



CITY OF SALISBURY CITY COUNCIL AGENDA

JULY 27, 2020

6:00 p.m.

ZOOM MEETING

Times shown for agenda items are estimates only.

- 6:00 p.m. CALL TO ORDER
- 6:01 p.m. WELCOME/ANNOUNCEMENTS
- 6:02 p.m. SILENT MEDITATION
- 6:03 p.m. ADOPTION OF LEGISLATIVE AGENDA
- 6:04 p.m. CONSENT AGENDA – City Clerk Kimberly Nichols
- **April 20, 2020** Budget Work Session Minutes
 - **July 13, 2020** Legislative Session Minutes
 - **Resolution No. 3049**- approving the reappointment of William Turner to the Revolving Loan Advisory Committee for the term ending August 2024
- 6:07 p.m. AWARD OF BID- Procurement Director Jennifer Miller
- Award of Bid, ITB 20-128, Salisbury Police Department HVAC Replacement
- 6:12 p.m. ORDINANCES – City Attorney Mark Tilghman
- **Ordinance No. 2609**- 1st reading- accepting grant funds from the Governor’s Office of Crime Control and Prevention in the amount of \$1,350.00 under the FY21 Body Armor Program (BARM) and amending the FY2021 Grant Fund Budget to appropriate these grant funds for the purchase of eight (8) new bullet proof vests (Level II Ballistic) for Salisbury Police Officers
 - **Ordinance No. 2610**- 1st reading- approving a budget amendment of the FY21 General Fund Budget to appropriate insurance proceeds received in FY21 to aid in the purchase of a new vehicle for the Police Fleet
- 6:20 p.m. PUBLIC COMMENTS
- 6:25 p.m. COUNCIL COMMENTS
- 6:30 p.m. MOTION TO CONVENE IN CLOSED SESSION TO CONSIDER THE ACQUISITION OF REAL PROPERTY FOR A PUBLIC PURPOSE AND MATTERS DIRECTLY RELATED THERETO AS PERMITTED UNDER THE ANNOTATED CODE OF MARYLAND §3-305(b)(3)
- ADJOURNMENT

Copies of the agenda items are available for review in the City Clerk's Office, Room 305– City/County Government Office Building, 410-548-3140 or on the City's website www.salisbury.md. City Council Meetings are conducted in Open Session unless otherwise indicated. All or part of the Council's meetings can be held in Closed Session under the authority of the Maryland Open Meetings Law, Annotated Code of Maryland General Provisions Article § 3-305(b) by vote of the City Council.

NEXT COUNCIL MEETING – AUGUST 10, 2020

- **Resolution No. _** - donation of residential property located at 300 Delaware Avenue
- **Resolution No. _** -donation of turkey deli meat from Perdue Farms for employee food pantry
- **Ordinance No. 2609**- 2nd reading- accepting grant funds from the Governor's Office of Crime Control and Prevention in the amount of \$1,350.00 under the FY21 Body Armor Program (BARM) and amending the FY2021 Grant Fund Budget to appropriate these grant funds for the purchase of eight (8) new bullet proof vests (Level II Ballistic) for Salisbury Police Officers
- **Ordinance No. 2610**- 2nd reading- approving a budget amendment of the FY21 General Fund Budget to appropriate insurance proceeds received in FY21 to aid in the purchase of a new vehicle for the Police Fleet

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CITY OF SALISBURY
ZOOM BUDGET WORK SESSION
APRIL 20, 2020

Public Officials Present

| | |
|----------------------------------------|------------------------------------------|
| Council President John “Jack” R. Heath | Council Vice-President Muir Boda |
| Councilwoman Angela M. Blake | Councilwoman Michele Gregory |
| Councilwoman April Jackson | Mayor Jacob R. Day (joined at 9:05 a.m.) |

In Attendance

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow (joined at 9:50 a.m.), and Assistant City Clerk Diane Carter

The City Council convened in Budget Session at 8:30 a.m. via ZOOM Teleconferencing where President Heath announced all five councilmembers and City Administrator Glanz were present and other persons would be intermittently joining the meeting for specific presentations; he reviewed the work session protocol for anticipated breaks and lunch, and thanked PAC14 for recording this session for the public as it would not be airing live.

Personnel committee and department representatives first presented highlights of their respective budget requests and then responded to Council and/or Administration questions and comments at the conclusion of their presentations, prompting additional discussion on specific topics as needed.

The following is a synopsis of topics discussed:

PART ONE

Salisbury Police Department (SPD) Personnel Committee

PFC Nicholas Amendolagine representing the SPD Personnel Committee joined Council and discussed the following pertaining to the SPD proposed budget:

- Improving the Police Department fleet of vehicles - - the addition of no less than three new vehicles each year would assist the long term goal of expanding the vehicle take home program
- Approving a 4% Cost of Living Adjustment (COLA) for the Police Department to whichever pay scale is presently in the budget (in effect a new pay scale) - - would assist in maintaining the City Police pay scale within 20% of the Maryland State Police pay scale and the City Police remaining competitive with other law enforcement agencies in order to retain personnel – especially important this year with anticipated retirements, and no active recruiting, testing, or Police Academy availability due to COVID-19

President Heath asked what the total dollar amount was for the COLA increase across the entire Police Department; PFC Amendolagine indicated 4% of last year’s total salaries would be a good

estimate. President Heath requested PFC Amendolagine email all Council Members the 4% COLA spreadsheet. *A copy of the spreadsheet is attached as part of the minutes.*

Salisbury Fire Department (SFD) Personnel Committee

Salisbury Career Firefighters Association President DJ Hoster of the SFD Personnel Committee joined Council and discussed the following pertaining to the SFD proposed budget:

- Overtime (receiving time + a half for personnel) - - the Fire Department is the only City department that does not receive time and a half –employees do receive overtime after 212 hours in a 28-day pay period, but most never see it – acknowledged it has maybe occurred once in the last eight years – would help with retention and remaining competitive with other area paid fire departments
- Adding Senior Firefighter position - - this position was included in the Fire Chief’s budget as part of the career development proposed two years ago, but was not funded at that time - adding the position would ensure continued growth and would help with retention and remaining competitive with other area paid fire departments
- Pay/Benefits - -
 - must ensure pay remains competitive in order to attract and retain personnel
 - Cost of Living Adjustment (COLA) - would be appreciated as everyone’s expenses continue to rise - has not been a COLA for at least the last eight years
 - healthcare and other benefits are good
- Staffing - -
 - make sure Safer Grant continues so personnel are not lost, but work toward end goal of making these positions full-time City positions – these positions have helped with Station 2 being open 24hrs and reducing response time
 - applicant pool for testing is down – some not qualified to take the test – must come to Salisbury trained – lose applicants to other organizations like Anne Arundel County and District of Columbia who can hire applicants and provide training

President Heath echoed Vice President Boda’s commitment to make Safer Grant positions permanent City positions, acknowledging that Council had that goal in mind when it previously approved acceptance of the Safer Grant.

Department of Infrastructure and Development (DID) Personnel Committee

Heather Lankford of the DID Personnel Committee joined Council and discussed the following pertaining to the DID proposed budget:

- thank you for keeping City jobs – no furlough days – allowing teleworking
- pay adjustment to match/offset increased health care premiums/deductibles
- vehicle replacement –oil is carried around in some vehicles while in use - some vehicles are 20 years old – some (E1 & E3) are repeatedly breaking down
- HydroCAD Software to assist MS4, Stormwater, and nuisance flooding plan review
- maintenance plan/contract for the plotter - holds department up when inoperable
- better rates for retirees’ health care premiums which are seemingly difficult to afford
- pay raise/grade bumping availability based on new titles/job roles/tasks/reviews

In response to Vice President Boda's question, City Administrator Glanz confirmed that DID Director Pollack did not include any request for vehicles in the FY21 Budget.

In response to Councilwoman Blake's questions about HydroCAD Software, Ms. Lankford shared the following:

- available in 10-node (\$595) and 20-node (\$895) modules
- DID would probably need 20-node for function and it may be required for purchase
- software assists with evaluation of projects and offers programmed calculations when designing stormwater – eliminates hand calculations
- has worked with this system for 13 years

President Heath asked Ms. Lankford to forward Council an estimate of man hours saved if software is purchased.

In response to Councilwoman Jackson's question regarding cost of maintenance contract for the plotter, Ms. Lankford estimated \$3,500.00; Ms. Lankford indicated to President Heath that the plotter is down several times a month.

Field Ops/All Departments Personnel Committee

Pete Torigoe from the Traffic Department in Field Ops joined Council and discussed the following pertaining to the Field Ops/All Departments proposed budget:

- Number one request – higher pay – at the very least a pay study – department heard about market adjustment for Grade 5 and below – it would make a big difference

Traffic Department

- additional 2 to 3 electricians
 - enough to create their own crew – at least one would need 3-5 years of experience
 - create 2 crews - one to focus on streetlight and traffic signal inspection/installation/repair - one to focus on other projects including adding outlets/lights/heaters and of festival/event setup – would remove/reduce need for outside contractors for other City Departments' projects
- compensation for On-Call status – a stipend for just being available on-call since it requires employees to be available and to limit other activities while waiting to be called-this has been requested in years past
- Conflict Monitor Testing equipment or program
 - Conflict monitors are essential components of traffic light control systems that prevent malfunctioning signals from causing accidents
 - 30 Traffic signals in City - each conflict monitor is required to be tested every two years - currently no testing system in place due to insufficient equipment and manpower
 - Presently costs \$275 + shipping to send monitor to a qualified inspector and a back-up monitor would need to be installed – it costs approximately \$6,000 for in-house testing equipment – remove monitor, test, reinstall if OK – potentially same day

- Street striping machine - currently almost no time available from MD State Highway to paint - only able to paint 1 time in past 10 months – City falling behind – researching other vendors
- new Trencher - Trencher (ditch witch) is approximately 16 years old - losing power and reliability – will need replacing soon
- Mini-Excavator - would need to be capable of installing light pole bases – could share with Utilities Department
- Arrow Board - is 13 years old - new/safer/brighter models are available

Street Department

- 1-Ton Dump Truck – smaller truck useful for many tasks and projects where larger trucks are more cumbersome – including storm drain clearing/brush removal/bulk pickup

Utilities

- Mini Excavator - easier to transport/less disruptive to traffic/less “collateral damage” to surrounding of excavated area

Sanitation

- pickup truck with covered bed being retire with no replacement scheduled – it is useful for picking up recycling/cardboard/late or missed cans/smaller jobs including emptying cans in parks or plazas
- small rear loading garbage truck - perfect for cardboard pickup/backup for existing rear-loading trucks when unavailable
- RC-3 (Recycling Truck) - 15-20 years old/used several times a week/not reliable
- replacement for wood chipper towed behind dump truck – current one is 25 years old/ replacement parts difficult to find/no back-up available in case of emergency - it makes removing downed trees/limbs faster, easier, and safer especially in bad weather

A copy of his presentation is attached as part of the minutes.

Mayor Day directed Finance Director Keith Cordrey be contacted to provide Council the Capital Improvement Plan (CIP) line-by-line when Vice President Boda asked whether any of the requested items was in the CIP.

Mr. Torigoe clarified for Councilwoman Jackson that a minimum of two electricians would be needed to establish another crew.

Councilwoman Blake asked about comparing the dollar amount spent on outside contractors versus what the dollar amount required to hire two electricians; City Administrator Glanz said she would pursue that information for Council for cost comparison.

Mr. Torigoe clarified for Councilwoman Gregory that the most pressing needs for equipment were the wood chipper, pick-up truck, and recycling truck for Sanitation Department, and the Dump Truck for Street Department.

Mr. Torigoe clarified for President Heath how often Utilities Department would use mini excavator (once a week to 2-3 times a month) and how it could be shared with Traffic Department (which would not use it very often) as long as it could accommodate the attachment for installing a light pole base; Mr. Torigoe further clarified for President Heath that a replacement for the retired Dodge Pick-Up and a small rear loader represented a request for two different vehicles — the rear loader could only replace some pick-up functions, not all.

Volunteer Firefighters Personnel Committee

Deputy Chief of Volunteer Services Lee Smith joined Council and discussed the following pertaining to the Fire Department proposed budget:

Funding for Volunteers is crucial

- Facing a \$60,000 shortfall for lease payment at Station 16 unless substantial donation is received or may have to use money from savings - Volunteers committed to lease payment when still receiving County funding – after initial payment- County pulled the funding due to fire service agreement–did not fund volunteers at City stations volunteers still receive \$50,000 from City toward \$110,000 lease payment
- Volunteers try to support SFD projects/needs-recently bought compressor, face pieces and other items for Self-Contained Breathing Apparatus (SCBA)
- Station 2 still receiving its \$50,000 – used primarily to purchase equipment and fund administration/operation positions - past year purchases included staff vehicle for Deputy Chief Scott and Utility Vehicle for the entire department – with lighting spent approximately \$130,000 with some additional money coming from 508-Money
- Updating the Hurst equipment is presently deferred due to lack of funding

PART TWO

Salisbury Fire Department (SFD) - Budget Review

Salisbury Fire Chief John Tull joined Council and discussed the following pertaining to the Fire Department Proposed Budget:

Essential items not funded in FY21 Budget

- Issues with two concrete repairs – going to try to find funds in current budget
 - Station 1 – sidewalk and asphalt
 - Station 16 – sink hole – back patio off from the kitchen – requested \$6,000 - Will White working on bid – company to lift concrete with expanding foam –
- Vehicle Maintenance Account – significant deficit in account due to large volume of repairs – historically projected annual cost of \$175,000 – requested \$75,000 and received \$40,000 in FY21 Budget
- Overtime Account – historically use full budget annually (transferring funds from other accounts as needed) – account has averaged \$112,000 over the last five years – requested \$30,000 and received \$15,000 in FY21 Budget

- Creation of two positions-
 - SWIFT Position – grant funded – program and employee David Phippin so successful funding was requested in FY21 Budget to ensure program continued in the event grant funding was discontinued
 - Deputy Fire Marshall – would alleviate work overload on current two employees and provide succession plan should current Fire Marshall vacate the position for any reason
- Continuation of Career Ladder – establishing a Senior Firefighter position would increase the space between Sergeant and Firefighter positions in perpetuity going forward

Chief Tull clarified for Councilwoman Blake and President Heath respectively, the overall cost for the Senior Firefighter Position - \$276,000, and then the delta between the regular and senior firefighter positions as follows: Probationary Firefighter - \$37,500 / Senior Firefighter - \$45,056 / Senior Firefighter Paramedic - \$46,396.

Chief Tull further expounded on the importance of funding the SWIFT position and acknowledged the stellar job performances of both David Phippin and Andrew Stanley in the program while still facing daily, the uncertainty of continued grant funding to pay their salaries.

President Heath asked Finance Director Cordrey about the increase across the board in all departments for LEOPS -\$62,523 which Mr. Heath attributed to the City catching up retirement, and for Workers Compensation expenses which he thought were based on a frequency modification factor; Director Cordrey indicated Workers Compensation costs are based on rates for specific categories and a mod factor – the mod factor increased significantly from 1.00 to 1.4 due to an increase in injuries – the mod factor is applied across all departments no matter which department(s) sustained the injuries.

Chief Tull clarified for President Heath:

- the new Testing Account was created to streamline tracking of testing costs of all equipment – money that historically has been used from other accounts to pay this expense was officially transferred/reallocated from those accounts to establish the Testing Account
- the same premise was used to streamline tracking of maintenance contract costs by establishing the new Maintenance Contracts Account
- Gasoline Account cost increase due to volume of calls and increased price of fuel

Housing and Community Development Department (HCDD) Personnel Committee

Neighborhood Relations Manager Kevin Lindsay introduced Code Enforcement Officers Chanita Lewis-Watson and Cory Stout and then all joined Council and discussed the following pertaining to the HCDD Budget:

- increasing personal days
- extra funds for training/maintaining certifications
- increasing the City's 457 match
- increasing annual time or longevity bonus at 25 and 30 years of service
- enacting Employee of the Month with monetary bonus or time off

- 266 ➤ birthdays off with pay
- 267 ➤ free cleanings at the dentist like “no charge” well visits
- 268 ➤ earning a recognition day with excused sick leave
- 269 ➤ having option to earn overtime pay or comp time for attending after hour events
- 270 ➤ earning merit and longevity increases
- 271 ➤ internal childcare programs

272

273 Council further discussed:

- 274 ➤ internal childcare program – another department has brought up same item – perhaps
- 275 get together and come up with options/cost analysis
- 276 ➤ earning recognition day with excused sick leave – perhaps an option to allow for
- 277 advance requests for time off for preplanned doctors’ appointments
- 278 ➤ funding for training/certifications – asked about detail on frequency and costs/how
- 279 training funds are allocated in department

280

281 Council requested follow-up information be sent on the following:

- 282 ➤ breakdown of exam costs for recertification
- 283 ➤ prioritized list for all trainings/certifications
- 284 ➤ more information about childcare options
- 285 ➤ top three priorities for department from overall list

286

287 General discussion with Deputy Director Andy Kitzrow regarding childcare program including

288 the following:

- 289 ➤ his background with childcare programs and COMAR regulations because of his previous
- 290 work experience with Wicomico County
- 291 ➤ City looking into a self-sustaining “own staff” program with the goal of a sliding payment
- 292 scale for employees
- 293 ➤ create a breakeven budget using current infrastructure in place
- 294 ➤ biggest considerations include a location to house the program, staff, program for ages
- 295 infant through five
- 296 ➤ largest expenses anticipated are facility and staff overhead, liability insurance, sliding
- 297 scale component affordable for employees in need of this program

298

299 Councilwoman Gregory offered the following insights based on her previous experience

300 working in and then operating her own daycare facility:

- 301 ➤ employee stipend or in-house facility an absolute must – local availability is limited –
- 302 especially infant to two years old due to staffing requirements
- 303 ➤ stipend offers employee flexibility in choosing a facility
- 304 ➤ especially likes in-house facility – potential to be open extra hours

305

306 City Administrator Glanz acknowledged the following:

- 307 ➤ Administration is looking at the Personnel Manual -which is where items like personal
- 308 days would be addressed and anticipates Council should be hearing more about this in
- 309 the near future

- anything related to Health Care is costly, but Administration can still request HR Director to look into various items requested
- City has been doing a good job educating employees about various levels of care and when appropriate to use those levels in order to help control/reduce health care costs (i.e. when to go to the Emergency Room)

PART THREE

Salisbury Police Department (SPD) – Budget Review

Police Chief Barbara Duncan and Colonel Dave Meienschein joined Council and discussed the following pertaining to the Police Department Proposed Budget:

- Level funding from last year – requesting \$12,989,000 – gave examples of several accounts with level funding from the previous year
- Slight increase noted in Health Insurance Cost
- Slight decrease noted in Vehicle Maintenance Account
- Requesting five vehicles under lease-purchase program – three unmarked and two marked – helps push forward take home vehicle program

Col. Meienschein will research Vice President Boda's question about the reduction in two accounts – Equipment-577030 and Computer Hardware-577035.

Chief Duncan provided an overview to Councilwoman Blake of the take home vehicle program which had been in effect since Mayor Day's Administration, noting that it was usually older vehicles that were allocated by request and seniority.

In response to President Heath's question about accreditation, Chief Duncan provided an overview of the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA®) that the Police Department has voluntarily participated in since the 1980's. The federal accreditation program provides best practices and 450 standards for the department to meet.

Chief Duncan clarified for President Heath that the increase in the ammunition account was due to the price of ammunition.

Chief Duncan asked for questions about the Communication or Animal Control portions of the Police Department Budget that were level funded from last year as was the Police Services portion of the departmental budget.

- Communication-
Significant increase in Equipment – 545302 - \$58,637 – Col. Meienschein explained with input from Finance Director Cordrey that it was the first full year of the annual cost of the Maintenance Contract with Motorola and the new County-wide radio system - included a subscriber fee per radio, software upgrades, and voice recorder for all communications in and out
- Animal Control-
Health Insurance Cost decrease – Chief Duncan explained that the department had

recently filled vacant positions and costs should return to normal

Chief Duncan acknowledged uniform changes are appreciated by staff and all K-9's are protected.

Financial Position of the City

Finance Director Keith Cordrey updated Council on the City's Financial Position by highlighting specific items in both the FY19 Financial Overview and the FY19 Financial Health Presentations, *both included as part of the minutes.*

Mr. Cordrey addressed Council questions throughout as he highlighted and noted the most significant items in the FY19 Financial Overview on the following pages:

- Financial Overview Agenda
- Balance Sheet-Governmental Funds
- Statement of Revenues, Expenditures and Changes
- Revenues
- Expenditures
- Analysis of FY19 Variances
- Cumulative Change in Fund Balance over 6yrs – FY14-FY19
- Water & Sewer Fund Statement of Net Position (Assets and Liabilities)
- Water & Sewer Fund Statement of Revenues, Expenses and Changes in Net Position
- Water & Sewer Fund Statement of Cash Flows
- Water & Sewer Fund Cash Analysis
- Statement of Net Position – Governmental (Assets and Liabilities)
- Statement of Net Position – Total (Assets and Liabilities)

Mr. Cordrey addressed Council questions throughout as he highlighted and noted benchmarks in the FY19 Financial Health Presentation on the following pages:

- General Fund – Total Fund Balance – Ratio of Total Fund Balance/Budgeted Expenditures for 6/30/19 is **considered strong at 31.7%**
- General Fund – Unassigned Fund Balance – Analysis of Unassigned Fund Balance is **considered adequate falling between 2 and 3 months**
- Debt to Market Value - Ratio of General Obligation Debt/Market Value of Property for 6/30/19 is **considered adequate at 4.26**
- Debt Per Capita - Citywide General Obligation Debt/Population is \$2,878 and **needs improvement as it has the last four years**
- Annual Debt Service-General Fund – Ratio of Budget Debt Service/General Fund + Capital Project Budget is **considered adequate at 7.93% and within the City's Financial Policy to avoid debt service that would exceed 10% of expenditures**
- Water and Sewer Unrestricted Balance – Ratio of Unrestricted Fund Balance/Water Sewer Operating Revenue for 6/30/19 **needs improvement at 5.5%**
- Parking Authority Unrestricted Net Position - Unrestricted Net Position is in a deficit for 6/30/19 therefore Ratio of Unrestricted Net Position/Revenue **needs improvement at negative 14%**

FY21 Budget Highlights

- Revenue
 - General Fund - Rates and Fees
 - Trash Service – increased from \$56.00 to \$59.00 per quarter
 - * Noted during discussion – Trash Service and Landlord Licensing Fees still do not cover the respective costs for service – *City committed 5-6 years ago to bring the fees inline to pay for the costs of service*
 - Landlord Licenses/Registration – increased from \$60 to \$75
 - Licenses and Permits – increased approximately 6%
 - Others – see Fee Schedule in Fee Ordinance
 - Tax Rates - No change
 - Water Sewer Rates – No Change
 - Reviewed History of Tax Assessments/Tax Rates/Tax Levy
 - Reviewed FY21 General Fund Revenues – Top Increases/Top Decreases by Category
- Personnel
 - A step increase included for all personnel
 - Employees at ≤ Grade Five – received market adjustment providing approximately 6% additional increase to begin addressing new minimum wage laws
 - Administrative staff pay grades – updated to standardize levels citywide
 - A Zoo Veterinarian position was added
 - A 9.5% Healthcare increase was assessed by CareFirst
- Transfers
 - Special Revenue Fund – National Folk Festival
 - Grant Match
 - Fire
 - Police Grants
 - Community Development
 - Homeless Program
- Grant Match – reviewed Schedule C in Budget Ordinance - Grant Match Details by Grant
- FY21 General Fund Outlay and General Capital Projects
 - Noted: able to fund \$1.3 million of projects from reallocation of prior year bond proceeds / assume new Field Ops facility will be built over time, so can pay for it out of pocket and it is scheduled to be funded by FY22 Bond Issue – *saves money because there will be NO FY21 BOND ISSUE*
- FY21 Water Sewer Capital Projects
 - Noted: projects adjusted out and funded through FY20, or funded by reallocation of impact fees and lawsuit proceeds – *NO FY21 BOND ISSUE*
- FY21 General Fund Debt Service (including available debt service compared to targeted debt service maximum of 10%)
- Increase FY21 versus FY12 by Function
 - Noted: increase in tax revenue did not fully fund increase in costs
- FY21 Water Sewer Rates
 - Noted: difference between study recommended increase over 3yr period FY19-21 versus actual increases by City during same 3yr period
 - Noted: City rates compared to other municipal rates

Mr. Cordrey summarized the strengths and weaknesses of the City's Financial Position as follows:

- Strengths
 - **Strong Financial Position** based on financial data as of FY19 Audit
 - **Adequate Unassigned Fund Balance** given the potential influences of COVID-19
 - Many Water and Sewer Projects recently completed or funded - **fewer deferred projects means lesser infrastructure liabilities**
- Weakness
 - General Fund CIP – **inability to fund many FY21 CIP Projects could create CIP pile up which is the equivalent of unfunded liabilities**
 - General Fund Revenues – **finding revenues to match rising costs for medical and predictable pay plan expected to become increasingly difficult**
 - Fire Services – **County's contributions for fire services not representative of its fair share; a new framework to recover true cost of fire services is essential**
 - Tax Differential – **Citizens deserve tax differential as recommended by past studies**
 - Parking Fund – **Unrestricted Net Position is a deficit – needs to be addressed**

Council discussion included:

- FY21 planning of road maps for Fire Service Agreement, Tax Differential, Landlord Licensing and Registration Fees to cover the actual processing costs for the services, addressing the Parking Fund deficit
- Status of cleaning up Open Bond Issues – no bond issue in FY19 and FY21
- Status of Country during the coming year
- Population of Salisbury then and now – in conjunction with *Increase FY21 versus FY12 by Function* previously discussed

PART FOUR

City Council – Budget Review

President Heath summarized that all accounts remained the same with the exception of the Council Salaries Account which increased - new Council Salaries become effective in FY21.

