May 3, 2005

BUDGET MESSAGE FISCAL YEAR 2005-06
July 1, 2005-June 30, 2006

MAYOR, CITY COUNCIL MEMBERS, AND CITIZENS OF SALISBURY

It is with pleasure that I present to you the City of Salisbury's FY2005-06 Annual Budget totaling $52,929,082 for all funds.

The twentieth Annual Future Directions and Goal Setting Conference for the City was held February 3 & 4, 2005 at various locations throughout the City of Salisbury, North Carolina including the Rowan County Library, City Hall, the Gateway Building, F&M Trolley Barn and Horizons Unlimited. The theme for this conference was **"From Good to Great: Balancing Values and Choices**". During the course of the City's Future Directions and Goal Setting Conference, we spent considerable time talking about things important to our community's quality of life. Dr. Phillip Boyle challenged us to examine four underlying public values which often drive difficult public policy choices being made in communities today. This training was offered to nearly 100 persons representing Salisbury City Council, the City's volunteer boards and commissions, management team, and staff. Dr. Boyle pointed out that beneath the surface of any public issue there are the oftentimes competing public values of Liberty, Equality, Community, and Prosperity which influence the various outcomes we choose. Understanding how these public values influence decision making may not make the decisions any easier, but it allows us to come to terms with why people make the choices they do.

We applied these newfound concepts as a part of the City's **Solve It** process in a recent session with skateboarders, downtown businesses, churches, police, recreation and other stakeholders as we are searching for a solution to the apparent conflicts between skateboarders and others in our downtown. We continue to learn the importance of engaging the public in the decision making process. I am confident that City Council and staff will give our best effort to addressing and solving this real life downtown problem during the coming months. Incorporating this model into the City's **Solve It** problem solving model should enhance our ability to become creative problem solvers.

We were delighted to welcome Winston-Salem's Mayor Allen Joines as he shared about the community teamwork and cooperation necessary to attract companies like Dell Computers to Winston-Salem. He emphasized the importance of having a variety of economic development tools available to your community, including the role of the business incubator in the Salisbury-Rowan Economic Development Strategy. The City's Salisbury-Rowan Business Incubator Task Force is just beginning its work of considering the feasibility of a business incubator to enhance

our ability to identify, attract, and retain entrepreneurs who can help to grow jobs in our community. We also learned firsthand from young professionals working for the City and others in our community the importance of attracting and retaining young people in our community.

Fire Chief Bob Parnell presented the results of the Salisbury Fire Department's Strategic Plan to City Council. Chief Parnell cited the importance of reducing the emergency response time in the US 70 area, maintaining the City's excellent Class Two ISO fire rating, and achieving Fire Department Accreditation through the Commission of Fire Accreditation International (CFAI). While Salisbury City Council has adopted 14 Outcomes and 59 supporting goals, 30 of which are included in the FY2005-06 tactical plan, one of the most important goals affecting the public health, safety and welfare of our community is the implementation of the Salisbury's Fire Department Strategic Plan, especially as it relates to evaluating the cost of staffing, equipping and constructing a Fire Substation on US 70. My recommendations on how this might be accomplished are central to the FY2005-06 Budget. ISO evaluation staff is scheduled to be in Salisbury in July 2006. It is critical that we make a decision on this important issue now.

Catawba College professor Dr. Stephen Hiatt outlined the "Good to Great" Concepts being learned by our City leadership group and Fire Chief Bob Parnell and Assistant City Manager for Utilities Matt Bernhardt shared how the concept is working in their areas of responsibility. Land Management and Development Director Dan Mikkelson and Matt Bernhardt gave City Council an update on our efforts to streamline the development process in our City. Improvements have been made, but there is still much to do if we are to create the positive business climate that City Council desires. Management Services Director John Sofley and Budget and Performance Manager Teresa Harris shared the reality of the fiscal conditions facing our City.

The Future Directions and Goal Setting Conference concluded with City Council adopting 14 Outcomes with 59 supporting goals, 30 of which are included as one year tactical goals in the FY2005-06 Budget. A copy of the City of Salisbury's Strategic Plan follows the City Manager's Budget Message.

CENTRAL BUDGET ISSUES

FIRE PROTECTION: Outcome number one for the City of Salisbury is improving neighborhoods and safety for all areas of the City. One goal adopted by the Salisbury City Council at its twentieth Annual Future Directions and Goal Setting Conference is to "evaluate the cost of adding an additional Fire Substation." The staffing, equipping, and construction of a fire substation on US 70 west of Salisbury, though an expensive undertaking, will benefit the City in several different ways.

- It will improve the emergency response time to residents, businesses, and industries along the newly annexed US 70 growth corridor, thereby reducing the likelihood of loss of life due to a fire incident.

- It will put the City of Salisbury Fire Department in the best possible position to maintain its outstanding Class Two ISO fire rating when ISO evaluators come to Salisbury in July 2006. The class two rating means lower insurance premiums especially to business and industry in our community. There are presently only five North Carolina fire departments that have an ISO rating equal to or better than the Salisbury Fire Department.

- It will provide assistance to the City of Salisbury in achieving national accreditation by the Commission on Fire Accreditation International which represents a significant evaluation instrument for our citizens in confirming the quality of the Salisbury Fire Department services.

After having said all the above, the question remains, "What does the Salisbury City Council need to do to accomplish all of the above?" Though there are no guarantees, it is the firm recommendation of the City Manager and the Salisbury Fire Department that the following things will need to be done this year to achieve Salisbury City Council's goal of staffing, equipping, and constructing the future Station 50.

- The first thing that must take place on or before April 1, 2006 is the hiring and training of an additional six full-time firefighters to staff the future Station 50, which should be completed in July 2006. In addition to this action, it will be necessary to hire in the same time frame, two full-time equivalents (four part-time firefighters) to support the overall staffing of the department. It will also be necessary to provide an initial $7,361 of a total $127,361 in essential equipment for Station 50. This cost represents an immediate need to increase the FY2005-06 city tax rate one-half cent from 61.5 cents to 62.0 cents. This will provide $112,450 to accomplish these actions. If we manage well this year, the remaining $120,000 for required equipment could come from a combination of fire department grants, FY2005-06 budgetary savings, and/or the FY2006-07 Budget. Though this is a stretch and there are again no guarantees, I feel confident that this additional $120,000 can be provided in this manner.

- The second thing that needs to take place in order to construct Station 50 is a firm commitment by Salisbury City Council. Funding this important capital improvement is challenging, but doable. The main question to be answered is, "How do we come up with $1,130,000 to complete the project?" The first part of the equation has already been completed. The City Manager and City Management Team have managed the FY2004-05 General Fund Budget to deliver an estimated $720,000 of the estimated $1,130,000. The remaining funds will come from the appropriation of $185,000 from the City's General Fund Balance and a one-cent tax increase to be scheduled either in the FY2005-06 or FY2006-07 General Fund Budgets. Delaying this one-cent tax increase until next year might necessitate the appropriation of an additional $225,000 from the City's General Fund Balance until the adoption of the FY2006-07 General Fund budget on July 1, 2006. This action would again increase the City's tax rate an additional one cent to 63 cents.

Accomplishing this Salisbury City Council goal will not be easy, but nothing worthwhile is ever easy. It will require a focus and purpose on the part of both Salisbury City Council and the City Management Team. Many other important goals may be delayed, but the health, safety and protection of our citizens is after all the foremost purpose of our local government.

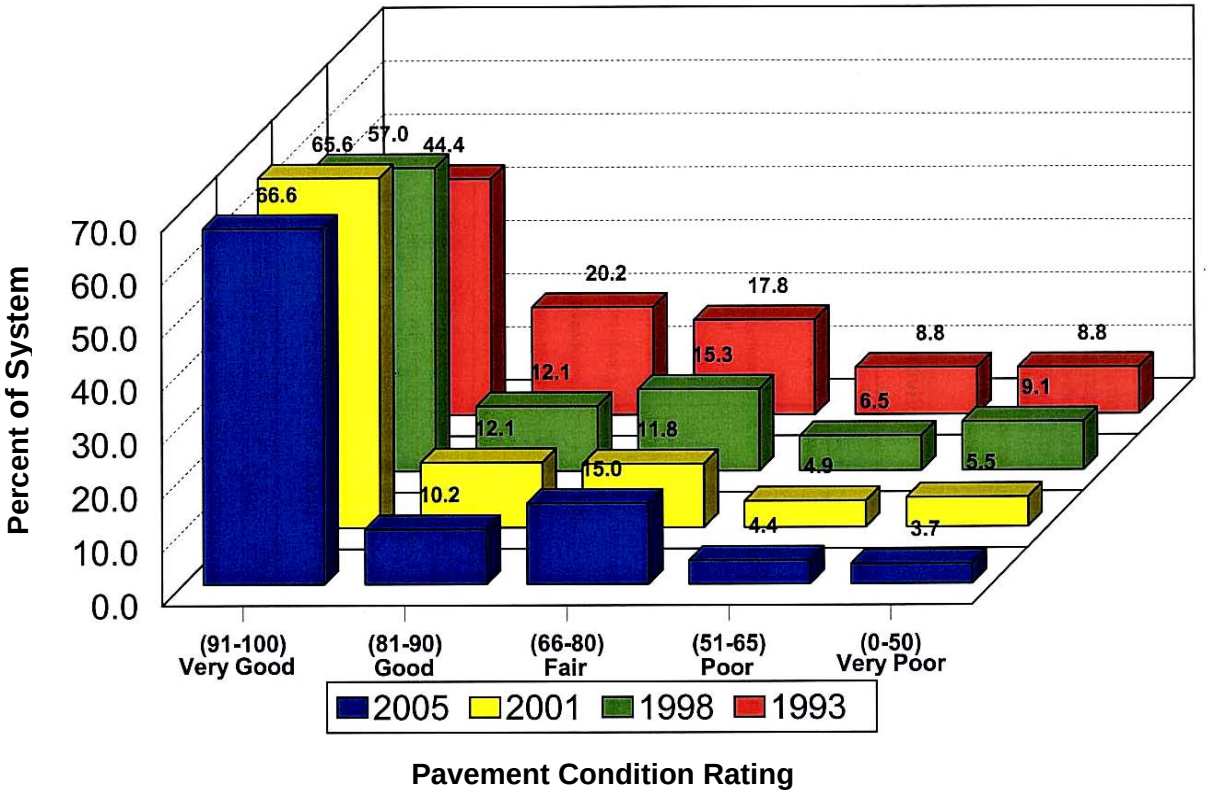
STREETS AND ROADS: In July 2005, fifty-seven percent of a significant random sample of Salisbury's citizens had a fair to excellent impression of city streets in Salisbury. Forty percent of the same random sample had a poor impression of the condition of Salisbury City streets. The City of Salisbury Street Division maintains an estimated 157.76 miles of streets for resurfacing, repair, cleaning, and snow removal.

