidized market:
 - Community center facing a central green space
 - Site reserved for early childhood education center
 - Multiple parks and playgrounds distributed around the community
 - Water play features
 - Bioretention areas to treat and manage storm water
 - Street trees
 - Landscaped gateway at intersection of Standish Street and Brenner Avenue
 - Outdoor seating areas
 - Porches and balconies
 - Upgraded bus stops and enclosures
 - Bike racks
 - Walking trails
 - Community garden area
 - Shaded parking areas
 - Adequate resident and guest parking (on-street and off-street parking)

Mr. Cleaton indicated the open space and park space exceeds City Code. He pointed out the development will have sidewalks, pedestrian-scale street lighting, Greenway connections, and provisions to enhance the public transit network.

Mr. Cleaton stated the Planning Board met April 9, 2013 and voted unanimously to recommend approval.

Mayor Pro Tem Blackwell stated the proposed building has common space for recreation, and she asked about the scale of the recreation space. Mr. Cleaton noted indoor recreation will be allowed, and pointed out Phase II allows for future expansion of the common space.

Councilmember Alexander asked if there will be outdoor basketball or park activities. Mr. Cleaton stated Phase I does not have provisions for outdoor activities, but Phase II has open park space for future development.

(b) Mayor Woodson convened a public hearing, after due notice thereof, to receive comments regarding CD-01-2013.

Mr. Bill Burgin, 317 Mahaley Avenue, stated the proposed plan is consistent with the Land Development Ordinance (LDO) and the Vision 2020 Comprehensive Plan. He indicated it will feature interconnectivity, tree-lined streets, sidewalks on both sides of the street, street parking, and pedestrian lighting. He noted the plan ties into the Greenway and is close to services that support daily life. He explained a basketball court is not planned but could be added in the future. He stated there are passive parks in the center and aspirations for a water park in a larger space. He indicated he supports the project.

Mr. Darrell Hemminger, with Laurel Street Residential, developer of the project, 8713 Zinfandel Place, Raleigh, North Carolina explained the developer will select several color schemes and at least three different bricks which will upgrade the project at minimal cost. He stated Laurel Street Residential will be obligated to deliver the intent represented in the renderings shown to Council. He pointed out after the zoning approval of the construction drawings, the color schemes will be determined. He explained Phase I of the Club House will contain 2,500 square feet with an expansion proposed for Phase II. He noted the Club House will be used for indoor recreation, a community center, property management, and office space. He pointed out the property will be managed by a third-party in partnership with the Salisbury Housing Authority. He thanked staff for its work on the project and Council for its consideration.

Ms. Dee Dee Wright, 418 South Caldwell Street, stated the West End Community Organization would like to go on record in support of the project.

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

Councilmember Miller asked how the public park spaces will be developed and managed.

Mr. Sam Foust, Executive Director Salisbury Housing Authority, explained the City Planning Department, Laurel Street Residential, and the Salisbury Housing Authority are working to have a developer's agreement in place regarding management of park space before Phase II is approved. He stated Phase II is where most of the Parks and Recreation activities will be addressed. He noted the plans have not been finalized, because input is still being received from West End and Civic Park residents.

Ms. Blackwell asked who will maintain the parks. Mr. Foust indicated he has spoken to Parks and Recreation Director Gail Elder White, and the City is interested in taking on the project as well as the Salisbury Housing Authority. He explained Salisbury Housing Authority will maintain ownership of the land and is committed to the best maintenance for the area. He noted all options will be considered, and the best option for the residents will be chosen.

Mr. Miller asked how long it will take to implement Phase II. Mr. Foust stated he hopes it will be less than five years. He explained the Choice Neighborhood Implementation Grant was denied, so other financing options are being considered. He pointed out the Salisbury Housing Authority is currently applying for tax credits and will apply for another Choice Neighborhood Implementation Grant when it becomes available. He stated two market studies were completed for the Choice Neighborhood Implementation Grant application, and both studies recognize the serious need for affordable and public housing in the community.

Mr. Cleaton explained since funding for Phase II is yet to be determined, there is a clause in the Ordinance to make sure what is developed will allow for public services and utilities and that the needs of all parties involved are met.

City Manager Doug Paris stated two years ago at Council's Retreat, a speaker from Atlanta addressed the transformation of an Atlanta community. He noted he is proud of staff for moving forward without grant funding with the plan that will transform the community.

