



CITY OF SALISBURY CITY COUNCIL AGENDA

July 12, 2021

6:00 p.m.

Government Office Building, Room 301, Salisbury, Maryland and Zoom Video Conferencing

Times shown for agenda items are estimates only.

- 6:00 p.m. CALL TO ORDER
- 6:01 p.m. WELCOME/ANNOUNCEMENTS /PLEDGE
- 6:02 p.m. CITY INVOCATION- Pastor Greg Morris, Parkway Church of God
- 6:04 p.m. PRESENTATIONS
- Proclamation- Matrix Soccer Academy USA- presented by Mayor Jacob R. Day
 - Presentation- Employer Support to the Guard and Reserve- presented by ESGR State Chairman Mike Comeau and Volunteer Bill Peters
- 6:15 p.m. ADOPTION OF LEGISLATIVE AGENDA
- 6:16 p.m. CONSENT AGENDA – City Clerk Kimberly Nichols
- April 19, 2021 Budget Work Session Minutes
- 6:18 p.m. RESOLUTION – City Administrator Julia Glanz
- **Resolution No. 3113**- waiving the City's Comprehensive Connection Charge for one hundred and four (104) equivalent dwelling units allocated to the redevelopment of 130 East Main Street, 132 East Main Street and 144 East Main Street
 - **Resolution No. 3114**- authorizing the Mayor to enter into an agreement with First Move Properties, LLC to allow the use of soil located at the City's Wastewater Treatment Plant for the redevelopment of 130 East Main Street, 132 East Main Street and 144 East Main Street
 - **Resolution No. 3115**- authorizing the Mayor to enter into an agreement with First Move Properties, LLC to provide tax credits through the HORIZON Program for the redevelopment of 130 East Main Street, 132 East Main Street and 144 East Main Street
- 6:35 p.m. ORDINANCES- City Attorney Heather Konyar
- **Ordinance No. 2672**- 2nd reading- to authorize the Finance Department to establish a Project Expenditure Account in order to pay those invoices for Mitchell Landing Apartments that will be reimbursable through the Mitchell Landing Reserve for Replacement (RFR) Account
 - **Ordinance No. 2673**- 2nd reading- to authorize the Mayor to enter into a contract with the Department of Housing and Community Development for the purpose of accepting

grant funds in the amount of \$20,000.00, and to approve a budget amendment to the Grant Fund to appropriate these funds for eligible expenses associated with the 2021 National Folk Festival

- **Ordinance No. 2674**- 2nd reading- to authorize the Mayor to enter into a contract with the Federal Emergency Management Agency for the purpose of accepting grant funds in the amount of \$12,708.50, and to approve a budget amendment to the Grant Fund to appropriate these funds for offsetting COVID-19 expenses
- **Ordinance No. 2675**- 1st reading- to approve 2021 GO Bonds for GOB air handler replacement, apparatus replacement- aerial ladder, Field Operations Facility Plan- Phase 3 Garage, Downtown street scaping, Market Street Shoreline Improvements, Northwood and Brewington Branch Culvert, ADA ramp and bathroom conversion, Field Operations Facility Plan- Phase 2, Port Exchange Riverwalk Replacement

6:50 p.m. PUBLIC COMMENTS

6:55 p.m. ADMINISTRATION and COUNCIL COMMENTS

7:00 p.m. 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 – JULY 26, 2021

- Presentation- COVID-19 Vaccine Art Contest Winners- Leianna Jones, Nolan Sweitzer, Madison Synowiec
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Join Zoom Meeting

<https://us02web.zoom.us/j/5362772908>

Meeting ID: 536 277 2908

Phone: 1.301.715.8592

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6:45 p.m. PUBLIC COMMENTS

6:50 p.m. ADMINISTRATION and COUNCIL COMMENTS

6:55 p.m. ADJOURNMENT

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CITY OF SALISBURY
BUDGET WORK SESSION
APRIL 19, 2021

Public Officials Present

Council President John “Jack” R. Heath Council Vice-President Muir Boda
Councilwoman Angela M. Blake Councilwoman Michele Gregory
Councilwoman April Jackson

Public Officials Absent

Mayor Jacob R. Day

In Attendance

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow, Finance Director Keith Cordrey, City Clerk Kimberly Nichols, City Staff and Department Heads, and members from the public and press

The City Council convened in a Budget Session at 8:30 a.m. via Zoom Video Conferencing to begin the FY22 Budget Review. President Heath thanked Finance Director Keith Cordrey and his staff for their work on the budget. Every year it seemed to get better, and this year the addition of the percentages of increases and decreases made Council’s job easier. He was looking forward to the sessions, as there was ample time for review thanks to Acting Mayor Julia Glanz and the Administrative staff.

The following is a synopsis of Mr. Cordrey’s presentation of the Financial Health Report and Financial Overview. The presentations are attached and included as part of the minutes.

Financial Health Report

Financial Overview

- Balance Sheet-Governmental Funds
 - FY20 Cash: \$10.7 million in General Fund (\$10.9 million in the prior year)
 - FY20 Unassigned Fund Balance: \$9.7 million (\$9.8 million in the prior year)
 - Statement of Revenues and Expenditures
 - Change in Fund Balance: FY20- \$881,074 (placed in Surplus), FY19- \$1.45 million (placed in Surplus)
 - FY20 Original Budget included \$1.6 million use of Surplus. End of year budgeted use of Surplus increased to \$4.2 million due to prior year encumbrances of \$1.2 million and ordinances passed during the year of 1.4 million.
 - Revenue Variances - during the year revenues exceeded budget by \$1.5 million
 - Expenditure Variances- \$3.6 million in favorable expenditure variances. \$4.2 million would have been spent, but with favorable variances of \$5.1 million, \$881,074 went to Surplus.
- FY20 Financial Statements
 - Water Sewer Fund Statement of Net Position- \$807,871 increase in Cash; \$3,779,043 increase in Buildings, Equipment and Improvements; current liabilities decreased \$2 million (from \$9 million to \$6.8 million); Total liabilities decreased \$5.5 million (from \$86,971,763 to \$81,481,650); Net Position decreased by \$64,896

- Statement of Revenue and Expenses- Charges for services (water and sewer billing) decreased by \$318,365; Total revenues declined by \$670,717; Total Operating Expense increased by \$296,720, Net Operating Income declined by \$1,015,100
- Government-Wide Financial Statements (full accrual)- Cash (all funds) declined by \$525,183; Total Assets increased \$1,113,654; Total Current Liabilities increased \$2,246,318; Total liabilities increased \$13,728,011
- Statement of Net Position for all funds, both governmental and business- Cash declined by \$219,000; OPEB liability last year was \$22.2 million, this year increased to \$25.1 million; Pension liability increased from \$33 to \$34 million

Benchmarks

General Fund- Total Fund Balance

- The Total Fund Balance related to Budgeted Expenditures- 32.6% (strong)
- Unassigned Fund Balance- (uncommitted net assets)- The City was doing well
- Debt to Market- very similar to recent years, and considered adequate.
- Debt per capital - \$3,018 (has needed improvement since 2017)
- Budget Debt Service grew from \$3,782,322 to \$4,337,283
- Ratio of 8.43% as it related to the General Fund + Capital Project Budget (adequate) (Under the benchmark of 8%)
- Water and Sewer Unrestricted Balance- 3.7% (needs improvement)
- Parking Authority Unrestricted Net Position- -22% (needs improvement)
- Mr. Cordrey stated the City was on a very strong course with most everything being adequate or strong except for the few noted things needing improvement.

FY22 Budget Highlights- Revenue

- Small increase to trash service (\$59 to \$63 per quarter)
- HCDD Landlord licenses/registration increased from \$60 to \$75
- I & D fee increases- Historic District Commission application- \$25 to \$50, Obstruction permit- \$10 to \$50, Breaking permit- \$25 to \$50, Development plan review- \$500 to \$1,000, Subdivision review fees- \$25 to \$200
- Fire Department increases- NFPA 13 D review fee increase from \$75 to \$100, Review of flammable and combustible liquid storage tanks- \$0.005 to \$0.1/gallon, Review of NFPA 13 & 13R sprinkler systems- \$125 to \$150, Non-compliant fees increased by \$15, EMS rates increased between \$50 - \$250
- Tax rate- unchanged
- Water & Sewer rates- 6% increase, WS connection fees- \$3,533 to \$3,710
- Parking Fund- Meter hourly rate- \$1 to \$2, Permit parking rates- increase by \$5 most lots; parking garage by \$10
- Storm Water- \$20 to \$25 (or 25%)
- Total tax levy- \$26.6 million to \$27.7 million (\$1.1 million increase)
- Top increases were from Federal Recovery Funds (\$1,058,203), Real Property taxes (\$1,020,000), Railroad utilities (\$212,000), Trash Fees (\$75,952)
- Top decreases were from Capital Lease Proceeds (\$908,900), Capital Surplus (\$480,000), Transfers from Health Care (\$280,000), Admission & Amusement taxes (\$250,000)
- **Recovery Funds**
 - The City's share was \$9.6 million. In 2021, the estimate for reimbursement for declined revenues - \$915,000 and \$100,000 for expenditure reimbursements.
 - Water Sewer Fund- \$116,000, Parking Fund- \$150,000/ 2021 Total- \$1,281,000

- In 2022, the estimate for reimbursement for declined revenues due to COVID-\$496,000, and \$562,203 for expenditure reimbursements.
- The Hardship Program helped those unable to pay their bills get rated through Social Services. If they qualified they could receive assistance to pay water and sewer bills.
- Personnel
 - 2% step increase for all personnel. Employees grade 5 and below were reviewed for market adjustment to address new minimum wage laws. Restructure of Finance and Field Ops. Market rate adjustments, Career Ladder updates, 5 steps added to end of pay scale, no change in health care rates.
 - President Heath remarked on the increase in Workers Comp and asked if the Frequency Modification Factor increased from previous years. Mr. Cordrey said that Workers Comp rates increased. It was a combination of discount and mod based on experiences. The City would not get quoted until after the budget was produced.
- Water Sewer Rates
 - The WS Fund Debt Service will spike in FY26 to \$7 million from \$5 million due to overlap of the original funding for the WWTP and new loan for the updates. The increase over 3-year period (FY26-FY28) will be \$5 million.

Takeaways

Strengths

- The City's financial position was **strong** based on the data of the FY20 Audit.
- The General Fund's unassigned Fund Balance was **adequate**. Many WS projects were recently completed or funded, and few deferred which would have resulted in infrastructure liabilities.

Weaknesses

- The inability to fund many of the improvements for FY22 in the recent CIP. Should CIP pile up, they are the equivalent of unfunded liabilities.
- Medical costs would likely rise 6-8% per year. Predictable pay plan represents \$500k increase per year in General Fund.
- County's contributions for fire service do not represent their true share. A new framework was essential.
- Salisbury's citizens deserve Tax Differential as recommended by past studies.
- The Parking Fund Unrestricted Net Position was a deficit.

Personnel Committee Presentations

Salisbury Police Department (SPD)

Cpl. Nicholas Amendolagine represented the SPD Personnel Committee and discussed the following:

- Take home vehicle program was important as a big morale booster and kept SPD competitive with other area agencies.
- The department needed to keep salaries competitive.
- He emailed Council three proposals to increase salaries (attached and included as part of the minutes) which were also emailed to City Administrator Julia Glanz
- To remain competitive, Salisbury must work to keep salaries up
- Suggested towed vehicles be towed to a City-owned lot rather than to a tow company. This would increase revenue to the City through storage fees. Cambridge and Ocean City were examples of municipalities which hold towed vehicles on City-owned lots.

Ms. Glanz shared that the City had looked at creating a tow storage lot and were keeping an eye out for the right property. Over the past six years the City has changed the department's pay scale, beefed up the take home program, and created Special Units.

Mr. Boda thanked Cpl. Amendolagine for his dedication.

Ms. Jackson asked how many officers were with the Department. Cpl. Amendolagine was unsure but one recently failed the Police Academy and there was rumor of another one leaving. She asked how many more officers were needed to bring the SPD to where it should be. He thought the funding supported the appropriate number of officers, but the challenge was to keep them. The department needed funds to hold onto officers.

Ms. Blake asked what kept him with SPD for ten years and Cpl. Amendolagine replied that he always had pride in the agency and had a goal for SPD to be the top agency on the Shore again.

President Heath said that Council would take a closer look at the proposals. The SPD was a great group, thanked them for the work they did, and asked them to stay safe.

Salisbury Fire Department (SFD)

Firefighter (FF)/EMT DJ Hoster represented the SFD Personnel Committee. He thanked Administration for putting together the budget because it looked very positive for the SFD. The funding of the Ladder Truck was very important and a positive step.

Requests on behalf of the SFD included:

- Overtime (receiving time + a half for personnel). SFD had many people out due to COVID and many had to work overtime to fill in for them.
- Placing the Senior FF position in the budget to ensure continued growth, but knew it came at a huge increase to the City.

Ms. Gregory thanked FF/EMT Hoster for everything they did for the citizens.

Ms. Blake asked if there was a formula for time and a half pay and if any prior Council had addressed it. President Heath said it had and it was expensive. One way to afford it would be through tax rate increases, and it was a great idea but the question was how to fund it.

Ms. Jackson appreciated them for saving lives and putting their own in danger.

Mr. Boda thought another discussion on overtime pay should be scheduled.

President Heath asked him to give everyone the Council's best and to keep up the good work.

Salisbury Fire Department Volunteers (SFDV)

Deputy Chief Lee Smith discussed the SFDV requests and noted they had rejoined the Wicomico County Volunteer Fireman's Association. Acting Executive John Psota included Salisbury in the proposed budget. If they received funding from Wicomico County they would be able to do more things. The Recruitment Retention Coordinator was doing an excellent job.

Requests on behalf of the SFDV included:

- Even if the SFDV received the County budget funds, they wanted to still receive \$40,000 as a minimum from the City of Salisbury.

- Requested for the City to pay for the internet for all three locations, which was currently \$6,000 for Stations 1, 2, and 16.

Government Office Building (GOB)

Media & Events Specialist Becca Brown represented the GOB Personnel Committee. Ms. Brown said there were no new requests, and that everyone was thankful especially this year for all of the accommodations due to COVID and appreciative of the step increases.

DID Project Engineer Heather Lankford expressed appreciation from the department for Council allowing employees to make accommodations to work during the time of COVID.

Requests included:

- Vehicle upgrades- there was a long list of vehicles that were between 5 and 30 years old. Several were in severe need and were used daily for inspections.
- New Plotter- to purchase a maintenance plan for the current one required a large amount of work to get all of the information together.
- Two licenses for Adobe Business Pro.
- Hydrocad System for projects and used for stormwater and ESD
- Co-pay assistance for the mental health spikes that COVID has created. Some may either have not utilized the assistance available or have run out of free assistance.

Ms. Jackson asked the age of the plotter and Ms. Lankford said it was between 5 and 10 years. She explained how the maintenance plan would work and doubted it would be beneficial due to its age. President Heath recalled a discussion regarding outsourcing plotting and requested data regarding costs per size. Ms. Lankford had a couple thousand-page reports that needed plotting that went with plans and sometimes four to five sets came in when being reviewed.

HCDD Code Enforcement Officer Cory Stout thanked Council for hearing HCDD's requests. The list included items to benefit everyone working for the City and not just HCDD. Requests included:

- Increase Personal Days
- Increase Annual Time or Longevity Bonus after 25 and 30 years. Annual time did not currently increase after 20 years.
- Free cleanings at the dentist.
- Recognition days for unused sick leave
- Internal child care program

Ms. Gregory thanked HCDD for all they did and said she would love to see the City with child care.

Ms. Jackson asked about additional training and how well the department was staffed. Mr. Stout said the funding for training was budgeted. When someone from Admin, Homelessness Services, or Community Relations were out, others had to step in to provide relief. When the Code Enforcement Officers were out they did not typically need help with the load.

Ms. Boda thanked HCDD for their great work and said their requests would be considered.

Ms. Glanz said that Administration added an additional Mental Health Day to the calendar. Council recessed at 9:48 a.m. and reconvened at 10:00 a.m.

245 Field Operations (FOps)

246 FOps Street Sign & Pavement Marking Technician Peter Torigoe reported on the requests from
247 FOps and Water Works Personnel Committee. The two main concerns were pay raises and
248 health insurance increases.

- 249
- 250 • Traffic requests:
 - 251 ○ Repairs to or replacement of the 50' Christmas Tree. The frame was rusting and it
 - 252 was losing greenery every time it was put up.
 - 253 ○ Replacement of Dodge pickup truck used mostly by the Supervisor (ignition issues).
- 254

255 Ms. Glanz informed Mr. Torigoe that the 2% step increases were budgeted and the health
256 insurance would not increase.

- 257
- 258 • Sanitation requests:
 - 259 ○ Replacement of small pickup truck used to pick up or deliver recycling bins and
 - 260 damaged trash bins.
 - 261 ○ Replacement of RC3 Recycling Truck which requires more and more
 - 262 maintenance. Dedicated only to recycling.
 - 263 ○ Smaller rear loading garbage truck to pick up on some of the narrower streets.
- 264

265 Mr. Boda recalled the request last year for the smaller garbage truck. Mr. Torigoe said the
266 Christmas tree was stored safely in a semi-trailer but lost more and more greenery each year.

267
268 President Heath thanked Mr. Torigoe for the work done by all the departments and would take
269 the requests into consideration.

270
271 **Department Presentations**

272 City Clerk

273 City Clerk Kim Nichols presented the Clerks Office budget. All of the accounts were flat budgeted
274 and none were overspent.

275
276 President Heath asked Mr. Cordrey if the City's requirement for retirement funding had increased.
277 Mr. Cordrey said the retirement agent provided the rates each year and they changed by category.
278 He would provide the rates to Council from last year and this year. President Heath asked if
279 enough was budgeted for the new Assistant City Clerk to attend CMC classes and Mrs. Nichols said
280 there was. Ms. Julie English from the Mayor's Office was hired as Diane Carter's replacement.

281
282 Council said they would miss Diane Carter, as she was retiring June 30, 2021.

283
284 City Council

285 Ms. Nichols reviewed the requests for Council. There were no replacements to computers this
286 year, nor were funds used for meals. There were unused funds in travel and training.

287
288 President Heath noted a 17% increase in Workers Comp.

289
290 Salisbury Police Department

291 Police Chief Barbara Duncan and Colonel Dave Meienschein joined Council to discuss the Police
292 Department's budget. Chief Duncan reported on the following items:

- 293 • New Logistics position in the Police budget to oversee property and evidence.
294 • New vehicles: (6) Patrol vehicles, (1) Unmarked vehicle

- Funded Career Ladders
- New IT Computer Tech position will work on-site at SPD and funded through IS

Ms. Blake asked if the IT support person would be funded through the SPD. Chief Duncan said they would be funded through IS but work out of the SPD. The new person would manage each printer, body camera, in-car video and computers, license plate readers, etc.

President Heath asked if dispatchers' salaries and overtime increased due to NIBRS requirements. Chief Duncan said they experienced a lot of overtime with quarantines and people being out due to COVID. Mr. Kitzrow said over the past couple of years they trended down with the budget not being where it actually was, but this year overtime was accurately funded. President Heath asked for the reason for the 16% increase in Equipment (534302) amounting to \$27,000. Chief Duncan said the account was for maintenance contracts for all of the dispatch equipment. Colonel Meienschein said the account would fluctuate from year to year as many of the contracts were for three years. Depending on when some of the contracts were due, the amounts would change.

President Heath asked about the increase in Overtime Clerical (501020) in Police Communications. Chief Duncan said it was due to COVID, NIBRS, and the account being underfunded in the past. He asked about the reaction to the retention incentives. Chief Duncan said they were well received and appreciated. She thanked Council for working with the SPD to secure the funding.

Ms. Glanz reported an additional \$10,000 was allocated for mental health for SPD.

President Heath thanked Chief Duncan, Colonel Meienschein, and all of SPD for their dedication.

Mayor's Office

Deputy City Administrator Andy Kitzrow presented the Mayor's Office budget. Funds were reallocated internally to keep the budget flat. They would continue seeking a higher-level position to replace Ms. English. The Mayor's Office had an Executive Administrative Office Manager (Ms. Haag's position). They wanted to fill the vacant position with a complementary Executive Administrative Assistant. The Executive Team would be slightly different from the other offices. The only increase was \$480 for a cell phone for the Media Specialist who worked remotely and had been using her personal device for posting.

President Heath said an issue for certain positions was the career ladder. Incorporations gave much more opportunities for growth. While taking Ms. English was good for the Council, it was not good for the Mayor's Office. It was difficult when the City ran as lean as it did.

Ms. Gregory asked why Workers Comp was up so much. Mr. Kitzrow said the rate change impacted the budget in every department. Mr. Cordrey said the provider gave a preliminary rate sheet to budget from. It was not just the Workers Comp rate, but a step increase or new position. Whenever the personnel increased, Workers Comp would also increase with salary increases.

Ms. Glanz said that Mr. Kitzrow had worked with Mr. Cordrey and Ms. Loyd (Human Resources Director) to ensure that every non-supervisory position had a Career Ladder.

Salisbury Fire Department (SFD)

Fire Chief John Tull and Deputy Chief James Gladwell joined the Council to discuss the Fire Department Budget. Chief Tull said the SFD goals were to continue with the twelve individuals associated with the SAFER Grant (which would run out in February 2022) and to secure funding for

the new Ladder Truck for Station 2. City Administration agreed with the two priorities and have funded them both in the FY22 Budget.

Chief Tull discussed essential items requested which including an increase in the Building Account for internet service for all three stations. The Volunteers have always paid it, but with funding being cut and the uncertainty of being included in the County budget, they requested the City to pay for it. Council asked Mr. Cordrey to add the request to the list to revisit. The other item was an additional position for Deputy Fire Marshal. The division was created several years ago and has grown tremendously. The workload has surpassed the ability of the Fire Marshal and Inspector to get out and do additional inspections. The additional position would help with the workload and help plan for successive planning. With both salary and benefits, the position would cost \$93,000 to fund at a Fire Lieutenant pay grade. He also said that in the future, Council may have to discuss the funding for SWIFT if the grants funding was discontinued.

President Heath asked when the City took over the Fire Inspections from the County, and Chief Tull answered it was FY19. He asked if the workload was anticipated, and Chief Tull said it was anticipated, but was increasing every year.

Mr. Boda thought that it was a significant workload that was increasing, and would support the request. The item was added to the revisit list.

President Heath asked that Council's best wishes and appreciation were extended to all the women and men who placed their lives on hold each day to protect the citizens.

Council recessed at 11:09 a.m. and reconvened at 11:20 a.m.

Business Development

Business Development Director Laura Soper joined Council to discuss the budget. She reported the budget was the same as last year with the exception of a reduction in rent. Finance would assume Ms. Stam's office expense as Ms. O'Hare was joining the Administrative Offices and Ms. Stam was moving into her office.

Mr. Boda thought the \$12,000 Maintenance Account was high. Ms. Soper explained it was for the maintenance of the Downtown Trolleys.

President Heath asked about the \$15,000 for Consulting Fees. Ms. Soper thought it was originally budgeted for the Port Feasibility but was transitioned to the Downtown Fiber Grant the City administers. Mr. Kitzrow said that when the budget files were put together, it just hadn't moved yet. That would be one of the adjustments they would be making for the Grant program rather than the Consulting line item.

Procurement Department

Procurement Director Jennifer Miller reviewed the budget. She said it was flat except for two computers needing replacement according to the IS Replacement Schedule. There was one essential item for additional energy management program support at \$5,000 from the Energy Consultant that could be used for a Five-Year Energy Management Plan or put out an RFP for Virtual Net Metering to look at having a renewable energy source for the City's electricity needs.

President Heath asked about the increase in Clerical, and Ms. Miller replied that the Senior Buyer had a Career Ladder move.

Council thanked Ms. Miller and the team for their work.

Government Office Building (GOB)

Ms. Miller said it was a collaborative effort with the County to ensure the building was well taken care of. The County Department of General Services led the charge since they had a department devoted specifically to maintenance. The work was coordinated through the Department of General Services. She explained the expenses and how they were divided up. 534301- Buildings was higher due to increases in Water & Sewer and cleaning. 534302- Equipment had an increase due to a calculation mistake last year. 546006- Security Guard Personnel was increased to accommodate increased salaries.

Two CIP items for the building include the air handler replacement and \$10, 000 for GOB security improvements.

Human Resources (HR)

HR Director Jeanne Loyd reported the step increase was the reason for the Salaries increase and retirement was increased. The next large increase was in Advertising. In order to pay for one would be \$399 and if ads needed to be placed in the Guide and Independent the funds would be there. There were three staff members, and if either one would leave it would place major stress on the other two. She had requested another individual to the department, and it did not make it through the Mayor's level.

President Heath said he wanted to place the \$10,500 for advertising on the revisit list since if the advertising funds were needed they could approve a budget amendment.

SWED

SWED Executive Director Dave Ryan and President Tony Nichols joined Council to discuss the budget request of \$50,000. They were opening up new COVID Relief Grant Funds for restaurants, non-profits, hotels, and those wishing to go to an online platform. They have deployed \$12.8 million to 1,200 businesses in the past year most of which were located in Salisbury. The grants would be done in a user-friendly, accountable way to get the funds out to the businesses quickly.

Mr. Boda said that in times of crisis it was great to have the leadership of Mr. Ryan in helping the businesses. Mr. Ryan asked everyone to go to the website and check out what was being offered. President Heath thanked Mr. Ryan and Mr. Nichols for all they did for the community.

Internal Services (IS)

IS Director Bill Garrett joined Council to discuss the budget. They were implementing in MUNIS the workorder system for work orders or repairs such as potholes to be done out in the field. The total for each tablet was \$630, plus \$40/month for the air cards.

Mr. Garrett explained they were reorganizing the department to focus on security. With the increase in cyber-attacks he realized the City was vulnerable due to more people coming into the system from outside due to more working from home. His department was doubling down on security since many departments would continue to allow their staff to work from home either on a limited or somewhat permanent basis. Due to some of the savings realized through the unexpected teleworking from home during the pandemic, they were able to purchase cyber security devices and firewalls. The reorganization would allow the department to hire a full-time public safety technician based at the Police Department working on their entry level technological

issues. The SPD accounted for 60% of the IT tickets for the City, and 36% of the time going to the Police Department. He discussed the change of duties for the IS personnel involved in the reorganization. The main goal was the security and to give the SPD an on-site tech.

Ms. Blake asked what type of tickets were received from the SPD. Mr. Garrett explained they were things such as technology in vehicles breaking down, cameras stopping recording or reporting their wireless feed, password changes, people being locked out of their computers, printers not working, keyboards mice not working properly, etc. She asked if Field Ops put the tablets in their line item. Mr. Garrett said they did not. She asked what the priority would be- tablets, jet packs, internet cards. Mr. Kitrow said that there would be recurring costs- whenever one was bought there had to be recurring costs to have internet out in the field. He did not know how those costs could be reduced.

Mr. Boda asked if Mr. Garrett thought about training people on basic troubleshooting problems.

President Heath asked about the Salaries-Clerical. Mr. Garrett said that account was the new Tech position and the slight difference in salary between Mr. Wood's old position and new position. President Heath thought that clerical did not describe the technician's job. Mr. Kitrow said there were only two categories- clerical and non-clerical. Mr. Cordrey said the categories were used by Workers Comp and supported the audit of the Workers Comp activity.

Mr. Garrett explained the 534301- Building account was reduced significantly due to two men in the office working periodically. 546001- Office was only half used as they were not in the office doing printing or the things they did before COVID. Travel and training (555503 and 555504 were nixed by 85% each due to not traveling or training due to the pandemic. Many of the training were free. Gasoline costs were reduced due to limited driving.

President Heath thanked Mr. Garrett for the good work and keeping the City safe.

Finance Department

Mr. Cordrey explained that prior to the County giving the tax billings back to the City, there was a person billing personal Property taxes, licensing and permits. When the tax billing came along the only thing added was a cashier. Staff was pushed beyond what was reasonable and the City hired someone to perform tax billing. The proposed new position, a Revenue Supervisor, would supervise the two cashiers and two revenue clerks. There were Career Ladders for the cashiers and clerks starting at a higher level to address the minimum wage. There was a reclass of the Utility Billing Supervisor and Sr. Tax Revenue Specialist to a Grade 8 as a market adjustment to get them to where they actually should be.

Council Discussion

President Heath thanked Mr. Cordrey and his staff for the preparation. It became easier to review each year. He also thanked the Council members for being prepared.