The hard reality of this perception is that since FY2000-01, State Powell Bill receipts in real

dollars to the City of Salisbury for the purpose of maintaining streets and sidewalks has decreased $160,374. The true total is actually higher since this projection includes the additional revenue generated as a result of the City's last two annexations. The primary reason for the decrease is that the State of North Carolina, in an effort to balance its budget, has taken a portion of the funds derived from the fuel tax for its own use. Last year the Salisbury City Council reluctantly adopted a $10.00 annual vehicle tax to replace reduced Powell Bill Funding. This $10.00 annual tax will generate nearly $200,000 for road maintenance.

In an effort to make sure that the Salisbury City Streets are being maintained at a level satisfactory to the great majority of the traveling public, the City Manager and the Public Services Management Team have set out to update the baseline data regarding the condition of our streets in order to determine the maintenance needs of our streets. Making good decisions on road resurfacing and maintenance is essential. To that end, the City of Salisbury had contracted with the Institute for Transportation Research and Education (ITRE) to perform an independent Pavement Condition Survey and Analysis of the maintenance needs for the City of Salisbury. The full results of this objective survey, just in, along with our plans to direct specific resources to improve the condition of our city streets, will be shared in full with Salisbury City Council at the May 17th City Council meeting. A summary of results is shown below. Maintaining and improving the condition of our city streets is a City Council service level goal.

General Condition of Asphalt Street System



ANNEXATION: In order to meet the requirements of the US 29 South annexation, it will be necessary to add the following full-time positions to the City: Police Officer I (2), Solid Waste Equipment Operator (1), Equipment Operator: Street Maintenance (1). Other Personnel recommendations are included in the Human Resources section of the Budget Message primarily as a result of fire department recommendations and recommendations regarding the proposed South Rowan Water and Sewer Consolidations.

MANAGEMENT SERVICES

The Management Services Department provides the majority of internal services to support the operations of the City. These services include fiscal affairs, technology services, and facility management. The Department also provides direct services to citizens through its Business Office Division and management of the City's Web site. Additionally, the Information Technologies Division has taken on the responsibility of running the new Access 16 channel.

Included in Management Services are the Purchasing, Accounting Office, Budget and Performance Management, Business Office, Facilities Management, City Office Buildings, Information Technologies, and Telecommunications Divisions.

Business Office

As mentioned above, the Business Office Division provides direct services to the public. During FY2005-06, I am recommending hiring two additional Customer Service Clerks upon the consolidation of the utility systems of China Grove and Landis with Salisbury-Rowan Utilities. These clerks will assist in providing support for the additional customers from South Rowan.

Technology Services

In FY2003-2004, the city hired an outside consultant to prepare a new Long Range Technology Plan. This plan identified the hardware and software needs of every department and developed a timetable for the implementation of these needs. There were three main projects identified for this year. One, an Enterprise-Wide Work Order System; two, hardware to allow the city's two Storage Area Networks to be linked together so that data could be replicated between the units; and three, a fiber link installed between City Hall and Fire Station 51 to provide a fiber ring downtown. Unfortunately, the only one of these projects to be funded in this budget is the fiber link. The fact that the fiber link was funded will go a long way towards providing the city with a more efficient and redundant network; one that will be able to survive an unforeseen event such as a backhoe cutting one of the legs of the fiber ring.

There has been a lot of interest from area merchants about having a wireless "hotspot" provided downtown. Between money from this year's budget and some additional money in the new budget, we will be able to install a wireless network that should provide coverage for most of downtown. The exact configuration of this network has not been determined, but it should allow visitors downtown to connect to the Internet while they are on the city's streets and sidewalks. A separate wireless network will also be installed in some of the city's main buildings and fire stations to allow employees to connect to the city's network from mobile devices. For example, this will allow the fire department to have laptops in the fire trucks that can upload/download incident information to their records software.

It's becoming increasingly more important for the city to have a fast, reliable connection to the Internet. The City Council meetings are now being shown on the Internet live and a considerable amount of historical video is being provided for citizens to view. It takes significant bandwidth to provide video on a network so the city's Internet connection was upgraded to a fiber connection this year that will provide a ten (10) megabyte connection. But as the city's reliance on the Internet increases, the threat from the Internet is also increasing. There are several levels of protection available to fight this threat. The highest level, which provides a very secure environment, is naturally also very expensive. The city tries to provide a second tier level of protection that we feel provides a very adequate amount of protection and yet is something the

city can afford. Money has been provided in this budget that will allow this level to be maintained, but no additional protection will be possible until more funding is provided.

A final large project that will take a lot of the department's time and resources this year will be the operation and management of the city's new government access channel, Access16. The new channel on Time Warner's system went live in early April and has proved to be very successful. But it is apparent that for this project to remain successful, it is going to require funding beyond what is provided in this budget. The original equipment was purchased with money provided by Time Warner and at their recommendation. The current equipment is fine for what Time Warner uses it for, their Swap and Shop channel, but it will not provide the features that the city needs long-term. We will be looking for grants and outside funding to see if this equipment can be upgraded. Also, it has become quickly apparent that while our department can provide the technical skills and resources to make Access16 successful, additional help will be required in developing programming for the channel. There is a need for someone to work with the various departments to develop content and to make sure the content is delivered in a pleasing and entertaining way. Most other cities that provide this type of programming have staff positions such as a Communication Specialist to perform these duties. Some additional thought needs to be given to how this function can be provided for within the budget we have.

Telecommunications

At the City Council retreat held in 2003, a presentation was given detailing the need to upgrade the city's 800 MHz radio system. This upgrade was proposed to occur over a five year period. During the first year, the main components of the system, the controllers, repeaters, and microwave were replaced along with the portable radios in Police and Fire. While we had hoped to replace the radios and mobiles in Public Services this year, we will only be able to provide new radios for one division within Public Services. Fortunately, the existing radios should still provide adequate service for another year. However, these radios are past their normal life and will have to be replaced soon.

Facilities Management

Facilities Management is responsible for maintaining the City's bricks and mortar assets. Ongoing municipal service contracts, buildings and grounds maintenance and repair projects, and new construction projects are managed by this department. During the FY2005-06, construction of 14,000 square feet of additional space will occur at the Police Department. Upon completion of the addition, the existing facility will be renovated. Construction of Fire Station 50 on Statesville Boulevard will also begin with an expected completion date of June 2006. Finally, Facilities Management will coordinate the construction of a new ADA-compliant passenger platform and trackside canopy adjacent to the Amtrak station to serve departing and arriving passengers.

Facilities Management will add a new position this year. This new position is funded by modifying our existing roofing contract to remove minor roof repairs and gutter cleaning from the contract. The contractor spent an estimated three months on this service during a year. By our assuming these duties, the City will gain the use of an additional person for nine months of the year to perform additional maintenance and repairs and other functions that have been previously contracted out such as painting.

A proactive and planned approach to maintenance enables the City to manage costs associated with maintaining City-owned properties. Our facilities are being evaluated to expedite the

development of comprehensive maintenance schedules for all properties.

To facilitate maintenance repairs and service, a formal work order system has been developed by our Technology Services Division. The program allows Facilities Management to plan for the completion of various projects while addressing repairs and to track resource allocations by division and type.

POLICE DEPARTMENT

The Police Department continually strives to "do more with less" due to the budget issues that the City as a whole faces. Several years ago, the Department experienced a reduction-in-force due to State revenue cutbacks. In addition, over the past five years, the Police Department has seen fluctuations in its operating budget. In response to increasing demands on Police Department personnel as well as the past reduction-in-force, the Police Chief and his management team have pulled together to try and accomplish our same levels of service with fewer personnel.

Having recently transferred the Fiscal Analyst position to the Management Services Department, I am recommending that the City replace the position with a Finance Specialist position to support the Police Chief and the department. The transferred position will help to provide financial management assistance to not only the Police Department, but to several other operations as well. If after further evaluation the Police Chief needs additional clerical support, I am willing to provide that additional support from existing resources.

Given tight budgets, it is essential for the Police Department to continue to seek and acquire grants for funding as well as operate within an approved budget in order to provide the services that the citizens of Salisbury expect and deserve from their Police Department. Presently there are five personnel trained under the North Carolina League of Municipalities Grants software, including the Fiscal Analyst position recently transferred to the Management Services Department. Expanding this number and consolidating this and other management services in the Management Services Department will in my opinion provide greater benefit to the City as a whole.

The department continually examines how calls for service are managed in order to ensure more efficiency without compromising citizen safety. The Department continues efforts with community policing and problem solving. In order to accomplish this, it is essential that officers have uncommitted time during their on-duty hours. They are required to do foot-patrols, attend community meetings and have other involvement within their assigned districts in addition to answering calls for service. The Police Department has implemented an innovative call management system through our software provider, OSSI, and we have enlisted strategies to aid in freeing up officers' time. OSSI software allows the Department to more accurately track our calls for service and determine placement of resources based on area needs. We have been very fortunate to receive grants to fund many of our software purchases. Indications are that these grants will be drying up and it will become more difficult to acquire additional grants. With less grant monies available, the city has begun setting aside funds in the General Fund Vehicle and Equipment Fund for future mobile data terminal purchases to continue to utilize this software. It is our goal that even with the scarcity of grants, the City Council will continue the efforts of the Police Department by assisting in future software improvements as they become available.

