

Salisbury, North Carolina
October 16, 2012

REGULAR MEETING

PRESENT: Mayor Paul B. Woodson Jr., Presiding; Mayor Pro Tem Susan W. Kluttz, Council Members Maggie A. Blackwell, William (Pete) Kennedy, and, William Brian Miller; City Manager Doug Paris; City Clerk Myra B. Heard; and City Attorney F. Rivers Lawther, Jr.

ABSENT: None

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

PLEDGE OF ALLEGIANCE

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

RECOGNITION OF VISITORS

Mayor Woodson welcomed all visitors present.

2012 GREAT PLACES IN AMERICA AWARD

Community Planning Services Director Joe Morris addressed Council regarding downtown Salisbury receiving the 2012 Great Places in America Award. He stated the creation of a great neighborhood takes time and perseverance. He pointed out the 2012 Great Places in America Award reflects on the City's accomplishments, its vision of fairness, inclusion, and community partnerships.

Mr. Morris explained Salisbury has a reputation for good planning, and this commitment to planning will serve as the foundation to its future success. He noted the Historic Salisbury Foundation's work to bring the Main Street Program to the downtown area was a community milestone. He pointed out the establishment of Downtown Salisbury Inc. (DSI) as an operating system for the downtown area, along with the support of multiple City Councils, has led to historic downtown Salisbury becoming a great source of community pride.

Mr. Morris recognized the Salisbury Planning Board for establishing the local historic districts and the Land Development Ordinance (LDO), the Community Appearance Commission (CAC) for its incentive grant and public arts program, and the Historic Preservation Commission (HPC) for its design guidelines and preservation master planning, along with the efforts of many individuals, organizations, and private property owners that have invested in the downtown area.

Mr. Morris stated historic downtown Salisbury serves as a center for business, entertainment, culture, government, and education for the community. He noted it is the community's support of the downtown property owners that builds the City's economic base.

Mr. Morris introduced Mr. Ben Hitchings, Planning Director for the Town of Morrisville, and President of the North Carolina Chapter of the American Planning Association. Mr. Hitchings explained each October, during National Community Planning Month, the American Planning Association recognizes great streets, public places, and neighborhoods across the country. He stated communities are selected based on their unique characteristics, strong sense of place, economic vitality, and leadership of elected officials, community leaders, and local residents.

Mr. Hitchings explained the City of Salisbury stands out because of three decades of planning and partnerships resulting in \$117 million in neighborhood investment, restoration and rehabilitation of more than 300 historic buildings, and the creation of 1,000 new jobs. He stated the American Planning Association has named downtown Salisbury a great neighborhood for 2012. He noted Salisbury is one of ten communities across the United States to receive the award and joins New Bern as the second location in North Carolina to be named a Great Place in America.

Mr. Hitchings presented the award to Mayor Woodson and Mayor Pro Tem Kluttz. He then presented awards to Ms. Susan Sides, Historic Salisbury Foundation Board of Trustees President, and Mr. Mark Lewis, DSI President. He recognized the Historic Salisbury Foundation, DSI, and all of the partnerships and contributions that make Salisbury a Great Place in America.

Mayor Woodson thanked Mr. Hitchings for the award. He pointed out it has been a goal of Council, and a cooperative effort involving many citizens throughout the years, to make sure the downtown is vibrant.

Councilmember Miller stated he is proud of all that has been accomplished through collaboration in the community. He recognized the Historic Salisbury Foundation, DSI, community partners, and staff for their contributions.

Councilmember Kennedy stated the City of Salisbury is a special place, and he congratulated the entire community.

Councilmember Blackwell stated she is proud of the award, and she encouraged citizens to continue to shop locally. She thanked Mr. Hitchings for the award and the kind words regarding the City.