City Clerk

Council President



City of
Salisbury

Financial Health

Presented April 2021



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 22 Budget**

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



Benchmarks



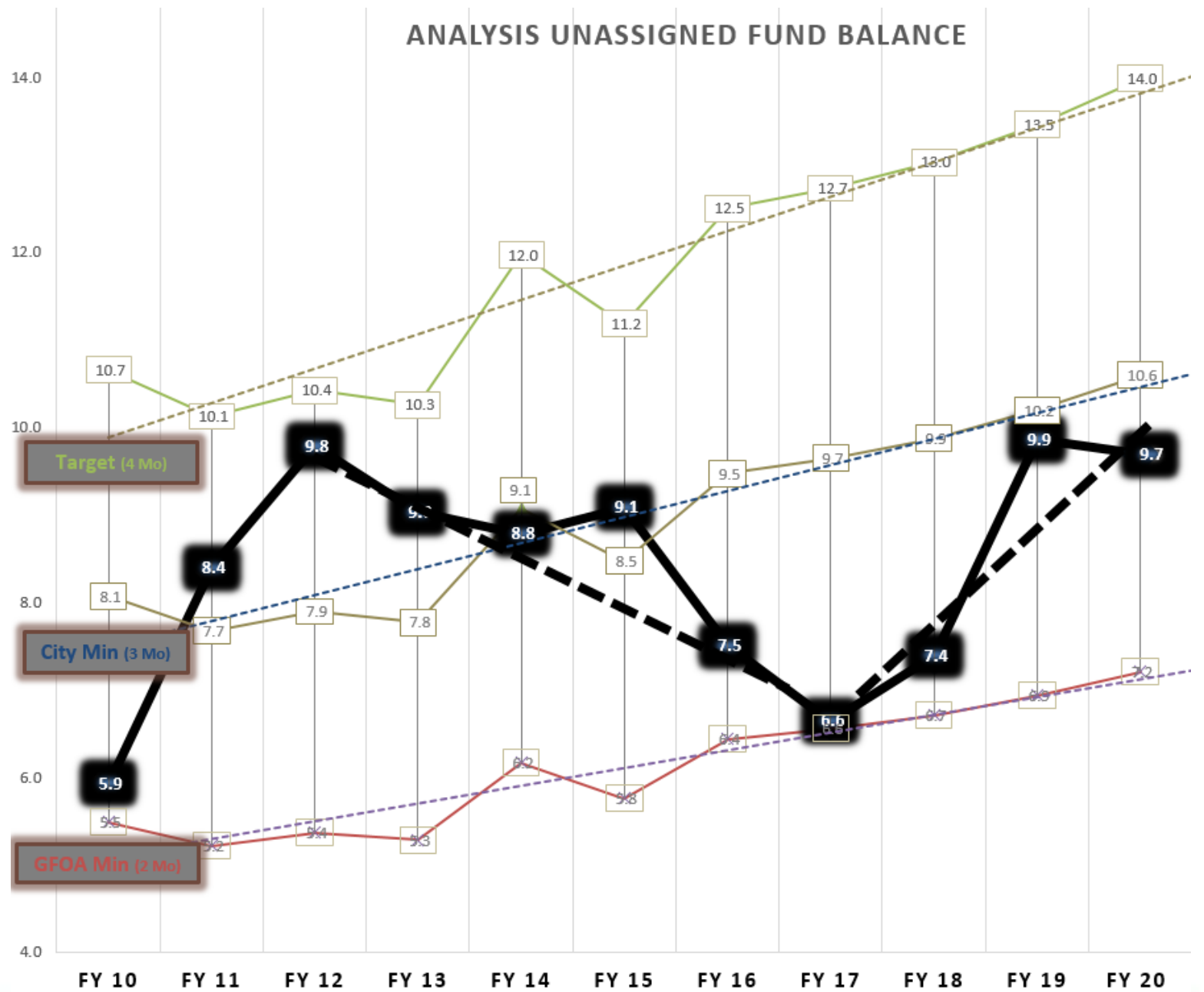
General Fund - Total Fund Balance

	FY 2019	FY 2020	FY 2021	FY 2022
Total Fund Balance	\$12,446,573 as of June 30, 2017	\$10,738,933 as of June 30, 2018	\$12,775,227 as of June 30, 2019	\$13,811,228 as of June 30, 2020
Budgeted Expenditures	36,296,282 2017	38,992,253 2018	40,775,227 2019	42,386,053 2020
Ratio	32.4% (Strong)	31.9% (Strong)	31.7% (Strong)	32.6% (Strong)

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



General Fund - Unassigned Fund Balance





Debt to Market Value

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General Obligation Debt	\$ 93,046,516	\$ 99,578,997	\$ 94,970,713	\$ 99,605,678
Market Value of Property	\$ 2,079,435,806	\$ 2,151,596,042	\$ 2,228,360,951	\$ 2,312,626,586
Ratio	4.47% (Adequate)	4.63% (Adequate)	4.26% (Adequate)	4.31% (Adequate)

Strong

< 3 %

Adequate

3 – 6 %

Weak

> 6 %



Debt Per Capita

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Citywide General Obligation Debt	\$ 93,046,516	\$ 99,578,997	\$ 94,970,713	\$ 99,605,678
Population	32,900	33,000	33,000	33,000
Debt Per Capita	\$ 2,828 (Needs Improvement)	\$ 3,017 (Needs Improvement)	\$ 2,878 (Needs Improvement)	\$ 3,018 (Needs Improvement)

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



Annual Debt Service - General Fund

	FY 2019	FY 2020	FY 2021	FY 2022
Budget Debt Service	\$ 3,782,322	\$ 4,008,907	\$ 3,867,449	\$ 4,337,283
General Fund + Capital Project Budget	\$ 50,663,663	\$ 44,221,824	\$ 48,773,991	\$ 51,464,722
Ratio	7.47% (Adequate)	9.07% (Adequate)	7.93% (Adequate)	8.43% (Adequate)

Adequate <= 10%



Water and Sewer Unrestricted Balance

	FY 18	FY 19	FY 20	FY 21	FY 22
Unrestricted Fund Balance	\$ (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	\$ 748,706 as of June 30, 2020
Water Sewer Operating Revenue	\$ 16,200,463 (FY18 Budget)	\$ 16,616,820 (FY19 Budget)	\$ 16,547,775 (FY20 Budget)	\$ 16,140,750 (FY21 Budget)	\$ 20,303,088 (FY22 Budget)
Ratio	- 1.5 % (Needs Improvement)	- .75 % (Needs Improvement)	12% (Needs Improvement)	5.5% (Needs Improvement)	3.7% (Needs Improvement)

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



Parking Authority Unrestricted Net Position

	FY 2019	FY 2020	FY 2021	FY 2022
Unrestricted Net Position	\$317,390 as of June 30, 2017	\$181,501 as of June 30, 2018	\$ (98,781) as of June 30, 2019	\$ (173,401) as of June 30, 2020
Revenue	\$725,000	\$678,200	\$675,000	\$782,810
Ratio	43.8% Strong	26.8% Strong	-14% Needs Improvement	-22% Needs Improvement

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



Benchmark Summary

	FY 2019	FY 2020	FY 2021	FY 2022
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	Strong	Strong	Needs Improvement	Needs Improvement



FY22 Budget Highlights



FY 22 Budget Highlights - Revenue

❑ General Fund - Rates and Fees

- Trash Service – increased from \$59.00 to \$63.00 per Qtr.
- HCDD Landlord Licenses/Registration increased from \$60 to \$75
- I & D fees:
 - Historic District Commission Application increase \$25 to \$50
 - Obstruction permit increase from \$10 to \$50
 - breaking permit increase from \$25 to \$50
 - Development plan review fees increase from \$500 to \$1,000,
 - Subdivision review fees increase from \$25 to \$200
- Fire Dept. fees:
 - NFPA 13D review fee increase from \$75 to \$100
 - Review of Flammable and Combustible Liquid Storage Tanks increase from \$0.005 to \$0.1 per gallon,
 - Review of NFPA 13 & 13R sprinkler systems increase from \$125 to \$150
 - Non-compliant fees increased by \$15
 - EMS Rates increased between \$50-\$250
- Others – see Fee Schedule in Fee Ordinance



FY 22 Budget Highlights - Revenue

☐ Tax Rates

- No change

☐ Water Sewer Rates

- Water Sewer Rates – increase 6%
- WS Connection fee – increase from \$3,533 to \$3,710

☐ Parking Fund Rates

- Meter Hourly rate – increase from \$1.00 to \$2.00
- Permit parking rates – increase by \$5 most lots and parking garage by \$10

☐ Storm Water Rates

- Storm Water Fee – increase from \$20 to \$25, or 25%



FY 22 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	2,228,360,951	2.40 PP 2.81 RR	0.9832	25,059,823
2020	2,009,236,346	3,247,210	300,143,030	2,312,626,586	2.40 PP 3.51 RR	0.9832	26,436,227
2021 (EST)	2,006,602,922	3,250,000	243,034,188	2,252,887,110	2.40 PP 3.51 RR	0.9832	26,612,423
2022 (EST)	2,129,946,313	2,541,667	245,324,074	2,377,812,054	2.40 PP 3.51 RR	0.9832	27,737,423



FY 22 General Fund Revenues

	2021 Original	2022 Proposed	Increase (decrease)
<u>Top Increases:</u>			
Federal Recovery Funds	-	1,058,203	1,058,203
Real Property	19,946,423	20,966,423	1,020,000
Railroad/Utilities	2,388,000	2,600,000	212,000
Trash Fees	1,938,000	2,062,391	124,391
Transfer In - Drain Impv Fund	-	75,952	75,952
Local Income Taxes	2,050,000	2,100,000	50,000
Donations	103,607	153,607	50,000
Vacant Building Registration	20,000	45,000	25,000
Rent Earnings	110,000	135,000	25,000
<u>Top Decreases:</u>			
Capital Lease Proceeds	1,442,900	534,000	(908,900)
Capital Surplus	480,000	-	(480,000)
Transfers from Health Care	280,000	-	(280,000)
Admission & Amusement Taxes	300,000	50,000	(250,000)
School Zone Camera	1,000,000	750,000	(250,000)
OBC - Current Year	4,200,000	4,110,000	(90,000)
Highway User	1,384,293	1,317,857	(66,436)
Zoo Commission PT	109,376	63,382	(45,994)
Zoo-Hotel Room Tax	260,000	230,000	(30,000)
Police Regular Grant	328,406	299,932	(28,474)



FY 22 General Fund Revenues – Recovery Funds

	2021	2022	Total
General Fund:			
Revenues Reimbursement	915,000	496,000	1,411,000
Expenditure Reimbursement	100,000	562,203	662,203
			-
Water Sewer Fund:			-
Revenues Reimbursement	116,000		116,000
Water Sewer Projects		2,110,797	2,110,797
Hardship Enhancements		200,000	200,000
			-
Parking Fund:			
Revenues Reimbursement	150,000	150,000	300,000
			-
	1,281,000	3,519,000	4,800,000



FY 22 Budget Highlights – Personnel

- A 2% step increase is included for all personnel
- Employees at grade 5 and below were reviewed for a market adjustment to begin addressing new min wage laws
- Restructure of Finance and Field Ops
- Market rate adjustments
- Career Ladder Updates
- 5 steps were added to pay scale
- No change in health insurance rates



FY 22 Budget Highlights – Personnel

A	B	C	D	E
		Grade		
Dept	Position	From	To	
Reclassifications				
Finance	Cashiers I/II/III	2/3/4	3/4/5	
Finance	Tax Senior Revenue Specialist	7	8	title change from Revenue Supervisor
Finance	Revenue Clerk Collections I/II/III	3	4/5/6	
Finance	Revenue Clerk Parking I/II/III	3/4/5	4/5/6	
Finance	Utility Billing Supervisor	7	8	
Finance	Accounts Payable I	3	5	
Mayors	Executive Administrative Assistant	5	6	
DID	Office Manager	7	6	title change from Planning & Permits Coordinator
DID	Sustainability Specialist	5	8	
HCDD	Community Program Coordinator	5	6	
FO	Logistics Manager	11	11	title change from Safety Manager, no change in grade
FO	Logistics Coordinator	3	5	
FO	Special Projects Supervisor	6	7	
FO	Street Supervisor	7	8	
FO	Sanitation Supervisor	6	7	
FO	Auto Mechanic II	3	4	
FO	Utility Techs	4/5/6	5/6/7	
FO	Parks MEO	3/4/5	4/5/6	
FO	Parks Maint Worker I	3	4	
FO- Parking	Parking Maint Worker I	3	4	
FO- Parking	Parking Supervisor I	6	7	
FO-Parking	Parking Enforcement Office	2	4	



FY 22 Budget Highlights – Personnel

Dept	Position	Grade
Merit		
Mayors Office	City Administrator, Deputy Administrator	
Mayors Office	Deputy City Admininstrator	
Mayors Office	Executive Administrative Assistant IV	
Bus Dev	Dir of Busienss Development	
WW	Lab Tech II	
New Positions		
Finance	Revenue Supervisor	9
IS	2 Computer Technicians	5
Police	Logistics Specialist	12
WW	Water Plant Maint Oper	8
FO	Facility Supervisor	7
FO	Administrative Assistant	5



FY 22 Budget Highlights -Transfers

PayGO for General Capital Projects	297,500
Fire	0
Police Grants	66,967
Community Development	0
Total Grant Match	66,967
Homeless Program	108,697
TOTAL Org 91001 >>	\$ 560,164



FY 22 Budget Highlights – Grant Match

Schedule C: City Fiscal Year 2022 Appropriations for Grant-Funded Expenditures¶

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Schedule C: City Fiscal Year 2022 Appropriations for Grant-Funded Expenditures					
Grant Name	Appropriation				
	Funding by Grant		Funding by Grant Match		
	Total	Prior Yrs	FY 2022	Amount	Account
Comcast - Public, Educational & Governmental (PEG) Fees					
FY22 - PEG Fees from Comcast	68,000		68,000	N/A	N/A
Housing & Community Development Department					
FY22 - Homeless Solutions Program - Federal Funds (ESG)	20,000		20,000	N/A	N/A
FY22 - Homeless Solutions Program - State Funds (ESG)				N/A	N/A
FY22 - Projects for All				N/A	N/A
FY22 - State Revitalization				N/A	N/A
FY21 - Community Development				N/A	N/A
FY19 - POS - Zoo Sp				10,000	91001-599120
FY22 - POS - Resurf				11,000	91001-599120
FY22 - POS - New Te				60,000	91001-599120
FY22 - CP&P - Salisb				6,000	91001-599120
FY22 - CP&P - Zoo S				N/A	N/A
				87,000	
Infrastructure & Development Department					
FY21 - MEA Maryland Smart Energy Communities (MSEC)	55,000		55,000	N/A	N/A
FY22 - MD Dept. of Transportation - State Aid Funds	44,000		44,000	N/A	N/A
FY22 - MD Critical Area Commission - Grant-in-Aid Funds	4,000		4,000	N/A	N/A
FY22 - Chesapeake Bay Trust Green Streets, Green Jobs, Green Towns - Carroll Street	100,000		100,000	N/A	N/A
FY22 - MDOT Bikeways - Northwest Bikeways Phase 2	100,000		100,000	N/A	N/A
FY22 - MDOT Bikeways - Eastern Shore Drive	322,000		322,000	64,400	31000-534318
FY22 - MDOT Bikeways - Carroll Street	460,000		460,000	92,000	98119-513026-48048
FY22 - MDOT Transportation Alternatives Program (TAP) - Rail Trail Phase 7B	722,523		722,523	180,631	98119-513026-48046
Water Works Department					
FY21 - ENR O&M Grant - MDE Bay Restoration Fund (BRF)	255,000		255,000	N/A	N/A
Salisbury Fire Department					
FY20 - Staffing - Adequate Fire & Emergency Response (SAFER)	2,800,000		2,800,000	N/A	N/A
Salisbury Police Department					
FY17, 18 & 19 - COPS Grant	250,000	250,000		N/A	N/A
FY22 - Bulletproof Vest Partnership	25,000		25,000	N/A	N/A
FY22 - MD Criminal Intelligence Network (MCIN)	300,000		300,000	30,000	91001-599121
FY21 - Edward Byrne Memorial JAG	26,000		26,000	N/A	N/A
FY22 - Gun Violence Reduction Initiative	30,000		30,000	3,500	91001-599121
FY22 - MD Highway Safety Office - Impaired Driver (DUI)	6,000		6,000	5,084	91001-599121
FY22 - MD Highway Safety Office - Aggressive Driver	4,000		4,000	3,398	91001-599121
FY22 - MD Highway Safety Office - Distracted Driver	3,000		3,000	2,555	91001-599121
FY22 - Wicomico County Circuit Court - Drug Court	8,000		8,000	6,000	91001-599121
FY22 - Exploring Predictive Policing w/ Machine Learning (BJAG / GOCCP)	100,000		100,000	N/A	N/A
FY22 - Police Recruitment & Retention Grant (PRAR / GOCCP)	24,000		24,000	N/A	N/A
FY18 - Wicomico County Adult Drug Treatment Court	443,469	443,469		N/A	N/A
FY22 - U.S. Marshals Program	20,000		20,000	16,430	91001-599121
Total	\$ 8,054,540	\$ 693,469	\$ 7,361,080	\$ 577,998	

Some of the Community Development grants will require an FY22 match totaling \$87,000, which will be transferred from account n



FY22 General Fund Capital Outlay

		General Fund - Capital Outlay			
		Account		Funding Source	
Dept	Project Description	Org	Acct	General Revenues	Lease Proceeds
Police	Patrol Vehicles	21021	577025		230,000
Police	CID Vehicles	21021	577025		24,000
Fire	Apparatus Replacement - Aerial Ladder	24035	577025		
IT	High Availability Virtual Environment	18000	577030	57,900	
HCDD	Housing First Vehicle Replacement	25200	577025	25,000	
Field Op	Multipurpose Mower w/attachments	45000	577030	63,000	-
Field Op	Automated Side Load Trash Truck	32061	577025		280,000
I & D	Street Reconstuction (Milling and Paving)	31000	534318	500,000	
I & D	Surface Maintenance (Crack Sealing, Microsurfacing)	31000	534318	125,000	
I & D	Concrete Program (Curb, Gutter and Sidewalk)	31000	534307	25,000	
General Fund & Capital Projects				795,900	534,000



FY22 Gen Capital Projects

	D	G	H	I	J	K	L
	Funding Source						
Project Description	Approved Amount	PayGO Gen Fund	PayGO Storm Water	Grants	Reallocation	FY 22 Bond	
GOB Air Handler Replacement	178,750					178,750	
GOB Security Enhancements	10,000	10,000					
Apparatus Replacement - Aerial Ladder	1,400,000					1,400,000	
GOB Air Handler Replacement	178,750					178,750	
GOB Security Enhancements	10,000	10,000					
Apparatus Replacement - Aerial Ladder	1,400,000					1,400,000	
Exterior: Siding Repair and Painting Phase I	50,000	50,000					
Special Events Pavilions	120,000			120,000			
Field Operations Facility Plan - Phase 3 Garage	1,890,000					1,890,000	
Street Light Additions and Replacement	25,000	25,000					
Bridge Maintenance - South Division Street Bridge	100,000	100,000					
Vision Zero- Crosswalk Program	12,500	12,500					
Vision Zero- Pedestrian Signal Program	25,000	25,000					
Skatepark Phase 2b	134,000			134,000			
Street Reconstuction (Milling and Paving)	45,000			45,000			
City Park Master Plan Improvements	400,000				400,000		
Bicycle Master Plan Improvements	475,000				475,000		
Urban Greenway Improvements	450,000				450,000		
Rail Trail Master Plan Implementation	300,000				300,000		
Downtown Street Scaping	600,000				218,674	381,326	
Market Street Shoreline Improvements	330,000					330,000	
MainStreet Master Plan	(1,843,674)				(1,843,674)		
Vision Zero - ADA Upgrades	50,000	50,000					
Vision Zero- Speed Awareness and Safety Program	12,500	12,500					
Vision Zero- Slow Zone Program	12,500	12,500					
Johnson Pond Dam Improvements	90,000		90,000				
Impervious Surface Reduction	100,000		100,000				
Stream Restoration along Beaverdam Creek	100,000		100,000				
Northwood and Brewington Branch Culvert	600,000		150,000		160,000	290,000	
E MainStreet Drain at BU	(160,000)				(160,000)		
General Fund & Capital Projects	5,506,576	297,500	440,000	299,000	-	4,470,076	



FY22 Water Sewer Capital Projects

Project	Approved Amount	Capital Projects - Funding Source					
		PayGO	Fed Recovery Grant	FY23 Bond DOOI	Impact Funds	Revolving Funds	Bond
<u>Water Sewer Capital Project Fund:</u>							
Fiber Backbone Expansion	225,000		225,000				
EnerGov Software & Implementation	-		-				
Restore Park Well Field	175,000		175,000				
Paleo Ground Storage Tank Painting	70,000		70,000				
Dump Truck	185,000		185,000				
Structural Study	150,000		150,000				
Replace Distribution Piping & Valves	100,000		50,797			49,203	
Sewer Infiltration and Inflow Remediation	500,000					500,000	
Filter Replacement Project	3,150,800			3,150,800			
Mini Excavator w/Trailer	60,000		60,000				
Pipe Line Inspection Camera	65,000		65,000				
FO WS Share III Service Center - Garage 25%	630,000		630,000				
FO WS Share II Service Center - Admin 25%	500,000		500,000				
Transfer to Revolving Fund	740,000				740,000		
Water Sewer Capital Project Fund Total >>	6,550,800	0	2,110,797	3,150,800	740,000	549,203	0



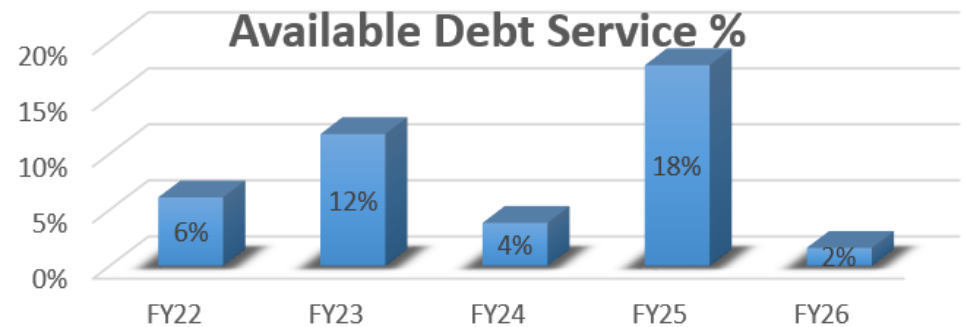
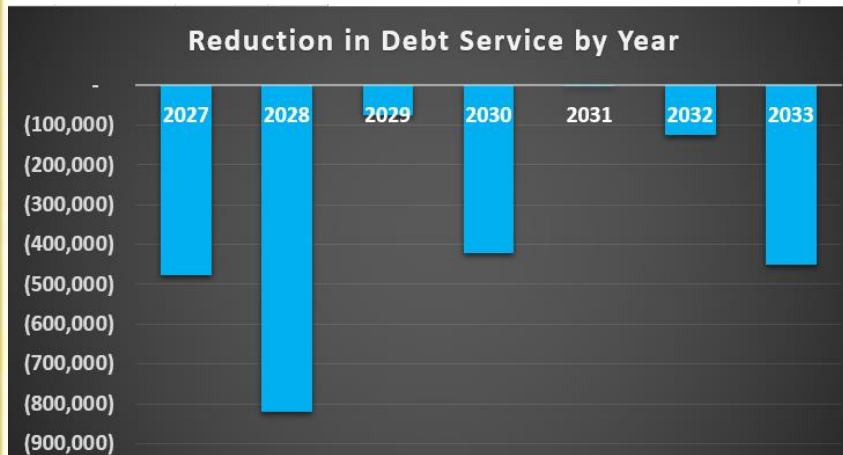
FY22 General Fund Debt Service

			20 Actual	21 Approved	Mayor	Increase (Decrease)
<u>Principal</u>						
70101	588111	Principal FY 11 Bonds	345,945	327,822	338,804	
70101	588114	Principal - 2011B 4828000	251,978	257,666	213,300	
70101	588117	Principal FY13 PIB 3178000	198,000	204,000	210,000	
70101	588122	Principal - 2016 GOB	360,062	367,917	375,938	
70101	588123	Principal - 2017 GOB	865,386	900,734	945,535	
70101	588124	Principal 2018	323,209	331,330	339,647	
70101	588131	Principal - Waverly WQ Inlets	4,621	4,667	4,714	
70101	588140	Principal 2019	-	487,600	515,200	
		Total Principal	2,349,201	2,881,736	2,943,138	61,402
<u>Interest</u>			-	-	-	
70101	588211	Interest 2011	90,359	79,555	68,389	
70101	588214	Interest 2011B 4828000	25,934	18,700	12,085	
70101	588217	Interest 2013	64,326	58,376	52,248	
70101	588222	Interest 2016 Bond	54,748	46,814	38,705	
70101	588223	Interest 2017 GOB	318,284	275,033	229,222	
70101	588224	Interest 2018 GOB	122,904	114,794	106,478	
70101	588231	Interest - Waverly WQ Inlets	567	521	474	
70101	588240	Interest 2020 GOB	160,521	391,920	366,850	
70101	588241	Interest 2022 GOB	-	-	519,694	
70101	588900	Bond Issuance Cost	160,859	-	-	
		Total Interest	998,503	985,713	1,394,145	408,432
		Total Debt Service	3,347,705	3,867,449	4,337,283	408,432
		General Fund Expenditures			45,958,146	
		General Capital Projects			5,506,576	
		Total General Expenditures			51,464,722	
		Debt Service / Total General Expenditures			8.4%	

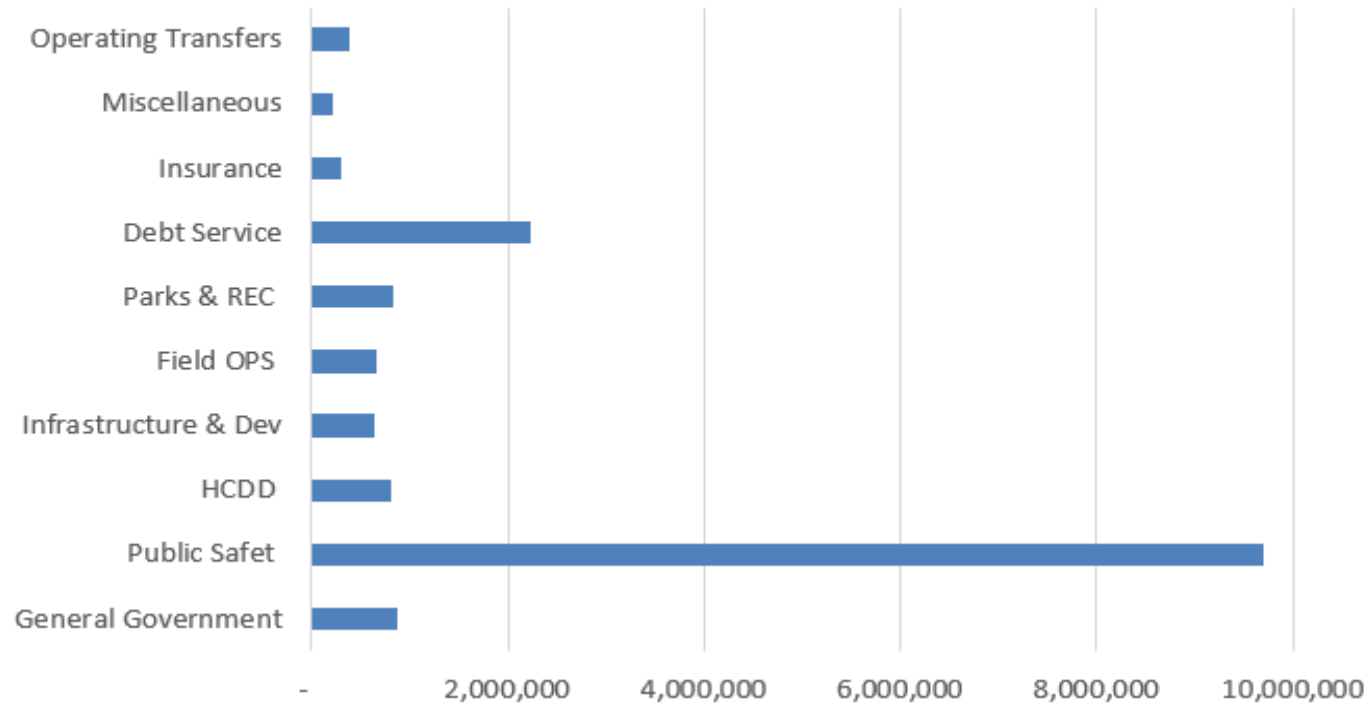


FY22 General Fund Debt Service

Project Description	FY22	FY23	FY24	FY25	FY26
Additional Debt Service - Prior year in this CIP		501,081	935,605	1,272,805	1,525,200
<i>Scheduled Debt Service - as of</i>	3,817,589	3,726,864	3,829,702	3,257,805	3,248,304
<i>Ending Debt Service</i>	4,318,670	4,662,469	5,102,507	4,783,005	5,256,083
Max Debt Service per Financial Policy 10% (see below)	4,600,000	5,284,332	5,306,468	5,826,244	5,342,033
Available Debt Service Amount	281,330	621,863	203,962	1,043,239	85,950
Available Debt Service Percentage	6%	12%	4%	18%	2%

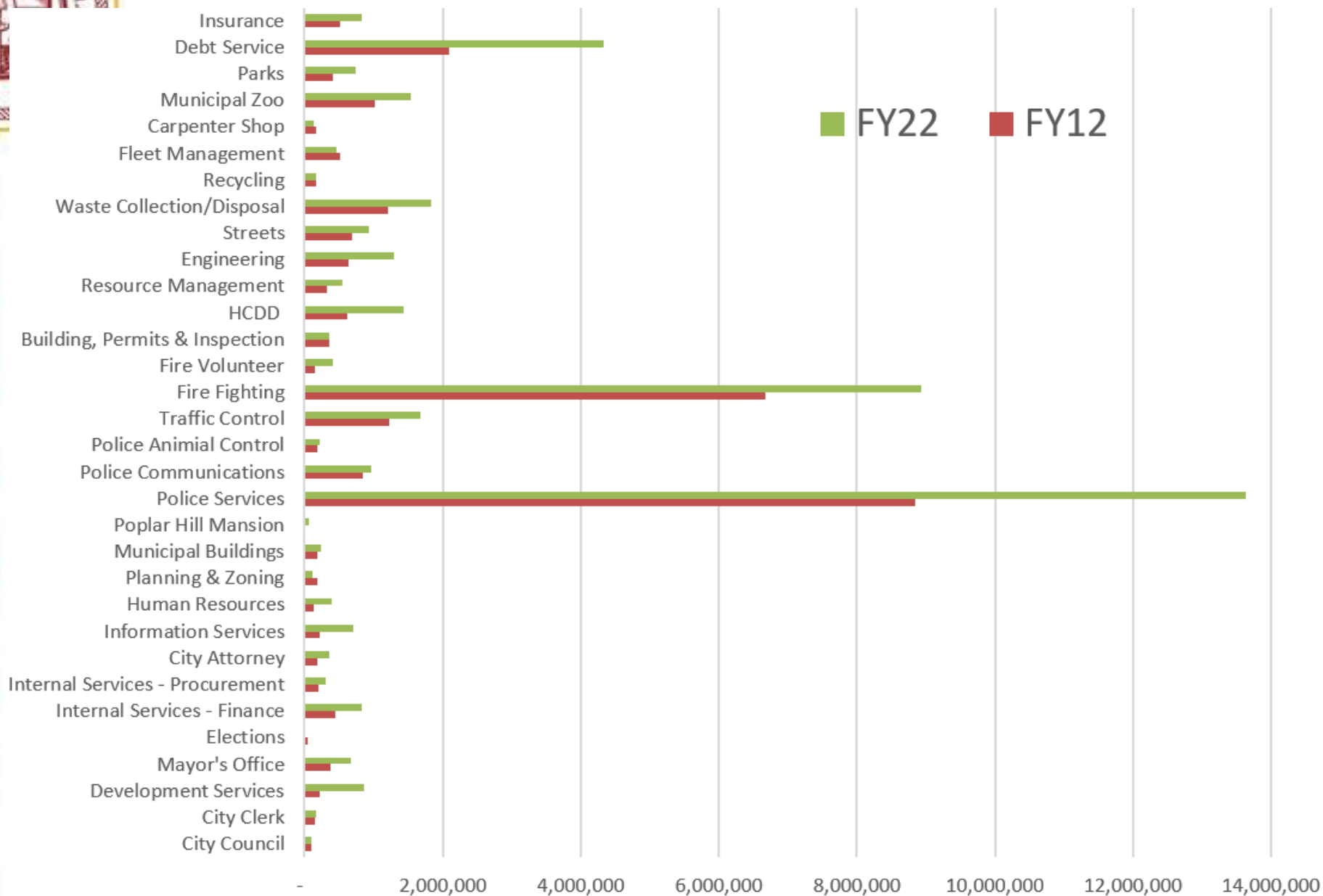


Increase FY22 vs FY12 by Function



	Increase	FY 12	FY 22
General Government	878,169	2,437,121	3,315,290
Public Safety	9,699,690	17,914,856	27,614,546
HCDD	811,266	622,568	1,433,834
Infrastructure & Dev	649,431	989,237	1,638,668
Field OPS	671,074	3,047,975	3,719,049
Parks & REC	838,267	1,436,425	2,274,692
Debt Service	2,238,667	2,098,616	4,337,283
Insurance	307,620	510,000	817,620
Miscellaneous	211,400	35,600	247,000
Operating Transfers	383,941	176,223	560,164
	16,689,525		

The Tax Levy in FY12 was \$ 20.4M vs. \$ 27.7M in FY22 or an increase of **\$ 7.3M**. This tax revenue increase pales in comparison to the **\$ 16.6** increase in costs during that period. Public Safety alone has increased by **\$ 9.7M** and that does not include the safer grant and a \$1.4M ladder truck included FY22.