The Police Department continues to face new challenges and old ones as well. Everyone knows that illegal drugs have been a challenge for the majority of law enforcement agencies for many years. There is no indication that this will be any less of a challenge in the coming year. In addition, we are faced with somewhat of a new challenge that has the potential for creating even greater dangers to the safety of our citizens and our police officers. This challenge is the growth in gang activity.

We have identified 13 different gangs operating within our jurisdiction and these gangs pose great challenges. In years past, the typical police response required only one officer. In dealing with gangs, we typically have to dispatch more than one officer to each call for officer safety purposes. We have the determination to meet these challenges head-on but we will need some help. Another new challenge facing the Police Department is a new unfunded mandate by the State of North Carolina requiring every sworn law enforcement officer obtain 24 hours of in-service training during the calendar year of 2005. Failure to meet this mandate will result in the officer's certification being revoked by the Training and Standards Division. It will indeed be a challenge for the Salisbury Police Department to accomplish this standard of more than 2,000 man-hours of new training. We also know that we will be annexing into the city in July 2005 and we will need a minimum of two additional officers to meet the demands of the newly annexed area.

I am proud to say that regardless of the Police Department challenges, they remain a professional, Nationally Accredited Police Department. The Department enjoys a very positive relationship with citizens and is prepared to meet every new challenge.

FIRE DEPARTMENT

The Salisbury Fire Department has been committed to protecting the lives and property of the citizens of Salisbury since December 7, 1817. Through the years, preparedness and prevention has been the department's primary mission. This year's budget continues to represent this commitment; however, our innovative and forward-thinking techniques stand out.

The major points of this budget include the addition of a fire station on the west side of Salisbury. Normally a modern municipal fire station would cost upwards of two (2) million dollars. Through acceptance of non-traditional construction we have reduced the cost to an estimated 1.25 million dollars, resulting in a considerable savings for our citizens. Efficient Fire Department staffing levels have resulted from reassignment and reorganization of the fire inspector position, now assigned to the fire control division. While the department will staff the new station with twelve (12) firefighters, only six (6) new full time personnel will be necessary due to reorganization.

New initiatives in this budget include the development of a multi-year fire apparatus replacement plan which will facilitate maximum life expectancy of these expensive units, rehabilitating fire stations to adequately accommodate female firefighters, and a critically needed firefighter accountability system to provide a higher level of safety for our members.

The Salisbury Fire Department has been fortunate to have gained several important items through financial grants over the past three years. The future of Homeland Security grants and other alternative funding sources from the federal level are presently in jeopardy. The North Carolina Department of Emergency Management's grants are also at risk of being reduced as is

our fee exempt status through the North Carolina Department of Community Colleges; both are important to the Fire Department.

The attached budget represents a modest approach to the growth that is necessary for the fire department to provide life safety services to our citizens and communities. While new, cost saving innovations are included, the one thing that will never change at the Fire Department is: ***When you call, we will come***.

PUBLIC SERVICES

The Public Services Department includes the following divisions: Street, Solid Waste Management, Traffic Operations, Transit, Fleet Management, Landscape Operations, Hurley Park, Cemetery Operations, and Code Enforcement.

Public Services Administration
Public Services administrative staff supports all divisions of the Department. There is a need to make office space more efficient by installing workstations for the administrative staff.

Street
The Street Division budget supports City street maintenance/construction, storm water system maintenance, and yard waste collection. All function as individual units, but each area of responsibility is blended together to provide functional and aesthetic improvements to City streets, sidewalks, drainage systems, and rights-of-way through a program of maintenance, construction, cleaning, and general beautification. One position will be added this year as the result of the annexation area along US 29. The Street Division will once again attempt to provide the same level of service as in the past several years despite fiscal restraints and manpower shortages. An aggressive street paving and maintenance program will be undertaken during FY2005-06.

The Institute for Transportation Research and Education (ITRE) completed in April 2005 a visual survey of the 158 miles of public streets that are maintained by the City. This independent survey along with other methodology will be used to determine maintenance needs and help prioritize the city's paving efforts during FY2005-06 with funds generated by the local vehicle tax and Powell Bill allocation will be used directly for street paving, maintenance, and construction. The acquisition this year of an innovative piece of street maintenance equipment will stretch street paving funds even further and save valuable time, materials and manpower.

Solid Waste Management
The Solid Waste Division will continue providing the current level of service for the collection of residential and commercial refuse. Due to annexation, one additional operator will be needed to maintain the current level of service. Though the City's recycling fee to residents has not changed in over 12 years, given an increase in fuel and the consumer price index, our contract with Carolina Container will require the City to increase its recycling fee from $1.44 to $1.66 per month in order to cover the total cost of our recycling contract.

Traffic Operations
The Traffic Operations Division will concentrate on primary duties such as renewing pavement markings, preventive maintenance, and emergency repair to traffic control devices. The division

will also continue its internal support to other divisions in the form of Technology Services Division assistance, traffic control in work zones, and sign fabrication.

Fleet Management
The Fleet Management Division will continue to maintain the fleet at a service level that keeps safe and operable equipment on the road. Funds for repairs have been and remain low. The emphasis in Fleet this year will continue to be on emission testing and ASE Certification training. The emission testing will assist mechanics in making the use of alternate fuels as efficient as possible. The ASE Certification program is designed to keep Fleet technicians trained and up to date on current technology.

Landscape
The Landscape Division, with current funding, can maintain mowed areas and plant inventories currently in the ground. Although current budget and manpower numbers are low, Landscape Operations continues to respond to requests and more projects throughout the City. Landscape is over-tasked at this time. Hurley Park operations continue to be jointly funded by the Hurley Foundation and the City of Salisbury. The infrastructure for Hurley Park is deteriorating. Wood decks and park furniture needs to be replaced. The stream bank requires stabilization at this time to stop erosion. These are essential elements that require FY2005-06 funding.

Cemetery
In order for the Cemetery Division to maintain the current level of service, funding must be provided at a level that ensures the purchase of all supplies needed to keep the cemeteries in excellent condition on an ongoing basis.

Code Enforcement
Code Enforcement as it applies to nuisance properties and automobiles must continue to provide the same level of service provided for in past years in order to fully support the City Council's efforts to improve neighborhoods. Funds for contract abatements are essential in order to carry out fully what is expected from the city.

Transit
Transit Division will continue to operate a fixed route transportation system and oversee an "on demand" system for the disabled that cannot use the fixed route system.

LAND MANAGEMENT AND DEVELOPMENT

The Land Management & Development Staff will be involved in 31 Council Goals in the coming year. Most of the goals deal with streamlining development review, improving the business climate and neighborhoods, or coordinating with NCDOT. Present staff levels will be seriously challenged by this high number of goals.

The Council-appointed Land Development Ordinance Committee will be completing the replacement of our development ordinances this year. The revised ordinance will clarify standards of Vision 2020 and authorize staff to approve more construction permits with fewer delays. Additionally, the permit-review responsibilities of the Utilities Fund and General Fund have been combined into a single office to improve permitting efficiencies.

To help improve the business climate, funding has been recommended for the Committee of 100 and the Business Incubator Feasibility Study. It is recommended that the City retain its current level of funding for Innes Street grants, Downtown grants, and Historic Preservation grants, but not for neighborhood improvements. A staff recommendation has been made for a development incentive program, but the program could not be included in the current level of service.

The City has multi-year commitments for projects with NCDOT for sidewalks and noise barriers related to the widening of I-85, sidewalks on US 70, and enhancements to the Innes Street bridge replacement. The design and property acquisition phases of the Ellis Street Bridge replacement project are expected to be completed this year. Greenway projects are almost ready to be bid out, with most of the construction funding coming from NCDOT. An ADA-compliant passenger platform and trackside canopy at the train depot will be designed and constructed with significant assistance from NCDOT. After completion, the platform and canopy will be owned and operated by the City.

PARKS AND RECREATION

A lack of capital funding for renovation and repair of current facilities and not funding a grounds maintenance worker to maintain the new greenway scheduled to be completed this year will result in a partial decline in the level of service to the citizens of Salisbury in our parks. Given the addition of one and three quarters (1¾) miles of Greenway scheduled to be completed during FY2005-06, citizens will experience a decrease in the level of Greenway and park maintenance upon the completion of this project. For the period of time from the completion of the Greenway project until next fiscal year, the mowing schedule for the Greenway will change from the current seven to ten day frequency to a 14 to 17 day frequency, resulting in much longer grass and a less manicured look. Trash collections will also become less frequent as one staff member tries to maintain three times the current length. At some points during the peak growing season, additional maintenance staff will have to be shifted from park maintenance to assist with the Greenway, resulting in delayed schedules in the other parks. It is my recommendation that City Council reconsider the addition of a Grounds Maintenance Worker for the Parks and Recreation budget for next fiscal year.

Capital funding for renovation and repair of our current facilities is less than half of the estimated amount needed each year to keep the facilities in top working order. This reduction will result in the delay of many necessary repairs that will cost more in the future. Major capital renovations such as replacement of the tennis courts at City Park have not been funded for a number of years, resulting in the continued deterioration of the court.

The current level of service will continue in the Recreation/Programs Division provided to the community. Sponsorships will continue to provide our program brochure and support our promotion efforts.

HUMAN RESOURCES

The Human Resources Department continues to work toward achieving the City Council level goal of initiating programs to attract, retain and develop high quality City employees. To this end the following recommendations are made.

