

Salisbury, North Carolina
February 19-20, 2015

The City Council of the City of Salisbury met in recessed session at the Lee Street Theater, 329 North Lee Street, and in Council Chambers at City Hall, 217 South Main Street, Thursday and Friday, February 19-20, 2015 for the 30th Annual Future Directions and Goal Setting Retreat with the following members being present and absent:

PRESENT: Mayor Paul P. Woodson, Jr., Presiding; Mayor Pro Tem Maggie A. Blackwell, Councilmembers Karen Kirks Alexander, William (Pete) Kennedy, and William Brian Miller.; Interim City Manager John A. Sofley, Jr.; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: None.

The meeting was called to order at 8:30 a.m. in the Lee Street Theater, 329 N. Lee Street by Mayor Woodson. The invocation was given by City Clerk Myra B. Heard.

Staff present was:

Jim Behmer	Salisbury-Rowan Utilities Director
Wendy Brindle	City Engineer
Tony Cinquemani	Public Services Director
Rory Collins	Police Chief
Teresa Harris	Financial Services Manager
Janet Gapen	Community Planning Services Director
Ruth Kennerly	Human Resources Director
Zack Kyle	Assistant City Manager
Robert Parnell	Fire Chief
Kent Winrich	Director of Broadband and Infrastructure Services

CREATING A VISION: 30 YEARS OF GOAL SETTING

Interim City Manager John Sofley noted this marked the 30th anniversary of Council Future Directions and Goal Setting Retreats. He indicated the importance of "Telling Our Story," this year's theme, and reviewed a book noting the highlights that have taken place since Council's first Goal Setting Retreat was held in 1986. He displayed a video of the highlights from the past five years and noted through the planning that will take place during the Retreat, Council will write the next chapter of the City's story.

GOALS REVIEW: A YEAR IN REVIEW

Interim City Manager John Sofley and members of the Management Team updated Council on the progress of the FY2014-2015 Goals and Outcomes.

Councilmember Miller referred to the goal regarding housing stabilization and asked if there is any evidence the cost of the demolition is recovered through liens. Mr. Sofley noted many times there are multiple liens, and the cost is rarely recovered.

Councilmember Alexander noted Council approved \$100,000 in the current budget for demolitions and asked if the process had started. Community Planning Services Director Janet Gapen indicated the demolition process had started, and there are several demolitions in the works.

Mr. Miller stated the planning goal for pedestrian safety and housing redevelopment is a long-term goal, and he would like to receive more frequent updates on long-term items.

Mr. Sofley asked Council if they would like to leave the goal regarding pedestrian improvements or move to operational status. Mr. Miller stated he thinks it is important to keep the goal. He added he would like to bring the Greenway back into the discussion. City Engineer Wendy Brindle commented she is working with the Carolina Thread Trail and Parks and Recreation Maintenance Manager Stephen Brown to develop a new section of the Greenway.

Ms. Alexander referred to the goal to improve the development process and noted it would be good to have a process in place for a developer to meet with the Technical Review Committee (TRC) prior to formally deciding on a project in order to determine a project's feasibility.

Council reviewed the goal regarding Alcoa and the City's water supply and agreed to leave the goal in place.

Mr. Sofley reviewed goals regarding Fibrant reliability and noted the headend had not been down in the past two years. Mayor Pro Tem Blackwell asked staff to let Council know immediately if there is an issue with Fibrant because citizens call Council

directly when they have issues. Director of Broadband and Infrastructure Services Kent Winrich noted he is working on improving communications for Fibrant.

Mr. Sofley reviewed goals regarding Fund Balance and Return on Investments (ROI) and stated the Fund Balance is currently just over 33%. He indicated as Council moves forward it will need to consider provision of services rather than just focusing on Fund Balance. He stated staff has developed a formula for ROI, and this goal is now operational.

Mr. Sofley noted significant progress has been made on the Goals throughout the year.

BACK TO OFFENSE: ECONOMIC PROSPECTS IN SALISBURY

Ms. Paula Bohland, Executive Director Downtown Salisbury, Inc. (DSI), and Mr. Robert Van Geons, Executive Director Salisbury-Rowan Economic Development Commission (EDC) addressed Council regarding the economic climate for Salisbury.

Ms. Bohland stated since 1980 DSI has created over \$126 million in investment and has seen a net gain of 1,060 jobs and 329 net businesses.

Mr. Van Geons noted in FY2012-13 the EDC had 70 projects added and 23 visits; 71 projects and 25 visits in FY2013-14; and 33 projects and 15 visits since July 1, 2014. He reviewed the unemployment rate trends and poverty rate and noted there have been improvements.