Mayor Pro Tem Kluttz thanked the citizens who worked 30 to 40 years ago to create the Historic Salisbury Foundation, brought the Main Street Program to Salisbury, and worked to establish DSI. She noted these citizens understood the value of historic preservation and adaptive reuse. She recognized Mr. Ed Clement, Ms. Margaret Kluttz, and Mr. Jim Dunn and noted their vision was not always understood by the public. She pointed out opponents did not see how historic preservation could impact economic development. She thanked DSI Executive Director Randy Hemann, volunteers, board members, staff, donors, former Mayors and Councils, Mayor Woodson and Council, City Manager Doug Paris, former City Manager David Treme, and everyone who has worked to make the downtown area a special place.

Mayor Woodson announced he recently awarded Mr. Ed Clement a Key to the City, the City's highest award. He stated Council is very proud of the downtown, and he thanked staff for its work to enhance the area.

PROCLAMATION

Mayor to proclaim the following observance:

ROWAN BLUES AND JAZZ SOCIETY DAY	October 20, 2012
WORLD POLIO DAY	October 24, 2012
NAACP HARVEST BANQUET	October 26, 2012

CONSENT AGENDA

(a) Approval of Minutes

Approve Minutes of the Regular Meeting of October 2, 2012.

(b) Resolution – BlockWork

Adopt a Resolution to recognize the BlockWork event in the 1000 block of South Fulton Street as the City of Salisbury 2012 Make a Difference Day project.

RESOLUTION TO RECOGNIZE BLOCKWORK AS THE CITY OF SALISBURY 2012 MAKE A DIFFERENCE DAY PROJECT.

(The above Resolution is recorded in full in Resolution Book No. 14 at Page No. 36, and is known as Resolution 2012-23)

(c) Budget Ordinance Amendment – Henkel Corporation

Adopt a Budget Ordinance amendment to the FY2012-2013 budget in the amount of \$154,500 to appropriate a North Carolina Department of Commerce Grant for Henkel Corporation.

AN ORDINANCE AMENDING THE 2012-2013 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE A STATE GRANT FROM THE ONE NORTH CAROLINA FUND.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page No. 98, and is known as Ordinance 2012-40)

(d) Budget Ordinance Amendment – Parks and Recreation Donations

Adopt a Budget Ordinance amendment to the FY2012-2013 budget in the amount of \$8,290 to appropriate various Parks and Recreation donations.

AN ORDINANCE AMENDING THE 2012-2013 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA TO APPROPRIATE VARIOUS PARKS AND RECREATION DONATIONS.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page No. 99, and is known as Ordinance 2012-41)

(e) Permit/Public Hearing – Mr. David Stewart

Receive an application from Mr. David Stewart for a permit to operate a pool hall located at 1708 East Innes Street, and set a public hearing for November 6, 2012.

Thereupon, Mr. Miller made a **motion** to adopt the Consent Agenda as presented. Mr. Kennedy seconded the motion. Messrs. Kennedy, Miller, and Woodson, and Ms. Blackwell and Klutz voted AYE. (5-0)

LAND DEVELOPMENT DISTRICT MAP AMENDMENT LDOZ-05-2012 PATRICIA LYERLY AND THE CITY OF SALISBURY

Planning and Development Services Manager Preston Mitchell addressed Council regarding the rezoning of five parcels bound by Statesville Boulevard, Wood Avenue, Edgewood Drive and Rose Lane from General Residential (GR-6) to Residential Mixed-Use (RMX). He explained the petition is a request by Ms. Patricia Lyerly and the City of Salisbury. He displayed a map and pointed out the five properties are bound by different streets and are surrounded by GR-6 and RMX zoning.

Mr. Mitchell stated Ms. Lyerly is seeking to build a new development of professional office buildings on the two lots along Rose Lane adjacent to Jake Alexander Boulevard. He stated RMX zoning would be appropriate for a new professional office building and often adjoins existing residential neighborhoods.

Mr. Mitchell indicated staff did not want to rezone two of the five properties located in this area to RMX zoning and leave the three properties to the north and west with GR-6 zoning. He noted staff decided to include the three additional pieces of property in Ms. Lyerly's rezoning request in order to allow the area to transition to RMX zoning. He indicated the properties are surrounded by streets and do not connect to the Milford Hills neighborhood.