Mr. Miller commended Mr. Foust for his proactive approach to the City's housing situation. He applauded Mr. Foust and staff for developing an option that will not displace the residents of Civic Park Apartments while their new homes are being built. He stated the project will be good for the City, and he supports it.

Ms. Blackwell stated she is impressed with the phased approach. She noted it is a thoughtful way to transition residents while improving the property. She pointed out she is pleased with the evolution of public housing where people are recognized as individuals, and their homes are recognized as individual rather than all looking the same. Ms. Blackwell encouraged the developer to use local businesses during construction.

Ms. Alexander congratulated everyone involved in the project on a job well done. She pointed out, as an architect, she appreciates the carefulness with which it was designed. She stated she is excited the project will include market housing, and she supports it.

Ms. Alexander stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property as described herein and to establish a Conditional District Overlay is consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan and the West End Transformation Plan, and that adoption of the Ordinance is reasonable and in the public interest. Thereupon, Ms. Alexander made a **motion** to adopt an Ordinance amending the Land Development Ordinance and the Land Development District Map of the City of Salisbury, North Carolina, by rezoning approximately 19.1 acres from Urban Residential and Institutional Campus districts to Residential Mixed-Use and to establish a conditional district overlay to permit the development of a 181-unit mixed commercial building, multi-family apartment, townhouse and house-quadruplex development; identifying permitted uses; identifying special conditions; providing an effective date; and for other purposes. Mr. Miller seconded the motion.

Mr. Miller noted the CD Overlay grants the petitioner RMX zoning. He asked if the forms presented to Council as part of the petition are included in the approval.

Mr. Cleaton stated it is a rezoning with a Master Plan and other documents attached. Mr. Miller clarified Council is approving the rezoning and the visual characteristics at the same time. Mr. Cleaton responded that is correct. He pointed out if there are any changes above the administrative level, the changes will have to come through the public process.

Messrs. Miller, and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

ORDINANCE AMENDING THE LAND DEVELOPMENT ORDINANCE AND THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 19.1 ACRES FROM URBAN RESIDENTIAL (UR8 AND UR12) AND INSTITUTIONAL CAMPUS (IC) DISTRICTS TO RESIDENTIAL MIXED-USE (RMX) DISTRICT AND TO ESTABLISH A CONDITIONAL DISTRICT OVERLAY TO PERMIT THE DEVELOPMENT OF A 181-UNIT MIXED COMMERCIAL BUILDING, MULTIFAMILY APARTMENT, TOWNHOUSE AND HOUSE-QUADRUPLEX DEVELOPMENT; IDENTIFYING THE DEVELOPMENT DOCUMENTS; IDENTIFYING PERMITTED USES; IDENTIFYING SPECIAL CONDITIONS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

(The above Ordinance is recorded in full in Ordinance Book No. 24 at Page No. 16-18, and is known as Ordinance 2013-12.)

SALISBURY HISTORIC PRESERVATION MASTER PLAN

Interim Community Planning Services Director Janet Gapen addressed Council regarding the Historic Preservation Master Plan. She explained the Plan began approximately two years ago as a desire to take stock of what has been accomplished in Salisbury through historic preservation over the last thirty years. She stated the proposed Historic Preservation Master Plan is an action-oriented plan that will improve the City's preservation programs.

Ms. Gapen stated the vision for historic preservation is captured in the Vision 2020 Comprehensive Plan. She pointed out the time is right to improve the processes and grow the program making it sustainable for future generations. She noted the entire plan is available at www.salisburyplan.ning.com under the Resources tab.

Ms. Gapen noted the process began with a thorough review of preservation related activities and historic districts in the City. She stated there were public forums with historic district residents, neighborhood associations, and organizations such as Historic Salisbury Foundation, and Downtown Salisbury, Inc. (DSI), participating in the process. She stated the project consultant, Arnett, Muldrow and Associates, worked with the Council-appointed Advisory Committee to produce short, medium, and long range goals. She indicated during the review and inventory the consultant studied:

- National and Local Historic Districts
- Historic Neighborhoods
- 2001 Architectural Survey
- Ordinances/Codes
- Design Guidelines
- Grant Programs
- Adopted Plans
- Partners

Ms. Gapen reviewed Stakeholder and Public Input:

- Council appointed Advisory Committee
 - Project consultant Arnett, Muldrow and Associates
- Over 50 interviews and focus groups
- Three Public Forums
- Website
- Online Moderated Forum

Ms. Gapen explained the plan includes over 100 specific recommendations. She noted after the public process, the consultant and the advisory committee condensed the recommendations to five general themes:

- Administrative
 - Streamline Process
 - Update design guidelines
 - Historic Preservation Commission training
 - Overhaul Preservation webpage
- Community Character
 - Grant Programs
 - Expand neighborhood cleanups
 - Enhance signage for historic districts
 - Interpretive programs
- Outreach and Education
 - Residents and owners are acquainted with Historic District Guidelines
 - Real estate agents and developers
 - Preservation workshops
 - Marketing for historic properties
- Historic Resources
 - Small area planning
 - Update historic district inventories
 - Expand National Historic Districts
- Partnerships
 - Master Plan Implementation Team
 - Pursue mutual goals
 - Maximize grants and resources

Ms. Gapen noted at the end of the plan there is a three-page Strategy Board summarizing the recommendations. She pointed out after the plan is adopted, the goal will be to establish an implementation team consisting of staff, representatives from DSI, Historic Salisbury Foundation, Tourism Development Authority, and other groups to discuss the recommendations and how to further plan goals.

Ms. Gapen explained updating the HPC design guidelines is a key recommendation of the plan. She indicated a public workshop will be held Thursday, April 18, 2013 from 6:00 p.m. until 7:30 p.m. in Council Chambers at City Hall.

Ms. Gapen noted staff recommends setting a public hearing for May 7, 2013 to receive comments regarding the Historic Preservation Master Plan.

Thereupon, Ms. Blackwell made a **motion** to a set a public hearing for May 7, 2013 to receive comments regarding the Salisbury Historic Preservation Master Plan. Mr. Miller seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

TEMPORARY USE APPROVAL FOR A CARNIVAL TO OPERATE AT THE J.C. PRICE LEGION POST

Zoning Administrator David Phillips stated staff has received a request from the J.C. Price Legion Post for a permit for its annual Memorial Week Celebration. He noted the celebration has taken place for over 50 years and is scheduled for May 24, 2013 until June 2, 2013. He noted the Land Development Ordinance (LDO) requires carnival or circus events to obtain a temporary use permit from City Council, provided the use does not exceed 21 days.

Mr. Phillips indicated conditions have been placed on the permit in the past, and the Legion Post is aware of the conditions and does not object to them. He indicated he has spoken to the Police Department, and there were no disturbances at last year's event. He stated staff recommends the temporary use permit be approved with the conditions:

1. All alcohol must be kept inside the Post facility; No alcohol to be allowed in the carnival area.
2. The Salisbury Police Chief, or his designee upon consultation with the Chief of Police, is authorized by City Council to close the event due to any problems that may arise.
3. There shall be 11 police officers on duty (10 officers and 1 Supervisor) at all times.

Thereupon, Ms. Alexander made a **motion** to approve the temporary use approval for a carnival to operate at the J.C. Price Legion Post, 1433 Old Wilkesboro Road for its annual Memorial Week Celebration with the following conditions:

1. All alcohol must be kept inside the Post facility; No alcohol to be allowed in the carnival area.
2. The Salisbury Police Chief, or his designee upon consultation with the Chief of Police, is authorized by City Council to close the event due to any problems that may arise.
3. There shall be 11 police officers on duty (10 officers and 1 Supervisor) at all times.

Ms. Blackwell seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

RIGHT-OF-ENTRY AGREEMENT – NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

City Engineer Dan Mikkelson stated the North Carolina Department of Transportation (NCDOT) is planning to build an at-grade separation on Peeler Road over US 29, South Main Street, and the railroad tracks. He explained the project will need to reconstruct portions of Southmark and Long Meadow Drives, which are City-maintained streets. He indicated the only cost incurred by the City will be for utility relocation for the overall project. He noted the agreement has been reviewed by City Attorney Rivers Lawther and staff recommends approval.

Mayor Woodson asked City Manager Doug Paris if he was in agreement with the request. Mr. Paris stated he recommends approval.

