

CITY OF SALISBURY
BUDGET WORK SESSION
APRIL 24, 2019

Public Officials Present

Council President John "Jack" R. Heath
Council Vice-President Muir Boda
Councilman James Ireton, Jr.

Mayor Jacob R. Day
Councilwoman Angela M. Blake
Councilwoman April Jackson

In Attendance

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow, Finance Director Keith Cordrey, City Clerk Kimberly Nichols, one member of the Public, and a member from the Press

The City Council convened in Budget Session at 8:30 a.m. in Conference Room #306 of the Government Office Building (GOB).

Department of Infrastructure and Development (DID)

DID Director Amanda Pollack summarized the DID budget requests:

Key Essential Items:

- Sustainability Coordinator was funded as a full-time position in the Mayor's Budget.
- Two Career Ladders (Project Engineer 1, 2, 3, and 4; Survey Technician 1, 2, 3, and 4)
- Reclassification of the City Surveyor and moving the CAD Group under Surveyor. They are currently under the Supervisory Civil Engineer.

CIP:

- Zoning Code revisions (a large project, and funded in part) Worked with Administration to identify what was affordable including Street Reconstruction, Bikeways, and the Urban Greenway. Everything was funded but less than what was in the CIP. On the Water and Sewer Capital Projects list, items were identified that could be deferred for a year, one being the Soil Infiltration Inflow. The Manhole Rehab Project was just awarded under budget and left a fair amount of FY19 funds for something else. Soil Infiltration was long-term to encompass many projects over the years. Where the first piece bid came in so far under budget and they still had over \$200,000 that something else could be put out to bid, she suggested deferring until next year, and picking it back up in FY21.

President Heath asked about the fund pool clean-up that began two years ago. Mr. Cordrey reported they closed out many older pools, and plan to revisit that this year.

- Operating Accounts: Maintained a level budget. There were transfers out because software was handled now by IS Department.
 - 19000- Planning & Zoning (one staff member in this account) The increase in the Zoning Code revisions for consulting fees for the CIP item.
 - 25100- Building Permits & Inspections (four staff in the department) Operating consists of Office Supplies, training, etc.

- 31000- General Fund Engineering. The salary split reallocated between the accounts. Street Maintenance and Curb & Gutter had a slight reduction from last year, but the City was still benefitting from the backlog of State Aid funds that reimbursements were being received for. Another \$90,000 was recently received by the City, and for the next year paving would be ongoing. Money would have to be spent on paving in order to receive the reimbursements.
 - 81080- Water Engineering (salaries looked different due to the salary reallocation) There was about \$25,000 for consulting fees.
 - 84080- Sewer Engineering- (1) vehicle to replace the 2000 Ford Explorer (essential item). Council discussed giving the old one to Code Enforcement.
 - 60850- Stormwater Utility funds storm drains and the engineering work to design projects and funds the \$50,000 for the Chesapeake Bay Trust Cooperative Agreement.
- Goals and Priorities were similar to last year's - Turn around development project plan reviews within thirty days and building permit plan reviews within seven days, a target issuance for the number of building permits and construction value each year, and a goal of change orders on infrastructure projects to less than 5%, and performing annual inspections of stormwater outfalls of 20% (aligns with the stormwater permit).

Many of the priorities dealt with the CIP and ensuring they implemented the plans in place including the City Park Masterplan, Rail Trail, Bikeways, Urban Greenway, etc.

Finance

Finance Director Keith Cordrey discussed the career ladder for Accounts Payable, reclassified to Accounts Payable II. The position was back up to the Payroll Accountant and periodically ran the entire payroll. Another cashier was added to assist with all of the real estate payments.

- Goals included keeping Personal Property taxes and Miscellaneous Receivables down. They focused on keeping the proceeds from bonds working for the City. The tax billing cost approximately \$100,000 to take on the billing from the County.
- Priorities included enhancing the budget document, meeting the GFOA Best Practices (The City received the award last year and again this year). They put out an RFP and received the bids for the new online E-Payment system.
- Consulting fees and software increased due to implementation services in the contract.