Ms. Bohland reviewed DSI's mission:

- Work from a strategic plan
- Historic renovation and repurposing of existing buildings
- Offer incentives for development
- Based on needs of the downtown; attracting innovative and quality retailers, merchants and services
- Promote the downtown as the economic center of Salisbury
- Develop the needed infrastructure to support the development

Mr. Van Geons discussed the primary job growth projections for Rowan County:

- Manufacturing/Production
- Health Care/Wellness Care
- Logistics
- Food and Beverage Production
- Retail
- Hospitality
- Technology/Automation and Robotics

He added the subcomponents of business recruitment include:

- General Promotion
- Product Development
- Target Sector Strategies
- Search Engine Optimization/Web/Communications
- Workforce Development
- Legislative Advocacy
- Research/Competitive Assessments
- Leveraging of unique and advantageous local assets and infrastructure

Ms. Bohland reviewed DSI's recent successes:

- Over \$6 million in investment in Downtown Salisbury
- Net gain of 11 businesses, 2 business expansions
- Net gain of 34 jobs
- 19 faces improved/redone
- Downtown Housing Initiative
 - More than \$1.2 million in investment
 - 2 apartments pre-leased
 - When completed, will provide more than 11 new jobs (a bakery and restaurant expansion)
 - Increase tax base in downtown

Mr. Van Geons shared the EDC's recent successes in attracting quality businesses and services:

- Over \$3.6 million in private investment
- In addition to its recent expansion, Integro is adding at least 15 more jobs this year
- Continuing to expand space, building into vacant areas of building, adding 16 (non Integro) jobs in downtown
- New Sarum Brewing Company
 - Renovate and repurpose a historic building
 - \$2.2 million in private investment
 - 10 new jobs
 - New industry in the downtown

He then reviewed the economic development wins:

- Nearly \$300 million in total investment County wide
- More than 1.5 square feet of buildings filled

He noted the Salisbury centered projects are:

<u>Company</u>	<u>Community</u>	<u>Jobs</u>	<u>Investment</u>
Hydraulic Depot	Salisbury	16	\$1,000,000
The Drive Shaft Shop	Salisbury	12	\$1,000,000
Club Red Apparel	Salisbury	10	\$500,000
Shat-R-Shield	Salisbury	To be determined	\$1,000,000
New Sarum Brewery	Salisbury	10	\$2,200,000
John Deere	Salisbury	To be determined	\$1,000,000
Shops at Summit	Rowan County	250	\$20,000,000

Ms. Bohland indicated working with the Downtown Salisbury Merchants Association, DSI provided more than 20 events in downtown in 2014:

- Each event averaged more than 1,500 persons in downtown on any particular day/night
- Events have been refocused, specifically designed to market to various demographics
- At the end of the fourth quarter of 2014 most merchants reported significant sales increases from the previous year
- Wine about Winter 2015
 - Sold out
 - More than 550 tickets sold
 - Overnight stays in Rowan County local hotels and bed and breakfasts
- Summer Sip 2014
 - Sold out
 - More than 500 tickets sold
 - Transforming into a two day weekend event in 2015
- Downtown Zombie Walk
 - More than 1,000 in attendance
 - Attracts out of town visitors
 - Targets a new demographic
- 2nd Annual Busker's Bash
 - More than 1,000 in attendance in 2014
 - Event continues to grow and has the potential to generate overnight stays

Ms. Bohland described how DSI is transitioning back to offense:

- Using Downtown Housing Initiative
 - Planned projects: Washington Building and Wallace Wholesale Building

- Develop infrastructure to support initiatives and development
 - Parking for residents
 - Long-term parking study and plan

Ms. Bohland discussed infrastructure projects which reflect the findings from focus group sessions:

- Highlight and celebrate the arts (including more public art) in downtown
- Develop more green space
- Create a more walkable downtown (smaller lanes, traffic calming)
- Bike lanes and support of the development of multimodal transportation options
- Revisit the Maxwell Chambers Charette
- Develop the Empire Hotel property
 - Develop for housing
 - Engage in Request for Proposals process

Mr. Van Geons described the product shortage for the EDC:

- RowanWorks currently has 151 buildings listed in its database
- 98 of these buildings are in the City of Salisbury (65%)
- Of these 98 buildings, only 25 are considered appropriate for manufacturing and distribution uses
- Only 3 have a ceiling height of 22 feet or higher
- Only 2 are bigger than 60,000 square feet (1 at 57,000)
- All of the larger buildings are lease only

Mr. Van Geons reviewed pragmatic investments to consider:

- Product development
- Comprehensive redevelopment proposals
- Pre-permitted virtual buildings (Fibrant)
- Entrepreneurial Attraction Program (Fibrant)
- Collaborative innovation space (Fibrant)
- Diversified public and private financial tools (Fibrant)
- Technology integration (Fibrant)

Councilmember Miller referred to virtual buildings and asked if they include plans that have been through the approval process. Mr. Van Geons indicated they did, and the building would be ready for a project.

Mayor Pro Tem Blackwell referred to technology integration and its tie to Fibrant. Mr. Van Geons noted the key to being successful in technology investments is to bring technology to the everyday life of citizens.

Councilmember Alexander noted many of the larger communities have implemented virtual buildings, and they are a great help when developing a project.

PURPOSEFUL PARTNERSHIPS

Dr. Latoya Dixon and Dr. Michael Waiksnis, Co-Principals of Knox Middle School, spoke to Council about the implementation of their plans to change the culture at Knox. They discussed building stability for the teachers and students. Dr. Dixon and Dr. Waiksnis reviewed:

- Student Culture
 - Repeated practice of good habits
- Relationships are paramount
 - “Knox Way” awards
 - Routines – morning, transitions, dismissal
 - College going culture
- The Knox Way
 - How things are done at Knox
 - Continuous reinforcement
 - Knox Way awards
- Routines
 - Morning procedures
 - Transitions
 - Afternoon dismissal
 - How visitors are treated
- Relationships
 - Grade conferences
 - College conferences
 - Everyone, every day
 - Lunch time grade checks
- College Culture
 - College week
 - College trips
 - Talking about admission requirements
 - N.C. State trip
 - College decorations
- Staff Culture
 - First things first
 - What is the focus?
 - What gets teachers’ time and attention?
 - What is important
 - Do actions describe the focus?