Merit Increases and Compensation
Based on this year's budget projections, an average four percent merit pay increase is recommended. This recommendation is made in order to continue efforts to retain employees. The recommended merit increase adjustment will also further limit the impact of our inability to make overall salary adjustments.

Health Insurance
A 2.8% increase in the costs is recommended this year based on the City's current carrier proposal. This increase in the cost of the plan will be offset by reserves that have been generated over the last couple of years to cover incurred but not reported claims (IBNR). The amount that has been added to the rates to cover IBNR can be eliminated this year. This will result in the health insurance rates being the same as last year for budgetary usage. The plan design will not change as a result of this increase. However, after reviewing survey results of benefits of elected officials, coverage of City Council members is also recommended. The coverage is recommended at the same level as City employees. Strategies for future consideration of other cost containment/conscience options will also be evaluated in the coming year.

Training and Development
The FY2005-06 budget includes the cost of the continuation of implementing the City's Customer Service Initiative. This recommendation is consistent with City Council goals and objectives. Additional funds are requested to continue to provide management and employee training regarding the "Good to Great" principles and concepts and their applicability to the organization.

Personnel Recommendations
For the FY2005-06 Budget, eighteen new positions are recommended in the General Fund. The following positions are required for annexation: two Police Officers, one Solid Waste Equipment Operator, and one Equipment Operator for Street Maintenance. Two Customer Service Clerk I positions are recommended to respond to the south Rowan utilities consolidation if it occurs. One Senior Building and Grounds Worker is recommended to provide services that are currently contracted out. One Financial Specialist is recommended to provide financially related clerical support in the Police Department. Three Fire Control Specialists and three Fire Captains positions are recommended as a part of the new Fire Station services. These positions are also needed in order to place the City in the best position to continue the current ISO rating and in preparation for accreditation. Moreover, funds are requested for four temporary part-time Fire Control Specialists salaries. The Water and Sewer Fund includes six additional positions as follows: one Assistant Systems Manager position; five positions that will support the south Rowan consolidation if it occurs - one Utilities Maintenance Supervisor; two Utilities Maintenance Technicians, and two Plant Maintenance Technicians.

TRANSIT FUND

The recommended Transit Fund Budget for FY2005-06 is increased by $94,942 excluding capital outlay. This does not represent an increase of the current level of service offered by the City. Over the last several years, the NCDOT has provided increasing amounts of State Maintenance Assistance Program (SMAP) funding. These funds are currently matched dollar for dollar that Salisbury provides in local funding. In order to qualify for additional funding, one position that was being funded half in the General Fund and half in the Transit Fund will be fully

funded in the Transit Fund. In addition to transferring half of this position to the Transit Fund, an additional $20,000 is being added to the transfer to Transit Fund to assist in funding the increasing cost of providing ADA transportation. By making these two changes, the SMAP funding will increase this year by $52,836 over last year.

The recommended budget for Administration, Operations, and Capital are as follows:

Personnel	$547,286
Operations	180,221
Capital	44,800
Total	$772,307

SPECIAL REVENUE FUNDS

The City of Salisbury will receive approximately $375,798 in Community Development Block Grant (CDBG) funds, $153,351 in HOME funds, and $75,000 in Program Income for a total budget of $604,149. The following budget represents the requests from citizens of the FY2005-06 CDBG and HOME funds.

Activities	**Funding**
Acquisition/Rehabilitation/Resale (CDBG)	$125,000
Emergency Rehabilitation (CDBG)	50,000
Fairview Heights – Neighborhood Improvements (CDBG)	25,000
Sidewalk Improvements	39,935
Program Administration (CDBG)	90,160
Acquisition/Rehabilitation/Resale (HOME)	100,050
Homeownership Assistance (HOME)	40,000
Program Administration (HOME)	13,301
Debt Service Section 108 Loan	56,833
Public Services	
Rowan Helping Ministries (CDBG)	25,750
Family Crisis Council (CDBG)	16,100
Rowan Community Care Clinic (CDBG)	11,520
Salisbury Youth Employment	7,500
Community Youth Garden	3,000
TOTAL BUDGET	**$604,149**

VEHICLE AND EQUIPMENT REPLACEMENT FUNDS

It is recommended that $1,460,303 included in the FY2005-06 General Fund Budget be transferred to the General Fund Capital Reserve Fund. These funds, plus $30,000 from interest earnings, will be programmed this year for replacement of the General Fund fleet, computer and camera equipment in accordance with replacement schedules.

It is recommended that $422,868 be transferred from the Water and Sewer Fund to the Water and Sewer Capital Reserve Fund. These funds, plus $6,000 from interest earnings and a fund balance appropriation of $76,796, will be programmed to purchase the necessary Water and Sewer Fund vehicles and computer equipment in accordance with replacement schedules.

WATER AND SEWER FUND

Our water and sewer utility continues its remarkable transformation from a small municipal utility system (City of Salisbury Utilities Department) to a diversified, broad-based county-wide service provider, Salisbury-Rowan Utilities (SRU).

SRU has experienced another fast-paced year, as our partnerships with other communities and units of government continue to grow. For example, Rowan County has transferred their utility systems to SRU, which not only simplifies the overall system operations but also extends SRU's service area to the County line along US 70. During this coming year it is also anticipated that SRU and Rowan County will again join in partnership to extend sewer service along Interstate 85 from Salisbury to South Rowan through a jointly-funded $5.1 million project to stimulate growth and economic development in Rowan County's primary growth corridor. In addition, the Town of Faith is currently negotiating with Salisbury-Rowan Utilities to contract-operate their water system for a period of at least one year, during which time they will consider a permanent transfer. The transfer of Faith's sewer system is already in process. The Towns of China Grove and Landis have approached SRU to consider utility system consolidations. While these discussions are ongoing and the outcomes are pending, there is one certainty **– *that consolidation of these systems will not adversely impact the rates of current SRU customers*.**

Our successful partnerships with our current client communities (Granite Quarry, Rockwell, Spencer), Rowan County, Progress Energy have led to the expansion of our Water Treatment Plant, and the extension of water service and increased capacity along the US 70, US 29, and US 52 growth corridors. All of these changes have led to the reorganization and expansion of SRU to better meet the tremendous challenges and opportunities facing Salisbury and Rowan County now and in the future.

Our directive to stabilize water and sewer rates will continue to be a challenge, however, as we are still fighting to regain our "economy of scale" that was lost when much of our water-using manufacturing base departed. We are literally learning that it takes a vast number of small meters (users) to replace a few very large ones. However, the increased diversification of our customer base gives us greater security and stability with regard to any such future occurrence, while our water system expansions will hopefully place us in a position to see increased growth in our number of customers and revenues that will help meet needs and moderate future water rate increases. Additionally, some of the key trends and drivers that we see impacting SRU are analogous to ones that are occurring nationally within the utility industry:

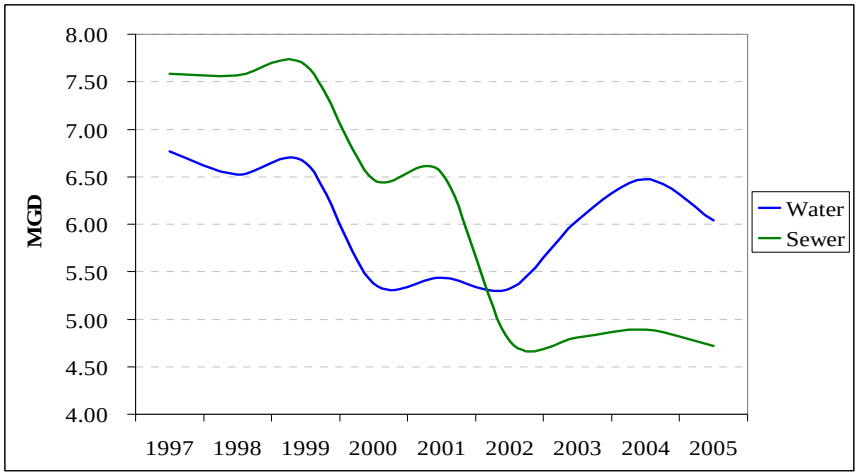
1. **Water quality and quantity problems are growing**. We are blessed to have the Yadkin River as our water supply, and our local situation belies this trend.
2. **Public awareness and concerns about water issues are growing**. Look at the explosive growth of the bottled water industry over the past few years to see how significantly customer perceptions – right or wrong – can create and drive new markets.
3. **Regulatory controls and enforcement are expanding**. New Federal EPA and State regulations impose higher standards on water and wastewater treatment without providing any funding to meet them.
4. **Consumers are practicing more efficient water use**. The drought made our citizens more aware of their environment, and that impact coupled with the

volatility of the local economy have led our customers to find ways to reduce their water consumption.

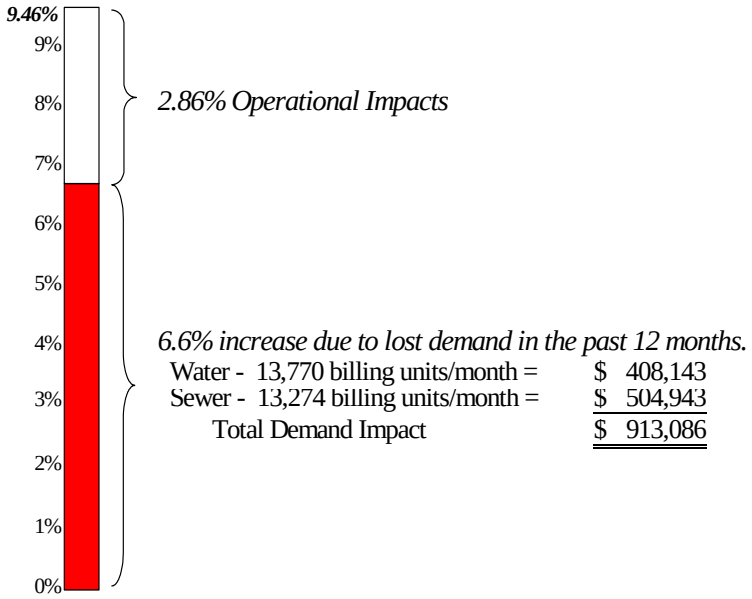
5. **Consolidation.** Increasing regulatory requirements and capital/operating costs are driving communities to seek to minimize rate impacts by increasing their customer bases by either joining larger systems or by assuming smaller systems.
6. **Water is becoming more expensive**. Treatment and transmission costs, maintenance and repair expenses are all drivers of water and wastewater rates.