City Clerk - Budget Review

Assistant City Clerk Diane Carter joined Council and discussed the following pertaining to the City Clerk Proposed Budget:

- All accounts are basically level funded with the exception of the Salaries Account which reflects the step increase included for all personnel built into the budget
- Printing Costs may fluctuate from year-to-year due to Municode codification costs for printed copies and/or search engine functions for the Salisbury Municipal Charter and Code updates

President Heath noted that the most significant increase was \$894 in the Retirement Account for *retirement catch up* as previously discussed with Mr. Cordrey.

490 **Mayor's Office – Budget Review**

491 Deputy City Administrator Andy Kitzrow summarized that there was no new funding in the
492 Mayor's Cost Center-12000, but noted that some funds had been reallocated/transferred
493 between accounts like computer to computer software.

494
495 A question arose regarding the amount in the Dues Account – 12000-56700:

- 496
497 ➤ Mr. Kitzrow believed the amount should be \$34,400 – could be calculation error
498 ➤ City Administrator Julia Glanz confirmed that the City does not have membership with
499 National League of Cities at this time – paying non-member prices to attend the annual
500 conference more cost effective than annual City membership dues are on the budget
501 ➤ Council further discussed merits of membership in National League of Cities which costs
502 approximately \$8,000/year
503

504 Mr. Cordrey will research the correct amount in the Dues Account and follow-up with Council.
505

506 **City Attorney – Budget Review**

507 City Attorney Mark Tilghman estimated the fees for FY20 to be approximately \$34,000 more
508 than budgeted due to ongoing litigation with the Fire Company Case tempered with less
509 spending because of the current Coronavirus pandemic. He continued that total costs over the
510 numerous years of the Fire Company litigation have reached approximately \$126,000 and then
511 updated Council on the following relative to the litigation:

- 512 ➤ Fire Company's attorney would not agree to mediation unless the City dropped the suits
513 against the individuals who wrongly spent the money (Mr. Tilghman noted this was the
514 City's only leverage)
515 ➤ The Court supported City's recent motion to compel Fire Company to produce records
516 and also awarded City \$2,000 for having to file the motion
517 ➤ It is believed funds from County money to the Fire Company for equipment and capital
518 projects have been used toward Fire Company Attorney's Fees
519

520 Mr. Tilghman indicated the Fire Company litigation was the only carryover into the new budget
521 year, with most other costs remaining level and representing business as usual.
522

523 **Human Resources Department (HR) – Department Review**

524 Human Resources (HR) Director Jeanne Loyd joined Council and discussed the following
525 pertaining to the HR Budget:

- 526 ➤ Salaries changed due to a career ladder promotion for Courtney Brown who had met all
527 the criteria for the promotion
528 ➤ Money put in the Budget for consulting fees for Other Pension Employee Benefits – a
529 (OPEB) – actuaries will be determining what City owes future retirees to be shown on
530 City Financial Statements
531 ➤ a slight increase in Tuition was noted – a new employee had been added for \$11,000
532 and was working in Information Technology functioning as the Artificial Intelligence
533 Scientist
534

535 **Government Office Building (GOB)**

536 Procurement Director Jennifer Miller provided an overview of how the City and County share
537 GOB expenses generally 50-50 which includes establishing priority shared projects like upgrades
538 to Council Chambers, the elevator cab, hallway lighting and flooring as well as City only
539 expenses like wireless panic buttons in designated offices, and cleaning of City Offices. Expenses
540 fluctuate from year to year depending on the bigger ticket items planned for in any particular
541 year. In FY21 it is expected that utility costs for basic services will increase, and a larger planned
542 project includes new curtains for Council Chambers. The City will also now share expenses with
543 the County for all Security Services related-expenses previously paid solely by the County; these
544 will be considered operating expenses. The City is also planning in FY21 as it did in FY20 for the
545 \$17,000 ESG payment to the County.

546
547 Director Miller clarified for President Heath that overall expenses decreased by \$86,000 from
548 FY20 to FY21 for the various expenses which fluctuate due to FY19 items that were not able to
549 be funded in FY19 rolling over into FY20.

550
551 **Procurement-Department Review**

552 Mrs. Miller said that although Procurement remains a 4-person department which is sufficient
553 to provide the current consistent level of service, there is a slight increase in the salary budget
554 due to the Senior Buyer Employee qualifying for a career ladder increase once all requirements
555 are met. Other operating expenses include costs for test prep and exams for the senior buyer
556 position.

557
558 Mrs. Miller continued that according to Information Services' schedule for computer
559 replacement the Procurement Department was scheduled for 3 new computers in FY21 that
560 has been reduced to just one new computer at a total cost of \$1,560 with \$380 going toward
561 the Microsoft Licensing fee and the remaining \$1,180 going for the computer equipment.
562 Account 577036 is budgeted \$380 for the licensing fee, but Account 577035 reflects only \$600
563 budgeted for the actual \$1,180 computer expense; Mrs. Miller requested an additional \$580 be
564 added to Account 577035 in order to purchase the computer.

565
566 **Finance-Department Review**

567 Finance Director Keith Cordrey discussed the following items pertinent to the Finance
568 Department Budget:

569
570 General Fund:

- 571 ➤ Salaries increased due to planned step increases for all employees
- 572 ➤ Bank Fees increased to allow sufficient budget to cover the fees-but doesn't expect to
- 573 spend all the funds
- 574 ➤ Postage went up due to City processing/mailing all Real Property Tax Bills and Printing
- 575 was over-budgeted last year for the same reason
- 576 ➤ Assistant Finance Director Butar requested \$2,500 increase in Collection Budget in
- 577 order to maintain the appropriate level of Collection Activity
- 578 ➤ Small increases to Computer Hardware and Software Accounts due to recommended
- 579 upgrades by Information Services

Account 81570

- No changes except a Career Ladder promotion for a longtime Cashier to a Cashier III

Account 85070

- No changes except a decrease of \$3,500 – computer in last year’s budget – none in this year’s budget

Final discussion included trends and metrics for delinquent accounts especially in light of the current pandemic and how the metrics are tracked/reported.

Information Services (IS)-Department Review

Director Bill Garrett discussed the following items pertinent to the Proposed IS Budget:

- Critical Item – Standard Merit increase for IS Assistant Director John O’Brien
- CIP- \$55,000 request for 2nd Stage of High Availability Virtual Array
- GIS Consulting – Other Departments – 18000-513390-budgeted lump sum of \$12,000 as best estimate based on previous years’ needs/not knowing this year’s needs
- Highlights
 - Computer Software
 - 18000-534502 – budget for majority of Citywide Licenses
 - 84080-534502 & 81080-534502 – Water & Sewer – 90% of budget in both accounts are for Infrastructure and Development Department

Mr. Garrett clarified for Vice President Boda how the High Availability Virtual Array was represented in the CIP this year and last year, as well as which departments were/are slated for which fiscal years.

Closing Comments

President Heath thanked all Council and Staff for being prepared with their questions and presentations respectively, and reported the next session would be held Wednesday, April 22, 2020 at 8:30 a.m.

President Heath reminded all to use the same ZOOM Meeting Link for today’s regularly scheduled Council Work Session at 4:30 p.m.

With nothing further to discuss, the Budget Work Session adjourned at 1:59 p.m.

Assistant City Clerk

City Clerk

Council President

| Bracketing for January 2020 | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | Step 9 |
|-----------------------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cadet/Blue Shirt | 40,587 | x | x | x | x | x | x | x | x |
| Police Officer | 45,959.68 | 48,051.12 | 49,132.72 | 50,237.20 | 51,367.28 | 52,524.16 | 53,705.60 | 54,914.08 | 56,146.60 |
| Police Officer 1st Class | 51,399.92 | 52,562.48 | 53,794.00 | 55,032.64 | 56,268.16 | 57,533.84 | 58,828.64 | 60,152.56 | 61,505.60 |
| Senior Police Officer | 52,886.08 | 54,102.88 | 55,348.80 | 56,621.76 | 57,919.68 | 59,259.20 | 60,592.48 | 61,955.92 | 63,349.52 |
| Master Police Officer | 54,326.96 | 55,670.16 | 56,951.44 | 58,261.84 | 59,603.44 | 60,975.20 | 62,378.16 | 63,814.40 | 65,249.60 |
| Corporal | 61,195.68 | 62,604.88 | 64,045.28 | 65,520 | 67,028 | 68,536 | 70,078.32 | 71,654.96 | 73,266.96 |
| Senior Corporal | 63,031.28 | 64,482.08 | 65,966.16 | 67,485.60 | 69,039.36 | 70,592.08 | 72,180.16 | 73,804.64 | 75,464.48 |
| Sergeant | 64,922.00 | 66,416.48 | 67,945.28 | 69,510.48 | 71,111.04 | 73,845.20 | 75,507.02 | 77,205.44 | 78,942.24 |
| Lieutenant | 70,896.80 | 72,527.52 | 74,197.76 | 75,905.44 | 77,652.64 | 79,440.40 | 81,227.12 | 83,097.04 | 84,966.96 |
| Captain | 78,736.32 | 80,548.00 | 82,402.32 | 84,255.60 | 86,239.92 | 88,224.24 | 90,255.36 | 92,333.28 | 94,411.20 |
| Major | 85,863.44 | 87,839.44 | 89,861.20 | 91,882.96 | 94,046.16 | 96,210.40 | 98,425.60 | 100,639.76 | 102,904.88 |
| Colonel | 93,264.08 | 95,410.64 | 97,607.12 | 99,802.56 | 103,151.92 | 104,503.36 | 106,908.88 | 109,313.56 | 111,772.96 |
| Chief of Police | 98,927.92 | 101,205.52 | 103,535.12 | 105,917.76 | 108,300.40 | 110,850.48 | 113,402.64 | 115,953.76 | 118,563.12 |

| Bracketing for January 2020 | Step 10 | Step 11 | Step 12 | Step 13 | Step 14 | Step 15 | Step 16 | Step 17 | Step 18 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Cadet/Blue Shirt | x | x | x | x | x | x | x | x | x |
| Police Officer | 57,413.20 | 58,704.88 | 60,025.68 | 61,375.60 | 62,756.72 | 64,169.04 | 65,612.56 | 67,089.36 | 68,598.40 |
| Police Officer 1st Class | 62,471.84 | 64,304.24 | 65,751.92 | 67,230.80 | 68,744.00 | 70,290.48 | 71,872.32 | 73,489.52 | 75,142.08 |
| Senior Police Officer | 64,284.36 | 66,232.40 | 67,722.72 | 69,246.32 | 70,804.24 | 72,397.52 | 74,027.20 | 75,692.24 | 77,395.76 |
| Master Police Officer | 66,718.08 | 68,218.80 | 69,753.84 | 71,203.20 | 72,927.92 | 74,569.04 | 76,246.56 | 77,962.56 | 79,716 |
| Corporal | 74,915.36 | 76,601.20 | 76,324.48 | 80,087.28 | 81,889.60 | 83,731.44 | 85,615.92 | 87,542 | 89,511.72 |
| Senior Corporal | 77,162.80 | 78,899.60 | 80,673.84 | 82,489.68 | 84,346.08 | 86,243.04 | 88,184.72 | 90,168.00 | 92,197.04 |
| Sergeant | 80,718.56 | 82,535.44 | 84,391.84 | 86,290.88 | 88,232.56 | 90,217.92 | 92,248.00 | 94,322.80 | 96,445.44 |
| Lieutenant | 86,878.48 | 88,833.68 | 90,831.52 | 92,876.16 | 94,965.52 | 97,101.68 | 99,286.72 | 101,520.64 | 103,805.52 |
| Captain | 96,534.88 | 98,707.44 | 100,927.84 | 103,199.20 | 105,520.48 | 107,894.80 | 110,322.16 | 112,804.64 | 115,342.28 |
| Major | 105,219.92 | 107,586.96 | 110,008.08 | 112,483.28 | 115,014.64 | 117,602.16 | 120,247.92 | 122,954.00 | 125,720.40 |
| Colonel | 114,288.72 | 116,859.60 | 119,488.72 | 122,177.12 | 124,926.88 | 127,736.96 | 130,611.52 | 133,550.56 | 136,555.12 |
| Chief of Police | 121,230.72 | 123,958.64 | 126,747.92 | 129,599.60 | 132,515.76 | 135,497.44 | 138,545.68 | 141,662.56 | 144,850.16 |

| Bracketing for January 2020 | Step 19 | Step 20 | Step 21 | Step 22 | Step 23 | Step 24 | Step 25 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|
| Cadet/Blue Shirt | x | x | x | x | x | x | x |
| Police Officer | 70,142.80 | 71,720.48 | 73,334.56 | 74,984.00 | 76,670.88 | 78,396.24 | 80,160.08 |
| Police Officer 1st Class | 76,833.12 | 78,561.60 | 80,329.60 | 82,137.12 | 83,985.20 | 85,874.88 | 87,807.20 |
| Senior Police Officer | 79,136.72 | 80,917.20 | 82,738.24 | 84,599.84 | 86,503.04 | 88,449.92 | 90,439.44 |
| Master Police Officer | 81,510 | 83,343.52 | 85,219.68 | 87,136.40 | 89,096.80 | 91,101.92 | 93,151.76 |
| Corporal | 91,525.20 | 93,585.44 | 95,690.40 | 97,843.20 | 100,044.88 | 102,296.48 | 104,598 |
| Senior Corporal | 94,271.84 | 96,392.40 | 98,561.84 | 100,779.12 | 103,046.32 | 105,365.52 | 107,735.68 |
| Sergeant | 98,615.92 | 100,834.24 | 103,103.52 | 105,422.72 | 107,794.96 | 110,220.24 | 112,700.64 |
| Lieutenant | 106,140.32 | 108,529.20 | 110,971.12 | 113,467.12 | 116,020.32 | 118,630.72 | 121,300.40 |
| Captain | 117,938.08 | 120,592.16 | 123,305.52 | 126,079.20 | 128,916.32 | 131,816.88 | 134,782.96 |
| Major | 128,549.20 | 131,441.44 | 134,398.16 | 137,422.48 | 140,514.40 | 143,676.00 | 146,908.32 |
| Colonel | 139,627.28 | 142,769.12 | 145,981.68 | 149,266.00 | 152,624.16 | 156,058.24 | 159,570.32 |
| Chief of Police | 148,109.52 | 151,441.68 | 154,849.76 | 158,333.76 | 161,895.76 | 165,538.88 | 169,263.12 |

Field Ops Personnel Committee Budget Requests 1/24/20

All Departments

Parks

#1 Response-pay raises/pay equity study-updated for 6% market adjustment for grade 5 and below

Traffic Dept.

Additional Personnel-2-3 electricians, qualifications CDL class B, basic electrical knowledge, 3 years professional experience preferred

Create 2 crews, one to focus on streetlight & traffic signal inspection, installation, and repair, one to focus on other projects, e.g. adding outlets, lights, heaters, festivals & events, etc.

Remove/reduce need for outside contractors for Zoo, FD, SPD, LED streetlight upgrades, etc.,

Compensation for On-Call status

Especially with full month scheduling, affects employee availability for second jobs, volunteer firefighting, etc.

Conflict Monitor Testing equipment or program

Conflict monitors are essential components of traffic light control systems, prevent malfunctioning signals from causing accidents

30 Traffic signals in city, each conflict monitor is required to be tested every two years, currently no testing system in place due to insufficient equipment and manpower

\$275 + shipping to send to qualified inspector, approximately \$6,000 for testing equipment

Street striping machine

Almost no time available with state highway, other contractors unreliable & much more expensive, only able to paint 1 time in past 10 months

New Trencher

Trencher is at least 16 years old, losing power & reliability

Mini-Excavator

Would need to be capable of installing light pole bases

Arrow Board

At least 13 years old, new safer, brighter models available

Street Dept.

1 ton Dump truck-useful for many tasks and projects where larger trucks are more cumbersome, e.g. storm drain clearing, brush removal, even bulk pickup

Utilities

Mini excavator-Easier to transport, less disruptive to traffic, less "collateral damage" to excavated area

Sanitation

Dodge Pickup truck retired, no replacement scheduled-Useful for picking up recycling, cardboard, late/missed cans, smaller jobs like emptying cans in parks or plazas

Small rearloader-Perfect for cardboard pickup, backup for existing rear-loading trucks when unavailable

RC-3 –Recycling truck is 15-20 years old, used every week, not reliable

Replacement for wood chipper-25 years old, replacement parts almost impossible to find, no back-up available in case of emergency, makes removing downed trees and limbs faster, easier, and safer, especially in bad weather



City of
Salisbury

Financial Overview

Presented April 2020



Financial Overview - Agenda

❑ Fund Level General Fund Financials (FY19)

- Balance Sheet
- Unassigned Fund Balance
- Statement of Revenues, Expenditures, and Changes
- Analysis of FY18 Budget vs. Actual for Revenues and Expenditures
- FY 20 Budget

❑ Water Sewer Fund (FY19)

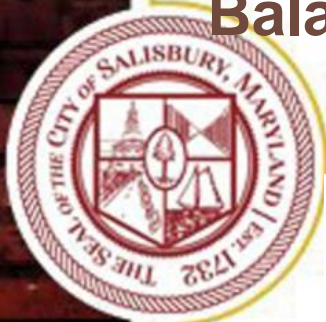
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Cash Status

❑ Entity Wide Level (FY 19)

- Statement of Net Position
- OPEB Liability GASB 42
- Pension Liability GASB 68

❑ Debt Capacity

- Capital Improvement Plan effect on Debt Capacity



Balance Sheet – Governmental Funds

FY19

| | General Fund |
|----------------------------------------------------------------------------|----------------------|
| ASSETS | |
| Cash | \$ 3,689,328 |
| Investment pool | 7,227,413 |
| Taxes receivable | 2,275,066 |
| Less allowance for uncollectibles | (990,482) |
| Due from other governmental units | 416,500 |
| Due from other funds | 355,115 |
| Sundry accounts receivable | 4,320,776 |
| Less allowance for uncollectibles | (2,735,983) |
| Inventory | 794,462 |
| Other assets | 5,233 |
| Restricted cash | 203,808 |
| Restricted investment pool | 940,137 |
| TOTAL ASSETS | \$ 16,501,373 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable and accrued expenses | \$ 1,115,619 |
| Due to other funds | - |
| Unearned revenue | - |
| Deposits and advance payment of taxes | 737,801 |
| Compensated absences | 182,314 |
| Total liabilities | <u>2,035,734</u> |
| Deferred inflows of resources: | |
| Unavailable revenue | 1,535,485 |
| Total deferred inflows of resources | <u>1,535,485</u> |
| Fund Balances: | |
| Nonspendable | 794,462 |
| Restricted | - |
| Committed | 1,795,554 |
| Assigned | 537,230 |
| Unassigned | 9,802,908 |
| Total fund balances | <u>12,930,154</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 16,501,373 |

FY18

| | General Fund |
|----------------------------------------------------------------------------|----------------------|
| ASSETS | |
| Cash | \$ 2,198,550 |
| Investment pool | 8,183,830 |
| Taxes receivable | 2,256,386 |
| Less allowance for uncollectibles | (892,418) |
| Due from other governmental units | 270,020 |
| Due from other funds | 390,116 |
| Sundry accounts receivable | 4,551,096 |
| Less allowance for uncollectibles | (2,991,752) |
| Inventory | 776,249 |
| Prepaid expenditures | 2,258 |
| Restricted cash | 212,260 |
| Restricted investment pool | - |
| TOTAL ASSETS | \$ 14,958,595 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable and accrued expenses | \$ 2,126,844 |
| Due to other funds | - |
| Unearned revenue | - |
| Deposits and advance payment of taxes | 109,132 |
| Compensated absences | 174,807 |
| Total Liabilities | <u>2,410,783</u> |
| Deferred Inflows of Resources | |
| Unavailable revenue | 1,808,879 |
| Total Deferred Inflows of Resources | <u>1,808,879</u> |
| Fund Balances: | |
| Nonspendable | 778,507 |
| Restricted | - |
| Committed | 1,693,351 |
| Assigned | 868,485 |
| Unassigned | 7,398,590 |
| Total Fund Balances | <u>10,738,933</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 14,958,595 |



Statement of Revenues, Expenditures and Changes

FY 19

FY18

□ FY19 Revenues exceeded Expenditures by \$1.45M.