Thereupon, Mr. Miller made a **motion** to authorize the Mayor to execute a Right-of-Entry Agreement for the North Carolina Department of Transportation to reconstruct portions of Southmark and Long Meadow Drives. Ms. Alexander seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

APPOINTMENTS TO VARIOUS BOARDS AND COMMISSIONS

Mayor Pro Tem Blackwell stated the City has openings on the Housing Advocacy Commission, the Tourism and Cultural Development Commission, and an opening on the Zoning Board of Adjustment for a City Alternate.

Mayor Woodson encouraged any citizen interested in serving on one of the mentioned Boards and Commissions to apply. He noted applications are available online at www.salisburync.gov under the Boards and Commissions tab or at the City Clerk's Office located at 217 South Main Street, or by calling 704-638-5224.

PUBLIC COMMENT

Mayor Woodson opened the floor to receive public comment.

Dr. Richard Miller, 480 Beck Road, Chairman Rowan-Salisbury Board of Education, stated the School Board is preparing to hire a superintendent for the Rowan-Salisbury School System. He pointed out the School System is the largest employer in the area. He commended Dr. Judy Grissom on her leadership of the School System, and stated a survey is available at www.rss.k12.nc.us to receive input regarding the next superintendent. Dr. Miller thanked Council for its support and encouraged citizens to participate in the survey. He stated hard copies of the survey are available at the Rowan County Public Library, the *Salisbury Post*, and the Ruffy-Holmes Senior Center. He noted surveys will be accepted until May 20, 2013.

There being no one else to speak, Mayor Woodson closed the public comment session.

CITY MANAGER'S COMMENTS

(a) Outcomes and Goals

City Manager Doug Paris stated staff presented Council with its 2013-2014 Outcomes and Goals at its last meeting. He asked if Council had any changes.

Mayor Woodson stated he has reviewed the 2013-2014 Outcomes and Goals, and pointed out many things have been accomplished. He commended staff for working to make the City financially accountable.

Thereupon, Ms. Alexander made a **motion** to adopt the 2013-2014 Council Goals and Outcomes as presented and discussed. Ms. Blackwell seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

Mr. Paris stated at the next Management Staff meeting teams will be appointed to work on Council's goals.

(b) 3rd Quarter Financial Update

City Manager Doug Paris commended staff for achieving an additional \$100,000 savings on the Fibrant debt refinancing. He pointed out the total savings is slightly over \$2 million. He indicated overall the City's finances did well during the third quarter. He stated he is pleased the Broadband Fund, which at one time required \$3.7 million in subsidy, will be more sustainable in the next fiscal year. He asked Assistant City Manager for Finance John Sofley to present the third quarter financial update.

Mr. Sofley referenced a graph of property tax values for the third quarter and noted \$2.701 million is budgeted, \$2.747 million had been billed, and \$2.8 million is projected to be billed. He explained properties are billed at different times throughout the year.

Mr. Sofley displayed a graph of sales tax revenues for the third quarter, and he pointed out sales tax revenue continues to be consistent. He referenced projected sales tax receipts verses budgeted receipts and noted receipts are where they need to be.

Mr. Sofley displayed a graph of State franchise tax receipts through the third quarter and noted the City has received two of four payments and continues to be at the budgeted amount.

Mr. Sofley stated General Fund revenue is at 78 percent, or \$28,461,474, of the projected \$36,593,925 received and 65 percent, or \$23,968,953, expended. He pointed out expenditures are slightly under budget and revenue is right on-target.

Mr. Sofley reviewed the Water and Sewer Fund revenue for the third quarter. He pointed out billings are close to the historic trend line. He pointed out total Water and Sewer billings for the third quarter are slightly more than the budgeted amount. He explained revenue is where it is expected to be. He noted the Water and Sewer Fund revenue is at 75 percent received, or

\$17,505,727, of the budgeted \$23,442,499. He noted the Water and Sewer Fund is at 56 percent expended, or \$13,200,880, of the budgeted \$23,442,499.

Mr. Sofley indicated Fibrant is having consistent growth and has approximately 2,300 customers, or 20 percent of the market share. He pointed out internet is the most popular offering. He noted billings have continued to grow but fluctuate monthly. He explained if the March 2013 billing was annualized, the City would bill \$4 million. He noted Fibrant General Manager Mike Jury has worked to reduce the debt. He indicated Council and citizens will be pleased when the sustainability numbers are available later in the year. He noted the average revenue per user remains solid at \$140.

