

CITY OF SALISBURY
WORK SESSION
DECEMBER 3, 2018

Public Officials Present

Council President John R. “Jack” Heath
Councilman James Ireton, Jr.

Council Vice President Muir Boda

Public Officials Not Present

Mayor Jacob R. Day
Councilman R. Hardy Rudasill

Councilwoman April Jackson

In Attendance

City Administrator Julia Glanz, Assistant Director of Finance Sandra Green, Pam Baker of Barbacane, Thornton & Company, LLP, National Folk Festival Manager Caroline O’Hare, City Clerk Kim Nichols, City Attorney Mark Tilghman, interested citizens and members of the press.

On December 3, 2018, Salisbury City Council convened in a Work Session at 4:36 p.m.in Council Chambers, Room 301 of the Government Office Building following a webinar provided by Municode for staff and Council regarding the City’s online code. The following is a synopsis of the topics discussed in the Work Session.

Presentation – FY17 Audit

Auditor Pam Baker of Barbacane, Thornton & Company, LLP joined Council to discuss the FY18 audit and financial statements. Ms. Baker handed out draft Audit Reports and the Single Audit Reports. The following is a recap of the audit highlights provided by Ms. Baker:

- Independent Auditor’s Report
 - The auditors issued an unmodified or clean audit opinion on governmental activities, business-type activities, all funds and funds and account groups. No recommendations were found this year.
 - Emphasis of Matter – The post-employment benefits implementation was similar to last year’s pension standard. It did not have nearly the impact that the pension standard had because the City was already recording portions of the post-employment benefit. It was new, but did not dramatically impact the financial statements. It has also been successfully implemented and reported as required.
- Management’s Discussion and Analysis- Unaudited – Changes in Net Position
 - Governmental Activities- In Water and Sewer and Governmental Activities, many ongoing projects caused Capital to go up and bolster the Balance Sheet. The City is building Capital and there are many projects, but Noncurrent Liabilities is not going up. Many projects are funded with existing resources and prior year debt.
 - Net Position went from \$4.4 million to \$6.6 million. Investing in long term assets is growing the Net Position since the City is not increasing debt at the same rate.

- Business-Type Activities- Water and Sewer cash position has gone up from \$5.8 million to \$7.6 million, the effort to try to accumulate as many resources in terms of cash and investments to help mitigate some of the costs and keep borrowing down, as there have been many capital projects in Water and Sewer.
- Noncurrent Assets- Due to the large capital project, the Wastewater Treatment Plant (WWTP) Noncurrent Assets went from \$143 million to \$153 million.
- Noncurrent Liabilities increased as the capital projects are ongoing; some is debt the City entered into the prior years but is being drawn as it is being spent. The City's net position is up last year from \$68 million to \$77 million, which speaks to the City's capital investments that support the City's future long-term operations. Ms. Baker referred to the City's ongoing projects listed on page 11 in the Draft Audit Report.
- General Fund
 - Revenues were \$37 million (slightly over budget), Expenditures were \$39 million, and the Net Change in Fund Balance was -\$1.7 million due to a transaction to pay for capital at the end of last year but came in this year causing a skew. This caused the skewed swing; therefore, the \$1.7 million difference was not a shock.
 - The Unassigned Fund Balance is \$7.4 million, up from last year's \$6.6 million. The plan for the City to get the unassigned fund balance up was successful.
- Foot Notes to Financial Statements
 - Note 11 Commitments and Contingent Liabilities (Outstanding Commitments) - The City has committed \$17.3 million dollars to the following projects: Main Street Master Plan, Riverwalk Repairs, Main Street Broadband, Police Communication, Amphitheater, East Main Street Storm. \$7 million dollars has been completed as of June 30, 2018, so there is \$10 million left to go to finish those projects. In Business-type Activities, the biggest is the WWTP upgrade, but other projects include Paleo Well, Park Well, Hampshire Road Lift Station, East Main Street Sewer, and Fitzwater Pump Station. \$49 million was committed to the projects; \$30.8 million has been completed through June 30, 2018, with \$18 million left. In the MD&A, the City's borrowing base capacity is well below the legal limit for debt.
 - Note 13 Fund Balances- The Unassigned Fund Balance is \$7.4 million with some outstanding encumbrances. There are committed funds for Health Care and non-spendable items such as salaries. Capital Improvements is restricted.
 - Note 14 Tax Abatement- The City has abated property taxes of \$85,000 related to the Enterprise Zone.
- Required Supplementary Information
 - Schedule of Proportionate Share of the Net Pension Liability- Employee Plan
As of June 30, 2017, the net position as a percentage of liability is 69% (meaning the pension is 69% funded) and will hopefully improve as the market improves.
- Single Audit Report
 - The City is still working on the WWTP, in which funding was received from the Federal Government in the amount of \$6.6 million this year. Compliance and financial controls were reviewed and the City received a clean report. The City was a high-risk auditee in the past and is now considered a low-risk auditee.
 - Capital related items were focused on this year as a high-risk area. All of the City's significant controls (cash, procurement, payroll, receipts, and disbursements) were examined and tested. There were no findings or recommendations this year. Ms. Baker