DEPARTMENT/DIVISION	FY12	FY22	+ -	
City Council	87,793	89,841	2,048	2%
City Clerk	151,913	171,391	19,478	13%
Development Services	216,500	854,373	637,873	295%
Mayor's Office	377,757	676,934	299,177	79%
Elections	48,878	-	-48,878	-100%
Finance	438,796	826,559	387,763	88%
Procurement	205,541	298,503	92,962	45%
City Attorney	185,000	360,000	175,000	95%
Information Services	221,356	695,709	474,353	214%
Human Resources	131,249	384,911	253,662	193%
Planning & Zoning	177,493	105,221	-72,272	-41%
Municipal Buildings	177,500	229,832	52,332	29%
Poplar Hill Mansion	17,345	55,850	38,505	222%
Police Services	8,838,580	13,631,565	4,792,985	54%
Police Communications	845,665	972,134	126,469	15%
Police Animal Control	187,163	217,117	29,954	16%
Traffic Control	1,229,190	1,682,143	452,953	37%
Fire Fighting	6,674,133	8,924,961	2,250,828	34%
Fire Volunteer	140,125	401,733	261,608	187%
Building, Permits	356,704	351,059	-5,645	-2%
HCDD	622,568	1,433,834	811,266	130%
Resource Management	323,794	551,309	227,515	70%
Engineering	632,533	1,287,609	655,076	104%
Streets	684,299	928,921	244,622	36%
Waste Collection/Disposal	1,211,705	1,829,763	618,058	51%
Recycling	158,278	165,566	7,288	5%
Fleet Management	507,323	462,446	-44,877	-9%
Carpenter Shop	162,576	132,103	-30,473	-19%
Municipal Zoo	1,020,964	1,535,685	514,721	50%
Parks	415,461	739,007	323,546	78%
Debt Service	2,098,616	4,337,283	2,238,667	107%
Insurance	510,000	817,620	307,620	60%
Miscellaneous	35,600	247,000	211,400	594%
Operating Transfers	176,223	560,164	383,941	218%
	29,268,621	45,958,146	16,689,525	57%



FY22 Water Sewer Impact and Revolving Funds

	Water Sewer Impact and Revolving Funds			
	<i>Capacity</i>	<i>Capacity</i>	<i>Maintenance</i>	
Description	Water Impact	Sewer Impact	W S Revolving	Total
	<i>10800</i>	<i>10900</i>	<i>60200</i>	
Checking	378,000	1,565,000	510,000	2,453,000
PNC Investment	313,500	275,000	853,000	1,441,500
Total as of 3/21/21	691,500	1,840,000	1,363,000	3,894,500
<i>Transfer</i>		<i>(740,000)</i>	<i>740,000</i>	-
Min	(500,000)	(500,000)	(1,500,000)	(2,500,000)
Actual Over (Under) Min	191,500	600,000	603,000	1,394,500

FY22 Water Sewer Rates



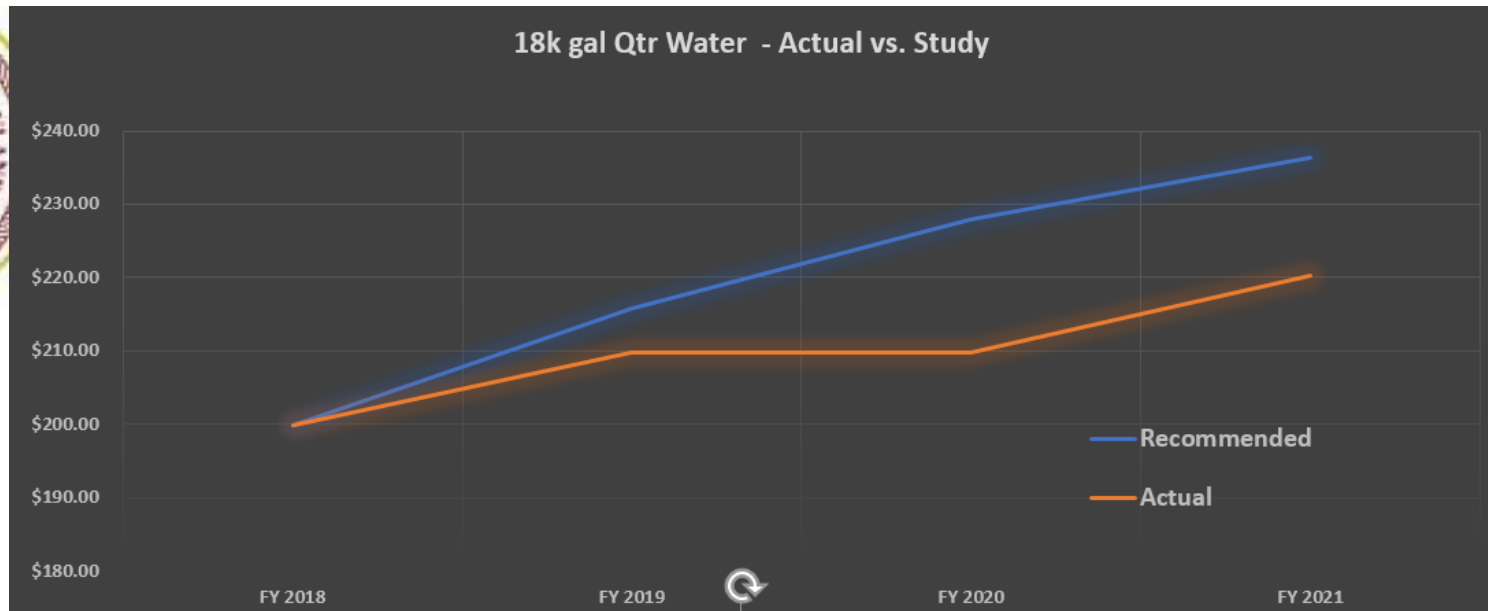
The W S Fund Debt Service spikes in FY26 to \$7M from approximately \$5M. This is due to overlap of the original funding for the WWTP and the new loan for the required updates. The increase over the 3 year period (FY26-Fy28) is \$5M.

We plan to cover this increase by increasing rates 6% starting in FY22. This will allow us to absorb the increase over 7 years (\$5M/7 yrs = 715k).

Debt Service Analysis WS Fund



FY22 Water Sewer Rates



	FY18	FY19	FY20	FY21	FY22	
Recommended by Study:						
Water	57	62	66	70	72	
Sewer	142	154	161	166	170	
Total Bill	200	216	228	236	242	
Change		16	12	8	6	
		8.0%	5.6%	3.7%	2.5%	19.8%
Actual Rates						
Water	57	60	60	60	64	
Sewer	142	149	149	149	158	
Total Bill	200	210	210	210	222	
Change		10	-	-	13	
		5.0%	0.0%	0.0%	6.0%	11.0%
Actual vs. Study		\$(6.03)	\$(18.09)	\$(26.55)	\$(19.87)	

The study purchased by the City recommended a 19.8% increase over the 4 year period FY19-22.

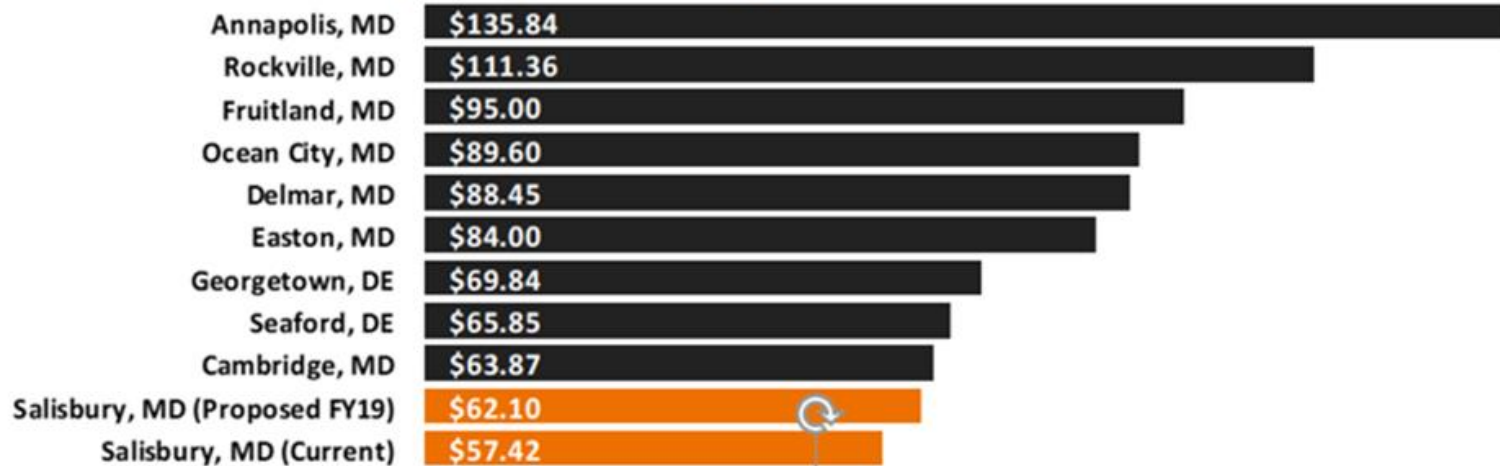
The City thus far has actually increase rates by 5% only in FY19. The proposed budgeted includes a 6% increase for a total of 11%. This is a difference of 8.8%.

FY22 Water Sewer Rates

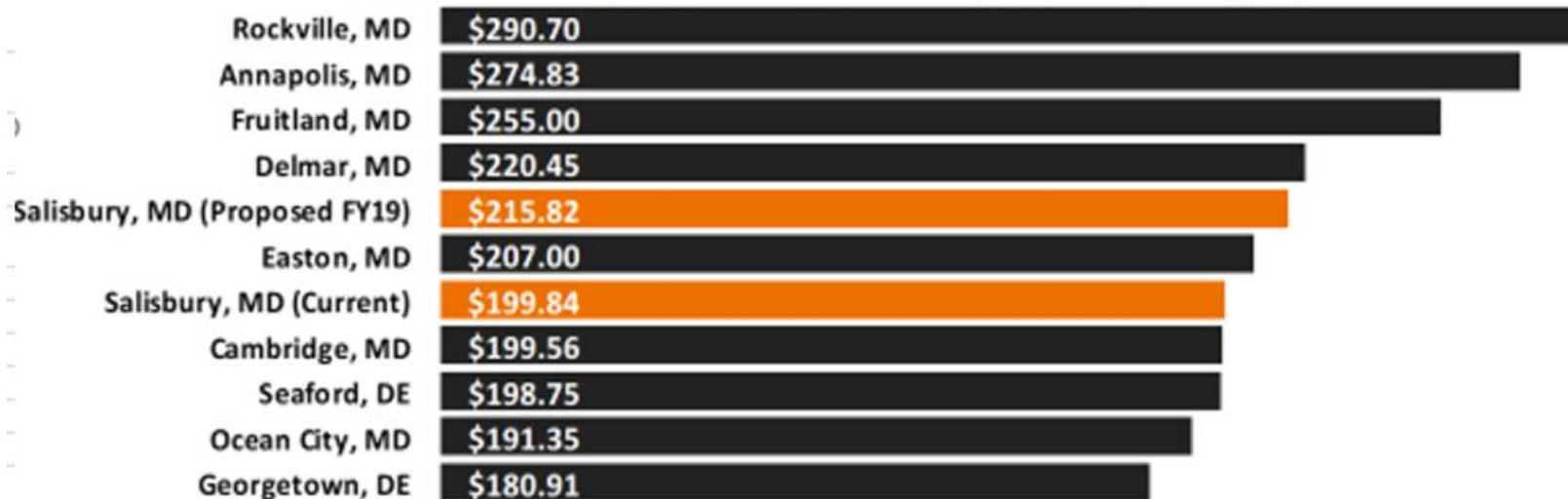


Quarterly Residential 5/8" Water Bill at 18,000 Gallons

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



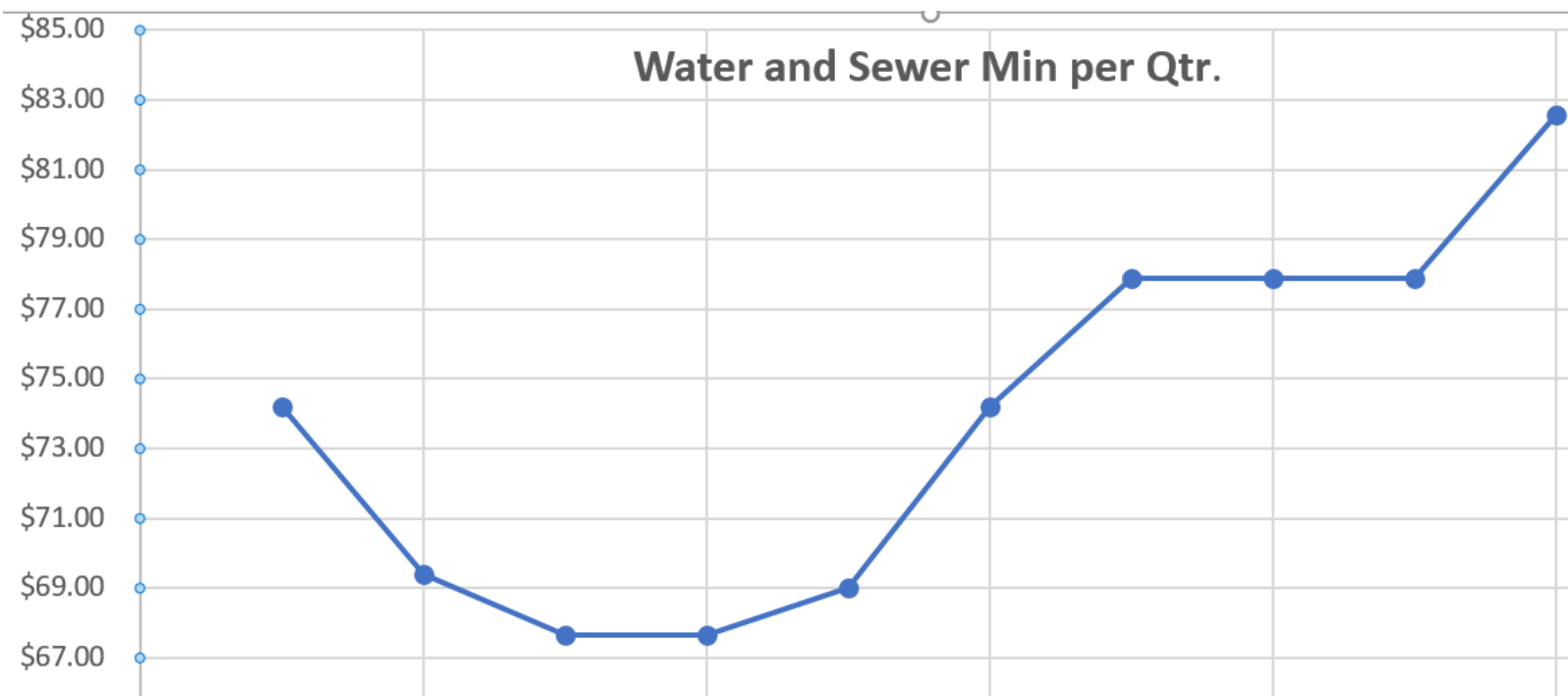
Combined Quarterly Residential Water & Sewer Bill at 18,000 Gallons



FY22 Water Sewer Rates



FY	Rate Action	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	\$ -
2021	NO CHANGES	0.0%	5.5%	-5.5%	\$ 22.45	\$ -	\$ 55.45	\$ -	\$ 77.90	\$ -
2022	NO CHANGES	6.0%	3.0%	3.0%	\$ 23.80	\$ 1.35	\$ 58.78	\$ 3.33	\$ 82.57	\$ 4.67
10 Year Cumulative Qtr >>				-12.5%		\$ 2.41		\$ 5.95		\$ 8.35
%						11.3%		11.3%		11.3%
									Av % Yr	1.13%
									Av \$ Yr	\$ 0.84





Takeaways...Strengths

- Financial Position

Presently the City enjoys a strong Financial Position. This status is based on the financial data as of the FY20 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 FY22 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

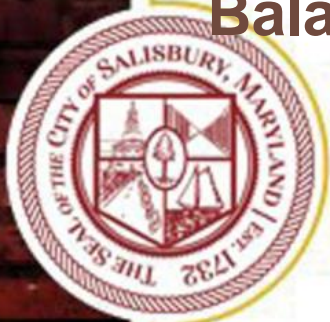




City of
Salisbury

Financial Overview

Presented April 2021



Balance Sheet – Governmental Funds

FY20

Cash \$10.7M vs \$10.9M

FY19

	General Fund
ASSETS	
Cash	\$ 2,028,504
Investment pool	8,663,398
Taxes receivable	2,630,727
Less allowance for uncollectibles	(1,062,468)
Due from other governmental units	518,488
Due from other funds	1,166,727
Sundry accounts receivable	4,415,449
Less allowance for uncollectibles	(2,536,977)
Inventory	871,433
Other assets	21,306
Restricted cash	207,214
Restricted investment pool	559,765
TOTAL ASSETS	\$ 17,483,566

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 1,673,534
Due to other funds	-
Unearned revenue	-
Deposits and advance payment of taxes	88,100
Compensated absences	211,668
Total Liabilities	1,973,302

Deferred Inflows of Resources	
Unavailable revenue	1,699,036
Total Deferred Inflows of Resources	1,699,036

Fund Balances:	
Nonspendable	892,739
Restricted	-
Committed	2,202,194
Assigned	1,020,426
Unassigned	9,695,869
Total Fund Balances	13,811,228

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 17,483,566
--	----------------------

	General Fund
ASSETS	
Cash	\$ 3,689,328
Investment pool	7,227,413
Taxes receivable	2,275,060
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	2,035,734

Deferred inflows of resources:	
Unavailable revenue	1,535,485
Total deferred inflows of resources	1,535,485

Unassigned FB \$9.7M vs \$9.8M	
Committed	1,795,554
Assigned	537,230
Unassigned	9,802,908
Total fund balances	12,930,154

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 16,501,373
--	----------------------

REVENUES OVER (UNDER) EXPENDITURES

\$ 881,074

- Revenues exceeded expenditures during FY20 by \$ 881,074
- Total Fund Balance is increased by the same amount.

	General Fund
REVENUES	
Taxes	\$ 29,551,379
Other revenue	3,941,081
Intergovernmental revenues	2,981,412
Charges for services	5,073,701
TOTAL REVENUES	<u>41,547,573</u>
EXPENDITURES	
Current:	
General government	4,057,856
Public safety	23,677,757
Public works	4,461,287
Recreation and culture	2,075,796
Nondepartmental	894,434
Capital outlays	1,927,194
Debt service:	
Principal	1,048,075
Interest	3,153,441
TOTAL EXPENDITURES	<u>41,295,840</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>251,733</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in (out)	(580,702)
Proceeds from bond issuance	1,151,167
Proceeds from sale of capital assets	58,876
TOTAL OTHER FINANCING SOURCES (USES)	<u>629,341</u>
NET CHANGE IN FUND BALANCES	881,074

ORIGINAL BUDGET VS. FINAL BUDGET

FY20 original Budget includes a use of surplus of \$1.6M. At then end of the year the budgeted use of surplus increased to \$4.2M due to Encumbrance Carryforward from the prior year of \$1.2M and ordinances passed during the year of 1.4M.

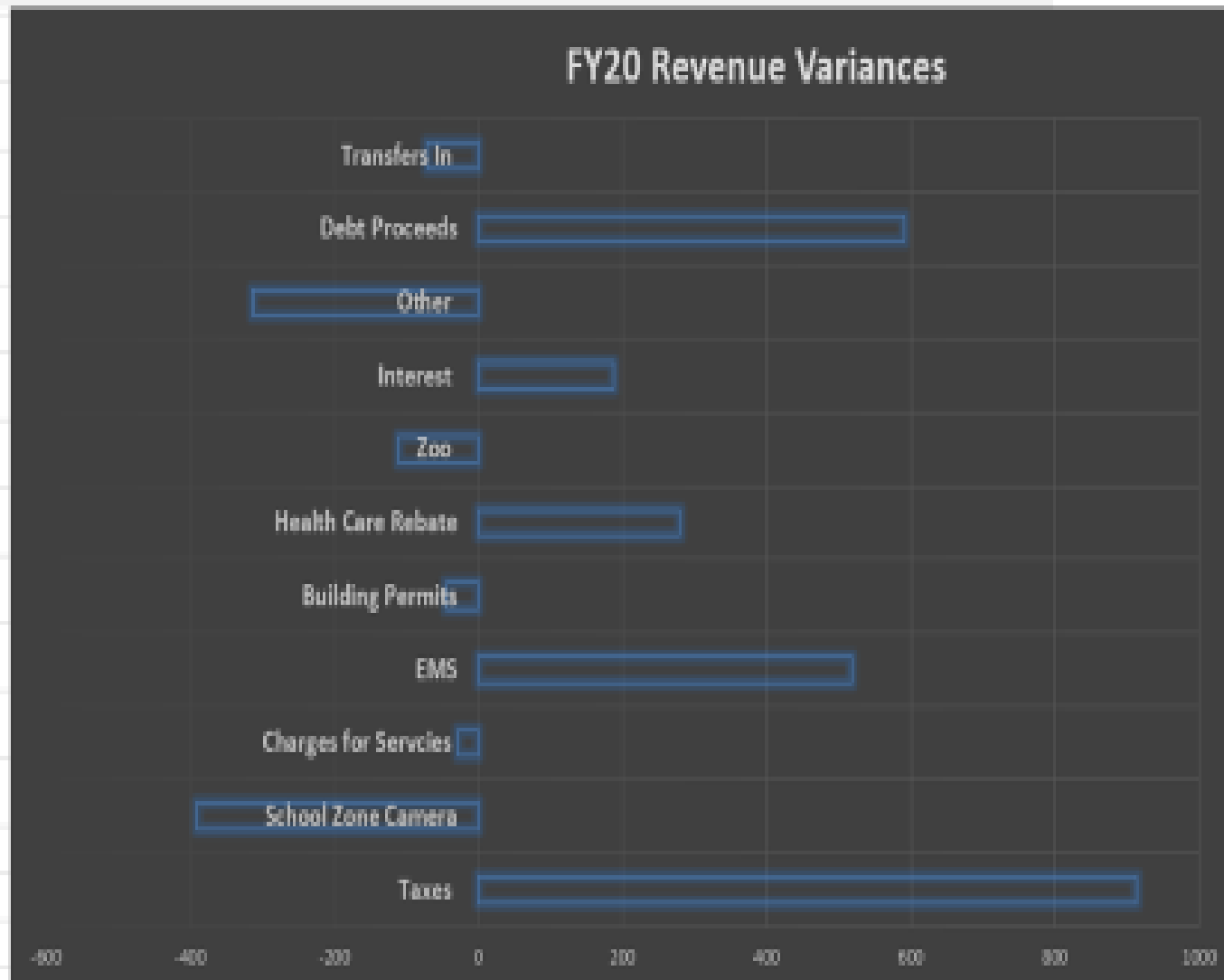
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Use of Surplus							
Use of Surplus per Original Budget	(2,084)	(1,635)	(2,592)	(2,564)	(2,192)	(1,783)	(1,647)
Encumbrances from Prev Year	(1,570)	(1,481)	(946)	(2,156)	(3,011)	(848)	(1,212)
Ordinances		(351)	(325)	(1,097)	(243)	(766)	(1,409)
Grant Adj	(255)						
Final Budget	(3,909)	(3,467)	(3,863)	(5,817)	(5,446)	(3,397)	(4,268)

Stipend Front Line	151	
Breathing Apparatus	740	
Community Center PayG	150	
	1041	

REVENUE VARIANCES

FY20 Actual Revenues exceeded budget by \$1.5M

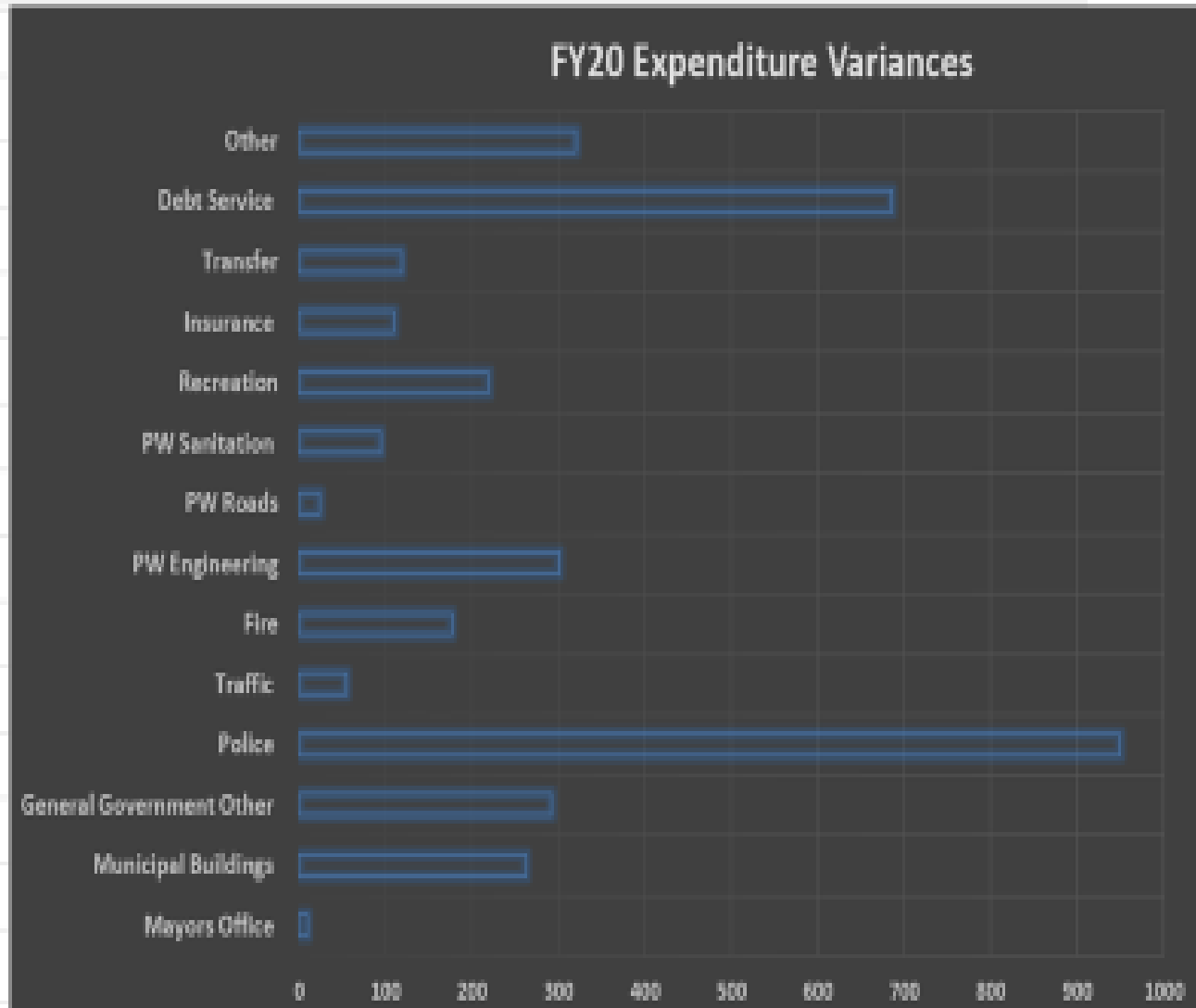
Taxes	913
School Zone Camera	-391
Charges for Services	-28
EMS	518
Building Permits	-45
Health Care Rebate	280
Zoo	-111
Interest	188
Other	-313
Debt Proceeds	591
Transfers In	-71
Total	1531



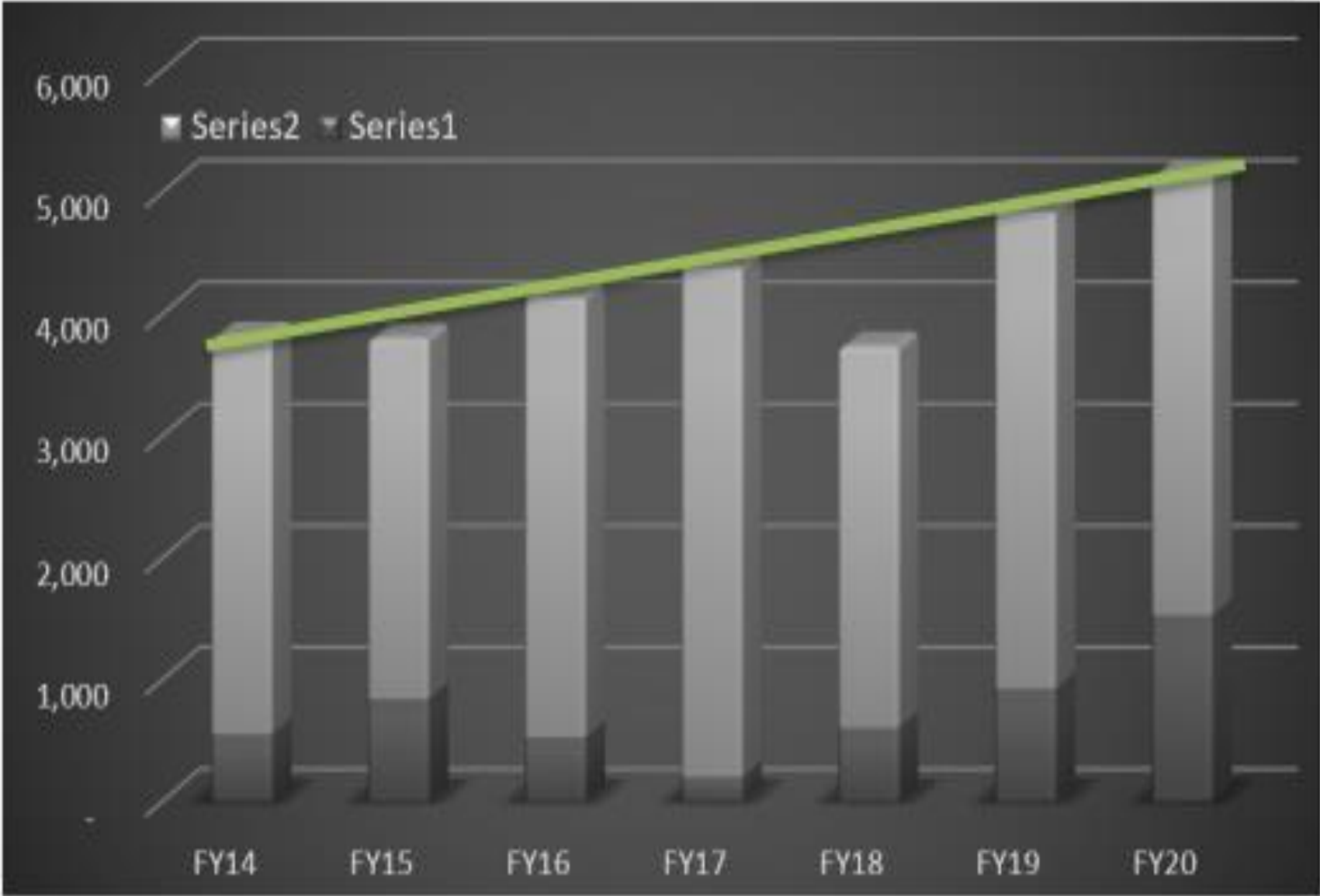
EXPENDITURE VARIANCES

FY20 Expenditures were under budget by \$3.6M

Mayors Office	10
Municipal Buildings	263
General Government	292
Police	949
Traffic	55
Fire	176
PW Engineering	301
PW Roads	24
PW Sanitation	94
Recreation	219
Insurance	110
Transfer	119
Debt Service	686
Other	320
Total	3618



REVENUE & EXPENDITURE VARIANCES



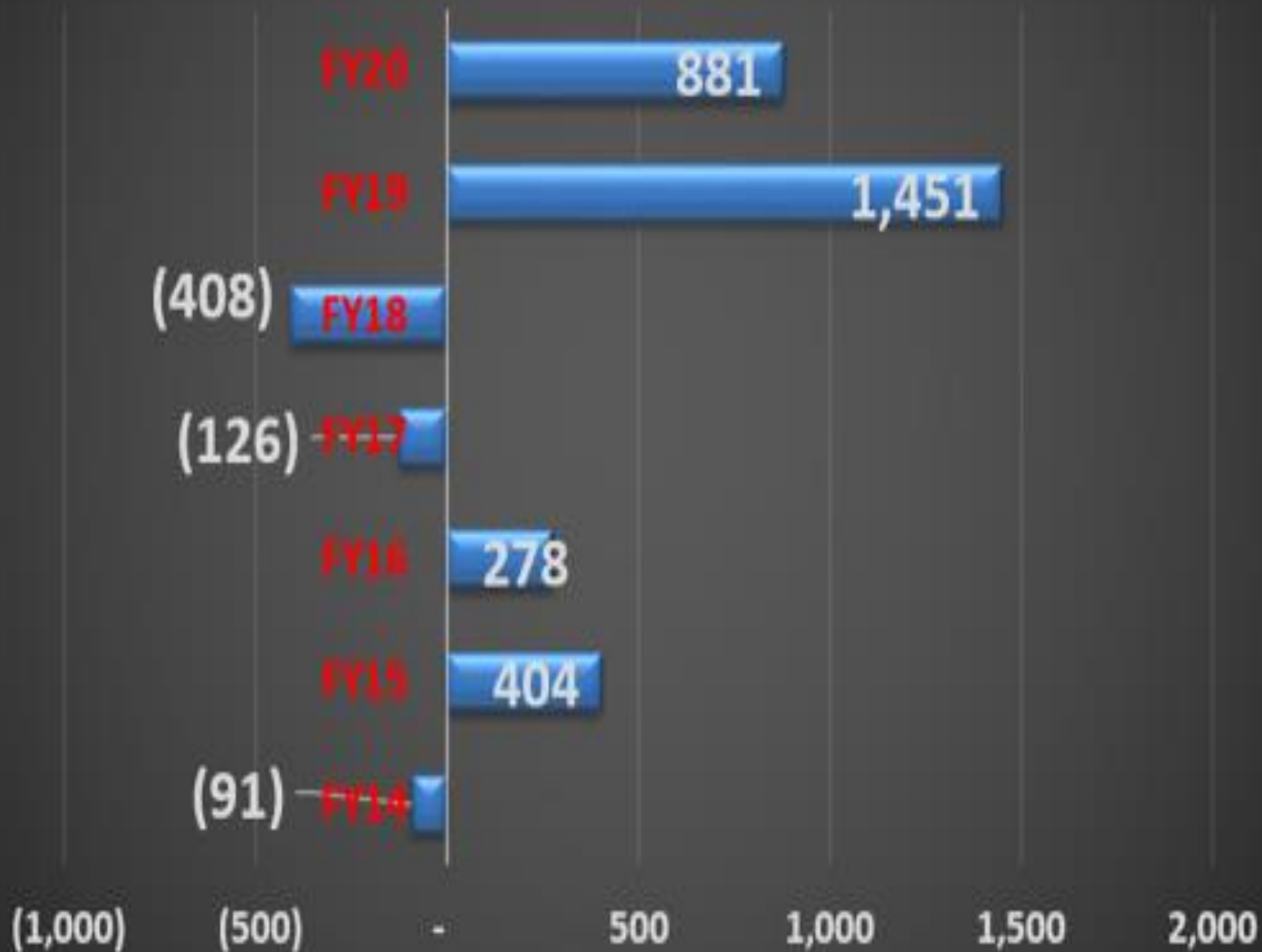
REVENUES OVER (UNDER) EXPENDITURES

\$ 881,074

- Revenues exceeded expenditures during FY20 by \$881,074
- Total Fund Balance is increased by the same amount.