Mr. Sofley noted the percentages of uptime and pointed out for the last two months Fibrant's uptime has been at 100 percent and over 99.9 percent for the third quarter. He reviewed revenues versus expenditures for the third quarter, and he pointed out Fibrant has used 89 percent of the budgeted interfund loan transfer primarily due to over \$3 million in debt services. He pointed out staff does not anticipate being over budget at year-end. He noted Fibrant has received \$5,373,524 in revenue and expended \$5,373,524 in expenses, including \$2,316,507 for interfund loans. He noted Fibrant is earning more than it is expending with the exception of debt services.

Mr. Sofley explained the Transit Fund is funded by grants and rider fares. He stated Transit fare revenues are at 72 percent, or \$84,993, of the budgeted \$118,480, and expenditures are at 59 percent, or \$705,200, of the budgeted \$1,193,315 for the third quarter.

Mr. Sofley stated Stormwater revenue is less than anticipated due to the business friendly approach that has been taken. He explained the appeals process and the combination of properties decreased the number of properties billed which reduced revenue. He reviewed the Stormwater budget for the third quarter. He noted revenue is at 66 percent billed, or \$861,128, of the budgeted \$1,297,333 and expenditures are at 58 percent, or \$757,841.

Mr. Sofley stated the overall situation is good for the first three quarters. He pointed out revenues are on-target and expenditures are below the projected amounts.

Councilmember Miller stated in the General Fund, 65 percent of the expense budget has been realized. He asked if large items are expected in the fourth quarter. Mr. Sofley stated scheduled debt service payments are the only large expenses expected. Mr. Miller asked if expenditures will be under budget when the fourth quarter debt is expended. Mr. Sofley responded that is correct.

Mr. Paris stated the financial services team reviews departmental budgets and makes adjustments as needed throughout the year.

Mr. Miller asked where the majority of expenses occurred in the Stormwater Utility. Mr. Sofley noted improvements have been made on Lash Drive where Stormwater issues were causing problems with the road.

Public Services Director Tony Cinquemani stated Stormwater expenses included repairs made to infrastructure, including culverts that have failed and damaged bulkheads. He noted one vehicle has been purchased, and he pointed out open positions will not be filled until the coming year.

Mr. Paris stated making the Stormwater Utility customer-friendly resulted in less revenue. He noted an increase in rates would help, but Council has challenged staff to maintain a customer-friendly operation within its means. Mr. Miller asked if the City is compliant with State legislation. Mr. Paris responded the City is compliant.

Mayor Woodson noted the Stormwater Utility is new, and it will take time to work through the issues. He stated he is satisfied with the first year, and he pointed out the City strives to be business friendly.

Mr. Miller explained the Fibrant average revenue per user does not mean Fibrant customers pay more but that customers are buying more services. Ms. Sofley stated that is correct. Mr. Miller pointed out the multiple services suggests customers are satisfied.

(c) 329 South Main Street

City Manager Doug Paris stated for many months staff has worked on 329 South Main Street as the site for the downtown Central School Office Building. He noted the City received a positive report from environmental consultants that development could begin immediately. He indicated today staff received approval from the North Carolina Department of Environment and Natural Resources (NCDENR) to move forward with development provided the integrity of the wells is maintained. He indicated he sent a letter to Rowan-Salisbury School Board Chair Dr. Richard Miller indicating the site is ready to proceed with development. He noted this is positive for the School System and the community.

Councilmember Miller noted the Rowan County Board of Commissioners cited contamination as the obstacle for the downtown site for the Central School Office Building. He pointed out the obstacle has been removed and their issue has been handled, so the Rowan County Commissioners can come back as a partner.

Mr. Paris emphasized NCDENR has stated it has no objections to site development, and the City's consultants have indicated development can begin immediately. He added the consultants have stated there is nothing on the property that poses any risk to the community. Mr. Miller asked if the County Commissioners mentioned any other concerns as part of their reason to decline participation in the project. Mr. Paris stated they did not.

Councilmember Alexander stated the news is exciting. She commended staff for working with NCDENR to save the City money. She pointed out the work is completed, and only \$25,000 came from the City budget.

Mr. Paris noted NCDENR recognizes what the City is trying to do for the community and has worked well with the City on this project.

