



CITY OF SALISBURY CITY COUNCIL AGENDA

JUNE 27, 2022

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- Bishop J. Anthony Dickerson, Greater Mt. Olive Full Gospel Baptist Church
- 6:04 p.m. PRESENTATION- Mayor Jacob R. Day
- Tec Tigers VEX Robotics World Championship
- 6:15 p.m. ADOPTION OF LEGISLATIVE AGENDA
- 6:16 p.m. CONSENT AGENDA- City Clerk Kimberly Nichols
- **April 19, 2022** Budget Work Session Minutes
 - **April 21, 2022** Budget Work Session Minutes
 - **May 17, 2022** Budget Work Session Minutes
 - **May 23, 2022** Council Meeting Minutes
 - **Resolution No. 3174**- approving the appointment of Michelle Hahn to the Disability Advisory Committee for the term ending June 2025
 - **Resolution No. 3175**- approving the appointment of Ivy McIntyre to the Disability Advisory Committee for the term ending June 2025
 - **Resolution No. 3176**- approving the appointment of Ron Pagano to the Disability Advisory Committee for the term ending June 2025
 - **Resolution No. 3177**- approving the appointment of Charly Sager to the Sustainability Advisory Committee for the term ending June 2025
- 6:21 p.m. RESOLUTION- Deputy City Administrator Andy Kitzrow
- **Resolution No. 3178**- making a Declaration Of Official Intent regarding the City's reasonable expectation to reimburse from proceeds of a future borrowing project expenditures made in connection with two separate projects generally identified as Computer Aided Dispatch (CAD) Replacement and Station #16 HVAC Replacement
- 6:25 p.m. ORDINANCES- City Attorney Ashley Bosche
- **Ordinance No. 2729- 2nd reading**- amending Chapter 5.64 of the Salisbury City Code, entitled "Towing Companies", to update procedures for dispatching police directed towing, operations of a police directed tow on scene, and penalties for violations of the code

- 6:30 p.m. PUBLIC COMMENTS
- 6:35 p.m. ADMINISTRATION and COUNCIL COMMENTS
- 6:40 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 11, 2022

Join Zoom Meeting
<https://us02web.zoom.us/j/88186172560>
Meeting ID: 881 8617 2560
Phone: 1.301.715.8592

CITY OF SALISBURY
BUDGET WORK SESSION
APRIL 19, 2022

Public Officials Present

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

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 to begin the FY22 Budget Review. Mayor Day said that revisiting the budget process this year was a reminder that personnel expenditures continued to rise and it was expensive to run the City and purchase things. Operating costs and property values were rising but property taxes were again not increasing. The proposed budget’s strength was built on the fact that the City received federal funds to get through the pandemic.

Salisbury Police Department (SPD) Personnel Committee

Cpl. Nicholas Amendolagine and Cpl. Dave Underwood represented the SPD Personnel Committee and thanked Council for everything they did for the SPD in the past year. They requested the Take Home Car Program be continued. Cars lasted longer and were better maintained when taken home, and the program was a big bonus in bringing hires in the door. Many other departments were losing people due to not having the program. It helped with morale, recruitment, retention, and also helped deter crime. They discussed shift differential and asked if it could be bumped by 25 cents per hour. Currently, they received 50 cents and 55 cents, when surrounding agencies received over a dollar.

Mr. Boda asked about the current fleet. Cpl. Amendolagine said the vehicles were much improved. Some of the older 2013 cars were take home cars and still used on patrols. If they were fleet cars they definitely would not still be in service today.

Ms. Jackson asked about the number of officers they needed and what Council could do to help. Cpl. Amendolagine said they were down nine or ten with seven frozen positions. All jurisdictions across the nation had recruitment problems and passing backgrounds was part of the problem, but they did not want to lower their standards. Because of lower staffing people were unable to take their time off, and the end of the year would bring about “use or lose” time. Ms. Glanz said that she was working with HR on a solution for using excessive time.

President Heath asked them to share Council’s appreciation for all they did for the community.

Salisbury Fire Department (SFD) Personnel Committee

FF/EMT Ryan Jones, President of Salisbury Career Fire Fighters Local #4246 and Vice-President Sgt. Brandon Records joined Council. The biggest concern was that a large portion of staff with ten years or greater seniority had fallen very far behind in their steps and pay. There was a large gap of where the senior members were ending up compared to the junior members. There had been a verbal agreement

to fix some of the compression issues after the Pay Predictability Plan (PPP) was implemented, but it never happened. Some of them could not retire after working a full career without getting another job.