	Revenues Over (under)
Original Budget	(1,647)
Ordinances	(1,409)
Encumbrance Cfw'd	(1,212)
Revised Budget	(4,268)
Variances:	
Revenues	1,531
Expenditures	3,618
Total	5,149
FY20 Total	881

Change in Fund Balance



Avg. \$ 341k
per year or
.76% of \$ 45M



Water Sewer Fund Statement of Net Position

		Business-type Activities	
	FY19	FY20	Increase (Decrease)
ASSETS			
Current assets:			
Cash	\$ 3,288,184	\$ 4,096,055	\$ 807,871
Investment pool	3,868,294	3,173,789	(694,505)
Accounts Receivable	2,555,583	2,879,986	324,403
Less allowance for uncollectible	-	-	-
Due from other governmental units	2,971,480	986,298	(1,985,182)
Inventory	368,173	404,063	35,890
Total current assets	13,051,714	11,540,191	(1,511,523)
Noncurrent assets:			-
Restricted cash	3,489,914	-	(3,489,914)
Restricted investment pool	14,436,449	15,461,737	1,025,288
Construction-in-progress	4,441,932	3,767,459	(674,473)
Land	301,703	301,703	-
Buildings, equipment, and improvements	163,992,557	167,771,600	3,779,043
Less accumulated depreciation	(38,518,030)	(43,152,909)	(4,634,879)
Total noncurrent assets	148,144,525	144,149,590	(3,994,935)
Total assets	161,196,239	155,689,781	(5,506,458)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions & outflows	788,799	667,484	(121,315)
Deferred outflows OPEB	390,043	658,780	268,737
Total deferred outflows of resources	1,178,842	1,326,264	147,422
Total assets and deferred outflows of resources	\$162,375,081	\$157,016,045	\$ (5,359,036)



Water Sewer Fund Statement of Net Position

	FY19	FY20	Increase (Decrease)
LIABILITIES			-
Current liabilities:			-
Accounts payable and accrued expenses	4,096,055	2,082,600	(2,013,455)
Accrued payroll	90,625	128,890	38,265
Accrued interest payable	153,433	136,077	(17,356)
Unavailable revenue	301,555	111,953	(189,602)
Bonds, notes and capital leases payable	4,310,639	4,405,636	94,997
Compensated absences	23,495	26,733	3,238
Total current liabilities	8,975,802	6,891,889	(2,083,913)
Noncurrent liabilities:			-
Bonds, notes and capital leases payable	69,645,290	65,374,211	(4,271,079)
Post-employment benefits	4,436,909	5,021,074	584,165
Net Pension Liability	3,702,309	3,953,875	251,566
Compensated absences	211,453	240,601	29,148
Total noncurrent liabilities	77,995,961	74,589,761	(3,406,200)
Total liabilities	86,971,763	81,481,650	(5,490,113)
			-
DEFERRED INFLOWS OF RESOURCES			-
Deferred inflows pension	484,729	377,008	(107,721)
Deferred inflows - OPEB	46,183	38,938	(7,245)
Total deferred inflows of resources	530,912	415,946	(114,966)
Total liabilities and deferred inflows of resources	87,502,675	81,897,596	(5,605,079)
			-
NET POSITION			-
Net investment in capital assets	56,262,233	58,908,006	2,645,773
Restricted for:	17,926,363	15,461,737	(2,464,626)
Unrestricted	683,810	748,706	64,896
Total net position	\$ 74,872,406	\$ 75,118,449	\$ 246,043



Statement of Revenues Expenses and Changes in Net Position

Water Sewer Fund

	<u>FY 18</u>	<u>Change</u>	<u>FY 19</u>	<u>Change</u>	<u>FY 20</u>
OPERATING REVENUES					
Charges for services	\$ 14,910,502	\$ 1,081,141	\$ 15,991,643	\$ (318,365)	\$ 15,673,278
Penalties	82,399	(6,625)	75,774	(26,994)	48,780
Tapping charges and connection fees	258,518	(244,998)	13,520	242,272	255,792
Sundry income	298,835	(86,820)	212,015	(41,337)	170,678
Pretreatment monitoring fee	228,094	(47,799)	180,295	1,686	181,981
Impact Fees	192,809	547,598	740,407	(527,979)	212,428
TOTAL OPERATING REVENUES	15,971,157	1,242,497	17,213,654	(670,717)	16,542,937
OPERATING EXPENSES					
Salaries	3,780,304	341,192	4,121,496	62,844	4,184,340
Personnel benefits	1,770,160	(38,476)	1,731,684	443,350	2,175,034
Professional and skilled services	1,120,036	(47,699)	1,072,337	(309,798)	762,539
Other operating expenses	4,171,624	666,041	4,837,665	70,230	4,907,895
Equipment	7,132	23,558	30,690	30,894	60,784
TOTAL OPERATING EXPENSES	10,849,256	944,616	11,793,872	296,720	12,090,592
Operating income (loss) before depreciation	5,121,901	297,881	5,419,782	(967,437)	4,452,345
Depreciation	2,441,560	2,145,656	4,587,216	47,663	4,634,879
NET OPERATING INCOME (LOSS)	2,680,341	(1,847,775)	832,566	(1,015,100)	(182,534)
NON-OPERATING REVENUES (EXPENSES)					
Grants	6,487,003	(6,227,771)	259,232	195,202	454,434
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Interest income	267,368	188,830	456,198	(112,374)	343,824
Interest expense	(714,303)	64,540	(649,763)	70,125	(579,638)
TOTAL NONOPERATING REVENUES	6,040,068	(5,974,401)	65,667	152,953	218,620
CHANGE IN NET ASSETS	8,720,409	(7,822,176)	898,233	(862,147)	36,086
NET ASSETS (DEFICIT), BEGINNING OF YEAR	65,463,721	8,720,409	74,184,130	898,233	75,082,363
NET ASSETS (DEFICIT), END OF YEAR	\$ 74,184,130	898,233	\$ 75,082,363	36,086	\$ 75,118,449



Statement of Net Position Governmental

	<u>FY18</u>	<u>Change</u>	<u>FY19</u>	<u>Change</u>	<u>FY20</u>
ASSETS					
Current assets:					
Cash and Investment Pool	\$ 10,648,466	932,991	11,581,457	(525,183)	11,056,274
Taxes receivable net	1,365,968	(81,384)	1,284,584	283,675	1,568,259
Accounts receivable, net	1,817,129	(4,044)	1,813,085	296,900	2,109,985
Due from other governmental units	975,135	311,837	1,286,972	944,719	2,231,691
Due from other funds	314,154	(85,000)	229,154	20,499	249,653
Inventories	776,249	18,213	794,462	76,971	871,433
Other assets	2,258	2,975	5,233	16,073	21,306
Total current assets	15,899,359	1,095,588	16,994,947	1,113,654	18,108,601
Noncurrent assets:					
Restricted cash	8,726,118	(3,106,920)	5,619,198	6,664,760	12,283,958
Construction -in-progress	7,691,839	1,790,240	9,482,079	5,872,033	15,354,112
Land and art	8,441,682	153,053	8,594,735	81,403	8,676,138
Capital assets at cost	67,695,795	2,793,018	70,488,813	2,213,315	72,702,128
Less accumulated depreciation	(29,209,322)	(2,891,469)	(32,100,791)	(3,057,716)	(35,158,507)
Total noncurrent assets	63,346,112	(1,262,078)	62,084,034	11,773,795	73,857,829
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	7,917,346	(1,488,867)	6,428,479	(832,323)	5,596,156
Deferred outflow - pensions	133,755	1,426,414	1,560,169	1,074,946	2,635,115
Total deferred outflows of resources	8,051,101	(62,453)	7,988,648	242,623	8,231,271
Total assets and deferred outflows	87,296,572	(228,943)	87,067,629	13,130,072	100,197,701



Statement of Net Position Governmental

	<u>FY18</u>	<u>Change</u>	<u>FY19</u>	<u>Change</u>	<u>FY20</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	3,100,889	(1,500,163)	1,600,726	1,396,410	2,997,136
Unearned revenue	363,827	25,973	389,800	79,413	469,213
Due to other governmental units		-		-	
Deposits and advance payments of taxes	109,132	(37,153)	71,979	103,544	175,523
Compensated absences	174,807	7,507	182,314	29,354	211,668
Accrued interest payable	132,181	(12,748)	119,433	144,914	264,347
Bonds, notes & cap leases (short term)	2,962,691	231,755	3,194,446	452,085	3,687,129
Total current liabilities	6,843,527	(1,284,829)	5,558,698	2,246,318	7,805,016
Noncurrent liabilities:					
Compensated absences	1,573,267	67,557	1,640,824	264,191	1,905,015
Post-employment health benefits	15,408,160	2,339,478	17,747,638	2,336,657	20,084,295
Net Pension Liability	28,707,308	940,698	29,648,006	527,488	30,175,494
Bonds, notes, and capital leases payable	24,397,240	(2,458,624)	21,938,616	8,353,357	30,291,973
Total noncurrent liabilities	70,085,975	889,109	70,975,084	11,481,693	82,456,777
Total liabilities	76,929,502	(395,720)	76,533,782	13,728,011	90,261,793
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	3,941,470	(348,401)	3,593,069	(99,796)	3,493,273
Deferred inflows - OPEB	133,072	51,662	184,734	(28,979)	155,755
Total deferred inflows of resources	4,074,542	(296,739)	3,777,803	(128,775)	3,649,028
Total liabilities and deferred inflows	81,004,044	(692,459)	80,311,585	13,599,236	93,910,821
NET POSITION					
Net investment in capital assets	27,260,063	4,071,712	31,331,775	(3,737,006)	27,594,769
Restricted for:	8,726,118	(3,106,919)	5,619,199	8,004,759	12,283,958
Unrestricted	(29,693,653)	(501,277)	(30,194,930)	(3,396,917)	(33,591,847)
Total net position	\$ 6,292,528	463,516	\$ 6,756,044	(405,164)	\$ 6,286,880

Statement of Net Position Total



	<u>FY18</u>	<u>Change</u>	<u>FY19</u>	<u>Change</u>	<u>FY20</u>
ASSETS					
Current assets:					
Cash and Investment Pool	\$ 18,294,644	812,401	\$ 19,107,045	(219,248)	\$ 18,887,797
Taxes receivable net	1,365,968	(81,384)	1,284,584	285,075	1,568,259
Accounts receivable, net	4,524,770	(24,715)	4,500,055	621,490	5,121,545
Due from other governmental units	4,924,914	(666,462)	4,258,452	(1,040,463)	3,217,989
Inventories	1,150,487	12,148	1,162,635	92,314	1,254,949
Other assets	12,116	(6,883)	5,233	36,620	41,853
Total current assets	30,272,899	45,105	30,318,004	(225,612)	30,092,392
Noncurrent assets:					
Restricted cash	28,481,619	(4,318,365)	24,163,254	4,855,844	29,019,098
Construction -in-progress	38,663,938	(24,470,103)	14,193,835	5,410,386	19,604,221
Land and art	10,648,047	145,191	10,793,238	81,403	10,874,641
Capital assets at cost	208,199,433	35,024,532	243,223,965	6,030,228	249,254,193
Less accumulated depreciation	(68,827,207)	(7,702,065)	(76,529,272)	(7,924,466)	(84,453,738)
Total noncurrent assets	217,165,830	(1,320,810)	215,845,020	8,453,395	224,298,415
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	8,901,801	(1,642,795)	7,259,006	(960,055)	6,298,951
Deferred outflow - pensions	167,194	1,783,018	1,950,212	1,343,683	3,293,895
Total deferred outflows of resources	9,068,995	140,223	9,209,218	383,628	9,592,846
Total assets and deferred outflows	256,507,724	(1,135,482)	255,372,242	8,611,411	263,983,653

Statement of Net Position Total



☐ OPEB Liability

- FY16 \$ 21.3M
- FY17 \$ 22.2M
- FY18 \$ 19.2M
- FY19 \$ 22.2M
- FY20 \$ 25.1M

☐ 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 \$ 33M
- FY20 \$ 34M

	<u>FY18</u>	<u>Change</u>	<u>FY19</u>	<u>Change</u>	<u>FY20</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	6,899,638	(1,171,496)	5,728,142	(361,871)	5,366,271
Unearned revenue	1,132,727	(441,372)	691,355	(110,189)	581,166
Due to other governmental units	-	-	-	-	-
Deferred advance payments of taxes	123,043	(39,185)	83,858	105,973	189,831
Accrued absences	195,933	9,876	205,809	32,592	238,401
Interest payable	303,565	(29,556)	274,009	142,345	416,354
Leases & cap leases (short term)	7,363,137	321,891	7,685,028	657,350	8,342,378
Current liabilities	16,018,043	(1,349,842)	14,668,201	466,200	15,134,401
Long-term liabilities:					
Accrued absences	1,763,400	88,877	1,852,277	293,339	2,145,616
Payment health benefits	19,260,200	2,924,347	22,184,547	2,920,822	25,105,369
Pension Liability	32,408,809	1,137,359	33,546,168	792,361	34,338,529
Leases, and capital leases payable	98,639,841	(4,825,226)	93,814,615	4,933,354	98,747,969
Current liabilities	152,072,250	(674,643)	151,397,607	8,939,876	160,337,483
Long-term liabilities	168,090,293	(2,024,485)	166,065,808	9,406,076	175,471,884
FLOWS OF RESOURCES					
Flows - pensions	4,495,488	(392,048)	4,103,440	(213,215)	3,890,225
Flows - OPEB	166,340	64,577	230,917	(36,224)	194,693
Deferred inflows of resources	4,661,828	(327,471)	4,334,357	(249,439)	4,084,918
Grants and deferred inflows	172,752,121	(2,351,956)	170,400,165	9,156,637	179,556,802
Net Position					
Investment in capital assets	82,681,233	7,500,891	90,182,124	(1,993,154)	88,188,970
Restricted for:	28,481,619	(4,318,364)	24,163,255	4,855,843	29,019,098
Unrestricted	(27,407,249)	(1,966,053)	(29,373,302)	(3,407,915)	(32,781,217)
Total net position	\$ 83,755,603	1,216,474	\$ 84,972,077	(545,226)	\$ 84,426,851



Questions



4% Cola	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Cadet/Blue Shirt	45,959.68	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
Police Officer 1st Class	51,399.92	52,562.48	53,794.00	55,032.64	56,268.16	57,533.84
Senior Police Officer	52,886.08	54,102.88	55,348.80	56,621.76	57,919.68	59,259.20
Master Police Officer	54,326.96	55,670.16	56,951.44	58,261.84	59,603.44	60,975.20
Corporal	61,195.68	62,604.88	64,045.28	65,520	67,028	68,536
Senior Corporal	63,031.28	64,482.08	65,966.16	67,485.60	69,039.36	70,592.08
Sergeant	64,922.00	66,416.48	67,945.28	69,510.48	71,111.04	73,845.20
Lieutenant	70,896.80	72,527.52	74,197.76	75,905.44	77,652.64	79,440.40
Captain	78,736.32	80,548.00	82,402.32	84,255.60	86,239.92	88,224.24
Major	85,863.44	87,839.44	89,861.20	91,882.96	94,046.16	96,210.40
Colonel	93,264.08	95,410.64	97,607.12	99,802.56	103,151.92	104,503.36
Chief of Police	98,927.92	101,205.52	103,535.12	105,917.76	108,300.40	110,850.48

2.25% Cola	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Cadet/Blue Shirt	45,186					
Police Officer	45,960	46,994	48,305	49,392	50,504	51,640
Police Officer 1st Class	50,562	51,725	52,916	54,104	55,321	56,566
Senior Police Officer	52,022	53,220	54,444	55,697	56,980	58,262
Master Police Officer	53,529	54,761	56,021	57,311	58,630	59,979
Corporal	60,197	61,582	63,000	64,450	65,900	67,383
Senior Corporal	62,002	63,429	64,890	66,384	67,877	69,404
Sergeant	63,862	65,332	66,837	68,376	71,005	72,603
Lieutenant	69,738	71,344	72,986	74,666	76,385	78,103
Captain	77,450	79,233	81,015	82,923	84,831	86,784
Major	84,461	86,405	88,349	90,429	92,510	94,640
Colonel	91,741	93,853	95,964	98,223	100,484	102,797
Chief of Police	97,313	99,553	101,844	104,135	106,587	109,041

Current scale

G	Gr	Marketing for FY1	Step 1	Step 2	Step 3	Step 4
1	1	Blue Shirt	44,192	44,192	44,192	44,192
2	2	Police Officer	44,192	46,203	47,243	48,305
3	3	Police Officer 1st	49,423	50,562	51,725	52,916
4	4	Senior Police Off	50,852	52,022	53,220	54,444
5	5	Master Police Of	52,324	53,529	54,761	56,021
6	6	Corporal (Second	58,842	60,197	61,582	63,000
7	7	Senior Corporal (60,607	62,002	63,429	64,890
8	8	Sergeant (Squad	62,425	63,862	65,332	66,837
9	9	Lieutenant (Squa	68,170	69,738	71,344	72,986
10	10	Captain (Division	75,708	77,450	79,233	81,015

11
12
13

11
12
13

Major (Division C	82,561	84,461	86,405	88,349
Colonel (Assistan	89,677	91,741	93,853	95,964
Chief of Police (D	95,123	97,313	99,553	101,844

Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15
x	x	x	x	x	x	x	x	x
53,705.60	54,914.08	56,146.60	57,413.20	58,704.88	60,025.68	61,375.60	62,756.72	64,169.04
58,828.64	60,152.56	61,505.60	62,471.84	64,304.24	65,751.92	67,230.80	68,744.00	70,290.48
60,592.48	61,955.92	63,349.52	64,284.36	66,232.40	67,722.72	69,246.32	70,804.24	72,397.52
62,378.16	63,814.40	65,249.60	66,718.08	68,218.80	69,753.84	71,203.20	72,927.92	74,569.04
70,078.32	71,654.96	73,266.96	74,915.36	76,601.20	76,324.48	80,087.28	81,889.60	83,731.44
72,180.16	73,804.64	75,464.48	77,162.80	78,899.60	80,673.84	82,489.68	84,346.08	86,243.04
75,507.02	77,205.44	78,942.24	80,718.56	82,535.44	84,391.84	86,290.88	88,232.56	90,217.92
81,227.12	83,097.04	84,966.96	86,878.48	88,833.68	90,831.52	92,876.16	94,965.52	97,101.68
90,255.36	92,333.28	94,411.20	96,534.88	98,707.44	100,927.84	103,199.20	105,520.48	107,894.80
98,425.60	100,639.76	102,904.88	105,219.92	107,586.96	110,008.08	112,483.28	115,014.64	117,602.16
106,908.88	109,313.56	111,772.96	114,288.72	116,859.60	119,488.72	122,177.12	124,926.88	127,736.96
113,402.64	115,953.76	118,563.12	121,230.72	123,958.64	126,747.92	129,599.60	132,515.76	135,497.44

Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15
52,802	53,990	55,205	56,447	57,717	59,015	60,343	61,701	63,089
57,839	59,140	60,471	61,831	63,223	64,645	66,100	67,587	69,108
59,573	60,913	62,284	63,685	65,118	66,583	68,081	69,613	71,180
61,360	62,740	64,152	65,595	67,071	68,580	70,123	71,701	73,314
68,899	70,449	72,034	73,655	75,312	77,007	78,740	80,511	82,323
70,966	72,562	74,195	75,865	77,571	79,317	81,102	82,926	84,793
74,236	75,906	77,614	79,361	81,146	82,972	84,839	86,748	88,700
79,901	81,699	83,537	85,417	87,338	89,304	91,313	93,367	95,468
88,782	90,780	92,822	94,911	97,046	99,230	101,462	103,745	106,079
96,769	98,947	101,173	103,449	105,777	108,157	110,591	113,079	115,623
105,109	107,474	109,893	112,365	114,893	117,478	120,122	122,824	125,588
111,494	114,003	116,568	119,191	121,873	124,615	127,419	130,286	133,217

Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13
44,192	44,192	44,192	44,191	44,192	44,192	44,192	44,192	44,192
49,392	50,504	51,640	52,802	53,990	55,205	56,447	57,717	59,015
54,104	55,321	56,566	57,839	59,140	60,471	61,831	63,223	64,645
55,697	56,980	58,262	59,573	60,913	62,284	63,685	65,118	66,583
57,311	58,630	59,979	61,360	62,740	64,152	65,595	67,071	68,580
64,450	65,900	67,383	68,899	70,449	72,034	73,655	75,312	77,007
66,384	67,877	69,404	70,966	72,562	74,195	75,865	77,571	79,317
68,376	71,005	72,603	74,236	75,906	77,614	79,361	81,146	82,972
74,666	76,385	78,103	79,901	81,699	83,537	85,417	87,338	89,304
82,923	84,831	86,784	88,782	90,780	92,822	94,911	97,046	99,230

90,429	92,510	94,640	96,769	98,947	101,173	103,449	105,777	108,157
98,223	100,484	102,797	105,109	107,474	109,893	112,365	114,893	117,478
104,135	106,587	109,041	111,494	114,003	116,568	119,191	121,873	124,615

Step 16	Step 17	Step 18	Step 19	Step 20	Step 21	Step 22	Step 23	Step 24
x	x	x	x	x	x	x	x	x
65,612.56	67,089.36	68,598.40	70,142.80	71,720.48	73,334.56	74,984.00	76,670.88	78,396.24
71,872.32	73,489.52	75,142.08	76,833.12	78,561.60	80,329.60	82,137.12	83,985.20	85,874.88
74,027.20	75,692.24	77,395.76	79,136.72	80,917.20	82,738.24	84,599.84	86,503.04	88,449.92
76,246.56	77,962.56	79,716	81,510	83,343.52	85,219.68	87,136.40	89,096.80	91,101.92
85,615.92	87,542	89,511.72	91,525.20	93,585.44	95,690.40	97,843.20	100,044.88	102,296.48
88,184.72	90,168.00	92,197.04	94,271.84	96,392.40	98,561.84	100,779.12	103,046.32	105,365.52
92,248.00	94,322.80	96,445.44	98,615.92	100,834.24	103,103.52	105,422.72	107,794.96	110,220.24
99,286.72	101,520.64	103,805.52	106,140.32	108,529.20	110,971.12	113,467.12	116,020.32	118,630.72
110,322.16	112,804.64	115,342.28	117,938.08	120,592.16	123,305.52	126,079.20	128,916.32	131,816.88
120,247.92	122,954.00	125,720.40	128,549.20	131,441.44	134,398.16	137,422.48	140,514.40	143,676.00
130,611.52	133,550.56	136,555.12	139,627.28	142,769.12	145,981.68	149,266.00	152,624.16	156,058.24
138,545.68	141,662.56	144,850.16	148,109.52	151,441.68	154,849.76	158,333.76	161,895.76	165,538.88

Step 16	Step 17	Step 18	Step 19	Step 20	Step 21	Step 22	Step 23	Step 24
64,509	65,960	67,445	68,962	70,514	72,100	73,722	77	77,077
70,663	72,252	73,878	75,540	77,240	78,978	80,755	82,572	84,430
72,781	74,419	76,093	77,805	79,556	81,346	83,176	85,048	86,961
74,964	76,650	78,375	80,138	81,942	83,785	85,670	87,598	89,569
84,175	86,069	88,005	89,986	92,010	94,080	96,197	98,362	100,575
86,700	88,651	90,646	92,685	94,771	96,903	99,083	101,313	103,592
90,695	92,736	94,823	96,956	99,138	101,368	103,649	105,981	108,366
97,616	99,813	102,058	104,355	106,703	109,103	111,558	114,068	116,635
108,466	110,907	113,402	115,954	118,563	121,230	123,958	126,747	129,599
118,225	120,885	123,605	126,386	129,229	132,137	135,110	138,150	141,258
128,414	131,303	134,257	137,278	140,367	143,525	146,754	150,056	153,433
136,214	139,279	142,413	145,617	148,894	152,244	155,669	159,172	162,753

Step 14	Step 15	Step 16	Step 17	Step 18	Step 19	Step 20	Step 21	Step 22
44,192	44,191	44,192	44,192	44,192	44,192	44,192	44,192	44,192
60,343	61,701	63,089	64,509	65,960	67,445	68,962	70,514	72,100
66,100	67,587	69,108	70,663	72,252	73,878	75,540	77,240	78,978
68,081	69,613	71,180	72,781	74,419	76,093	77,805	79,556	81,346
70,123	71,701	73,314	74,964	76,650	78,375	80,138	81,942	83,785
78,740	80,511	82,323	84,175	86,069	88,005	89,986	92,010	94,080
81,102	82,926	84,793	86,700	88,651	90,646	92,685	94,771	96,903
84,839	86,748	88,700	90,695	92,736	94,823	96,956	99,138	101,368
91,313	93,367	95,468	97,616	99,813	102,058	104,355	106,703	109,103
101,462	103,745	106,079	108,466	110,907	113,402	115,954	118,563	121,230

110,591	113,079	115,623	118,225	120,885	123,605	126,386	129,229	132,137
120,122	122,824	125,588	128,414	131,303	134,257	137,278	140,367	143,525
127,419	130,286	133,217	136,214	139,279	142,413	145,617	148,894	152,244

Step 25

x

80,160.08
87,807.20
90,439.44
93,151.76
104,598
107,735.68
112,700.64
121,300.40
134,782.96
146,908.32
159,570.32
169,263.12

Step 25

78,811.23
86,329.68
88,917.62
91,584.30
102,837.94
105,922.82
110,804.24
119,259.29
132,514.98
144,436.31
156,855.24
166,414.94

<u>Step 23</u>	<u>Step 24</u>	<u>Step 25</u>
44,192	44,192	44,192
73,722	75,381	77,077
80,755	82,572	84,430
83,176	85,048	86,961
85,670	87,598	89,569
96,197	98,362	100,575
99,083	101,313	103,592
103,649	105,981	108,366
111,558	114,068	116,635
123,958	126,747	129,599

135,110	138,150	141,258
146,754	150,056	153,433
155,669	159,172	162,753

Last Name	First Name	Job Class Description	Annual Salary	Date of Hire	
ADAMS	JONATHAN	POL OFF FC	55,321.00	12/21/2015	3
ADKINS	JOHN	POL OFF FC	54,104.00	12/12/2016	3
AMENDOLAGINE	NICHOLAS	ACTING COR	68,899.00	6/24/2010	6
BARKLEY	ISIAH	POL OFF FC	56,566.00	12/17/2012	3
BARR	BRIAN	POL OFF FC	56,566.00	6/25/2012	3
BIERMAN	NICHOLAS	POL OFF FC	55,321.00	6/27/2016	3
BOHTLING	LUCAS	PO TRAINEE	44,192.00	6/29/2015	1
BOYD	ADELINE	POL OFF FC	56,566.00	6/29/2015	3
BRIGHTBILL-WETZEL	ERICA	POL OFF FC	56,566.00	12/15/2014	3
BRITTINGHAM	RYAN	CORPORAL	68,899.00	12/2/2011	6
BUFFA	EARL	POL OFF	44,192.00	6/8/2020	2
BURT	JOSEPH	SR POL OFF	60,913.00	7/3/2006	4
CAPUTO	JASON	CORPORAL	68,899.00	6/2/2011	6
CARROLL	KEVIN	POL OFF FC	56,566.00	12/17/2014	3
CATON	BRANDON	ACT SERGNT	74,236.00	12/21/2009	8
COURY	JONATHAN	SR POL OFF	59,573.00	6/23/2010	4
CROCKETT	CHAD	SERGEANT	77,614.00	12/17/2004	8
DEAN	KYLE	POL OFF FC	54,104.00	5/30/2017	3
DENNY	CHRISTOPHER	POL OFF FC	56,566.00	12/15/2014	3
DERASMO	DANIEL	POL OFF	47,243.00	10/29/2018	2
DEVOE	CHRISTOPHER	LIEUTENANT	85,417.00	7/1/2003	9
DIMARE	JOHN	MAS POL OF	64,152.00	7/1/2003	5
DOYLE	JOSEPH	POL OFF FC	56,566.00	6/22/2015	3
DREWER	HOWARD	CAPTAIN	97,046.00	7/18/1998	10
DUBAS	DONNAMARIE	MAS POL OF	64,152.00	9/7/2004	5
EDWARDS	JEFFREY	POL OFF FC	54,104.00	12/12/2016	3
ELLIOTT	SCOTT	SERGEANT	79,361.00	7/15/2000	8
ENGELBRECHT	SHAWN	POL OFF FC	56,566.00	12/19/2013	3
FAIRMAN	DEVIN	POL OFF	46,203.00	6/24/2019	2
FELTS	JOHN	LIEUTENANT	87,338.00	1/12/1991	9
FISSEL	EDWARD	CORPORAL	72,034.00	7/1/2003	6
FOY	ANTHONY	CORPORAL	70,449.00	11/5/2007	6
GLYNN	PATRICK	POL OFF FC	56,566.00	9/24/2012	3
GREENLEE	CLINT	POL OFF	46,203.00	6/24/2019	2
GUTIERREZ	ANTONIO	POL OFF FC	55,321.00	12/21/2015	3
HANDY	LASHAWN	POL OFF	44,192.00	6/8/2020	2
HARA	ASHLEY	POL OFF FC	54,104.00	4/3/2017	3
HARRINGTON	JASON	SERGEANT	77,614.00	7/17/1999	8
HICKS	JAMES	POL OFF FC	56,566.00	6/22/2015	3
HITTY	THOMAS	SERGEANT	77,614.00	7/1/2005	8
HOGAN	PATRICK	POL OFF FC	55,321.00	11/26/2018	3
HUGHES	JEFFREY	MAS POL OF	65,595.00	7/1/2003	5
KAISER	RICHARD	LIEUTENANT	89,304.00	1/18/1997	9
KIDD	JONATHAN	POL OFF FC	55,321.00	6/27/2016	3
KISSINGER	JESSE	SR POL OFF	59,573.00	6/22/2009	4

