

BALANCING COSTS AND SERVICES

A Five Year Service Level and Revenue Projection with Analysis

The Shopping Trip

You have just parked in the supermarket's parking lot and gone inside. As you stand at the beginning of the first aisle with your shopping cart, you see a variety of items for sale on the shelves. Some goods are necessities such as bread and milk. Others are luxuries such as smoked salmon or lobster. In selecting items and placing them in your shopping cart, you note the differences in quality, quantity, and price. As you are completing your trip to the supermarket, you arrive at the check-out counter. It is at this point that you have an opportunity to calculate the total cost of the individual selections that were made, and whether or not you have funds available to purchase them. Not wanting to come up short at the check-out counter, you have had to carefully select each item in accordance with your shopping list. Decisions and choices were made. You feel comfortable with the results.

Service Levels

Selecting levels of municipal services for the citizens of Salisbury is a lot like a trip to the supermarket. Decisions on service levels for various municipal services must be made in accordance with our "shopping list". For example, decisions regarding the selection of the City's Insurance Services Office (I.S.O.) fire rating must be made. There are significant differences in the level of fire service offered by a volunteer fire department and a class two I.S.O. rated fire department. Questions regarding the number of lane miles of roads to be resurfaced and the level of police patrol must be decided. Priorities must be set in order to select not only the different kinds of services to be offered the citizens of Salisbury, but the varying levels of services offered. Quality of service and the full spectrum of costs must both be considered.

In the following analysis, each service department has prepared cost estimates to provide three different levels of service. This analysis includes the purpose of the department, a graph of the three expenditure projections, and a description of the services provided, eliminated, or added.

The current service level represents the level of service that the department currently provides the public or other City departments. The reduced service level represents a level of service below that which is currently provided. It may include such items as reduced staffing, elimination of capital expenditures, reduced maintenance of equipment and facilities, or elimination of a current program. An enhanced service level represents a level of service that is higher than what is currently provided. This enhanced service level might include such items as additional personnel, additional capital expenditures, or new programs. Using FY2008 as the base year, each level of service was evaluated and cost estimates were developed for a five-year period. These estimates detail personnel, operations, and capital outlay.

In reviewing each department's three proposed service levels, the City Council has the opportunity to determine the financial impact of selecting various levels of municipal services for our citizens. Some departments' reduced service levels represent the elimination or shifting of personnel, the elimination or deferral of capital outlay, special projects, or specific programs.

This listing of service levels is similar in many respects to the trip to the supermarket. North Carolina General Statutes require the City to provide certain services. Other services may be selected based on the desire of our citizens and their willingness to pay for a particular level of service.

Revenue Structure

The City's General Fund has five major sources of revenues: taxes, licenses and permits, intergovernmental revenues, charges for services, administrative revenue, and miscellaneous revenues.

Taxes are composed of property, sales, auto, and dog taxes. Licenses and permits are composed of privilege licenses and cable television franchise fees. Intergovernmental revenues are composed of grants and state-shared revenues. Charges for services are composed of user fees and reimbursed charges. Administrative revenue represents the Water and Sewer Fund contribution to the operations of the General Fund. Miscellaneous revenues are composed of interest revenue, sales, and revenues not allocated elsewhere.

It would appear that with these various revenue sources, the generation of revenue to meet service level expenditure requirements would be a simple task. This, however, is not the case.

Revenues available to finance our local government can be characterized as either "elastic" or "inelastic". Elastic revenues are highly responsive to changes in the economic base and inflation. As the economic base expands or inflation goes up, elastic revenues rise in roughly proportional or greater amounts. Likewise, they go down during times of deflation and recession. For example, sales tax revenue, though the tax rate remains the same, increases during better economic periods due to the increase in retail business and declines during poor times. Yields from inelastic revenue sources, such as user fees and charges, are somewhat unresponsive to changes in economic conditions and require that government officials change fees and charges to obtain a change in revenue. Most City revenue sources are inelastic. Two of the few remaining elastic revenues the City has are sales tax revenue and privilege licenses.

Some revenue types such as Powell Bill and sales taxes are distributed within Rowan County based on population. The increased population in the County and in other County municipalities has decreased Salisbury's share of those revenues. The overall share of these revenues will continue to decline without annexation or extensive new growth annually.

The City has also faced the State tampering with state-shared revenues and reimbursements. In the past, the State had eliminated property tax on retail, wholesale, and manufacturers' inventories. They then placed a cap on income to municipalities from intangible taxes, utility franchise taxes, and inventory reimbursements. The cap on utility franchise taxes expired in FY1995. The intangible property tax was repealed by the General Assembly and replaced with an annual appropriation. Both the intangible property tax and inventory reimbursements were subject annually to the whims of the General Assembly for funding and also subject to being withheld by the Governor to balance the State's budget if needed. The City also discovered in February 2002 that other revenues that are collected by the State and remitted to the City are subject to being withheld by the Governor to balance the State budget.

During the 2002 General Assembly, reimbursements from the State were totally eliminated. This resulted in a loss of revenue to the City in its FY2003 budget of \$1,550,000. The General Assembly did approve an additional one-half cent sales tax for counties to levy. Rowan County passed the additional one-half cent sales tax that provided additional receipts for seven months in FY2003. In addition to granting counties the ability to levy an additional one-half cent sales tax, the General Assembly provided a hold-harmless clause for those governmental units, like Salisbury, where the additional one-half cent sales tax would not generate the same amount of revenue as the lost reimbursements. Unfortunately, this hold-harmless provision did not take effect until FY2004. These actions by the General Assembly forced the City to cut almost \$1.2 million dollars from its FY2003 budget. The City eliminated almost all of its General Fund capital budget and most of its special projects as a result of the loss of these reimbursements.

The City directly controls only property taxes, user fees and charges, privilege licenses, and the Water and Sewer Fund contribution (which is actually a reimbursement for services performed in the General Fund on behalf of the Water and Sewer Fund). These four revenues are the only ones that City Council can increase or decrease at will. During FY2008, these four sources in the General Fund account for 69.2% of total reoccurring revenue. The City lacks control over all other revenues.

Property taxes may be adjusted in two ways. The tax rate can either be changed, and/or the assessed value of the property can be raised or lowered. Each year, City Council sets the property tax rate as part of adopting the annual budget ordinance.

User fees and charges for some services have been established to reimburse the City for all or part of the cost for services. City Council has absolute control over both services for which to levy a fee and the amount of that fee.

Privilege licenses are controlled by both the State and City Council. A city may levy a privilege license on certain types of businesses and professions as established by State Statutes. The State also sets a maximum rate for some businesses and professions. Most businesses, however, do not have a maximum license rate or amount. City Council has the authority to set a license rate and/or amount for these businesses.

Administrative revenue is the Water and Sewer Fund's contribution to the operations of the General Fund. It represents the Water and Sewer Fund's share of expenses incurred in the General Fund for services such as water and sewer billing, financial administration, fleet management, purchasing, personnel administration, legal, and general management services. The funding of the contribution is a component of the water and sewer rates set by City Council and should not exceed the actual costs incurred in the General Fund for the Water and Sewer Fund's operations.

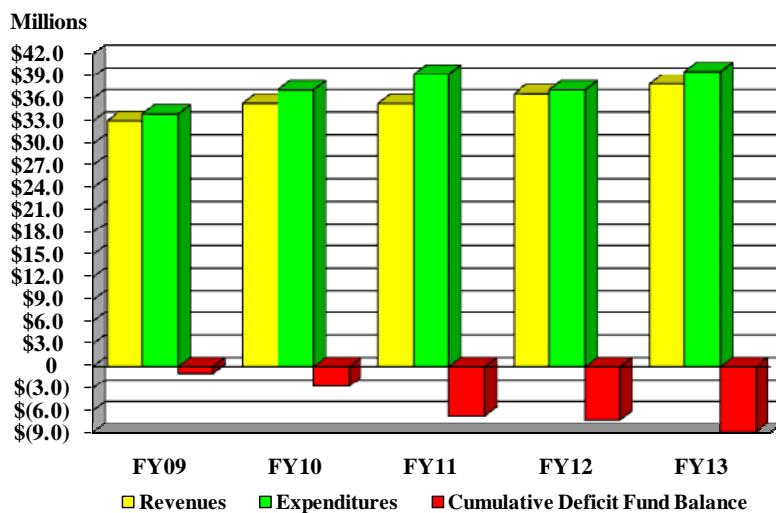
In summary, most City revenues can be characterized as inelastic with no City control. The City controls only property taxes, user fees and charges, privilege licenses, and administrative revenue.

Comparison Of Projected Expenditures For Five Years To Forecasted Revenues

As shown in Exhibit 1, projected expenditures are anticipated to exceed projected revenues over the next five years at current service levels. There are several primary reasons for revenues lagging projected expenditures. First, the economy's growth is lagging behind the increasing cost to provide our citizens those services that they desire. Sales tax receipts have been growing at a pace that matches our expenditure growth. Property tax growth has increased in the last two years. These two items comprise over half of the City's revenue. Unfortunately, the other items that comprise our revenues are very stagnant. There are positive signs that point to continued future growth in our property tax base. The final

item that is driving the projected deficits over the next several years is deferred infrastructure maintenance and repairs. Over the past five years due to a sagging revenue growth, many infrastructure projects have been deferred to avoid increasing taxes or cutting services. Many of these projects are reaching a point that they can no longer be deferred or some facilities will either become unusable or fall into a state of disrepair that will actually cost the city significantly more than to renovate or repair. For FY2009, the City Council will face these tough decisions on maintaining the current service level while trying to address capital expenditures that have been deferred over the last

Exhibit 1
REVENUE COMPARED TO
CURRENT LEVEL EXPENDITURES



several years. The current revenue structure will not support these capital expenditures without modifications to existing service levels or future tax rate increases, increased fees on services, or new fees for services.

The City also needs to continue to pursue the annexation of qualifying areas surrounding it. Failure to systematically annex eligible areas will result in increased tax rates and/or lower service levels over time since the residents of these areas do increase the demand for services within the City. These areas have significant property valuations and population that will allow the City to continue to grow while meeting the service demands requested by its citizens.

Previous Budget Actions

City Council each year evaluates additional measures that address revenue options, increased productivity measures, increased services, or the elimination of services. Actions taken by City Council included a major step in FY1999 to increase revenues to continue to provide existing service levels. City Council was provided options that would match revenues to expenditures through a combination of revenue enhancements and service reductions. After reviewing their options, City Council trimmed some service level enhancements, increased the property tax rate and added a commercial waste collection fee. This action allowed the City to continue providing current service levels for its citizens.

In FY2001 in response to a request from the citizens to address improving and maintaining viable neighborhoods, City Council increased the tax rate by three cents to fund an increase in service levels in the Fire Department, Police Department, and Community Development.

In FY2002, City Council had each department review its budget for items other than personnel and capital and make a 22% reduction in discretionary line items. These cuts were made to have a minimal impact on the current service level and eliminate the need to increase the tax rate.

The declining economy took its toll on ongoing revenues in the FY2003 budget. Property taxes did not generate a significant increase and most elastic revenues were showing decreases from the prior year. City Council approved a budget that eliminated almost \$1.2 million in ongoing expenditures to match the expenditures of the City to projected revenues. This action included the elimination of seventeen full-time positions, ten summer positions, and one part-time position. Four positions were also frozen.

For FY2004, revenue projections were still flat, but the pent-up budgetary needs were nonetheless evident. Furthermore, the City had committed to repayment to the State of North Carolina for noise barriers and sidewalk improvements along with attaining goals related to the community. The budget proposal was for an effective tax rate increase of \$.04 per \$100 assessed valuation. But due to economic conditions within the area, Council did not feel that the tax increase was acceptable and opted for an increase of \$.02 per \$100 assessed valuation, further deferring needs and goals attainment.

In FY2005, City Council took several bold steps to respond to the national recession that was still severely impacting revenues. In order to maintain the existing level of services to our citizens, City Council approved an increase of \$.035 per \$100 assessed valuation and enacted a \$10 tax on all vehicles. Over the last couple of years, the North Carolina General Assembly had modified the funding formula for municipalities in state-shared revenues for roads. This shifted a share of the revenues that had been distributed to the municipalities back to the state. This action had resulted in a decrease in state-shared revenues of approximately \$200,000. The new \$10 tax on vehicles is expected to generate approximately the same amount.

In FY2006, the big budget issue was whether to construct a new fire station or not. A decision was made to construct one. The estimated annual cost to operate a new station was estimated to cost two and one half cents. City Council declined to implement additional taxes to fund the construction of the station and decided to use Fund Balance to fund the entire cost of construction.

In FY2007, City Council faced rising costs for providing container pickup and recycling. In addition to these two areas, the City like everyone else faced the issue of significantly rising gas and oil costs. The new fire department substation was also due to be opened this year. City Council increased user fees to cover the additional costs of container pickup and recycling. The estimated cost of gas and oil and the operations of the new fire department substation were estimated to cost two and a half additional cents of taxes. City Council approved an increase of one cent in taxes and reduced discretionary spending and special projects to balance the budget.