Although the future continues to look positive for SRU, it has become clear that our recent successes in expanding our system and adding additional use in an effort to regain our economy of scale have been partially offset by a recurring trend – the decrease in water use by our existing customers. SRU's average daily water sales decreased from 6.5 MGD (Million Gallons per Day) in FY 2004 to 6.0 MGD in FY 2005. In addition, average wastewater sales decreased from 4.85 MGD to 4.75 MGD (see graph below).

Average Daily Water Sales
FY1997 – 2005



While these decreases are undoubtedly attributable to the impacts of the drought in 2002, two consecutive years of excessive rainfall, and previously discussed consumer trends, the result is that our additions to our daily water use from the South Rowan and Rowan Power projects as well as our system assumptions thus far have been more than offset by other factors. Therefore, while we've had some success in our plan for achieving the necessary economy-of-scale to stabilize rates, our recommended Water and Sewer Fund Budget of $19.5 million for FY2005-06 **represents a 9.46% average residential water and sewer rate increase**. Average monthly residential water and sewer utility bills will increase from $52.77 to $57.86. The proposed rate increase will be effective July 1, 2005. To minimize the rate increase, SRU and City Staff worked diligently to reduce the proposed Utilities budget by over $700,000 and to reduce the number of additional positions to one (excluding the additional positions funded by the South Rowan System assumptions). To help offset the loss of revenues over the past few years; SRU staff will work during the coming year on identifying new business opportunities and developing new revenue sources and cost-saving measures. As shown below, the majority of the rate increase (6.6%) is derived primarily from consumer conservation, while the remainder (2.86%) is due to process changes and unavoidable cost increases in operational areas such as chemicals and fuel:



While the proposed rate increase seems high, the new rate would still have Salisbury-Rowan Utilities' customers paying at or below the regional average as shown below:

Summary Comparison of Estimated Monthly Bills

Based on 8 billing units (equivalent to 6,000 gallons)

	Water			Sewer			
Organization	Minimum Charge	Volume Charge	Total Water	Minimum Charge	Volume Charge	Total Sewer	Total Bill
City of Statesville - Outside City Limits	13.85	28.70	42.55	20.48	47.08	67.55	110.10
Town of Landis	7.39	38.56	45.95	-	50.88	50.88	96.83
Town of China Grove	13.00	25.90	38.90	14.40	28.68	43.08	81.98
City of Lexington - Outside City Limits	12.57	21.84	34.41	9.94	34.16	44.10	78.51
East Spencer	2.00	33.84	35.84	2.00	40.64	42.64	78.48
City of Concord - Outside City Limits	3.94	31.92	35.86	2.69	25.12	27.81	63.67
City of Albemarle - Outside City Limits	15.52	16.32	31.84	13.53	16.32	29.85	61.69
City of Kannapolis - Outside City Limits	3.00	29.84	32.84	3.50	24.32	27.82	60.66
City of Concord - Inside City Limits	3.51	26.64	30.15	2.69	25.12	27.81	57.96
Salisbury-Rowan Utilities (July 1st)	***3.89***	***21.68***	***25.57***	***4.29***	***28.00***	***32.29***	***57.86***
City of Kannapolis - Inside City Limits	3.00	24.80	27.80	3.50	24.32	27.82	55.62
Salisbury-Rowan Utilities (Current)	***3.65***	***19.76***	***23.41***	***4.00***	***25.36***	***29.36***	***52.77***
City of Statesville - Inside City Limits	5.54	11.48	17.02	8.19	18.83	27.02	44.04
City of Lexington - Inside City Limits	6.28	10.80	17.08	5.72	20.56	26.28	43.36
Town of Cleveland	8.00	8.00	16.00	7.00	13.80	20.80	36.80
CMUD	1.65	9.36	11.01	1.65	20.24	21.89	32.90
City of Albemarle - Inside City Limits	7.76	8.16	15.92	6.76	9.24	16.00	31.92

All other communities are shown at current rates; their expected rate increases are not known.

It is important to note that this chart shows the rates for our regional neighbors **as they are currently**, while showing SRU's proposed rates. Most of these other communities are also facing significant rate hikes, such that SRU's position within the region will actually be better than this chart shows. Furthermore, this chart also shows clearly that SRU is undergoing the same struggles as many of our neighboring communities to regain economy-of-scale, maintain infrastructure and capacity, and handle the continuing "growing pains" within our county and our region.

Our aging sewer infrastructure, coupled with potential federal/state regulations and possible nutrient limits on High Rock Lake may adversely affect our sewer rates over the next several years. During this fiscal year, our long-range planning efforts will continue to focus on developing a plan for funding the expansion and renovation of our existing wastewater treatment facilities, thereby maximizing our existing capital investments in these plants and forestalling the time when the massive capital costs of a new treatment plant will have to be borne by our ratepayers. Sewer collection system capacity maintenance will be saved through the continued efforts of SRU staff and contracted support to identify and eliminate points of storm water inflow and groundwater infiltration (I&I) that cause sewer system overflows and use up system capacity.

All water and sewer-related fees and policies will continue to be reviewed during FY2005-06 as a part of the City Council's commitment to ensuring a positive business climate. Strong consideration has been given to recovering actual average costs of service as well as to examining their relative fairness and equity, and many of the fees and policies for SRU have changed dramatically within the last several years. However, these fees will still be competitive within the region, and some fees that have indirectly served to be a "disincentive" to development within the City and County have been eliminated. SRU's proposed budget also includes limited extension funding to provide an incentive to developers for future water and/or sewer line projects. In addition, the consolidation of SRU's development processes with Development Services/City Engineering into a true "One–Stop Shop" has been a significant improvement for our customers. Changes such as these are planned to be part of the City's ongoing effort to streamline its development processes and make its regulatory functions as "business friendly" as possible.

SRU has reviewed the protection of its utility systems by conducting an EPA-mandated Vulnerability Assessment, which was required of all public water systems in the wake of the terrorist actions of September 11, 2001. This Study resulted in a plan for improving the Utility's overall security while also providing a prioritization of the Utility's security needs for incorporation into its Capital Improvements Program (CIP). We will also continue the City's protection of its water rights with regard to the Yadkin River as well as our participation in the re-licensing process begun by ALCOA for their hydropower operation on High Rock Lake.

In order to address critical space needs for our utility operations, SRU Administration has undertaken the reoccupation and staged renovation of One Water Street (the former Waterworks Art Gallery) that is still owned by the City. The main floor of the building has been fully renovated, and although the basement floor renovation has been delayed, we anticipate its completion during FY2006-07.

Our ultimate goal from the Salisbury Vision 2020 Comprehensive Plan gives consideration to the growth and expansion of the City's water and sewer utilities, and lays out suggested policies reflecting that change. The plan suggests focusing on targeted growth areas, financial incentives, and partnerships to achieve growth that is consistent with the City's policies. Our partnerships with our client communities, Rowan County, the Rowan-Salisbury Schools, and Rowan County Power, LLC meet these criteria and are fully consistent with the Vision 2020 Plan. SRU is therefore in line with the City's desire to maintain financial viability for its water and wastewater utilities while neither exhausting its finite water supply nor contributing to "sprawl".

Perhaps the best summary of our plan, and the goal sought by SRU of becoming "the finest utility operation in the state and region", is from the "Community Vision" section of the Salisbury Vision 2020 Plan regarding water and sewer services, which states:

> **"We see a high quality water supply system, sufficient for growth, well maintained, and financially self-supporting."**

While we have made remarkable progress in a short amount of time towards that objective, recent trends are clearly showing that, while our consolidated "SRU model" is working, it will take time to achieve the economy-of-scale that is our goal. This next fiscal year will continue to be another year of change and challenge for our Salisbury – Rowan Utilities.

IN CONCLUSION

I want to especially thank John Sofley, Management Services Director, Teresa Harris, Budget and Performance Manager, Wade Furches, Accounting Manager, Melissa Drye, Finance Specialist, Evans Ballard, Budget and Benchmarking Analyst, Barbara Fuller and Mark Drye, Management Analysts, Myra Heard, City Clerk and the entire Management Services Department staff for another excellent effort on yet another extremely difficult budget. Thanks are also in order for the City Management Team and all Department and Division Managers who have worked so hard to prepare this financial plan.

In addition, I would like to thank the City Council, the volunteer Boards and Commissions for their vision and commitment during the Future Directions and Goal Setting Process. I also appreciate the time that each member of City Council will spend in evaluating and finalizing the recommendations contained in this year's Budget. I look forward to working with each of you in adopting the FY2005-06 Budget and appreciate your continued support in implementing the Outcomes, Strategies, Goals and Service Levels contained in this Budget. Please note that the results of the Salisbury City Council's strategic planning efforts follow this Budget Message as Exhibit 1.

In these times of uncertainty, the only thing constant is change itself. I am sure that Salisbury will continue to concentrate on our core values, mission, and vision. It is our goal to provide the quality of services that our citizens' desire at a cost they are willing to pay. We, in the City government, will strive to provide much needed value to our customers – the citizens of Salisbury and the ratepayers served by the Salisbury-Rowan Utilities Department.

David W. Treme
City Manager

ADDENDUM

On May 3, 2005, the City Manager presented a balanced FY2005-06 Budget proposal that totaled $52,929,082 for all funds. The public hearing was set for Tuesday, May 17, 2005. No citizens spoke at the public hearing.