KOERNER	RYAN	ACTING CAP	94,911.00	12/27/2003	10
KREMER	DYLAN	POL OFF	44,192.00	6/8/2020	2
LARKIN	KEVIN	MAS POL OF	64,152.00	7/1/2003	5
LORING	MICHAEL	SERGEANT	77,614.00	1/3/2005	8
LUKASZEWICZ	JOSHUA	POL OFF FC	54,104.00	5/30/2017	3
LYNCH	SEAMUS	SR POL OFF	59,573.00	6/16/2010	4
MARTIN	CARISSA	PO TRAINEE	44,192.00	11/23/2020	1
MILLER	JEFFREY	POL OFF FC	56,566.00	6/25/2012	3
MITCHELL	MICHAEL	CORPORAL	68,899.00	7/7/2008	6
MITCHELL	RYAN	CORPORAL	77,007.00	7/22/1995	6
MOSHER	VINCENT	POL OFF FC	64,645.00	7/8/1995	3
MYERS	DARRYL	SR POL OFF	59,573.00	12/27/2010	4
NEWCOMER	KEITH	CORPORAL	68,899.00	1/4/2010	6
OLIVER	JONATHAN	SERGEANT	75,906.00	12/4/2006	8
OPPEL	KASEY	POL OFF FC	56,566.00	8/25/2014	3
PIZZAIA	RICHARD	SR POL OFF	60,913.00	6/25/2007	4
POPOVICH	DEAN	ACT-LIEUT	79,901.00	6/22/2009	9
RAMESH	RICKU	POL OFF	44,192.00	6/8/2020	2
REDNER	STEVEN	POL OFF	44,192.00	6/22/2020	2
RENSHAW	LAYLA	PO TRAINEE	44,192.00	10/26/2020	1
ROBINSON	CHRISTOPHER	SR POL OFF	59,573.00	12/21/2009	4
ROBISON	CODY	POL OFF FC	52,916.00	8/3/2020	3
ROCKWELL	MATTHEW	SR POL OFF	59,573.00	6/14/2010	4
RODRIGUEZ	MILTON	MAS POL OF	68,580.00	7/20/1996	5
ROSS	GARRETT	POL OFF FC	56,566.00	6/22/2015	3
SANDER	JASON	SR POL OFF	59,573.00	12/7/2009	4
SCHMIDT	STEVEN	CORPORAL	68,899.00	5/2/2011	6
SCHRLAU	NATHAN	POL OFF FC	55,321.00	12/14/2015	3
SCHWEMLEIN	CANDICE	POL OFF FC	55,321.00	12/21/2015	3
SIGMUND	BRITTANY	POL OFF FC	56,566.00	6/25/2012	3
SIPPLE	CHRISTOPHER	POL OFF	46,203.00	6/24/2019	2
SMALLWOOD	ROBERT	POL OFF FC	56,566.00	6/22/2015	3
STRAWSER	TYLER	POL OFF	46,203.00	6/24/2019	2
THIESS	ORLANDO	POL OFF	46,203.00	12/9/2019	2
THOMPSEN	MATTHEW	SERGEANT	79,361.00	7/6/2002	8
TOBIAS	BRENDON	POL OFF FC	52,916.00	12/11/2017	3
TUCKER	BARRY	MAS POL OF	65,595.00	7/15/2000	5
TYLER	PETER	LIEUTENANT	87,338.00	8/31/1993	9
UNDERWOOD	DAVID	MAS POL OF	67,071.00	12/30/2000	5
WARREN	MATTHEW	SR POL OFF	60,913.00	1/3/2006	4
WEGLARZ	BRIAN	POL OFF FC	56,566.00	6/22/2015	3
WELLS	GEOFFREY	POL OFF FC	55,321.00	6/27/2016	3
WILLEY	JOSHUA	POL OFF FC	56,566.00	6/29/2015	3
YANKALUNAS	JASON	LIEUTENANT	87,338.00	2/5/1996	9

Total

Civilian

BOLDT	REBECCA	PCO 1	35,444.00	11/12/2019	5
BOLTZ	MARY	INTELL ANA	38,192.00	2/29/2016	7
BRATTEN	PRISCILLA	RECDS TECH	31,614.00	10/16/2017	3
BUSSACCA	MICHAEL	PCO III	45,439.00	10/28/2019	9
CANNON	TIFFANIE	PCO 1	35,444.00	6/25/2018	5
DEARING	DEBORAH	GROUND CUS	28,634.00	3/6/2017	3
ESKRIDGE	JOSHUA	PCO III	46,348.00	1/14/2014	9
FIEDLER	SANDRA	RMT SUPER	48,546.00	11/2/1987	6
GRAY	SAMANTHA	PCO III	47,275.00	3/4/2013	9
Guyer	PATRICK	QUARTERMA	48,111.00	12/23/2014	10
HEARN	KENDAHL	CRIME ANA	54,304.00	4/1/2000	9
JONES	KAMEL	PCO II	38,956.00	10/16/2017	7
KOLB	ALEXIS	PCO III	44,548.00	5/31/2016	9
LEHMAN	DELORES	RES MANAGE	45,541.00	10/19/2002	8
LIRA FUENTES	LAURA	PCO 1	34,749.00	11/9/2020	5
LIVINGSTON	AMY	INTELL ANA	44,748.00	9/9/2000	7
MCCARTY	BONNIE	PCO 1	34,749.00	5/11/2020	5
MERRITT	ANNE	MCIN COORD	40,621.00	7/9/2018	6
MILLER	SIERRA	ANIM CTL O	30,856.00	11/18/2019	5
MURPHY	DASIA	PCO III	45,439.00	12/15/2014	9
MURPHY	STELLA	CH ADM CLK	43,108.00	1/20/1974	6
NGUYEN	KHANH	GROUND CUS	28,073.00	9/28/2020	3
TETER	JENNIFER	RECDS TECH	29,207.00	3/16/2020	3
TYNDALL	TERESA	E&P CON SP	48,765.00	12/28/1987	4
WAGGNER	MICHELLE	ANIM CTL O	30,856.00	2/20/2019	5
WHITAKER	CRAIG	PCO III	45,439.00	11/25/2019	9
WILKINSON	COURTNEY	RECDS TECH	31,614.00	3/6/2017	3
WRIGHT					

	2022 Salary	goes to step	Step Adj sal	Steo Adj.	4% Cola
6	56,566	7	56566	7	58828
5	55,104	6	55104	6	57,533
8	70,449	9	72,034	10	73,267
7	57,839	8	59,140	9	60,152
7	57,839	8	59140	9	60,152
6	56,566	7	56,566	7	58,828
1	46,203	2	46,203	2	48,051
7	57,839	8	57,839	8	60,152
7	57,839	8	57,839	8	60,152
8	70,449	9	72,034	10	73,267
1	46,203	2	46,203	2	48,051
9	62,284	10	63,685	11	64,284
8	70,449	9	72,034	10	73,267
7	57,869	8	59,140	9	60,152
8	75,906	9	77,614	10	78,942
8	60,913	9	62,294	10	63,349
10	79,361	11	81,146	12	80,718
5	55,321	6	55,321	6	57,533
7	57,839	8	57,839	8	60,152
3	48,305	4	48,305	4	50,237
11	87,338	12	89,304	13	90,831
10	65,595	11	67,071	12	68,218
7	57,839	8	57,839	8	60,125
12	99,230	13	101,462	14	103,199
10	65,595	11	67,071	12	68,218
5	55,321	6	55,321	6	57,533
11	81,146	12	82,972	13	84,391.00
7	57,839	8	59,140	9	60,152
2	47,234	3	47,234	3	49,132
12	89,304	13	91,313	14	92,876
10	73,655	11	75,312	12	76,601
9	72,449	10	73,655	11	74,915
7	57,839	8	59,140	9	60,152
2	47,243	3	47,243	3	49,132
6	56,566	7	56,566	7	58,828
1	46,206	2	46,206	2	48,081
5	55,321	6	55,321	6	57,533
10	79,361	11	81,146	12	82,535
7	55,321	8	55,321	8	60,152
10	79,361	11	81,146	12	82,535
6	56,566	7	56,566	7	58,828
11	67,071	12	68,580	13	69,753
13	91,313	14	93,367	15	94,965
6	56,566	7	56,566	7	58,828
8	60,913	9	62,284	10	63,349

11	97,046	12	99,230	13	100,927
1	46,206	2	46,206	2	48,051
10	65,595	11	67,071	12	68,218
10	79,361	11	81,146	12	82,835
5	55,321	6	55,321	6	57,533
8	60,913	9	62,284	10	63,349
1	46,203	2	46,203	2	48,051
7	57,839	8	59,140	9	60,152
8	70,449	9	72,034	10	73,266
13	78,740	14	80,511	15	8,889
13	0 retired		0		
8	60,913	9	62,284	11	63,349
8	70,449	9	72,034	10	73,266
9	77,614	10	79,361	11	82,535
7	57,839	8	57,839	8	60,152
9	62,284	10	63,685	11	64,284
8	81,699	9	83,537	10	84,966
1	46,203	2	46,203	2	48,051
1	46,203	2	46,203	2	48,051
1	46,203	2	46,203	2	48,051
8	60,913	9	62,284	10	63,349
4	54,104	5	54,104	5	56,268
8	60,913	9	62,284	10	63,349
13	70,123	14	71,701	15	72,927
7	57,839	8	57,839	8	60,152
8	60,913	9	62,284	10	63,349
8	70,449	9	72,034	10	73,266
6	56,566	7	56,566	7	58,828
6	56,566	7	56,566	7	58,828
7	57,839	8	59,104	9	60,152
2	47,243	3	47,243	3	49,132
7	57,839	8	57,839	8	60,152
1	47,243	3	47,243	3	49,132
2	47,243	3	47,243	3	49,132
11	81,146	12	82,972	13	84,391
4	54,104	5	54,104	5	56,268
11	67,071	12	68,580	13	69,753
12	89,304	13	91,313	14	92,876
12	68,580	13	70,123	14	71,203
9	62,284	10	63,685	11	64,284
7	57,839	8	57,839	8	60,152
6	56,566	7	56,566	7	58,828
7	57,839	8	57,839	8	60,152
12	89,304	13	91,313	14	92,876

5,560,245

5,638,355
plan 1

5,710,704
plan 2

Plan 1	78,110 Diffence
	39,055 in place January
	52,725 (x.35 for LEOPS)

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plan 2	150,459 Differ
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	101,559.83 (.3

plan 3	127,333 Differ
	63,665.5 In pla
	85948.76 (x35

2.25% Cola

57,839

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62,284

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75,312

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5,687,578
plan 3

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City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda Pollack, P.E., Director of Infrastructure and Development 
Date: June 2, 2021
Re: Resolution – The Ross/First Move Comprehensive Connection Charges Waiver

Attached is a letter from First Move Properties, LLC dated May 29, 2021 which requests consideration for a waiver of Comprehensive Connection Charges for the redevelopment of 130, 132 and 144 East Main Street, which is known as The Ross. The total request is for a waiver of 104 EDUs. At the current Comprehensive Connection Charges rate of \$3,710, the waiver request is equivalent to \$385,840.00.

The properties were previously granted Capacity Fee waivers via Resolution Nos. 2883, 2924 and 2988, which totaled 91.84 EDUs. Two of those resolutions have expired. Additionally, the EDU Incentive Area program was replaced and modified via Ordinance No. 2611. This requests will void the previous approvals and will fall under the criteria established via Ordinance No. 2611.

Infrastructure and Development has evaluated the eligibility of this project for the waiver program. The project location is within the Central Business Zoning District and will consist of redevelopment that is not eligible for an affordable housing waiver. The project does or will comply with all other necessary criteria and will provide public benefits.

Attached is a Resolution for consideration to waive the Comprehensive Connection Charges associated with the development of 130, 132 and 144 East Main Street. After review of the request, Infrastructure and Development recommends approval. If this waiver is approved, then it will be valid for two years from the date of the Resolution.

Unless you or the Mayor has further questions, please forward a copy of this memo, request letter and Resolution to the City Council.

FIRST MOVE PROPERTIES, LLC

P.O. Box 4365

Salisbury, MD 21803

May 29, 2021

City of Salisbury, Maryland
Department of Infrastructure & Development
Attn: Amanda H. Pollack, DID., Director (apollack@salisbury.md)
125 N. Division Street, Room 202
Salisbury, Maryland 21801

*Re: First Move Properties, LLC's Request for Capacity Fee Waiver;
Redevelopment of 130 E. Main Street, Salisbury, Maryland 21801 (Map 0107,
Grid 0015, Parcel 0855) 132 E. Main Street, Salisbury, Maryland 21801 (Map
0107, Grid 0015, Parcel 0856) and 144 E. Main Street, Salisbury, Maryland
21801 (Map 0107, Grid 0015, Parcel 858 and 878) (Referred to collectively as
the "Project")*

Dear Ms. Pollack:

On behalf of First Move Properties, LLC ("First Move"), please accept this letter as First Move's formal request to the City of Salisbury for waiver of **103.16 Equivalent Dwelling Units ("EDU's")** associated with the Project's redevelopment.

On March 11, 2019, the City Council approved Resolution No. 2924, authorizing the Capacity Fee of the City's Comprehensive Connection Charge to be waived for First Move's 130 and 132 E. Main Street redevelopment. Specifically, Resolution No. 2924 approved the waiver of 58.22 EDU's for First Move's redevelopment of 130 and 132 E. Main Street. Additionally, on January 13, 2020, the City Council approved Resolution No. 2988, authorizing the Capacity Fee of the City's Comprehensive Connection Charge to be waived for First Move's 144 E. Main Street redevelopment. Specifically, Resolution No. 2988 approved the waiver of 35 EDU's for First Move's 144 E Main Street redevelopment.

Over the past year, First Move delayed construction on the Project because of the Coronavirus Pandemic. At this time, First Move has made plans to start construction in the fall of 2021 and requests the City of Salisbury waive the capacity fees related to the redevelopment of the Project, pursuant to Ordinance No. 2611.

FIRST MOVE PROPERTIES, LLC

P.O. Box 4365

Salisbury, MD 21803

First Move estimates a total of 103.16 EDUs are needed for the Project. First Move is eligible for a waiver of the Capacity Fees because the Project is located within the incentive area and the Project complies with Ordinance No. 2611, Section 13.04.120, Letter A, Number 6 for the following reasons:

- 1) **Public street-scaping element:** The Project will become the tallest building in the City of Salisbury and will provide a new landmark in the heart of Downtown Salisbury. (Rendering attached)
- 2) **Public Amenity:** The Project includes a public courtyard between the two buildings where the old Chamber of Commerce parking lot was located. The courtyard will be complete with gardens and outdoor seating for everyone to enjoy (Rendering attached).
- 3) **Sustainable Green Building Practices:** The Project utilizes sustainable building practices.
 - a. Materials from the three existing buildings were recycled during the demo process.
 - b. Energy-efficient LED lighting, HVAC equipment, and windows will be utilized throughout the property.

Therefore, in accordance with the provisions of Section 13.04.110 of the City Code, First Move respectfully requests the City waive the Capacity Fees of \$364,464.28 assessed for all 103.16 EDUs needed for First Move's development of the Project.

If City staff has any questions or needs additional information regarding the matters addressed in this correspondence, please do not hesitate to contact me. On behalf of First Move, thank you for your time and consideration of this request.

Sincerely,



Nicholas Simpson,
First Move Properties, LLC

FIRST MOVE PROPERTIES, LLC

P.O. Box 4365

Salisbury, MD 21803

The Project EDU Calculation:

Residential Units: 105 = 105 EDU's

Office: 1500sqft = .54 EDU's

Sub-Total: 105.54 EDU's

Less credits for existing EDU's:

132 E. Main: 1.38 EDU's

144 E. Main: 1 EDU

Total Credits: 2.38 EDU's

Grand Total:

New EDU's 105.54 – Credits 2.38 EDU's = **103.16 Total New EDU's**

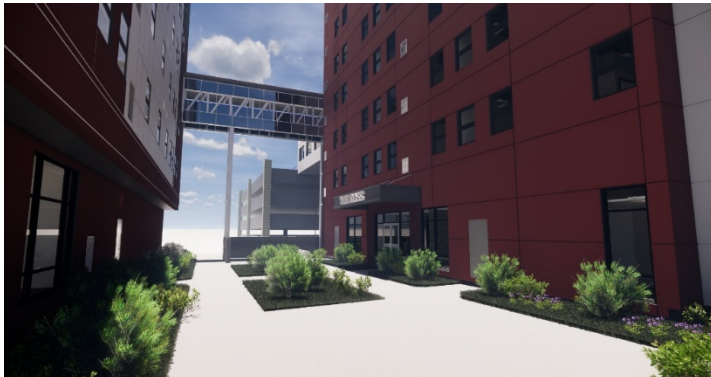
103.16 EDU's * \$3,533 Unit Fee = **Total Cost \$364,464.28**

FIRST MOVE PROPERTIES, LLC
P.O. Box 4365
Salisbury, MD 21803

Rendering 1:



Rendering(s) 2:



1 RESOLUTION NO. 3113

2
3 A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND WAIVING THE
4 CITY'S COMPREHENSIVE CONNECTION CHARGE FOR ONE HUNDRED AND
5 FOUR (104) EQUIVALENT DWELLING UNITS ALLOCATED TO THE
6 REDEVELOPMENT OF 130 EAST MAIN STREET, 132 EAST MAIN STREET AND 144
7 EAST MAIN STREET.

8
9 WHEREAS, the City of Salisbury, Maryland (the "City") seeks to encourage
10 development and redevelopment in specified areas of the City, to include the Central Business
11 Zoning District and the Riverfront Redevelopment Zoning District; and

12
13 WHEREAS, the City has long recognized that fee waivers are an effective method of
14 encouraging such development and redevelopment and historically has enacted ordinances
15 which set forth criteria for such waivers; and

16
17 WHEREAS, on August 10, 2020, the City Council enacted Ordinance No. 2611
18 replacing, modifying and clarifying the criteria for eligibility for a waiver of the
19 Comprehensive Connection Charge; and

20
21 WHEREAS, First Move Properties, LLC is actively redeveloping properties located
22 at 130 East Main Street, 132 East Main Street and 144 East Main Street (hereinafter the "Ross
23 Project"); and

24
25 WHEREAS, the Ross Project was previously granted connection fee waivers in
26 Resolution Nos. 2883, 2924 and 2988, of which two Resolutions have expired and the third
27 Resolution has been made obsolete by the replacement and modifications set forth in
28 Ordinance No. 2611; and

29
30 WHEREAS, the Ross Project requires a total of One Hundred and Four (104)
31 Equivalent Dwelling Units ("EDUs") of water and sewer service; and

32
33 WHEREAS, the current Comprehensive Connection Charge for one (1) EDU is
34 \$3,710.00; and

35
36 WHEREAS, the total Comprehensive Connection Charge for One Hundred Four
37 (104) EDUs is \$385,840.00; and

38
39 WHEREAS, First Move Properties, LLC has requested a waiver of the total
40 Comprehensive Connection Charge for the Ross Project; and

41
42 WHEREAS, the Ross Project meets the waiver eligibility criteria set forth in
43 Ordinance No. 2611 in that: 1) the Ross Project is located within the Central Business Zoning
44 District; 2) the Ross Project constitutes new development and/or revitalization of an existing
45 building; 3) the Ross Project does not receive a capacity fee waiver for public sponsored or
46 affordable housing; 4) the Director of Infrastructure confirms that the Ross Project complies,
47 or will comply, with all applicable zoning and building code criteria, stormwater management
48 code and all requirements of the Salisbury Historic District Commission, 5) the Ross Project
49 meets the objectives identified in the Envision Salisbury Master Plan adopted via Resolution

No. 2600 dated March 17, 2016, as amended; and 6) the Ross Project provides a public benefit by constructing public street-scaping elements and public amenities; and

WHEREAS, the Director of Infrastructure and Development has recommended the waiver and submitted the allocation and waiver request to the Mayor for approval, which approval has been granted; and

WHEREAS, pursuant to Ordinance No. 2611, this Resolution is now ripe for review and approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND as follows:

Section 1. The City's Comprehensive Connection Charge for One Hundred and Four (104) EDUs allocated to the Ross Project is waived for so long as the Ross Project continues to meet the criteria set forth in Ordinance No. 2611; and

Section 2. In the event the Ross Project at any time fails to meet the criteria set forth in Ordinance No. 2611, the City reserves the right to seek payment for the Comprehensive Connection Charge waived herein; and

Section 3. This Comprehensive Connection Charge waiver is valid for two (2) years from the time of the signing of this Resolution; and

Section 4. The herein waiver may be extended for two (2) one-year terms, if approved in writing by the Director of Infrastructure and Development prior to the expiration of the term; and

Section 5. The Director of Infrastructure and Development may refuse to grant a requested extension if the Director of Infrastructure and Development finds that the property owner is not making good faith efforts to complete the project; and

Section 6. The herein waiver is assigned to the Ross Project and to the properties located at 130 East Main Street, 132 East Main Street, and 144 East Main Street and cannot be transferred by the recipient; and

Section 7. This Resolution voids and supersedes the entirety of the previously approved connection fee waivers set forth in Resolutions 2883, 2924 and 2988.

THIS RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on _____, 2021 and is to become effective immediately upon adoption.

ATTEST:

Kimberly R. Nichols
CITY CLERK

Jack R. Heath
PRESIDENT, City Council

99 APPROVED by me this _____ day of _____, 2021
100
101
102 _____
103 Jacob R. Day
104 MAYOR, City of Salisbury



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda H. Pollack, P.E., Director of Infrastructure and Development
Date: June 2, 2021
Re: Resolution – The Ross/First Move Properties Agreement for soils

Attached is Resolution No. 2989 which authorized the Mayor to enter into an agreement with First Move Properties, LLC to use excess soil at the WWTP for redevelopment of 130, 132 and 144 East Main Street. The dates in the agreement have expired, therefore attached is a revised agreement for consideration. The agreement defines the terms for which the City will provide excess soil to be used at the proposed development. A soil stockpile was created during the construction at the Wastewater Treatment Plant. The soil is not needed at the WWTP, although it can be used by any City Department. The soil would provide benefit to developers. Since the City seeks to encourage development and redevelopment in the Central Business District, we recommended providing excess fill to First Move Properties, LLC per the terms of the agreement. Any remaining soil could be offered to other developers and projects on a first come, first serve basis, as appropriate.

Unless you or the Mayor has further questions, please forward a copy of this memo, Resolution and Agreement to the City Council.

RESOLUTION No. 2989

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH FIRST MOVE PROPERTIES, LLC TO ALLOW THE USE OF SOIL LOCATED AT THE CITY'S WASTEWATER TREATMENT PLANT FOR THE REDEVELOPMENT OF 130 EAST MAIN STREET, 132 EAST MAIN STREET AND 144 EAST MAIN STREET.

WHEREAS, the City seeks to encourage development and redevelopment in the Central Business District, the Riverfront Redevelopment Area and the Enterprise Zone; and

WHEREAS, 130 East Main Street, 132 East Main Street and 144 East Main Street are located in the Central Business District; and

WHEREAS, the purpose of this agreement is to share resources to assist in the development of these parcels; and

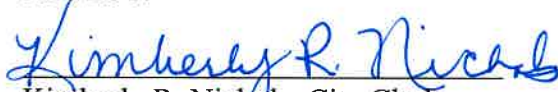
WHEREAS, the City has excess soil stockpiled at the Wastewater Treatment Plant; and

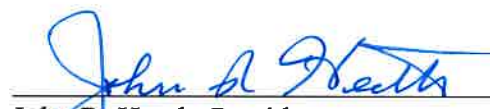
WHEREAS, the City desires to enter into the attached Memorandum of Understanding to specify the requirements for the owner/developer to have access to the City's stockpiled soil.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that the Mayor is authorized to sign and enter into the attached Memorandum of Understanding with First Move Properties, LLC.

THIS RESOLUTION was duly passed at a meeting of the Council of the City of Salisbury held on January 13, 2020, and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols, City Clerk


John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS:

21st day of JANUARY, 2020


Jacob R. Day, Mayor

AGREEMENT

AN AGREEMENT BETWEEN THE "PARTIES"; FIRST MOVE PROPERTIES, LLC, "DEVELOPER", AND THE CITY OF SALISBURY, "CITY";

WHEREAS, CITY seeks to encourage development and redevelopment in the Central Business District, the Riverfront Redevelopment Area and the Enterprise Zone; and

WHEREAS, to support the redevelopment of said areas, CITY has made available soil located at the Wastewater Treatment Plant at no charge to be used exclusively at the property described herein as 130 East Main Street, 132 East Main Street and 144 East Main Street in Salisbury, Maryland.

NOW, THEREFORE, DEVELOPER agrees to all of the provisions set forth herein for use of the soil.

DEVELOPER will load on site, and transport the soil to be used exclusively at the property described herein.

DEVELOPER will utilize his own equipment to load and transport the soil.

DEVELOPER may leave equipment at the WWTP at its own risk.

DEVELOPER may access the soil stockpile at the WWTP between the hours of 8 am and 3 pm on weekdays only.

DEVELOPER will adhere to all regulations governing sediment and erosion control measures.

DEVELOPER will begin soil pickup no later than June 1, 2020, will check-in each day with City personnel at the gate, and will record each load removed and the amount of soil removed.

DEVELOPER will complete soil transport and commence site work no later than December 31, 2020.

DEVELOPER will obtain a certificate of occupancy no later than August 15, 2021.

Failure to meet the prescribed timeline may result in a charge for the soil at a cost of \$65 per square yard, payable to the City of Salisbury no later than 30 days after missing any one or more of the deadlines.

DEVELOPER takes and accepts all soil "AS IS." CITY makes no warranty, guaranty or representation of any kind, expressed or implied, as to the merchantability or fitness for any purpose of the soil provided, including any environmental representations or guarantees of any kind that the soil is adequate for DEVELOPER'S needs. DEVELOPER is not entitled to any payment for any losses or damages tied in any way to the soil.

DEVELOPER shall indemnify, defend and save harmless CITY and its officers, employees and agents from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, in any way

connected with any injury to any person or damage to any property or any loss to CITY or third parties occasioned in any way with the soil, including by hazardous substances originating or tied to the soil or its use by DEVELOPER. This indemnity specifically includes the obligation of DEVELOPER to perform any remedial or other activities required or ordered by any properly empowered government official, or otherwise reasonably necessary to avoid injury or liability to any person or to prevent the spread of pollution, originating thereon. DEVELOPER shall perform all such work in its own name in accordance with applicable law, as herein defined.

The PARTIES may terminate this agreement at any time by providing written notice of said termination.

If terminated by DEVELOPER, DEVELOPER will pay City for all soils removed.

NOW, THEREFORE, BE IT RESOLVED that the PARTIES agree to the above provisions of Memorandum of Understanding.

ATTEST:

Developer

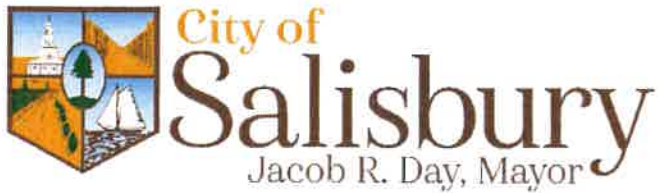
City of Salisbury

Nick Simpson

Date

Jacob R. Day
Mayor

Date



To: Julia Glanz, City Administrator
From: Amanda H. Pollack, P.E., Director of Infrastructure and Development
Date: December 5, 2019
Re: Resolution – First Move Properties MOU for soils

Attached is a letter from First Move Properties, LLC dated November 5, 2019 requesting to use excess soil for redevelopment of a property. Attached is the Memorandum of Understanding between the City and First Move Properties, LLC, the developers of 130, 132 and 144 East Main Street. The MOU is for the City to provide excess soil to be used at the proposed development. A soil stockpile was created from the construction at the Wastewater Treatment Plant. The soil is not needed at the WWTP. The soil would provide benefit to the development. Since the City seeks to encourage development and redevelopment in the Central Business District, we recommended providing excess fill to First Move Properties, LLC per the terms of the MOU.

The soil stockpile may also be used by the City for our own purposes. Any soil remaining could be offered to other developers and projects as appropriate.

Unless you or the Mayor has further questions, please forward a copy of this memo, Resolution and MOU to the City Council.

FIRST MOVE PROPERTIES, LLC

**P.O. Box 4365
Salisbury, MD 21803**

November 5, 2019

City of Salisbury, Maryland
Department of Infrastructure & Development
Attn: Amanda H. Pollack, P.E., Director (apollack@salisbury.md)
125 N. Division Street, Room 202
Salisbury, Maryland 21801

**Re: First Move Properties, LLC's Request for Soil;
Redevelopment of 144 E. Main Street, Salisbury, Maryland 21801 (Map 0107, Grid
0015, Parcel 858 and 878), 130 E. Main Street, Salisbury, Maryland 21801 (Map
0107, Grid 0015, Parcel 0855), and 132 E. Main Street, Salisbury, Maryland 21801
(Map 0107, Grid 0015, Parcel 0856). Referred to collectively as the "Property"**

Dear Ms. Pollack:

On behalf of First Move Properties, LLC ("First Move"), please accept this letter as First Move's formal request to the City of Salisbury for excess soil located at the Wastewater Treatment Plant for First Move's redevelopment the Property. First Move will provide all necessary equipment to load and transport the soil and will exclusively use the material at the Property.

First Move proposes to begin pickup of the soil no later than June 1, 2020 and complete the transport no later than December 31, 2020 and expects to receive a Certificate of Occupancy for the redevelopment of the Property by August 15, 2021.

During the transportation process First Move representatives will check-in each day with city personnel at the Wastewater Treatment Plant and will record each load removed to ensure no more than 3,200 tons of soil is transported to the Property.

If City staff has any questions or needs additional information regarding the matters addressed in this correspondence, please do not hesitate to contact me. Thank you for your time and consideration of this request.

Sincerely,



Nicholas Simpson,
First Move Properties, LLC

1 RESOLUTION No. 3114

2
3 A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE
4 MAYOR TO ENTER INTO AN AGREEMENT WITH FIRST MOVE PROPERTIES, LLC TO
5 ALLOW THE USE OF SOIL LOCATED AT THE CITY'S WASTEWATER TREATMENT
6 PLANT FOR THE REDEVELOPMENT OF 130 EAST MAIN STREET, 132 EAST MAIN
7 STREET AND 144 EAST MAIN STREET.

8
9 WHEREAS, the City of Salisbury, Maryland (the "City") seeks to encourage development
10 and redevelopment in the Central Business District, the Riverfront Redevelopment Area and the
11 Enterprise Zone; and

12
13 WHEREAS, the City recognizes sharing available resources can assist in such
14 development and redevelopment; and

15
16 WHEREAS, the City has excess soil stockpiled at the Wastewater Treatment Plant; and

17
18 WHEREAS, First Move Properties, LLC is actively redeveloping properties located in the
19 Central Business District and known as 130 East Main Street, 132 East Main Street and 144 East
20 Main Street; and

21
22 WHEREAS, First Move Properties, LLC has indicated that soil from the Wastewater
23 Treatment Plant would be a useful resource in its redevelopment of the aforementioned properties;
24 and

25
26 WHEREAS, in efforts to encourage this redevelopment, the City desires to enter into the
27 attached Soil Agreement setting forth the conditions upon which First Move Properties, LLC can
28 access the City's stockpiled soil.

29
30 NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF
31 SALISBURY, MARYLAND as follows:

32
33 Section 1. First Move Properties, LLC will be permitted to use and retain soil from the
34 stockpile at the City's Wastewater Treatment Plant in accordance with the terms and
35 conditions set forth in the Soil Agreement attached hereto and incorporated as if fully
36 set forth herein.

37
38 Section 2. The Mayor is authorized to execute and enter into the attached Soil
39 Agreement on behalf of the City.

40
41 Section 3. Execution and entry into the Soil Agreement by First Move Properties, LLC
42 is a material condition of the City's grant of use and retention of the soil referenced
43 herein, and First Move Properties, LLC's failure or refusal to execute and enter into the
44 Soil Agreement shall invalidate this Resolution.

48 THIS RESOLUTION was duly passed at a meeting of the Council of the City of Salisbury
49 held on _____, 2021, and is to become effective immediately upon adoption.
50

51
52 ATTEST:
53

54 _____
55 Kimberly R. Nichols, City Clerk
56

John R. Heath, President
Salisbury City Council

57
58 APPROVED BY ME THIS:
59

60 _____ day of _____, 2021
61

62 _____
63 Jacob R. Day, Mayor
64

SOIL AGREEMENT

THIS SOIL AGREEMENT (“**Agreement**”), is made this ____ day of _____, 2021, by and between *City of Salisbury*, a Maryland municipal corporation (the “**City**”), and *First Move Properties, LLC*, a Maryland limited liability company (“**First Move Properties**”) (First Move Properties is hereinafter sometimes referred to as the “**Developer**”) (the City and First Move Properties are hereinafter referred to collectively as the “**Parties**”).

RECITALS

WHEREAS, the seeks to encourage development and redevelopment in the Central Business District, the Riverfront Redevelopment Area and the Enterprise Zone; and

WHEREAS, to support the development and redevelopment of said areas, the City has offered the use and retention of available soil stockpiled at the Wastewater Treatment Plant (hereinafter the “**Soil**”), subject to the terms and conditions of this Agreement; and

WHEREAS, Developer is actively redeveloping properties located in the Central Business District and known as 130 East Main Street, 132 East Main Street and 144 East Main Street (hereinafter referred to as the “**Premises**”); and

WHEREAS, Developer desires to use and retain a quantity of the Soil in furtherance of the redevelopment of the Premises; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which the Parties expressly acknowledge, the Parties agree as follows:

1. Effective Date & Term.

(a) The “**Effective Date**” of this Agreement shall be the date upon which this Agreement is approved by a majority vote of the City Council of the City of Salisbury (the “**City Council**”).

(b) The “**Term**” of this Agreement shall commence on the Effective Date and shall continue until Developer obtains a Certificate of Occupancy for the Premises, unless earlier terminated in accordance with the terms and conditions set forth herein.