| | General Fund |
|------------------------------------------------------------------|----------------------|
| REVENUES | |
| Taxes | \$ 28,160,477 |
| Other revenue | 4,456,462 |
| Intergovernmental revenues | 3,203,934 |
| Charges for services | 4,604,140 |
| TOTAL REVENUES | 40,425,013 |
| EXPENDITURES | |
| Current | |
| General government | 3,744,655 |
| Public safety | 22,593,472 |
| Public works | 4,817,399 |
| Recreation and culture | 1,876,312 |
| Nondepartmental | 1,055,539 |
| Capital outlay | 674,292 |
| Debt service: | |
| Principal | 2,973,887 |
| Interest | 798,416 |
| TOTAL EXPENDITURES | 38,533,972 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,891,041 |
| OTHER FINANCING SOURCES (USES) | |
| Operating transfers in (out) | (509,270) |
| Proceeds from issuance of debt | 38,178 |
| Proceeds from sale of capital assets | 30,905 |
| TOTAL OTHER FINANCING SOURCES (USES) | (440,187) |
| NET CHANGE IN FUND BALANCES | 1,450,854 |
| FUND BALANCES, BEGINNING OF YEAR, RESTATED | 11,479,300 |
| FUND BALANCES, END OF YEAR | \$ 12,930,154 |

| | General Fund |
|--------------------------------------------------|---------------------|
| REVENUES | |
| Taxes | \$26,799,572 |
| Other revenue | 4,212,634 |
| Intergovernmental revenues | 2,925,831 |
| Charges for services | 3,791,599 |
| TOTAL REVENUES | 37,729,636 |
| EXPENDITURES | |
| Current: | |
| General government | 3,649,691 |
| Public safety | 22,180,055 |
| Public works | 4,545,338 |
| Recreation and culture | 2,028,685 |
| Nondepartmental | 1,195,661 |
| Capital outlays | 1,888,470 |
| Debt service: | |
| Principal | 2,785,353 |
| Interest | 868,627 |
| TOTAL EXPENDITURES | 39,141,880 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (1,412,244) |
| OTHER FINANCING SOURCES (USES) | |
| Operating transfers in (out) | (498,509) |
| Proceeds from bond issuance | 24,900 |
| Proceeds from sale of capital assets | 178,213 |
| TOTAL OTHER FINANCING SOURCES (USES) | (295,396) |
| NET CHANGE IN FUND BALANCES | (1,707,640) |
| FUND BALANCES, BEGINNING OF YEAR | 12,446,573 |
| FUND BALANCES, END OF YEAR | \$10,738,933 |



Revenues

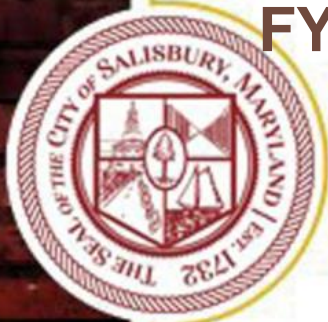
- ❑ Actual Revenues were \$40.4M.
- ❑ Final Budget of \$38.8M
- ❑ Revenues budgeted, exclusive of Other Financing Sources, were exceeded by \$1.6M.

| | Final Budget (Unaudited) | Actual | Variance Positive (Negative) |
|---------------------------------------------------|-----------------------------|----------------------|------------------------------------|
| Charges for Services | | | |
| Administrative fees | 536,948 | 537,183 | 235 |
| Ambulance call fees | 1,875,000 | 2,088,739 | 213,739 |
| Advertising | 100 | 143 | 43 |
| Filing fees | 100 | 100 | |
| Garbage disposal fees | 1,485,643 | 1,551,122 | 65,479 |
| Inspection fees | 26,300 | 24,707 | (1,593) |
| Plan review fees | 23,000 | 32,293 | 9,293 |
| Police alarm systems | 30,000 | 23,659 | (6,341) |
| Weed removal | 99,000 | 66,837 | (32,163) |
| Zoning appeal and housing board appeal fees | 600 | 446 | (154) |
| Fire permits and plan review | 149,500 | 278,911 | 129,411 |
| Total charges for services | 4,226,191 | 4,604,140 | 377,949 |
| Intergovernmental | | | |
| State of Maryland | | | |
| Police protection | 586,509 | 556,474 | (30,035) |
| Enterprise zone | 84,000 | 76,834 | (7,166) |
| Highway user | 1,070,682 | 1,079,116 | 8,434 |
| MDOT Reimbursement | 214,572 | 391,231 | 176,659 |
| Wicomico County | | | |
| Financial corporations | 18,300 | 18,302 | 2 |
| Fire department | 820,668 | 820,668 | |
| Room tax | 245,000 | 261,309 | 16,309 |
| Total intergovernmental | 3,039,731 | 3,203,934 | 164,203 |
| Total revenues | 38,827,914 | 40,425,013 | 1,597,099 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from issuance of debt | 719,000 | 38,178 | (680,822) |
| Proceeds from sale of capital assets | 21,747 | 30,905 | 9,158 |
| Total other financing sources | 740,747 | 69,083 | (671,664) |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 39,568,661 | \$ 40,494,096 | \$ 925,435 |



FY19 Revenues

| | Final Budget (Unaudited) | Actual | Variance Positive (Negative) |
|--------------------------------------------------|-----------------------------|---------------|------------------------------------|
| REVENUES | | | |
| Taxes | | | |
| Real property | \$ 17,991,135 | \$ 18,463,626 | \$ 472,491 |
| Personal property | 72,000 | 61,377 | (10,623) |
| Ordinary business corporations and utilities | 6,822,000 | 6,534,820 | (287,180) |
| Payments in lieu of tax | 436,462 | 444,038 | 7,576 |
| Admissions and amusement | 350,000 | 339,418 | (10,582) |
| State shared income tax | 1,750,000 | 2,148,438 | 398,438 |
| Total taxes | 27,421,597 | 27,991,717 | 570,120 |
| Interest and penalties on delinquent taxes | 135,000 | 168,760 | 33,760 |
| Total taxes, interest, and penalties | 27,556,597 | 28,160,477 | 603,880 |
| Other revenue | | | |
| Amusement licenses | 3,500 | 4,345 | 845 |
| Billboard licenses | 21,000 | 19,050 | (1,950) |
| Building and inspection licenses | 290,000 | 575,519 | 285,519 |
| Business licenses | 154,300 | 161,237 | 6,937 |
| Franchise fees | 430,000 | 425,537 | (4,463) |
| Landlord licenses | 644,000 | 683,559 | 39,559 |
| Parking fines and meter collections (adjustment) | | (13,540) | (13,540) |
| Plumbing licenses and permits | 42,000 | 96,365 | 54,365 |
| Street-breaking permits | 1,750 | 700 | (1,050) |
| Towing companies | 4,000 | 4,125 | 125 |
| Other miscellaneous permits | 26,100 | 35,714 | 9,614 |
| Municipal infraction violations | 150,000 | 58,820 | (91,180) |
| Interest on investment of idle funds | 12,500 | 274,626 | 262,126 |
| Insurance proceeds | 53,205 | 64,385 | 11,180 |
| Donations | 50,000 | 103,757 | 53,757 |
| Zoo reimbursements | 253,748 | 223,496 | (30,252) |
| Zoo commission | 280,734 | 448,337 | 167,603 |
| Sale of maps, codes, and documents | 1,100 | 130 | (970) |
| Bad debt collections | 2,000 | 1,789 | (211) |
| School zone camera fines | 1,350,000 | 1,033,659 | (316,341) |
| Other miscellaneous receipts | 235,458 | 254,852 | 19,394 |
| Total other revenue | 4,005,395 | 4,456,462 | 451,067 |



FY19 Revenues

**Total Revenues
budget
by \$ 1.6M**

| | Final Budget (Unaudited) | Actual | Variance Positive (Negative) |
|---------------------------------------------------|-----------------------------|----------------------|------------------------------------|
| Charges for Services | | | |
| Administrative fees | 536,948 | 537,183 | 235 |
| Ambulance call fees | 1,875,000 | 2,088,739 | 213,739 |
| Advertising | 100 | 143 | 43 |
| Filing fees | 100 | 100 | |
| Garbage disposal fees | 1,485,643 | 1,551,122 | 65,479 |
| Inspection fees | 26,300 | 24,707 | (1,593) |
| Plan review fees | 23,000 | 32,293 | 9,293 |
| Police alarm systems | 30,000 | 23,659 | (6,341) |
| Weed removal | 99,000 | 66,837 | (32,163) |
| Zoning appeal and housing board appeal fees | 600 | 446 | (154) |
| Fire permits and plan review | 149,500 | 278,911 | 129,411 |
| Total charges for services | 4,226,191 | 4,604,140 | 377,949 |
| Intergovernmental | | | |
| State of Maryland | | | |
| Police protection | 586,509 | 556,474 | (30,035) |
| Enterprise zone | 84,000 | 76,834 | (7,166) |
| Highway user | 1,070,682 | 1,079,116 | 8,434 |
| MDOT Reimbursement | 214,572 | 391,231 | 176,659 |
| Wicomico County | | | |
| Financial corporations | 18,300 | 18,302 | 2 |
| Fire department | 820,668 | 820,668 | |
| Room tax | 245,000 | 261,309 | 16,309 |
| Total intergovernmental | 3,039,731 | 3,203,934 | 164,203 |
| Total revenues | 38,827,914 | 40,425,013 | 1,597,099 |
| OTHER FINANCING SOURCES | | | |
| Proceeds from issuance of debt | 719,000 | 38,178 | (680,822) |
| Proceeds from sale of capital assets | 21,747 | 30,905 | 9,158 |
| Total other financing sources | 740,747 | 69,083 | (671,664) |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | \$ 39,568,661 | \$ 40,494,096 | \$ 925,435 |



FY19 Expenditures

| | Original Budget (Unaudited) | Final Budget (Unaudited) | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|--------------------------------|-----------------------------|----------------|------------------------------------------------------|
| GENERAL GOVERNMENT | | | | |
| City council | | | | |
| Salaries | \$ 52,000 | \$ 52,000 | \$ 51,702 | \$ 298 |
| Personnel benefits | 8,944 | 8,944 | 8,232 | 712 |
| Other operating expenses | 16,509 | 16,509 | 6,592 | 9,917 |
| Community promotion | 750 | 750 | 103 | 647 |
| | <u>78,203</u> | <u>78,203</u> | <u>66,629</u> | <u>11,574</u> |
| City clerk | | | | |
| Salaries | 108,123 | 108,123 | 108,083 | 40 |
| Personnel benefits | 37,329 | 37,329 | 36,377 | 952 |
| Other operating expenses | 16,437 | 16,437 | 8,474 | 7,963 |
| | <u>161,889</u> | <u>161,889</u> | <u>152,934</u> | <u>8,955</u> |
| Mayor's office | | | | |
| Salaries | 404,247 | 383,051 | 348,690 | 34,361 |
| Personnel benefits | 119,059 | 119,059 | 101,023 | 18,036 |
| Professional services | 960 | 2,428 | 2,239 | 189 |
| Other operating expenses | 71,485 | 86,687 | 80,604 | 6,083 |
| Capital outlay | 2,679 | 7,205 | 6,620 | 585 |
| | <u>598,430</u> | <u>598,430</u> | <u>539,176</u> | <u>59,254</u> |
| Developmental services | | | | |
| Salaries | 126,208 | 130,244 | 130,028 | 216 |
| Personnel benefits | 36,284 | 36,324 | 36,209 | 115 |
| Professional services | 102,000 | 92,000 | 77,273 | 14,727 |
| Other operating expenses | 198,832 | 208,970 | 199,726 | 9,244 |
| Community promotion | 311,114 | 309,990 | 295,894 | 14,096 |
| Capital outlay | 3,413 | 2,861 | 1,812 | 1,049 |
| | <u>777,851</u> | <u>780,389</u> | <u>740,942</u> | <u>39,447</u> |
| City attorney | | | | |
| Professional services | 284,800 | 374,315 | 364,677 | 9,638 |
| | <u>284,800</u> | <u>374,315</u> | <u>364,677</u> | <u>9,638</u> |
| Internal services - finance | | | | |
| Salaries | 375,353 | 383,218 | 382,917 | 301 |
| Personnel benefits | 146,719 | 154,454 | 143,967 | 10,487 |
| Professional services | 40,650 | 29,400 | 28,825 | 575 |
| Other operating expenses | 58,728 | 78,021 | 42,970 | 35,051 |
| Capital outlay | | 61,357 | 12,538 | 48,819 |
| | <u>621,450</u> | <u>706,450</u> | <u>611,217</u> | <u>95,233</u> |
| Internal services - purchasing | | | | |
| Salaries | 175,714 | 175,714 | 165,851 | 9,863 |
| Personnel benefits | 46,651 | 46,651 | 42,620 | 4,031 |
| Professional services | 11,596 | 11,596 | 10,750 | 846 |
| Other operating expenses | 27,416 | 27,416 | 24,250 | 3,166 |
| | <u>261,377</u> | <u>261,377</u> | <u>243,471</u> | <u>17,906</u> |



FY19 Expenditures

GENERAL GOVERNMENT (Continued)

| | Original Budget (Unaudited) | Final Budget (Unaudited) | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--------------------------------|-----------------------------|-----------|------------------------------------------------------|
| Information technology | | | | |
| Salaries | 262,484 | 263,921 | 263,204 | 717 |
| Personnel benefits | 90,942 | 93,623 | 93,529 | 94 |
| Professional services | | 120 | 120 | |
| Other operating expenses | 104,740 | 104,695 | 102,460 | 2,235 |
| Capital outlay | 2,756 | 442 | 442 | |
| | 460,922 | 462,801 | 459,755 | 3,046 |
| Internal services - human resources | | | | |
| Salaries | 140,784 | 140,784 | 138,264 | 2,520 |
| Personnel benefits | 129,694 | 116,507 | 116,188 | 319 |
| Professional services | 11,400 | 24,981 | 21,898 | 3,083 |
| Other operating expenses | 23,716 | 24,012 | 21,286 | 2,726 |
| Capital outlay | 2,650 | 1,960 | 1,660 | 300 |
| | 308,244 | 308,244 | 299,296 | 8,948 |
| Planning and zoning | | | | |
| Salaries | 71,010 | 71,010 | 70,983 | 27 |
| Personnel benefits | 21,123 | 21,123 | 21,060 | 63 |
| Professional services | 9,147 | 7,147 | | 7,147 |
| Other operating expenses | 1,000 | 3,000 | 2,964 | 36 |
| | 102,280 | 102,280 | 95,007 | 7,273 |
| Municipal buildings | | | | |
| Professional services | | 9,064 | | 9,064 |
| Other operating expenses | 197,600 | 235,903 | 140,604 | 95,299 |
| Capital outlay | | 269,526 | 252,475 | 17,051 |
| | 197,600 | 514,493 | 393,079 | 121,414 |
| Poplar Hill Mansion | | | | |
| Salaries | 25,000 | 25,000 | 25,000 | |
| Personnel benefits | 2,848 | 2,848 | 2,784 | 64 |
| Other operating expenses | 30,175 | 30,175 | 26,235 | 3,940 |
| | 58,023 | 58,023 | 54,019 | 4,004 |
| Total general government | 3,911,069 | 4,406,894 | 4,020,202 | 386,692 |

PUBLIC SAFETY

| | | | | |
|--------------------------|------------|------------|------------|-----------|
| Police services | | | | |
| Salaries | 7,032,507 | 6,815,316 | 6,676,665 | 138,651 |
| Personnel benefits | 3,824,879 | 3,870,081 | 3,446,500 | 423,581 |
| Professional services | 40,660 | 119,690 | 115,654 | 4,036 |
| Other operating expenses | 1,048,793 | 1,244,616 | 1,050,920 | 193,696 |
| Community promotions | 1,000 | 1,000 | 1,000 | |
| Capital outlay | 234,000 | 528,962 | 271,674 | 257,288 |
| | 12,181,839 | 12,579,665 | 11,562,413 | 1,017,252 |
| Police communications | | | | |
| Salaries | 543,874 | 472,974 | 388,399 | 84,575 |
| Personnel benefits | 226,422 | 226,422 | 135,831 | 90,591 |
| Professional services | 8,000 | 8,000 | 2,302 | 5,698 |
| Other operating expenses | 74,917 | 76,367 | 30,984 | 45,383 |
| | 853,213 | 783,763 | 557,516 | 226,247 |



FY19 Expenditures

| | Original Budget (Unaudited) | Final Budget (Unaudited) | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------------|--------------------------------|-----------------------------|------------|------------------------------------------------------|
| PUBLIC SAFETY (Continued) | | | | |
| Animal control | | | | |
| Salaries | 77,523 | 77,523 | 16,034 | 61,489 |
| Personnel benefits | 30,364 | 30,364 | 8,344 | 22,020 |
| Other operating expenses | 5,100 | 5,100 | 4,768 | 332 |
| Professional services | 101,952 | 104,952 | 102,708 | 2,244 |
| | 214,939 | 217,939 | 131,854 | 86,085 |
| Total police department | 13,249,991 | 13,581,367 | 12,251,783 | 1,329,584 |
| Traffic control | | | | |
| Salaries | 274,667 | 276,567 | 270,214 | 6,353 |
| Personnel benefits | 131,135 | 129,980 | 119,886 | 10,094 |
| Professional services | 550 | 550 | 550 | |
| Other operating expenses | 975,409 | 1,105,511 | 1,100,165 | 5,346 |
| Total traffic control | 1,381,761 | 1,512,608 | 1,490,815 | 21,793 |
| Fire department | | | | |
| Firefighting | | | | |
| Salaries | 4,056,129 | 4,065,691 | 4,063,821 | 1,870 |
| Personnel benefits | 2,500,294 | 2,528,950 | 2,399,456 | 129,494 |
| Professional services | 147,940 | 147,031 | 140,379 | 6,652 |
| Other operating expenses | 898,701 | 925,112 | 853,577 | 71,535 |
| Capital outlay | 137,425 | 139,925 | 63,101 | 76,824 |
| | 7,740,489 | 7,806,709 | 7,520,334 | 286,375 |
| Volunteer firemen | | | | |
| Salaries | 27,000 | | | |
| Personnel benefits | 257,185 | 245,984 | 245,214 | 770 |
| Professional services | 37,600 | 25,770 | 25,695 | 75 |
| Other operating expenses | 8,272 | 8,272 | 8,272 | |
| Community promotions | 80,000 | 80,000 | 80,000 | |
| | 410,057 | 360,026 | 359,181 | 845 |
| Total fire department | 8,150,546 | 8,166,735 | 7,879,515 | 287,220 |
| Buildings, permits, and inspections | | | | |
| Salaries | 224,340 | 224,350 | 224,266 | 84 |
| Personnel benefits | 69,215 | 69,415 | 68,363 | 1,052 |
| Professional services | 9,350 | 9,350 | 3,711 | 5,639 |
| Other operating expenses | 21,622 | 21,412 | 10,295 | 11,117 |
| Total buildings, permits, and inspections | 324,527 | 324,527 | 306,635 | 17,892 |
| Housing and community development | | | | |
| Salaries | 604,635 | 551,546 | 534,600 | 16,946 |
| Personnel benefits | 213,791 | 221,867 | 218,561 | 3,306 |
| Professional services | 516 | 396 | 310 | 86 |
| Other operating expenses | 188,590 | 184,291 | 169,468 | 14,823 |
| Community promotions | 78,400 | 78,400 | 76,560 | 1,840 |
| Capital outlay | 1,700 | 54,500 | 23,416 | 31,084 |
| Total housing & community development | 1,087,632 | 1,091,000 | 1,022,915 | 68,085 |
| Total public safety | 24,194,457 | 24,676,237 | 22,951,663 | 1,724,574 |



FY19 Expenditures

| | Original Budget (Unaudited) | Final Budget (Unaudited) | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------------------|-----------------------------|------------|------------------------------------------------------|
| PUBLIC WORKS | | | | |
| Supervision | | | | |
| Salaries | \$ 333,875 | \$ 333,825 | \$ 293,993 | \$ 39,832 |
| Personnel benefits | 135,595 | 135,273 | 106,996 | 28,277 |
| Professional services | 500 | 500 | 500 | |
| Other operating expenses | 51,405 | 51,777 | 49,870 | 1,907 |
| | 521,375 | 521,375 | 451,359 | 70,016 |
| Engineering | | | | |
| Salaries | 447,017 | 446,500 | 429,291 | 17,209 |
| Personnel benefits | 159,245 | 159,975 | 152,611 | 7,364 |
| Professional services | 21,138 | 207,845 | 7,551 | 200,294 |
| Other operating expenses | 750,959 | 1,210,190 | 1,124,600 | 85,590 |
| Capital outlay | | 18,944 | 23,509 | (4,565) |
| | 1,378,359 | 2,043,454 | 1,737,562 | 305,892 |
| Total supervision and engineering | 1,899,734 | 2,564,829 | 2,188,921 | 375,908 |
| Roadways | | | | |
| Salaries | 355,033 | 358,033 | 346,559 | 11,474 |
| Personnel benefits | 155,688 | 156,963 | 145,899 | 11,064 |
| Professional services | 1,000 | 1,000 | 1,000 | |
| Other operating expenses | 206,486 | 203,087 | 196,167 | 6,920 |
| Capital outlay | 165,000 | 165,000 | | 165,000 |
| | 883,207 | 884,083 | 689,625 | 194,458 |
| Sanitation | | | | |
| Waste collection and disposal | | | | |
| Salaries | 381,180 | 348,790 | 348,790 | |
| Personnel benefits | 186,271 | 183,316 | 178,942 | 4,374 |
| Professional services | 1,000 | 1,000 | 1,000 | |
| Other operating expenses | 711,657 | 745,101 | 741,797 | 3,304 |
| Capital outlay | 275,000 | 280,000 | | 280,000 |
| | 1,555,108 | 1,558,207 | 1,270,529 | 287,678 |
| Recycling | | | | |
| Salaries | 68,802 | 68,802 | 67,035 | 1,767 |
| Personnel benefits | 35,561 | 35,561 | 33,406 | 2,155 |
| Professional services | 250 | 250 | 250 | |
| Other operating expenses | 26,263 | 26,263 | 24,582 | 1,681 |
| | 130,876 | 130,876 | 125,273 | 5,603 |
| Total sanitation | 1,685,984 | 1,689,083 | 1,395,802 | 293,281 |
| Fleet maintenance | | | | |
| Salaries | 200,326 | 173,977 | 169,251 | 4,726 |
| Personnel benefits | 92,269 | 90,718 | 77,609 | 13,109 |
| Professional services | 600 | 600 | 600 | |
| Other operating expenses | 155,254 | 200,577 | 183,443 | 17,134 |
| | 448,449 | 465,872 | 430,903 | 34,969 |
| Carpenter shop | | | | |
| Salaries | 76,857 | 77,017 | 76,522 | 495 |
| Personnel benefits | 36,485 | 36,325 | 35,451 | 874 |
| Professional services | 200 | 200 | 200 | |
| Other operating expenses | 25,024 | 25,024 | 23,484 | 1,540 |
| | 138,566 | 138,566 | 135,657 | 2,909 |
| Total public works | 5,055,940 | 5,742,433 | 4,840,908 | 901,525 |