The budget work session was set for Tuesday, May 24, 2005. During the work session and after much deliberation, City Council agreed to a no tax increase budget for the General Fund and use fund balance to pay for the construction of the new fire station. The water and sewer average residential rate increase was set at less than seven percent.

The City Manager presented revised budgets with the aforementioned scenarios at the June 7th Council meeting, which were subsequently adopted. The final water and sewer average residential rate increase was 6.9%. For the adopted budgets of the General Fund and the Water and Sewer Fund, all expenses related to the utility system consolidations with the Towns of China Grove and Landis were removed since no agreement was attained. The final adopted FY2005-06 Budget for all funds was $50,899,464

The full transcript of the budget discussions and public hearings can be read at the City's website http://www.salisburync.gov/council/agenda_minutes.html.

The following table details the changes that were approved by City Council for the General Fund:

Project		Amount	Department
ADD/INCREASE			
United Way	$	5,000	City Council
History & Art Walk-increase to $20,000		10,000	LMD-Planning
Downtown Salisbury, Inc.-increase to $90,000		14,420	LMD-Development Svcs
HR Web-based Applications-increase to $24,750		14,750	Human Resources
Hurley Park - Picnic Tables & Trash Cans		9,000	P/S-Hurley Park
Reinstate Street Lighting Petitions		7,500	LMD-Street Lighting
Total	$	60,670	
DELETE/DECREASE			
One Half Cent Tax Increase	$	112,450	Revenue
Transfer from W/S Fund for South Rowan		75,116	Revenue
Two Customer Service Clerks for South Rowan		(75,116)	Management Svcs
Payment for Highway 70 Sidewalks		(40,000)	LMD-Engineering
Radio Maintenance Contract		(29,435)	Telecommunications
Fund Part-time Firefighters for 3 months only		(31,430)	Fire
Equipment for Station 50		(20,544)	Fire
Salary Savings from Retirement		(51,711)	Fire
Total	$	(60,670)	
OTHER			
Delete One Cent Tax Increase	$	224,900	Revenue
Use Fund Balance for Station 50 Construction	$	(224,900)	Revenue

EXHIBITS

Following are four exhibits of significance to City Council in their budget discussions:

Exhibit 1 **Council Goals**: These goals were adopted at the Goal Setting Retreat on February 4, 2005. The budgets as submitted by the departments are based on assigned City Council Goals.

Exhibit 2 **Special Projects**: This information presents budgetary requests that are outside of the normal sphere of departmental operations. Many of these projects relate to City Council Goals. Council considers these requests separately from the normal line items.

Exhibit 3 **Special Community Efforts Groups Appropriations**: Each year, groups representing different facets of community service request funding for their efforts during the City's budget process. These presentations are made during regularly scheduled City Council meetings. During the budget work sessions, Council determines the funding level for each group.

Exhibit 4 **Position Listing and Salary Ranges**: After deliberation during the budget work sessions, City Council adopts the pay plan for the employees based on available funds.

Exhibit 1

CITY OF SALISBURY

City Council

Outcomes & Goals – FY 2005-06
Revised at Goal Setting Retreat February 4, 2005

★ One Year Tactical Plan

Outcome 1: Improve neighborhoods and safety for all areas of the City

★ 1. Prepare a second five-year Police Department Strategic Plan – Police
2. Implement Crime Control Plan – Police
★ 3. Evaluate an alarm ordinance – Police, Fire
★ 4. Broker projects to improve housing in selected neighborhoods – LM&D
5. Implement the Jersey City neighborhood plan – LM&D
★ 6. Conduct needs assessment to identify additional selected neighborhood(s) – LM&D
7. Evaluate Public announcement methods concerning emergency preparedness – Fire, Police, Utilities
8. Evaluate cost of adding an additional Fire substation – City Manager, Management Services, Fire

Outcome 2: Expand the tax base and revenue sources

★ 1. Identify and promote properties within the City for future in-fill development – LM&D

Outcome 3: Provide quality Parks and Recreation services

1. Continue development of Salisbury Community Park and Athletic Complex – Parks & Rec
2. Complete master plans for individual parks – Parks & Rec
★ 3. Implement Greenway Construction – LM&D, Parks & Rec
★ 4. Implement Open Space Standards through Vision 2020 – LM&D, Parks & Rec
★ 5. Address the questions raised in the "Next Steps" section of the Conference and Convention Center Market Study – City Manager, LM&D, Parks & Rec, Management Services

Outcome 4: Improve appearance and function of the Innes Street Corridor

★ 1. Prepare East Innes Street streetscape plan – LM&D

Outcome 5: Implement Salisbury Vision 2020 Plan

★ 1. Adopt standards and ordinances that support implementation of Vision 2020 – LM&D, Management Team
2. Identify opportunities to support Vision 2020 through City operations – LM&D, Management Team
★ 3. Consider smart growth standards and incentives – LM&D, Utilities

Outcome 6: Foster a climate of City-County cooperation

☆ 1. Support Rowan County's development of a land-use plan with growth corridors – LM&D, Utilities
☆ 2. Host a fellowship luncheon for the Rowan County Commissioners – City Council, City Clerk
☆ 3. Conduct a feasibility study for extending sewer along the I-85/US29 Growth Corridor– City Manager, Utilities

Outcome 7: Attract, retain and develop high quality City employees

1. Implement employee training and development plan – Human Resources
☆ 2. Implement strategies to recruit employees from diverse populations – Human Resources
3. Develop strategies to attract and retain quality employees – Human Resources

Outcome 8: Partner with Rowan-Salisbury Schools

☆ 1. Meet with School officials to determine needs with which the City can assist – City Council, Management Team
☆ 2. Communicate City perspectives on issues being addressed by the Rowan-Salisbury School Board – City Council

Outcome 9: Improve overall management of City and departments

1. Participate in statewide programs to establish performance standards – Management Services, Management Team
2. Develop system of standards to measure performance and accomplishments for all City departments – Management Services, Management Team
3. Monitor accomplishments in achieving stated standards – Management Services, Management Team
4. Create, monitor, and evaluate departmental strategic plans – City Manager, Management Team
5. Periodically evaluate the status of the City's Outcomes and Goals – City Council, City Manager, Management Team
6. Continue the City's Goal Setting and Future Directions process – City Council, City Manager, Management Team
☆ 7. Council to review election methods– City Council
☆ 8. Incorporate the "Good to Great" concepts into the City's culture as a foundation for Salisbury becoming a High Performance Organization – City Manager, Manangement Team, City Employees
9. Incorporate "American Public Values" philosophy in our local government's decision making and problem solving processes – City Council, City Manager, Management Team

Outcome 10: Implement special initiatives to improve the quality of life for Salisbury citizens

1. Participate in the Regional Environmental Sustainability Project – City Council, LM&D, Management Team

2. Provide appropriate training for all boards and commissions – LM&D, Human Resources, Parks & Rec
3. ☆ Develop policies and procedures for operating a governmental television access channel – City Council, City Manager, Information Technology
4. ☆ Evaluate the need for a policy for the development of affordable housing in Salisbury – LM&D, Utilities
5. ☆ Serve as a catalyst to create a cultural, historic, environmental and arts identity for our community – City Council, City Manager, Management Team, Downtown Salisbury, Inc., Community Stakeholders

Outcome 11: Improve and enhance Downtown Salisbury

1. Partner with DSI to implement the Downtown Salisbury Master Plan – LM&D
2. ☆ Conduct a downtown ADA compliance audit – LM&D, Human Resources, Public Services
3. Downtown Salisbury to take inventory of types of businesses that are of interest to young people and make recommendation – Downtown Salisbury

Outcome 12: Streamline development review process and ordinances

1. ☆ Continue development of project tracking software – Utilities, LM&D, Information Technology
2. ☆ Establish "one stop permitting" – LM&D, Utilities
3. ☆ Review construction standards – LM&D, Utilities
4. ☆ Seek local permitting authority for utility extensions – Utilities, LM&D
5. Salisbury-Rowan Utilities to update and enforce existing State-mandated plans and programs (necessary to achieve local permit authority) – Utilities, LM&D
6. Develop a communication plan for sharing development processes and ordinances with stakeholders – City Council, City Manager, Utilities

Outcome 13: Provide quality water and wastewater services to Rowan County that protect the environment, promote public health, improve the quality of life, support planned growth, and maintain public trust

1. Operations – Utilize resources to effectively and efficiently maintain and operate existing and future equipment, infrastructure, and processes, while providing superior quality water and wastewater services and protecting public health and the environment – Utilities, Management Services
2. ☆ Rates/Revenue – Manage the utilities in a manner that optimizes the utilization of resources and enables Salisbury-Rowan Utilities to charge competitive and affordable rates, while providing for capital and operational needs – Utilities, Management Services (Capital Needs)
3. Customer Service - Provide accessible and responsive services and address customer needs efficiently and accurately – Utilities, Management Services
4. Human Resources – Attract, retain, and reward a team of qualified employees committed to the Salisbury-Rowan Utilities' mission – Utilities, Human Resources

5. Stakeholder Communications – Be proactive in providing information, education, and public communication services – Utilities
6. Planning and Community-Wide Development – Operate Salisbury-Rowan Utilities according to well-defined plans supportive of the strategic plans of client communities – Utilities

Outcome 14: Create a positive business climate in Salisbury and Rowan County

☆1. Explore the feasibility of creating a business incubator for Salisbury – LM&D, Management Team, selected Development Organizations
2. Evaluate the need and options for business incentives – Utilities, LM&D, Management Team, selected Development Organizations
3. Investigate entrepreneurial loan pool and funding options – City Manager, LM&D, selected Development Organizations, Financial Institutions
☆4. Foster a customer service attitude among all City workers – City Manager, Management Services, Management Team