2. Warranties and Obligations of the City: The City does hereby warrant and agree for the benefit of Developer as follows:

(a) Beginning immediately, the City shall allow Developer to access, use and retain the Soil stockpiled at the Wastewater Treatment Plant.

(b) Except in the event of default of this Agreement, the City shall provide access, use and retention of the Soil at no cost to Developer.

(c) The City makes no representation or warranty as to the quality or quantity of the Soil. The City shall offer the Soil to interested Developers on a first-come first-served basis.

3. Warranties and Obligations of the Developer. The Developer does hereby warrant and agree for the benefit of the City as follows:

(a) Developer shall use the Soil exclusively for the redevelopment of the Premises.

(b) Developer shall be responsible for loading and transporting the Soil, which work shall be performed solely with Developer’s equipment. Developer may leave equipment at the Wastewater Treatment Plant at its own risk, and only with the permission of the Director of Water Works.

(c) Developer shall access the soil between the hours of 8a.m. and 3p.m. on weekdays only.

(d) Developer shall adhere to all applicable laws and regulations governing sediment and erosion control measures.

(e) Developer shall begin transport of the Soil no later than August 1, 2021.

(f) Upon arrival at the Wastewater Treatment Plant each day, Developer shall check in with City personnel at the gate and shall record the number of loads and volume of Soil removed.

(g) Developer shall complete Soil transport and commence site work no later than March 1, 2022.

(h) Developer shall obtain a Certificate of Occupancy no later than September 30, 2023.

(i) If Developer fails to adhere to the requirements and/or timeline set forth in this Paragraph 3, Developer shall pay the City Sixty-Five Dollars (\$65.00) per square yard of Soil removed as of the date of such default. This payment shall be made within thirty (30) days of the date of such default.

(j) Developer takes and accepts all Soil "AS IS." Developer agrees that the City makes no warranty, guaranty or representation of any kind, express or implied, as to the merchantability or fitness for any purpose of the Soil, including any environmental representations or guarantees of any kind that the Soil is adequate for Developer's needs. Developer agrees it is not entitled to any payment for any losses arising in any way from the Soil.

(k) Developer releases, indemnifies, defends and saves harmless the City and its officers, employees and agents from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, whether known or unknown, including interest and attorneys' fees, in any way connected to any injury to any person, including death, or damage to any property or any loss to the City or third parties arising from the Soil, including by hazardous substances originating or tied to the Soil or its use by Developer. This release and indemnity specifically include the obligation of Developer to perform any remedial or other activities required or ordered by any properly empowered government official, or otherwise reasonably necessary to avoid injury or liability to any person or to prevent the spread of pollution originating thereon. Developer shall perform all such work in its own name in accordance with applicable laws.

4. Termination.

(a) The parties may terminate this Agreement at any time by providing written notice of said termination. The provisions of Paragraphs 2(d), 3(d), 3(i), 3(j) and 3(k) shall survive any such termination.

(b) If this Agreement is terminated by Developer prior to obtaining the Certificate of Occupancy for the Premises, Developer shall the City Sixty-Five Dollars (\$65.00) per square yard of Soil removed as of the date of termination. This payment shall be made within thirty (30) days of the date of termination.

5. Miscellaneous.

(a) **Assignment.** None of the Permittees may assign this Agreement or any of their respective rights or obligations hereunder, in whole or in part, without the prior written consent of the City.

(b) **Notices.** All notices and other communications given by a party to any other party hereto which relate to this Agreement shall be in writing and shall be deemed delivered to the addressee thereof: (i) when delivered in person on a business day at the address set forth below; or, (ii) on the third (3rd) business day after being deposited in any main or branch United States Post Office, for delivery by properly addressed, postage prepaid certified or registered mail, return receipt requested, at the address set forth below; or, (iii) when delivered by a nationally-recognized delivery service company at the address set forth below, with written proof of delivery.

All notices and other communications to the City shall be addressed to, and delivered at, the following address:

The City of Salisbury

c/o _____

Salisbury, Maryland 21801

With a copy to:

Heather R. Konyar, Esquire

Cockey, Brennan & Maloney, P.C.

313 Lemmon Hill Lane

Salisbury, Maryland 21801

All notices and other communications to Developer shall be addressed to, and delivered at, the following address:

First Move Properties, LLC

c/o _____

Salisbury, Maryland 21801

(c) **Section Headings.** The section headings contained in this Agreement are for convenience of reference only and shall not limit or otherwise affect any of the provisions of this Agreement.

(d) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the Parties with respect to all matters set forth herein, and any and all prior negotiations, writings and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

(e) **Waiver - Amendments.** Any of the terms or conditions of this Agreement may be waived but only in writing by the party which is entitled to the benefit thereof, and this Agreement may be amended or modified in whole or in part only by an agreement in writing, executed by all of the Parties to this Agreement.

(f) **Binding Nature of Agreement.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

(g) **Further Assurances.** The Parties covenant and agree with one another, upon the request of any party to this Agreement, to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, any such further act(s), deed(s), document(s), assignment(s), transfer(s), conveyance(s), power(s) of attorney or assurance(s) as may be reasonably necessary or desirable to give full effect to this Agreement and the transactions contemplated by the terms contained herein.

(h) **Severability.** Whenever possible, each provision and term of this Agreement shall be interpreted in a manner to be effective and valid, but if any provision or term of this Agreement is adjudged by a court of competent jurisdiction to be prohibited or invalid, then such provision or term will be ineffective only to the extent of such prohibition or invalidity and without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement.

(i) **Legal Representation.** Permittees acknowledge and understand the law firm of Cockey, Brennan & Maloney, P.C. have served as counsel to the City in the preparation of this. Developer expressly acknowledges that it has been advised of its right to obtain independent counsel of its own selection in connection with the negotiation and preparation of the terms of this Agreement so that Developer may have its attorney(s) answer any questions it may have regarding this Agreement and any terms contained herein. By Developer's execution of this Agreement, Developer expressly acknowledges that it regards the terms of this Agreement to be fair and reasonable and that it has executed this Agreement freely and voluntarily either with or without the advice of counsel.

(j) **Construction.** This Agreement, and all the terms and conditions contained herein, shall not be construed or enforced in favor of or against any party hereto by reason of the fact that party or that party's agent or attorney drafted all or any part of this Agreement. Unless otherwise expressly provided, the words "hereof", "herein" and "hereunder" and similar references refer to this Agreement in its entirety and not to any specific section or subsection hereof, the words "including" or "includes" do not limit the preceding words or terms and the word "or" is used in the inclusive sense. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural.

(k) **Governing Law; Venue; Attorneys' Fees.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, without regard to its conflict of laws principles. The Parties for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter arising from or in connection with this Agreement.

(l) **Waiver of Jury Trial.** Each of the Parties hereby expressly waive trial by jury in any action, proceeding or counterclaim brought by any party hereto against any other party on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the Parties to one another and/or any claim, injury or damage arising from or consequent upon this Agreement.

(m) **Recitals.** The Recitals set forth hereinabove are incorporated by reference herein, and made a part hereof, as if fully set forth in this Agreement.

(n) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals and acknowledged this Soil Agreement as of the day and year first above written.

ATTEST/WITNESS:

THE “DEVELOPER”:

First Move Properties, LLC

By: _____ (Seal)
_____, Authorized Representative


THE “CITY”:

City of Salisbury, Maryland

By: _____ (Seal)
Jacob R. Day, Mayor



City of
Salisbury
Jacob R. Day, Mayor

To: Julia Glanz, City Administrator
From: Amanda H. Pollack, P.E., Director of Infrastructure and Development 
Date: June 11, 2021
Re: Resolution – The Ross/First Move Properties HORIZON Program agreement

The Department of Infrastructure and Development received the attached application from First Move Properties, LLC for the HORIZON program. The HORIZON program was created to facilitate the construction of hotel or multifamily residential development in the Central Business Zoning District to accelerate economic activity in Downtown Salisbury. The project is The Ross and is located at 130, 132 and 144 East Main Street.

The application has been reviewed by the Department of Infrastructure and Development and determined to be eligible for the HORIZON program because the project is located in the Central Business District, is revitalization of an existing building, serves primarily as a multifamily residential development, complies with Zoning and Building codes, will comply with the Historic District requirements, and will increase the assessed value of the real property base value by at least \$10,000,000.00. Additionally, the project has not received a certificate of occupancy.

The attached Letter of Intent has been signed by both the Director of Infrastructure and Development and the applicant. Also attached is a Resolution to authorize the Mayor to sign the attached HORIZON agreement. If construction of the Project is delayed or the schedule set forth in the HORIZON Agreement is not met, then the Applicant may request a one (1) year extension, and approval of such request shall be considered by the Mayor.

Unless you or the Mayor has further questions, please forward a copy of this memo, application, letter of intent, Resolution and Agreement to the City Council.

City of Salisbury
HORIZON Program Application

General Information

Application Date: 6-11-21

Legal Name of Business:

First Move Properties, LLC

Address of Property:

130, 132, 144 E. Main St. Salisbury, MD 21801 (Collectively know as The Ross)

Legal Description of Property:

130 E. Main (Map 0107, Grid 15, Parcel 0855), 132 E. Main (Map 0107, Grid 15, Parcel 0856)

144 E. Main (Map 0107, Grid 15, Parcel 0858)

Name of Business Owner:

Nick Simpson

Address of Business Owner:

P.O. Box 4365 Salisbury, MD 21803

Business Owner Telephone #: 410-627-4592

Business Owner E-mail address: nick@mentiscp.com

Name of Property Owner:

First Move Properties, LLC

Address of Property Owner:

P.O. Box 4365 Salisbury, MD 21803

Property Owner Telephone #: 410-627-4592

Property Owner E-mail address: nick@mentiscp.com

Property Assessment Overview

Current Assessed Value of the Real Property	\$ 1,951,700
Current City of Salisbury Real Property Taxes	\$ 19,189.11
Completed Project Appraised (Assessed) Value of the Property	\$ 21,000,000

Project Narrative

1 Brief history of the site / building:

First Move Properties purchased the site between 2018 and 2020. Once the site had been assembled, the three existing building where demolished to make way for The Ross building. The proposed development will consist of approximately 100 units of purpose built student housing.

2) General description of the proposed project:

The Project consists of a building approximately 185ft tall, complete with approximately sixty (60) residential apartment units comprised of two-person, three-person, or four-person luxury-style apartments located at 130-132 E. Main St. and a building approximately 120ft tall, complete with approximately forty-five (45) residential apartment units comprised of two-person, three-person, and four-person luxury-style apartments located at 144 E. Main Street.

3) How does this project align with the HORIZON program goals?

The Horizon program seeks to incentive the construction and expansion of Downtown Salisbury in order to increase economic activity. The project will achieve this goal by creating hundreds of jobs in Downtown during construction and will add over 360 permanent residents in Downtown. Additionally, the project will create a enduring link between Downtown Salisbury and Salisbury University since it has been designed for college students. Overall the project exemplifies the City's stated goal for the Horizon Program and First Move Properties looks forward to taking part in the transformation of Downtown Salisbury.

4) Does this project conform to the City's adopted Downtown Master Plan? How does this project meet the goals of the Downtown Master Plan?

The Project complies with the City's goals for development in the CBD zoning district. At its heart, the purpose of the CBD: "is to maintain and strengthen the role of the downtown area as the community and regional center for a broad range of governmental, cultural, institutional, professional, business, service, and retail activities; [and,] to enhance the vitality of the downtown by encouraging residential uses." (See Chapter 17.24.010(C)). Here, the Project involves completely remodeling and re-purposing historic buildings in the CBD. All told, the Project will convert three buildings exclusively for office space into two new buildings equipped with approximately 100 new luxury-style apartments. When finished, the Project will more than double the residential inventory available for rent in Downtown Salisbury; and, because the Project is centrally focused on offering high-quality apartment-style rentals to university students, the Project will inextricably strengthen the connection Downtown Salisbury shares with Salisbury University.

5) Use Mix: Type of Use / Percentages:

100% Student Housing

6) Property ownership structure:

Limited Liability Company (LLC)

7) Do you intend to “Phase” the project? If so, please provide phasing details.

No.

8 Description of on- or off-site or associated additional projects, if applicable.

The project also includes plans for the construction of a walking bridge connecting the buildings to the City's parking garage to service the parking needs of the residents. The walking bridge will connect to the top level of the parking garage and the fourth floor of The Ross buildings.

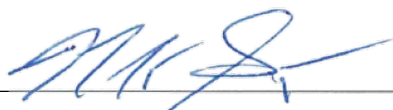
9) Description of public or tenant accessible amenities, if applicable.

The Project includes a public courtyard between the two buildings where the old Chamber of Commerce parking lot was located. The courtyard will be complete with gardens and outdoor seating for everyone to enjoy.

Check any other incentives / programs that have been applied for.

- ☒ Enterprise Zone
- ☐ Rise Zone
- ☒ Comprehensive Connection Charge Waivers
- ☐ Revolving Loan Program
- ☐ Community Legacy Grant
- ☐ SD/SGIF Grant
- ☐ Other City/County/State/Federal Grant
- ☐ Other Tax incentives
- ☐ Energy use incentives
- ☒ Other Public investment

I, the Applicant, have read and understand the HORIZON Program guidelines, and I agree to abide by the general conditions as set forth in this application. I further understand that if I am awarded the real property tax credit, I will be required to enter into a HORIZON Program Agreement with the City of Salisbury.

Signature of Business Owner:  _____

Printed Name: Nick Simpson Date: 6-11-2021

Signature of Property Owner (if different from Business Owner):

Signature of Property Owner: _____

Printed Name: _____ Date: _____



Main Street View (Front)



Right Side View



Back of Building



Left Side View





City of
Salisbury
Jacob R. Day, Mayor

June 14, 2021

First Move Properties, LLC
P.O. Box 4365
Salisbury, MD 21803
Attn: Mr. Nick Simpson

Re: HORIZON Program Letter of Intent
The Ross project
130, 132 and 144 E. Main Street

Dear Mr. Simpson,

The Department of Infrastructure and Development is in receipt of your application for the HORIZON program dated June 11, 2021 for the above referenced project. We have reviewed the application and found it to be eligible for the tax credit program. Please accept this letter as the official Notice of Pre-Approval. Attached is an estimated schedule of the tax credits associated with The Ross project. Also attached is a draft Agreement for the project.

Please review this information and if acceptable, sign this Letter of Intent. Once I have received a signed copy of this letter, I will forward it to the Mayor along with the application for his pre-approval. Pending the Mayor's pre-approval, we will schedule the application and agreement to be presented to the City Council at an upcoming work session.

Please do not hesitate to contact me if you have any questions or if we can be of any assistance.

Sincerely,

Amanda H. Pollack, P.E.
Director

Letter of Intent Acknowledged by Applicant:

Nick Simpson, First Move Properties, LLC

6-14-21

Date

Estimated Tax Credit Schedule - The Ross

Current Assessed Value of the Real Property	\$	1,951,700.00
Current City of Salisbury Real Property Taxes	\$	19,189.11
Estimated Assessed Value after project completion:	\$	21,000,000.00

If the total assessment after project completion increases, then both the total tax and the tax credit will increase.

FY22 Tax Rate: \$0.9832 per \$100 of assessed valuation of real property

Year #	Tax Year	Tax Credit %	Increased Value of Property	Tax Rate	Total Tax based on Estimated Assessed Value after project completion	Estimated HORIZON tax credit	Estimated City Taxes Due
1	2024	100%	19,048,300.00	0.98	206,472.00	187,282.89	19,189.11
2	2025	100%	19,048,300.00	0.98	206,472.00	187,282.89	19,189.11
3	2026	100%	19,048,300.00	0.98	206,472.00	187,282.89	19,189.11
4	2027	100%	19,048,300.00	0.98	206,472.00	187,282.89	19,189.11
5	2028	100%	19,048,300.00	0.98	206,472.00	187,282.89	19,189.11
6	2029	80%	19,048,300.00	0.98	206,472.00	149,826.31	56,645.69
7	2030	80%	19,048,300.00	0.98	206,472.00	149,826.31	56,645.69
8	2031	80%	19,048,300.00	0.98	206,472.00	149,826.31	56,645.69
9	2032	80%	19,048,300.00	0.98	206,472.00	149,826.31	56,645.69
10	2033	80%	19,048,300.00	0.98	206,472.00	149,826.31	56,645.69
11	2034	60%	19,048,300.00	0.98	206,472.00	112,369.73	94,102.27
12	2035	60%	19,048,300.00	0.98	206,472.00	112,369.73	94,102.27
13	2036	60%	19,048,300.00	0.98	206,472.00	112,369.73	94,102.27
14	2037	60%	19,048,300.00	0.98	206,472.00	112,369.73	94,102.27
15	2038	60%	19,048,300.00	0.98	206,472.00	112,369.73	94,102.27
16	2039	40%	19,048,300.00	0.98	206,472.00	74,913.15	131,558.85
17	2040	40%	19,048,300.00	0.98	206,472.00	74,913.15	131,558.85
18	2041	40%	19,048,300.00	0.98	206,472.00	74,913.15	131,558.85
19	2042	40%	19,048,300.00	0.98	206,472.00	74,913.15	131,558.85
20	2043	40%	19,048,300.00	0.98	206,472.00	74,913.15	131,558.85
21	2044	0%	19,048,300.00	0.98	206,472.00	-	206,472.00

Notes:

1. The actual tax rate will be adjusted annually per the City's budget ordinance.
2. The real property taxes based on the pre-project assessed value will increase annually based on the current tax rate.
3. The tax credit and taxes due are estimates and will be adjusted based on the actual assessed value after project completion as well as the current tax rate.

HORIZON PROGRAM AGREEMENT

THIS HORIZON PROGRAM AGREEMENT (“Agreement”), is dated this ____ day of _____, 2021, by and between the *City of Salisbury, Maryland*, a municipal corporation of the State of Maryland (the “City”), and **First Move Properties, LLC**, a Maryland limited liability company (the City and First Move Properties, LLC are hereinafter referred to collectively as the “Parties”).

Recitals

WHEREAS, via Ordinance No. 2669 passed on _____, 2021, the City established a program to encourage hotel and large scale residential development and revitalization in the downtown area of Salisbury, known as the HORIZON Program;

WHEREAS, First Move Properties, LLC is the owner of all that certain real property, and improvements thereon, located in the City of Salisbury, Parsons Election District, Wicomico County, State of Maryland identified as Map 0107, Grid 0015, Parcel 0855, and being described as “130 E. Main Street”, Map 0107, Grid 0015, Parcel 0856, and being described as “132 E. Main Street”, and Map 0107, Grid 0015, Parcel 0858, and being described as “114 E. Main Street”;

WHEREAS, First Move Properties, LLC plans to develop the property by constructing two building with apartments, which, when complete, will consist of 105 residential units (hereinafter referred to as the “Project”);

WHEREAS, the Parties acknowledge and agree the Project will have a material impact on the revitalization of Downtown Salisbury by significantly increasing the housing inventory available within Downtown Salisbury;

WHEREAS, via Resolution No. ____ passed on _____, 2021, the City authorized First Move Properties, LLC to utilize the HORIZON Program for Project.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. Term. The term of this Agreement shall commence on the agreement date and shall continue for a term of twenty (20) (the “Term”). HORIZON Program Agreements are valid for one (1) calendar year from the agreement date. If projects are delayed or the schedule defined in the agreement is not met, then applicants may request a 1-year extension which will be considered by the Mayor.

2. Dates.

(a) This Agreement shall be deemed effective as of the date and year first above written, which shall be the later of the following dates: (a) the date this Agreement is executed by First Move Properties, LLC; or, (b) the date this Agreement is executed by the City.

(b) The Building Permit application must be received by the Department of Infrastructure and Development by September 15, 2021.

(c) Construction will comment no later than October 15, 2021.

(d) The certificate of occupancy must be received no later than August 1, 2023.

3. Miscellaneous.

(a) **Authority.** Each party represents and warrants to the other party that: (i) it has the full right, power and authority to execute this Agreement; (ii) the execution and delivery of this Agreement and the performance of its obligations hereunder are not prohibited by or in breach of, and the provisions

hereof do not conflict with, any other agreement, mortgage, contract or other instrument or document to which it is a party or by which it is otherwise bound; and, (iii) there are no legal requirements imposed upon it which prohibit or limit the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) **Entire Agreement.** This Agreement, and all exhibits attached hereto, constitute the entire agreement and understanding of the Parties with respect to the matters set forth herein, and all prior negotiations, writings and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

(c) **Waiver - Amendments.** Any of the terms or conditions of this Agreement may be waived but only in writing by the party which is entitled to the benefit thereof, and this Agreement may be amended or modified in whole or in part only by an agreement in writing executed by all of the Parties.

(d) **Binding Nature of Agreement.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. First Move Properties, LLC may assign this Agreement and all its rights hereunder to any successor(s)-in-interest of First Move Properties, LLC with respect to its ownership of, or any of its rights in and to, the Project or any part or portion thereof.

(e) **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect or otherwise limit the validity and enforceability of the other provisions hereof.

(f) **Construction.** This Agreement and all of the terms and conditions set forth herein shall not be construed or enforced in favor of or against any party hereto by reason of the fact that party or that party's agent or attorney drafted all or any part of this Agreement. Section headings are for convenience of reference only and shall not limit or otherwise affect any of the provisions of this Agreement. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural.

(g) **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, without regard to its conflict of laws principles. The Parties hereto acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter arising under, from or in connection with this Agreement.

(h) **Waiver of Jury Trial.** The Parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim brought by a party hereto against the other on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the Parties to one another, and/or any claim, injury or damage arising from or consequent upon this Agreement.

(i) **Recitals.** The Recitals set forth hereinabove are incorporated by reference herein, and made a part hereof, as if fully set forth in this Agreement.

(j) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(k) **Indemnity.** First Move Properties, LLC shall indemnify, defend and save harmless the City and its officers, employees and agents from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, in any way connected with any injury to any person or damage to any property or any loss to the City or third parties.

(l) **Unsatisfactory work.** The City shall have the right to refuse tax credits to First Move Properties, LLC if the City believes the work for development of the Project is unsatisfactory,

construction of the Project is not being completed according to the approved HORIZON application or this Agreement, or the increased assessed value of the real property does not meet the eligibility requirements.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals and acknowledged this Developer's Agreement as of the date and year referenced below.

WITNESS/ATTEST:

THE CITY:

City of Salisbury, Maryland

By: _____ (SEAL)
Jacob R. Day, Mayor

Date: _____, _____, 20__

DEVELOPER:

First Move Properties, LLC

By: _____ (SEAL)
Nicholas Simpson

Date: _____, _____, 20__

RESOLUTION No. 3115

A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH FIRST MOVE PROPERTIES, LLC TO PROVIDE TAX CREDITS THROUGH THE HORIZON PROGRAM FOR THE REDEVELOPMENT OF 130 EAST MAIN STREET, 132 EAST MAIN STREET AND 144 EAST MAIN STREET.

WHEREAS, on June 28, 2021, the City Council approved the HORIZON Program via Ordinance No. 2669 to provide tax credits to eligible hotel or multifamily residential developments in the Central Business Zoning District and Riverfront Redevelopment Zoning District; and

WHEREAS, First Move Properties, LLC has submitted an application for tax credits through the HORIZON Program in association with its redevelopment of 130, 132 and 144 East Main Street (hereinafter the "Ross Project"); and

WHEREAS, the Department of Infrastructure and Development has reviewed the application and determined that it meets the eligibility criteria of the HORIZON Program; and

WHEREAS, the Department of Infrastructure and Development issued an official Notice of Pre-Approval and in turn, First Move Properties, LLC signed the Letter of Intent; and

WHEREAS, the Mayor has pre-approved the Ross Project for the HORIZON Program; and

WHEREAS, pursuant to Ordinance No. 2669, this Resolution is now ripe for review and approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND as follows:

Section 1. The City of Salisbury (the "City") will grant a tax credit to First Move Properties, LLC in accordance with the terms and conditions set forth in the Agreement attached hereto and incorporated as if fully set forth herein; and

Section 2. The Mayor is authorized to execute and enter into the attached Agreement on behalf of the City; and

Section 3. Execution and entry into the attached Agreement by First Move Properties, LLC is a material condition of the City's grant of the tax credit for the Ross Project, and First Move Properties, LLC's failure or refusal to execute and enter into the attached Agreement shall invalidate this Resolution.

THIS RESOLUTION was duly passed at a meeting of the Council of the City of Salisbury held on _____, 2021, and is to become effective immediately upon adoption.

48 ATTEST:

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51 _____
52 Kimberly R. Nichols, City Clerk

53

54

John R. Heath, President
Salisbury City Council

55 APPROVED BY ME THIS:

56

57 _____ day of _____, 2021

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59

Jacob R. Day, Mayor

HORIZON PROGRAM AGREEMENT

THIS HORIZON PROGRAM AGREEMENT (“Agreement”), is dated this ____ day of _____, 2021, by and between the *City of Salisbury, Maryland*, a municipal corporation of the State of Maryland (the “City”), and **First Move Properties, LLC**, a Maryland limited liability company (“**First Move Properties**”) (First Move Properties is hereinafter sometimes referred to as the “**Developer**” or “**Owner**”) (the City and First Move Properties, LLC are hereinafter referred to collectively as the “**Parties**”).

Recitals

WHEREAS, via Ordinance No. 2669 passed on June 28, 2021, the City established a program to encourage hotel and large-scale residential development and revitalization in the downtown area of Salisbury, known as the HORIZON Program;

WHEREAS, Developer is the owner of all that certain real property, and improvements thereon, located in the City of Salisbury, Parsons Election District, Wicomico County, State of Maryland identified as Map 0107, Grid 0015, Parcel 0855, and being described as “130 E. Main Street”, Map 0107, Grid 0015, Parcel 0856, and being described as “132 E. Main Street”, and Map 0107, Grid 0015, Parcel 0858, and being described as “114 E. Main Street”;

WHEREAS, Developer plans to develop the property by constructing two buildings with apartments, which, when complete, will consist of approximately 105 residential units (hereinafter referred to as the “**Project**”);

WHEREAS, the Parties acknowledge and agree the Project will have a material impact on the revitalization of Downtown Salisbury by significantly increasing the housing inventory available within Downtown Salisbury;

WHEREAS, via Resolution No. 3115 passed on July 12, 2021, the City authorized Developer to utilize the HORIZON Program for the Project.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

1. Term. The term of this Agreement shall commence on the agreement date and shall continue for a term of twenty (20) years (the “**Term**”).

2. Dates.

(a) This Agreement shall be deemed effective as of the date and year first above written, which shall be the later of the following dates: (a) the date this Agreement is executed by Developer; or, (b) the date this Agreement is executed by the City.

(b) Developer shall submit the Project’s Building Permit application to the Department of Infrastructure and Development no later than September 15, 2021.

(c) Developer shall commence construction on the Project no later than October 15, 2021.

(d) Developer shall obtain the certificate of occupancy for the Project no later than August 1, 2023.

3. Warranties and Obligations of the City: The City does hereby warrant and agree for the benefit of Developer as follows:

(a) The City shall grant real property tax credits to Developer, calculated on the increased assessed value of the real property after completion of the Project. The full amount of taxes shall be collected on the assessed value of the property prior to beginning the Project (including demolition of pre-existing improvements), or the assessed value of the real property without improvements, whichever will result in the higher tax to be paid. Taxes shall also be collected on the increased assessed value, described above, minus any applicable credit throughout the duration of the twenty (20) year term.

(b) The Tax Credit may be combined with other local, state, and federal incentive programs. The Tax Credit shall not supersede state or federal incentive programs and shall be applied after those incentive programs have been applied to the real property tax bill.

(c) Once a certificate of occupancy for the Project has been issued and the real property, at which the Project is constructed, has been appraised and its increased assessed value established, the Tax Credit shall take effect during the next fiscal year tax billing cycle.

(d) Tax Credits in each year shall be that percentage set forth in the table below of the excess taxes due over and above the assessed value of the subject real property prior to commencing construction of the Project (including demolition of pre-existing improvements), or the assessed value of the real property without improvements, whichever will result in the higher tax to be paid. The Tax Credit schedule shall be as follows:

Tax Billing Year	Real Property Tax Credit
Years 1 to 5	100%
Years 6 to 10	80%
Years 11 to 15	60%
Years 16 to 20	40%

4. Warranties and Obligations of the Developer. The Developer does hereby warrant and agree for the benefit of the City as follows:

(a) Developer shall adhere to the Program Guidelines and General Conditions set forth in the HORIZON Program Guidelines and Application submitted by Developer, a copy of which is attached to this Agreement, incorporated herein and made a part hereof.

(b) Developer shall indemnify, defend and save harmless the City and its officers, employees and agents from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, in any way connected with any injury to any person or damage to any property or any loss to the City or third parties.

(c) The City shall have the right to refuse tax credits to Developer if the City believes the work for development of the Project is unsatisfactory, construction of the Project is not being completed according to the approved HORIZON application or this Agreement, or the increased assessed value of the real property does not meet the eligibility requirements.

5. Miscellaneous.

(a) **Authority.** Each party represents and warrants to the other party that: (i) it has the full right, power and authority to execute this Agreement; (ii) the execution and delivery of this Agreement and the performance of its obligations hereunder are not prohibited by or in breach of, and the provisions hereof do not conflict with, any other agreement, mortgage, contract or other instrument or document to which it is a party or by which it is otherwise bound; and, (iii) there are no legal requirements imposed upon it which prohibit or limit the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) **Entire Agreement.** This Agreement, and all exhibits attached hereto, constitute the entire agreement and understanding of the Parties with respect to the matters set forth herein, and all prior negotiations, writings and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

(c) **Waiver - Amendments.** Any of the terms or conditions of this Agreement may be waived but only in writing by the party which is entitled to the benefit thereof, and this Agreement may be amended or modified in whole or in part only by an agreement in writing executed by all of the Parties.

(d) **Binding Nature of Agreement.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns. Developer may assign this Agreement and all its rights hereunder to any successor(s)-in-interest of Developer with respect to its ownership of, or any of its rights in and to, the Project or any part or portion thereof.

(e) **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect or otherwise limit the validity and enforceability of the other provisions hereof.

(f) **Construction.** This Agreement and all of the terms and conditions set forth herein shall not be construed or enforced in favor of or against any party hereto by reason of the fact that party or that party's agent or attorney drafted all or any part of this Agreement. Section headings are for convenience of reference only and shall not limit or otherwise affect any of the provisions of this Agreement. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural.

(g) **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maryland, without regard to its conflict of laws principles. The Parties hereto acting for themselves and for their respective successors and assigns, without regard to domicile, citizenship or residence, hereby expressly and irrevocably consent to and subject themselves to the jurisdiction of the Maryland courts and to venue in Wicomico County, Maryland with respect to any matter arising under, from or in connection with this Agreement.

(h) **Waiver of Jury Trial.** The Parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counter-claim brought by a party hereto against the other on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of the Parties to one another, and/or any claim, injury or damage arising from or consequent upon this Agreement.

(i) **Recitals.** The Recitals set forth hereinabove are incorporated by reference herein, and made a part hereof, as if fully set forth in this Agreement.

(j) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals and acknowledged this Developer's Agreement as of the date and year referenced below.

WITNESS/ATTEST:

THE CITY:

City of Salisbury, Maryland

By: _____ (SEAL)
Jacob R. Day, Mayor

Date: _____, _____, 20____

DEVELOPER:

First Move Properties, LLC

By: _____ (SEAL)
Nicholas Simpson

Date: _____, _____, 20____

Finance Department / HCDD

MEMO

To: Keith Cordrey

From: Deborah Stam

Subject: Ordinance – Budget Amendment – Additional Increase to the Amount in the Reserve for Replacement (RFR) Expenditure Account for Mitchell Landing Apartments

Date: July 6, 2021

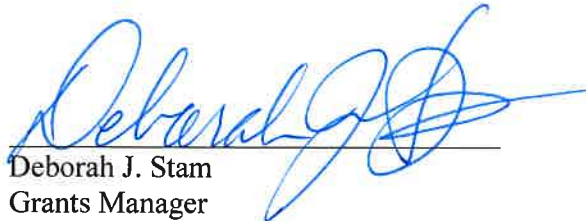
As you are aware, a serious maintenance issue was recently uncovered at Mitchell Landing Apartments, Bldg. 139. This maintenance issue has created unexpected bills that will need to be paid initially by the City, but which will be reimbursable through the Mitchell Landing Reserve for Replacement (RFR) account. We have an existing Mitchell Landing project account (76300) which had been created previously to address a different repair issue, but now we need to increase the operating budget in that account in order to pay these new invoices that will be coming in.