Mr. Mitchell explained one of the three parcels that were added has a home on it. He stated staff contacted the property owner who wanted to know if rezoning would affect his property taxes. He noted staff spoke with the Rowan County Tax Office and rezoning will not have an immediate impact on the homeowner's property taxes. He stated the home owner ultimately supported the rezoning request.

Mr. Mitchell noted there are two commercial uses on the parcels fronting Statesville Boulevard, Woody's Painting and the Christian Science Church. He explained the rezoning will fix a nonconforming situation and allow for adaptive reuse.

Mr. Mitchell indicated there are two policies from the Vision 2020 Plan applicable in this situation:

- Policy N-11
 - Architecturally compatible, residentially scaled office and institutional development may be permitted to locate along the sides of neighborhood planning areas. Under specified conditions, this policy may be applied to the conversion of pre-existing residential properties located along major streets where, due largely to traffic exposure, homes have become unsuitable for residential occupancy. In such instances, adaptive reuse of existing residential structures shall be viewed more favorably than demolition and new construction

- Policy C-16
 - Commercial or other development that would jeopardize the public health, safety, and welfare of an existing residential neighborhood shall not be permitted. However, new mixed-use developments, planned from the outset, which allow for a compatible mixture of uses with a pedestrian scale and design, are encouraged. Further, businesses may be approved adjoining (and therefore convenient to) an existing residential area, when such businesses can be shown to clearly satisfy design considerations similar to a newly planned, pedestrian-scaled, mixed-use development.

Mr. Mitchell explained the design standards and permitted uses in the RMX zoning would be compatible with the adjoining neighborhood. He noted staff recommends approval, and he pointed out on August 28, 2012 the Planning Board voted unanimously to recommended approval.

Mr. Mitchell noted concerns were raised by residents in the Milford Hills neighborhood, and he indicated the residents spoke directly with Ms. Lyerly and are now comfortable with the rezoning request.

Councilmember Blackwell asked which homeowners were contacted regarding the rezoning request. Mr. Mitchell stated all parcels within 100 feet of the five properties in the rezoning request were notified.

Councilmember Miller asked if Rose Lane is an open street. Mr. Mitchell stated it is an open street.

(b) Mayor Woodson convened a public hearing, after due notice thereof, to receive comments regarding Land Development District Map Amendment LDOZ-05-2012.

Ms. Patty Lyerly, Lyerly Counseling Services, stated she supports the rezoning request. She explained in April 2012 her husband's business, Lyerly Funeral Home, burned. She noted his business is now operating from the building where her business is located. She indicated her clients need more space, and she asked Council to support the rezoning.

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

Councilmember Miller noted this rezoning does not include site plans. Mr. Mitchell agreed and stated, based on the proposed plans, the site plan would be approved at the administrative level, but would have to meet all standards in the City Code. Mr. Miller pointed out the Milford Hills neighborhood is a very organized, vocal community and since no one has come forward to speak out, he can support the rezoning request.

Councilmember Blackwell and Mayor Pro Tem Kluttz agreed with Mr. Miller. Ms. Kluttz referenced the staff and Planning Board recommendations for approval in her support.

Councilmember Kennedy stated he supports the rezoning. He noted it is a good use of vacant property.

Mayor Pro Tem Kluttz stated the City Council hereby finds and determines that adoption of an Ordinance to rezone the property as described herein is consistent with the goals, objectives, and policies of the Vision 2020 Comprehensive Plan, and that adoption of the Ordinance is reasonable and in the public interest. Thereupon, Ms. Kluttz made a **motion** to adopt an Ordinance amending the Land Development District Map of the City of Salisbury, North Carolina, by rezoning approximately eight acres from General Residential (GR-6) District to Residential Mixed-Use (RMX) District. Ms. Blackwell seconded the motion. Messrs. Kennedy, Miller, and Woodson, and Mses. Blackwell and Kluttz voted AYE. (5-0)

ORDINANCE AMENDING THE LAND DEVELOPMENT DISTRICT MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY EIGHT ACRES FROM GENERAL RESIDENTIAL (GR-6) DISTRICT TO RESIDENTIAL MIXED-USE (RMX) DISTRICT.