EXHIBIT 2
CITY OF SALISBURY
SPECIAL PROJECTS FOR FY2005-06

	REQUESTED	MANAGER RECOMMENDS	ADOPTED	OFFSETTING REVENUE
CITY COUNCIL				
Chamber of Commerce Focused Forward-Year 2	$ 12,500	$ 12,500	$ 12,500	$ -
Total Special Projects	$ 12,500	$ 12,500	$ 12,500	$ -
MANAGEMENT & ADMINISTRATION				
Executive Development	$ 15,000	$ -	$	$ -
Total Special Projects	$ 15,000	$ -	$ -	$ -
HUMAN RESOURCES				
Employee Wellness Plan	$ 7,500	$ -	$ -	$ -
Customer Service Program	7,500	7,500	7,500	-
Management Training/Executive Development	18,000	15,000	15,000	-
Recruitment Incentives	12,000	-	-	-
Education/Volunteer -Leave Program	4,100	-	-	-
Succession Planning Evaluation	7,500	-	-	-
Standard Salary Adjustments	100,000	-	-	-
Market Data Software	35,000	-	-	-
Public Safety Special Advertising	5,000	-	-	-
Public Safety Entry Level IPMA Exams	9,000	-	-	-
401k Additional Contribution	125,000	-	-	-
HRIS Self Service Software and Training	25,000	-	-	
Conversion to Web-based HRIS	-	10,000	24,750	-
Total Special Projects	$ 355,600	$ 32,500	$ 47,250	$ -
MANAGEMENT SERVICES				
Web applications	$ 3,000	$ 3,000	$ 3,000	$ -
Performance Reporting Demonstration Grant	15,000	15,000	15,000	15,000
Total Special Projects	$ 18,000	$ 18,000	$ 18,000	$ 15,000
INFORMATION TECHNOLOGIES				
Sygate Implementation	$ 15,000	$ 15,000	$ 15,000	$ -
Fiber to the Home Study	80,000	20,000	20,000	-
Total Special Projects	$ 95,000	$ 35,000	$ 35,000	$ -
POLICE				
Gang Diversity Awareness Education	$ 3,000	$ 3,000	$ 3,000	$ -
Five Year Strategic Plan	30,000	20,000	20,000	-
Total Special Projects	$ 33,000	$ 23,000	$ 23,000	$ -
FIRE				
Reserve Firefighter Program	$ 12,838	$ -	$ -	$ -
	$ 12,838	$ -	$ -	$ -
LAND MANAGEMENT & DEVELOPMENT-GIS				
Online application for State Development Zone	$ 3,500	$ -	$ -	$ -
Online application for NPDES Phase II Compliance	3,500	-	-	-
Online application for Parks & Amenities Locator	3,500	-	-	-
Total Special Projects	$ 10,500	$ -	$ -	$ -

	REQUESTED	MANAGER RECOMMENDS	ADOPTED	OFFSETTING REVENUE
LAND MANAGEMENT & DEVELOPMENT-PLANNING & COMMUNITY DEVELOPMENT				
SAFETEA Matching Funds	$ 100,000	$ -	$ -	$ -
Vision 2020 implementation	25,000	25,000	25,000	-
Historic Preservation Grants	30,000	30,000	30,000	-
Innes Street Incentive Grant Program	25,000	25,000	25,000	-
Neighborhood Improvements	100,000	-	-	-
History & Art Walk	20,000	10,000	20,000	-
Innes Street Bridge landscaping	10,000	-	-	-
Freedman's Cemetery wall	15,000	-	-	-
Historic District Expansions	20,000	-	-	-
Neighborhood Tree Planting	10,000	-	-	-
Sidewalk Amenities	15,000	-	-	-
Host Preservation Training Session	8,000	8,000	8,000	8,000
Systematic Annexation	10,000	10,000	10,000	-
Reprint HPC Design Guidelines	8,000	-	-	-
North Main Street Area Plan	10,000	-	-	-
Boxwood Park Development	5,000	-	-	-
ETJ Signage	5,000	-	-	-
Total Special Projects	$ 416,000	$ 108,000	$ 118,000	$ 8,000
LAND MANAGEMENT & DEVELOPMENT-ENGINEERING				
I-85 Noise Barrier & Sidewalks, Project I-2511 CA	$ 122,500	$ 122,500	$ 122,500	$ -
Innes Street Bridge, Project B-3236	30,000	30,000	30,000	-
Greenway, Projects E-3308 & E4403	783,000	783,000	783,000	700,000
Depot Improvements, Project 04-ST-005	500,000	500,000	500,000	450,000
East Innes Street Sidewalks, Project 38225	154,000	154,000	154,000	125,000
East Innes Street Improvements	285,000	-	-	-
NPDES Compliance	35,000	25,000	25,000	-
Salisbury Incentive Fund	100,000	-	-	-
Drainage Grants	25,000	-	-	-
Downtown pole painting	5,000	5,000	5,000	-
900 Block East Liberty Street Improvements	60,000	-	-	-
Salisbury High School Track & Field	67,100	-	-	-
Fulton Heights Traffic Calming Study	10,000	-	-	-
Highway 70 Sidewalks, Project R-2911 E	40,000	40,000	-	-
Total Special Projects	$ 2,216,600	$ 1,659,500	$ 1,619,500	$ 1,275,000
LAND MANAGEMENT & DEVELOPMENT-STREET LIGHTING				
Thoroughfare Expansions	$ 7,500	$ -	$ -	$ -
Neighborhood Petitions	7,500	-	7,500	-
	$ 15,000	$ -	$ 7,500	$ -
PARKS AND RECREATION				
NRPA Accreditation	$ 4,000	$ 4,000	$ 4,000	$ -
Kelsey Scott Plan	15,000	-	-	-
Conference/Convention Center Study	20,000	5,000	5,000	-
Recreation Software	50,000	-	-	-
Total Special Projects	$ 89,000	$ 9,000	$ 9,000	$ -

	REQUESTED	MANAGER RECOMMENDS	ADOPTED	OFFSETTING REVENUE
PUBLIC SERVICES-STREET				
Storm Water & Drainage Improvements	$ 50,000	$ -	$ -	$ -
SAFETEA Matching Funds	-	96,896	96,896	-
Target Neighborhood Improvements	10,000	-	-	-
Downtown Sidewalks & Handicapped Access	20,000	-	-	-
Total Special Projects	$ 80,000	$ 96,896	$ 96,896	$ -
PUBLIC SERVICES-CEMETERY				
Improvements to Dixonville Cemetery	$ 5,000	$ -	$ -	$ -
Total Special Projects	$ 5,000	$ -	$ -	$ -
PUBLIC SERVICES-FLEET				
Car Chip Program	$ 30,184	$ -	$ -	$ -
Total Special Projects	$ 30,184	$ -	$ -	$ -
PUBLIC SERVICES-LANDSCAPE OPERATIONS				
Bell Tower Fountain Replacement	$ 6,000	$ 6,000	$ 6,000	$ -
Tree Top Advertising	1,200	-	-	-
Neighborhood Tree Planting	5,000	5,000	5,000	-
Brown-Wiseman Boxwood Property Development	5,000	-	-	-
Tree Planting - Downtown Master Plan	10,000	-	-	-
Total Special Projects	$ 27,200	$ 11,000	$ 11,000	$ -
PUBLIC SERVICES-LANDSCAPE OPERATIONS-HURLEY PARK				
Creek Bank Stabilization Project	$ 8,000	$ -	$ -	$ -
Spring Celebration	1,600	1,600	1,600	-
Total Special Projects	$ 9,600	$ 1,600	$ 1,600	$ -
GRAND TOTAL-SPECIAL PROJECTS	**$ 3,441,022**	**$ 2,006,996**	**$ 1,999,246**	**$ 1,298,000**
TOTAL OFFSETTING REVENUE	***$ 1,583,000***	***$ 1,298,000***	***$ 1,298,000***	
TOTAL CITY SHARE	**$ 1,858,022**	**$ 708,996**	**$ 701,246**	**$**

EXHIBIT 3

SPECIAL COMMUNITY EFFORTS GROUPS APPROPRIATIONS FOR FY 2005-06

	FY2004-05 ADOPTED		REQUESTED		MANAGER RECOMMENDS		ADOPTED	
Human Relations Council	$ 3,500		$ 3,500		$ 3,500		$ 3,500	
Action Grants	22,000		25,000		22,000		22,000	
Rowan Information & Referral	4,500		4,500		4,500		4,500	
Salisbury-Rowan EDC	53,670		69,498	[1]	53,670		53,670	
Downtown Salisbury, Inc.	75,580	[2,3]	90,000	[4]	75,580	[2,3]	90,000	[4]
Rowan County Committee of 100	-		30,000	[5]	30,000	[5]	30,000	[5]
Waterworks Gallery	-		18,615		-		-	
Rowan Museum	6,000		10,000		6,000		6,000	
Rowan Arts Council	45,000		50,000		45,000		45,000	
Rufty Holmes Senior Center	50,000		50,000		50,000		50,000	
Horizons Unlimited	42,342		42,342		42,342		42,342	
United Way	-		5,000		-		5,000	
Rowan County AIDS Task Force	-		7,500		-		-	
Rowan Business Alliance Foundation	-		5,000		-		-	[6]
Communities in Schools	-		1,872		-		-	
Big Ma Ma's Community Outreach	-		50,000		-		-	
Partners In Learning Child Deveopment	-		7,000		-		-	
NC Transportation Museum	-		10,000		-		-	
Prevent Child Abuse Rowan	-		10,000		-		-	
Alpha and Omega Ministries	-		20,000		-		-	
Love Center for Community Enhancement	-		20,000		-		-	
	$ 302,592		$ 529,827		$ 332,592		$ 352,012	