Mr. Records stated that the PPP was great for the people coming in from five years ago until now since they would reach their full potential., but those employed five years and up would never reach their full potential. Both shared examples of what the compression had done to long-term employees. Most of them worked a second job to make ends meet. Compared to surrounding jurisdictions, the Fire Department lagged very behind. They were the busiest per capital Fire Department in the State of Maryland and were very understaffed. A ten-year FF/EMT made \$47,057 in Salisbury while the Snow Hill Volunteer Fire Department FF/EMT, which ran about 400 calls per year, made \$60,999. Salisbury ran 15,000 calls between the three stations. This affected the mental health and livelihood of their staff.

Ms. Jackson asked if they had any plans of how to help with their request. Mr. Jones said the American Rescue Plan funds were to pay premium pay for frontline workers.

President Heath asked if they had to choose between the new firemen hired and this plan, which would you choose. They answered both. He said to thank the men and women in their department.

Financial Health Report

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 Overview

- **Balance Sheet-Governmental Funds**

- FY21 Cash: \$14.4 million in General Fund (\$10.7 million in the prior year)
- FY21 Unassigned Fund Balance: \$12.6 million (\$10.7 million in the prior year)
- Statement of Revenues over Expenditures- during the previous year the net change in fund balance was \$3.2 million.
- Revenue Variances- received \$2.7 million in revenues that were not budgeted
- Expenditure Variances- Some of the departments did not spend all of their budgeted funds to the amount of \$3.7 million
- Total change in fund balance was \$3,194,000.

- **Water Sewer Fund Statement of Net Position**

- \$805,260 decline in Cash;
- \$6 million of restricted investment funds went into construction in process, current liabilities increased \$1.7 million; Total liabilities decreased \$2.8 million; Bond indebtedness reduced by \$5.7 million
- Unrestricted net position declined by \$2.6 million (from \$748,000 to (\$2.6 million). The fund needed more revenue.
- Statement of Revenues and Expenses- Charges for services (water and sewer billing) decreased by \$415,310; Total revenues declined by \$479,398; Total Operating Expense increased by \$1,458,995, Net Operating Income declined by \$2,083,767
- Statement of Net Position Governmental (full accrual which shows our fixed assets and debt)- Cash (all funds) increased by \$4,371,407 in cash; Total Current Liabilities decreased by \$437,000; Total liabilities increased \$4.7 million
- Statement of Net Position Total, both governmental and business-

Cash increased by \$3.5 million; OPEB liability last year was \$25 million, this year increased to \$28 million; Pension liability increased from \$34 to \$40 million

Benchmarks

General Fund- Total Fund Balance

- The Total Fund Balance went from 32.6% to 37.4% (strong)
- Unassigned Fund Balance- (uncommitted net assets)- The City had a decline but was coming back up. The ARA funds brought the City to 12.6 million.
- Debt to Market- Considered adequate at 3.84%
- Debt per capital - \$2.797 (needs improvement)
- Annual Debt Service declined from \$4,337,283 to \$4,140,183
- Ratio of 7.42% as it related to the General Fund + Capital Project Budget (adequate) (Under the benchmark of 8%)
- Water and Sewer Unrestricted Balance- -10%, needs improvement)
- Parking Authority Unrestricted Net Position- -67% (needs improvement)
- Mr. Cordrey stated the Benchmark Summary showed that everything stayed the same in places that were strong, adequate, and needed improvement last year.

FY23 Budget Highlights

Revenues

- Small increase to trash service (\$63 to \$67 per quarter)
- Tax rates- no change
- EMS Services- increased between 15% - 20%
- Water Sewer Rates- increased by 6%
- Urban Services – increased from 1.5X to 2X City rate
- Parking Fund Rates- permit parking rates increased by \$5 most lots and parking garage by \$10
- Tax Assessments went from \$2.3 billion to \$2.46 billion, and the tax levy went from \$27 million to \$28 million
- Top increases in General Fund Revenues included \$4.8 million in ARA Funds (\$3.7 million increase), Real Property (\$306,000 increase); EMS Services (\$179,000 increase); Trash Fees (165,000 due to \$4 increase); State increasing Police Grant to \$165,000 and Highway User to \$138,000.
- Top decreases in General Fund Revenues included debt proceeds of \$3.5 million, School Camera Zone funds down \$150,000, OBC decreased \$110,000, MDOT reimbursement down by \$106,000.