Council recessed at 9:15 a.m. and reconvened at 9:32 a.m.

Water Works

Water Works Department Director Cori Cameron reported the department had 47 positions, with 31 at the Wastewater Treatment Plant (WWTP), 13 at the Water Treatment Plant (WTP) and 2 in Admin. This year they added career ladders at the WWTP, Pre-treatment, Operations, Bio Solids and Maintenance, and were reclassifying the Pre-treatment Tech from a Grade 3 to Grade 4, and the Assistant Plant Mechanic from a Grade 4 to a Grade 5. At the Water Treatment Plant, they added career ladders for the Sample Technician, Operations and Maintenance. Ms. Cameron discussed succession planning at the WWTP.

- Essential Items- WTP (two new vehicles), WTP & WWTP Chemical increases (added \$57,000 and \$30,000)
- CIP - New bathrooms planned at WWTP

Mayor Day said that the proposed Water and Sewer increases discussed during the first budget session were budgeted. The City was in a healthy position and increases were not needed.

Housing and Community Development Department (HCDD)

HCDD Director Everett Howard and Homelessness Coordinator Christine Chestnutt joined Council. Mr. Howard reported last year they added new positions- Neighborhood Relations, Youth Development, another Housing First Case Worker, and another Code Enforcement Office. They created a career ladder based upon the ICC requirements for building codes. Two employees could move up if they met the qualifications. Another adjustment was to reclassify the Senior Code Enforcement Officer to Supervisor of Code Enforcement. The last position description did not require the supervision of the other Code Enforcement Officers, and the oversight was needed. They attempted to transition the caseworkers from grant funded to full-time, but that would not happen this year. Based on the Housing First budget and not being able to increase the program, they only needed one case worker.

President Heath asked about partly funding the case worker, and if it would impact the grant. Mayor Day thought the grants monies would never decline, but agreed they ultimately did not want grant funded positions. This was added to the review list.

Mayor Day said the budget included funds to improve the Truitt Street Community Center for the following: a kitchenette, resurfacing the basketball court, and air conditioning. They recently received notice that the State awarded the City a bond bill to buy the building.

Field Operations (FOps)

FOps Director Tom Stevenson was joined by Operations and Maintenance Director Ben Baker, Utilities Superintendent Brian Lewis, and Traffic Superintendent Bill Sterling. Mr. Stevenson asked for additional personnel not approved in the proposed budget. He then reviewed the positions currently in the department, followed by the following discussion:

- Essential Items- boring and mowing of conduit, increased Safety Budget, increased medical vet services and security at the Zoo, AZA Accreditation, 5 Year Maintenance Assessment, John Deere Gator & Passenger Van (unfunded,) increased Janitorial Services for Lake & Isabella and Ben's Red Swings, \$19,000 requested for Pest Control (\$10,000 was funded), mini-sweeper, cell phones, safety glasses
- Goals and Objectives- Mr. Stevenson reported the FY19 Tonnage for Solid Waste, cardboard and recycling materials would be realized by June 30 and the department would work towards meeting goal expectations July 1 through June 30, 2020.
- The truck used to fix lights was offline with hydraulic issues and was being repaired.

President Heath said that the AZA had concerns last year about the City not having a full time veterinarian, and thought this year it could become a requirement to receive AZA approval.

Council recessed at 10:56 a.m. and reconvened at 11:13 a.m.

General discussion with Mayor Day regarding the FOps presentation

Mayor Day supported the new reporting structure plan presented by FOps. It would create two Deputy Director positions which was how the department was currently functioning. Six positions directly reported to Mr. Stevenson, and four of them could fall under one of the two deputies - Messrs. Sterling and Baker.

Business Development

Business Development Director Laura Soper discussed the following budget highlights.