FY19 Expenditures

| | Original Budget (Unaudited) | Final Budget (Unaudited) | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------------------------|--------------------------------|-----------------------------|----------------------|---------------------------------------------------------|
| RECREATION AND CULTURE | | | | |
| Municipal zoo | | | | |
| Salaries | \$ 785,692 | \$ 765,492 | \$ 732,726 | \$ 32,766 |
| Personnel benefits | 240,431 | 243,181 | 197,092 | 46,089 |
| Professional services | 18,700 | 23,400 | 22,471 | 929 |
| Other operating expenses | 387,715 | 401,289 | 379,929 | 21,360 |
| | <u>1,432,538</u> | <u>1,433,362</u> | <u>1,332,218</u> | <u>101,144</u> |
| Park maintenance | | | | |
| Salaries | 321,619 | 296,519 | 252,623 | 43,896 |
| Personnel benefits | 135,674 | 138,874 | 109,184 | 29,690 |
| Professional services | 600 | 600 | 600 | |
| Other operating expenses | 178,676 | 188,350 | 181,687 | 6,663 |
| Capital outlay | | 37,100 | 17,045 | 20,055 |
| | <u>636,569</u> | <u>661,443</u> | <u>561,139</u> | <u>100,304</u> |
| Total recreation and culture | <u>2,069,107</u> | <u>2,094,805</u> | <u>1,893,357</u> | <u>201,448</u> |
| NONDEPARTMENTAL | | | | |
| Insurance | | | | |
| Health care claims | | | 128,153 | (128,153) |
| Insurance | 717,000 | 717,000 | 651,147 | 65,853 |
| | <u>717,000</u> | <u>717,000</u> | <u>779,300</u> | <u>(62,300)</u> |
| Miscellaneous | | | | |
| Personnel benefits | 292,800 | 292,800 | 276,239 | 16,561 |
| Other operating expenses | 3,952 | 3,952 | | 3,952 |
| | <u>296,752</u> | <u>296,752</u> | <u>276,239</u> | <u>20,513</u> |
| Total nondepartmental | <u>1,013,752</u> | <u>1,013,752</u> | <u>1,055,539</u> | <u>(41,787)</u> |
| DEBT PAYMENTS | | | | |
| Principal redemption | 2,973,887 | 2,973,887 | 2,973,887 | |
| Interest | <u>1,537,015</u> | <u>1,546,076</u> | <u>798,416</u> | <u>747,660</u> |
| Total debt payments | <u>4,510,902</u> | <u>4,519,963</u> | <u>3,772,303</u> | <u>747,660</u> |
| Total expenditures | <u>40,755,227</u> | <u>42,454,084</u> | <u>38,533,972</u> | <u>3,920,112</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfer to other funds | 304,626 | 511,077 | 509,270 | 1,807 |
| Total other financing uses | <u>304,626</u> | <u>511,077</u> | <u>509,270</u> | <u>1,807</u> |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 41,059,853</u> | <u>\$ 42,965,161</u> | <u>\$ 39,043,242</u> | <u>\$ 3,921,919</u> |



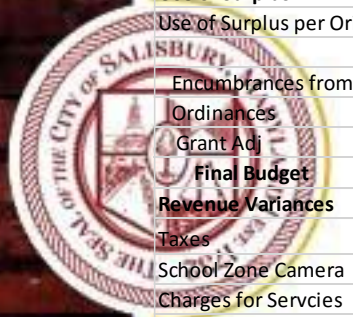
Analysis of FY19 Variances

| | |
|------------------------------------|----------------|
| Use of Surplus | |
| Use of Surplus per Original Budget | (1,783) |
| Encumbrances from Prev Year | (848) |
| Ordinances | (766) |
| Grant Adj | |
| Final Budget | (3,397) |
| Revenue Variances | |
| Taxes | 604 |
| School Zone Camera | -316 |
| Charges for Services | 163 |
| EMS | 214 |
| Building Permits | 285 |
| Police Protection | -30 |
| Zoo | 167 |
| MDOT Reimbursements | 177 |
| Interest | 262 |
| Other | 80 |
| Debt Proceeds | -681 |
| Sale of Fixed Assets | 9 |
| Total Revenue Variances | 925 |

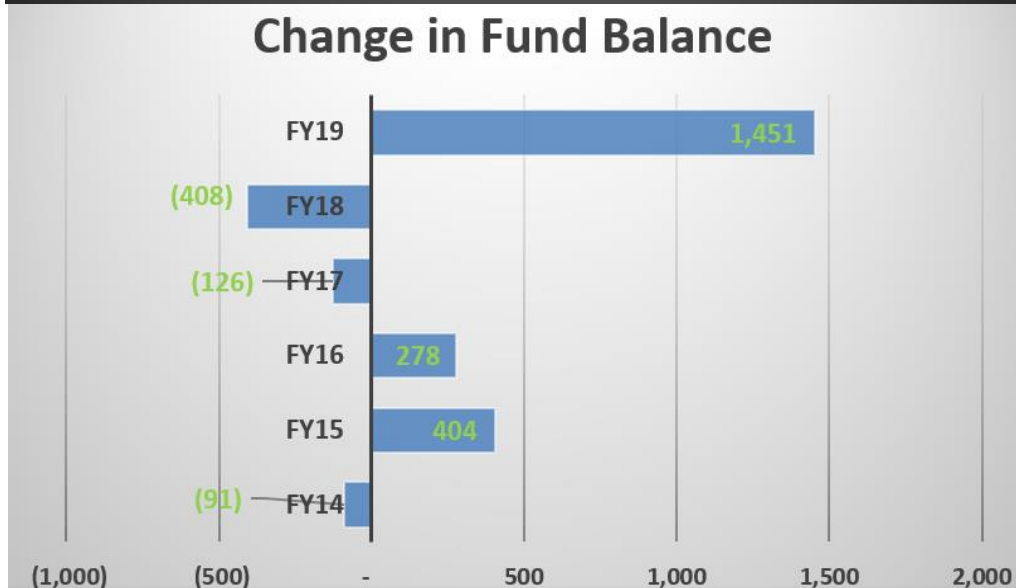
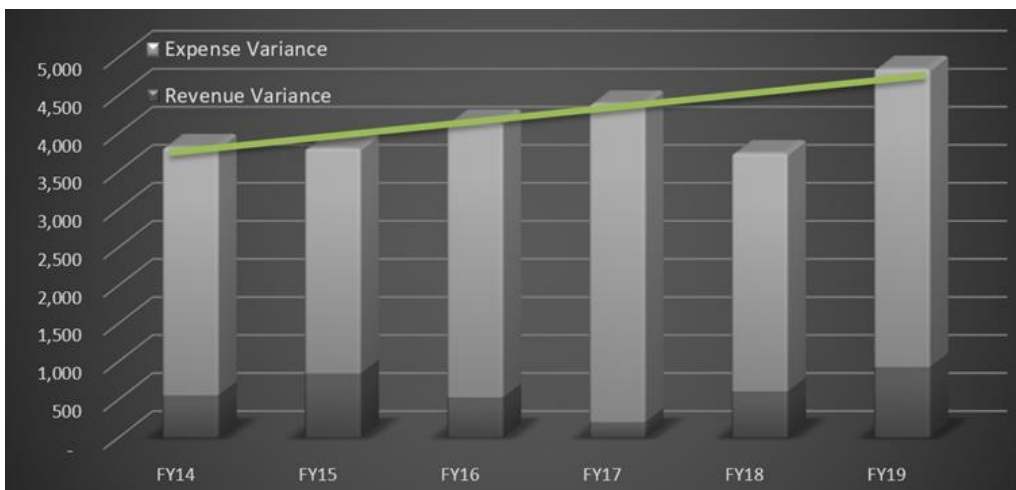
| | |
|-------------------------------------------|--------------|
| Expenditure Variances | |
| Mayors Office | 59 |
| Municipal Buildings | 121 |
| General Government Other | 206 |
| Police | 1329 |
| Traffic | 22 |
| Fire | 287 |
| PW Engineering | 376 |
| PW Roads | 195 |
| PW Sanitation | 288 |
| Recreation | 201 |
| Insurance | -62 |
| Transfer | 2 |
| Debt Service | 748 |
| Other | 151 |
| Total Expenditure Variances | 3,923 |
| Other Finance Source Uses Variance | |
| Total Variances | 4,848 |
| Change in Fund Balance | 1,451 |
| 1.3M Fire Trucks in FY17 | |
| Change in Fund Bal per Statement | 1,451 |

How did we budget for a use of \$1.7M of surplus, but wind up with an a use of surplus of \$1.45?

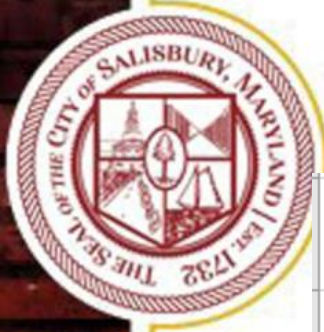
- Note the encumbrance carry forwards from FY18 increased the budgeted use of surplus by \$848k and that ordinances passed during FY19 increased the budget use another \$766k; resulting in a final budgeted use of surplus of \$3.4M.
- The variances (Revenue \$925k and Expenditure \$3.9M) result in the actual increase of fund balance in the amount of \$1.45M.



| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 |
|-------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Use of Surplus | | | | | | |
| Use of Surplus per Original Budget | (2,084) | (1,635) | (2,592) | (2,564) | (2,192) | (1,783) |
| Encumbrances from Prev Year | (1,570) | (1,481) | (946) | (2,156) | (3,011) | (848) |
| Ordinances | | (351) | (325) | (1,097) | (243) | (766) |
| Grant Adj | (255) | | | | | |
| Final Budget | (3,909) | (3,467) | (3,863) | (5,817) | (5,446) | (3,397) |
| Revenue Variances | | | | | | |
| Taxes | 777 | (142) | 90 | 230 | 192 | 604 |
| School Zone Camera | | 106 | 65 | (173) | 226 | -316 |
| Charges for Servcies | 3 | | | (292) | -142 | 163 |
| EMS | | 117 | (68) | | | 214 |
| Building Permits | | (135) | | | | 285 |
| Health Care Rebate | | 481 | 574 | | | |
| Police Protection | (22) | | (105) | | | -30 |
| Donations | | 188 | | | | |
| Zoo | | 180 | | | | 167 |
| Rental Fees | | 40 | | | | |
| MDOT Reimbursements | | | | | | 177 |
| Interest | | | | | | 262 |
| Other | 124 | 5 | (30) | (67) | 154 | 80 |
| Debt Proceeds | (187) | | | 504 | 175 | -681 |
| Transfers In | (270) | | | | | |
| Sale of Fixed Assets | 127 | | | | | 9 |
| Total Revenue Variances | 552 | 840 | 526 | 202 | 605 | 925 |
| Expenditure Variances | | | | | | |
| Mayors Office | | | | 124 | 38 | 59 |
| Municipal Buildings | | | | 150 | 105 | 121 |
| General Government Other | 202 | | | 212 | 221 | 206 |
| Police | 844 | 1,158 | 811 | 369 | 1244 | 1329 |
| Traffic | 134 | | 200 | 103 | 22 | 22 |
| Fire | 391 | | 140 | 255 | 353 | 287 |
| PW Engineering | 1,074 | 652 | 811 | 899 | 480 | 376 |
| PW Roads | 261 | 134 | 213 | 63 | 26 | 195 |
| PW Sanitation | | | 327 | 83 | 298 | 288 |
| Recreation | | | 146 | 149 | 186 | 201 |
| Insurance | | | 132 | 75 | -180 | -62 |
| Transfer | 85 | | | 817 | -3 | 2 |
| Debt Service | | 343 | 304 | 431 | 280 | 748 |
| Other | 275 | 677 | 531 | 459 | 63 | 151 |
| Total Expenditure Variances | 3,266 | 2,964 | 3,615 | 4,189 | 3,133 | 3,923 |
| Other Finance Source Uses Variance | | 67 | - | | | |
| Total Variances | 3,818 | 3,871 | 4,141 | 4,391 | 3,738 | 4,848 |
| Change in Fund Balance | (91) | 404 | 278 | (1,426) | (1,708) | 1,451 |
| 1.3M Fire Trucks in FY17 | | | | 1,300 | (1,300) | |
| Change in Fund Bal per Statement | (91) | 404 | 278 | (126) | (408) | 1,451 |



**Cumulative Change over 6 years
FY14 – FY19 \$ 1,508**



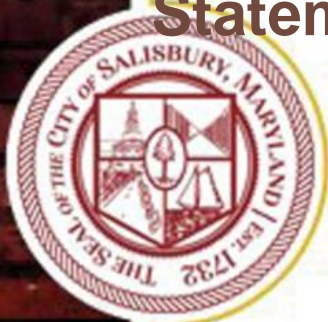
Water Sewer Fund Statement of Net Position

| | FY18 | FY19 | Increase (Decrease) |
|----------------------------------------|--------------|--------------|------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 3,864,986 | \$ 3,288,184 | \$ (576,802) |
| Investment pool | 3,083,019 | 3,868,294 | 785,275 |
| Accounts Receivable | 2,564,884 | 2,555,583 | (9,301) |
| Less allowance for uncollectible | - | - | - |
| Due from other governmental units | 3,948,610 | 2,971,480 | (977,130) |
| Inventory | 384,096 | 368,173 | (15,923) |
| Total current assets | 13,845,595 | 13,051,714 | (793,881) |
| Noncurrent assets: | | | - |
| Restricted cash | 3,419,825 | 3,489,914 | 70,089 |
| Restricted investment pool | 15,725,746 | 14,436,449 | (1,289,297) |
| Construction-in-progress | 30,946,950 | 4,441,932 | (26,505,018) |
| Land | 301,703 | 301,703 | - |
| Buildings, equipment, and improvements | 132,038,576 | 163,992,557 | 31,953,981 |
| Less accumulated depreciation | (33,930,814) | (38,518,030) | (4,587,216) |
| Total noncurrent assets | 148,501,986 | 148,144,525 | (357,461) |
| Total assets | 162,347,581 | 161,196,239 | (1,151,342) |



Water Sewer Fund Statement of Net Position

| | FY18 | FY19 | Increase (Decrease) |
|-----------------------------------------------------|---------------|---------------|------------------------|
| | | | - |
| LIABILITIES | | | - |
| Current liabilities: | | | - |
| Accounts payable and accrued expenses | 3,657,140 | 3,886,098 | 228,958 |
| Accrued payroll | 87,447 | 90,625 | 3,178 |
| Accrued interest payable | 170,065 | 153,433 | (16,632) |
| Unavailable revenue | 768,900 | 301,555 | (467,345) |
| Bonds, notes and capital leases payable | 4,262,867 | 4,310,639 | 47,772 |
| Compensated absences | 21,126 | 23,495 | 2,369 |
| Total current liabilities | 8,967,545 | 8,765,845 | (201,700) |
| Noncurrent liabilities: | | | - |
| Bonds, notes and capital leases payable | 72,044,289 | 69,645,290 | (2,398,999) |
| Post-employment benefits | 3,852,040 | 4,436,909 | 584,869 |
| Net Pension Liability | 3,518,805 | 3,702,309 | 183,504 |
| Compensated absences | 190,133 | 211,453 | 21,320 |
| Total noncurrent liabilities | 79,605,267 | 77,995,961 | (1,609,306) |
| Total liabilities | 88,572,812 | 86,761,806 | (1,811,006) |
| | | | - |
| DEFERRED INFLOWS OF RESOURCES | | | - |
| Deferred inflows pension | 526,674 | 484,729 | (41,945) |
| Deferred inflows - OPEB | 33,268 | 46,183 | 12,915 |
| Total deferred inflows of resources | 559,942 | 530,912 | (29,030) |
| Total liabilities and deferred inflows of resources | 89,132,754 | 87,292,718 | (1,840,036) |
| | | | - |
| NET POSITION | | | - |
| Net investment in capital assets | 53,049,259 | 56,262,233 | 3,212,974 |
| Restricted for: | 19,145,571 | 17,926,363 | (1,219,208) |
| Unrestricted | 1,989,300 | 893,767 | (1,095,533) |
| Total net position | \$ 74,184,130 | \$ 75,082,363 | \$ 898,233 |



Statement of Revenues Expenses and Changes in Net Position

Water Sewer Fund

| | FY 17 | Change | FY 18 | Change | FY 19 |
|------------------------------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 14,215,790 | \$ 694,712 | \$ 14,910,502 | \$ 1,081,141 | \$ 15,991,643 |
| Penalties | 72,474 | 9,925 | 82,399 | (6,825) | 75,774 |
| Tapping charges and connection fees | 151,147 | 107,371 | 258,518 | (244,998) | 13,520 |
| Sundry income | 176,974 | 121,861 | 298,835 | (86,820) | 212,015 |
| Pretreatment monitoring fee | 180,925 | 47,169 | 228,094 | (47,799) | 180,295 |
| Impact Fees | 106,991 | 85,818 | 192,809 | 547,598 | 740,407 |
| TOTAL OPERATING REVENUES | 14,904,301 | 1,066,856 | 15,971,157 | 1,242,497 | 17,213,654 |
| OPERATING EXPENSES | | | | | |
| Salaries | 3,750,259 | 30,045 | 3,780,304 | 341,192 | 4,121,496 |
| Personnel benefits | 1,932,213 | (162,053) | 1,770,160 | (38,476) | 1,731,684 |
| Professional and skilled services | 1,104,927 | 15,109 | 1,120,036 | (47,699) | 1,072,337 |
| Other operating expenses | 4,149,484 | 22,140 | 4,171,624 | 666,041 | 4,837,665 |
| Equipment | 73,245 | (66,113) | 7,132 | 23,558 | 30,690 |
| TOTAL OPERATING EXPENSES | 11,010,127 | (160,871) | 10,849,256 | 944,616 | 11,793,872 |
| Operating income (loss) before depreciation | 3,894,174 | 1,227,727 | 5,121,901 | 297,881 | 5,419,782 |
| Depreciation | 2,246,750 | 194,810 | 2,441,560 | 2,145,656 | 4,587,216 |
| NET OPERATING INCOME (LOSS) | 1,647,424 | 1,032,917 | 2,680,341 | (1,847,775) | 832,566 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Grants | 8,958,139 | (2,471,136) | 6,487,003 | (6,227,771) | 259,232 |
| Operating transfers in | - | - | - | - | - |
| Operating transfers out | - | - | - | - | - |
| Interest income | 122,334 | 145,034 | 267,368 | 188,830 | 456,198 |
| Interest expense | (860,894) | 146,591 | (714,303) | 64,540 | (649,763) |
| TOTAL NONOPERATING REVENUES | 8,219,579 | (2,179,511) | 6,040,068 | (5,974,401) | 65,667 |
| CHANGE IN NET ASSETS | 9,867,003 | (1,146,594) | 8,720,409 | (7,822,176) | 898,233 |
| NET ASSETS (DEFICIT), BEGINNING OF YEAR | 54,866,563 | 10,597,158 | 65,463,721 | 8,720,409 | 74,184,130 |
| NET ASSETS (DEFICIT), END OF YEAR | \$ 64,733,566 | 9,450,564 | \$ 74,184,130 | 898,233 | \$ 75,082,363 |



Water & Sewer Fund

Statement of Cash Flows

The Water Sewer Fund generated \$ 6.2M from operating activities.

Net change in Cash was a use of \$1M due to uses by capital and related activities.

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers
Payments to suppliers
Payments to employees

Water and Sewer Fund

\$ 17,222,955
(5,695,811)
(5,296,509)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 6,230,635

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Borrowings between funds
Transfers between funds

NET CASH USED BY OPERATING ACTIVITIES

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments for acquisition of capital assets
Proceeds from capital grants
Principal paid on long-term debt
Issuance of long-term debt
Interest paid on long-term debt

(5,448,963)
769,017
(4,272,171)
1,920,944
(666,395)

NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES

(7,697,568)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income

456,198

NET CHANGE IN CASH AND CASH EQUIVALENTS
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

(1,010,735)

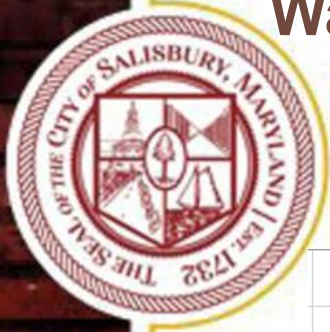
26,093,576

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 25,082,841

Cash
Investment pool
Restricted cash
Restricted investment pool

\$ 3,288,184
3,868,294
3,489,914
14,436,449
\$ 25,082,841



Water and Sewer Fund – Cash Analysis

| | Water Sewer Impact and Revolving Funds | | | |
|--------------------------------|----------------------------------------|------------------|--------------------|--------------------|
| | <i>Capacity</i> | <i>Capacity</i> | <i>Maintenance</i> | |
| Description | Water Impact | Sewer Impact | W S Revolving | Total |
| | 10800 | 10900 | 60200 | |
| Checking | 1,454,600 | 1,382,040 | 377,415 | 3,214,055 |
| PNC Investment | 311,668 | 273,293 | 848,594 | 1,433,555 |
| Total as of 2 25 2020 | 1,766,268 | 1,655,333 | 1,226,009 | 4,647,610 |
| <i>Assigned to Paleo 3</i> | <i>(1,231,000)</i> | - | | <i>(1,231,000)</i> |
| Min | (500,000) | (500,000) | (1,500,000) | (2,500,000) |
| | | | | |
| Actual Over (Under) Min | 35,268 | 1,155,333 | (273,991) | 916,610 |

Min Water Sewer Funds for Capital Project related to Capacity and Maintenance above are \$2.5M. Actual balances as of 2/25/2020 was 4.6M. The FY21 Mayor's Proposed Budget includes 1,231,000 to fund Paleo 3 Project.