- Accountability
 - Without it, little else matters
 - People watch how situations are handled
 - It brings out the best in the best people
- Professional code
 - Created by teachers at retreat
- “Knox Strong” award
 - Reward what you want to see
 - Not everyone gets one
 - Shows people what you value
- Decisions made based on best teachers
- Community Culture
 - Speaking to groups
 - Telling your school’s “story”
 - Public Relations plan
 - Social media
 - Home visits

Parks and Recreation Programming Manager Steve Clark described the partnerships between Knox Middle School and the Parks and Recreation Department that include facility sharing, technology camp, transition camp and mentoring programs.

Dr. Dixon noted there has been a great reduction in the number of discipline actions, especially for aggressive behavior.

Councilmember Miller commented there is nothing more important than what Dr. Dixon and Dr. Waiksnis are doing for the school.

Councilmember Alexander noted she is pleased with the City’s investment to have the principals in place.

Councilmember Kennedy commended the Dr. Dixon and Dr. Waiksnis and lauded their efforts at Knox.

COUNCIL DISCUSSION

Facilitator Warren Miller led Council in a discussion regarding the morning presentations in order to determine potential goals. He reviewed the items captured from the morning sessions:

- Development review process
- Developers meeting with the Technical Review Committee in preplanning
- Planning infrastructure project downtown
- Housing incentives downtown
- Comprehensive marketing packages

Councilmember Miller noted Council can do a great deal with incentives and grants but firm support of the work at Knox is important because it is a recruitment factor.

Mr. Miller noted he thinks infrastructure downtown is a project whose time has come, and he would like to move the issue to the next phase to make it a short-term reality.

RECESS

Mayor Woodson asked for a motion to recess the meeting until 12:00 Noon in Council Chambers in City Hall, 217 South Main Street.

Thereupon, Ms. Blackwell made a **motion** to recess the meeting until 12:00 Noon in Council Chambers in City Hall, 217 South Main Street. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Alexander and Blackwell voted AYE. (5-0)

LUNCHEON – WHEN YOU BUILD IT

Thereupon, Ms. Blackwell made a **motion** to reconvene the meeting. Mr. Miller seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Alexander and Blackwell voted AYE. (5-0)

Councilmember Miller provided the invocation

Mayor Woodson introduced Ms. Deb Socia, Executive Director of Next Century Cities. Ms. Socia discussed the benefits of being a Gigabit community and noted it will enhance transportation, education, City services, health care, entertainment, real estate and economic development. She emphasized that to make the most of its Gig service, the City must coordinate, collaborate and celebrate.

Mayor Woodson thanked Ms. Socia for her presentation.

RECESS

Mayor Woodson asked for a motion to recess the meeting until 2:00 p.m. at the Lee Street Theater, 329 North Lee Street.

Thereupon, Mr. Miller made a **motion** to recess the meeting until 2:00 p.m. at the Lee Street Theater, 329 North Lee Street. Ms. Alexander seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Alexander and Blackwell voted AYE. (5-0)

TAKE IT ON

Ms. Deb Socia, Executive Director of Next Century Cities, discussed marketing Gigabit service. She stated Council needs to share its vision for Fibrant in order to get everyone on-board. She noted the City has to be able to sell the Gig and its potential benefits to Salisbury. She encouraged Council to remind citizens of what the City has, and she recommended a unified list of responses so everyone can share the same message.

Ms. Socia stated the City can encourage community support through social media to create a community attachment to its product. She noted it is important to bring in the faith community to reach citizens and share the vision for Fibrant. She displayed a video from Opelika, Alabama that showed using humor as a tool to promote their product.

Ms Socia commented that Council took the leap of faith to make the investment in the infrastructure, and now it is important to share this with others.

Interim City Manager John Sofley introduced Mr. Jeremy Holden and Ms. Eleanor Talley from Clear Design, a brand and strategy company based in Raleigh, North Carolina. Mr. Sofley stated staff went through the Request for Proposal process and Clear Design was the top choice. He noted he understands Council has ideas about how to move forward with marketing, and they will be asked to share their thoughts.

Mr. Holden described the process that will be used to begin development of a marketing strategy and noted interviews will be conducted with community stakeholders as well as those the City hopes to reach. He reviewed the types of questions that will be asked of the groups.

Councilmember Miller noted the process needs to be transparent with the public since they are a stakeholder of the utility. He added he looks forward to the ideas of marketing this economic tool because it is not being used to its full potential.

Mayor Pro Tem Blackwell commented customers from the world at-large are needed.

Councilmember Alexander stated the marketing effort must be comprehensive to include not just the Gig, but Salisbury as a whole.