(The above Ordinance is recorded in full in Ordinance Book No. 23 at Page No. 100, and is known as Ordinance 2012-42)

BOARDS AND COMMISSIONS

Community Appearance Commission

Upon a **motion** by Ms. Blackwell, seconded by Ms. Kluttz, and with Messrs. Kennedy, Miller and Woodson and Mses. Blackwell and Kluttz voting AYE, the following appointment was made to fill an unexpired term on the Community Appearance Commission:

Mr. Nathan Coyle

Term expires 3/31/13

PUBLIC COMMENTS

Mayor Woodson opened the floor for public comment.

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

CITY MANAGER'S COMMENTS

(a) First Quarter Financial Update

City Manager Doug Paris asked Assistant City Manager John Sofley and Budget and Financial Services Manager Teresa Harris to present the first quarter financial update. Mr. Sofley stated the first quarter performed as expected, and he pointed out staff is pleased with the results. He displayed a graph showing the property tax collection percentage for the first two months of the current fiscal year and past years:

- FY2009 - 55%
- FY2010 - 57%
- FY2011 - 62%
- FY2012 - 61%
- FY2013 - 63%

Ms. Harris reviewed the General Fund revenue for the first quarter. She noted revenue is at 38.2 percent, or \$13,351,588, of the budgeted \$35,508,692, which is slightly over what was expected. She indicated the expenditures for the first quarter are approximately 22 percent expended, or \$7,816,410, of the budgeted \$35,508,692. She explained even though revenues are higher than expenditures, there will be expenditures throughout the fiscal year. She indicated the General Fund is in good financial shape.

Ms. Harris reviewed the Water and Sewer Fund revenue for the first quarter. She explained revenue is at 28.2 percent, or \$6,339,640, of the budgeted \$22,484,260. She noted the Water and Sewer Fund is at 18 percent expended, or \$4,043,972, of the budgeted \$22,484,260. She explained staff is tracking expenditures and there will be expenditures throughout the fiscal year.

Mr. Sofley reviewed the first quarter for Fibrant:

- General Manager has implemented a plan that will generate cost savings a little under \$1,000,000
- Moved from contract installation labor to in-house employees
 - \$500,000 saved
- An additional \$1,000,000 has been identified in future savings
- Sales have averaged 25 over last three weeks
- Current subscriber count 2,120

Mr. Sofley explained Fibrant is billing approximately \$300,000 per month. He noted this is more than enough to cover the projected debt service payment for the year. He reviewed revenues verses expenditures for the first quarter, and he noted Fibrant has taken in \$1,411,252 in revenue and has \$1,411,252 in expenses, including \$538,500 for interfund loans.

Ms. Harris noted Transit revenues are at 26.6 percent, or \$31,502, of the budgeted \$118,480, and expenditures are at 20.4 percent, or \$227,237, of the budgeted \$1,109,245 for the first quarter. She indicated staff is closely monitoring Transit revenue and expenditures.

Ms. Harris reviewed the Stormwater budget for the first quarter. She noted revenue is at 21.5 percent billed, or \$279,447, of the budgeted \$1,297,333. She indicated the total is slightly under the projected amount due to the appeal process that has been implemented. She explained during the appeal process revenue is not collected. She stated expenditures are at 16.1 percent, or \$209,511, of the budgeted \$1,297,333.

Mr. Sofley explained in order to meet citizen's expectations and Council goals staff conducts quarterly budget meetings, prepares return on investment analyses, and fiscal notes have been implemented.

Mr. Sofley noted the City's financial situation is beginning to turn, and the finances in each fund have improved. He indicated staff will continue to closely monitor the finances and make adjustments as needed.