Statement of Net Position Governmental

| | <u>FY17</u> | <u>Change</u> | <u>FY18</u> | <u>Change</u> | <u>FY19</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Investment Pool | \$ 10,351,668 | 296,798 | \$ 10,648,466 | 932,991 | 11,581,457 |
| Taxes receivable net | 1,310,004 | 55,964 | 1,365,968 | (81,284) | 1,284,584 |
| Accounts receivable, net | 1,836,763 | (19,634) | 1,817,129 | (4,044) | 1,813,085 |
| Due from other governmental units | 1,130,222 | (155,087) | 975,135 | 311,837 | 1,286,972 |
| Due from other funds | 200,906 | 113,248 | 314,154 | (85,000) | 229,154 |
| Inventories | 805,802 | (29,553) | 776,249 | 18,213 | 794,462 |
| Other assets | 2,226 | 32 | 2,258 | 2,975 | 5,233 |
| Total current assets | 15,637,591 | 261,768 | 15,899,359 | 1,095,588 | 16,994,947 |
| | | - | | | |
| Noncurrent assets: | | - | | | |
| Restricted cash | 7,744,530 | 981,588 | 8,726,118 | (3,106,920) | 5,619,198 |
| Construction -in-progress | 10,674,772 | (2,982,933) | 7,691,839 | 1,790,240 | 9,482,079 |
| Land and art | 8,434,522 | 7,160 | 8,441,682 | 153,053 | 8,594,735 |
| Capital assets at cost | 60,148,426 | 7,547,369 | 67,695,795 | 2,793,018 | 70,488,813 |
| Less accumulated depreciation | (27,154,286) | (2,055,036) | (29,209,322) | (2,891,469) | (32,100,791) |
| Total noncurrent assets | 59,847,964 | 3,498,148 | 63,346,112 | (1,262,078) | 62,084,034 |
| | | - | | | |
| DEFERRED OUTFLOWS OF RESOURCES | | - | | | |
| Deferred pension contributions | 2,925,486 | 4,991,860 | 7,917,346 | (1,488,867) | 6,428,479 |
| Deferred outflow - pensions | 6,172,906 | (6,039,151) | 133,755 | 1,426,414 | 1,560,169 |
| Total deferred outflows of resources | 9,098,392 | (1,047,291) | 8,051,101 | (62,453) | 7,988,648 |
| | | - | | | |
| Total assets and deferred outflows | 84,583,947 | 2,712,625 | 87,296,572 | (228,943) | 87,067,629 |



Statement of Net Position Governmental

| | | | | | |
|------------------------------------------|--------------|-------------|--------------|-------------|--------------|
| LIABILITIES | | - | | | |
| Current liabilities: | | - | | | |
| Accounts payable and accrued expenses | 3,035,118 | 65,771 | 3,100,889 | (1,500,163) | 1,600,726 |
| Unearned revenue | 192,896 | 170,931 | 363,827 | 25,973 | 389,800 |
| Due to other governmental units | | - | | - | |
| Deposits and advance payments of taxes | 433,576 | (324,444) | 109,132 | (37,153) | 71,979 |
| Compensated absences | 154,239 | 20,568 | 174,807 | 7,507 | 182,314 |
| Accrued interest payable | 132,336 | (155) | 132,181 | (12,748) | 119,433 |
| Bonds, notes & cap leases (short term) | 2,661,388 | 301,303 | 2,962,691 | 231,755 | 3,194,446 |
| Total current liabilities | 6,609,553 | 233,974 | 6,843,527 | (1,284,829) | 5,558,698 |
| Noncurrent liabilities: | | - | | | |
| Compensated absences | 1,388,152 | 185,115 | 1,573,267 | 67,557 | 1,640,824 |
| Post-employment health benefits | 17,765,091 | (2,356,931) | 15,408,160 | 2,339,478 | 17,747,638 |
| Net Pension Liability | 32,995,195 | (4,287,887) | 28,707,308 | 940,698 | 29,648,006 |
| Bonds, notes, and capital leases payable | 22,157,386 | 2,239,854 | 24,397,240 | (2,458,624) | 21,938,616 |
| Total noncurrent liabilities | 74,305,824 | (4,219,849) | 70,085,975 | 889,109 | 70,975,084 |
| Total liabilities | 80,915,377 | (3,985,875) | 76,929,502 | (395,720) | 76,533,782 |
| | | - | | | |
| DEFERRED INFLOWS OF RESOURCES | | - | | | |
| Deferred inflows - pensions | 2,208,740 | 1,732,730 | 3,941,470 | (348,401) | 3,593,069 |
| Deferred inflows - OPEB | | 133,072 | 133,072 | 51,662 | 184,734 |
| Total deferred inflows of resources | 2,208,740 | 1,865,802 | 4,074,542 | (296,739) | 3,777,803 |
| Total liabilities and deferred inflows | 83,124,117 | (2,120,073) | 81,004,044 | (692,459) | 80,311,585 |
| | | - | | | |
| NET POSITION | | - | | | |
| Net investment in capital assets | 32,187,702 | (4,927,639) | 27,260,063 | 4,071,712 | 31,331,775 |
| Restricted for: | 7,744,530 | 981,588 | 8,726,118 | (3,106,919) | 5,619,199 |
| Unrestricted | (38,472,402) | 8,778,749 | (29,693,653) | (501,277) | (30,194,930) |
| Total net position | \$ 1,459,830 | 4,832,698 | \$ 6,292,528 | 463,516 | \$ 6,756,044 |



Statement of Net Position Total

| | <u>FY17</u> | <u>Change</u> | <u>FY18</u> | <u>Change</u> | <u>FY19</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Investment Pool | \$ 16,164,224 | 2,130,420 | \$ 18,294,644 | 812,401 | \$ 19,107,045 |
| Taxes receivable net | 1,310,004 | 55,964 | 1,365,968 | (81,384) | 1,284,584 |
| Accounts receivable, net | 4,685,327 | (160,557) | 4,524,770 | (24,715) | 4,500,055 |
| Due from other governmental units | 6,159,946 | (1,235,032) | 4,924,914 | (666,462) | 4,258,452 |
| Inventories | 440,919 | 709,568 | 1,150,487 | 12,148 | 1,162,635 |
| Other assets | 825,518 | (813,402) | 12,116 | (6,883) | 5,233 |
| Total current assets | 29,585,938 | 686,961 | 30,272,899 | 45,105 | 30,318,004 |
| | | - | | | |
| Noncurrent assets: | | - | | | |
| Restricted cash | 29,113,247 | (631,628) | 28,481,619 | (4,318,365) | 24,163,254 |
| Construction -in-progress | 64,545,096 | (25,881,158) | 38,663,938 | (24,470,103) | 14,193,835 |
| Land and art | 10,598,025 | 50,022 | 10,648,047 | 145,191 | 10,793,238 |
| Capital assets at cost | 163,278,086 | 44,921,347 | 208,199,433 | 35,024,532 | 243,223,965 |
| Less accumulated depreciation | (64,112,743) | (4,714,464) | (68,827,207) | (7,702,065) | (76,529,272) |
| Total noncurrent assets | 203,421,711 | 13,744,119 | 217,165,830 | (1,320,810) | 215,845,020 |
| | | - | | | |
| DEFERRED OUTFLOWS OF RESOURCES | | - | | | |
| Deferred pension contributions | 3,247,807 | 5,653,994 | 8,901,801 | (1,642,795) | 7,259,006 |
| Deferred outflow - pensions | 7,035,543 | (6,868,349) | 167,194 | 1,783,018 | 1,950,212 |
| Total deferred outflows of resources | 10,283,350 | (1,214,355) | 9,068,995 | 140,223 | 9,209,218 |
| | | - | | | |
| Total assets and deferred outflows | 243,290,999 | 13,216,725 | 256,507,724 | (1,135,482) | 255,372,242 |



Statement of Net Position Total

☐ OPEB Liability

- FY16 \$ 21.3M
- FY17 \$ 22.2M
- FY18 \$ 19.2M
- FY19 \$ 22.2M

☐ Pension Liability

- GASB 68 requires the City to record it's share of the States Unfunded Pension Liability
- FY16 \$ 29M
- FY17 \$ 37M
- FY18 \$ 32M
- FY19 \$ 33.5M

| | <u>FY17</u> | <u>Change</u> | <u>FY18</u> | <u>Change</u> | <u>FY19</u> |
|------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| LIABILITIES | | - | | | |
| Current liabilities: | | - | | | |
| Accounts payable and accrued expenses | 7,400,185 | (500,547) | 6,899,638 | (1,171,496) | 5,728,142 |
| Unearned revenue | 1,142,076 | (9,349) | 1,132,727 | (441,372) | 691,355 |
| Due to other governmental units | | - | - | - | |
| Deposits and advance payments of taxes | 444,555 | (321,512) | 123,043 | (39,185) | 83,858 |
| Compensated absences | 176,521 | 19,412 | 195,933 | 9,876 | 205,809 |
| Accrued interest payable | 318,034 | (14,469) | 303,565 | (29,556) | 274,009 |
| Bonds, notes & cap leases (short term) | 6,771,217 | 591,920 | 7,363,137 | 321,891 | 7,685,028 |
| Total current liabilities | 16,252,588 | (234,545) | 16,018,043 | (1,349,842) | 14,668,201 |
| Noncurrent liabilities: | | - | | | |
| Compensated absences | 1,588,691 | 174,709 | 1,763,400 | 88,877 | 1,852,277 |
| Post-employment health benefits | 22,206,364 | (2,946,164) | 19,260,200 | 2,924,347 | 22,184,547 |
| Net Pension Liability | 37,373,012 | (4,964,203) | 32,408,809 | 1,137,359 | 33,546,168 |
| Bonds, notes, and capital leases payable | 93,800,777 | 4,839,064 | 98,639,841 | (4,825,226) | 93,814,615 |
| Total noncurrent liabilities | 154,968,844 | (2,896,594) | 152,072,250 | (674,643) | 151,397,607 |
| Total liabilities | 171,221,432 | (3,131,139) | 168,090,293 | (2,024,485) | 166,065,808 |
| | | - | | | |
| DEFERRED INFLOWS OF RESOURCES | | - | | | |
| Deferred inflows - pensions | 2,534,948 | 1,960,540 | 4,495,488 | (392,048) | 4,103,440 |
| Deferred inflows - OPEB | - | 166,340 | 166,340 | 64,577 | 230,917 |
| Total deferred inflows of resources | 2,534,948 | 2,126,880 | 4,661,828 | (327,471) | 4,334,357 |
| Total liabilities and deferred inflows | 173,756,380 | (1,004,259) | 172,752,121 | (2,351,956) | 170,400,165 |
| | | - | | | |
| NET POSITION | | - | | | |
| Net investment in capital assets | 88,205,097 | (5,523,864) | 82,681,233 | 7,500,891 | 90,182,124 |
| Restricted for: | 19,547,662 | 8,933,957 | 28,481,619 | (4,318,364) | 24,163,255 |
| Unrestricted | (38,218,140) | 10,810,891 | (27,407,249) | (1,966,053) | (29,373,302) |
| Total net position | \$ 69,534,619 | 14,220,984 | \$ 83,755,603 | 1,216,474 | \$ 84,972,077 |



Questions





City of
Salisbury

Financial Health

Presented April 2020



Table of Contents

❑ **Benchmark Ratios**

Key financial ratios are compared to GFOA standards

- Total Fund Balance
- Unassigned Fund Balance
- Debt to Market Value
- Debt per Capita
- Annual Debt Service
- Water and Sewer Unrestricted Fund Balance
- Parking Authority
- Summary

❑ **FY 21 Budget**

- Highlights
- Revenues
- General Fund Expenditures by Category
- General Fund Expenditures by Department
- Capital Projects



Benchmarks



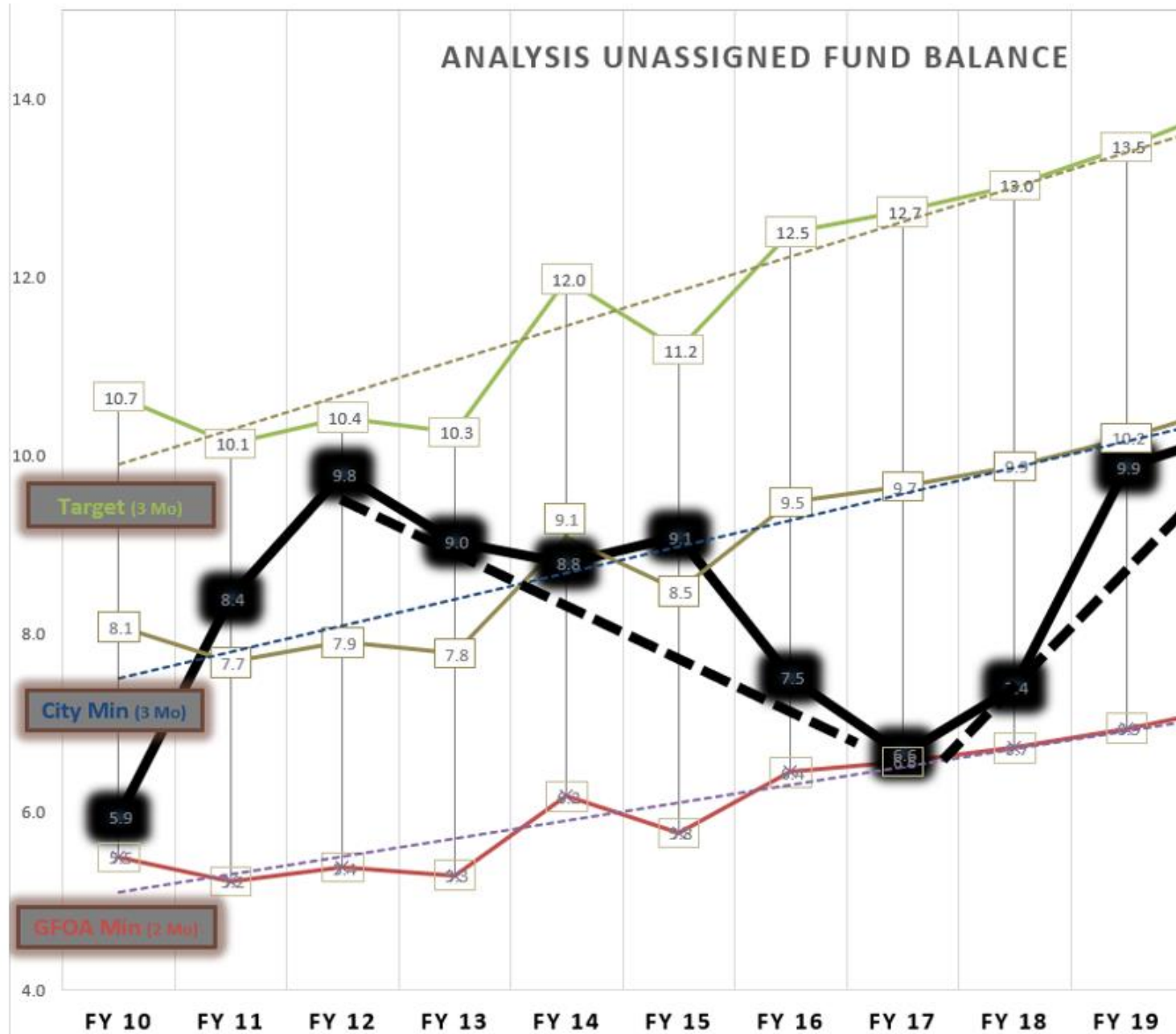
General Fund - Total Fund Balance

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Total Fund Balance | \$12,572,234 as of June 30, 2016 | \$12,446,573 as of June 30, 2017 | \$10,738,933 as of June 30, 2018 | \$12,775,227 as of June 30, 2019 |
| Budgeted Expenditures | 34,900,072 2016 | 36,296,282 2017 | 38,992,253 2018 | 40,775,227 2019 |
| Ratio | 33.7% (Strong) | 32.4% (Strong) | 31.9% (Strong) | 31.7% (Strong) |

| | |
|-----------------|------------------|
| Strong | > 25 % |
| Adequate | 10-25 % |
| Weak | < 10 % |



General Fund - Unassigned Fund Balance





Debt to Market Value

| | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| General Obligation Debt | \$ 82,634,302 | \$ 93,046,516 | \$ 99,578,997 | \$ 94,970,713 |
| Market Value of Property | \$ 2,069,149,309 | \$ 2,079,435,806 | \$ 2,151,596,042 | \$ 2,228,360,951 |
| Ratio | 3.99% (Adequate) | 4.47% (Adequate) | 4.63% (Adequate) | 4.26% (Adequate) |

| | |
|----------|---------|
| Strong | < 3 % |
| Adequate | 3 – 6 % |
| Weak | > 6 % |



Debt Per Capita

| | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Citywide General Obligation Debt | \$ 82,634,302 | \$ 93,046,516 | \$ 99,578,997 | \$ 94,970,713 |
| Population | 32,900 | 32,900 | 33,000 | 33,000 |
| Debt Per Capita | \$ 2,511 (Needs Improvement) | \$ 2,828 (Needs Improvement) | \$ 3,017 (Needs Improvement) | \$ 2,878 (Needs Improvement) |

| | |
|-----------------|---------------------------|
| Strong | < \$1,000 |
| Adequate | \$ 1,000 - \$2,500 |
| Weak | > \$2,500 |



Annual Debt Service - General Fund

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Budget Debt Service | \$ 2,958,103 | \$ 3,782,322 | \$ 4,008,907 | \$ 3,867,449 |
| General Fund + Capital Project Budget | \$ 46,594,061 | \$ 50,663,663 | \$ 44,221,824 | \$ 48,773,991 |
| Ratio | 6.35% (Adequate) | 7.47% (Adequate) | 9.07% (Adequate) | 7.93% (Adequate) |

Adequate <= 10%



Water and Sewer Unrestricted Balance

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Unrestricted Fund Balance | \$ 5,656,092 as of June 30, 2015 | \$ (250,011) as of June 30, 2016 | \$ (125,369) as of June 30, 2017 | \$ 1,989,300 as of June 30, 2018 | \$ 893,767 as of June 30, 2019 |
| Water Sewer Operating Revenue | \$ 14,364,879 | \$ 16,200,463 (FY18 Budget) | \$ 16,616,820 (FY19 Budget) | \$ 16,547,775 (FY20 Budget) | \$ 16,140,750 (FY21 Budget) |
| Ratio | 38 % (Strong) | - 1.5 % (Needs Improvement) | - .75 % (Needs Improvement) | 12% (Needs Improvement) | 5.5% (Needs Improvement) |

| | |
|-----------------|-----------------|
| Strong | > 25% |
| Adequate | 17 – 25% |
| Weak | < 17% |



Parking Authority Unrestricted Net Position

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|----------------------------------|---------------------------------|----------------------------------|----------------------------------|------------------------------------|
| Unrestricted Net Position | \$80,447 as of June 30, 2016 | \$317,390 as of June 30, 2017 | \$181,501 as of June 30, 2018 | \$ (98,781) as of June 30, 2019 |
| Revenue | \$756,000 | \$725,000 | \$678,200 | \$675,000 |
| Ratio | 10.6% Needs Improvement | 43.8% Strong | 26.8% Strong | -14% Needs Improvement |

| | |
|-----------------|----------|
| Strong | > 25% |
| Adequate | 17 – 25% |
| Weak | < 17% |



Benchmark Summary

| | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund Balance | Strong | Strong | Strong | Strong |
| Unassigned Fund Balance | Adequate | Adequate | Adequate | Adequate |
| Debt to Market Value | Adequate | Adequate | Adequate | Adequate |
| Annual Debt Service | Adequate | Adequate | Adequate | Adequate |
| Overall Debt per Capita | Needs Improvement | Needs Improvement | Needs Improvement | Needs Improvement |
| Unrestricted Net Position Water/Sewer | Needs Improvement | Needs Improvement | Needs Improvement | Needs Improvement |
| Unrestricted Net Position Parking Fund | Needs Improvement | Strong | Strong | Needs Improvement |



FY21 Budget Highlights



FY 21 Budget Highlights - Revenue

☐ General Fund - Rates and Fees

- Trash Service – increased from \$56.00 to \$59.00 per Qtr.
- Landlord Licenses/Registration – increased from \$60 to \$75
- Licenses and Permits – increased approximately 6%
- Others – see Fee Schedule in Fee Ordinance

☐ Tax Rates

- No change

☐ Water Sewer Rates

- No change



FY 21 Tax Assessments

| Fiscal Year | Assessments | | | | Tax Rate | | Tax Levy |
|-------------|---------------|-----------|--------------|---------------|--------------------|---------------|------------|
| | Real | Personal | Corporations | Total | Personal Property | Real Property | |
| 2007 | 1,558,315,846 | 3,719,000 | 270,458,220 | 1,832,493,066 | 1.82 | 0.729 | 15,275,387 |
| 2008 | 1,782,450,011 | 3,215,350 | 294,114,320 | 2,079,779,681 | 2.04 | 0.819 | 18,724,251 |
| 2009 | 2,015,985,078 | 2,966,990 | 281,162,310 | 2,300,114,378 | 2.04 | 0.819 | 19,880,167 |
| 2010 | 2,219,277,746 | 2,697,220 | 279,352,590 | 2,501,327,556 | 2.04 | 0.819 | 21,148,255 |
| 2011 | 2,050,805,168 | 2,058,140 | 277,866,040 | 2,330,729,348 | 2.04 | 0.819 | 21,004,804 |
| 2012 | 1,988,451,318 | 2,513,100 | 263,974,200 | 2,254,938,618 | 2.04 | 0.819 | 20,417,152 |
| 2013 | 1,963,683,547 | 2,029,930 | 262,591,170 | 2,228,304,647 | 2.04 | 0.819 | 19,659,327 |
| 2014 | 1,775,307,203 | 2,397,520 | 268,737,410 | 2,046,442,133 | 2.21 | 0.884 | 22,274,445 |
| 2015 | 1,748,436,713 | 2,467,580 | 265,493,170 | 2,016,397,463 | 2.21 | 0.937 | 21,289,136 |
| 2016 | 1,787,044,569 | 3,017,040 | 279,087,700 | 2,069,149,309 | 2.21 | 0.937 | 21,838,233 |
| 2017 | 1,793,459,946 | 2,866,060 | 283,109,800 | 2,079,435,806 | 2.21 | 0.9432 | 22,017,568 |
| 2018 | 1,852,099,222 | 3,105,050 | 296,391,770 | 2,151,596,042 | 2.40 PP 2.81 RR | 0.9832 | 24,127,199 |
| 2019 | 1,930,891,071 | 3,058,170 | 294,411,710 | 2,200,091,386 | 2.40 PP 2.81 RR | 0.9832 | 25,059,823 |
| 2020 (EST) | 1,938,872,013 | 3,000,000 | 258,219,373 | 2,200,091,386 | 2.40 PP 3.51 RR | 0.9832 | 25,802,712 |
| 2021 (EST) | 2,065,525,292 | 3,250,000 | 243,034,188 | 2,311,809,480 | 2.40 PP 3.51 RR | 0.9832 | 26,632,423 |



FY 21 General Fund Revenues

| | 2020 Original | 2021 Proposed | Increase (decrease) |
|------------------------------|------------------|------------------|------------------------|
| <u>Top Increases</u> | | | |
| Real Property | 18,794,712 | 19,966,423 | 1,171,711 |
| Capital Lease Proceeds | 560,323 | 1,442,900 | 882,577 |
| Transfers from Health Care | - | 280,000 | 280,000 |
| Multi-Family Dwelling Fee | 560,000 | 733,000 | 173,000 |
| Trash Fees | 1,780,000 | 1,938,000 | 158,000 |
| Local Income Taxes | 1,900,000 | 2,050,000 | 150,000 |
| Administrative Fees | 562,156 | 642,145 | 79,989 |
| Railroad/Utilities | 2,336,000 | 2,388,000 | 52,000 |
| Multifamily Landlord License | 90,000 | 117,000 | 27,000 |
| Highway User | 1,358,201 | 1,384,293 | 26,092 |
| Donations-Other | - | 24,667 | 24,667 |

| | | | |
|--------------------------------|-----------|-----------|-----------|
| <u>Top Decreases</u> | | | |
| OBC Pers Property Taxes | 4,600,000 | 4,200,000 | (400,000) |
| School Zone Camera | 1,200,000 | 1,000,000 | (200,000) |
| Transfer from Anex Reinvest | 135,000 | - | (135,000) |
| Lifequest Revenue | 1,920,000 | 1,820,837 | (99,163) |
| Transfers from Forfeited Polic | 71,109 | - | (71,109) |
| Admission & Amusement Taxes | 350,000 | 300,000 | (50,000) |
| MDOT Reimbursements | 90,407 | 41,570 | (48,837) |
| Building Permits | 400,000 | 371,000 | (29,000) |
| Fire Prevention - Plan Review | 150,000 | 125,000 | (25,000) |
| Plumbing Permits | 70,000 | 50,000 | (20,000) |
| EMS from County | 752,814 | 734,524 | (18,290) |