reported the firm worked with Mr. Cordrey on an ongoing basis with anything new, different or abnormal. The auditing firm had a new team with new perspective and remarked the City controls are well and the staff does a great job.

Ms. Baker said that Timothy Sawyer from the auditing firm would join Council next week at the Legislative Session to present the final auditing report for Council approval.

National Folk Festival Debriefing

City Administrator Julia Glanz and National Folk Festival (NFF) Manager Caroline O'Hare joined Council at the table and reported on the numbers of attendees; volunteers; artists; crafts people, demonstrators and artisans; food vendor trucks, trailers and booths; stages; and areas.

Ms. O'Hare explained the unique, never before used method in which the City of Salisbury's Information Services Department used cell phone data to track unique ID's to make the accurate estimate of 63,000 attendees. The rains hit the NFF at the end of the event and kept many attendees away, however the numbers were quite astounding considering it was year one and had a rainy forecast. Field study surveys were done over the course of the weekend to gather much of the data. There was a total transactional impact of \$18 million over the course of the NFF weekend. Forecasts for next year and future NFF events include an audience of 150,000 with a transactional impact of \$45 million.

The event had 58 sponsors and partners, over 150 Legacy Society Members and on-site donations of \$20,982.72. Ms. O'Hare also discussed beer and wine sales (\$89,000); the great job Field Ops did before, during and after the festival; volunteers; the Green Team's (10) Eco-Stations, compost and recycling bins for each food vendor; signage; Satellite Shuttle Service.

The next National Folk Festival will be held September 6-8, 2019. The handout provided to Council, 2018 Festival Snapshot, is attached and included as part of the minutes.

Budget Amendment for Downtown Visitors Center- Merchandise Sold

Business Development Director explained the Downtown Salisbury Visitor Center sold \$1244.44 worth of merchandise, which was remitted to the General Fund. In order to keep the Center's merchandise well stocked, she would like to employ regular quarterly budget amendments based on the sales number to put funds back into the Visitor Center Marketing Account.

Council reached unanimous consensus to advance the budget amendment to legislative agenda.

US 13 North PennTex Phase II Annexation

Building Official Bill Holland, PennTex Ventures Executive Vice President Ted Donald, Becker Morgan Group Senior Associate Jeff Harman and City Consultant Mike Sullivan joined Council to present the US 13 North/PennTex Phase II Annexation.

Mr. Holland explained the property, adjacent to Aldi, was approximately two and a half acres, and consisted of three parcels. At the current tax rate, the property's estimated value would be \$2.3 million and would generate \$22,000 estimated tax revenue per year, with a positive fiscal impact of \$9,300. He reported the annexation plan went before the Planning Commission on July 19, 2018 and was zoned General Commercial. Once the property is developed, it will be subdivided into two lots containing two proposed restaurants, with the one in the rear area being an upper scale eatery. The City's Public Hearing will be held on January 14, 2019.