TAKING FIBRANT TO THE NEXT LEVEL

Broadband Director Kent Winrich and Salisbury-Rowan Economic Development Commission Director Robert Van Geons addressed Council regarding Fibrant. Mr. Winrich shared his initial perceptions about the current state of the utility:

- Stable and impressive network
- High new customer interest
- Committed to customer retention
- Increased focus on business services

Mr. Winrich stated when he attended a recent conference in Kansas City, Missouri his eyes were opened in regards to how far ahead Salisbury is of other cities.

Mr. Winrich noted how the Fibrant team is going from good to great:

- Improvements in customer service
- Cross training of staff
- Increased professional development and training (certifications)
- First of two University of North Carolina at Charlotte partnerships
- Potential expanded partnerships

Mr. Winrich stated Fibrant's story has to be refined and told to the right people. He added Fibrant has a great story, but it needs to be developed into the best message in order to get it in front of the right targets. He stated Fibrant needs to be visible and engaged.

Mr. Van Geons reviewed the many different types of uses for Fibrant in innovation, quality of life and business. He noted the needed resources:

- | <u>Marketing</u> | <u>Programmatic</u> |
|--|---|
| <ul style="list-style-type: none">• Quantified business attraction• Market segment specific• Direct engagement and participation in events and competitions• Technology Summit• Dynamic multimedia public relations strategy• University and research lab technology transfer relationships | <ul style="list-style-type: none">• Entrepreneurial attraction• Collaborative technology space• Shared technological resources (i.e. 3D printing lab)• Public Funding partnerships• Incentivized office space/office up-fits• Pre-permitted virtual buildings• Technology integration |

Councilmember Miller stated Council should have a strategic plan for Fibrant as an economic development tool to guide Council as it makes future decisions in regards to

what is in alignment with what has been decided. He added it is more than just marketing, but also an investment.

Mayor Pro Tem Blackwell agreed there is a need for a strategic plan. She stated Salisbury is ahead of the curve today, but that can only last for a finite period of time, and the window to capitalize on this is very short. She noted she brought up the need for marketing Fibrant's Gig service last July, and it has taken months to go through the Request for Proposal process. She commented the glacial speed of municipalities is frustrating. She added the timeframe to act is very limited, and the City must get moving.

Mr. Van Geons commented the utility did not have the capacity to do these things until December and now that the capacity is there, the City has to move forward. Interim City Manager John Sofley added the slow speed was not just to pick the firm but also to have the right staff in place to make it successful.

Ms. Blackwell stated having a marketing firm in place is wonderful and asked staff to make it happen.

Councilmember Alexander asked if Mr. Sofley has shared Council's urgency with the firm. Mr. Sofley stated the timeframe to have a product back is six months.

Mr. Van Geons noted the City has to be able to put resources into the marketing. Ms. Blackwell noted a previous Council had the courage to spend \$34 million to build the infrastructure, and the current Council cannot balk at money to promote it.

Ms. Alexander commented the City has to be careful not to throw money and energy at many different things. She stated a well-crafted plan is needed that identifies what Council wants to accomplish.

Mr. Miller stated a plan needs to be developed that shows what can be done, 3 months from now and 18 months from now in order to build a road map to be successful. He asked if offering 2 years of data at no cost would be a compelling incentive. Mr. Winrich noted it may be interesting to businesses and because the infrastructure is in place it would be a way for the investment to pay off.

Ms. Alexander stated when there is a plan in place and Council knows where staff is going, it can then support the efforts financially.

Incoming City Manager Lane Bailey commented it is important to market to those outside of the City while also making the people who live here understand the value of the product. He noted a strategic plan will identify low hanging fruit, and what can be accomplished quickly to produce the most jobs.

Mr. Miller commented the low hanging fruit for Fibrant is getting the people who are already here to want to be a part of what the City is trying to do. He added Mr. Winrich can keep selling the product while determining what to do next.

Mr. Winrich discussed changes to customer service that will free technical people to do technical work. Mr. Miller stated one compelling difference for Fibrant is its ability for customer service. Councilmember Kennedy added customer service has to be improved City-wide.

COUNCIL DISCUSSION

Facilitator Warren Miller reviewed the goal ideas that had come from Council discussion during the first day:

- Implement process where developers can meet with the Technical Review Committee in pre-planning phase
- Improve development review process
- Plan infrastructure project for downtown (Downtown Salisbury, Inc. to assist)
- Continue support for housing initiative
- Product development for Downtown (pre-permitted virtual buildings; marketing packages)
- A strategy for Fibrant (identify low hanging fruit today, 6 months, 18 months)
 - Technology integration program
 - Entrepreneurial attraction program (space competitions, free Fibrant)
 - Marketing Fibrant (inside/outside marketing)

RECESS

Mayor Woodson asked for a motion to recess the meeting until 10:30 a.m., Friday, February 20, 2015 at Lee Street Theater, 329 North Lee Street.

Thereupon, Ms. Blackwell made a **motion** to recess the meeting until 10:30 a.m., Friday, February 20, 2015 at Lee Street Theater, 329 North Lee Street. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, Woodson and Meses. Alexander and Blackwell voted AYE. (5-0)

CALL TO ORDER – FEBRUARY 20, 2015

Mayor Woodson called the meeting to order at 10:30 a.m. Friday, February 20, 2015. City Clerk Myra Heard provided the invocation.

