

CITY OF SALISBURY
BUDGET WORK SESSION
May 17, 2022

Public Officials Present

Council President John “Jack” R. Heath
Councilwoman Michele Gregory

Councilwoman Angela M. Blake
Councilwoman April Jackson

Public Officials Absent

Mayor Jacob R. Day
Council Vice-President Muir Boda

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 press

The City Council convened in a hybrid Budget Session at 8:30 a.m. via Zoom and in Conference Room #306.

City Administrator Julia Glanz discussed adding the EMS Sgt. rank and adding an additional 2% for employees with 10-14 years with the City and for those 15 years plus would get an additional 4% above and beyond the 6% for all employees minus sworn PD. Although the Fire Department articulated the situation very well, the compression problem did not only exist in the Fire Department.

Review of changes

Finance Director Keith Cordrey additional funding was needed for the \$80,000 Tiny Home Project in the CIP and found \$52,500 to pull from previous funding from the GOB and had to put in another \$17,500 in transfers from the General Fund.

They had \$40,000 to expand DID’s offices and found out they needed an additional \$10,000 for the Comp Plan.

Two trucks were funded in FY22 but the City was unable to process them so their lease of \$14,000 had to be inserted. The trash truck was recently procured and also had to be added.

The Community Development Grant match was reduced by \$42,000 and the Police Grant match by \$50,000 from the original submission. The grant match for the Housing First Program was increased.

The following changes were proposed in Finance since they were integrating Grants into the department, as follows:

- Freeze the Grant Specialist position
- Moved one of the Asst. Director- Finance into Grants Manager position

Ms. Glanz reported they did not know enough about the new mandates for Policing with the mental health assessment and physical fitness assessment to be able to place a dollar amount on them in the budget. When they did find out, they would go from there and handle as an “as needed” basis.

Ms. Glanz asked for feedback regarding the Fire Department Rescue Truck not being in the budget. Ms. Jackson spoke with Delegate Sample-Hughes about possible State funding, and Ms. Blake asked if the City had considered a used truck. President Heath commented that his experience with used fire equipment was not good. If not funded this year, it would have to be funded next year.

Water & Sewer Adjustments

Mr. Cordrey noted they needed to continue the Water Meter Replacement Program at \$200,000 per year, there were reclassifications needing processing, \$40,000 share of Water & Sewer for the longevity steps as contributed also in the General Fund, and a small adjustment for the PILOTs. President Heath feared that renters would be hammered with the 8% increase. Ms. Blake asked if the quarterly Water & Sewer bill could be broken down into a monthly bill, which would be more manageable. Mr. Kitzrow said they were working through that, but they would have to hire additional meter readers to just read the meters every month. Council would consider an extra 2% above the already proposed 6%.

Parking

Mr. Kitzrow said the new parking garage would be on Lot 1 for the proposed 230 new apartments. They plan was when they built the parking garage there would be no additional burden on the General Fund and there would be an additional contribution from the developer in the first year.

Mr. Cordrey said there was no Debt Service in the Parking Fund and would have to return with a Bond Ordinance. This was a placeholder to see that it was coming.

Stormwater

A \$5 increase was added to the Stormwater Fees, bringing the total fee to \$30.

Marina

Mr. Cordrey said there were no proposed adjustments.

Fees

Mr. Kitzrow and Nate Sansom, Special Assistant to the Mayor, discussed the fees on the Fees Schedule with Council.

EMS

Chief Tull joined via Zoom and said the changes in EMS were recommended by the EMS billing company.

Parking Rates

There would be a \$5 per year increase in all parking lot permits and \$10 increase in permits for the garage.

Trash Service Fee would be brought up to \$67 from \$63 per quarter. Bulk trash from \$25 to \$30

Overview of Financial Overview

Mr. Cordrey reviewed the Water Sewer aspect of the financial overview. At the last audit Cash declined by \$805,000. Current Liabilities increased by \$1.7 million. Total Liabilities declined because the City reduced the bonds. Total Net Position declined by \$2.6 million to -1.8 million. Part was due to the increase in the Pension Liability and Post Employment Benefit (providing medical healthcare services to retirees). Net Operating Income declined to \$2.2 million.


Mr. Cordrey reminded Council that in FY26 they would have the original Wastewater Treatment Plant (WWTP) Debt Service and the new WWTP Debt Service, and both would have to be paid for several years. The budget was not prepared to handle the original surge and the increases were not building cash for the event. The 8% increase was the maximum they wanted to increase at this time, but would not make the problem disappear.

Council reached unanimous consensus to increase the Water Sewer rate by 2% to a total of an 8% increase.


Ms. Blake requested that presentations be held in the near future on the Tax Differential and the Fire Service Agreement.

President Heath remarked the budget information was better every year and thanked Mr. Cordrey and his staff for the excellent work, and thanked Ms. Glanz and Mr. Kitzrow for the excellent support.

With nothing further to discuss, the Budget Work Session adjourned at 10:10 a.m.



City Clerk



Council Vice President