[1] Increase to implement marketing strategy plan

[2] Includes $6,000 for Christmas Lights

[3] Increased to return DSI to FY02 funding level

[4] Increase due to additional promotions plans and salary upgrades

[5] Year 2 of 5-year commitment

[6] Funded at the end of FY2005 for $5,000

Exhibit 4
Position Listing and Salary Ranges

Position	Grade	Minimum	Maximum
Account Clerk I	118	$21,394	$35,301
Account Clerk II	122	$23,606	$38,950
Accountant I	126	$26,047	$42,977
Accountant II	131	$29,455	$48,601
Animal Control Specialist	120	$22,473	$37,081
Assistant City Manager for Utilities	532E	$75,848	$113,773
Assistant Fire Chief	445	$54,067	$72,455
Assistant Plants Manager	525D	$44,900	$79,799
Assistant Systems Manager-Admin	521C	$29,474	$58,948
Assistant Systems Manager-Operations	522C	$34,667	$69,335
Automotive Service Technician	701	$21,981	$36,269
Battalion Chief	439	$42,363	$59,609
Budget & Benchmarking Analyst	143	$39,568	$65,286
Budget & Performance Management Manager	150	$47,001	$77,552
Building & Grounds Maintenance Worker I	110	$17,573	$28,996
Building Maintenance Worker	110	$17,573	$28,996
Buyer	122	$23,606	$38,950
Cemetery Operations Manager	136	$33,310	$54,961
Chemist	520C	$36,915	$73,830
City Clerk	234	$34,779	$62,602
City Code Inspector	121	$23,033	$38,004
City Engineer	153	$50,600	$83,491
City Manager	---		
Civil Engineer I	140	$36,753	$60,643
Civil Engineer II	143	$39,568	$65,286
Civil Engineer III	147	$43,658	$72,036
Community Resource Specialist	143	$39,568	$65,286
Crime Analyst - Civilian	143	$39,568	$65,286
Customer Service Clerk I	114	$19,390	$31,993
Customer Service Clerk II	118	$21,394	$35,301
Customer Service Supervisor	131	$29,455	$48,601
Department Secretary	126	$26,047	$42,977
Deputy Clerk	126	$26,047	$42,977
Deputy Police Chief	349	$45,632	$73,012
Deputy Utilities Director	531E	$68,953	$103,430
Development Services Manager	147	$43,658	$72,036
Development Services Specialist	127	$26,695	$44,047
Engineering Technician - Ut	518C	$32,618	$65,236
Equipment Operator I	115	$19,873	$32,790
Equipment Operator II	120	$22,473	$37,081
Facilities Maintenance Supervisor	128	$27,360	$45,144
Facilities Management Director	145	$41,563	$68,578
Facilities Manager	147	$43,658	$72,036
Finance & Administration Manager	528D	$58,059	$87,088
Finance Director	255	$58,414	$105,146
Finance Manager	155	$53,152	$95,673
Finance Specialist	126	$26,047	$42,977
Fire Captain	431	$34,110	$47,996
Fire Chief	255	$58,414	$105,146
Fire Control Specialist I	420	$24,031	$32,204

Position	Grade	Minimum	Maximum
Fire Control Specialist II	424	$26,494	$37,280
Fire Engineer	427	$28,062	$39,486
Fire Investig/Inspec Officer	439	$42,363	$59,609
Fire Investig/Inspection Specialist	431	$34,110	$47,996
Fire Logistics Officer	431	$34,110	$47,996
Fire Projects Analyst	431	$34,110	$47,996
Fiscal Analyst	143	$39,568	$65,286
Fleet Services Manager	145	$41,563	$68,578
Fleet Services Shift Supervisor	134	$31,711	$52,323
Fleet Services Supervisor	136	$33,310	$54,961
GIS Mapping Technician	517C	$28,367	$56,735
Grounds Maintenance Worker I	109	$17,146	$28,291
Grounds Maintenance Worker II	114	$19,390	$31,993
Human Resources Analyst I	134	$31,711	$52,323
Human Resources Analyst II	139	$35,860	$59,169
Human Resources Director	255	$58,414	$105,146
Human Resources Technician I	126	$26,047	$42,977
Human Resources Technician II	130	$28,740	$47,420
Identification Specialist	120	$22,473	$37,081
Information Technologies Manager	600	$55,761	$97,125
Laboratory Analyst	513C	$25,123	$50,246
Laboratory Supervisor	523C	$36,953	$73,906
Land Mgmt & Dev Director	260	$66,090	$118,963
Landscape Division Manager	139	$35,860	$59,169
Landscape Maintenance Supervisor	128	$27,360	$45,144
Mail Coordinator	115	$19,873	$32,790
Management Analyst	143	$39,568	$65,286
Marketing & Community Relations Mgr	136	$33,310	$54,961
Master Police Officer	327	$34,284	$53,140
Mechanic	700	$26,377	$49,296
Meter Services Supervisor	515C	$30,707	$61,415
Meter Services Technician	502A	$17,544	$35,088
Office Assistant	114	$19,390	$31,993
Park Curator	128	$27,360	$45,144
Parking Control Specialist	120	$22,473	$37,081
Parks & Recreation Maintenance Manager	139	$35,860	$59,169
Parks & Recreation Director	251	$52,920	$95,257
Parks Maintenance Supervisor	128	$27,360	$45,144
Parts Clerk	115	$19,873	$32,790
Parts Manager	128	$27,360	$45,144
Permit Service Coordinator	121	$23,033	$38,004
Planner I	140	$36,753	$60,643
Planner II	143	$39,568	$65,286
Planning & Community Development Manager	151	$48,172	$79,483
Plants Maintenance Supervisor	523C	$36,953	$73,906
Plants Maintenance Technician	505B	$25,885	$51,770
Police Chief	255	$58,414	$105,146
Police Information Clerk	115	$19,873	$32,790
Police Lieutenant	339	$41,484	$64,300
Police Officer I	322	$28,334	$43,918
Police Officer II	324	$31,167	$48,309
Police Planner	143	$39,568	$65,286

Position	Grade	Minimum	Maximum
Police Records Clerk	115	$19,873	$32,790
Police Records Coordinator	123	$24,194	$39,920
Police Sergeant	333	$37,713	$58,454
Police Services Supervisor	130	$28,740	$47,420
Police Telecommunicator	124	$24,797	$40,914
Productivity Analyst	143	$39,568	$65,286
Public Services Director	251	$52,920	$95,257
Purchasing Manager	143	$39,568	$65,286
Recreation Aide	105	$15,540	$25,640
Recreation Coordinator	134	$31,711	$52,323
Recreation Program Manager	147	$43,658	$72,036
Recreation Program Supervisor	136	$33,310	$54,961
Recreation Programmer	131	$29,455	$48,601
Regulatory Compliance Technician	506B	$30,611	$61,223
Residuals Operator	509C	$25,895	$51,789
Residuals Supervisor	524C	$37,685	$75,371
Risk Management Assistant	127	$26,695	$44,047
Risk Manager	150	$47,001	$77,552
Seasonal Worker	105	$15,540	$25,640
Senior Bldg Maint Worker	119	$21,927	$36,180
Senior Building & Grounds Maintenance	119	$21,927	$36,180
Senior Customer Service Clerk	122	$23,606	$38,950
Senior Grounds Maint Worker	119	$21,927	$36,180
Senior Meter Mechanic	511C	$27,916	$55,832
Senior Meter Reader	510C	$24,762	$49,523
Senior Office Assistant	119	$21,927	$36,180
Senior Office Assistant	500A	$21,068	$42,136
Senior Planner	147	$43,658	$72,036
Senior Wastewater Treatment Plant Operat	512C	$37,685	$75,371
Senior Water Treatment Plant Operator	512C	$37,685	$75,371
Signs & Marking Crew Leader	121	$23,033	$38,004
Signs & Marking Technician I	112	$18,459	$30,458
Signs & Marking Technician II	116	$20,368	$33,606
Solid Waste Equipment Operator	119	$21,927	$36,180
Solid Waste Mgmt Div Manager	136	$33,310	$54,961
Solid Waste Operations Supervisor	128	$27,360	$45,144
Street Maintenance Manager	143	$39,568	$65,286
Street Maintenance Supervisor	128	$27,360	$45,144
Street Maintenance Worker I	109	$17,146	$28,291
Street Maintenance Worker II	114	$19,390	$31,993
Support Services Manager	527D	$54,824	$85,236
Systems Analyst	601	$43,906	$76,475
Technical Services Supervisor	143	$39,568	$65,286
Technologies Services Technical Assist	132	$30,189	$49,811
Telecommunications Assistant	122	$23,606	$38,950
Telecommunications Manager	151	$48,172	$79,483
Temporary Worker	105	$15,540	$25,640
Traffic Operations Manager	139	$35,860	$59,169
Traffic Signal Technician I	118	$21,394	$35,301
Traffic Signal Technician II	122	$23,606	$38,950
Transit Dispatcher	118	$21,394	$35,301
Transit Manager	136	$33,310	$54,961

Position	Grade	Minimum	Maximum
Transit Operator	118	$21,394	$35,301
Urban Design Planner	147	$43,658	$72,036
Utilities Construction Inspector	519C	$35,735	$71,470
Utilities Engineer	526D	$51,770	$82,539
Utilities Engineering Manager	530E	$65,112	$97,667
Utilities Maintenance Supervisor	514C	$26,974	$53,947
Utilities Maintenance Technician	501A	$19,813	$39,626
Utilities Planning Manager	527D	$54,824	$85,236
Utilities Systems Manager	529D	$61,484	$92,226
Utility Plants Manager	529D	$61,484	$92,226
Utility Systems Supervisor	516C	$31,418	$62,836
Victim's Advocate	327	$34,284	$53,140
Wastewater Treatment Plant Operator	508C	$25,334	$50,667
Water Treatment Plant Operator	507C	$23,764	$47,528
Water Treatment Supervisor	524C	$37,685	$75,371
Zoning & Code Enforcement Spec	121	$23,033	$38,004