In FY2008, Rowan County revalued all real property in the county. The revenue neutral tax rate of \$0.59/\$100 assessed valuation was \$0.035 less than the FY2007 rate of \$0.625. A Safety and Crime Prevention Program was proposed to address the neighborhood amenities requested by City Council. This implementation of this Program to increase funding for two police officers to address increasing youth violence, increased capacity to address a backlog of street light requests, and funds to address nagging code enforcement problems came at a cost of an increase of one cent in the tax rate. City Council opted to adopt the revenue neutral tax rate of \$0.59/\$100 assessed valuation. Within those parameters, the City's Management Team developed a list of one-time capital expenditures that would be deferred unless property tax revenues exceeded the budget sufficiently to fund the items.

How Do We Finance Local Government in the Future?

After City Council selects the desired service levels, the question becomes "how to generate sufficient revenues to finance these levels?" Currently, property taxes, user fees and charges, privilege licenses, and water and sewer rates are the only revenue sources the City controls. Each of these sources has both advantages and disadvantages.

The property tax possesses several elements which characterize its usefulness: it provides a stable source of revenue; it is easily administered; it is relatively easy to adjust; and it taxes nonresident property owners who benefit from local services.

Conversely, the property tax is ranked as the most unpopular tax along with the federal income tax. Reasons for this unpopularity include: the property tax falls on unrealized capital gains (as opposed to income); it is collected in a large lump-sum amount; and there is anxiety about perceived inequities associated with property reappraisal.

User fees and charges accounted for 8.5% of FY2008 revenues, a slight increase of .6% from FY2007. Historically, the City has not used this revenue source to generate funds for operations. Advantages to user fees and charges include: charges increase users' awareness of the cost of providing a particular service; they give the City a clear indication of the level of service selected by citizens based on service usage; service charges are equitable in that the benefits of the service are paid for by those using the service; they ensure that service delivery decisions are based on the relationship of service levels to demand; and they focus on the cost of service.

A negative public reaction to services which have been provided for "free" in the past can generally be expected as user fees and charges are implemented. Generally, revenue to support certain services has gone unnoticed as the support has been derived from many sources of municipal revenue. Cost analysis is the basis for the equitable implementation and administration of user fees and charges. Exhibit 2 shows examples of the types of user fees and charges the City could use. Also included are suggestions on the extent to which user fees and charges should cover the cost of a particular service.

Privilege licenses are levied on businesses and professions in the City limits, within the statutory authority of the General Assembly. This revenue accounted for less than 1.0% of the General Fund's revenue in

FY2008. Receipts from this source come from both variable and fixed charges. State Statutes regulate the license rate for certain businesses and professions while exempting others. The City uses rates set forth in the State Statutes. All other businesses fall under the City's gross receipts tax. Under this provision, a business is taxed at a percentage, set by City Council, of its adjusted gross receipts.

Advantages to using privilege licenses as a revenue source to support local government include: the ease of administration; it can be easily adjusted; and changes in privilege license revenue increases proportionally to the local economy.

Administrative revenue represents the Water and Sewer Fund's contribution to the operations of the General Fund. Any increases or decreases in this revenue should be the result of a change in the cost of the services provided by the General Fund to the Water and Sewer Fund. This revenue source provides a method to recover the cost of services for the Water and Sewer Fund provided by the General Fund.

Exhibit 2

SERVICES FOR WHICH LOCAL GOVERNMENTS COMMONLY CHARGE A FEE	
<p>Recreation and leisure activities Athletic fields (P) Athletic leagues (F)* Auditorium/civic center (F) Concession rental (F) Equipment rental (F) Parks (P) Recreation center rental (F) Recreation classes (F)* Swimming pools (P) Tennis courts (P)</p>	<p>Public works Abandoned-vehicle removal (F) Barricades (F) Cemeteries (P) Curb cuts (F) Maps (F) Sign permits (F) Street cuts (F) Weed cutting (P)</p>
<p>Planning and economic development Annexation (F) Development guide or manual (F) Maps (F) Plat processing (F) Zoning variance (F)</p>	<p>Police protection Accident and offense reports (F) DWI processing (F) Funeral escorts (F) Other special-occasion escorts (F) Police services at special events (F) Serving warrants (F) Vehicle impoundment (F)</p>
<p>Sanitation Landfill (P) Large-item solid-waste pickup (F)* Solid waste collection (F) Street cleaning (P)</p>	<p>Miscellaneous Document search (F) Meeting room rentals (F) Photocopying records (F) Vending machine space rental (F)</p>
<p>"F" means that the fee for service should be set so as to recover the <i>full</i> cost of providing the service. An "F*" indicates that full cost pricing should be required only for certain classes of users; a partial subsidy should be provided for some users, such as the elderly, children, or nonprofit organizations.</p>	
<p>"P" means that the fee for service should be set so as to recover only <i>part</i> of the cost of the service. A partial subsidy is justified for any one or all of the reasons discussed in the chapter.</p>	
<p>Source: Adapted from Robert L. Bland, <i>Financing City Government in Texas: A Revenue Manual for City Officials</i> (Austin: Texas Municipal League, 1986)</p>	

Besides the revenue options reviewed above, City Council may want to consider supporting changes in the NC General Statutes which could provide the City with additional sources of revenue. Four examples of changes in the statutes the City could utilize to increase revenues include a real estate transfer tax, a local income tax, prepared foods tax, and an auto tax. All four sources are used successfully by municipalities in other states. In North Carolina, some municipalities are already using the auto tax and prepared foods tax. Authority currently exists for the City to levy a ten dollar charge per vehicle whose proceeds are undesignated. Authority to levy an additional charge per vehicle must be approved by the General Assembly. In addition to changes at the local level, it is apparent that North Carolina local government will need the assistance of our General Assembly in addressing these challenges to finance local government.

Conclusion

The challenge of financing local government is a complex issue. Providing balanced revenues to equitably finance local government services and capital needs is a significant problem facing all local governments across North Carolina and the Country. With declining State and Federal assistance to cities, the citizens of Salisbury will receive the level of local government services for which they are willing to pay. Setting priorities has become more important. We may not be able to "be all things to all people".

This analysis of local government revenues and the corresponding projection of local government expenditures is updated each year by the City's Management Services Department. This report anticipates

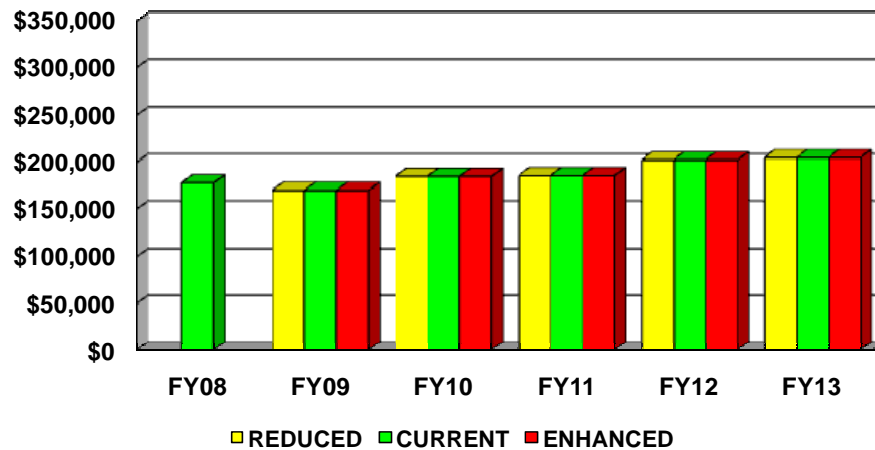
local government revenue shortfalls in meeting local government service demands. Simultaneously, it is recommended that the City evaluate all existing and alternative sources of revenue available to finance local government. With this tool in hand, City Council will be in a better position to: equitably raise revenue to support local government services, determine the level of services offered to our citizens, consider certain productivity improvements to reduce local government costs, and determine priorities for the types of local government services offered. This approach offers no easy solutions. However, it provides our local government leaders options for addressing the financing of Salisbury's local government services.

Appendix 1
CITY COUNCIL

Statement of Purpose

To function as the duly elected representatives of the citizens of Salisbury in creating and maintaining a balanced quality of life in accordance with North Carolina State Statutes and Federal law. To promote positive intergovernmental relationships with federal, state and other local governments. To generate and maintain up-to-date municipal codes, establish public policies, and adopt budgets designed to provide effective, efficient municipal services. To provide safety and security for all citizens, to protect the environment and to improve the overall quality of life in our community. To provide leadership and support for the continued economic development and planned growth of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Establish and maintain public services and facilities deemed necessary or desirable for the health, safety, comfort, welfare, convenience and good order of the public
- Provide for the organization of City government
- Provide for a City Manager under the Council/Manager form of government and a City Attorney in accordance with the City Charter
- Create and establish, by ordinance or resolution, Authorities and/or Boards and Commissions as it may deem necessary or appropriate for the administration, regulation, operation, services, activities, and functions which the City is authorized by law to perform, regulate, and continue
- Make and provide for the execution of regulatory ordinances
- Provide for planning, sub-division and building regulations
- Schedule regular and special public meetings and public hearings in order to hear the public and conduct City business
- Provide a Code of Ordinance in accordance with State Statutes

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

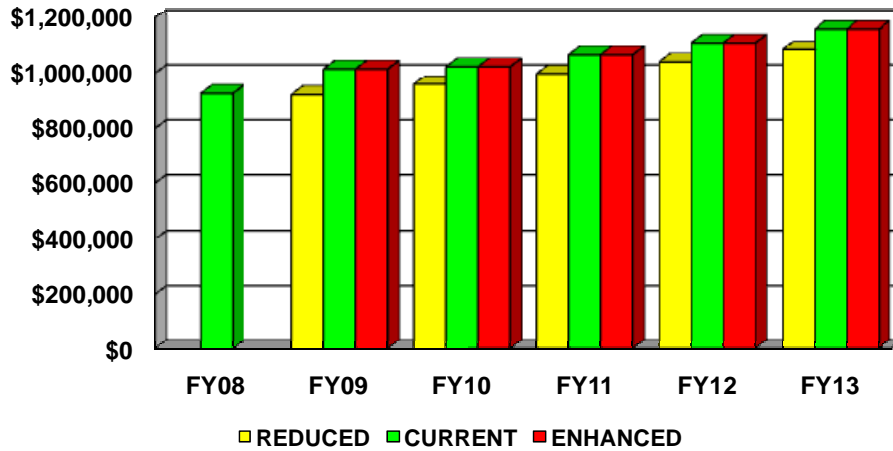
- No enhanced service level is proposed

Appendix 2
CITY MANAGEMENT AND ADMINISTRATION

Statement of Purpose

To serve as a central source of information, advice and support services for the City Council and Management Team. To promote the development and performance of staff and employees throughout the organization. To assist elected officials and other community leaders to identify, work toward, and achieve community outcomes and goals. To provide functional and operational expertise and planning for all City services. To determine citizen needs and provide responsive, equitable services to the community. To promote a culture of customer service by maintaining a consistently high level of quality staff work, operational procedures and service delivery systems. To set an example that urges the organization and community toward experimentation, change, creative problem solving, and prompt action. To demonstrate an understanding of information technology and ensure that it is incorporated appropriately in plans to improve service delivery, information sharing, organizational communication, and citizen access. To demonstrate a commitment to democratic principles by respecting elected officials, community interest groups, and the decision making process. To understand and value the differences among individuals and foster those values throughout the organization and community. To prepare and administer the budget and report the findings of the annual audit to City Council. To interpret financial information to assess the short-term and long-term fiscal condition of the community, determine the cost-effectiveness of programs, and compare alternative strategies. To ensure that the policies and procedures for employee hiring, promotion, performance appraisal, and discipline are equitable, legal, and current. To position the organization and community for events and circumstances that are anticipated in the future. To facilitate the flow of ideas, information and understanding between and among individuals, advocating effectively in the community interest. To convey ideas of information effectively to others. To communicate information to the media in a way that increases public understanding of local government issues and activities and builds a positive relationship with the media and public. To demonstrate fairness, honesty, and ethical and legal awareness in all personal and professional relationships and activities. To provide a central source for the collection, storage and dissemination of official municipal records and documents. To provide Risk Management services for the municipality that includes safety, liability insurance management, worker's compensation, OSHA compliance and third party claims against the City.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Direct and supervise the administration of all departments, offices and agencies of the City
- Recommend to the City Council policy or other matters affecting the City
- Ensure that all laws of the State, the City Charter, ordinances, resolutions and regulations of the City Council are faithfully executed in the City
- Prepare and submit the annual budget and capital improvements program to the City Council
- Submit annually to the City Council and make available to the public a complete report on the finances and administrative activities of the City
- Present reports to the City Council concerning the operations of City departments
- Award, approve and execute contracts including the acquisition of real property by the City in accordance with state and local laws and ordinances