Mr. Boda asked if there were traffic issues with the opening of Aldi's, and said two more businesses will now be located in that tight spot. He asked if there was a plan for the increased traffic on Dagsboro Road, and if the restaurants would be connected. Mr. Holland said the Maryland Department of Transportation (MDT) did a traffic study that he would email to Mr. Boda. Mr. Boda also asked why one of the restaurants was being placed near Rt. 13 and not towards the other parking area, and would it make better sense to have the majority of the parking for both businesses in between. Mr. Harman said they looked at about 15 different layouts for the site to find the best one for the oddly shaped parcel. A visibility problem for Aldi and the restaurant to the rear was created with the other scenarios. This layout gives a more open feel to the site with better visibility and better circulation of traffic.

Mr. Ireton asked if there could be another way out of the development other than Dagsboro Road. Mr. Donald said that opening Aldi without having the Rt. 13 access presented a real design problem. PennTex Ventures did traffic studies which were submitted to State Highway Administration (SHA). SHA will not issue a permit without adequate traffic movement. He said they placed the entrance on Phase II directly in accord with their desires, and PennTex Ventures would bring their studies, SHA comments, and their traffic engineer to the Public Hearing.

Mr. Ireton asked if the proposed parking spaces were larger than the ones at Aldi's. Mr. Donald thought the spaces were "to code" and since they did not get a variance to shrink them in size, he thought the exact stall width and size were proposed as required. On their initial concept site plans, the entrance roads are wider than required (30-35 feet rather than 24 feet). There is more proposed parking than required, but the final count will be determined once the architectural is done and there is an exact number of seats in the building.

President Heath asked if the access was the same as discussed at the Planning Commission meeting. Mr. Harman said this was the right in, right out entrance nearing 40 feet in width, and does not get to 24 feet until it gets to the outskirts of the parking lot.

President Heath stated the annexation had to return to the Planning Commission after the City's January 14, 2019 Public Hearing. The Public will be able to ask questions and give comments.

Text Amendment allowing Hairdresser Shops in Light Industrial District

City Planner Anne Roane reported Davis Simpson Holdings LLC was approached by a potential tenant to place a hairdresser shop on a property zoned Light Industrial. After staff discussed the

amendment, they determined that type of destination use as service in employer/ employment districts, and felt it could be applicable in all the other zones where there are vacant buildings for daycares, hairdressers, etc. that serve the employees in the area. The amendment to allow hairdresser shops in the Light Industrial District requires two Public Hearings. The Planning Commission held the first one on October 18, 2018 and received a favorable recommendation.

Council reached unanimous consensus to advance the legislation to legislative session.

500 Riverside Drive Soil Memorandum of Understanding (MOU)

Department of Infrastructure and Development Director Amanda Pollack presented the request to enter into a MOU with the owners of 500 Riverside Drive for excess soil from the Wastewater Treatment Plant (WWTP). The property owner would be required to load, transport, and spread it. The soil is being offered "as is" since there are clumps of clay that would need to be screened out. They can leave their equipment on site at their own risk.

The property owners need approximately 18,000 cubic yards, and the City's pile is about 70,000 cubic yards. This would raise the Riverside Drive site an additional 3 ½ to 4 feet. Before they can begin filling, the owners have to obtain Critical Area Commission approval and the joint permit application through the State of Maryland and the Corp because it is in the Flood Plain. The existing bulkhead will be raised 30 inches and 270 feet of new bulkhead will be built.

Council reached unanimous consensus to advance the resolution to legislative agenda.


Motion to Convene in Closed Session

At 5:45 p.m., Mr. Heath called for a motion to convene in Closed Session to consider the acquisition of real property as permitted under the Annotated Code of Maryland §3-305(b)(3). Mr. Boda moved, Mr. Ireton seconded, and the vote was unanimous to convene in Closed Session.

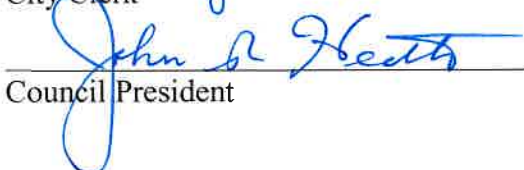
Motion to end Closed Session / Reconvene in Open Session / Report to Public

At 6:05 p.m., upon a motion and seconded by Mr. Boda and Mr. Ireton, the vote was unanimous to close the Closed Session. Council convened in Open Session and President Heath reported to the Public that Council had discussed the acquisition of real property for a public purpose.

The Open Session was then adjourned.