Personnel

- 6% step increase for all personnel except police officers who received a one-step increase
- Non-manager employees below step 5 and manager level employees below step 10 were reviewed for a market adjustment
- Market rate adjustments, Career Ladder updates, and merit increases
- Health Insurance increased by 8%

Transfers

- Transfers coming out of General Fund and going into other funds- \$337,500
- \$125,000 transferring out of General Fund into Special Revenue Fund for NFF
- Estimated Police Grants Match (\$60,000) and Community Development Grants Match (\$124,000)

- \$100,000 from General Fund to support the Homeless Program

Capital Outlay

- 3-ton dump truck (Field Ops)
- Replacement portable radios (Fire Department)
- Ford F350 1-ton dump truck – 2-door (Field Ops)
- Patrol vehicles (Police)

General Fund Capital Projects (see attachment for the list)

General Fund Debt Service went down in FY23 Budget by \$197,000. If everything in the CIP was funded, it would exceed the debt service for the debt service policy, but the City rarely ever funds everything in the CIP. In 2028 there will be a \$800,000 in Debt Service.

Increase FY23 vs FY12 by Function - The tax levy in FY12 was \$20.4 million vs. \$28 million in FY23 or an increase of \$7.6 million. Public Safety increased by \$10.9 million and does not include the cost of 12 Safer Grant employees.

FY23 Water Sewer Impact and Revolving Funds

A certain portion of every bill went into a fund dedicated to maintenance and increasing the capacity of water sewer services.

Takeaways

- The City's financial position, including cash on hand and unassigned fund balance, was **strong**.
- Some of the weaknesses included the General Fund and CIP. The City was unable to fund all of the projects it wanted to invest in. General Fund revenues were being outpaced by expenditures. Fire Services and the Tax Differential needed to be revisited. The Parking Fund Unrestricted Net Position needed to be addressed.

Mr. Kitzrow informed Council that the City was losing Operators at a record rate, and losing people in every department because the City was below where they needed to be on the pay scale. Retaining top talent was something that was going to be a continual struggle because of inflation and the market. People were either looking elsewhere to work or were being recruited away.

Council took a break from 10:00 a.m. to 10:10 a.m.

Department of Infrastructure & Development (DID) and Housing & Community Development (HCDD) Personnel Committees

Engineer Rachel Logan requested additional funding for positions either currently needed or soon would be needed in DID. The positions included an additional Engineer, Inspector, and Deputy Director. Ms. Glanz acknowledged the Deputy Director position was in the Proposed Budget, but the other two positions, although much needed due to the Here is Home, had not been funded in the budget.

Requests on behalf of the **HCDD** included:

- More money for training
- Additional personal day per year
- Increase in the 457 match

- Increase in annual time at 25 and 30 years
- Birthday off with pay
- Free cleanings at the dentist
- Recognition day with excused sick leave
- Internal childcare program
- Longevity increase
- Day off for Election Day
- Increased cost of living raise

Ms. Blake asked what the top three priorities would be and Ms. Hardesty answered training, free cleanings at the dentist, and an increase in annual time allotted for at 25 and 30 years.

Field Operations (Field Ops)/ Water Works Personnel Committee

Peter Torigo and Phillip Lawrence joined Council at the table and requested the rate of pay be raised for all employees. Mr. Torigo said that many low-skilled, low-risk, low-effort jobs were being offered to start at the pay that the City paid their skilled workers, without the risks. Many of the entry level positions were staying open a lot longer and it was more difficult to find candidates with the skills needed for some of the positions. Mr. Lawrence said that the Police and Fire received raises, and yet Field Ops employees had to get special licenses for the specialized work that they did. Ms. Glanz said that one of the challenges was that they could not officially get their license until they were with the City for three years, and then they were scooped away by another municipality or County, which could pay much more. It seemed the City had become the training ground for Water and Wastewater.

Mr. Torigo informed Council the State was changing the way CDL licenses could be acquired with a much more difficult and expensive process. With this, he could see many CDL license holders being poached away from the City by companies willing to pay sign on bonuses and higher wages. Ms. Glanz said the City was working with the City's Risk and Safety Manager Frank Ennis to bring training in house. The City could designate themselves as a training site and agreed that sign on bonuses should be considered.