Dr. Richard Miller stated he is pleased approval has been given. He indicated the School System has made an overture to anyone deemed a stakeholder whether they choose to participate or not. He noted he hopes to move ahead with the project because it is long overdue for the School System and the 20,000 students it serves. He thanked the City for its efforts, and he indicated the School System will do their due diligence to move the project forward.

Mayor Pro Tem Blackwell pointed out it is ironic that the County's largest employer does not have a central office.

Dr. Miller agreed, and he emphasized every dollar spent in the community generates three to four dollars back to local businesses. He pointed out the School System is a half-billion dollar enterprise and a major contributor to economic development in the area. He stated Integro Technology's willingness to join the School System in the 300 block of South Main Street indicates it understands this concept. Dr. Miller indicated economic development is about the entire community working together to move forward. He thanked the City for its cooperation and encouraged citizens to support the School System.

Mayor Woodson stated Council welcomes the Central School Office Building to the downtown area. He noted Council understands the School System's importance to the community.

Mr. Paris stated this is the first time in the City's history that an entire blockface will be redeveloped at one time. He noted staff is excited about the project and its benefits to the community.

(d) Business Incubator

City Manager Doug Paris stated the Rowan County Board of Commissioners voted during its meeting Monday to offer a building to be used as a business incubator. He indicated staff is delighted to partner with Rowan County and be a stakeholder on a Council Goal that will result in the creation of jobs. He suggested Council authorize the City Manager to perform a facility study before public money is spent. He noted the study would be brought back to Council for review.

Mayor Woodson stated Council would like to partner with Rowan County on a business incubator. He noted he is glad the Commissioners are proposing it, but Council must consider the building and the costs involved.

Mayor Pro Tem Blackwell asked what year the building was developed. Councilmember Alexander stated it appears to be late 1950s. She noted some cities have indicated it is more effective to demolish mid-century buildings because they are filled with environmental hazards, are highly inefficient, and it can be difficult to achieve Americans with Disabilities Act (ADA) compliance. She noted as part of the study it would be wise to compare costs for repairs versus a new building.

Councilmember Miller asked if the facility study will be done by staff or an outside contractor. Mr. Paris stated he is proposing an outside firm that specializes in this work and can be independent. He pointed out the cost would be minimal and would disclose the investment required for the building.

Mr. Miller asked if the County proposed a partnership with the City. Mr. Paris stated a partnership with the County was proposed in a cost-sharing measure. Mr. Miller asked if Council should meet with Rowan County Commissioners regarding the scope of City involvement before the study is done. He pointed out if the County's scope is different than what the City is willing to accept, it can forgo the cost of a study. He stated he supports the idea but wants to understand exactly what is involved before Council agrees to spend public money.

Mr. Paris agreed with Mr. Miller. He noted he plans to speak to County Manager Gary Page regarding the scope of the project.

Mayor Woodson stated Council wants to proceed but needs to make sure it has the right location and the right building to ensure the business incubator is successful.

Mayor Woodson pointed out a business incubator has been discussed for approximately eight years. He noted Council must do its research and proceed with caution.

Thereupon Ms. Blackwell made a **motion** to engage an outside consultant to study the building after staff has spoken with the County to identify the scope of the City's involvement, engage an outside consultant to study the building and to give a full report regarding the state and safety of the building and appropriateness of use. Ms. Alexander seconded the motion with an addition to include an environmental study as Phase I, in hopes of a Phase II.

Mayor Woodson stated Council is authorizing the City Manager to use his best judgment to take one step at a time, and to meet with County Manager Gary Page, and report back to Council.

Mr. Miller asked Mr. Paris to come back to Council with the cost of the study before hiring the consultant.

Mr. Paris stated he will bring the cost back to Council.

Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

Mayor Woodson stated Council looks forward to the opportunity to partner with the Rowan County Board of Commissioners on a business incubator.

(e) Employee Recognition

City Manager Doug Paris thanked Assistant City Manager for Human Resources Zack Kyle for his leadership of the City's facility staff and Assistant City Manager for Finance John Sofley for his leadership of the Financial Services Team. He acknowledged staff for its work at 329 South Main Street and all that has been accomplished. He stated the next step will be working on an interlocal agreement and approval by the Local Government Commission (LGC).

MAYOR'S ANNOUNCEMENTS

(a) Touch-a-Truck

Mayor Woodson announced the Salisbury Parks and Recreation Department will hold the 7th Annual Touch a Truck event Saturday, April 20, 2013 from 10:00 a.m. until 1:00 p.m. at the First Bank Parking Lot located at 215 West Innes Street. The event is free and open to the public. Rain date will be May 11, 2013.