SALISBURY AT THE SPEED OF LIGHT: VISIONING FOR THE NEXT GENERATION

Community Planning Services Director Janet Gapen reviewed the process for the Vision 2020 Comprehensive Plan:

- Adopted 2001
- 20-year planning horizon
- Two and one-half year process
- Steering committee appointed by City Council
- Citizen stakeholder and public engagement
- Planning consultant
- \$81,000 contract paid over three years
- \$30 budgeted first year

Development Services Manager Preston Mitchell presented a video of Vision 2020 Steering Committee members and local citizens who described what they see as Salisbury's needs.

Ms. Gapen pointed out plans for Vision 2030:

- Suggested a 12-year planning horizon
- 18 to 24 month process
- Steering committee appointed by City Council
- Citizen stakeholder and public engagement
- Two-part plan: Visioning and Implementation
- Planning consultant
- \$90,000 over two years

Council commended the video presented by Mr. Mitchell. Councilmember Alexander encouraged the addition of the Livingstone Campus, Hood Theological Seminary, Rowan Cabarrus Community College and Livingstone's urban farm as part of green space to the video.

NEGLECTED HOUSING: NEXT STEP TO HALT THE CYCLE OF DECLINE

Housing Advocacy Commission Chair Barbara Perry and Code Enforcement Manager Chris Branham addressed Council regarding neglected housing. Ms. Perry reviewed a timeline of the neglected housing issue:

- 2006 – Neighborhood Leaders Alliance takes up issue of neglected housing
- 2008 – Better Housing Committee reports to City Council at annual retreat
- 2008 – Code Services Division formed
- 2010 – Advisory Committee of Better Housing appointed

- 2011 – Housing Advocacy Commission (HAC) created
- 2012 – HAC strategic planning and education initiatives created

Mr. Branham discussed the cycle that is created on the path demolition:

- Inspection/citation for overgrown grass
- Repetitive cycle of code visits, abatement
- Appearance suffers
- Vagrancy/crimes
- Disproportional burden on code services and police
- Structural deterioration
- Mowing and tax liens accumulate
- Stigmatizing influence on neighborhood

Mr. Branham noted that after demolition:

- Demolition as an enforcement action does not change ownership of the lot
- Same pattern of neglect that led to loss of structure
- High probability that mowing abatement will continue on empty lot
- Two to three visits per season

Mr. Branham discussed current housing cases:

- Active housing cases: 204
- Percent with tax liens: unknown
- Percent with mowing liens: unknown
 - Average collection rate: 23%
 - Incurring higher collection costs
- 753 vacant/abandoned properties identified
 - Many of these likely to fail minimum standards
 - Represents the “pipeline” of future housing success

Mr. Branham reviewed the costs of staying on the current course:

- Impact on neighborhood stability
 - Appearance
 - Crime
 - Stigma
- Diminishing property values
 - Deterioration
 - Demotion equals lost value
- Loss of viable housing
- Cumulative budgetary impacts to the city
 - Repetitive nature of Code and Police response
 - Uncollected taxes and liens

He then noted the outcome if demolition is preempted and the neglected houses stabilized:

- Create stronger neighborhoods
 - Safety
 - Quality of life
- Preserve existing housing supply
- Build investor confidence in neighborhoods
- Increase property values
- Reduce burden on city resources
- Eliminate bad debt city has to write-off
- Keep tax rate low
 - Collect taxes already on the books
- Consistency with neighborhood plans, Boards and Commissions goals

Community Planning Services Director Janet Gapen discussed creating a stabilization program and reviewed a possible model:

- Promote donation to non-profit organization
- Purse tax/lien foreclosure
- Community Development Corporation (CDC) purchases at auction (if not sold to private bidder)
- Partner with the CDC to stabilize structure
- Sell to new owner

She noted for Salisbury the stabilization program would include:

- Partner organizations:
 - Salisbury Community Development Corporation
 - Historic Salisbury Foundation, Inc.
 - Salisbury Housing Authority
- Outsource legal support
- Program funded by City (general fund)
- Homeowner not income-restricted
- Sell, lease or lease-purchase
- Property management by Salisbury Housing Authority

Ms. Gapen then reviewed sample project costs

Condition	Current Total Value	Purchase Price	Rehab Cost	Total Invested by City	Rehab by Homeowner	Sale Price	New Tax Value
Deteriorated <i>Stabilize Exterior</i>	\$60,000	\$20,000	\$12,000	\$32,000	\$40,000	\$40,000	\$85,000
Deteriorated <i>Total Rehab</i>	\$60,000	\$20,000	\$60,000	\$80,000	-	\$85,000	\$85,000
Dilapidated <i>Total Rehab</i>	\$40,000	\$15,000	\$80,000	\$95,000	-	\$85,000	\$85,000

Councilmember Kennedy stated he supports the stabilization of housing because the City is only as strong as its weakest neighborhood. He noted it is important to create jobs for the community because the vacancies occurred when people could not pay their rent or mortgage.

Councilmember Alexander stated she is very supportive of the plan to use tools that already exist rather letting tax liens escalate. She noted this shows the community that Council cares about the neighborhoods.

Mayor Pro Tem Blackwell asked about the difference between deteriorated and dilapidated housing. Mr. Branham indicated State law defines the terms, and if the repair cost is less than half of the tax value, a property is considered deteriorated. He added if it is more than 50 percent, it is considered dilapidated.