Given the conditions that have been discovered at Mitchell Landing under building 139 we feel it is necessary for us to conduct structural inspections under all of the buildings to be on the safe side. We have received a proposal from WCBM for the structural inspection of the bearer beams under all four buildings at Mitchell Landing, and the geotechnical engineering services necessary to create a rehabilitation plan for each building as necessary. The total estimated cost for this service is \$31,293.

We have obtained a second authorization memo from Catherine Spencer at DHCD / CDA pre-approving reimbursement of up to \$40,000 from the Mitchell Landing RFR account for this issue. That combined with the first authorization memo for \$20,000 brings us to a total of \$60,000. Copies of both CDA authorization memos are attached.

Also attached is the revised Ordinance approving a budget amendment of the grant fund to increase the revenue and expenditure amounts in that Mitchell Landing project account by \$60,000.

Please forward this updated information to the City Council to be placed on their agenda for discussion at the July 6, 2021 work session, and second reading / final passage at the July 12, 2021 legislative session. Thank you for your assistance.


Deborah J. Stam
Grants Manager
Finance Department

Attachments

CC: Olga Butar
Kim Nichols
Julie English
Michael Sullivan
Ron Strickler

LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary



May 17, 2021

Ms. Deborah J. Stam, Grants Manager
Finance Department / HCDD
City of Salisbury
207 West Main Street, Suite 102
Salisbury, Maryland 21801

Dear Ms. Stam:

This letter serves as the Division of Credit Assurance's authorization for the Michell Landing reserve for replacement funds being used for tenant relocations expenses resulting from damage to building 139. The division authorizes up to \$20,000 to be draw from the reserve account for this purpose.

If you have any questions please do not hesitate to contact me at catherine.spencer@maryland.gov.

Sincerely,

Catherine Spencer

Catherine Spencer
Senior Portfolio Manager



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



LARRY HOGAN
Governor
BOYD K. RUTHERFORD
Lt. Governor
KENNETH C. HOLT
Secretary



July 2, 2021

Ms. Deborah J. Stam, Grants Manager
Finance Department / HCDD
City of Salisbury
207 West Main Street, Suite 102
Salisbury, Maryland 21801

Dear Ms. Stam:

This letter serves as the Division of Credit Assurance's authorization for the Michell Landing reserve for replacement funds to be used for any and all inspections, engineering and repairs for all buildings. The division authorizes up to \$40,000 to be drawn from the reserve account for this purpose.

If you have any questions, please do not hesitate to contact me at catherine.spencer@maryland.gov.

Sincerely,

Catherine Spencer

Catherine Spencer
Senior Portfolio Manager



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



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ORDINANCE No. 2672

AN ORDINANCE OF THE CITY OF SALISBURY TO AUTHORIZE THE FINANCE DEPARTMENT TO ESTABLISH A PROJECT EXPENDITURE ACCOUNT IN ORDER TO PAY THOSE INVOICES FOR MITCHELL LANDING APARTMENTS THAT WILL BE REIMBURSABLE THROUGH THE MITCHELL LANDING RESERVE FOR REPLACEMENT (RFR) ACCOUNT.

WHEREAS, the City of Salisbury owns the property known as Mitchell Landing Apartments; and

WHEREAS, Mitchell Landing Apartments was constructed with Partnership Rental Housing Program (PRHP) funding received from the Maryland Department of Housing & Community Development / Community Development Administration (DHCD / CDA); and,

WHEREAS, the DHCD / CDA regulations require that all PRHP-funded projects establish and maintain a Reserve for Replacement (RFR) account in order to fund ongoing maintenance and repair costs and to enable the project to be self-sustaining; and

WHEREAS, a maintenance issue has recently been discovered at Mitchell Landing Apartments in Bldg. 139 which has necessitated additional inspections of all apartment buildings comprising the Mitchell Landing Apartments complex, and ~~which~~ will require some invoices for such inspections of the apartment buildings and the associated repairs to be paid by the City and then reimbursed from the RFR account; and

WHEREAS, DHCD / CDA has provided written authorization for at least \$20,000 \$60,000 in reimbursement to the City from the RFR account for approved expenditures relating to this maintenance issue; and

WHEREAS, the appropriations necessary to execute the establishment of this project expenditure account 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 ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. The City authorizes the establishment of the Mitchell Landing project expenditure account in order to pay those invoices that will be reimbursed through the Mitchell Landing RFR account.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. The City of Salisbury's Grant Fund Budget be and hereby is amended as follows:

- (a) Increase DHCD Revenue Account
No. 12800-423300-76300 by \$20,000 \$60,000.
- (b) Increase Mitchell Landing RFR Operating Expense Account
No. 12800-546006-76300 by \$20,000 \$60,000.

52 **BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY**
53 **OF SALISBURY, MARYLAND**, as follows:

54 **Section 3.** It is the intention of the Mayor and Council of the City of Salisbury that each
55 provision of this Ordinance shall be deemed independent of all other provisions herein.

56 **Section 4.** It is further the intention of the Mayor and Council of the City of Salisbury
57 that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged
58 invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law,
59 such adjudication shall apply only to the section, paragraph, subsection, clause or provision so
60 adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and
61 enforceable.

62 **Section 5.** The recitals set forth hereinabove are incorporated into this section of the
63 Ordinance as if such recitals were specifically set forth at length in this Section 5.

64 **Section 6.** This Ordinance shall take effect from and after the date of its final passage.
65

66 **THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the
67 City of Salisbury held on the 28th day of June, 2021 and thereafter, a statement of the substance
68 of the Ordinance having been published as required by law, in the meantime, was finally passed
69 by the Council of the City of Salisbury on the 12th day of July, 2021.

70
71 **ATTEST:**
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75 _____
76 **Kimberly R. Nichols**
77 **City Clerk**

_____ **John R. Heath**
City Council President

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80 Approved by me, this _____ day of _____, 2021.
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85 _____
86 **Jacob R. Day, Mayor**
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95 *Text which is shown herein with a ~~strike-through~~ denotes text of the Ordinance which has been deleted from the
96 Ordinance passed on First Reader at the June 28, 2021 Mayor and Council Meeting.*
97

98 *Text which is shown herein **bolded and underlined** denotes text of the Ordinance which has been added to the
99 Ordinance passed on First Reader at the June 28, 2021 Mayor and Council Meeting.*
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ORDINANCE No. 2673

AN ORDINANCE OF THE CITY OF SALISBURY TO AUTHORIZE THE MAYOR TO ENTER INTO A CONTRACT WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) FOR THE PURPOSE OF ACCEPTING GRANT FUNDS IN THE AMOUNT OF \$20,000.00, AND TO APPROVE A BUDGET AMENDMENT TO THE GRANT FUND TO APPROPRIATE THESE FUNDS FOR ELIGIBLE EXPENSES ASSOCIATED WITH THE 2021 NATIONAL FOLK FESTIVAL.

WHEREAS, the City of Salisbury (the “City”) submitted an application, dated April 29, 2020, to the Department of Housing and Community Development (“DHCD”), a principal department of the State of Maryland, for a grant under the Operating Assistance Grant Program to provide the City financial assistance in carrying out community development activities, specifically assistance in conducting the National Folk Festival to be held in the City; and

WHEREAS, in response to the application submitted by the City as aforesaid, DHCD has awarded the City grant funds in a total amount not to exceed \$20,000.00, which said grant funds shall be disbursed to the City in accordance with, and subject to, the terms of the Grant Agreement, by and between DHCD and the City, attached hereto and incorporated herein as Exhibit A; and

WHEREAS, § 7-29 of the Salisbury City Charter prohibits the City from entering into a contract that requires an expenditure not appropriated or authorized by the Council of the City of Salisbury (the “City Council”); 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 City Council.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. Mayor Jacob R. Day is hereby authorized to execute, on behalf of the City of Salisbury, the Grant Agreement with the Department of Housing and Community Development, attached hereto and incorporated herein as Exhibit A, for the City’s acceptance of grant funds in a total amount not to exceed \$20,000.00 subject to the terms set forth therein.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. The City of Salisbury’s Grant Fund Budget be and hereby is amended as follows:

(a) Increase DHCD Revenue Account No. 10500–423601–XXXXX by \$20,000.00.

(b) Increase Operating Expense Account No. 10500–546006–XXXXX by \$20,000.00.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 3. It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.

Section 4. It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

Section 5. The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 5.

Section 6. 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 Mayor and Council of the City of Salisbury held on the 28th day of June, 2021 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 12th day of July, 2021.

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this _____ day of _____, 2021.

Jacob R. Day, Mayor

OPERATING ASSISTANCE GRANT PROGRAM GRANT AGREEMENT

This Grant Agreement (this "**Agreement**") entered into as of the Effective Date (as hereinafter defined), by and between the DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, a principal department of the State of Maryland ("**DHCD**") and CITY OF SALISBURY (the "**Grantee**").

RECITALS

WHEREAS, Grantee has applied to DHCD for a grant under the Operating Assistance Grant Program (the "**Program**"). The Program includes (i) Operating and Technical Assistance Grants ("**TAG Grants**"), pursuant to §4-211 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended and the Code of Maryland Regulations ("**COMAR**") 05.11.01; and (ii) Main Street Improvement Program Grants ("**MIP Grants**"), pursuant to §6-102 of the Housing and Community Development Article of the Annotated Code of Maryland, COMAR 5.13.02, and DHCD's general authority to administer and implement programs, pursuant to §2-102 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended. The provisions of the Annotated Code of Maryland and the related regulations are referred to herein collectively as the "**Act**."

WHEREAS, the purpose of the TAG Grants is to enable eligible nonprofit organizations, local governments, local development corporations and local development agencies to obtain or provide advisory, consultative, training and educational services to initiate or enhance community development and commercial revitalization activities to bring reinvestment and economic revitalization to their communities.

WHEREAS, the purpose of the MIP Grants is to promote the development and revitalization of business districts in local jurisdictions through a grant to a local government designated as a Main Street Maryland community, a Baltimore Main Street, or a nonprofit Main Street organization, with the support of the local government.

WHEREAS, in reliance upon the representations and certifications contained in the Grantee's application for grant assistance dated April 29, 2020 (the "**Application**"), DHCD has approved an award of **TAG Grant** funds to the Grantee, to be expended by the Grantee in accordance with the requirements and provisions of this Agreement, the Program, DHCD's Program Policy Guide, as amended from time to time (the "**Guide**"), and the Act.

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, DHCD and Grantee agree as follows:

1. Specific Purpose. The purpose of this Agreement is to provide the Grantee with financial assistance to pay for the activities (the "**Project Activities**") set forth in Exhibit A attached hereto (the "**Project**").
2. Grant Amount.
 - (a) DHCD agrees to provide Grantee with a grant from the Program in a total amount not to exceed Twenty Thousand and 00/100 Dollars (\$20,000) (the "**Grant**").

(b) The Grant shall be disbursed in accordance with Section 6 of this Agreement and as detailed in the budget (the “**Budget**”) set forth and attached as Exhibit B of this Agreement.

3. Grantee Contribution.

The Secretary of DHCD has made a determination to waive the Grantee contribution pursuant to COMAR 5.11.01.11(D) and COMAR 5.13.02.12.

4. Grant Period.

The Grant shall be disbursed over a one year term (the “**Grant Period**”). The Grant Period is deemed to commence on the Effective Date.

5. Expenditure of the Grant. Grantee agrees to use the Grant funds only for the approved Project. All expenses to be paid with the Grant shall be paid in a manner satisfactory to DHCD, prior to the expiration of the Grant Period. The Grantee shall expend the Grant only for the categories of activities set forth in the Budget. Grantee shall use the Grant in accordance with the provisions of the Act, the Guide, and this Agreement.

6. Disbursement of the Grant.

(a) Requests for disbursement of the Grant shall be in writing upon forms provided by DHCD.

(b) Requests for disbursement of Grant funds must be accompanied by a statement that the representations, certifications, and other matters contained in the Application and this Agreement are and remain true and complete in all material respects. Disbursement requests may seek funds to pay for certain projected costs anticipated to be incurred as well as reimbursement for costs incurred on or after the date of the Application. DHCD shall have the right at any time to request that the Grantee provide additional supporting documentation with any request for disbursement.

(c) All disbursements of the Grant are subject to the availability of funds under the Program during the Grant Period.

(d) Disbursements of the Grant may be made at any time after the Effective Date, subject however to any special conditions set forth in Exhibit C.

(e) Disbursements of the Grant shall be made on a quarterly basis. DHCD reserves the right to make disbursements contingent upon completion by Grantee of the Project Activities, in a manner acceptable to DHCD. Grantee shall indicate on each periodic disbursement request all costs for which payment is requested.

(f) DHCD may make disbursements of the Grant more frequently than quarterly if DHCD, in its sole discretion, determines that a disbursement would materially benefit the Project and help the Grantee accomplish the Project Activities.

(g) DHCD reserves the right not to disburse all or any portion of the Grant if in the sole discretion of DHCD: (i) Grantee has failed to supply any material fact in a disbursement request; (ii) Grantee's disbursement request, when combined with all prior disbursement requests, exceeds the total

amount of the Grant; (iii) Grantee is in default under this Agreement; or (iv) the Project is not performing to the satisfaction of DHCD.

(h) If Grantee is not a local government or jurisdiction, Grantee may use a portion of the Grant funds for reimbursement of indirect costs. The indirect cost reimbursement rate is: (i) equal to the indirect cost reimbursement rate Grantee receives from a federal agency or other State of Maryland ("State") agency, if applicable; or (ii) up to 10% of the costs that would be considered modified total direct costs under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards adopted by the Office of Management and Budget in 2 C.F.R. 200 and any related guidance published by the Office of Management and Budget. The indirect cost reimbursement rate applies to the portion of the Grant, if any, that is for the provision of services.

7. Default and Remedies.

(a) A default shall consist of a breach of any covenant, agreement, term or certification in this Agreement, including a determination by DHCD that (i) the Grantee has expended all or any portion of the Grant for purposes other than as set forth herein; (ii) the Grantee has expended all or any portion of the Grant other than in accordance with the permitted categories of activities and matching source of funds set forth in the Budget; or (iii) the Grantee is not completing the Project Activities to the satisfaction of DHCD.

(b) Upon the occurrence of default, DHCD in its sole discretion may:

- (i) Reduce or withhold payment in response to Grantee's next disbursement request;
- (ii) Demand repayment from Grantee; and
- (iii) Terminate this Agreement.

(c) In addition to the rights and remedies contained in this Agreement, DHCD may at any time proceed to protect and enforce all rights available to DHCD by suit in equity, action at law, or by any other appropriate proceedings, all of which rights and remedies shall survive termination of this Agreement. Furthermore, no failure or delay of DHCD to exercise any right, power, or remedy consequent upon a default shall constitute a waiver of any such term, condition, covenant, certification, or agreement, or preclude DHCD from exercising any such right, power, or remedy at any later time or times.

8. General Requirements of Records and Reports; Inspection.

(a) Records and Inspection. Grantee shall maintain accurate financial records in a form acceptable to DHCD of all transactions relating to the receipt and expenditure of the Grant. Grantee shall maintain and shall make the financial records, books, accounts, other relevant records, administrative offices and personnel, whether full-time, part-time, consultants or volunteers, available to DHCD during reasonable work hours upon request during the term of this Agreement and for a period of not less than 5 years following termination of this Agreement.

(b) Quarterly Progress Reports. During the term of this Agreement, Grantee shall provide DHCD with quarterly progress reports on each of January 1, April 1, July 1, and October 1, in a form to be provided by DHCD, which shall contain information about the progress of the Grantee in relation to the Project, and Grantee's organizational goals, problems encountered, expenditures made against the

Budget, and a projection of revenues required for the next quarter, including a disbursement request, if applicable. Grantee shall ensure that each quarterly progress report is received by DHCD within 10 working days of the close of the quarterly period.

(c) Final Report. Within 45 days after the expiration of the Grant Period, the Grantee shall submit to DHCD a final report (the “**Final Report**”) which describes the progress made in fulfilling the purposes of the Grant, any problems encountered in fulfilling these purposes, as well as any other relevant factors related to the Grant as determined by DHCD. The Final Report shall also contain an expense and revenue summary of the Project, certified by the highest fiscal officer of the Grantee, which lists all expenditures relating to the Grant. In addition, any completed studies, surveys, reports or other work products, if applicable, shall be attached to the Final Report.

(d) Audit. Grantee shall provide DHCD with:

(i) An annual financial statement within 30 days of the end of the fiscal year of Grantee, and

(ii) Copies of any audits performed on Grantee's records by any other entities.

9. Modifications.

(a) DHCD will consider reasonable modifications to the Project. Prior to a request being made to DHCD, the board of directors or other governing body of the Grantee must first approve the modification.

(b) Upon approval of the modification by the board of directors or other governing body of the Grantee, Grantee shall submit a written request for modification of the Project to DHCD. DHCD shall determine, in its sole discretion, whether to allow the requested modification.

10. Assistance from DHCD. In carrying out the Project Activities, Grantee agrees to accept assistance from DHCD or DHCD's designee if DHCD deems it necessary.

11. Grantee's Certifications. Grantee certifies to DHCD that:

(a) Grantee is either a local jurisdiction or local government, a local development agency, a local development corporation or a nonprofit organization duly organized and validly existing under the laws of the State, is qualified to do business in the State, and has all requisite power and authority to enter into and carry out the transactions contemplated by this Agreement;

(b) This Agreement has been duly authorized, executed and delivered by the Grantee in such manner and form as to comply with all applicable laws to make this Agreement the valid and legally binding act and agreement of Grantee;

(c) (i) A conflict of interest occurs when an employee, director, officer, board member, volunteer, or elected official (each, an “**Interested Person**”), who has a direct or indirect interest in the Grant or receives any benefit from the Grant, is involved in the selection, award or administration of the Grant;

(ii) If the use of any of the Grant funds could lead to a conflict of interest, any Interested Person must disclose his or her interest to the Grantee and, in connection with the proposed use giving rise to the conflict of interest, not participate in any aspect of the decision-making process regarding how the Grant funds will be allocated or expended, including discussion and debate as well as actual voting;

(iii) Grantee shall establish and follow a written conflict of interest policy (the “**Conflict of Interest Policy**”) that, at a minimum, must include the requirement set forth in Section 11(c)(ii). Grantee shall obtain signatures from each Interested Person on an annual basis that confirms that such Interested Person has read, understands, and will follow Grantee’s Conflict of Interest Policy;

(d) The representations, statements and other matters contained in the Application are and remain true and complete in all material respects;

(e) If applicable, Grantee has obtained, or has reasonable assurances, that it will obtain, all federal, State and local government approvals, permits and reviews which may be required to accomplish the Project Activities and its goals under the Project;

(f) Grantee is not affiliated with or controlled by a for-profit organization;

(g) Grantee will comply with all applicable federal, State, and local laws, and all regulations, ordinances, and all terms and conditions established by DHCD or the State with respect to the operation of the Project;

(h) Grantee shall not use, and shall not permit others to use, the Grant funds to engage in political or legislative activities in violation of I.R.C. §501(c)(3);

(i) Grantee has complied or shall comply with all special conditions which may be imposed by DHCD; and

(j) Grantee is not subject to any current or pending bankruptcy proceeding, criminal investigation, or civil investigation by any federal, State, or local government agency for alleged violation of laws or regulations enforced by such agencies.

12. Nondiscrimination and Drug and Alcohol Free Workplace.

(a) Grantee may not discriminate against and hereby certifies that it prohibits discrimination against and will not discriminate against any person on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, or age in any aspect of its projects, programs or activities.

(b) Grantee shall comply with applicable federal, State, and local laws regarding discrimination and equal opportunity in employment, housing, and credit practices, including:

(i) Titles VI and VII of the Civil Rights Act of 1964, as amended, to the end that no person shall experience employment discrimination or be excluded from participation in, or be denied the benefits of, any program or activity for which Awardee receives financial or technical assistance from DHCD, on the grounds of race, color, or national origin;

(ii) Title VIII of the Civil Rights Act of 1968, as amended, to the end that no person shall be denied fair housing;

(iii) Title 20 of the State Government Article, Annotated Code of Maryland, as amended, which establishes the Maryland Commission on Civil Rights and prohibits discrimination in employment and residential housing practices;

(iv) DHCD's Minority Business Enterprise Program, as amended;

(v) The Governor's Executive Order 01.01.1989.18 relating to Drug and Alcohol Free Workplaces, and any DHCD or State regulations adopted or to be adopted to carry out the requirements of that Order;

(vi) The Fair Housing Amendments Act of 1988, as amended to the end that it shall be unlawful to discriminate based on race, color, religion, sex, handicap, familial status, or national origin, in connection with rental, sales or financing of residential real property (as those terms are defined in the Fair Housing Amendments Act);

(vii) The Americans with Disabilities Act of 1990, as amended;

(viii) State of Maryland Governor's Code of Fair Employment Practices (as set forth in Executive Order 01.01.2007.16);

(ix) The Secretary's Policy Statement on Equal Opportunity, to the end that DHCD shall not knowingly approve grants of financial or technical assistance to recipients who are engaged in discriminatory employment practices; and

(x) All other related applicable Federal and State laws, regulations, and rules.

13. Fair Practices Certification.

(a) The Grantee certifies that it prohibits discrimination on the basis of:

(i) Political or religious opinion or affiliation, marital status, color, race, sex, age, creed or national origin; or

(ii) The physical or mental disability of a qualified individual with a disability.

(b) Grantee agrees that it will not engage in the forms of discrimination set forth in this Agreement or prohibited by law.

(c) Upon the request of DHCD, Grantee shall submit to DHCD information relating to its operations, with regard to political or religious opinion or affiliation, marital status, physical or mental disability, race, color, creed, sex, age, or national origin on a form to be prescribed by DHCD.

14. Indemnification.

(a) Except in the event of DHCD's negligence or willful misconduct or the negligence or willful misconduct of DHCD's officers, agents, employees, successors and assigns, Grantee (i) releases

DHCD, its agents, employees, and the Program from, (ii) agrees that DHCD, its agents, employees and the Program shall not have any liability for, and (iii) agrees to protect, indemnify and save harmless DHCD, its agents, employees and the Program from and against any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature, including a reasonable attorney's fee, incurred by, or asserted or imposed against, DHCD, its agents, employees, or the Program, as a result of or in connection with the Project. All money expended by DHCD, its agents, employees, or the Program as a result of such liabilities, suits, actions, claims, demands, losses, expenses or costs, together with interest rate not to exceed the maximum interest rate permitted by law, shall constitute an indebtedness of Grantee and shall be immediately and without notice due and payable by Grantee to DHCD.

(b) If Grantee is a local government or jurisdiction, the indemnification and release set forth herein applies only to the extent permitted by the laws of the State, and is subject to appropriations as well as the notice requirements and damages limitations stated in the Local Government Tort Claims Act, Md. Code Ann., Cts. & Jud. Proc. § 5-301, et seq. (2013 Repl. Vol.) (the “LGTC”) and Md. Code Ann., Cts. & Jud. Proc. §§5-509 and 5-5A-02 (2013 Repl. Vol.), all as amended from time to time.

15. Notice Regarding Disclosure of Information Relating to the Project. DHCD intends to make available to the public certain information regarding the Project and the Grantee. In addition, DHCD may be required to disclose information about the Project to the Board of Public Works and the Maryland General Assembly and may desire to disclose such information to other State officials or their staff, local government officials or their staff, and other lenders and funding sources. DHCD is also required to disclose information in response to a request for information made pursuant to §4-101 *et seq.* of the Public Information Act of the General Provisions Article, Annotated Code of Maryland (the “PIA”). Information that may be disclosed to any of the foregoing, including the public, may include, among other things, the name of the Grantee; the name, location, and description of the Project; the date and amount of financial assistance awarded by DHCD; the terms of the financial assistance; use of funds; information contained in the Application; a copy of the Application; and the sources, amounts and terms of other funding used to complete the Project, including capital contributions from the Grantee. Certain information may be exempt from disclosure under the PIA. Requests for disclosure of information made pursuant to the PIA are evaluated on an individual basis by DHCD. If Grantee believes that any of the information it has provided to DHCD is exempt from disclosure, Grantee should attach a statement to this Agreement describing the information it believes to be exempt from disclosure and provide an explanation therefor. DHCD cannot guarantee non-disclosure of such information but may consider Grantee’s statement when responding to a request made pursuant to the PIA.

16. Notices. All notices, requests, approvals and consents of any kind made pursuant to this Agreement shall be in writing. Any such communication, unless otherwise specified, shall be deemed effective as of the date it is mailed, postage prepaid, addressed as follows:

(a) Communications to DHCD shall be mailed to:

Department of Housing and Community Development
2 North Charles Street, Suite 450
Baltimore, Maryland 21201
Attn: Christine McPherson, Project Manager

- (b) Communication to Grantee shall be mailed to:

City of Salisbury
110 N. Division Street
Salisbury, MD 21801
Attn: Laura Soper, Director of Business Development

17. Amendment. This Agreement or any part hereof, may be amended from time to time only by a written instrument executed by both of the parties.

18. Assignment. No right, benefit or advantage inuring to the Grantee and no burden imposed on Grantee under this Agreement may be assigned without the prior written approval of DHCD.

19. Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State without regard to conflict of laws provisions.

20. Effective Date. This Agreement is effective as of the date of its execution by DHCD (the “**Effective Date**”).

21. Execution. This Agreement and any amendments thereto may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement or amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement or amendment and of signature pages by facsimile or by electronic transmission shall constitute effective execution and delivery of this Agreement or amendment as to the parties and may be used in lieu of the original Agreement or amendment for all purposes. Signatures of the parties transmitted by facsimile or electronic transmission shall be deemed to be their original signatures for all purposes.

22. **CONFESSION OF JUDGMENT. IF THE PRINCIPAL AMOUNT OF THIS AGREEMENT, ANY INSTALLMENT OF INTEREST OR PRINCIPAL, OR ANY OTHER PAYMENT DUE UNDER THIS AGREEMENT IS NOT PAID WHEN DUE, WHETHER BY MATURITY, ACCELERATION OR OTHERWISE, EACH OBLIGOR WHO SIGNS THIS INSTRUMENT HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR CLERK OF ANY COURT OF RECORD IN THE UNITED STATES OR ELSEWHERE TO APPEAR FOR AND, WITH OR WITHOUT DECLARATION FILED, CONFESS JUDGMENT AGAINST IT AND IN FAVOR OF THE HOLDER OF THIS AGREEMENT, AT ANY TIME, WITHOUT A PRIOR HEARING, AND IN THE AMOUNT OF THE OUTSTANDING PRINCIPAL BALANCE OF THIS AGREEMENT, ALL ACCRUED AND UNPAID INTEREST, OUTSTANDING FEES AND LATE CHARGES, AND ALL OTHER AMOUNTS PAYABLE TO THE HOLDER UNDER THE TERMS OF THIS AGREEMENT, INCLUDING COSTS OF SUIT AND REASONABLE ATTORNEYS' FEES INCURRED AS A RESULT OF, RELATED TO, OR IN CONNECTION WITH ANY DEFAULT UNDER THE AGREEMENT AND ANY EFFORTS TO COLLECT ANY AMOUNT DUE UNDER THE AGREEMENT OR ANY JUDGMENTS ENTERED THEREON. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST ANY OBLIGOR ON THIS AGREEMENT SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF OR BY ANY IMPERFECT EXERCISE THEREOF; SUCH AUTHORITY MAY BE EXERCISED ON ONE OR MORE OCCASIONS OR FROM TIME TO TIME IN THE SAME OR DIFFERENT JURISDICTION AS OFTEN AS HOLDER SHALL DEEM NECESSARY**

AND DESIRABLE, FOR ALL OF WHICH THIS AGREEMENT SHALL BE SUFFICIENT WARRANT; IF ENFORCEMENT OF THIS AGREEMENT RESULTS IN HOLDER OBTAINING A MONEY JUDGMENT AGAINST ANY OBLIGOR ON THIS AGREEMENT, HOLDER'S RIGHT TO APPEAR AND CONFESS JUDGMENT FOR AMOUNTS DUE, INCLUDING THE PAYMENT AND REIMBURSEMENT OF ATTORNEYS' FEES AND COSTS ARISING AFTER THE ENTRY OF JUDGMENT (INCLUDING WITHOUT LIMITATION ATTORNEYS' FEES AND COSTS INCURRED TO COLLECT THE JUDGMENT OR LIQUIDATE AND COLLECT ANY COLLATERAL PLEDGED IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER GRANT DOCUMENTS) SHALL NOT BE EXTINGUISHED BY OR MERGED INTO ANY SUCH JUDGMENT BUT SHALL SURVIVE THE JUDGMENT AS A CLAIM AGAINST ANY SUCH OBLIGOR AND ANY SUCH COLLATERAL.

EACH OBLIGOR ON THIS AGREEMENT HEREBY WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL PROCEDURAL ERRORS AND ALL RIGHTS OF EXEMPTION, APPEAL, STAY OF EXECUTION, INQUISITION, AND EXTENSION UPON ANY LEVY ON REAL ESTATE OR PERSONAL PROPERTY TO WHICH SUCH OBLIGOR MAY OTHERWISE BE ENTITLED UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR OF ANY STATE OR POSSESSION OF THE UNITED STATES OF AMERICA NOW IN FORCE AND WHICH MAY HEREINAFTER BE ENACTED.

THIS SECTION 22 SHALL NOT APPLY TO LOCAL GOVERNMENTS OR JURISDICTIONS.

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IN WITNESS WHEREOF, the parties hereto have executed this document with the specific intention of creating a document under seal.

WITNESS/ATTEST:

CITY OF SALISBURY

By: _____ (SEAL)

Name: Mr. Jacob Day

Title: Mayor

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By: _____ (SEAL)

Carol Gilbert, Assistant Secretary
Division of Neighborhood Revitalization

Effective Date

Approved for form
and legal sufficiency

Assistant Attorney General

Exhibit A - Description of the Project Activities

Exhibit B - Project Budget

Exhibit C - Special Conditions

EXHIBIT A**OPERATING ASSISTANCE GRANT PROGRAM****SCOPE OF SERVICES**

As more fully described in Grantee's application for funds
dated April 29, 2020

GRANTEE: City of Salisbury

PROJECT ADDRESS: 110 N. Division Street, Salisbury, MD 21801

GRANT AMOUNT: \$20,000

USE OF FUNDS: Funds will be used to support cost associated with staff and program expenses for the 80th National Folk Festival.

OTHER CONTRIBUTION(S)

<u>Source of Funds</u>	Amount	Value Derivation
City of Salisbury	\$789,200	Cash

EXHIBIT B**OPERATING ASSISTANCE GRANT PROGRAM****PROJECT BUDGET**

USES OF FUNDS	DHCD	Grantee	Other	Name of Other Sources	TOTALS
Office Supplies	\$1,000	\$0	\$0		\$1,000
Volunteer Coordinator	\$3,500	\$0	\$0		\$3,500
Food Vendor Coordinator	\$4,500	\$0	\$0		\$4,500
Food Vendor Assistances – 4 (\$750 each)	\$3,000	\$0	\$0		\$3,000
Transportation Coordinator	\$1,500	\$0	\$0		\$1,500
School Shows Coordinator	\$1,000	\$0	\$0		\$1,000
Coordinator Supplies	\$500	\$0	\$0		\$500
Social Media Marketing	2,300	\$0	\$0		\$2,300
Print Marketing	\$1,100	\$0	\$0		\$1,100
Website Maintenance Fees	\$1,600	\$0	\$0		1,600
National Folk Festival: Staff and Program Costs	\$0	\$570,000	\$0		\$570,000
National Folk Festival: Licensing Fees & Expenses	\$0	\$160,000	\$0		\$160,000
City of Salisbury: Main Street Manager Salary & Benefits	\$0	\$59,200	\$0		\$59,200
TOTALS	\$20,000	\$789,200	\$0		\$809,200

EXHIBIT C

OPERATING ASSISTANCE GRANT PROGRAM

SPECIAL CONDITIONS

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ORDINANCE NO. 2674

AN ORDINANCE OF THE CITY OF SALISBURY TO AUTHORIZE THE MAYOR TO ENTER INTO A CONTRACT WITH THE FEDERAL EMERGENCY MANAGEMENT AGENCY FOR THE PURPOSE OF ACCEPTING GRANT FUNDS IN THE AMOUNT OF \$12,708.50, AND TO APPROVE A BUDGET AMENDMENT TO THE GRANT FUND TO APPROPRIATE THESE FUNDS FOR OFFSETTING COVID-19 EXPENSES.