FY 21 Budget Highlights – Personnel

- A step increase is included for all personnel
- Employees at grade 5 and below received a market adjustment providing approximately an additional 6% increase to begin addressing new min wage laws
- Administrative staff pay grades were updated to standardize levels citywide
- A Zoo Veterinarian position was added
- A 9.5% Health Care increase was assessed by CareFirst



FY 21 Budget Highlights -Transfers

| Special Revenue Fund - NFF | \$ 570,000 |
|----------------------------|------------------|
| | |
| Grant Match: | |
| Fire | 573,072 |
| Police Grants | 62,350 |
| Community Development | 26,000 |
| Total Grant Match | \$ 661,422 |
| | |
| Homeless Program | \$ 97,300 |
| | |
| TOTAL >> | 1,328,722 |



FY 21 Budget Highlights – Grant Match

Schedule C: City Fiscal Year 2021 Appropriations for Grant-Funded Expenditures

| Grant Name | Appropriation | | | | |
|--------------------------------------------------------------------|------------------|--------------|--------------|------------------------|--------------|
| | Funding by Grant | | | Funding by Grant Match | |
| | Total | Prior Yrs | FY 2021 | Amount | Account |
| Comcast - Public, Educational & Governmental (PEG) Fees | | | | | |
| FY21 - PEG Fees from Comcast | 80,000 | | 80,000 | N/A | N/A |
| | | | | | |
| Housing & Community Development Department | | | | | |
| FY21 - Homeless Solutions Program - Federal Funds (ESG) | 25,000 | | 25,000 | N/A | N/A |
| FY21 - Homeless Solutions Program - State Funds | 30,000 | | 30,000 | N/A | N/A |
| FY21 - Projects for Assistance Transition-Homelessness (PATH) | 35,000 | | 35,000 | N/A | N/A |
| FY21 - Community Legacy | 200,000 | | 200,000 | N/A | N/A |
| PY20 - Community Development Block Grant (CDBG) | 387,418 | | 387,418 | N/A | N/A |
| FY21 - Maryland Heritage Area Authority (MHAA) | 50,000 | | 50,000 | 15,000 | 91001-599120 |
| FY19 - POS - Zoo Special Events Pavilion, Phase 1 (DNR - Wic. Co.) | 100,000 | | 100,000 | 11,000 | 91001-599120 |
| | | | | | |
| Infrastructure & Development Department | | | | | |
| FY21 - MD - Governor's Capital Projects Grant (DGS) (Salisbury) | 1,000,000 | | 1,000,000 | N/A | N/A |
| FY21 - ENR O&M Grant - MDE Bay Restoration Fund (BRF) | 255,000 | | 255,000 | N/A | N/A |
| | | | | | |
| Salisbury Fire Department | | | | | |
| FY17 - Staffing - Adequate Fire & Emergency Response (SAFER) | 1,527,738 | 1,527,738 | | 536,772 | 91001-599124 |
| FY21 - Salisbury Wicomico Firstcare Team (SWIFT) | 150,000 | | 150,000 | N/A | N/A |
| FY19 - Assistance to Firefighters Grant (AFG) | 113,000 | | 113,000 | 11,300 | 91001-599124 |
| FY20 - Port Security Grant (PSG - 3 projects) | 100,000 | | 100,000 | 25,000 | 91001-599124 |
| | | | | | |
| Salisbury Police Department | | | | | |
| FY17, 18 & 19 - COPS Grant | 250,000 | 250,000 | | N/A | N/A |
| FY21 - Bulletproof Vest Partnership | 25,000 | | 25,000 | N/A | N/A |
| FY21 - MD Criminal Intelligence Network (MCIN) | 369,924 | | 369,924 | 30,000 | 91001-599121 |
| FFY20 - Edward Byrne Memorial JAG | 26,000 | | 26,000 | N/A | N/A |
| FY21 - Gun Violence Reduction Initiative | 30,000 | | 30,000 | 3,500 | 91001-599121 |
| FFY21 - MD Highway Safety Office - Impaired Driver (DUI) | 6,000 | | 6,000 | 5,084 | 91001-599121 |
| FFY21 - MD Highway Safety Office - Aggressive Driver | 4,000 | | 4,000 | 3,398 | 91001-599121 |
| FFY21 - MD Highway Safety Office - Distracted Driver | 3,000 | | 3,000 | 2,555 | 91001-599121 |
| FY21 - Wicomico County Circuit Court - Drug Court | 12,000 | | 12,000 | 5,800 | 91001-599121 |
| FY18 - Wicomico County Adult Drug Treatment Court | 443,469 | 443,469 | | N/A | N/A |
| FFY21 - U.S. Marshals Program | 20,000 | | 20,000 | 12,013 | 91001-599121 |
| Total | \$ 5,242,549 | \$ 2,221,207 | \$ 3,021,342 | \$ 661,422 | |



FY21 General Fund Outlay / Gen Capital Projects

| | | | | | Schedule B: General Capital Projects | | | | | | General Fund - Capital Outlay | | | | |
|---------------------------|--------------------------------------------------|------------|-----------|-----------------|--------------------------------------|-------------------|--------|----------|---------------|-----------|-------------------------------|--------|-------------|------------------|----------------|
| | | | | | Funding Source | | | | | | Account | | | Funding Source | |
| Dept | Project | CIP Amount | Adj | Approved Amount | PayGO Gen Fund | PayGO Storm Water | Grant | Contrib. | Prior Yr Bond | FY22 Bond | Org | Obj | Description | General Revenues | Lease Proceeds |
| Public Safety | | | | | | | | | | | | | | | |
| Police | Shooting Range (SPD) | 50,000 | (50,000) | - | | | | | | | | | | | |
| Police | Patrol Vehicle | 460,000 | (345,000) | 115,000 | | | | | | | 21021 | 577025 | Vehicles | | 115,000 |
| Police | CID Vehicles | 63,000 | (21,000) | 42,000 | | | | | | | 21021 | 577025 | Vehicles | | 42,000 |
| Fire | Knox E-Lock System | - | 37,000 | 37,000 | | | | | | | 24035 | 577035 | Equipment | 37,000 | |
| Fire | Apparatus Replacement - EMS Units | 1,230,000 | | 1,230,000 | | | | | | | 24035 | 577025 | Vehicles | | 1,230,000 |
| General Government | | | | | | | | | | | | | | | |
| GOB | GOB Roof and Air Handler Replacement | 175,000 | - | 175,000 | | | | | 175,000 | | | | | | |
| IT | EnerGov Software & Implementation | 60,000 | (60,000) | - | | | | | | | | | | | |
| IT | SPD Vehicle Cradlepoint Refit | 100,000 | (100,000) | - | | | | | | | | | | | |
| IT | High Availability Virtual Environment | 55,900 | | 55,900 | | | | | | | 18000 | 577035 | Computer | | 55,900 |
| IT | Computer Aided Dispatch (CAD) Replacement | 50,000 | | 50,000 | | | | | 50,000 | | | | | | |
| Field Operations | | | | | | | | | | | | | | | |
| Field Op | Modular - Admin Office Space | 45,000 | (45,000) | - | | | | | | | | | | | |
| Field Op | Church St Storm Water Pipe Rehabilitation Lining | 130,550 | | 130,550 | | 130,550 | | | | | | | | | |
| Field Op | Special Events Pavilions | 100,000 | (10,000) | 90,000 | | | 90,000 | | | | | | | | |
| Field Op | ADA: Ramp and Bathroom Conversion | 40,000 | | 40,000 | | | | | | 40,000 | | | | | |
| Field Op | Field Operations Facility Plan - Phase 2 | 2,000,000 | | 2,000,000 | | | | | | 2,000,000 | | | | | |
| Field Op | Multipurpose Mower with attachments | 61,000 | (61,000) | - | | | | | | | | | | | - |
| Field Op | Rear Load Trash Truck | 220,000 | (220,000) | - | | | | | - | - | | | | | |



FY21 General Fund Outlay / Gen Capital Projects

| | | | | | Schedule B: General Capital Projects | | | | | | General Fund - Capital Outlay | | | | |
|-----------------------------------------|-------------------------------------------------|------------|-------------|-----------------|--------------------------------------|-------------------|--------|----------|---------------|-----------|-------------------------------|--------|----------------|------------------|----------------|
| | | | | | Funding Source | | | | | | Account | | | Funding Source | |
| Dept | Project | CIP Amount | Adj | Approved Amount | PayGO Gen Fund | PayGO Storm Water | Grant | Contrib. | Prior Yr Bond | FY22 Bond | Org | Obj | Description | General Revenues | Lease Proceeds |
| Infrastructure & Development | | | | | | | | | | | | | | | |
| I & D | Zoning Code Revisions | 125,000 | (82,000) | 43,000 | | | | | | | 19000 | 513400 | Consulting | 43,000 | |
| I & D | Wayfinding and Signage | 25,000 | (25,000) | - | | | | | | | | | | - | |
| I & D | Street Light Addition & Replacement | 50,000 | (50,000) | - | | | | | | | | | | | |
| I & D | Citywide Street Reconstruction | 625,000 | (250,000) | 375,000 | | | | | - | - | 31000 | 534318 | Street Repairs | 375,000 | |
| I & D | Citywide Concrete Program | 75,000 | (50,000) | 25,000 | | | | | | | 31000 | 534307 | Curbs | 25,000 | |
| I & D | Bridge Maintenance South Division Street Bridge | 85,000 | (85,000) | - | | | | | | | | | | | - |
| I & D | Citywide Street Reconstruction | 45,000 | (45,000) | - | | | | | | | | | | | |
| I & D | City Park Master Plan Improvements | 380,000 | (380,000) | - | | | | | | | | | | | |
| I & D | Bicycle Master Plan Improvements | 125,000 | (125,000) | - | | | | | | | | | | | |
| I & D | Port Exchange Riverwalk Replacement | 114,000 | - | 114,000 | | | | | - | 114,000 | | | | | |
| I & D | Street Scaping (Town Square) | 750,000 | | 750,000 | | | | | 750,000 | | | | | | |
| I & D | Rail Trail Master Plan Implementation | 300,000 | (50,000) | 250,000 | | | | | 250,000 | | | | | | |
| I & D | Urban Greenway Improvements | 450,000 | (450,000) | | | | | | | | | | | | |
| I & D-SW | Impervious Surface Reduction | 200,000 | (200,000) | - | | | | | | | | | | | |
| I & D-SW | Waste Shark | 25,000 | - | 25,000 | | 25,000 | | | | | | | | | |
| I & D-SW | Johnson Pond Dam Improvements | 320,000 | (320,000) | - | | | | | - | - | | | | | |
| | | | | | | | | | | | | | | | |
| Total | | 8,699,450 | (2,473,000) | 5,687,450 | - | 155,550 | 90,000 | - | 1,365,000 | 2,154,000 | | | | 480,000 | 1,442,900 |



FY21 Water Sewer Capital Projects

| | | | Funding Source | | | |
|--------------------------------------------------|------------|------------|----------------|--------------|------------------|-----------------------------|
| Project | CIP Amount | Adj | Transfer PayGO | Impact Funds | Lawsuit Proceeds | Reallocate Prior Year Bonds |
| Water Sewer Capital Project Fund | | | | | | |
| EnerGov Software & Implementation | 20,000 | -20,000 | | | | |
| Fiber Backbone Expansion | 190,000 | -190,000 | | | | |
| Park Plant Sewer Installation | 50,000 | -50,000 | | | | |
| Structural Study | 75,000 | | | | | 75,000 |
| Main Building HVAC | 40,000 | -40,000 | | | | |
| WWTP Water Meter Installations | 60,000 | -60,000 | | | | |
| Sewer Infiltration and Inflow Remediation | 550,000 | -550,000 | | | | |
| Dump Truck | 207,000 | -207,000 | | | | |
| Restore Park Well Field | 175,000 | | | | 175,000 | |
| Filter Replacement Project | 306,000 | | | | 306,000 | |
| Replace Distribution Piping & Valves | 100,000 | | | | 100,000 | |
| Park Plant Flow Meter Replacement | 250,000 | | | | 250,000 | |
| Sewer Trunk Line Rehabilitation Lining | 150,000 | | | | 150,000 | |
| Pump Stations Improvements | 2,601,000 | -2,351,000 | | | 250,000 | |
| Paleo Well 3 | 0 | | | 1,231,000 | (1,231,000) | |
| Park Water Treatment Plant Interior Improvements | 100,000 | | | | | 100,000 |
| Water Sewer Fund Total | 4,874,000 | -3,468,000 | 0 | 0 | 1,231,000 | 175,000 |



FY21 General Fund Debt Service

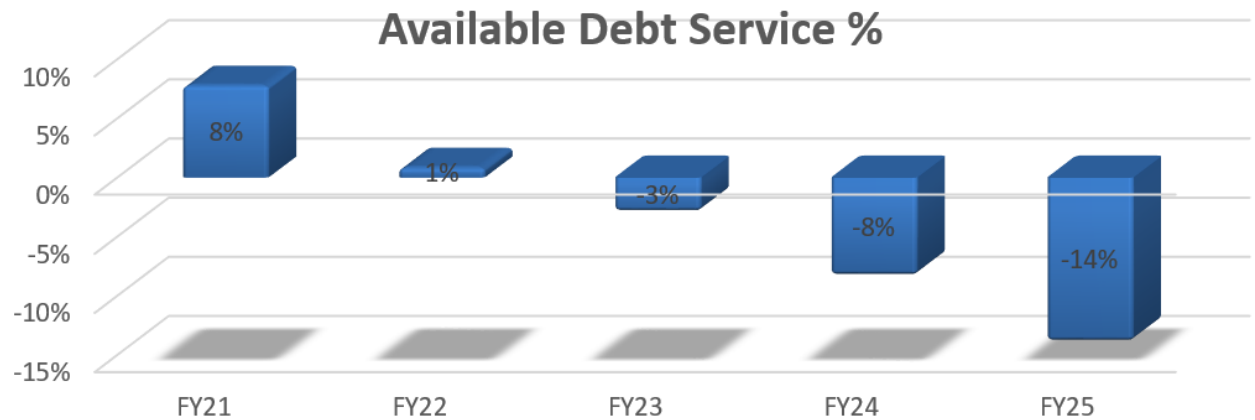
| Org | Account | Bond Issue | 19 Actual | 20 Approved | 21 Mayor | Increase (Decrease) |
|-------------------------|---------|---------------------------|------------------|------------------|------------------|------------------------|
| <u>Principal</u> | | | | | | |
| 70101 | 588111 | FY 2011GOB | 335,664 | 345,945 | 327,822 | |
| 70101 | 588114 | FY 2011B GOB | 246,859 | 251,978 | 257,666 | |
| 70101 | 588117 | FY 2013 GOB | 192,000 | 198,000 | 204,000 | |
| 70101 | 588122 | FY 2016 GOB | 352,380 | 360,068 | 367,917 | |
| 70101 | 588123 | FY 2017 GOB | 815,868 | 865,365 | 900,734 | |
| 70101 | 588124 | FY 2018 GOB | 315,295 | 323,218 | 331,330 | |
| 70101 | 588131 | Waverly Water C | 4,575 | 4,621 | 4,667 | |
| 70101 | 588140 | FY 2019 GOB | - | - | 487,600 | |
| | | Total Principal | 2,262,641 | 2,349,195 | 2,881,736 | 532,541 |
| <u>Interest</u> | | | | | | |
| 70101 | 588211 | FY 2011GOB | 100,813 | 90,359 | 79,555 | |
| 70101 | 588214 | FY 2011B GOB | 32,723 | 26,367 | 18,700 | |
| 70101 | 588217 | FY 2013 GOB | 70,115 | 64,326 | 58,376 | |
| 70101 | 588222 | FY 2016 GOB | 62,513 | 54,749 | 46,814 | |
| 70101 | 588223 | FY 2017 GOB | 359,103 | 317,527 | 275,033 | |
| 70101 | 588224 | FY 2018 GOB | 130,818 | 122,907 | 114,794 | |
| 70101 | 588231 | Waverly Water C | 612 | 567 | 521 | |
| 70101 | 588239 | FY 2019 GOB | - | 905,247 | - | |
| 70101 | 588240 | FY 2020 GOB | - | 77,663 | 391,920 | |
| | | Total Interest | 756,697 | 1,659,712 | 985,713 | (673,999) |
| | | Total Debt Service | 3,019,338 | 4,008,907 | 3,867,449 | (141,458) |



FY21 General Fund Debt Service

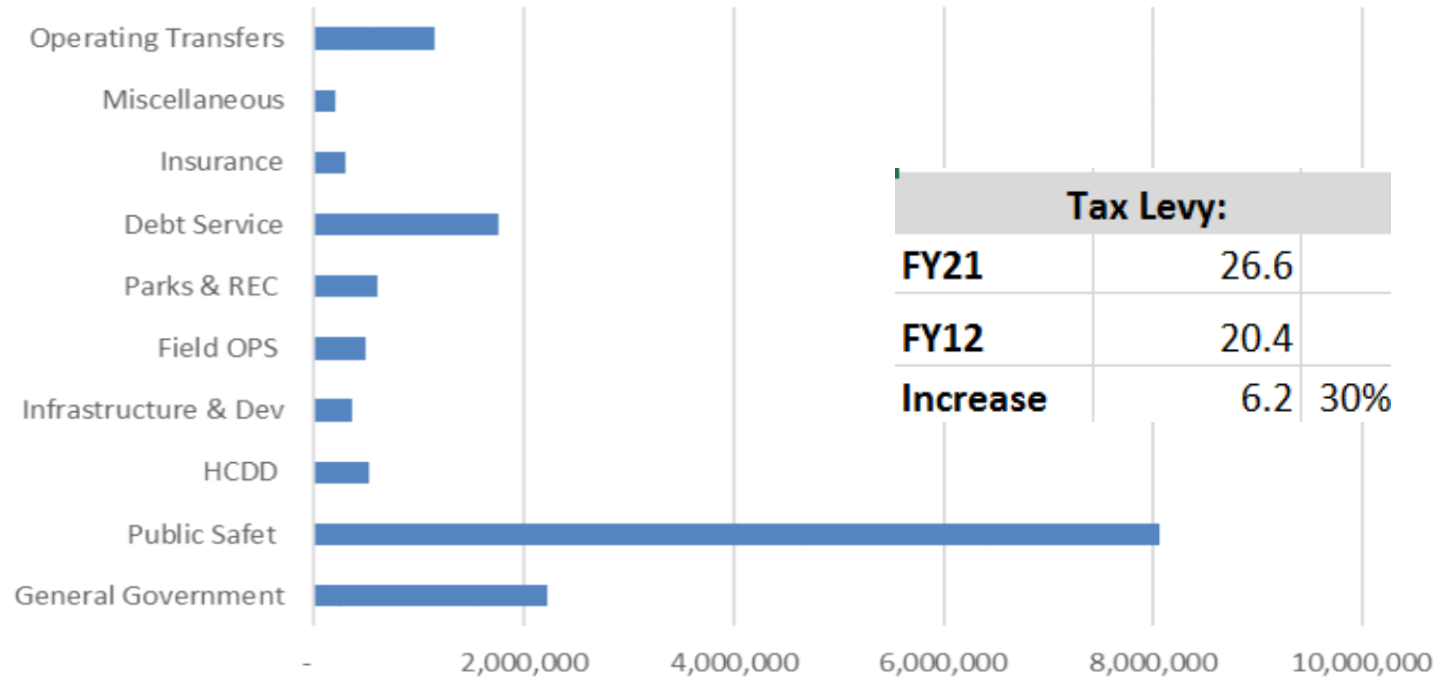
| Project Description | FY21 | FY22 | FY23 | FY24 | FY25 | Total |
|-------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Additional Debt Service - General Fund | 375,685 | 388,600 | 238,261 | 167,590 | 153,052 | 1,323,189 |
| Additional Debt Service - Prior year in this CIP | | 375,685 | 764,285 | 1,002,546 | 1,170,136 | |
| Scheduled Debt Service - as of | 3,866,674 | 3,817,589 | 3,726,865 | 3,415,868 | 3,257,806 | |
| Debt Service GOB Scheduled FY 20 (not included in Schedule) | 0 | 0 | 0 | 0 | 0 | |
| Ending Debt Service | 4,242,359 | 4,957,559 | 5,493,696 | 5,588,550 | 5,751,131 | |
| Max Debt Service per Financial Policy 10% (see below) | 4,600,000 | 4,999,556 | 5,338,358 | 5,159,952 | 5,050,614 | |
| Available Debt Service Amount | 357,641 | 41,997 | -155,338 | -428,598 | -700,517 | |

Available Debt Service Percentage



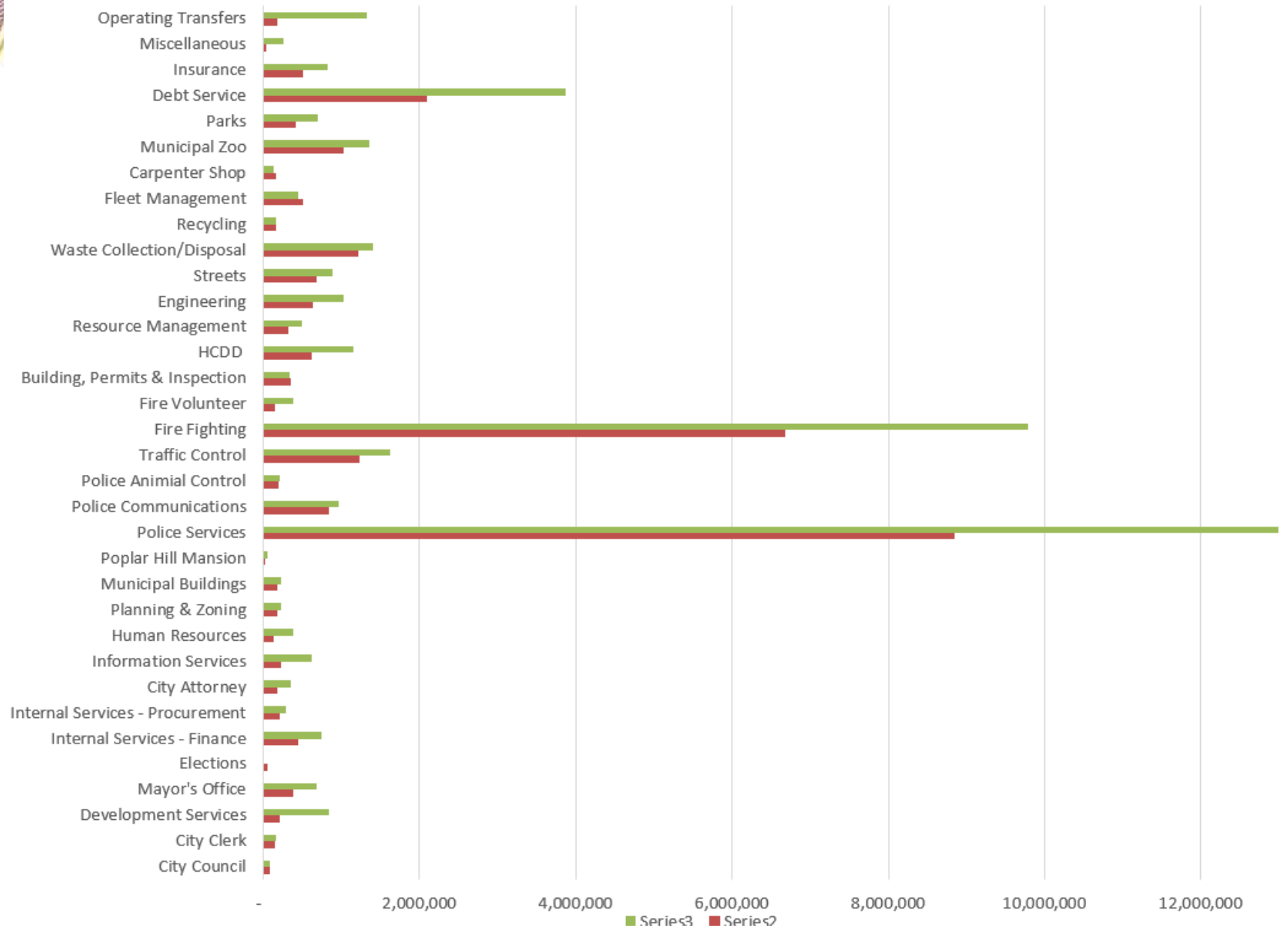


Increase FY21 vs FY12 by Function



| | Increase | FY 12 | FY 21 |
|----------------------|-------------------|------------|------------|
| General Government | 2,228,380 | 2,437,121 | 4,665,501 |
| Public Safety | 8,056,309 | 17,914,856 | 25,971,165 |
| HCDD | 525,960 | 622,568 | 1,148,528 |
| Infrastructure & Dev | 373,376 | 989,237 | 1,362,613 |
| Field OPS | 494,917 | 3,047,975 | 3,542,892 |
| Parks & REC | 617,726 | 1,436,425 | 2,054,151 |
| Debt Service | 1,768,833 | 2,098,616 | 3,867,449 |
| Insurance | 307,420 | 510,000 | 817,420 |
| Miscellaneous | 215,400 | 35,600 | 251,000 |
| Operating Transfers | 1,152,499 | 176,223 | 1,328,722 |
| | 15,740,820 | | |

The Tax Levy in FY12 was \$ 20.4M vs. \$ 26.6M in FY21 or an increase of **\$ 6.2M**. This tax revenue increase pales in comparison to the **\$ 15.7** increase in costs during that period. Public Safety alone has increase by **\$ 8M** and that does not include approx. \$.6M in safer grant match.