Ms. Blackwell noted she would be interested in the other cities that have initiated this program, and the number of staff they have allocated. She pointed out the City recently allocated a new Code Services position just to catch up in the current process.

Ms. Gapen indicated she would provide the information regarding other communities and their successes to Council. She commented this new program could reduce the burden on staff over time.

Mr. Kennedy stated if the City does a few homes it would give investors confidence to spend their money in those areas.

Councilmember Miller stated the staff portion of this program is operational and an on-going cost. He added if a program is initiated there must be money budgeted for it, and he questioned if it should be operational or taken from Fund Balance. He added there should be a special account for this program to determine cost recovery.

Mr. Miller discussed determining the right amount of money to allocate to start the program and noted a funding plan is needed that would not require all of the work to be done at once. He stated he thinks it would be best to address an entire neighborhood rather than trying to do one different areas. Mr. Miller cautioned the City needs to be aggressive in addressing the neglected houses, but it does not want to take people's homes.

Ms. Blackwell noted the different models and indicated one model calls for property to be donated. She stated there are properties that have been inherited where the owners may be willing to donate in order to have a property tax deduction.

Ms. Alexander stated she thinks Council must take responsibility to start and fund this program. She added she supports a new position that could be used for Code Enforcement and in the program implementation.

RECESS

Mayor Woodson asked for a motion to recess the meeting until 1:45 p.m. at the Lee Street Theater, 329 North Lee Street

Thereupon, Mr. Kennedy made a **motion** to recess the meeting until 1:45 p.m. at the Lee Street Theater, 329 North Lee Street. Ms. Alexander seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Alexander and Blackwell voted AYE. (5-0)

RECREATING TOMORROW'S HEALTH AND WEALTH

Ms Teri Shaw, Parks Programming Manager, and Ms. Michelle Nguyen, Human Resources Planner, and Rowan Convention and Visitors Bureau Director James Meacham addressed Council regarding Parks and Recreation and sports tourism.

Ms. Shaw and Ms. Nguyen described how parks and recreation impact the quality of life by providing:

- Healthy environment
 - Users are physically active during park visits
 - Critical sources for physical activity in minority communities
- Healthy Programming
 - Physical inactivity closely linked to chronic diseases: obesity, heart disease, diabetes, cancer, osteoporosis
 - Physical activity through recreation programs increase life expectancy, reduce depression and relieve stress
- Strengthening Communities
 - Park improvements – highly visible and tangible actions works with other solutions to reduce crime, eliminate graffiti, manage traffic

- Facilities and programs give at-risk youth a safe environment to interact with peers
- Neighborhoods with common green space are more likely to enjoy strong social ties
- Strong community relationships lead to stronger, safer neighborhoods
- Attractions
 - Availability of park and recreation facilities is an important quality of life for businesses who choose where to locate facilities and attracting and retaining residents
 - Knowledge workers prefer places with diverse range of outdoor recreation activities
 - Cities leading in attracting knowledge workers are also top cycling cities

Ms. Shaw and Ms. Nguyen discussed special events programming for parks and recreation facilities:

- Using parks as social gathering spaces for events leads to better quality of life
- 4,200 participants reached through
 - Movies in the Park
 - Social Dances
 - Community Days
- Fitness and Health Programming:
 - High quality fitness programs lead to Fit Community designation
 - Varied recreation opportunities attract/retain diverse groups
 - Youth choose rewarding paths to adulthood while building physical, intellectual, emotional, social skills
 - Adults experience enhanced self-esteem, feel improvement in self-worth, reliance, confidence
 - Personal growth in physical activity interests

They then described the quality of life gained from the facilities:

- Salisbury Greenway
 - Connects citizens to parks, neighborhoods and local businesses
 - Responsive to growing demand for access to walk/bike/run
 - Connection to Salisbury via Carolina Thread Trail
- Hosting Visitors at Community Park
 - ACCC Cyclocross race attracted visitors from Wake Forest University, George Mason University, Virginia Tech, Appalachian State University, University of North Carolina at Greensboro, University of Virginia, and North Carolina State University
 - Cross Country Conference meets included Pfeiffer University, Catawba College, Livingstone College, Appalachian State University, YMCA and surrounding high schools

Ms. Nguyen noted a conservative visitor count for Community Park in 2014 was 298,278.

Ms. Shaw and Ms. Nguyen pointed out the value of downtown green space and parks as valuable contributors to City policy objectives for downtown Salisbury. They noted there were over 4,000 participants in downtown events such as Touch-a-Truck, Halloween Fun Fest and New Year's Eve at the Belltower.

Mr. Meacham reviewed an economic impact analysis from a sports tourism model indicating for a tournament that generates \$100,000 tournament participants, 35% are local, 35% are day visitors and 30% stay overnight. He added the annual economic impact is \$5,899,500.