City Clerk



Council President



2018 Festival Snapshot

FESTIVAL BY THE NUMBERS



- 2018 Festival attendance approximately 63,000
- 1200+ volunteers
- 350+ artists, craftspeople, and demonstrators
- 29 Maryland and Delmarva artisans in the Marketplace
- 25 food vendor trucks, trailers and booths
- 7 stages and areas



2018
Attendance
63,000



- The City of Salisbury's Information Services Department used cell phone data to track unique ID's, making for a more accurate headcount than was previously possible.
- An enterprise mesh Wi-Fi system was deployed across the entire footprint.
- Even when the user did not use the dedicated NFF Wi-Fi, as long as they were within range, the system sent a constant stream of offers to use the NFF system – This let us know the total number of devices in range at any time that were seen by the system.

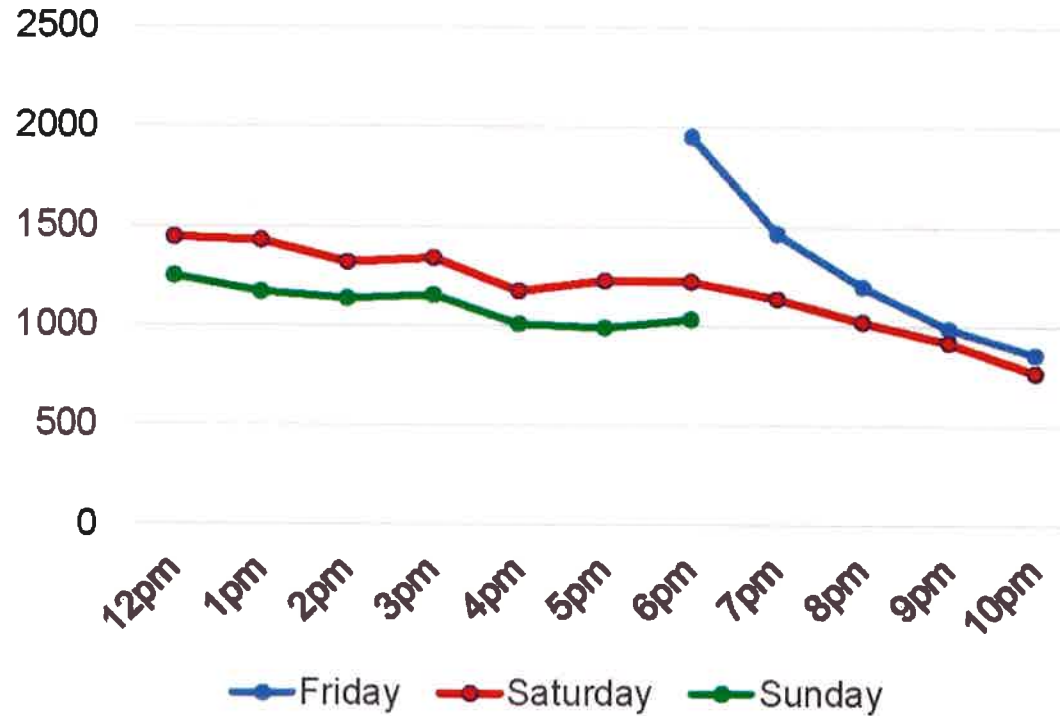
2018
Attendance
63,000



- Devices connected for a minimum of 5 uninterrupted minutes in order to account for any traffic or passersby that were not attending the festival. Across the entire weekend, we detected just under 100,000 devices across the footprint that met these criteria.
- Using a standard deviation formula for the sample, Information Services were able to account for the outlying fringes; those without mobile devices such as small children, or those with multiple Wi-Fi enabled devices on them such as multiple phones, smart watches, and the like.
- Historical information was gathered from the 3 weeks prior to the festival when the hardware was deployed and tested. This information allowed the team to eliminate all devices that belong to businesses, residences, the medical centers within range, and people who work in the area each weekend from our total.
- While the total attendance number also accounts for volunteers and employees, it provides a very good estimation of the total attendance over the 3-day festival.