(b) Spring Spruce-up Week

Mayor Woodson announced the Community Appearance Commission and the Public Service Department will sponsor Spring Spruce-up Week April 22-26, 2013. Please call 704-638-5260 for more information or to arrange special trash collection.

(c) Mother-Son Luau

Mayor Woodson announced the Salisbury Parks and Recreation Department will host the 7th Annual Mother/Son Luau, for ages 4-13, Saturday, April 27, 2013 from 6:00 p.m. until 9:00 p.m. at the Civic Center, 315 Martin Luther King Jr. Avenue. Tickets are available by calling 704-638-5275.

(d) 2013 Relay for Life Event

Mayor Woodson announced the 2013 Relay for Life event will be held Friday, May 3, 2013 at 6:00 p.m. at the Rowan County Fairgrounds. The City of Salisbury Team will host a haunted house, bounce house, and food sales. The team has raised \$4,309 to date.

(e) Logan Parker

Mayor Pro Tem Blackwell stated the community was saddened by the death of two-year old Logan Parker in a house fire. She urged citizens to check their smoke alarms and replace the batteries.

CLOSED SESSION

Mayor Woodson indicated Council needed to go into closed session concerning a personnel matter as allowed by NCGS 143-318.11(a)(6).

Thereupon, Ms. Blackwell made a **motion** to go into closed session to consult with an attorney concerning a personnel matter as allowed by NCGS 143-318.11(a)(6). Mr. Miller seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

RETURN TO OPEN SESSION

Thereupon, Ms. Blackwell made a **motion** to return to open session. Ms. Alexander seconded the motion. Messrs. Miller and Woodson, and Meses. Alexander and Blackwell voted AYE. (4-0)

Mayor Woodson stated in closed session Council conducted City Manager Doug Paris' annual evaluation. He indicated Mr. Paris received an excellent review. He pointed out employees were given \$1,000 based on their evaluations during this year's budget. He noted Mr. Paris turned down the \$1,000 and asked that the money be used towards the employee Christmas luncheon. He indicated Mr. Paris will remain under the same contract as last year for salary and benefits.

Mayor Woodson stated the financial stability of the City has turned around. He noted the One-Stop-Shop is a tremendous success, and he pointed out developers and businesses are coming to the City.

Councilmember Miller thanked Mr. Paris and noted fiscal stewardship, a business friendly environment, and neighborhood stabilization are very important for the City. He stated Mr. Paris is doing an excellent job, and he looks forward to working with him in the coming year.

Mayor Pro Tem Blackwell stated the financial stability of the City is paramount. She explained Mr. Paris has been a visionary and worked to strengthen the Management Team. She pointed out he recognized the City did not have a succession plan and developed the City Manager's Leadership Academy (CMLA) to groom younger managers. She stated Mr. Paris has improved the City's diversity and has been strategic and intentional with Fibrant, the City Budget, and the Management Team.

Councilmember Alexander stated Mr. Paris is a strategic thinker with excellent leadership skills, and he has worked to develop leaders within the organization. She stated she has heard wonderful comments from the development community regarding the One-Stop-Shop. She indicated Mr. Paris is very creative and has wisdom beyond his years. She stated Mr. Paris is a great communicator and works hard to keep Council informed and make himself available.

Mayor Woodson stated he appreciates Mr. Paris's communication skills. He noted he spoke to Councilmember Kennedy by telephone, and Mr. Kennedy praised Mr. Paris and felt he was doing an excellent job. He thanked Mr. Paris for all he is doing for the City and his work on the Central School Office Building. He pointed out the cleanup of 329 South Main Street was completed in record time.

City Manager Doug Paris stated he is thankful to have the opportunity to lead at such a young age. He stated the City has a great team, and he is proud of the work that has been done.

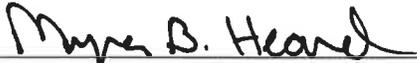
Mayor Woodson stated Council supports Mr. Paris completely.

ADJOURNMENT

Motion to adjourn the meeting was made by Ms. Blackwell seconded by Mr. Miller. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 7:02 p.m.



Paul B. Woodson, Jr., Mayor



Myra B. Heard, City Clerk