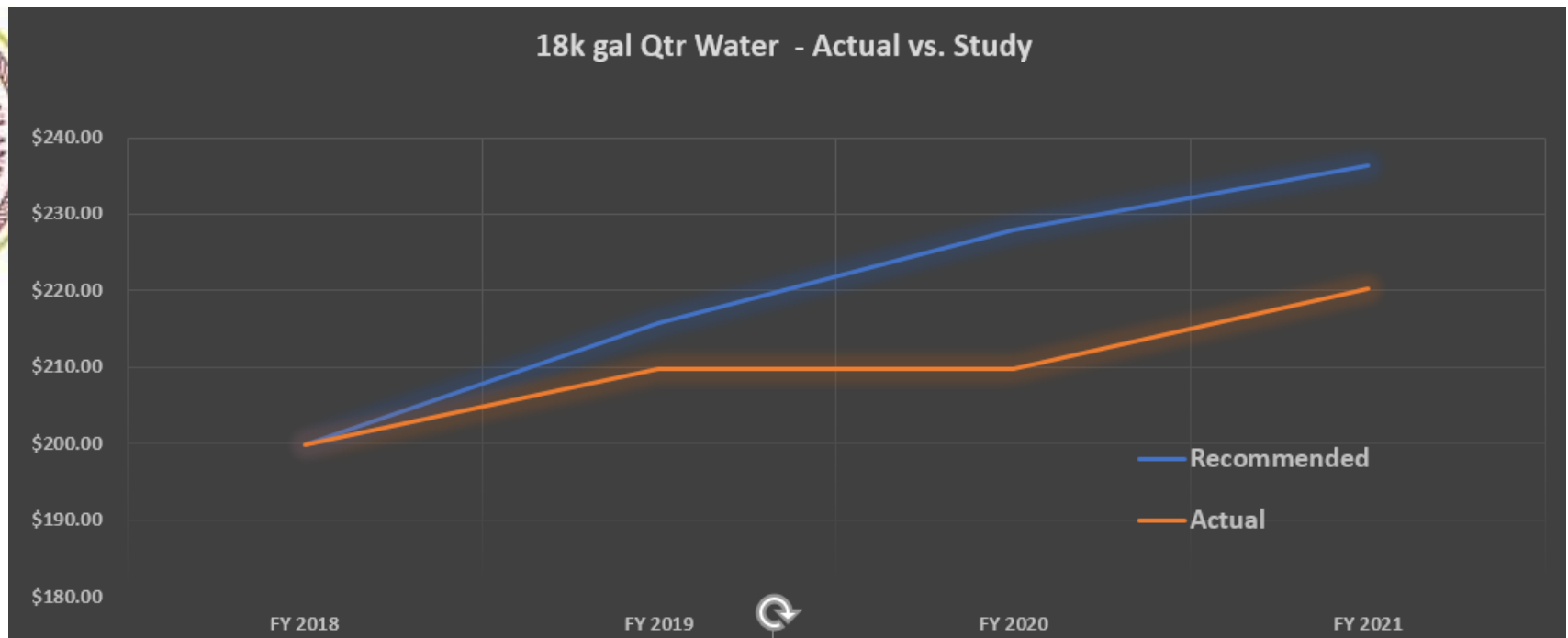
| | FY12 | FY21 | + - | |
|---------------------------------|-----------|------------|-----------|------|
| Police Services | 8,838,580 | 12,989,970 | 4,151,390 | 47% |
| Fire Fighting | 6,674,133 | 9,790,491 | 3,116,358 | 47% |
| Debt Service | 2,098,616 | 3,867,449 | 1,768,833 | 84% |
| Operating Transfers | 176,223 | 1,328,722 | 1,152,499 | 654% |
| Development Services | 216,500 | 845,373 | 628,873 | 290% |
| HCDD | 622,568 | 1,148,528 | 525,960 | 84% |
| Traffic Control | 1,229,190 | 1,622,479 | 393,289 | 32% |
| Engineering | 632,533 | 1,024,638 | 392,105 | 62% |
| Information Services | 221,356 | 611,061 | 389,705 | 176% |
| Municipal Zoo | 1,020,964 | 1,363,682 | 342,718 | 34% |
| Insurance | 510,000 | 817,420 | 307,420 | 60% |
| Internal Services - Finance | 438,796 | 745,209 | 306,413 | 70% |
| Mayor's Office | 377,757 | 680,752 | 302,995 | 80% |
| Parks | 415,461 | 690,469 | 275,008 | 66% |
| Human Resources | 131,249 | 381,353 | 250,104 | 191% |
| Fire Volunteer | 140,125 | 389,571 | 249,446 | 178% |
| Miscellaneous | 35,600 | 251,000 | 215,400 | 605% |
| Streets | 684,299 | 889,550 | 205,251 | 30% |
| Waste Collection/Disposal | 1,211,705 | 1,408,055 | 196,350 | 16% |
| Resource Management | 323,794 | 498,192 | 174,398 | 54% |
| City Attorney | 185,000 | 355,000 | 170,000 | 92% |
| Police Communications | 845,665 | 963,654 | 117,989 | 14% |
| Internal Services - Procurement | 205,541 | 284,062 | 78,521 | 38% |
| Municipal Buildings | 177,500 | 226,524 | 49,024 | 28% |
| Planning & Zoning | 177,493 | 225,226 | 47,733 | 27% |
| Poplar Hill Mansion | 17,345 | 53,137 | 35,792 | 206% |
| Police Animal Control | 187,163 | 215,000 | 27,837 | 15% |



FY21 Water Sewer, Parking, Marina, Storm Water Capital Projects & Outlay

| | Water Sewer Impact and Revolving Funds | | | |
|--------------------------------|----------------------------------------|------------------|--------------------|--------------------|
| | Capacity | Capacity | Maintenance | |
| Description | Water Impact | Sewer Impact | W S Revolving | Total |
| | 10800 | 10900 | 60200 | |
| Checking | 1,454,600 | 1,382,040 | 377,415 | 3,214,055 |
| PNC Investment | 311,668 | 273,293 | 848,594 | 1,433,555 |
| Total as of 2 25 2020 | 1,766,268 | 1,655,333 | 1,226,009 | 4,647,610 |
| <i>Assigned to Paleo 3</i> | <i>(1,231,000)</i> | - | | <i>(1,231,000)</i> |
| Min | (500,000) | (500,000) | (1,500,000) | (2,500,000) |
| | | | | |
| Actual Over (Under) Min | 35,268 | 1,155,333 | (273,991) | 916,610 |

FY21 Water Sewer Rates



| | FY18 | FY19 | FY20 | FY21 |
|-------------------------|------------|------------------|-------------------|-------------------|
| Recommended by Study: | | | | |
| Water | 57 | 62 | 66 | 70 |
| Sewer | 142 | 154 | 161 | 166 |
| Total Bill | 200 | 216 | 228 | 236 |
| Change | | 16 | 12 | 8 |
| | | 8.0% | 5.6% | 3.7% |
| Actual Rates | | | | |
| Water | 57 | 60 | 60 | 63 |
| Sewer | 142 | 149 | 149 | 157 |
| Total Bill | 200 | 210 | 210 | 220 |
| Change | | 10 | - | 10 |
| | | 5.0% | 0.0% | 5.0% |
| Actual vs. Study | | \$ (6.03) | \$ (18.09) | \$ (16.06) |

The study purchased by the City recommended a 17.3% increase over the 3 year period FY19-21.

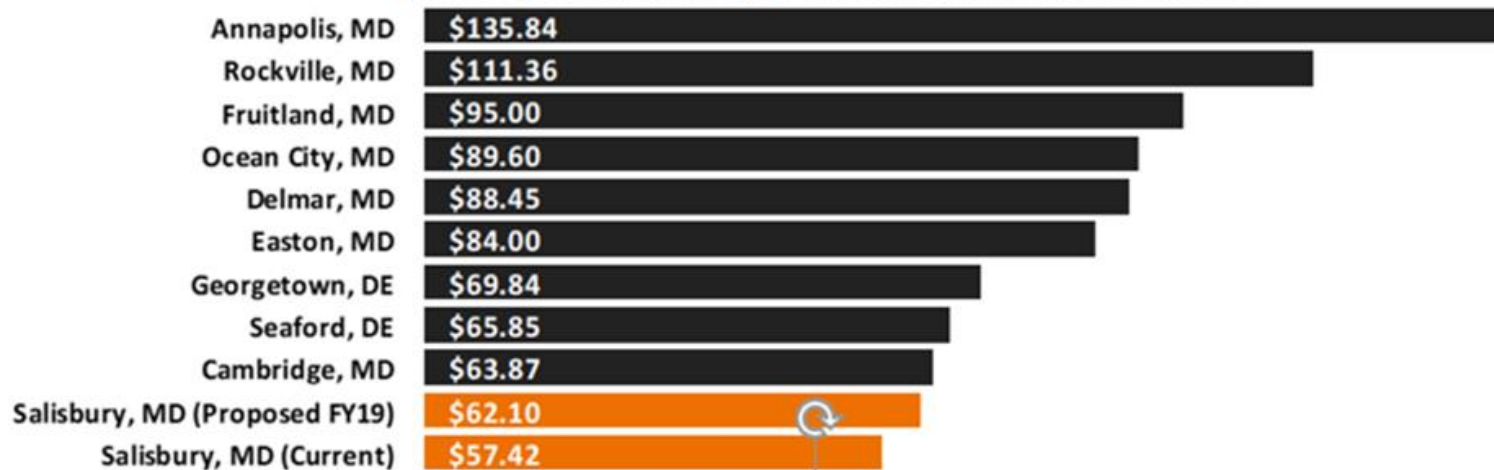
The City thus far has actually increase rates by 5% only in FY19. This is a difference of 12.3%. The comparison shown assumes a 5% increase in FY21.

The Mayor's Proposed Budge assumes no increase for FY21.

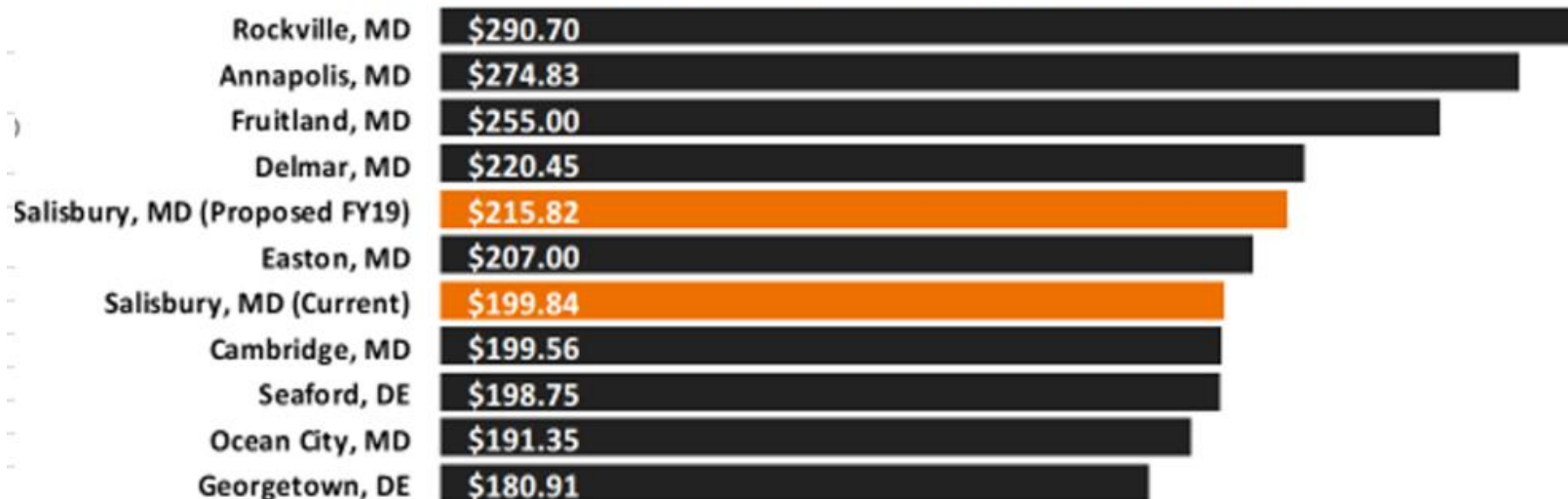
FY21 Water Sewer Rates



Quarterly Residential 5/8" Water Bill at 18,000 Gallons



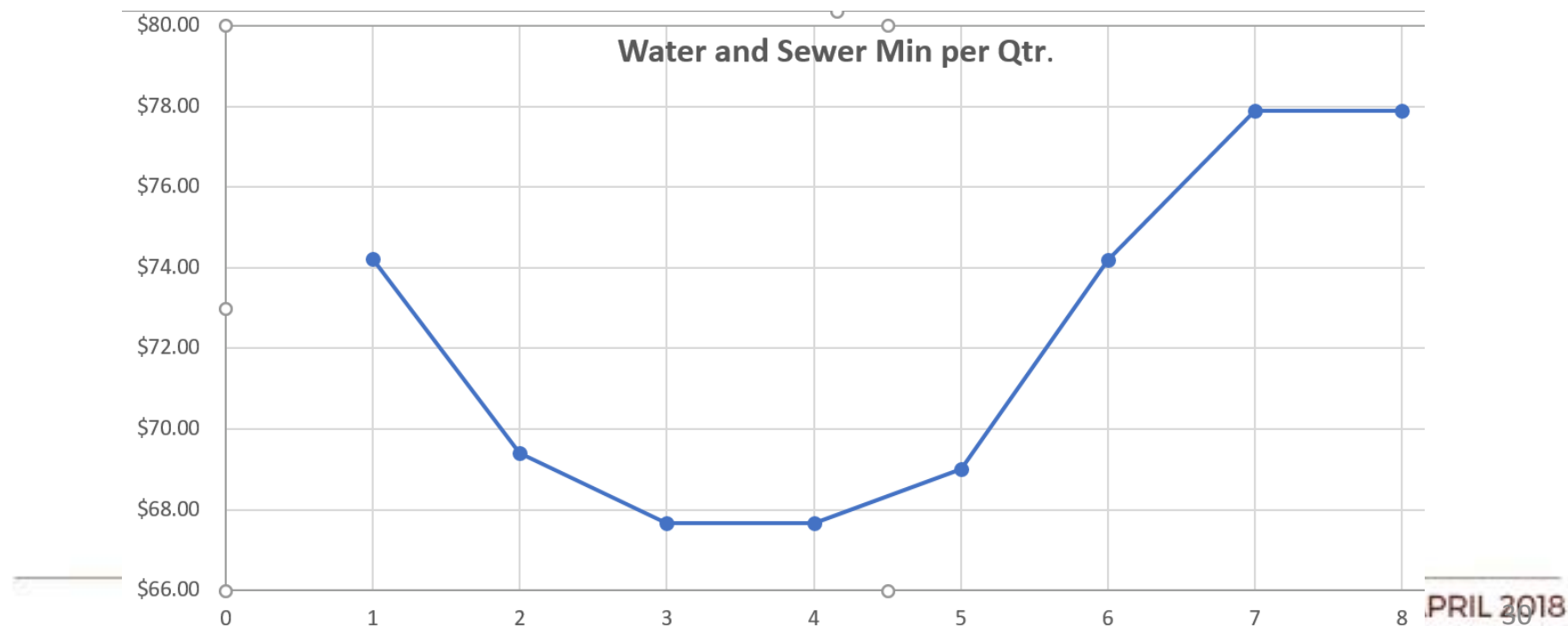
Combined Quarterly Residential Water & Sewer Bill at 18,000 Gallons



FY21 Water Sewer Rates



| FY | Rate Action | Rate Increase (decrease) | | | W Residential InCity | | S Residential InCity | | W S | |
|------|--------------------------|--------------------------|-------|-------|----------------------|-----------|----------------------|-----------|----------|-----------|
| | | Actual | Study | Diff. | Min | + (-) | Actual | + (-) | Min | + (-) |
| 2013 | NO CHANGES | 0.0% | | | \$ 21.39 | \$ - | \$ 52.83 | \$ - | \$ 74.22 | \$ - |
| 2014 | DECREASE FOR SEWER ONLY | -6.5% | | | \$ 20.00 | \$ (1.39) | \$ 49.40 | \$ (3.43) | \$ 69.40 | \$ (4.82) |
| 2015 | DECREASE FOR SEWER ONLY | -2.5% | | | \$ 19.50 | \$ (0.50) | \$ 48.16 | \$ (1.24) | \$ 67.66 | \$ (1.74) |
| 2016 | NO CHANGES | 0.0% | | | \$ 19.50 | \$ - | \$ 48.16 | \$ - | \$ 67.66 | \$ - |
| 2017 | INCREASE WATER AND SEWER | 2.0% | | | \$ 19.89 | \$ 0.39 | \$ 49.12 | \$ 0.96 | \$ 69.01 | \$ 1.35 |
| 2018 | INCREASE WATER AND SEWER | 7.5% | | | \$ 21.38 | \$ 1.49 | \$ 52.81 | \$ 3.69 | \$ 74.19 | \$ 5.18 |
| 2019 | INCREASE WATER AND SEWER | 5.0% | 8.0% | -3.0% | \$ 22.45 | \$ 1.07 | \$ 55.45 | \$ 2.64 | \$ 77.90 | \$ 3.71 |
| 2020 | NO CHANGES | 0.0% | 7.0% | -7.0% | \$ 22.45 | \$ - | \$ 55.45 | \$ - | \$ 77.90 | \$ - |
| | 8 Year Cumulative Qtr >> | | | | | \$ 1.06 | | \$ 2.62 | | \$ 3.68 |
| | % | | | | | 5.0% | | 5.0% | | 5.0% |
| 2021 | | 5.0% | 5.5% | -0.5% | | | | | Av % Yr | 0.62% |
| 2022 | | | 3.0% | | | | | | Av \$ Yr | \$ 0.46 |





Takeaways...Strengths

- Financial Position

Presently the City enjoys a strong Financial Position. This status is based on the financial data as of the FY19 Audit.

- Unassigned Fund Balance

The General Fund's Unassigned Fund Balance is adequate which is important considering the many possible influences of COVID-19.

- Water / Sewer Project Status

Many Water and Sewer Projects have either been recently completed or funded. Few have been deferred which if so would have resulted in infrastructure liabilities.



Takeaways... Weaknesses

- **General Fund CIP**

The inability to fund many of the improvements mapped for FY21 in our recent Capital Improvement plan could be seen as small crack in our financial framework. It has been getting harder to fit CIP into the General Fund budgets. Should CIP pile up they are the equivalent of unfunded liabilities.

- **General Fund Revenues**

We can count on rising expenses. Medical costs are expected by many to rise 6-8% per year. The predictable pay plan alone represents a \$500k increase per year in the General Fund. Finding revenues to match these rising costs is expected to become increasingly difficult.

- **Fire Services**

The county's contributions for fire services do not represent their true share. A new framework, to recover the true cost of fire services, is essential.

- **Tax Differential**

The citizens of Salisbury deserve Tax Differential as recommended by past studies.

- **Parking Fund**

The Parking Fund Unrestricted Net Position is a deficit. This requires a new path to be mapped.



Questions



CITY OF SALISBURY, MARYLAND

REGULAR MEETING (VIA ZOOM MEETING)

JULY 13, 2020

PUBLIC OFFICIALS PRESENT

*Council Vice-President Muir Boda
Councilwoman Michele Gregory*

*Councilwoman Angela M. Blake
Councilwoman April Jackson*

PUBLIC OFFICIALS ABSENT

*Mayor Jacob R. Day
President John “Jack” R. Heath*

IN ATTENDANCE

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow, Procurement Director Jennifer Miller, City Attorney Mark Tilghman, Attorney Michael Sullivan, City Clerk Kimberly Nichols, other City staff and interested citizens.