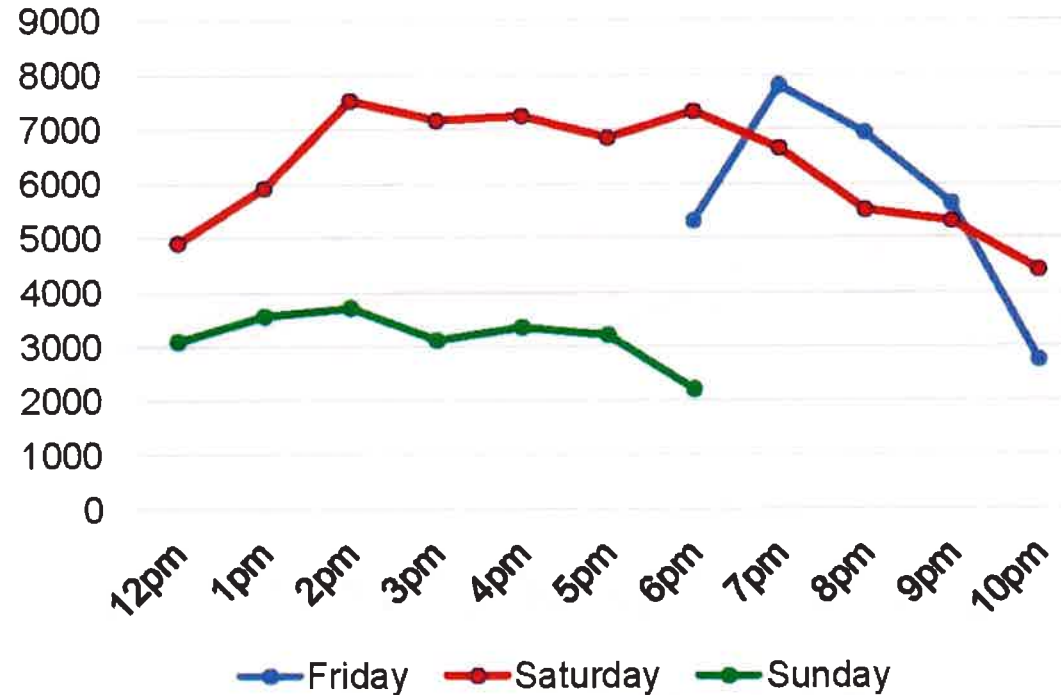


Average Devices In Folk Festival Footprint By Hour
Weekends of 8/17-19, 8/24-26 and 8/31-9/2