Mr. Meacham noted the market for these tournament is very competitive and reviewed the surrounding sites:

- Iredell County
 - 19 baseball/softball fields
 - 17 soccer/multi-purpose fields
 - 17 tennis courts
 - Estimated total investment \$35.7 million
- Cabarrus County
 - 19 baseball/softball fields
 - 15 soccer/multi-purpose fields
 - 21 tennis courts
 - Estimated total investment \$35.2 million
- Union County
 - 23 baseball/softball fields
 - 17 soccer/multi-purpose fields
 - 10 tennis courts
 - Estimated total investment \$37 million
- York County
 - 17 baseball/softball fields
 - 12 soccer/multi-purpose fields
 - 12 tennis courts
 - Estimated total investment \$35.4 million
- Northern Mecklenburg County
 - 36 baseball/softball fields
 - 25 soccer/multi-purpose fields
 - 13 tennis courts
 - Estimated total investment \$55.8 million
- Charlotte Mecklenburg County
 - 43 baseball/softball fields
 - 56 soccer/multi-purpose fields
 - 46 tennis courts
 - Estimated total costs – a great deal of money

Mr. Meacham indicated he would not recommend Council invest in expanding the parks because the competition is so great and the investment so high. He added he thinks there are other items where the investment would create a better return.

Ms. Shaw and Ms. Nguyen discussed possibilities and realities for parks and recreation:

- Possibility: increasing lighting, fields at Community Park
- Reality: day visitors generate \$57.63 per day; overnight visitors generate \$131.62 per day
- Possibility: Parks and Recreation as a contributor to downtown infrastructure
- Reality: poised to respond to an increase in downtown residents with events, programming, facilities
- Possibility: attract and retaining businesses and residents with downtown green space
- Reality: extending greenway into downtown, connecting to Thread Trail

Councilmember Miller asked about the City's investment in Community Park. Interim City Manager John Sofley responded the investment is a minimum of \$4 million. Mr. Miller noted Rowan Little League is active with Community Park, and he suggested batting cages would double the effectiveness of the fields.

Councilmember Kennedy stated Assistant City Manager Zack Kyle and his team have done a great job maintaining what the City has had for 18 years, but he thinks it is important to hire a Parks and Recreation Director to have a comprehensive plan for the park.

Mr. Miller commented he thinks creating green space downtown is more important than doubling the parks, and there are other items on Council's list for need. He agreed with Mr. Kennedy that a permanent leader is needed for Parks and Recreation.

Councilmember Alexander encouraged staff to come back to Council with those items that could leverage the Parks' assets without having to spend a great deal.

SMART METERS: THERE IS AN APP FOR THAT!

Salisbury-Rowan Utilities (SRU) Director Jim Behmer, SRU Engineering Manager Jason Wilson, and SRU Engineer Jeff Jones spoke to Council regarding smart meters.

Mr. Wilson pointed out water meters are the only way SRU can measure a customer's usage, and the moving parts wear out over time which affects the accuracy of billing for that account.

Mr. Jones noted SRU conducted a study of its water meters in 2012 and after analyzing 800 meter tests, it was determined the small meters should be replaced on a 14-year cycle to maintain accurate billing. He pointed out the average age of the meters is 15 years with some meters being more than 45 years old. He indicated the meter accuracy deteriorates over time causing a loss in revenue.

Mr. Behmer described new meter technologies that use ultrasonic measurement and contain no moving parts which mean the accuracy rate will not decline. It was pointed out the new meters allow for detailed information and will allow customer service additional data when reviewing an account with a customer.

Mr. Jones described a pilot project conducted in China Grove. He stated:

In 2013:

- 4 reading systems
 - Sensus Touch Pad (816)
 - Master Meter Drive-by (630)
 - Hersey Drive-by (115)
 - Manual (285)
- 4 meter readers took 4 days to read meters (128 manhours)
- No upgrade options

In 2014:

- 2 reading systems:
 - Badger Orion (1803)
 - Manual (64)
- 1 meter reader takes 1.5 days to read meters (12 manhours)
- Hourly data available to respond to customer
- Leak and tamper alarms
- Migratable from drive-by to fixed network

Pilot Project – One Year Later:

- 56% of accounts show increase in average water usage
- Billed water volume increased by 375,000 gallons per month (8%)
- Proactive customer service
- Plans are to migrate this drive-by system to a fixed network in the very near future

Mr. Wilson reviewed the next step:

- Meter Replacement
- Evaluate Return on Investment (ROI)
- Billing Integration
- Customer Engagement Tools

Factors in Return on Investment:

- Meter Technology
 - Longer life cycle
 - No accuracy fall-off
 - Alarms (Meter Tamper)
- Operational Efficiencies
 - Streamlined account final billing
 - Water production audits
 - Staff reduction
- Sustainable Practices/“Green” Technology
 - Proactive leak detection
 - Smaller carbon footprint
 - More information equals better planning

Mr. Behmer stated the next step is to look at Return on Investment for the smart meters. He added as America’s Gig City, Salisbury needs to use technology for meter reading.

Councilmember Kennedy asked if billing can be done in-house. Interim City Manager John Sofley indicated billing is already done in-house, and an outside vendor is used for printing and mailing.

Mr. Sofley stated staff will work on putting a proposal together for the smart meters for Council’s consideration.

FINANCIAL STATE OF THE CITY

Financial Services Manager Teresa Harris informed Council there has been a slight increase in sales tax, but she wants to wait another month to see if this trend continues. She noted this year is a revaluation year, and she is not sure what impact it will have in order to have a revenue neutral budget.

Ms. Harris stated the loss of privilege tax will have a significant impact on the budget. She noted the loss will be approximately \$300,000 or 1.2 cents on the tax rate.