CITY INVOCATION – PLEDGE OF ALLEGIANCE

The City Council met in regular session at 6:00 p.m. via a Zoom Meeting. Council Vice-President Muir Boda called the meeting to order and dedicated the meeting in memory of former City Council President Louise Smith, who passed away on July 7, 2020. He remarked that Ms. Smith was an important member of Salisbury history as Council President from 2007-2011. He then called for a moment of silent meditation.

PROCLAMATION - Disability Pride Month- presented by City Administrator Julia Glanz

City Administrator Julia Glanz introduced Tim Meagher, Chair of the Salisbury Disability Advisory Committee, and committee members Mike Dyer and Greg Tyler. Also present was Dom Sessa, who had alerted Ms. Glanz that July was Disability Pride Month.

Ms. Glanz presented the proclamation proclaiming July 2020 as Disability Pride Month in the City of Salisbury. Disability Pride Month coincides with the passing of the Americans with Disabilities Act (ADA) of 1990 and celebrates the pride, power, and unity of people with disabilities, their families and allies. President George H. W. Bush signed the ADA into law on July 26, 1990 to ensure the civil rights of people with disabilities, who are the largest and most diverse minority within the population. Salisbury works with its own Disability Advisory Committee, which was established on October 1, 1991.

Mr. Meagher thanked Ms. Glanz and the City Council members for acknowledging the Disability Advisory Committee. The City’s committee focuses on accessibility for employment, housing and all levels of accommodations for the variously disabled population.

47 **ADOPTION OF LEGISLATIVE AGENDA**

48
49 *Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve the*
50 *legislative agenda as presented.*

51
52 **CONSENT AGENDA** – presented by City Clerk Kimberly Nichols

53
54 *The consent agenda, consisting of the following items, was unanimously approved (4-0 vote) on*
55 *a motion and seconded by Ms. Jackson and Ms. Blake, respectively.*

- **June 8, 2020** Closed Session Minutes (not included in agenda packet)
- **June 15, 2020** Work Session Minutes
- **June 15, 2020** Special Meeting Minutes
- **June 22, 2020** Council Meeting Minutes
- **July 6, 2020** Work Session Minutes
- **July 6, 2020** Special Meeting Minutes
- **Resolution No. 3043**- approving the reappointment of Andrew Bradley to the Building Board of Adjustments and Appeals for the term ending July 2025
- **Resolution No. 3044**- approving the reappointment of Edward Torbert to the Building Board of Adjustments and Appeals for the term ending June 2025
- **Resolution No. 3045**- approving the appointment of Benjamin Pheasant to the Human Rights Advisory Committee for the term ending July 2024

56
57 **AWARD OF BIDS** – presented by Procurement Director Jennifer Miller

58
59 *The Award of Bids, consisting of the following items, was unanimously approved on a 4-0 vote on a*
60 *motion by Ms. Jackson was seconded by Ms. Blake:*

- 61
- | | | |
|----|-----------------------------------------------------------------|----------------|
| 62 | • Award of Bid, ITB 21-110, Three (3) Ford F550 Ambulance Units | \$1,230,000.00 |
| 63 | • Declaration of Surplus, Various SPD Items | \$ 0.00 |
- 64

65 **PUBLIC HEARING**- South Division Street – S. Div. St. Condo property annexation – presented by
66 City Administrator Julia Glanz

- 67
- 68 • **Resolution No. 3033**- proposing the annexation to the City of Salisbury of a certain area of
69 land contiguous to and binding upon the southerly corporate limit of the City of Salisbury to
70 be known as the “South Division Street – S. Div. St. Condo Annexation” beginning for the
71 same at a point on the existing corporate limit, said point lying on the easterly right of way
72 line of South Division Street and also being the northwesterly corner of the lands of South
73 Division Street Condominium continuing around the perimeter of the affected property to
74 the point of beginning, containing all of Map 048 -Parcel 0217 and consisting of
75 approximately 3.03 acres of land
- 76

77 *Ms. Jackson moved and Ms. Gregory seconded to approve Resolution No. 3033, and Ms.*
78 *Glanz presented the resolution.*
79

At 6:16 p.m. Vice-President Boda opened the Public Hearing, and since there were no requests to speak, the Public Hearing was immediately closed.

Resolution No. 3033 was passed by unanimous vote in favor on a 4-0 vote.

- **Resolution No. 3034**- to adopt an annexation plan for a certain area of land contiguous to and binding upon the southerly corporate limit of the City of Salisbury, to be known as the “South Division Street – S. Div. St. Condo Annexation” beginning for the same at a point on the existing corporate limit, said point lying on the easterly right of way line of South Division Street and also being the northwesterly corner of the lands of South Division Street Condominium continuing around the perimeter of the affected property to the point of beginning, containing all of Map 048 -Parcel 0217 and consisting of approximately 3.03 acres of land

Ms. Jackson moved and Ms. Blake seconded to approve Resolution No. 3034, and Ms. Glanz presented the resolution.

At 6:28 p.m. Vice-President Boda opened the Public Hearing, and since there were no requests to speak, the Public Hearing was immediately closed.

Resolution No. 3034 was passed by unanimous vote in favor on a 4-0 vote.

RESOLUTIONS – presented by City Administrator Julia Glanz

- **Resolution No. 3046**- companion resolution to Ord. No. 2588 enacted in April 2020 regarding the reallocation of proceeds of the 2012 tax-exempt bond

Ms. Blake moved, Ms. Jackson seconded, and the vote was unanimous (4-0) to approve Resolution No. 3046.

- **Resolution No. 3047**- to accept a donation of one hundred masks from Route One Apparel for the Salisbury Police Department

Ms. Blake moved, Ms. Jackson seconded, and the vote was unanimous (4-0) to approve Resolution No. 3047.

- **Resolution No. 3048**- to accept a donation of gym flooring from B & E Fabrication, Inc. for the Salisbury Police Department’s Physical Fitness Room

Ms. Blake moved, Ms. Gregory seconded, and the vote was unanimous (4-0) to approve Resolution No. 3048.

ORDINANCES – presented by City Attorney Mark Tilghman

- 124 • **Ordinance No. 2605**-2nd reading- to accept a donation and to approve a budget
125 amendment of the FY21 General Fund budget to appropriate funds received from the
126 Delmarva Power & Light Company for the City of Salisbury COVID-19 Micro-grant
127 program

128 *Ms. Blake moved, Ms. Jackson seconded, and the vote was unanimous (4-0) to approve*
129 *Ordinance No. 2605 for second reading.*
130

- 131 • **Ordinance No. 2606**- 2nd reading- accepting grant funds from the Department of
132 Housing and Community Development, a principal department of the State of Maryland
133 and amending the FY2020 budget to allow for the transfer of up to \$24,494.66 of the
134 funds to the Salisbury Arts and Entertainment District, Inc. c/o the Salisbury Folk
135 Festival for processing of approved categorized expenditures consistent with the grant in
136 connection with the Folk Festival and to allow for the expenditure of \$12,505.34 for the
137 COVID-19 Micro-grant fund program

138
139 *Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve*
140 *Ordinance No. 2606 for second reading.*
141

- 142 • **Ordinance No. 2607**- 2nd reading- authorizing the Mayor to sign the grant agreement
143 and accept a grant from the Chesapeake Bay Foundation for the purpose of a tree
144 canopy study and approving an amendment of the FY21 budget to allocate said funds for
145 purposes of implementation
146

147 *Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve*
148 *Ordinance No. 2607 for second reading.*
149

- 150 • **Ordinance No. 2608**- 2nd reading- accepting donated funds from the Vane Brothers
151 Companies in the amount of \$1,000 and the Chesapeake Shipbuilding Corporation in the
152 amount of \$3,000 to be utilized as matching funds for EDA Grant # 01-69-14848 which
153 has been awarded to the City, and amending the FY2021 Grant Fund Budget to
154 appropriate these donated funds for a Port Feasibility Study
155

156 *Ms. Blake moved, Ms. Gregory seconded, and the vote was unanimous (4-) to approve*
157 *Ordinance No. 2608 for second reading.*
158

159 **PUBLIC COMMENTS**

160

161 *There were no requests for Public Comments.*
162

163 **COUNCIL COMMENTS**

164

165 *Ms. Jackson asked everyone to continue to be safe and healthy.*
166

Ms. Blake remarked the evening had multiple donations to the City, which was very kind. She had been waiting for the Chesapeake Bay tree canopy tree study for quite some time and was very excited about that. She thanked Ms. Glanz and the Disability Advisory Committee for the proclamation, and thought it was fantastic that the honored all of its citizens. She asked for those who were healthy to give blood, as the supply was still low on the Eastern Shore.

Ms. Gregory was very happy to see the Disability Advisory Committee proclamation and said “Black Lives Matter.”

Vice-President Boda thanked everyone for attending the meeting. Louise Smith left a great legacy and would be sorely missed. Thoughts and prayers go out to her family and friends who are dealing with the loss. Please support local businesses and restaurants during this time.

City Administrator Julia Glanz reported the City had a great event on Sunday at Doverdale Park with local community groups including Tri Community Mediation, Adopt-a-block with Maryland Food Bank, Wagner Health Van from PRMC provided health screenings, Habitat for Humanity, and the United Way. Groups handed out masks and hand sanitizer, provided Census assistance, and 21 bicycles were given away to children in the neighborhood.

ADJOURNMENT

With no further business to discuss, the Legislative Session adjourned at 6:57 p.m.

City Clerk

Council President



City of
Salisbury
Jacob R. Day, Mayor

COUNCIL AGENDA – Award of Bids

July 27, 2020

- | | |
|----------------------------------------------|--------------|
| 1. Award of Bid | \$585,515.00 |
| ITB 20-128 | |
| Salisbury Police Department HVAC Replacement | |



City of Salisbury

Jacob R. Day, Mayor

To: Mayor and City Council
From: Jennifer Miller
Director of Procurement
Date: July 27, 2020
Subject: Award of Bid
ITB 20-128 Salisbury Police Department HVAC Replacement

The Department of Procurement received a request from the Department of Infrastructure and Development to solicit bids from qualified and experienced contractors to furnish all labor, materials and equipment necessary to replace the HVAC system at the Salisbury Police Department.

The City followed standard bidding practices by publicly posting the solicitation on the City of Salisbury's Procurement Portal and the State of Maryland's website, eMaryland Marketplace Advantage. Three (3) vendors submitted a bid by the due date and time of July 1, 2020 at 2:30 p.m. The departmental memo provides a recap of the pricing submitted by vendor.

The Department of Procurement hereby requests Council's approval to award Contract ITB 20-128 to Electrical Automation Services, Inc. in the amount of \$585,515.00.



City of
Salisbury
Jacob R. Day, Mayor

To: Jennifer Miller, Director of Procurement
From: Amanda H. Pollack, Director Infrastructure & Development
Date: July 13, 2020
Re: ITB 20-128 Salisbury Police Station HVAC Replacement

The Department of Infrastructure and Development worked with the Department of Procurement to advertise an Invitation to Bid for replacement of the Salisbury Police Station HVAC system. The project includes the removal of the existing HVAC equipment that is past its expected lifespan and replacement with new equipment of greater efficiency. The goal is for improved conditioning of air in various spaces throughout the Police Station. The scope of work includes removal and replacement of sixty-four (64) water source heat pumps, the Chiller, a dedicated Outdoor Air System Unit, the Cooling Tower, an Electric Heater Unit, all controls, and start-up & commissioning.

Bids were opened on July 1, 2020. Three bids were received and are tabulated below:

| Bidder | Total Bid |
|--------------------------------------|--------------|
| Electrical Automation Services, Inc. | \$585,515.00 |
| Hancock and Son Plumbing, LLC | \$660,000.00 |
| Denver_Elek, Inc. | \$972,300.00 |

The apparent low bidder, Electrical Automation Services, was deemed to be responsive and responsible to the requirements of the bid documents. Electrical Automation Services' bid documents and references were reviewed by GHD and deemed to be satisfactory for successful completion of this project. A letter dated July 9, 2020 from GHD is attached and includes reference checks and a recommendation of award.

The Department of Infrastructure and Development recommends awarding ITB 20-128 to Electrical Automation Services. Please issue a Purchase Order to Electrical Automation Services, Inc. in the amount of \$585,515.00 for the work specified in ITB 20-128. Funds are available in the following accounts:

| | |
|--------------------|---------------|
| 98119-513026-43021 | \$ 200,000.00 |
| 98119-513026-43024 | \$ 385,515.00 |

Amanda H. Pollack, P.E.
Director of Infrastructure & Development



July 9, 2020

Department of Procurement
City of Salisbury
125 N. Division Street, Room 104
Salisbury, MD 21801

Attn: Jennifer Miller, CPPO, CPPB
Director

Re: Recommendation for Award
City of Salisbury - Police Station HVAC Upgrades
GHD No. 11206269

Dear Ms. Jennifer Miller:

Three (3) bids were received and opened for the above referenced project on July 1, 2020. The bids are tabulated below:

Table 1: Bid Results

| BIDDER | TOTAL BID |
|--------------------------------------|------------------|
| Electrical Automation Services, Inc. | \$585,515.00 |
| Hancock and Son Plumbing, LLC | \$660,000.00 |
| Denver-Elek, Inc. | \$972,300.00 |

Note: Pricing for Add Alternate #1 is not included in total bid price listed above

Electrical Automation Services, Inc., 3410 Mountain Road, Pasadena, MD 21122, is the apparent low bidder at \$585,515.00 and is \$74,485 (11.3%) less than the next lowest bid. The bid is approximately 18.8% less than the Engineer's estimate of \$720,640.00.

Based on a review of Electrical Automation Services, Inc.'s bid proposal, the apparent low bidder is deemed to be responsive and responsible to the requirements of the bid documents. In reviewing Electrical Automation Services, Inc.'s bid package, we were able to verify that they had complied with the bid proposal requirements.

Electrical Automation Services, Inc. provided the following document(s), which GHD has reviewed after the bid submission:

- List of References

References were provided by Electrical Automation Services, Inc., and all were contacted as part of the bid review process. Electrical Automation Services, Inc. has worked on several local chiller replacement, cooling tower replacement, and HVAC projects in the City of Salisbury and County of Wicomico. Summaries of reference are listed below:

| | |
|-----------------------------------------|------------------------------------------------|
| Type of Project: | Replace Water Source Heat Pumps |
| Company Name: | Wicomico County Government Courthouse |
| Address: | 28562 Owens Branch Road |
| City, State, Zip Code: | Salisbury, MD 21801 |
| Contact Person: | Pate Matthews |
| Telephone Number: | 410-572-4134 |
| Dates of Service: | 01/19/2019 - 08/15/2019 |
| Date of Project Completion: | 08/15/2019 |
| Local Gov't Contact for Project: | Pate Matthews |
| Key Organization Contact: | Pate Matthews |
| Type of Project: | HVAC Replacement |
| Company Name: | Wicomico County Government Nursing Home |
| Address: | 28562 Owens Branch Road |
| City, State, Zip Code: | Salisbury, MD 21801 |
| Contact Person: | Pate Matthews |
| Telephone Number: | 410-572-4134 |
| Dates of Service: | 01/21/20 to current |
| Date of Project Completion: | On hold for COVID 19 |
| Local Gov't Contact for Project: | Pate Matthews |
| Key Organization Contact: | Pate Matthews |
| Type of Project: | Chiller Replacement |
| Company Name: | Wor-Wic Community College |
| Address: | 32000 Campus Drive |
| City, State, Zip Code: | Salisbury, MD 21804 |
| Contact Person: | Will Preneta |
| Telephone Number: | wpreneta@worwic.edu |
| Date of Service: | 04/22/2019 - 04/25/2019 |
| Date of Project Completion: | 04/25/2019 |
| Local Gov't Contact for Project: | n/a |
| Key Organization Contact: | Alison Canada 410-334-2918 |

Reference Project #1 - Wicomico County Government Courthouse – Replace WSHPs

Reference Project #2 - Wicomico County Government Nursing Home – HVAC Replacement

Based on a telephone conversation on July 9, 2020 with Pate Matthews, the following project areas for the 1st and 2nd referenced projects were reviewed:

Project Schedule: The owner was very satisfied with the Contractor's work schedule for the 1st project. The 2nd project has been placed on hold due to COVID-19.

Project Budget/Change Orders: The owner was satisfied with the Contractor's budget and very satisfied with change order levels.

Project Quality: The owner was very satisfied with the Contractor's work quality.

Summary: Owner would work with Contractor again and recommend them to other Owners

Reference Project #3 – Wor-Wic Community College

Based on a telephone conversation on July 9, 2020 with Will Preneta, the following project areas for the 3rd referenced project were reviewed:

Project Schedule: The owner was satisfied with the Contractor's work schedule

Project Budget/Change Orders: The owner was satisfied with the Contractor's budget and change order levels.

Project Quality: The owner was very satisfied with the Contractor's work quality.

Summary: Owner would work with Contractor again and recommend them to other Owners

Summary and Recommendation

Based on our review of Electrical Automation Services, Inc.'s bid and surveys of job references, it appears that they are capable of completing a project of this nature and size. We see no reason not to recommend the award of the project in the amount of \$585,515.00 to Electrical Automation Services, Inc.

If you have any questions regarding this recommendation of award, please feel free to contact either Vince Maillard or myself.

Sincerely,

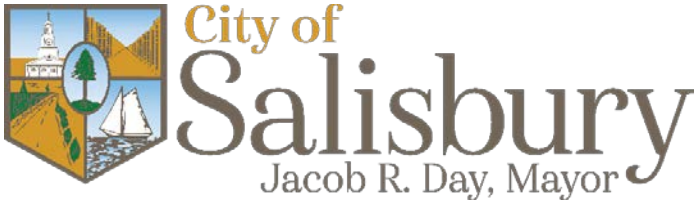
GHD INC.

Dylan Desimone

Dylan Desimone
Senior Project Manager

CC: Vince Maillard, PE, GHD
Amanda Pollack, City of Salisbury
Richard Baldwin, City of Salisbury
Michael Lowe, City of Salisbury

Attachments: Contractor Bid Response



MEMORANDUM

To: Andy Kitzrow
From: Robert McClure, Grants Coordinator
Date: July 9th, 2020
Re: GOCCP's BARM grant funds and budget amendment for body armor reimbursement.

Attached please find an ordinance appropriating \$1,350 in grant funding from the Governor's Office for Crime Control and Prevention's Body Armor Grant Program to purchase body armor for the Salisbury Police Department.

The SPD intends to purchase eight new Level II Ballistic vests using the awarded funds and the required match of \$1,350 from 21021-546022.

Unless you have any questions please forward this for Council's consideration.

ORDINANCE No. 2609

AN ORDINANCE OF THE CITY OF SALISBURY ACCEPTING GRANT FUNDS FROM THE GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION IN THE AMOUNT OF \$1,350.00 UNDER THE FY21 BODY ARMOR PROGRAM (BARM) AND AMENDING THE FY2021 GRANT FUND BUDGET TO APPROPRIATE THESE GRANT FUNDS FOR THE PURCHASE OF EIGHT (8) NEW BULLET PROOF VESTS (LEVEL II BALLISTIC) FOR SALISBURY POLICE OFFICERS.

WHEREAS, the Governor's Office of Crime Control and Prevention has awarded the Salisbury Police Department \$1,350.00 for the purpose of purchasing eight (8) new bullet proof vests (Level II Ballistic); and

WHEREAS, the Salisbury Police Department desires to purchase these new bullet proof vests in order to provide appropriate safety equipment to its officers; and

WHEREAS, the required matching funds for this grant in the amount of \$1,350.00 will be provided by the Salisbury Police Department in the Protective Vests/Equipment account 21021-546022; and

WHEREAS, appropriations necessary to execute the purpose of this grant must be made upon the recommendation of the Mayor and the approval of four-fifths of the Council of the City of Salisbury.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the City accepts the aforementioned grant funds to be spent as outlined in the underlying grant agreement attached hereto.

BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY that the City's Fiscal Year 2021 Grant Fund Budget be and is hereby, amended as follows:

- 1) Increase the GOCCP Revenue Account (10500-425100-xxxxx) by \$1,350.00
- 2) Increase the Protective Vests / Equipment Account (10500-546022-xxxxx) by \$1,350.00

BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the ____ day of July, 2020, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the ____ day of August, 2020.

47 ATTEST:

48

49

50

51 _____
Kimberly R. Nichols

52 City Clerk

53

54

55 APPROVED BY ME THIS:

56

57 _____ day of August, 2020

58

59

60

61 _____
Julia Glanz, City Administrator for and
62 with the authority of Jacob R. Day, Mayor

John R. Heath, President
Salisbury City Council



City of
Salisbury
Jacob R. Day, Mayor

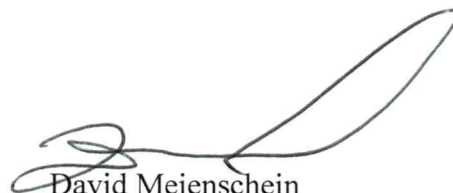
July 13, 2020

TO: Julia Glanz
FROM: Colonel David Meienschein
SUBJECT: Ordinance – Budget Amendment

SPD Patrol Units #1474, a 2014 Chevrolet Caprice, VIN 6G3N35U33EL962755 was involved in a motor vehicle accident and deemed a total loss.

SPD requests that the insurance adjustment from the above vehicles totaling \$13,050.00 be transferred to the SPD Police Services Vehicle Account, 21021-577025 to be used towards the purchase of an additional vehicle within the FY21 budget year.

Unless you or the Mayor has further questions, please forward this Ordinance to the City Council.



David Meienschein
Assistant Chief of Police

ORDINANCE No. 2610

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING A BUDGET AMENDMENT OF THE FY21 GENERAL FUND BUDGET TO APPROPRIATE INSURANCE PROCEEDS RECEIVED IN FY21 TO AID IN THE PURCHASE OF A NEW VEHICLE FOR THE POLICE FLEET.

WHEREAS, Salisbury Police Patrol Vehicle #1474, 2014 Chevrolet Caprice VIN: 6G3NS5U33EL962755 was involved in a motor vehicle accident and was deemed a total loss; and

WHEREAS, the insurance proceeds received for the value of the vehicle totaled \$13,050.00; and

WHEREAS, Salisbury Police Department (SPD) is requesting that the insurance proceeds of \$13,050.00 for the vehicle be placed in the SPD Vehicle Purchase Account, 21021-577025; and

WHEREAS, SPD will utilize the funds from the insurance proceeds towards the purchase of an additional vehicle for the Salisbury Police Department within the FY21 budget year; and

WHEREAS, appropriations necessary for the vehicle purchase must be made upon the recommendation of the Mayor and the approval of four-fifths of the Council of the City of Salisbury.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the City's Fiscal Year 2021 General Fund Budget is hereby, amended as follows:

- 1) Increase Insurance Proceeds (01000-456935) by \$13,050.00
- 2) Increase the Police Department - Police Services-Vehicle Account (21021-577025) by \$13,050.00.

BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this _____ day of _____, 2020, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the _____ day of _____, 2020.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, President
Salisbury City Council

50 Approved by me this _____ day of _____, 2020

51

52

53

54 _____
Julia Glanz, City Administrator for

55 and with the authority of Jacob R.

56 Day, Mayor