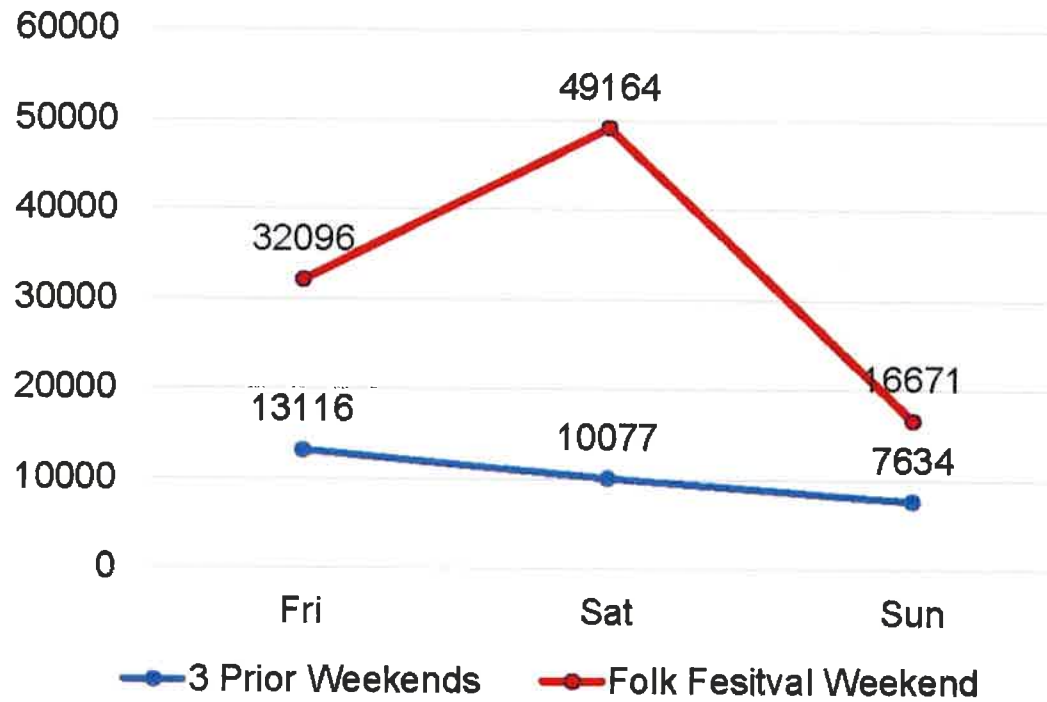


Average Devices In Folk Festival Footprint By Hour
Folk Festival Weekend



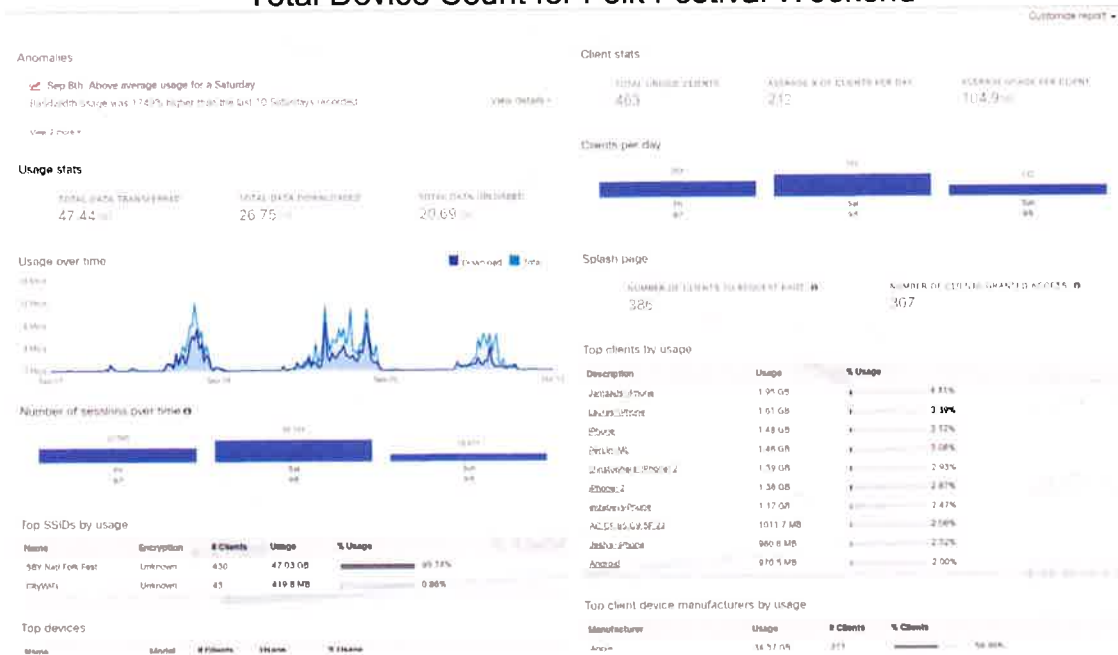


Total Devices in Folk Festival Footprints 5+ Minutes





Total Device Count for Folk Festival Weekend

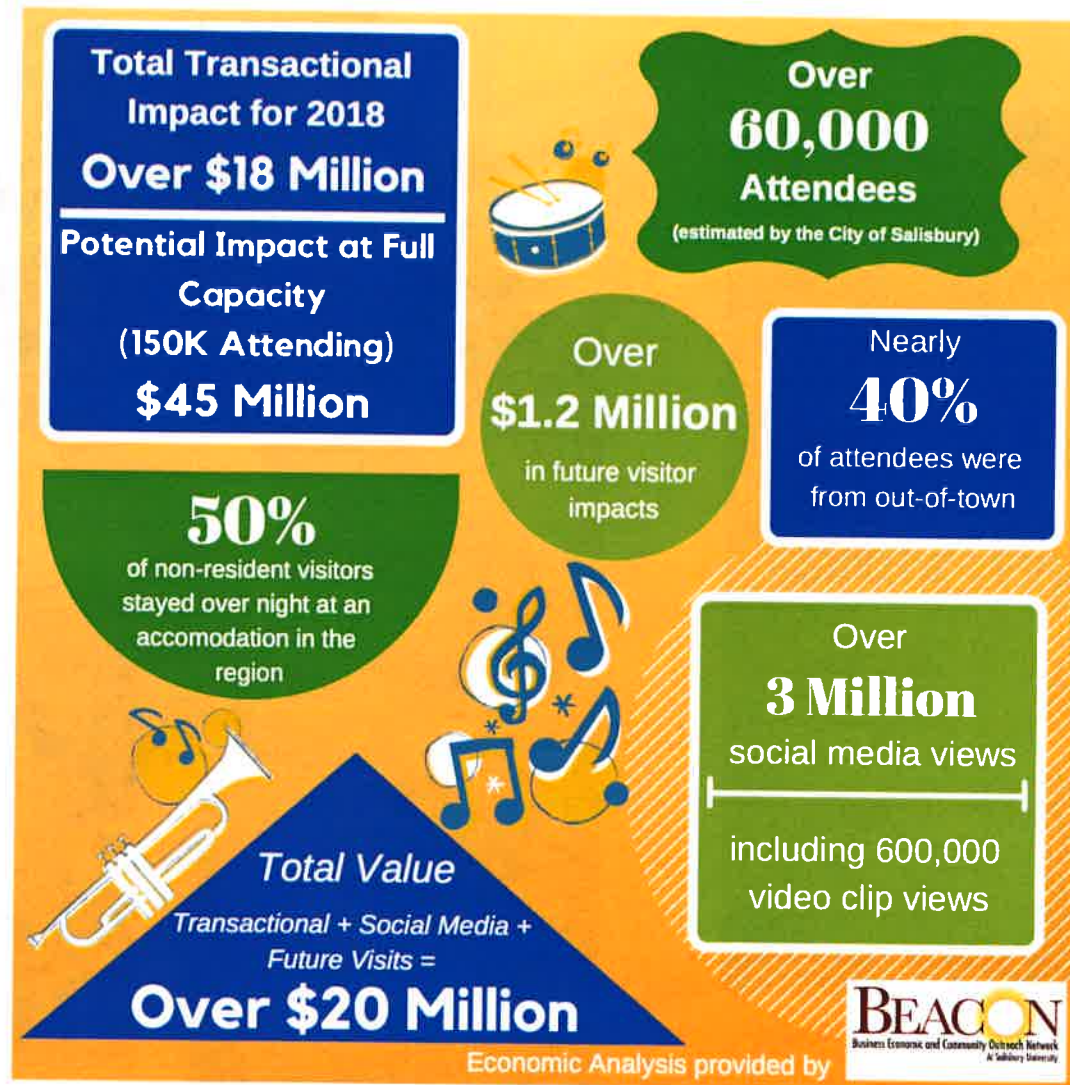


Gross Total of Devices – **97,931** in the footprint during the 3 day festival.
 Net Total of Devices (Removing average count of 30,827 from prior 3 weekends) – **67,104 new devices** detected over the Folk Festival Weekend.

2018 Economic Impact

\$18 Million

TOTAL TRANSACTIONAL
IMPACT OVER COURSE
OF FESTIVAL WEEKEND



58 Sponsors &
Partners

150+ Legacy
Society Members

\$20,982.72
On site donations



58 Sponsors & Partners

150+ Legacy Society Members

\$20,000+ in on site donations



**CELEBRATING AMERICA'S CULTURE
Fits Nicely With Our Culture**

While not everyone on this list plays an instrument, all were instrumental in bringing the National Folk Festival to you. Join us on September 7th, 8th, and 9th for three days of discovery, enrichment and fun.