Councilmember Miller asked about the receipt of sales tax revenue. City Manager Doug Paris explained during the first quarter of the fiscal year the City receives revenue from the last fiscal year. Mr. Sofley explained the State does not distribute sales tax revenue until three months after it is received. Mr. Paris noted the sales tax revenue will be reflected in the audit at the end of the fiscal year.

Mr. Miller asked if the audit report will be ready for the first meeting in December. Mr. Sofley stated that is correct.

Mayor Woodson thanked Mr. Sofley and Ms. Harris for the report. He noted it is good to see Fibrant ahead of schedule.

Mayor Pro Tem Kluttz stated the City has been through a difficult time and the downturn in the economy hit during a critical period for the City. She thanked and congratulated Fibrant General Manager Mike Jury, City Manager Doug Paris, Mr. Sofley, Ms. Harris and staff for their work on the City's finances.

Mr. Sofley stated the City finances are a team effort and everyone works to make it a success.

Councilmember Kennedy thanked City Council for hiring a dynamic City Manager, whose leadership of the City is unparalleled.

Mr. Paris stated he is impressed with the Management Team and their work on the budget. He noted he is confident the City is heading in the right direction.

Mr. Miller noted there may be trouble in economy in the future. He pointed out the numbers are good, but Council and staff must remain diligent.

MAYOR'S ANNOUNCEMENTS

(a) 14th Annual Rowan Jazz and Blues Festival

Mayor Woodson announced the 14th annual Rowan Blues and Jazz Festival will be held Saturday, October 20, 2012 from 1:00 p.m. until 11:00 p.m. in downtown Salisbury in the 200 block of West Fisher Street.

(b) Fall Spruce-Up Week

Mayor Woodson announced the Community Appearance Commission and the Public Services Department will sponsor Fall Spruce-up week October 22-26, 2012. The Public Services Department will provide special trash collection service, including pick-up of unwanted appliances, tires without rims, and additional household trash. Please call 704-638-5260 with questions or to arrange for special pick-ups.

(c) Halloween Funfest

Mayor Woodson announced the annual Halloween Funfest sponsored by the Parks and Recreation Department and Downtown Salisbury, Inc. will be held Saturday, October 27, 2012 from 3:00 p.m. until 6:00 p.m. at the First Bank parking lot located at 215 West Innes Street. Tickets are \$5 for an unlimited game and ride band or .50 per ticket.

(d) BlockWork

Mayor Woodson announced the Community Appearance Commission will sponsor the BlockWork Neighborhood Improvement Project Saturday, October 27, 2012 from 8:30 a.m. until 4:30 p.m. in the 1000 block of South Fulton Street. If you are interested in volunteering for all or part of the day, please contact the Community Planning Office at 704-638-5242.

(e) Boards and Commissions

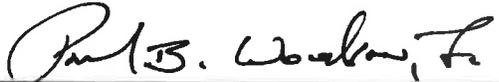
Mayor Woodson announced the City of Salisbury is seeking citizens who have an interest in serving on one of the City's Boards and Commissions. Seats are currently available on the Community Appearance Commission and the Parks and Recreation Advisory Board. Council is also seeking citizens to serve on a Committee to study Nuisance Animals. Information regarding the Boards and Commissions and applications are available online at www.salisburync.gov under the Boards and Commissions tab. Applications are also available at the City Clerk's Office located at 217 South Main Street, or by calling 704-638-5224.

(f) City Employee Vickie Eddleman

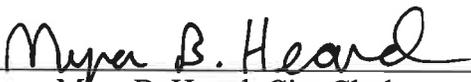
Mayor Woodson announced a citizen recently complimented the fine job Lighting Technician Vickie Eddleman does for the City regarding street lights.

ADJOURNMENT

Motion to adjourn the meeting was made by Ms. Kluttz seconded by Mr. Miller. All council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 5:00 p.m.



Paul B. Woodson, Jr., Mayor



Myra B. Heard, City Clerk