- Recommend the adoption of a classification and compensation plan, performance appraisals and other personnel ordinances and regulations to the City Council
- Schedule items for and prepare minutes of City Council meetings and other proceedings
- Maintain and safeguard public records and official copies of City documents
- Assist the City Council in a goal setting and goal evaluation process
- Provide for executive development of City Council and City Management Team
- Respond to requests for information from the general public
- Communicate effectively with the media and public
- Provide administrative support to the Mayor, the City Council and the City Manager
- Coordinate activities with various City departments, citizens, other governmental units, outside agencies and organizations
- Direct, oversee, and participate in the development of the departments' work plans
- Monitor and review the City's liability insurance program
- Receive, review, and process annexation petitions and street and alley closing petitions
- Provide for legal assistance for the City Council, Management Team and the Municipal Corporation
- Maintain and update a Code of Ordinances for the City
- Provide a comprehensive safety and risk management program that includes training, inspection, investigation, and accident review
- Provide a Public Information Officer for the City

Reduced Service Level:

- Reduce level of clerical support

Enhanced Service Level:

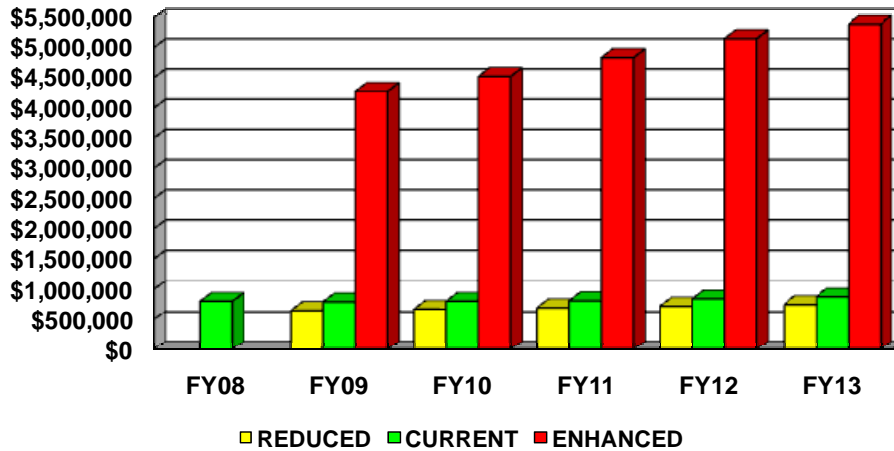
- No enhanced service level is proposed

Appendix 3
HUMAN RESOURCES

Statement of Purpose

To provide a centralized source of support and assistance to the City related to its need for the management of Human Resources. Specific functions include: providing general personnel administration, recruitment and selection, training and development, health and wellness, employee relations, compensation and benefits administration and a city-wide customer service and multicultural program.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide systems to recruit, screen, and select City employees
- Coordinate employee separations, promotions, and reclassifications
- Provide a comprehensive employee benefits program
- Manage the employee classification and compensation system
- Manage the employee performance appraisal system
- Provide management, supervisory, and employee training programs
- Provide general employee orientation and coordinate departmental employee orientation
- Provide an annual employee service awards and recognition program
- Provide human resources policy and employee handbooks
- Provide an Employee Assistance Program
- Provide employee relations assistance and consultation to managers, supervisors, and employees
- Manage the City's Affirmative Action Program
- Monitor employment trends relative to the City workforce
- Provide a comprehensive drug testing program
- Coordinate the police officer selection and promotion processes
- Provide a comprehensive Customer Service Program
- Provide staff support for Human Relations Board
- Manage and utilize the Human Resources Information System
- Provide employee health and wellness program
- Provide Citywide multiculturalism program
- Provide a comprehensive Diversity Recruitment Strategies Program

Reduced Service Level:

- Eliminate comprehensive employee benefits program
- Provide bimonthly general employee orientation
- Eliminate management, supervisory, and employee training
- Eliminate employee awards and recognition program
- Eliminate employment trends monitoring

Enhanced Service Level:

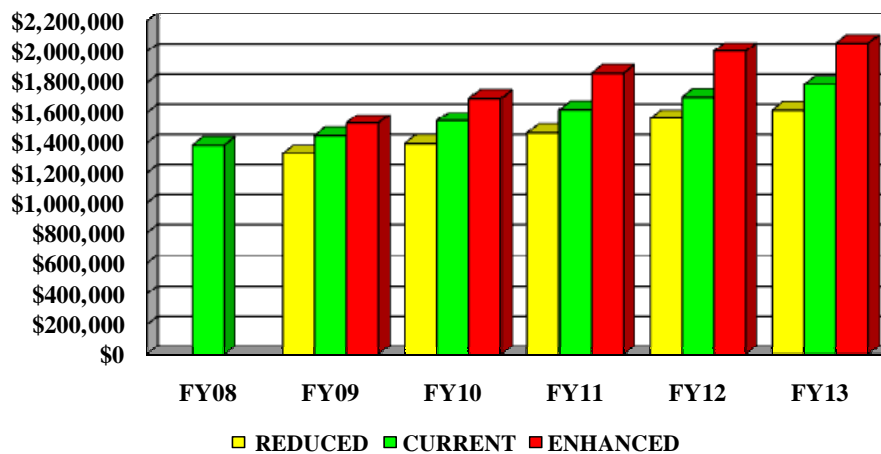
- Provide extensive in-house benefits counseling and administration
- Provide in-house management, supervisor and employee training and career development programs
- Provide extensive in-house occupational health/wellness program
- Provide extensive in-house Employee Assistance Program
- Provide extensive retirement/health benefits
- Provide recruitment incentive
- Provide scheduled salary adjustments annually
- Provide enhanced level of recruitment efforts for all departments
- Provide full broad banding salary plan including career development incentives
- Provide enhanced performance evaluation system
- Provide in-house volunteer recruitment and selection program
- Provide a community-wide multiculturalism program
- Provide an employee community volunteer leave program
- Provide a Customer Service Incentives and Recognition Program
- Provide a Salisbury University Training Program
- Provide a “Good to Go” Training Program
- Provide an expanded “Good to Great” Training Program
- Provide a comprehensive and enhanced Diversity Recruitment Strategies Program

MANAGEMENT SERVICES-ADMINISTRATION

Statement of Purpose

To provide a centralized source for handling the financial affairs of the City including: maintain a financial record-keeping system, protect municipal assets as required by the Local Government Budget and Fiscal Control Act, manage the City’s debt service program, prepare and monitor the annual and five-year budgets, prepare standards for performance and benchmarking, utilize an investment program for the City's idle cash, provide payroll and disbursement services, collect utility and other revenues, provide a source of information and support related to the purchase/lease of supplies, equipment and contractual services, manage a fixed asset system, and maintain a technology system that provides state-of-the-art data processing, computer, telephone, and telecommunications capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a biweekly payroll
- Provide weekly processing of outstanding accounts payable
- Provide monthly billing of water and sewer services
- Provide billing of business privilege licenses
- Collect receipts for water and sewer, privilege licenses, and other miscellaneous accounts receivable
- Provide daily posting and deposit of city receipts
- Provide assistance for water and sewer customers
- Assist in preparation of annual budget, budget documents, and budget amendments
- Provide assistance to auditors with the annual audit
- Prepare annual financial statements
- Provide maintenance of City general ledger and all subsidiary ledgers
- Prepare reports for other governmental entities
- Monitor cash requirements and invest available cash
- Coordinate authorization and issuance of City debt
- Conduct periodic inventory of fixed assets
- Participate in the North Carolina Local Government Performance Measurement Project
- Prepare and maintain fixed asset records
- Prepare annual Powell Bill financial report
- Provide special reports and projects as requested
- Provide part-time grants support
- Coordinate bank services, including direct deposit and direct debit
- Provide support to prepare and monitor the budget and produce benchmarking and performance measurement evaluations

Reduced Service Level:

- Eliminate ability to prepare for and participate in external projects
- Reduce investment opportunities to low yield overnight markets
- Eliminate Mail Coordinator which will require each department to send individuals to other departments for mail and inter-office correspondence

Enhanced Service Level:

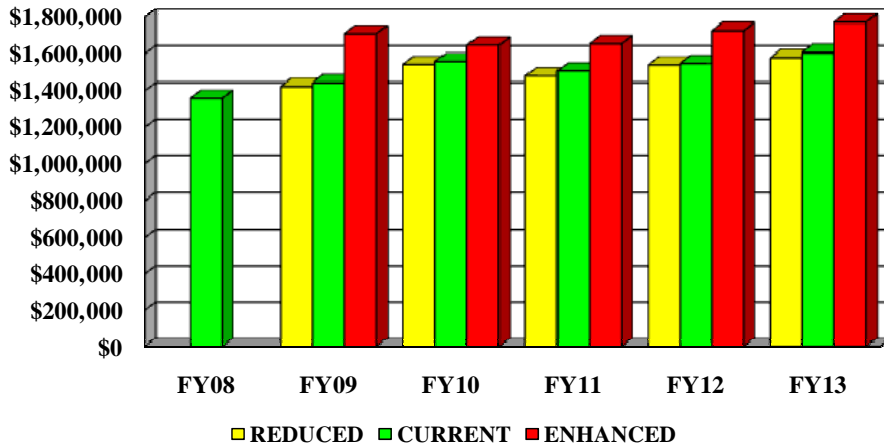
- Provide additional customer service support for utility, privilege license, and miscellaneous receivable billing and collection
- Provide additional collection support for delinquent receivables
- Provide additional support for benchmarking and external projects

Appendix 5
MANAGEMENT SERVICES-INFORMATION TECHNOLOGIES

Statement of Purpose

To provide a centralized source of procedures, information and support related to the storage and electronic processing of data, business transactions, information and other computer-related capability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Perform daily computer systems backup
- Maintain system security and system passwords
- Diagnose systems or software problems
- Plan and participate in the training of City personnel
- Assist users in resolving systems problems
- Plan and direct installation of new equipment
- Prepare documentation and instruction for users of systems
- Test and debug new software
- Maintain integrity of database
- Conduct feasibility studies
- Maintain efficient hardware configurations
- Design, implement, and monitor disaster recovery plan
- Evaluate and approve requests for computer hardware
- Initiate and monitor contracts for computer maintenance
- Continue implementation of information system plan
- Maintain City's fiber system network
- Design, implement, and monitor City network infrastructure
- Assist other departments with video applications
- Maintain sound system in Council Chambers
- Sell surplus inventory using online auctions
- Design, implement and monitor City's web site
- Design, implement, and monitor government/educational access channel
- Maintain and monitor Citywide physical access and building security
- Issue identification badges
- Assist traffic operations with traffic cameras
- Assist traffic operations with maintenance of traffic signals
- Implement efficient and effective spam control
- Maintain and monitor spam software
- Maintain and monitor virus protections on citywide network

Current Service Level (Continued):

- Maintain and monitor internet connections citywide
- Maintain and monitor domain naming system information
- Maintain and monitor active directory
- Maintain and monitor servers citywide
- Implement, maintain and monitor wireless connections
- Install, maintain and repair mobile data units citywide
- Maintain and monitor automated software deployment
- Maintain and monitor firewall
- Maintain and monitor virtual private network
- Maintain and monitor multi-function printers
- Improve survivability of System
- Implement, maintain and monitor new Cogsdale Software
- Study the feasibility of the Fiber To The Home Project

Reduced Service Level:

- Reduce scope of implementation of Information System Plan

Enhanced Service Level:

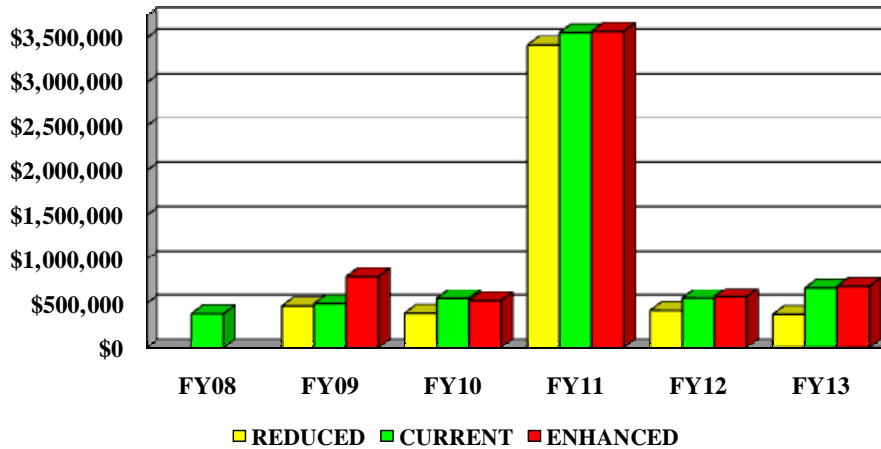
- Develop more in-house programs
- Develop in-house expertise in networking
- Expand implementation of Information System Plan