Ms. Harris indicated expenditures for health insurance and contracts continue to grow, and they will have to be covered in the upcoming year. She noted some debt will be rolling off, and a General Obligation bond may need to be considered.

Ms. Harris stated staff will bring Council a balanced budget, and hard decisions will have to be made because this will be a transitional year.

Councilmember Miller stated the Governor promised replacement revenue if privilege taxes were removed. Ms Harris indicated any program will have to go through the General Assembly, and it is still unknown what will be done.

Interim City Manager John Sofley noted another concern is there is a movement to redistribute sales tax to move it from urban counties to poor counties.

Councilmember Kennedy asked if the City will receive sales tax when the Summit Park retail area is developed. Mr. Sofley stated Salisbury receives a percentage of sales tax regardless of where the transaction takes place within the county. He noted it is distributed on population rather than point of sale.

REVIEW COUNCIL 2015-2016 GOALS AND OUTCOMES AND SETTING 2016 PRIORITIES

Facilitator Warren Miller and Council reviewed the goal ideas that have been discussed during the Retreat:

Goals Ideas

1. Implement process where developers can meet with the Technical Review Committee in pre-planning phase
2. Improve development review process
3. Plan infrastructure project for downtown (Downtown Salisbury, Inc. to assist)
4. Continue support for housing initiative
5. Product development for Downtown (pre-permitted virtual buildings; marketing packages)
6. A strategy for Fibrant (identify low hanging fruit today, 6 months, 18 months)
 - Remove impediments to digitalization
 - Technology integration program
 - Entrepreneurial attraction program (space competitions, free Fibrant)
 - Marketing Fibrant (inside/outside marketing)
7. Comprehensive Plan (2030-2040)
8. Neglected Housing Initiative
9. Consider Smart Meters – Return on Investment/study
10. Customer Service Emphasis
11. Chestnut Hill columbarium study
12. Begin process for interfund loan repayment

Mr. Miller then led Council through a review of the current goals to determine those that should be changed or removed. Council revised the existing goals to reflect:

Priority Initiatives – One Year Tactical Plan

- Goal 1 – Pursue as a concept for further review a general obligation initiative for key infrastructure. (As soon as possible)
- Goal 2 – Develop a City specific economic development focus similar to Raleigh that also leverages our broadband infrastructure. (ties to Goals Ideas 6)
- Goal 3 – Implement a two-pronged approach to housing blight and revitalization (ties to Goals Ideas 8)
- Goal 4 – Work with Rowan Salisbury School System (RSSS) ~~to implement a new school model~~
- Goal 5 – study improving animal control services ~~and resuming service internally~~
- Goal 6 – Implement new downtown incentives to spur growth

Planning and Development Initiatives

Objective 1 – Implement planning initiatives and improve pedestrian safety for all areas of the City.

- Goal 1 – ~~Implement objectives of the Consolidated Plan for housing and neighborhood revitalization to include the West End Transformation Plan.~~ To work with West End Neighborhood and Stakeholders to implement West End Transformation Plan.
- Goal 2 – Promote multi-modal pedestrian access in neighborhoods.
- Goal 3 – Implement the Historic Preservation Master Plan. *Establish implementation team for Master Plan and develop priority goals.*
- ~~Goal 4 – Focus joint efforts to recruit new retail for our citizens~~
- Goal 5 – Work with Rowan County Inspections Department to develop an express Review process for development. (ties to Goals Ideas 1)

Utilities and Community Infrastructure

Objective 1 – Provide quality water and wastewater services to Rowan County that protect the environment, promote public health, improve the quality of life, support planned growth and maintain public trust.

- Goal 1 – Safeguard Salisbury's interests on the Yadkin River by participating in relicensing of Alcoa's Yadkin Project.

Objective 2 – Provide reliable, competitive, sustainable broadband infrastructure for our community with a focus on exceeding customer expectation.

- ~~Goal 1 – Manager operations in an effort to reduce operating costs~~
- Goal 2 – Operate system at 99.999% reliability

Financial Accountability and Sustainability

Objective 1 – Maintain financial accountability and sustainability

- Goal 1 – Maintain a strong fund balance
- Goal 2 – Provide return on investment analysis for major City involved projects

Organizational Development and Partnerships

Objective 1 – Improve organization transparency.

- Goal 1 – Continue to improve the City website, including integration of the City marketing plan
- Goal 2 – ~~Develop~~ Continue Citizen Academy

Objective 2 – Actively engage Rowan-Salisbury Schools and Rowan County Government in partnership efforts.

Council then listed their priorities for FY15-16:

- Fibrant strategy (Marketing)
- Infrastructure improvement plan
- Virtual permitting process
- Rowan-Salisbury School System collaboration
- Housing initiative

By consensus, Council agreed to the changed goals and new priorities.

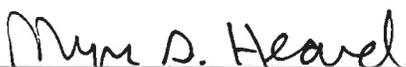
Mayor Woodson indicated this had been a good Retreat for Council, and he thanked everyone who participated in its planning and implementation.

ADJOURNMENT

There being no further business, Mr. Miller made a **motion** to adjourn the meeting. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, Woodson and Mses. Alexander and Blackwell voted AYE. (5-0). The meeting was adjourned at 5:00 p.m.



Paul B. Woodson, Jr., Mayor



Myra B. Heard, City Clerk