Bud Light
American Light lager

Stella Artois
Belgian Pilsner

Evolution Lot #3
American IPA

Guinness Blonde
Blonde American Lager

Hoop Tea
White Mango
Fruity Malt Tea

Spiked Seltzer
Cape Cod Cranberry
Citrus Spiked Seltzer

OVER 3 DAYS WE SOLD:

73 kegs of beer

50 cases of Hoop Tea

30 cases of spiked seltzer

23 cases of wine

OVER \$89,000
in sales



Vineyard & Winery
(Vienna, MD)

Lazy Day White
Semi-Sweet White

Farm White
Dry White

Chambourcin
Dry Red

Lazy Day Rosé
Off Dry Rosé

Improvements to Downtown spurred by NFF

- Permanent electrical drops
- Water hookups
- Parking garage improvements
- Riverwalk extension & improvements
- Landscaping
- Signage – big & small
- Amphitheatre
- Old Mall lot cleanup



Green Team

- Volunteers manned 10 ECO Stations to help the Festival divert waste away from the county landfill
- Compost and Recycling available to festival goers AND food vendors
- Food vendor oil waste recycled by Valley Proteins
- Water Bottle refilling stations built by Field Ops
- 2019 will continue Green initiatives and grow these programs



In addition to the containers located at the ECO stations we also deployed:

45 – 95 gallon trash cans

38 Clear Stream recycling

30 – 35 gallon compost only cans

68 – 18 gallon recycle bins

We collected:

720 lbs of cardboard = .36 tons

1,340 lbs of compost = .67 tons

9,460 lbs of trash = 4.73 tons

8,80 lbs of recyclables = .44 tons

Volunteers

1596.96 hours posted which had an impact value of \$43,908.98

83% rated their experience a 4 or 5 out of five stars

97.51% of volunteers surveyed said they will sign up again next year.



Satellite Shuttle System

FREE RIDES

ALL SHORE TRANSIT
FIXED ROUTE
BUSES ARE FREE
DURING THE
NATIONAL FOLK
FESTIVAL WEEKEND

FRIDAY, SEPTEMBER 7
SATURDAY, SEPTEMBER 8
SUNDAY, SEPTEMBER 9

Courtesy of

PERDUE

HOMETOWN PROUD

Presenting Sponsor for the National Folk Festival

- Shuttle system had a supervisor on each end of the route
- Scouts provided volunteer support to help guide cars and riders
- Wicomico County provided 1-2 sheriff deputies in the area for all three days
- Ample ADA parking & all shuttles were ADA accessible
- Friday Shuttle ridership: 1016
- Saturday shuttle: 2972
- Sunday shuttle: 603
- Site was prepped by Field Ops
- Lighting and signage installed
- Waste cans available





ARTISTS IN SCHOOLS PROGRAM

1 day * 11 schools * 12 performing groups * 18 shows * 3200 children



Overwhelming Success!



Best event I've ever attended on the entire Eastern Shore!

- Andrew Heath

We couldn't stop smiling the whole weekend.

- Barbara Gail

This is absolutely the most exciting event Salisbury has ever featured! There is something for everyone!

- Jon Spicer

Salisbury's cool points just went through the roof.

- Erica T. Dennis

Overwhelming Success!



It was absolutely amazing. There many different performances going on and there was great music, good food, and quality people there.

Can't wait until next year!

- Syllia Jasmil Newstead

Loved every minute. Kid-friendly and the layout was comfortably walkable. Musicians and other acts were talented and so entertaining... the showmanship was top notch.

- Amy Luppens

This was awesome! We enjoyed the festival all three days! Thank you for coming to Salisbury, and we look forward to next year's festival!!

- Robin Stegman

Overwhelming Success!



This has been a time of our lives!! All the music is so great. The street performers are absolutely amazing! The food is great! My family and I are looking forward to every year for The Folk Festival here on out!

- Carolyn Wilkins

I go to multiple festivals each year and let me tell you this one was great! The festival was diverse and had something for everyone. I will definitely be attending next year.

- Daronn Wright

Looking ahead to 2019



- Site layout improvements
- Volunteer website and sign-ups posted earlier
- Green language going out to vendors now
- New website is more mobile friendly
- Possible legislation to tow
- More signage on Route 50 for Satellite Parking Lot
- Non-Profit Village
- Rain insurance
- Additional areas and levels of contributions



THE NATIONAL
FOLK FESTIVAL
WILL RETURN

Sept 6 - 8, 2019

MUSIC • DANCE • ART • FOOD • FUN & MORE!