MANAGEMENT SERVICES-TELECOMMUNICATIONS

Statement of Purpose

To manage, coordinate and monitor the City's telecommunications system in the areas of telephone, radio, 9-1-1, cable and emergency services communications, and to specify, recommend and implement solutions to the City's communications needs.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide daily 9-1-1 service to City citizens
- Provide daily operation and maintenance for the City's radio systems
- Provide daily installation and repair service for the City's telephone and cable systems
- Operate and manage the tower site
- Manage and monitor Citywide network fax system
- Manage and monitor City's unified messaging system
- Monitor cell phone usage
- Monitor and renegotiate cell phone contracts
- Act as City's cable franchise administrator
- Work with citizens to resolve issues with cable company
- Manage and monitor City's radio system licenses
- Work closely with County telecommunications to develop procedures and policies for 800 Radio Trunking System
- Manage and monitor City's internet contracts
- Manage and monitor City's telecommunications contracts
- Manage and monitor City's water tank, tower site and Plaza's antenna lease agreement
- Bill monthly for radios and pagers
- Issue, maintain, and monitor pagers and radios
- Coordinate 800 rebanding with Nextel to ensure the integrity of the City's 800 system
- Remove and install equipment in City vehicles
- Remove and install equipment in other municipalities' vehicle
- Maintain communications recordings of radio and phone traffic
- Operate and maintain County radio equipment and radio infrastructure
- Maintain City SCADA System
- Maintain mobile video equipment
- Install and maintain fiber optic network

Reduced Service Level:

- Eliminate or defer purchases of telecommunications equipment

Enhanced Service Level:

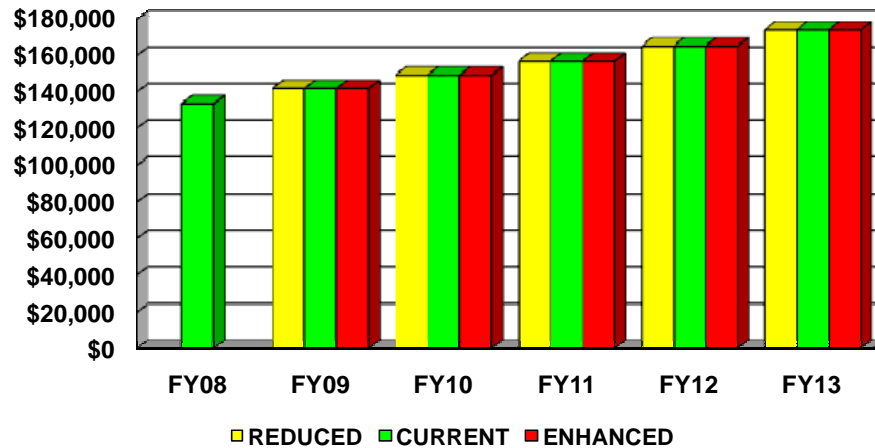
- Add one technician in FY09
- Increase scope of telecommunications upgrades
- Provide fencing for tower site

Appendix 7
MANAGEMENT SERVICES-PURCHASING

Statement of Purpose

To provide a centralized source of procedures, information, and support related to the purchase and/or lease of supplies, materials, equipment and contractual services for the City and to manage and maintain a system of fixed asset identification, reporting and accountability.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Request and receive 141 quotations
- Request and receive 36 formal quotations annually
- Issue 547 purchase orders annually
- Assist in maintaining detailed records on the City's asset inventory
- Provide product knowledge and vendor information to user departments on a daily basis
- Assist in preparation of fleet specifications
- Provide contract administration services for various departments
- Receive, distribute and audit electronically 11,201 weekly transactions generated by the 197 users of the City's purchasing card program
- Receive, distribute, and audit manually 1,596 monthly "paper" statements with receipts for the City's purchasing card program
- Receive, distribute, and audit manually 13,351 weekly fuel statements for the City's fueling requirements for 407 users

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

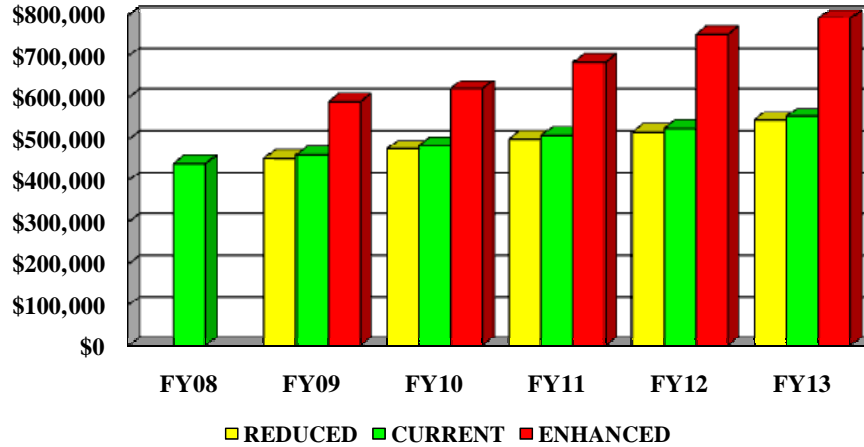
- No enhanced service level is proposed

Appendix 8
MANAGEMENT SERVICES-FACILITIES MANAGEMENT

Statement of Purpose

To provide facilities maintenance and repair, management of new buildings and grounds projects, and management of ongoing municipal service contracts related to City bricks and mortar assets and to ensure compliance with codes, mandates and ordinances.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Manage buildings and grounds contracted services
- Provide facility evaluations that encompass replacement schedule projections, improvements, and repairs
- Provide maintenance and repair services to City facilities
- Provide owner representation for construction and repair projects
- Provide project management for capital and special projects
- Manage contracted services, capital and special projects
- Ensure compliance with regulatory agencies by making required changes to lighting fixtures

Reduced Service Level:

- Reduce scope of projects

Enhanced Service Level:

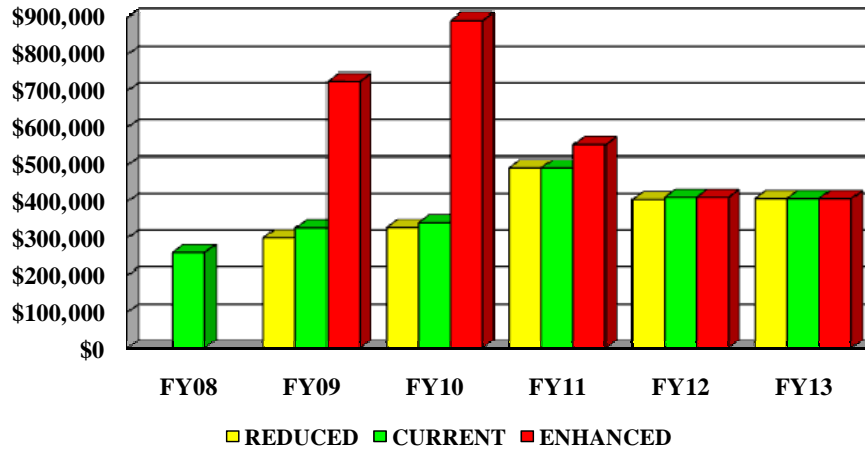
- Provide non-duplicating locks to exterior entrances to increase building security
- Increase maintenance staffing to facilitate maintenance and repair projects necessary to adequately maintain facilities
- Ensure safe water supply by installing back flow prevention at all City owned water taps
- Perform functions associated with energy management of all bricks and mortar assets

MANAGEMENT SERVICES-CENTRAL CITY BUILDINGS

Statement of Purpose

To provide centrally located facilities for holding meetings of the City Council, its Boards and Commissions and other groups who may from time-to-time need public meeting space. To provide office and conference space for the Mayor, City Manager, Management Services, Human Resources, Recreation Administration, Land Management and Development and other support staff engaged in the operation of municipal government in Salisbury.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide space for public meetings
- Provide central facilities to house administrative and some operating departments
- Provide maintenance and cleaning services for City office buildings

Reduced Service Level:

- Reduce/defer funding for renovation of office space

Enhanced Service Level:

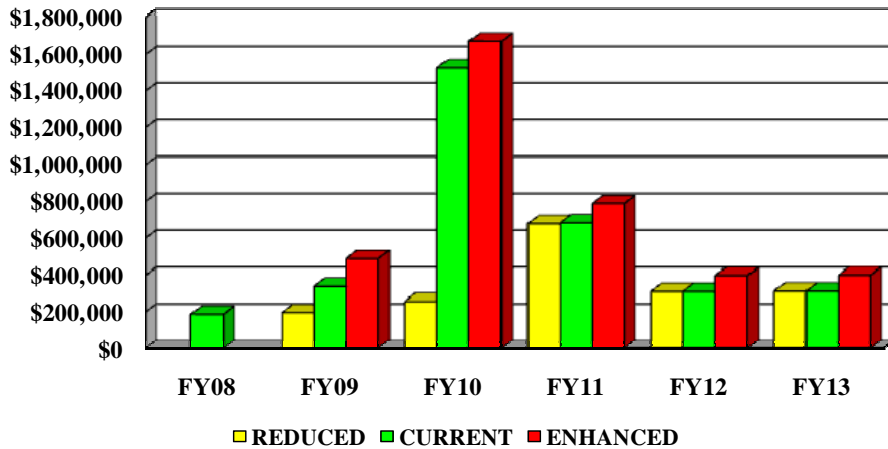
- Provide for further renovation of meeting and office space and exterior enhancements
- Implement the use of a centralized HVAC management system to reduce energy consumption and improve resource allocations

PLAZA

Statement of Purpose

To continue to provide maintenance services to the Plaza. Plaza Management coordinates with the City of Salisbury Maintenance personnel to ensure our efforts continue to satisfy the desire to provide consistent economic vitality in the central business district and ensure that residential, commercial and retail space is available in the downtown area, as well as providing the City with office facilities and meeting space.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Improve economic vitality of the downtown business district
- Provide additional centralized office, commercial, retail, and meeting space
- Maintain the long term structural integrity of the facility
- Ensure the building remains in good repair and with aesthetic appeal in the downtown and for residents, commercial and retail tenants

Reduced Service Level:

- Reduce scope of repairs and maintenance

Enhanced Service Level:

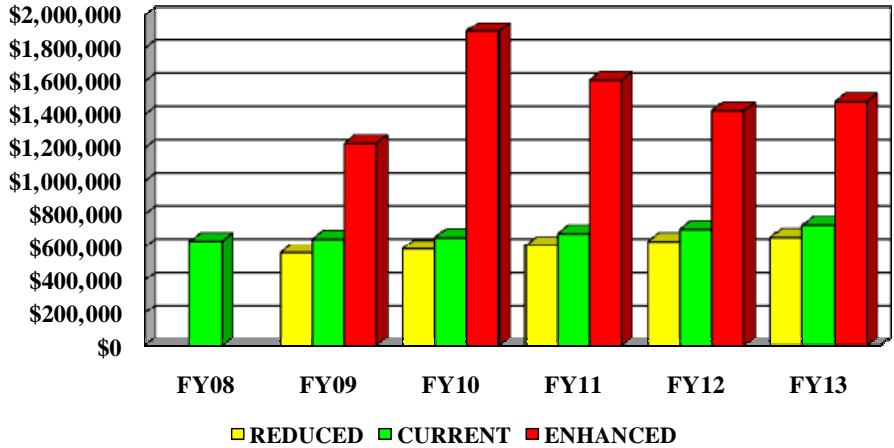
- Increase scope of repairs and maintenance

LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT

Statement of Purpose

To provide a coordinated planning program to ensure orderly growth within the City. To formulate, develop and recommend policies, plans and local ordinance in a manner consistent with the Vision 2020 Comprehensive Plan. To improve the overall livability, aesthetic value, environmental quality and economic climate within the City. To creatively and resourcefully implement special projects, programs, policies and initiatives to further community ideals related to neighborhood viability, cultural resources, environmental sustainability and a range of economic enterprises.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide staff for the Salisbury Planning Board
- Prepare zoning reports and analysis
- Prepare and assimilate statistical and census data
- Prepare ordinances, code updates, and annexation studies
- Conduct Boards and Commissions training
- Carry out comprehensive planning and Vision 2020 implementation
- Promote redevelopment within the central business district
- Staff Community Appearance Commission
- Provide design assistance for appearance issues
- Facilitate public/private development projects
- Staff Historic District Commission
- Administer Municipal Service District, Innes Street and Historic Preservation grant programs
- Acquire and dispose of property related to City development projects
- Administer Community Development programs through the Salisbury Community Development Corporation
- Apply for and administer programs associated with Federal and State grants
- Provide for affordable housing in City
- Develop and implement plans for neighborhood development and assistance
- Participate in regional planning efforts through Sustainable Environment for Quality of Life

Reduced Service Level:

- Reduce scope of special projects, grant programs and planning initiatives

Enhanced Service Level:

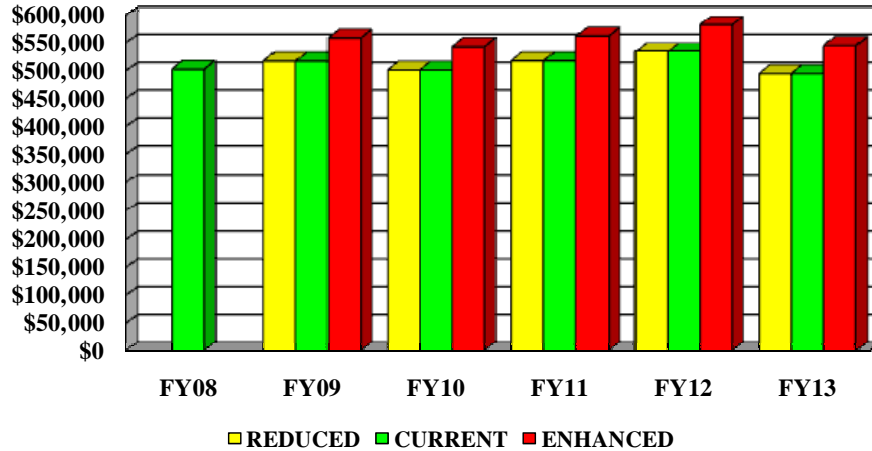
- Increase scope of special projects, grant programs and planning initiatives including updating the Vision 2020 Plan, small area plans, streetscape improvements, public art programs, branding and wayfinding, annexation, and other capital projects
- Improve historic preservation efforts including updating guidelines and expanding districts
- Enhance neighborhood improvement planning by hiring additional planner

LAND MANAGEMENT & DEVELOPMENT-DEVELOPMENT SERVICES

Statement of Purpose

To provide citizens, builders and developers a centralized source of information, permit services, code enforcement, zoning and special district boards support through a Development Services Center.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Administer and enforce City land development ordinance
- Administer backflow prevention and pretreatment ordinance
- Perform site inspections to ensure compliance with various codes and ordinances
- Issue certificates of compliance for new construction, renovations and additions
- Administer and enforce Historic District ordinance and guidelines
- Issue certificates of appropriateness for the Historic Preservation Commission for new construction, renovations and additions within local historic districts
- Log-in and distribute construction documents to Engineering
- Maintain files for all improvements and work performed, such as water/sewer connections, fees paid, driveway permits, zoning permits, grading permits, and Boards and Commissions meetings
- Provide staff support and administrative work for the Zoning Board of Adjustment, Historic District Commission, Planning Board and City Council
- Receive complaints, investigate problems, and proceed with appropriate action for abatement
- Assist developers, contractors, and the general public in securing the appropriate permits and approvals
- Maintain a street address system as prescribed by City Ordinance and coordinate all addresses with emergency service agencies and the U.S. Postal Service
- Process monthly Technical Review Committee meetings with various City, County, and State representatives
- Continuously update and maintain division files

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

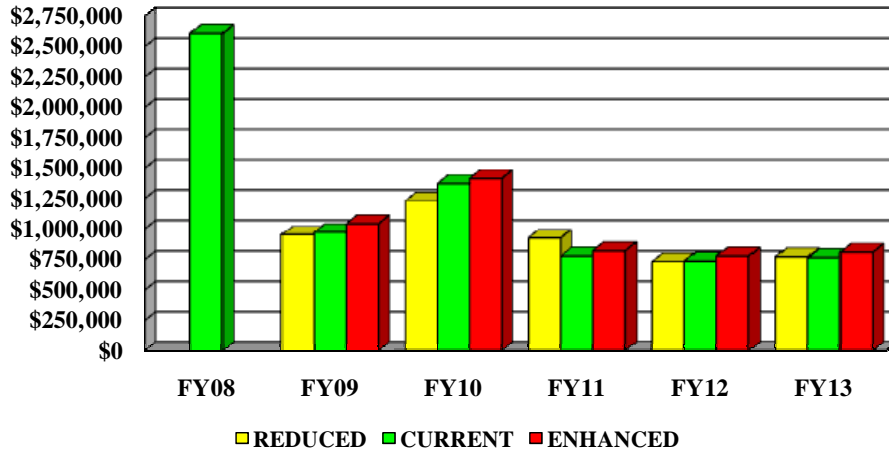
- Add additional Zoning and Code Enforcement officer

LAND MANAGEMENT & DEVELOPMENT-ENGINEERING

Statement of Purpose

To provide a centralized source of general engineering services for the City including traffic engineering, review and approval of plans submitted by outside consultants, coordination of project activities initiated between the City and other agencies, and investigation of citizen requests.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Prepare annual Powell Bill map and certified statement
- Prepare periodic reports for the City Council and NCDOT concerning traffic and transportation
- Respond to citizen requests concerning traffic, parking and storm drainage
- Administer the subdivision ordinance and the floodway ordinance
- Review designs submitted by outside consultants for conformance with City standards and policies
- Inspect construction projects for conformance with approved plans
- Administer voluntary annexations and alley closings
- Provide current City limits/street maps to all departments
- Participate in Cabarrus-Rowan Metropolitan Planning Organization
- Administer Municipal Agreements involving state funds for transportation improvements
- Administer the design and construction of special projects
- Implement NPDES compliance related to storm water quality
- Conduct traffic signal system efficiency studies in accordance with NCDOT schedule D
- Administer the design and construction of Congestion Mitigation and Air Quality (CMAQ) projects
- Administer replacement of the Ellis Street Bridge

Reduced Service Level:

- Reduce the use of consulting advice for National Pollutant Discharge Elimination System (NPDES) compliance
- Delay replacement of the GeoXT (GPS receiver)

Enhanced Service Level:

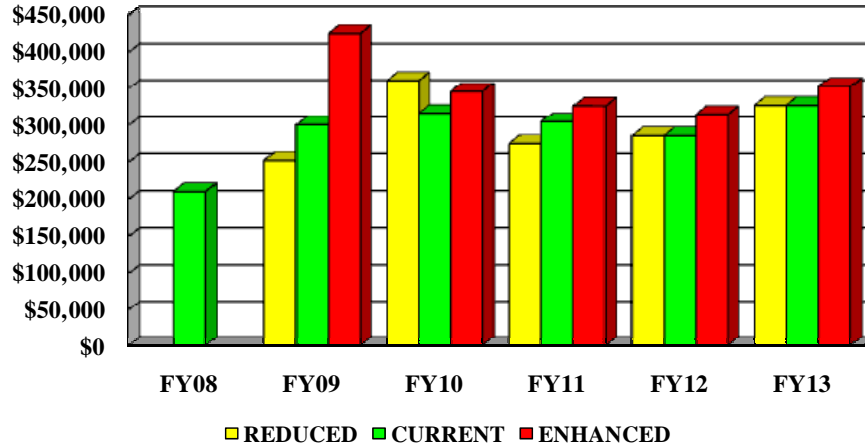
- Increase funding for Trackside Canopies
- Increase the use of consulting advice for NPDES compliance
- Restore funding of storm drainage grants
- Implement a traffic calming program

LAND MANAGEMENT & DEVELOPMENT-GEOGRAPHIC INFORMATION SYSTEMS (GIS)

Statement of Purpose

To serve as the centralized source of procedures, information, and support related to GIS data development and mapping for the City including data development, project coordination, and application development and support. To coordinate efforts to improve data availability and data quality for City staff.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Develop and maintain centralized enterprise geospatial database
- Assist all City departments with GIS project design, development, and implementation
- Maintain centralized addressing database
- Assist all City departments with GIS data acquisition and development to support City needs
- Maintain data layers for various departments, including Fire, Parks & Recreation, Planning, and Police
- Develop custom ArcPad applications to facilitate improved data collection
- Provide GIS training to City employees
- Implement GIS Strategic Plan
- Integrate GIS with proposed Citizen Resource Management (CRM) software
- Participate in NCOneMap, a comprehensive statewide geographic data resource
- Coordinate with Rowan County and regionally on cooperative data acquisition projects
- Coordinate with Rowan County on regional GIS needs
- Maintain urban progress zone designation
- Maintain metadata for all City GIS data layers
- Compile, edit, and distribute a GIS newsletter to City staff and interested regional parties
- Update CityGREEN data layer (every two years)
- Update aerial photography and building footprint data layers (every four years)

Reduced Service Level:

- Extend update cycle for CityGREEN data layer (every three years)
- Delay acquisition of ArcGIS Server for integration with CRM software by one year
- Delay update of GIS Strategic Plan for one year
- Delay categorizing color infra-red satellite imagery by one year

Enhanced Service Level:

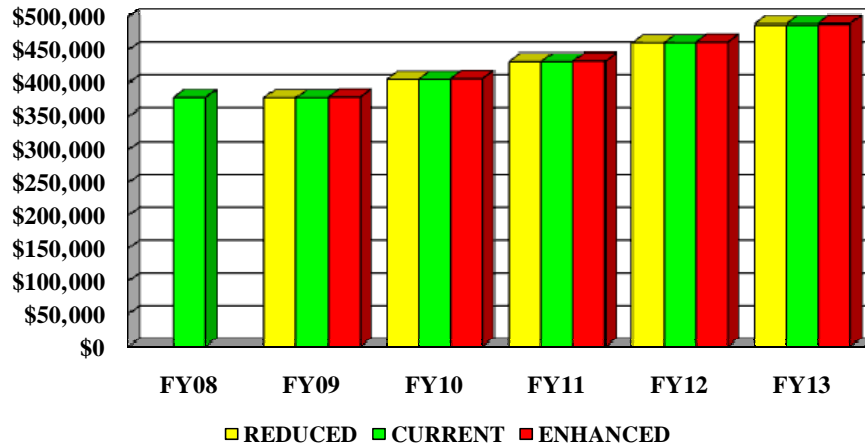
- Add GIS Programmer
- Develop and implement basemap online application for general use by the public
- Develop and implement online application related to urban progress zone
- Develop and implement online application related to Economic Development opportunities within Rowan County and the City of Salisbury
- Develop data model and perform data inventory for sidewalks and pedestrian planning to include proposed bicycle lanes and/or bicycle trails, greenway trails and bus routes/shelters in support of the Sidewalk Prioritization Plan and Bicycle Plan
- Develop data model and perform data inventory for traffic signs
- Develop data model and perform data inventory for street trees
- Develop and implement online application related to NPDES Phase II compliance
- Develop and implement online application related to availability of water and sewer service throughout County
- Develop and implement online application related to park locator and amenity browser
- Develop and implement online application related to availability of public transit
- Develop and implement online application related to Downtown Salisbury
- Obtain impervious surface data to support stormwater management
- Obtain oblique imagery data to support Police and Fire response

LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING

Statement of Purpose

To provide for the lighting of the City's streets.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain existing street lights
- Add or update 300 lights per year in new subdivisions, existing neighborhoods, annexation areas, and along thoroughfares
- Maintain downtown electrical panels
- Maintain City-owned pedestrian-scale lights

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

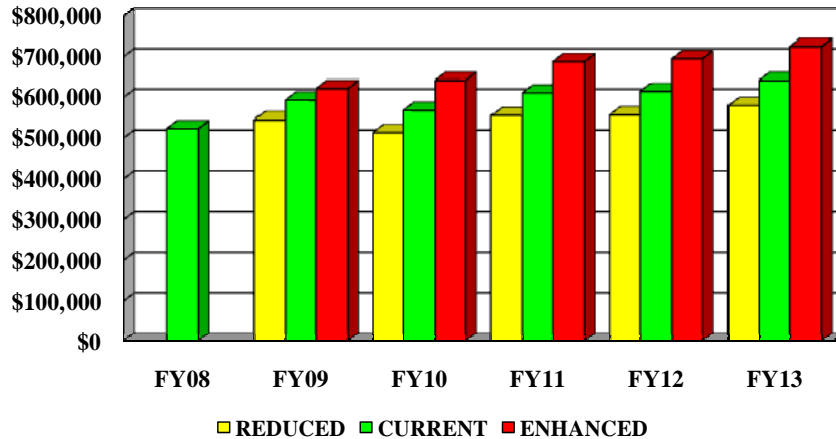
- Increase funding for maintenance of City-owned pedestrian-scale lights

POLICE DEPARTMENT-ADMINISTRATION

Statement of Purpose

To serve as the central management for all activities and operations associated with the Police Department.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct internal affairs and complaint investigations
- Manage the rotation of wrecker services
- Manage the inspections function
- Manage the Ride-along Program
- Manage the wellness program
- Coordinate the citizens’ police academy
- Analyze vehicle pursuits, citizen complaints, uses of force, grievances and the personnel early warning system
- Provide general administration for Police Department
- Provide fiscal management for Police Department (grants, payroll, inventory, purchasing)
- Plan annual budget for Police Department
- Conduct planning and research for Police Department
- Develop policies and procedures
- Supervise accreditation program
- Administer taxi permits
- Administer Project Safe Salisbury

Reduced Service Level:

- Eliminate police chaplain program
- Reduce funding for the Crime Control Plan

Enhanced Service Level:

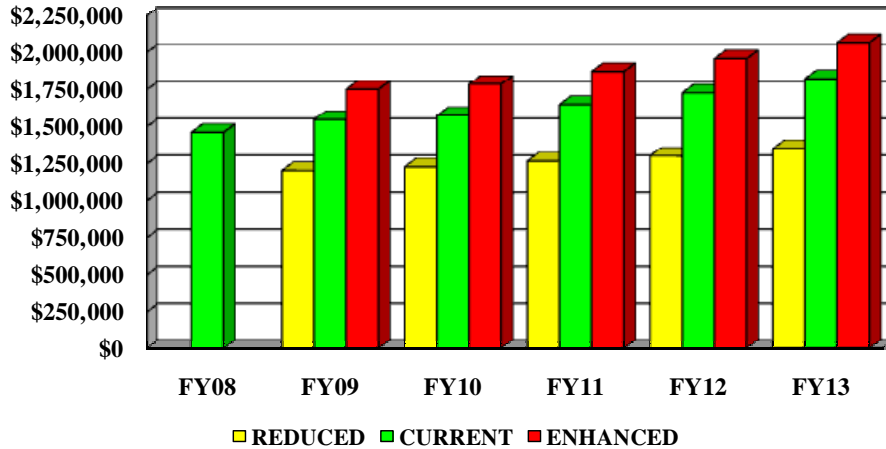
- Increase efforts for Crime Control Plan
- Provide funding for wellness program equipment
- Increase efforts for diversity enhancement
- Continue Project Safe Salisbury and continue funding a position after grant expires

POLICE DEPARTMENT-SERVICES

Statement of Purpose

To serve as the support unit of the Police Department providing telecommunications, clerical and administrative services, evidence storage, animal control and tracking, D.A.R.E., crime prevention, a record-keeping system and building maintenance.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour radio and telephone communications
- Conduct records management
- Provide for evidence/property management
- Provide crime prevention and nuisance abatement services to the public
- Conduct Drug Abuse Resistance Education (D.A.R.E.) for local schools
- Provide animal control for City
- Provide downtown officer
- Provide training and recruitment
- Enforce parking control in downtown

Reduced Service Level:

- Eliminate parking enforcement officer and part-time animal control specialist
- Eliminate community service officer
- Eliminate part-time Telecommunicator

Enhanced Service Level:

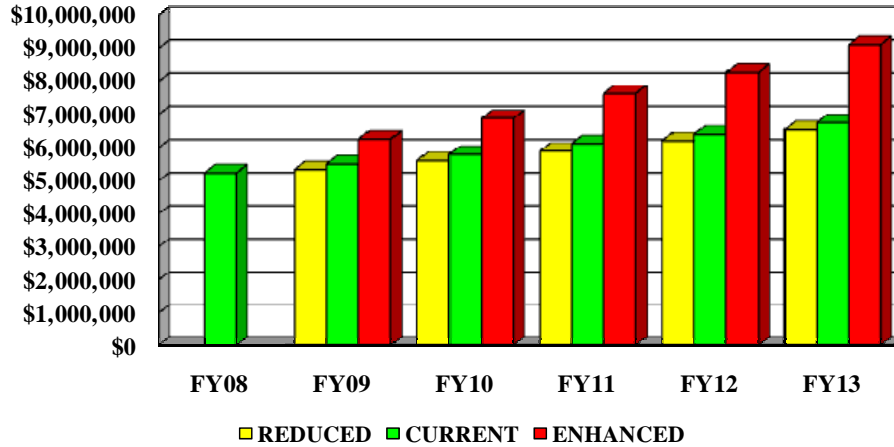
- Reinstate police telecommunications supervisor
- Add two telecommunications positions
- Position additional full-time animal control specialist
- Add two police records clerks

POLICE DEPARTMENT-OPERATIONS

Statement of Purpose

To provide 24-hour law enforcement service for the citizens of Salisbury including: protection of life and property, traffic enforcement, investigation of traffic accidents, investigation of criminal activities, crime lab, school resource officers, crime analysis, and department armory.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide 24-hour police patrol
- Respond to calls for service from citizens
- Provide crime analysis
- Investigate criminal activity
- Provide specialized investigation of criminal activity
- Investigate non-criminal complaints
- Conduct traffic accident investigations
- Provide traffic law enforcement
- Provide special response to high risk situations (e.g. hostage situations)
- Provide for special police operations (stakeouts, etc.)
- Provide for specialized drug enforcement
- Conduct building and property checks
- Enforce state and local laws
- Provide vehicle fleet management
- Provide special permits
- Conduct G.R.E.A.T. Training to City elementary and middle schools
- Provide school resource officers in middle and high schools and the alternative high school

Reduced Service Level:

- Reduce patrol component by two officers
- Reduce equipment purchases

Enhanced Service Level:

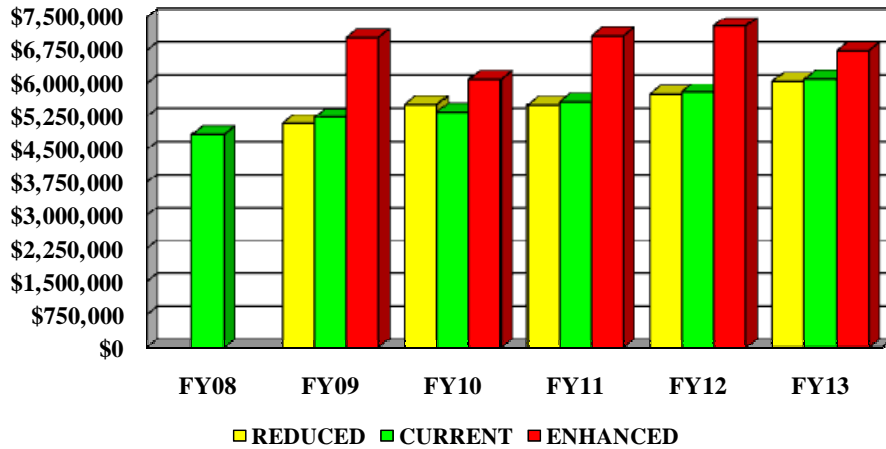
- Create a third police district
- Add one Lieutenant for new district
- Add four Patrol Sergeants in FY09 to increase supervisory coverage
- Add three officers annually to increase patrol coverage and related enforcement activities
- Add one detective annually in the Criminal Investigations Division
- Add one detective annually in the Gang Unit
- Add one detective annually in the Drug Enforcement Unit
- Add one crime scene technician in FY09 to implement 2nd shift crime lab-crime scene response

FIRE DEPARTMENT

Statement of Purpose

To protect the quality of life for present and future generations through interaction with our community, compassionate service and an atmosphere that encourages innovation, professionalism and diversity.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Continue implementation and evaluation of the Strategic Plan
- Reclassify one Battalion Chief Position to Division Chief Position
- Coordinate the development and publishing of a City-wide Emergency Preparedness Plan and serve as the emergency management coordination office
- Maintain high customer satisfaction through excellent customer service
- Mitigate hazards and emergencies by rapidly responding to all requests for service with highly skilled, professional members and adequate and effective equipment
- Provide public safety education and hazard prevention services to our community
- Provide member professional development that enhances and ensures professional and proficient services to our citizens including maintenance of up-to-date certification training and provide Officer Certification programs for Company and Chief Officers
- Work in an excellent avocation ever mindful of fiscal responsibility and excellent service to our citizens
- Protect human life from fire and other hazards as a first priority
- Prevent property damage through prevention, inspections and prompt response to fires
- Extinguish fires of all types and investigate fires for cause and origin
- Provide emergency medical care for sick and injured people
- Handle hazardous material and rescue emergencies
- Increase the use of Access 16 to educate the public in emergency preparedness and fire safety
- Work towards National Fire Department Accreditation
- Continue activities to maintain Class II fire rating
- Conduct public fire education for schools and community groups
- Conduct water flow tests as needed for industry and insurance companies
- Provide a blood pressure screening program for citizens
- Install free smoke detectors for the elderly and handicapped
- Conduct product research and analysis
- Provide data management
- Prepare, submit, and administer departmental budget
- Conduct plans review for new developments and industries
- Correct deteriorating conditions of fire department infrastructure
- Improve life safety issues by enforcement of the fire codes and minimum housing codes through inspection services

Reduced Service Level:

- Reduce/defer capital purchases and facilities maintenance

Enhanced Service Level:

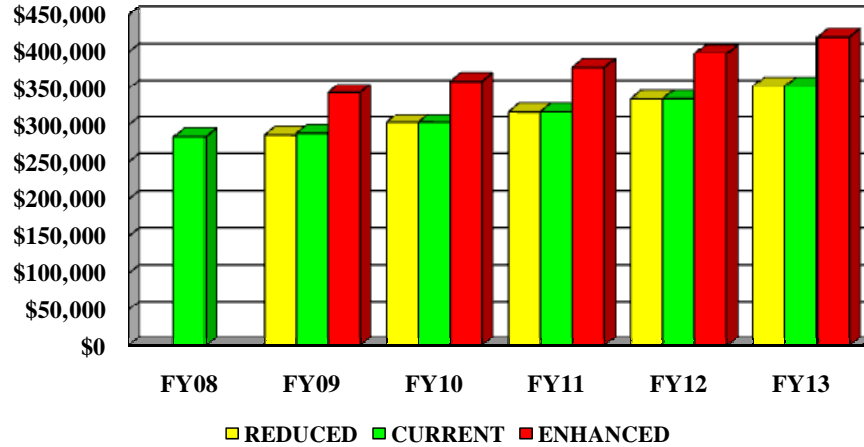
- Increase customer satisfaction through excellent customer service with increased personnel resources
- Employ a Public Education Specialist and increase public education and awareness activities
- Employ a staff Fire Inspector/Investigator to assist with building inspections and awareness activities
- Add a Minimum Housing Inspector to assist with code enforcement and/or demolition
- Become more involved with community activities
- Employ a training captain for more in-house training for State and National certifications
- Improve training facilities with the purchase of flashover rooms
- Construct or lease additional storage facilities

PUBLIC SERVICES-ADMINISTRATION

Statement of Purpose

To serve as the central management and administration source for activities and operations related to the Public Services Department including Fleet Management, Landscape Operations, Cemetery, Hurley Park, Traffic Operations, Solid Waste Management, Street Division, Transit Division and Code Enforcement.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Conduct daily planning/information sessions with division managers
- Maintain office hours for ten hours daily (7:00 am - 5:00 pm)
- Provide administrative and clerical support to seven division managers
- Provide real time response to public inquiries and/or provide immediate notification to division managers
- Provide temporary staffing in reaction to special projects or unforeseen circumstances
- Provide code enforcement

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service:

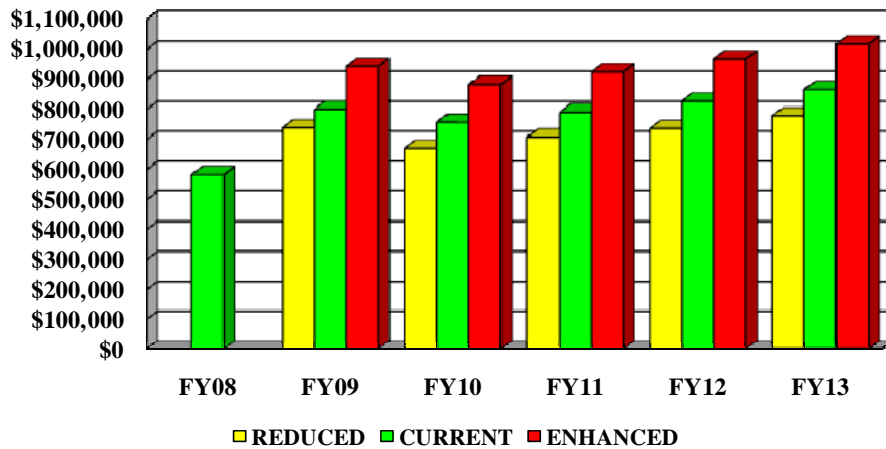
- Add code enforcement officer to provide more effective coverage

Appendix 21
PUBLIC SERVICES-TRAFFIC OPERATIONS

Statement of Purpose

To provide the City with a resource capable of effectively monitoring and evaluating municipal traffic safety, traffic flow, and parking needs and to develop and implement programs designed to address those needs through a network of traffic signals, traffic control signs, pavement markings and parking control devices. To provide installation and maintenance of a telecommunications system throughout the organization (excluding public safety telecommunications equipment).