- There were no changes in Essential Personnel for FY20.
- Goals- The department was striving for 49,000 people employed (the 2018 average was 51,029); per capital income increase to \$22,000; Downtown Trolley ridership to increase by 250 (FY18 was 1356, 915 thus far in FY19), Downtown Visitors Center Traffic to increase by 250 people (FY18 had 2,759, 2597 thus far in FY19); Respond within two business days to all requests for information about starting a business in Salisbury; Increase total number of restaurants, retail establishments, and craft manufacturers in Downtown Salisbury by 5% in FY20. She reported Business Development was currently undertaking a business database that tracks each type of business, and would be able to track that more closely in the future.
- Priorities- Transition CCDC into a Downtown Committee with new responsibilities and roles in partnership with the Downtown Business Community; Establish the requisite committees partnerships to support the Main Street Program in FY20 (looking to increase the business engagement in Downtown efforts); Assist and advocate on behalf of Downtown development projects through City processes; Establish a Port of Salisbury governance and development program for a multi-user terminal project; Improve perception about doing business in Salisbury; Provide assistance to people trying to open a business in Salisbury to help through the licensing and permitting processes; Manage the Main Street Program for Downtown Salisbury; Participate in business recruitment fairs and economic development and revitalization related events; and advertise the City and State's incentives to open a business.
- Essential Items- Red, White & Boom requested a \$5,000 increase due to insurance increases (was not funded); SWAC requested a \$15,000 increase to help with events and new programs (was not funded); Salisbury Art Space requested a \$2,000 increase (was not funded); \$540 increase to rent (funded); Downtown Capital Improvement Program- since the City did not apply for façade funding through DHCD this last session, she received many requests for grant funding for small, capital projects and façade work (not funded); Increased National Folk Festival (NFF) funding by \$75,466 (funded).

President Heath asked if Ms. Soper participated in DID's Permits Response Team and she said she did not but had thought about it. Mayor Day agreed and indicated Priority #6 was included to support the collaboration to assist in navigating the system. They would design the priority.

Mayor Day said the NFF would double in size and sponsorship and revenue objectives, whether City, County, State, or private sector, on-site revenue would also grow. \$100,000 was in the

State's Community Legacy budget. The Technical Assistance grant was \$170,000 in partnership with Wicomico County tourism for marketing. The State total was about \$400,000 including Dollar Market Marketing, Community Legacy, Technical Assistance Grant, MHAA, and Maryland Traditional Arts. The Public safety overtime impact was very small in comparison.

Debt Service

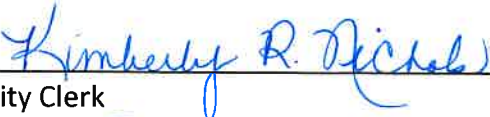
Finance Director Keith Cordrey indicated in the FY19 CIP there was 8,885,000 in projects from bonds for issuance, which was deferred due to waiting on Honeywell, and were never issued. The projects were kept on track by using the surplus funds and filing a declaration of official intent. They planned to merge FY20 into FY19 and when they discovered the overall number of projects was smaller in FY20, to avoid the issuance cost and benefit from the merging, they decided to move FY19 into FY20 early in the year, and to do a public sale in August.

At the Mayor's level they had a Debt Service rate budgeted at 3.5%. They discovered the market conditions were in the 2.5% – 2.8% on the public sale. The total to be issued in August would be \$13.4 million at 2.8%, to equal a Debt Service of about \$1.1 million. Not budgeted were expenses for a Financial Advisor to handle the services of the issue in bond counsel which would cost anywhere from \$65,000 to \$75,000. Due to the deferment of the FY19 issue and using the City's money that was on the sidelines, the City had a savings of \$700,000 in debt service in FY19. Mr. Cordrey though the good news would help the City contribute to surplus and get it up to where they like to see it. The \$700,000 was budgeted funds for Debt Service in FY19 that the City was not going to spend. There was money not originally budgeted for SAFER (\$200,000) and money not budgeted related to the healthcare rebate.

Council Discussion

President Heath said that Council would make adjustments and address the items on the list at the next session. Mr. Cordrey indicated they included the \$90,000 MDOT reimbursement projected for receipt in FY20, but it was received by the City last week in FY19. Therefore, revenue would have to be reduced in the FY20 General Fund.

The Budget Session adjourned at 11:52 a.m. The next Budget Session was scheduled for May 14, 2019.



City Clerk



Council Vice-President