WHEREAS, on March 13, 2020, the President of the United States declared that the ongoing Coronavirus Disease 2019 (COVID-19) pandemic was of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories and the District of Columbia pursuant to Section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and

WHEREAS, in accordance with Section 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of the Federal Emergency Management Agency's (FEMA's) Public Assistance program; and

WHEREAS, the City of Salisbury (the City) incurred substantial expenses preparing for and responding to the COVID-19 pandemic; and

WHEREAS, the City submitted a project grant application to FEMA for funding to offset expenses related to the acquisition of personal protective equipment (PPE) purchased in response to the COVID-19 crisis, and the provision of additional fire apparatus and equipment to assist EMS units with transporting patients with COVID-19 or suspected of having COVID-19; and

WHEREAS, FEMA funding assistance has been provided to the City at a one hundred percent (100%) federal cost share rate, resulting in the City receiving a reimbursement payment of \$12,708.50; and

WHEREAS, § 7-29 of the Salisbury City Charter prohibits the City from entering into a contract that requires an expenditure not appropriated or authorized by the Council of the City of Salisbury; 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 ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 1. Mayor Jacob R. Day is hereby authorized to enter into a grant agreement with the Federal Emergency Management Agency, on behalf of the City of Salisbury, for the City's acceptance of grant funds in the amount of \$12,708.50.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

Section 2. The City of Salisbury's Grant Fund Budget be and hereby is amended as follows:

(a) Increase DHS / FEMA Revenue Account No. 10500-425120-XXXXXX by \$12,708.50.

(b) Increase SFD Medical Expense Account No. 10500-546016-XXXXXX by \$12,708.50.

BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

48 **Section 3.** It is the intention of the Mayor and Council of the City of Salisbury that each provision
49 of this Ordinance shall be deemed independent of all other provisions herein.

50 **Section 4.** It is further the intention of the Mayor and Council of the City of Salisbury that if any
51 section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid,
52 unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication
53 shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other
54 provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

55 **Section 5.** The recitals set forth hereinabove are incorporated into this section of the Ordinance as
56 if such recitals were specifically set forth at length in this Section 5.

57 **Section 6.** This Ordinance shall take effect from and after the date of its final passage.
58

59 **THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the City of
60 Salisbury held on the 28th day of June, 2021 and thereafter, a statement of the substance of the Ordinance
61 having been published as required by law, in the meantime, was finally passed by the Council of the City
62 of Salisbury on the 12th day of July, 2021.

63
64 **ATTEST:**
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68 _____
69 **Kimberly R. Nichols, City Clerk**
70

_____ **John R. Heath, City Council President**

71
72 Approved by me, this _____ day of _____, 2021.
73
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75
76

77 _____
Jacob R. Day, Mayor

INTER

OFFICE

MEMO

Finance Department

To: Julia Glanz, City Administrator
From: Keith Cordrey, Director of Finance *KAC*
Subject: 2021 SALISBURY GO BORROWING ORDINANCE FOR “NEW MONEY” PROJECTS
Date: July 1, 2021

Attached is a Bond Ordinance covering the issuance and sale of General Obligation Bonds planned to be issued as set forth in our FY22 Budget. In addition to the funding of projects per the FY22 Budget the City’s financial advisor is planning on the refunding of bonds which they determine will be profitable to refinance. Below is an Overview and Bullet Points Summary from Bond Counsel, Lindsey Rader of Funk & Bolton.

- Ordinance Recitals trace borrowing powers and the City’s intention to borrow money to finance, reimburse or refinance costs of the public purpose projects identified in Section 3 through the issuance of general obligation bonds and, to the extent applicable, general obligation bond anticipation notes and/or general obligation refunding bonds.
- Section 1 - Provides that Recitals are an integral part of the Ordinance and terms defined therein and not otherwise defined in the Ordinance Sections shall have the meanings given to such terms in the Recitals, and any official referred to by title in the Ordinance shall include any person serving in the absence or disability of a titled official or in an acting or interim capacity and any person generally referred to by another title (titles used in the Ordinance conform to titles used in the Charter or the City Code). Clarifies that references to principal amounts or proceeds of obligations mean the par amounts of such obligations.
- Sections 2 – The City determines to borrow money and incur indebtedness for the public purpose of financing, reimbursing or refinancing “costs” as defined in Section 3(b) of the Projects.
- Section 3 – The City is authorized to issue its general obligation bonds in one or more series from time to time in an original aggregate principal amount not to exceed \$6,124,076 (the “Bonds”). Section 3(b) defines “costs” (thereafter referred to as “Costs

of the Projects”) and the “Projects”. Provides that the City may reallocate principal amounts among the Projects without notice to or consent of the holders of the Bonds or any BANs (as identified in Section 6) and that proceeds may be spent on any applicable Costs of the Projects notwithstanding the descriptive names of the Projects including, without limitation, costs related to changes in the scopes of and/or names of any of the Projects effected through applicable budgetary procedures or applicable law, including to the extent applicable, by resolution. In the event the City issues any BANs, application of Bond proceeds to pay or prepay principal, premium and/or interest on the BANs will be deemed application for Costs of the Projects. Provides for the allocation and reallocation, without notice to or the consent of the holders of any Bonds or any BANs, of unexpended proceeds, net original issue premium realized upon sale and/or investment earnings.

- Section 4 – Proceeds of the Bonds will be used solely for the public purposes described in Section 3 of the Ordinance unless the Council enacts a supplemental ordinance, subject to Section 3(c); specifies circumstances in which a supplemental ordinance is not required.
- Section 5 - Prior to issuing any series of the Bonds, the Council shall adopt one or more resolutions fixing, determining, approving or providing for all details relating to such series. Section 5 sets forth the types of determinations to be made by resolution. Section 5 authorizes the Council to delegate to one or more officials authority to make any determinations with respect to a series of the Bonds.
- Section 6 - (a) The City is authorized to issue and sell from time to time one or more series of general obligation bond anticipation notes (“BANs”) in an original aggregate principal amount not to exceed \$6,124,076 in order to finance, reimburse or refinance Costs of the Projects on an interim basis. Details regarding each series of BANs will be determined or provided for by resolution of the Council, and any such resolution shall make or provide for the same types of determinations provided for in Section 5 with respect to the Bonds, to the extent applicable to the BANs. By resolution the Council may delegate to one or more officials the authority to make any determinations with respect to a series of the BANs. (b) The City covenants to pay from the Bonds the principal of any issued BANs, to issue Bonds to refinance any issued BANs as soon as the reason for deferring issuance of such Bonds abates, and to pay interest on any issued BANs. (c) The Ordinance provides that the Council may provide by resolution for renewal of any BANs at maturity with or without resale and for any modifications to the BANs and related documentation.
- Section 7 - The City is authorized to issue and sell from time to time one or more series of general obligation bonds in order to currently refund or advance refund any Bonds issued pursuant to the Ordinance, including by paying issuance costs and funded interest, provided that the original aggregate principal amount of any series of refunding bonds may not exceed 130% of the aggregate principal amount of the bonds refunded therefrom (the “Refunding Bonds”). Details regarding each series of Refunding Bonds will be determined or provided for by resolution of the Council, and any such resolution shall make or provide for the same types of determinations provided for in Section 5 with

respect to the Bonds, to the extent applicable to the Refunding Bonds, and other determinations required by applicable law. Provides for the allocation and reallocation, without notice to or the consent of the holders of the Refunding Bonds, of unexpended proceeds, net original issue premium realized upon sale and/or investment earnings. By resolution the Council may delegate to one or more officials the authority to make any determinations with respect to a series of the Refunding Bonds.

- Section 8 – The City pledges its full faith and credit and unlimited taxing power to the payment of any issued Bonds, BANs or Refunding Bonds (“Obligations”); to the extent other moneys are available for such purpose, the City may apply such other moneys to pay debt service on such Obligations as long as such application does not violate federal tax code limitations or other applicable law. In addition, the Council by resolution may provide that all or a portion of debt service on any series of the Obligations may be payable in the first instance from other sources(s).
- Section 9 – By resolution the Council may make appropriate arrangements in the event any put option, change in interest rate or modification of any issued Obligation could lead to a reissuance of the same for federal tax code purposes.
- Section 10 - By resolution the Council may determine that any series of the Obligations may be consolidated with any other bonds, bond anticipation notes or refunding bonds of the City, as applicable, and issued as a single series.
- Section 11 – By resolution the Council may authorize any modifications to a series of the Obligations once issued and related documentation unless under applicable law the proposed modifications require action by ordinance in addition to or in place of a resolution.
- Section 12 – Appropriate officials are authorized to take all action necessary to complete and close the sale and delivery of each series of the Obligations and to consummate the transactions contemplated by such issues.
- Section 13 – Title is a statement of the substance of the Ordinance for publication and all other purposes.
- Section 14 – Provisions of the Ordinance shall be liberally construed.
- Section 15 - Ordinance will be effective following approval by the Mayor or subsequent passage by the Council over the Mayor’s veto in accordance with Charter Section SC2-12.

Notes:

(1) Even though it is currently expected (without having gone through the tax due diligence

process) that the City will issue all the authorized Bonds at one time, as a single series, we always authorize bonds to be issued in one or more series from time to time at a stated not-to-exceed original aggregate principal amount in case the City decides to undertake the contemplated borrowing in stages or in case both tax-exempt and taxable series need to be issued. Any such series of the Bonds may be issued as a single series of new money and refunding bonds.

(2) Pursuant to the Charter, the Council may determine a method of sale by resolution. The contemplated Bonds, due to the current expectation that they will be issued at one time and their aggregate issue size, are expected to be sold by a public sale at competitive bid. Forms of sale other than a public sale at competitive bid include: (i) a negotiated underwriting with one or more underwriters chosen by the City, (ii) a direct purchase transaction with a single bank where the City just approaches/negotiates with one bank to provide the financing or (iii) a direct purchase transaction where an RFP process is used to identify the bank that will purchase the applicable series of the obligations.

(3) BAN issuance authority is contained in the Ordinance in case interest rates have moved up at the time the City is ready to pursue financing for the Projects and the City decides to incur a short-term borrowing in order to finance, reimburse or refinance Costs of the Projects on an interim basis. If BANs are issued, the expectation is that Bonds will be issued at a later date to pay/prepay the BANs at or prior to maturity.

(4) The reason the maximum principal amount of each series of Refunding Bonds is expressed as a percentage of the outstanding principal amount of the Bonds being refunded is because refunding bonds are usually sized to cover not only outstanding principal of the bonds being refunded but also accrued interest, any prepayment premium and costs of issuance of the refunding bonds. Also, refunding authority is included in this Ordinance because if the market moves in the right direction at a later date that makes it advantageous for the City to refund any of the Bonds, the City can move quickly because it can determine the details by resolution rather than having to first authorize the refunding bonds by ordinance at that time.

Ordinance No. 2675

AN ORDINANCE OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY TO AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE “CITY”) TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, ONE OR MORE SERIES OF (1)(A) GENERAL OBLIGATION BONDS AND (B) GENERAL OBLIGATION BOND ANTICIPATION NOTES, EACH IN AN ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SIX MILLION ONE HUNDRED TWENTY-FOUR THOUSAND SEVENTY-SIX DOLLARS (\$6,124,076), AND (2) GENERAL OBLIGATION REFUNDING BONDS, SUBJECT TO THE LIMITATIONS PROVIDED FOR HEREIN, THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS OF THE PUBLIC PURPOSE PROJECTS IDENTIFIED HEREIN AS GOB AIR HANDLER REPLACEMENT; APPARATUS REPLACEMENT – AERIAL LADDER; FIELD OPERATIONS FACILITY PLAN – PHASE 3 GARAGE; DOWNTOWN STREET SCAPING; MARKET STREET SHORELINE IMPROVEMENTS; NORTHWOOD AND BREWINGTON BRANCH CULVERT; ADA: RAMP AND BATHROOM CONVERSION; FIELD OPERATIONS FACILITY PLAN - PHASE 2; AND PORT EXCHANGE RIVERWALK REPLACEMENT; SPECIFYING THE MAXIMUM ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF THE BONDS OR BOND ANTICIPATION NOTES PROVIDED FOR HEREIN TO BE ALLOCATED TO EACH SUCH PROJECT, SUBJECT TO REALLOCATION BY THE CITY IN ACCORDANCE WITH APPLICABLE BUDGETARY PROCEDURES OR LAW; PROVIDING THAT THE COUNCIL BY RESOLUTION SHALL DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND PREPAYMENT OR REDEMPTION OF AND FOR EACH SERIES OF THE BONDS, THE BOND ANTICIPATION NOTES AND THE REFUNDING BONDS (EACH A “SERIES OF THE OBLIGATIONS” OR THE “OBLIGATIONS”); PROVIDING FOR THE IMPOSITION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO, THE PAYMENT OF DEBT SERVICE ON EACH SERIES OF THE OBLIGATIONS; PROVIDING THAT DEBT SERVICE ON EACH SERIES OF THE OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; PROVIDING THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN CONNECTION WITH THE REISSUANCE OR MODIFICATION OF ANY OF THE OBLIGATIONS; PROVIDING THAT ANY OF THE OBLIGATIONS MAY BE CONSOLIDATED WITH OTHER OBLIGATIONS OF THE CITY AND ISSUED AS A SINGLE SERIES OF BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS; AUTHORIZING, DIRECTING AND EMPOWERING OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE OBLIGATIONS; AUTHORIZING MODIFICATIONS OF THE OBLIGATIONS TO BE MADE BY RESOLUTION UNLESS ANOTHER ACTION IS REQUIRED; PROVIDING THAT THIS

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TITLE SHALL BE DEEMED A STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE FOR ALL PURPOSES; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF AND FOR THE OBLIGATIONS.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act, the Bond Anticipation Note Act and the Refunding Act identified below (the “City”), is authorized and empowered by Sections 19-301 through 19-309 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”), and Sections SC7-45 and SC7-46 of the Charter of the City of Salisbury, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds; and

WHEREAS, the City has determined to undertake the public purpose projects identified in Section 3 of this Ordinance; and

WHEREAS, the City has determined to authorize the issuance and sale from time to time of one or more series of its general obligation bonds in order to finance, reimburse or refinance all or a portion of the costs of any of the public purpose projects identified in Section 3 of this Ordinance; and

WHEREAS, prior to issuing one or more series of the general obligation bonds authorized hereby, the City may need to obtain interim financing in order to finance, reimburse or refinance applicable project costs on a timely basis through the issuance and sale from time to time of general obligation bond anticipation notes in one or more series pursuant to the authority of Sections 19-211 through 19-223 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Bond Anticipation Note Act”); and

WHEREAS, subsequent to the issuance of any general obligation bonds provided for herein, the City may desire to currently refund or advance refund all or a portion of such bonds through the issuance and sale from time to time of one or more series of its general obligation refunding bonds pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Refunding Act”); and

WHEREAS, the City has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on any general obligation bonds, bond anticipation notes or refunding bonds authorized hereby; and

WHEREAS, the City shall issue any general obligation bonds, bond anticipation notes or refunding bonds authorized hereby in accordance with the terms and conditions provided for in a

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resolution or resolutions to be adopted by the Council of the City (the “Council”) pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, the Refunding Act, other applicable law, Sections SC7-45 and SC7-46 of the Charter and this Ordinance, as applicable.

SECTION 1. NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that:

(a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance and not defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the “City Code”) or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a “deputy”, “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter, the City Code or other applicable law or authority, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Ordinance to the “principal amount” or the “proceeds” of any of the Bonds, the BANs, the Refunding Bonds or the Obligations (each as defined herein) shall be construed to mean the par amount of such Bonds, BANs, Refunding Bonds or Obligations, as applicable.

SECTION 2. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City hereby determines to borrow money and incur indebtedness from time to time for the public purpose of financing, reimbursing or refinancing costs (as defined in Section 3(b) hereof) of any of the Projects identified in Section 3(b) hereof.

SECTION 3. BE IT FURTHER ORDAINED that:

(a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, hereby determines to authorize the issuance and sale from time to time, in one or more series, upon its full faith and credit, of its general obligation bonds in an original aggregate principal amount not to exceed Six Million One Hundred Twenty-Four

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Thousand Seventy-Six Dollars (\$6,124,076) (each, a “series of the Bonds” and, collectively, the “Bonds”). Any series of the Bonds may be issued as one or more bonds and any such bond may be issued in installment form and/or draw-down form.

(b) With respect to the projects listed below, the word “costs” as used in Section 2 hereof shall include, as applicable, costs of the following activities and expenses: land and right-of-way acquisition and development; acquisition of other property rights; site and utility improvements, including, without limitation, grading, landscaping, paving and repaving, sidewalk, curb, gutter, storm water, water and sewer improvements, street lights, amenities, and related or similar activities and expenses; demolition, razing and removal; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, upgrading, improvement, installation, furnishing and equipping activities and expenses, and related or similar activities and expenses; planning, design, engineering, testing, study, architectural, feasibility, surveying, document development, bidding, permitting, inspection, construction management, financial, administrative and legal expenses, and related or similar activities and expenses; contingencies; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); interest during construction and for a reasonable period thereafter (whether or not expressly so stated); and any such costs that may represent the City’s share or contribution to the financing, reimbursement or refinancing of any such project (collectively, “Costs of the Projects”). The maximum original aggregate principal amount of the Bonds (or the BANs, as identified in Section 6 hereof) to be appropriated or applied to the Costs of the Projects (exclusive of any net original issue premium realized upon sale or investment earnings that may be applied for such purposes) shall be allocated among the following public purpose projects in the maximum principal amount set forth opposite each, except as otherwise herein provided:

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	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	GOB Air Handler Replacement ⁽¹⁾	\$ 178,750
2.	Apparatus Replacement - Aerial Ladder ⁽¹⁾	1,400,000
3.	Field Operations Facility Plan – Phase 3 Garage ⁽¹⁾⁽²⁾	1,890,000
4.	Downtown Street Scaping ⁽¹⁾	381,326
5.	Market Street Shoreline Improvements ⁽¹⁾	330,000
6.	Northwood and Brewington Branch Culvert ⁽¹⁾	290,000
7.	ADA: Ramp and Bathroom Conversion ⁽³⁾	40,000
8.	Field Operations Facility Plan - Phase 2 ⁽³⁾⁽⁴⁾	1,500,000
9.	Port Exchange Riverwalk Replacement ⁽³⁾	<u>114,000</u>
TOTAL		<u>\$6,124,076</u>

¹ Project was approved for bond funding in the fiscal year 2022 budget ordinance (Ordinance No. 2660).

² Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase III New Vehicle Maintenance Facility.”

³ Project was approved for bond funding in fiscal year 2022 through the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁴ Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase II New Administrative Building.”

The projects identified in items 1-9 above are collectively referred to herein as the “Projects.” The Projects described in items 1-9 above are identified by approximately the same names as such Projects are identified in the City budget and related materials. The City, without notice to or the consent of any registered owners of any issued Bonds (or the registered owners of any issued BANs, as applicable), may allocate and reallocate the maximum principal amount of any issued Bonds (and of any issued BANs, as applicable) (exclusive of any net original issue premium realized upon sale or investment earnings that may be applied for such purposes) to be spent on Costs of the Projects among any of the Projects in compliance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution. Further, it is the intention of the Council that the principal amount of any issued Bonds (or of any issued BANs, as applicable) may be spent on any applicable Costs of the Projects, notwithstanding the descriptive names used for the Projects in the table above, including, without limitation, costs related to changes in the scopes of and/or names of the Projects effected through applicable budgetary procedures or applicable law.

(c) In the event the City issues any series of the BANs pursuant to Section 6 of this Ordinance, proceeds of the Bonds of any series in anticipation of which such series of the BANs were

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issued may also be applied to prepay or pay principal, premium and/or interest on such series of the BANs in accordance with the provisions of the Bond Anticipation Note Act, and such application shall be deemed the payment of Costs of the Projects for purposes of this Ordinance.

(d) By resolution or as otherwise allowed by applicable law, and without notice to or the consent of any registered owners of any issued Bonds (or of any issued BANs, as applicable), the Council may determine or provide for the determination of, and reallocate, how any unexpended proceeds of any series of the Bonds (or any series of the BANs, as applicable), net original issue premium realized upon sale and/or any investment earnings shall be expended, which may include, without limitation, on Costs of the Projects, on costs of issuance, to reduce the par amount of the Bonds or of the BANs to be issued for the intended purpose of any particular series, to prepay or pay principal, premium and/or interest on a series of the BANs, and/or on debt service payable or prepayable on any such series of the Bonds or of the BANs, as applicable, to the extent permitted by applicable law.

SECTION 4. BE IT FURTHER ORDAINED that the proceeds of the Bonds shall be used and applied by the City exclusively and solely for the public purposes described in Section 3 of this Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law; provided that, no such supplemental ordinance shall be required if changes in the scope of or name of any Project are otherwise made as contemplated in Section 3(b) of this Ordinance.

SECTION 5. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, this Ordinance and any other applicable law, the Council, prior to the issuance, sale and delivery of each series of the Bonds, shall adopt a resolution or resolutions specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the form or substantially final form of the Bonds of such series), documents or procedures as may be required by the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, other applicable law or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Bonds, subject to the limitations of any applicable law. Any such resolution may, subject to the limitations of any applicable law, set forth, determine or provide for the determination of, provide for, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Bonds; the date of issue of such series of the Bonds; the original aggregate principal amount of such series of the Bonds; the denomination or denominations of such series of the Bonds; the maturity or maturities of such series of the Bonds, or the method of determining such maturity or maturities; the principal installment or installments (including, without limitation, serial maturities and/or mandatory sinking fund installments) payable on such series of the Bonds or the method of determining such principal installments; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Bonds, which may be fixed or variable; provisions for the payment of late fees, additional interest and/or penalties

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payable with respect to such series of the Bonds and/or adjustments to interest rates; the purchase price for such series of the Bonds (which may be at, above or below par value) or the method of determining the purchase price; provisions relating to the prepayment or redemption of such series of the Bonds at the City's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Bonds to put or cause the prepayment or redemption of the same at their option; the manner of selling such series of the Bonds, which may be by private (negotiated) sale without advertisement or solicitation of competitive bids (including in a negotiated underwriting or by direct purchase) or at public sale after publication or dissemination of the notice of sale (in any manner permitted by applicable law), and all matters in connection therewith, including any forms or substantially final forms of documents, agreements, certificates, instruments or notices authorized or required by applicable law; provisions for the execution of such series of the Bonds; any limitations on the Costs of the Projects on which the proceeds of such series of the Bonds may be expended and provisions for the appropriation, disposal and investment of such proceeds; the selection of any bond registrar, paying agent, investment bidding agent or other appropriate service providers in connection with such series of the Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Bonds; and all other terms and conditions pursuant to which such series of the Bonds will be issued, sold and delivered, including, without limitation, any other determinations to be made or provided for by resolution as required by Charter Section SC7-46.A. Among other matters, the Council by resolution may authorize, approve or otherwise provide for (i) payment of any commitment fee, breakage fee or other fee and any other costs (including other parties' legal costs and expenses) payable in connection with any series of the Bonds, (ii) the obtaining of credit enhancement or liquidity enhancement for any series of the Bonds (and the negotiation, approval, execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, instruments or determinations necessary or desirable to enhance the marketability of or as security for any series of the Bonds, including, without limitation, any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. References in this Section 5 to providing for determinations by resolution shall be construed to permit the Council to delegate to one or more officials the authority to make or provide on behalf of the City any of the determinations, approvals or other decisions contemplated by this Section 5. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the matters identified in this Section 5 for more than one series of the Bonds.

SECTION 6. BE IT FURTHER ORDAINED that:

(a) Pursuant to the authority of the Bond Anticipation Note Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation bond anticipation notes in one or more series from time to time in an original aggregate principal amount not to exceed Six Million One Hundred Twenty-Four Thousand Seventy-Six Dollars (\$6,124,076) (each, a "series of the

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BANs” and, collectively, the “BANs”), prior to and in anticipation of the sale of any series of the Bonds, for the public purpose of financing, reimbursing or refinancing Costs of the Projects on an interim basis. Any such series of the BANs may consist of one or more notes and any note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Act, Sections SC7-45 and SC7-46 of the Charter, any other applicable law and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the same types of matters, details, forms, documents, procedures or determinations detailed in Section 5 hereof that may be made or addressed with respect to any series of the Bonds, to the extent applicable with respect to such series of the BANs, and as otherwise may be authorized or required by applicable law. By resolution the Council may delegate to one or more City officials the authority to make any final determinations, approvals or decisions with respect to any series of the BANs. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 6 for more than one series of the BANs.

(b) The City hereby covenants (i) to pay from the proceeds of one or more series of the Bonds the principal of any series of the BANs actually issued, (ii) to the extent that interest on any series of the BANs is not paid from proceeds of such BANs, to pay the interest on such series of the BANs from the proceeds of one or more series of the Bonds, and (iii) to issue the applicable series of the Bonds as soon as there is no longer a reason for deferring its issuance. This covenant shall not be construed to prevent the City from paying principal of and/or interest on any series of the BANs from sources of funds other than proceeds of the Bonds, to the extent such other funds are available for such purpose.

(c) As authorized by the Bond Anticipation Note Act, by resolution the Council may provide for the renewal of any series of the BANs at maturity with or without resale, together with any amendments or modifications to or replacements of such series of the BANs and any related documentation.

SECTION 7. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, the Refunding Act, Sections SC7-45 and SC7-46 of the Charter and any other applicable law, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation refunding bonds in one or more series from time to time (each, a “series of the Refunding Bonds” and, collectively, the “Refunding Bonds”), for the purpose of currently refunding or advance refunding in whole or in part any of the Bonds then outstanding, including paying all or any portion of the following: outstanding principal, prepayment or redemption premium, and/or interest accrued or to accrue to the date or dates of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such series of the Refunding Bonds (including, without limitation, legal and financial costs and costs of any credit enhancement or liquidity enhancement),

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and, to the extent determined by the Council by resolution, paying interest on such series of the Refunding Bonds, for the public purpose of (A) realizing savings to the City in the total cost of debt service on a direct comparison or present value basis, (B) debt restructuring that reduces the total cost of debt service, or (C) debt restructuring that is determined to be in the best interests of the City, to be consistent with the City's long-term financial plan, and to realize a financial objective of the City, including improving the relationship of debt service to any source of payment such as taxes, assessments or other charges, or for any other purpose then authorized by the Refunding Act or other applicable law, as determined or provided for by the Council by resolution; provided that, the original aggregate principal amount of any series of the Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds and any bond may be issued in installment form and/or draw-down form. Prior to the sale, issuance and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or resolutions authorizing such series of the Refunding Bonds and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Bonds, the same types of matters, details, forms, documents, procedures and determinations detailed in Section 5 hereof that may be made or addressed with respect to any series of the Bonds, to the extent applicable to such series of the Refunding Bonds, and as otherwise may be authorized or required by applicable law, including, without limitation, the purposes of the Refunding Act to be achieved by the issuance of such series of the Refunding Bonds, the selection of any escrow agent, verification consultant, escrow bidding agent or other service provider, the determination of the Bonds to be refunded in whole or in part from such series of the Refunding Bonds, and any agreements, documents or other instruments necessary or desirable in connection with the refunding. By resolution or as otherwise allowed by applicable law, and without notice to or the consent of the registered owners of any issued series of the Refunding Bonds, the Council may determine or provide for the determination of, and reallocate, how any unexpended proceeds of such series of the Refunding Bonds, net original issue premium realized upon sale and/or investment earnings shall be expended, which may include, without limitation, on refunding the applicable Bonds, on costs of issuance of such series of the Refunding Bonds or on debt service payable or prepayable on such series of the Refunding Bonds, to the extent permitted by applicable law. By resolution the Council may delegate to one or more City officials the authority to make any final determinations, approvals or decisions with respect to any series of the Refunding Bonds. Any resolution may specify, prescribe, determine or provide for the determination of, provide for, or approve or provide for the approval of, the details required or authorized by this Section 7 for more than one series of the Refunding Bonds.

SECTION 8. BE IT FURTHER ORDAINED that:

(a) The full faith and credit and unlimited taxing power of the City are hereby pledged to the payment of the principal of and interest on each series of the Bonds, the BANs or the Refunding Bonds actually issued, as applicable (each, a "series of the Obligations" and, collectively, the "Obligations"), when due and to the imposition of the taxes hereinbelow described

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as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of each series of the Obligations. Subject to the further provisions of this Section 8, the City hereby covenants with the registered owners of the Obligations of each series to impose ad valorem taxes on all real and tangible personal property in the City that is subject to assessment for unlimited municipal taxation at a rate and in an amount sufficient to pay the principal of and the interest on the Obligations in each fiscal year in which any of the Obligations are outstanding and to take any further action that may be lawfully appropriate from time to time during the period that the Obligations of such series remain outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon. If the proceeds from the taxes so imposed in any such fiscal year are inadequate for such payment, additional taxes shall be imposed in the succeeding fiscal year to make up such deficiency.

(b) The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on the Obligations of any series from the proceeds of the sale of any other obligations of the City or from any other funds legally available for that purpose (including, without limitation, with respect to any BANs, from the proceeds of any Bonds and, with respect to any Bonds, from the proceeds of any Refunding Bonds). Within the limitations of any applicable Maryland or federal law (including, without limitation, the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder), the City may apply to the payment of the principal of or interest on the Obligations of any series any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the City for the purpose of assisting the City in accomplishing the components of Costs of the Projects which the Obligations of such series are issued to finance, reimburse or refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be imposed may be reduced proportionately. Pursuant to the authority of Section SC7-46.A. of the Charter, by resolution the Council may provide that all or a portion of the debt service on the allocable portion of any series of the Obligations shall be payable in the first instance from specified revenues or other moneys identified in such resolution, to the extent available for such purpose.

SECTION 9. BE IT FURTHER ORDAINED that by resolution, the Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the City's behalf) in the event any right of the registered owner of an Obligation to put or cause the prepayment or redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification to an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 10. BE IT FURTHER ORDAINED that by resolution, the Council may determine that any of the Bonds, the BANs or the Refunding Bonds may be consolidated with any bonds, bond

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anticipation notes and/or refunding bonds authorized by the Council and issued as a single series of bonds, bond anticipation notes and/or refunding bonds, as applicable.

SECTION 11. BE IT FURTHER ORDAINED that by resolution the Council may make or authorize any modifications to (i) any series of the Obligations once issued, and (ii) any related documentation, agreements, certificates or instruments, unless under applicable law the proposed modifications require action by ordinance in addition to or in place of a resolution.

SECTION 12. BE IT FURTHER ORDAINED that with respect to any series of the Obligations, the Council by resolution may delegate to one or more specified officials or employees the authority to negotiate, approve, execute and deliver, as applicable, any documents, agreements, certificates or instruments relating to such Obligations or to take other actions with respect thereto. The following City officials: the Mayor, the City Administrator, the Director of Finance, the City Clerk and all other appropriate officials and employees of the City are hereby authorized, empowered and directed to (i) take any and all action necessary to complete and close the sale, issuance and delivery of the Bonds, the BANs and the Refunding Bonds, (ii) negotiate, approve, execute and deliver all documents, agreements, certificates and instruments necessary or appropriate in connection with any such sale, issuance and delivery, and (iii) carry out the transactions contemplated by this Ordinance, any ordinance amendatory of or supplemental to this Ordinance, any resolution adopted in furtherance of this Ordinance (including any amendatory or supplemental resolutions), and any documents, agreements, certificates or instruments executed and delivered in connection with any series of the Obligations, all to the extent any particular action is within the scope of such official's or employee's authority and such authorization has not otherwise been delegated to one or more specified City officials or employees by ordinance or resolution.

SECTION 13. BE IT FURTHER ORDAINED that the title of this Ordinance shall be deemed to be, and is, a statement of the substance of this Ordinance for publication and all other purposes.

SECTION 14. BE IT FURTHER ORDAINED that the provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

SECTION 15. BE IT FURTHER ORDAINED that this Ordinance shall become effective following approval by the Mayor or subsequent passage by the Council in accordance with the provisions of Section SC2-12 of the Charter. Pursuant to Section SC2-16 of the Charter, this Ordinance shall not be subject to petition for referendum.

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THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the _____ day of _____, 2021, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council _____ [as introduced] _____ [as amended] [CHECK APPLICABLE LINE] on the _____ day of _____, 2021.

ATTEST:

Kimberly R. Nichols, City Clerk

Muir Boda, Vice President
Salisbury City Council

APPROVED BY ME THIS _____ DAY OF _____, 2021:

Jacob R. Day, Mayor

#222543;58111.043

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