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Monitor and evaluate traffic safety, flow and parking as needed
- Maintain and repair 100 traffic signals annually
- Maintain and repair 9,000+ traffic control signs
- Maintain 22,000 feet of crosswalk and stop bar markings
- Maintain 80 miles of yellow center line
- Maintain 700 directional arrows
- Maintain and repair 275 telephone sets
- Maintain and repair 3.2 miles of phone cable
- Install new phone sets and phone systems
- Install and repair computer cabling
- Provide on-call service for after hours repair to traffic signals and signs
- Provide on-call service for problems at tower site in Granite Quarry
- Install and remove mobile and base station radios
- Assist in studies to alleviate citizens' requests and complaints
- Perform electrical projects and repairs within City departments
- Maintain the Brown Street Clock on the Square with assistance from Facilities Management
- Provide troubleshooting and repair assistance to the Plaza
- Fabricate signs for City departments
- Provide traffic control in work zones for City departments

Reduced Service Level:

- Maintain City-owned signals, signs, and pavement markings only
- Eliminate in-house repair of City telecommunications systems
- Eliminate fabrication of signs for City departments
- Eliminate traffic control assistance to City departments
- Eliminate thermoplastic markings installation

Enhanced Service Level:

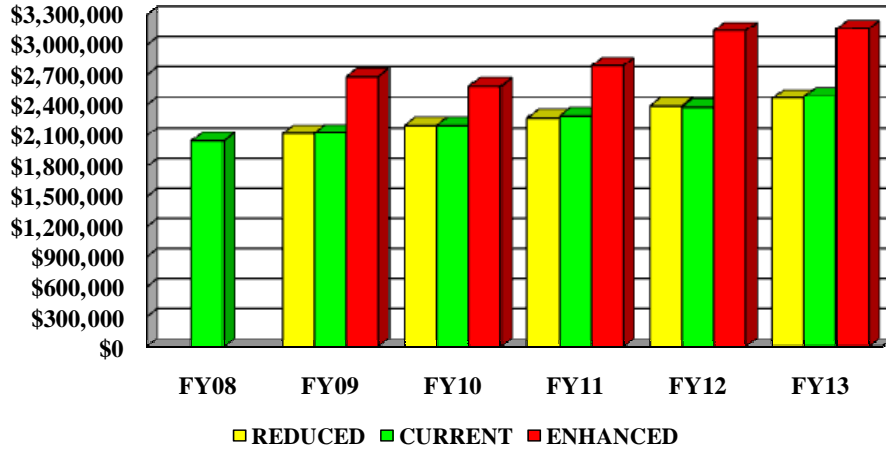
- Add a Traffic Operations Supervisor position
- Add one new crew in FY09 to rejuvenate thermoplastic material biannually
- Upgrade street name signs from 6" to 9"
- Upgrade stop signs to 36" high-intensity minimum
- Take over maintenance of all signals in the county

Appendix 22
PUBLIC SERVICES-STREETS

Statement of Purpose

To plan, implement and manage the construction and maintenance of all City streets, sidewalks, drainage systems and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. To fund activities associated with street construction, maintenance, cleaning and rights-of-way maintenance as provided for by revenue received from the State of North Carolina through the Powell Bill Fund.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Install a minimum of 75 new driveway aprons annually
- Replace a minimum of 6,000 feet of sidewalk annually
- Repair approximately 1,200 feet of curb and gutter annually
- Construct, repair, and upgrade drainage systems within rights-of-way as needed
- Remove debris from streets and gutters within 45 working days on a rotating schedule
- Provide passable street conditions during periods of ice and snow, covering all City streets within an eight hour period or as conditions allow
- Provide support to other divisions and departments with equipment and manpower as needed
- Use Powell Bill funds to provide pavement maintenance to 154 miles of city streets, resurface approximately 16 lane miles of city streets annually, and perform road maintenance to four miles of gravel streets
- Perform paving and patching of street cuts as a result of utility connections and service

Reduced Service Level:

- Defer purchase of capital equipment

Enhanced Service:

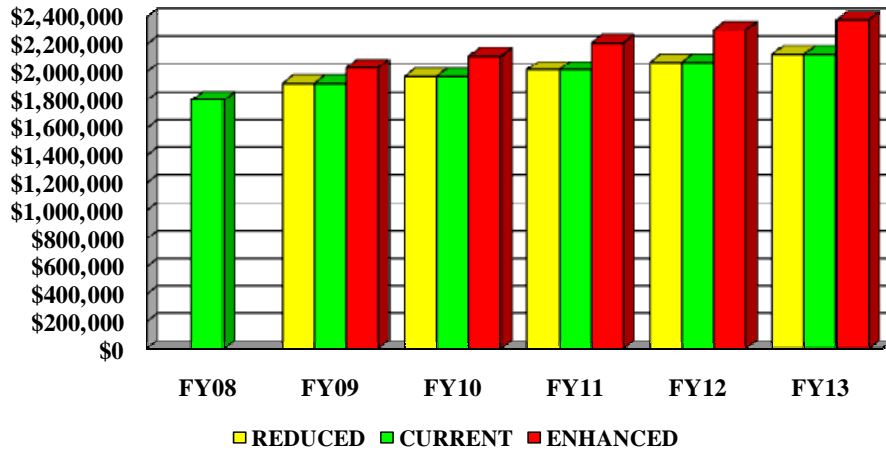
- Provide funding to increase sidewalk repairs/installations
- Add street sweeper to enhance removal of debris from streets and gutters within 30 working days
- Increase manpower and add equipment to upgrade street maintenance and concrete operations
- Enhance dry storage for equipment and materials
- Provide funds for target neighborhoods, utility strips, and drainage improvements
- Build an addition to current facility

Appendix 23
PUBLIC SERVICES-WASTE MANAGEMENT

Statement of Purpose

To maintain a clean, healthy environment for the citizens of Salisbury through the regular collection, transportation, and disposal of industrial, commercial and residential refuse and other debris using an effective, efficient system of waste management and recycling.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide once weekly curbside residential garbage and trash collection
- Provide multiple commercial collections by City crews
- Provide once weekly curbside recycling by contractor
- Provide once weekly dumpster collection by contractor

Reduced Service Level:

- No reduced level is proposed

Enhanced Service Level:

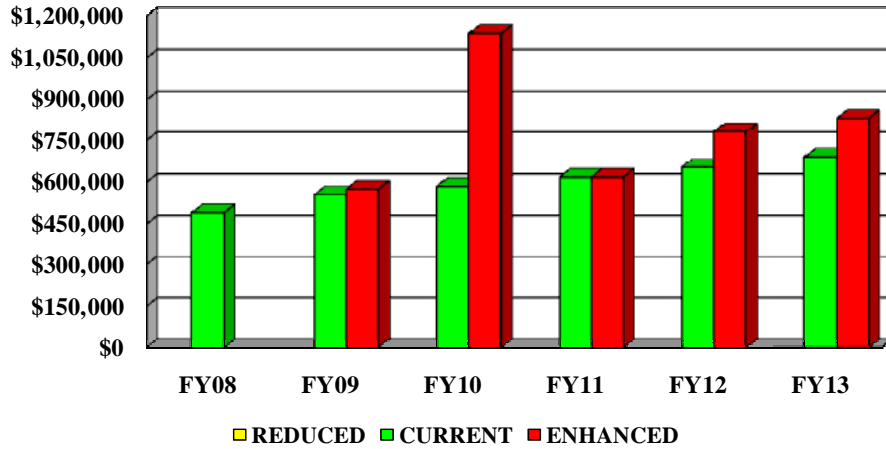
- Use two operators per truck (6 two man crews)

Appendix 24
PUBLIC SERVICES-WASTE MANAGEMENT-OTHER

Statement of Purpose

To provide the citizens of Salisbury with weekly limb and bagged yard debris collection to coincide with the current solid waste and recycling collection, and provide curbside loose leaf collection a minimum of every three weeks during the months of October – March.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide yard debris collection weekly on same day as other collections
- Provide leaf collection every three weeks on a rotating schedule from mid October to the end of March using a vacuum machine

Reduced Service Level:

- Eliminate loose leaf collection
- Eliminate limb and yard waste collection

Enhanced Service:

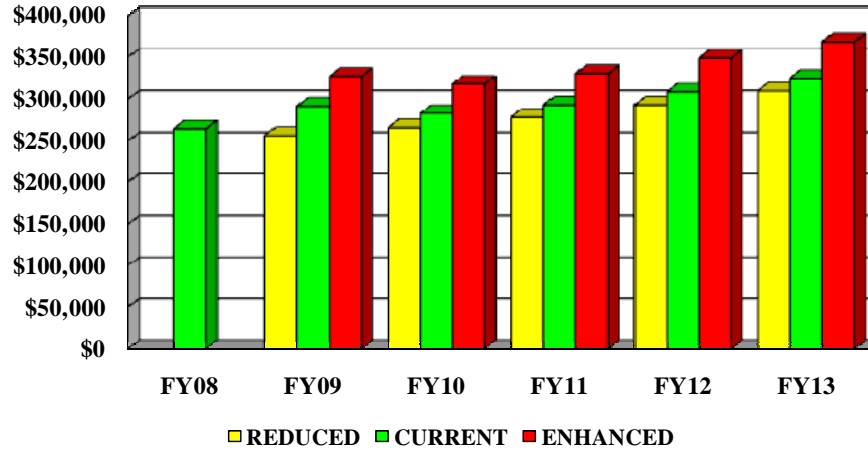
- Conduct pilot program for yard debris roll-out carts
- Purchase roll-out carts City-wide for yard debris collection

PUBLIC SERVICES-CEMETERY

Statement of Purpose

To operate, maintain and develop seven municipal cemeteries totaling 79.65 acres of publicly controlled burial grounds.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Offer, for sale, grave spaces in three of the seven municipal cemeteries
- Open 136 grave sites annually
- Maintain existing graves as required
- Mow all cemeteries every other week
- Cut perimeter hedges at Chestnut Hill Cemetery two - three times during six-month mowing season

Reduced Service Level:

- Reduce frequency of mowing during summer months
- Cut perimeter hedges at Chestnut Hill Cemetery once during the mowing season
- Delay purchase of a mower by one year

Enhanced Service Level:

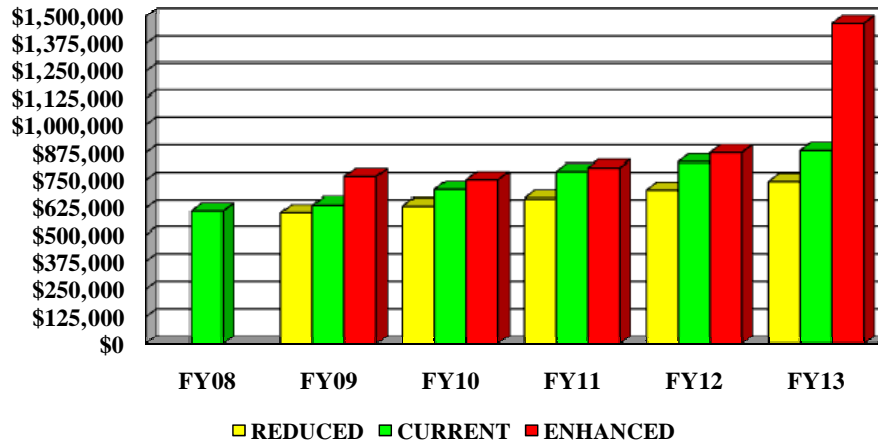
- Mow on nine day cycle
- Hire one additional Grounds Maintenance worker to bring total fulltime employees to five
- Add equipment for additional personnel
- Replace remaining water lines that have not been replaced in Chestnut Hill and Memorial Park Cemeteries because of leaks and burst lines due to the age of galvanized pipes

PUBLIC SERVICES-LANDSCAPE OPERATIONS DIVISION

Statement of Purpose

To provide a centralized resource for the management and development of City-owned landscapes and urban forest resources. To provide staff support to the Salisbury Tree Board, provide management of vegetation on City properties and rights-of-way, and ensure compliance with community standards regarding vegetative nuisances, unsanitary conditions and junked or abandoned vehicles on private property.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide mowing operations for 154 miles of street rights-of-way every 14 to 21 days and for approximately 100 acres of parks and open space and over 100 parcels of public property every seven to ten days
- Maintain landscaped areas including trees, shrubs, turf grass areas, and City facilities every ten to fourteen days
- Provide aerial lift truck for Christmas decorations, etc.
- Facilitate goals/objectives of Salisbury Tree Board and Community Appearance Commission: plant 100 trees and complete three to four landscape projects annually
- Perform tree safety maintenance along public rights-of-way and parks on a case-by-case basis
- Provide support to Street Division during snow removal and leaf collection
- Provide staff support to Public Services Director for special projects
- Provide maintenance for the Greenway to assist Parks and Recreation twice annually
- Provide maintenance for Eastern Gateway, Bell Tower, Magnolia Park daily
- Provide seasonal color change four times per year
- Provide trash removal along highly visible roadside areas every seven to ten days
- Provide mowing for utilities contract every 10 to 14 days / Jake Alexander Boulevard every 30 days

Reduced Service Level:

- Provide mowing operations for street rights-of-way every 21 to 28 days, and parks, open space, and public property every 14 to 21 days
- Implement/maintain landscape areas every 14 to 21 days
- Plant 20 to 30 trees annually and eliminate landscape projects
- Respond to nuisance abatement within 15 days

Enhanced Service Level:

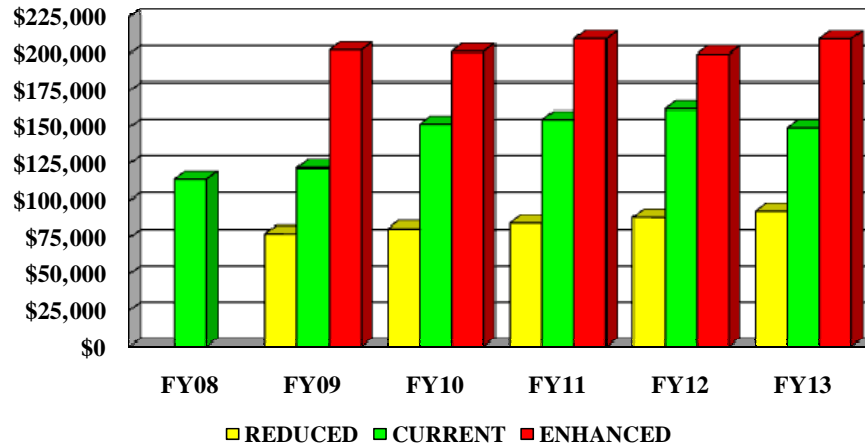
- Provide mowing operations for street rights-of-way every seven to ten days, and parks, open space, and public property every five to seven days
- Implement/maintain landscaped areas every seven to ten days
- Plant 400 to 500 trees and complete four to six landscape projects annually
- Implement a systematic tree safety maintenance program
- Increase scope of special projects
- Construct new shop in FY13

Appendix 27
PUBLIC SERVICES-LANDSCAPING-HURLEY PARK

Statement of Purpose

To maintain and further develop the 15 acre Elizabeth Holmes Hurley Park in conjunction with J.F. Hurley Foundation and the City of Salisbury’s Hurley Park Advisory Commission.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Maintain plant collections, trails, and display gardens daily
- Maintain records of daily park activities
- Apply agricultural chemicals as needed
- Generate Hurley Park newsletter quarterly
- Administer and monitor park use
- Maintain structures, park furniture, and irrigation systems daily
- Locate and procure plant materials/supplies
- Facilitate goals and objectives of Hurley Park Advisory Committee within the context of the Hurley Park Master Plan, which is to complete three special projects annually

Reduced Service Level:

- Maintain plant collections, trails, and display gardens weekly
- Eliminate records maintenance
- Eliminate Hurley Park newsletter
- Maintain structures, park furniture, and irrigation systems weekly
- Complete one special project annually

Enhanced Service Level:

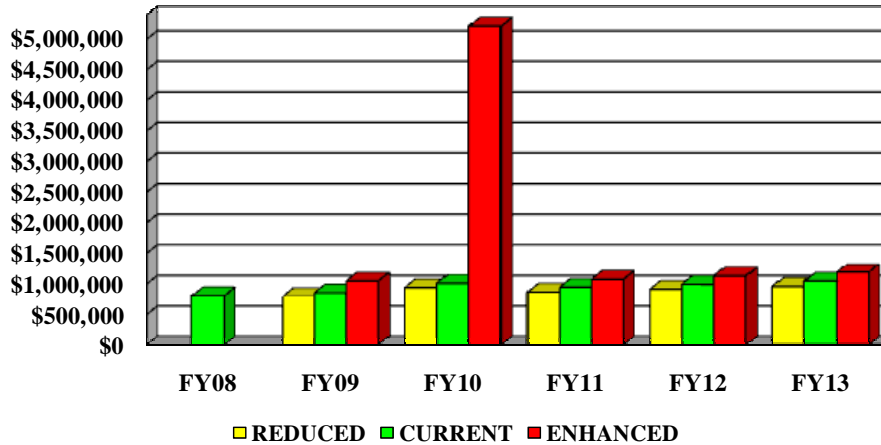
- Provide additional funds for park development
- Add Grounds Maintenance Workers

PUBLIC SERVICES-FLEET MANAGEMENT

Statement of Purpose

To provide a centralized resource for the management and repair of City vehicles and equipment, including Transit System buses, and to offer expertise in the development of specifications used in the purchase of new vehicles and equipment.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Repair and maintain the City fleet and provide a comprehensive preventive maintenance program
- Prepare vehicle modifications as needed
- Load test Salisbury-Rowan Utilities generator sets
- Maintain emergency fuel truck and fuel supply
- Make replacement recommendations to the Vehicle Review Committee
- Meet with department personnel regarding fleet vehicle and equipment needs
- Develop vehicle and equipment specifications
- Arrange vehicle and equipment demonstrations
- Obtain bids on vehicles and equipment under \$90,000
- Write purchase orders for vehicles and equipment under \$90,000
- Provide service calls for City of Salisbury and Salisbury-Rowan Utilities
- Maintain titles and licenses for City fleet
- Rebuild vehicle components
- Provide parts and supplies for the City fleet and other divisions' needs
- Provide training for employee development and equipment and vehicle operator training
- Maintain the Salisbury Clean Air Project for vehicles and equipment
- Provide data for the North Carolina Local Government Performance Measurement Project
- Continue implementation of fleet management computerization system to track vehicle maintenance cost, preventive maintenance, repair history, inventory control, productivity and life cycle cost

Reduced Service Level:

- Incur longer vehicle/equipment downtime for maintenance

Enhanced Service Level:

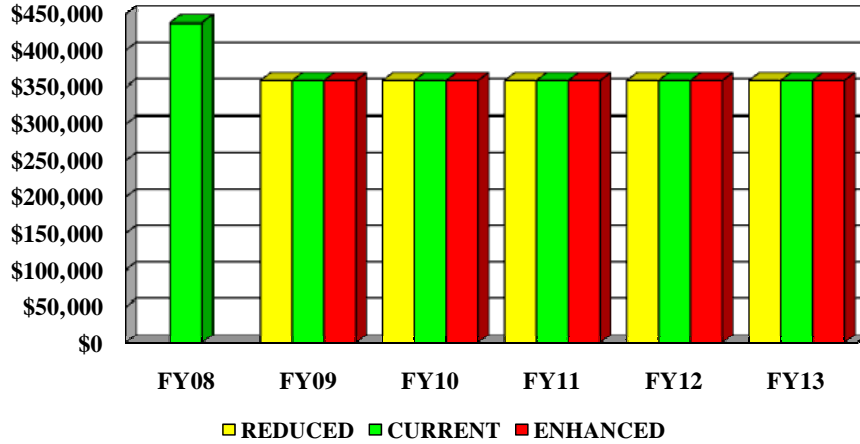
- Increase funding for capital outlay: Ford VMM Module; truck equipment tire changer, and a new alignment machine, replace technician tool sets annually
- Add Service Technician and Mechanic
- Build and upfit joint City-County Shop in FY10

PUBLIC SERVICES-TRANSPORTATION

Statement of Purpose

To provide funding for the City's share of the City Transit System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide City supplement to Mass Transit operations

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

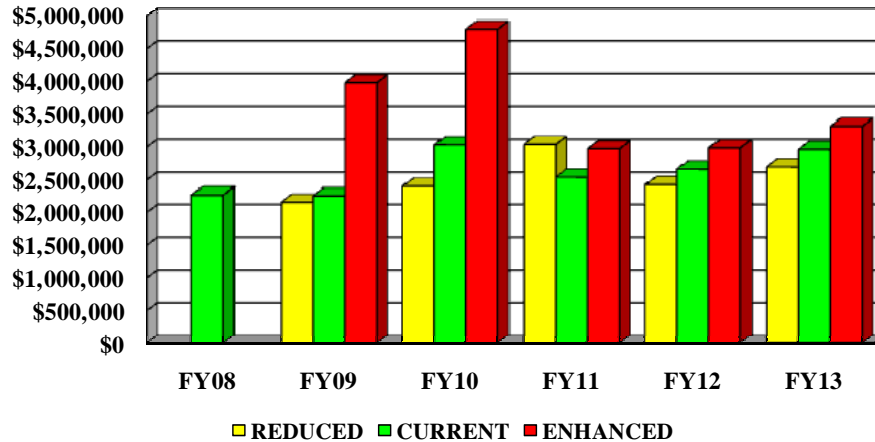
- No enhanced service level is proposed

PARKS AND RECREATION

Statement of Purpose

To provide the citizens of Salisbury with a variety of quality leisure services through safe, attractive, maintained parks and diversified programs that meet the current and future needs of the community.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide administration, planning, and development of a comprehensive park system, quality leisure activities, and programming
- Provide comprehensive youth/teen programming in athletics, craft classes, workshops, camps, playgrounds, and after school activities at four facilities
- Provide comprehensive adult programming in athletics, fitness, craft classes, life skills, and enrichment workshops at four facilities
- Provide quality tennis programming for all residents at two locations on ten courts
- Provide special events and services for residents
- Provide senior citizen programming through support of the Rufty-Holmes Senior Center
- Maintain all parkland, facilities, and playground equipment for the safety of all participants
- Make available for public use Parks and Recreation facilities for community events
- Provide a public pool for aquatic activities May - August
- Maintain 506 acres of parkland in 16 locations (mowing, trash collection, and repairs)
- Maintain four sections of the Greenway - approximately two and three quarter miles in length
- Maintain and prepare for public and tournament use - nine ball fields, five soccer fields, nine outdoor basketball courts, four cross country courses, one flag football field and one disc golf course
- Provide maintenance staff for the Salisbury Community Park and the Greenway

Reduced Service Level:

- Delay the repair of the Civic Center Foundation wall until FY10

Enhanced Service Level:

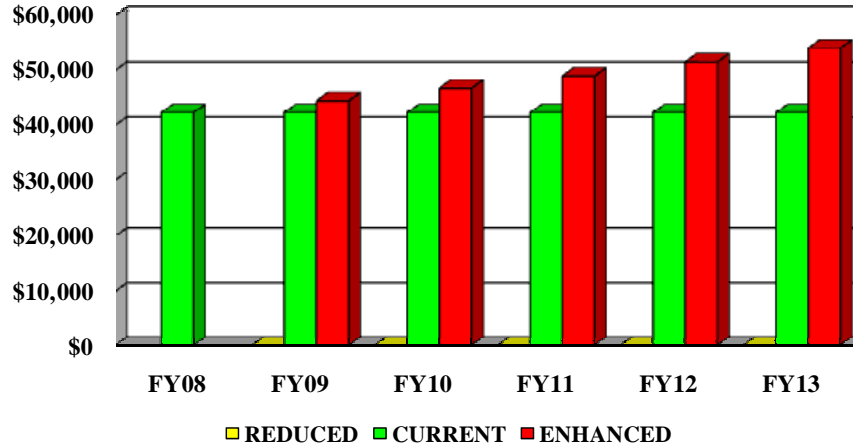
- Increase Program staff in FY09 and Maintenance staff in FY09 and FY10 to support newly added parkland and facilities operations
- Complete Civic Center Foundation wall repairs, Lincoln Park pool conversion, Park Land acquisition, Town Creek Park development, construct a Park Maintenance Building at the Community Park
- Develop Town Creek Park
- Acquire new neighborhood parkland
- Construct permanent maintenance facility at Salisbury Community Park

Appendix 31
EDUCATION

Statement of Purpose

To provide for funding the Supplementary Education System.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide a supplement to the Supplementary Education Center at historical levels

Reduced Service Level:

- Eliminate any supplement to Supplementary Education Center

Enhanced Service Level:

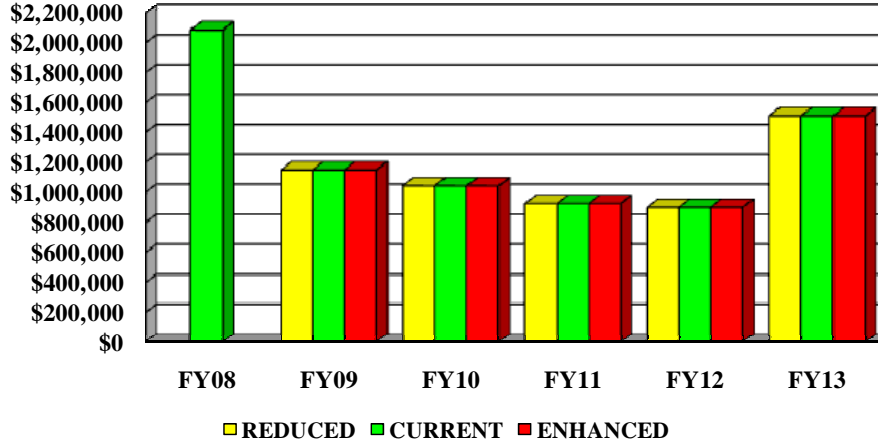
- Increase funding by 5% annually, which could be used to enhance curriculum materials or special projects

Appendix 32
DEBT SERVICE

Statement of Purpose

To provide for the payment of interest and principal payments on outstanding General Fund debt.

COMPARISON OF SERVICE LEVELS



Current Service Level:

- Provide funding for the existing General Fund debt service

Reduced Service Level:

- No reduced service level is proposed

Enhanced Service Level:

- No enhanced service level is proposed