Another request was compensation for on-call status. Employees had restrictions on personal time while on-call. Comp time would make employees very happy, and Administration would look into the matter.

Employee reviews were good to have but those with good reviews were not given any more incentive than those with bad reviews. Ms. Glanz said that the HR Director would look into the matter.

Salisbury Police Department (21021)

Colonel Dave Meienschein joined Council to discuss the Police Department's budget. He reported the big question in the SPD budget was new legislation as it pertained to the medical accounts, particularly the new Psychological Services and PT Exams. It was unknown what they would cost. Most of the accounts slightly increased over last year, particularly Medical Professional Services and the increased price of hiring. Legal Services, accreditation costs, pest control, building maintenance remained flat from last year. There was a \$1,000 increase in alarm costs to secure the facilities. The Body Cam and In-Car Cam Maintenance contract increased, as well as a \$25,000 increase attributed to the CAD RMS System. In mental health, agility and implicit bias, the annual costs were estimated at \$40,000, not including the Countywide Accountability Board which was difficult to budget at a possible \$30,000 to \$50,000.

President Heath noted the increase in the total budget for employees was \$1.177 million from the projection of the previous year. \$101,000 was clerical salary, \$671,000 non-clerical salaries, \$113,000 health insurance, \$84,000 Workers Comp, and \$326,000 for LEOPS. He was concerned that there may be

needed budget amendments for the non-personnel side. Colonel Meienschein said they estimated \$300 per officer in Mental Health Services, \$100 per officer in Physical Agility, and \$10,000 total for Implicit Bias testing and training.

When Mr. Boda asked if he was comfortable with the Vehicle Maintenance budget of \$150,000, Colonel said he thought the number was low. They increased their take home fleet which had many advantages, but had an impact on maintenance. Ms. Jackson asked what the \$1,000 for the Youth Program funded, and he said it paid for the Badges for Baseballs program, working in the schools, and helping with National Night Out. She questioned whether it was enough to fund all they wanted to do, and asked about accepting donations, which Colonel said would be welcomed through the Personnel Committee. About three years ago the Major position was replaced with additional Lieutenant positions.

Police Communications (PCC) (21025)

Colonel Meienschein reviewed the budget requests for PCC.

Animal Control (21029)

Chief Duncan arrived to the meeting and said there were no major changes to the accounts.

President Heath asked Chief Duncan to share Council's appreciation for all they did.

City Clerk (11100)

City Clerk Kim Nichols presented the requested budget for the Clerks Office. Level funding was requested but because of the new laptop for Asst. Clerk Julie English, the amounts were adjusted in the accounts. There was enough funding in the Training account. Ms. English had been able to do all of her first-year trainings online this year, and took advantage of many free sessions.

City Council (11000)

Mrs. Nichols presented the requested level funded budget for the City Council's accounts. They discussed the Coffee With Your Council account and planned on having another event soon.

Volunteer Fire Department

Ms. Glanz presented the requests from the Volunteer Fire Department. Recruitment activity increased and 22,000 volunteer hours of calls and trainings were logged. They assisted in securing both the new Dive Trailer and Special Ops Trailer which were removed from the CIP. They continued to support the lease payment but it used up the entire \$40,000 that the City allocated to the Volunteer corporations. The Recruitment & Retention Coordinator was a 50/50 split this year. They would appreciate more than the \$40,000 the City could provide, were advocating for the Rescue Truck this year rather than next year, additional training in the amount of \$5,000 and for the City to continue funding LOSAP.

President Heath asked which department funded HAZMAT training and such, and would ask Fire Chief Tull later in the day. Ms. Glanz said the volunteers added tremendous value to the City.

Mayor's Office (12000)

Deputy Administrator Andy Kitzrow said that last year they did the mid-year budget amendment to add Nate Sansom's position to the Mayor's Office. Other funds were moved around to budget flat.

President Heath asked about the health insurance rebates and Mr. Cordrey said it would come in October. Workers Comp, which was based on the frequency modification factor, increased over the past year. Mr. Cordrey would not get a final bill until late May this year.

Department of Infrastructure & Development (DID)

Acting Director Rick Baldwin joined Council to present the requested budget.

Engineering (31000)

The budget was flat except for due increases. The funding was for 23 positions and one additional position.

Planning & Zoning (19000)

One person was added to the department, and it was level funded.

Building Permits (25100)

The funding for the four people in BPI was also level funded.

Stormwater and Stormwater Utility Fund (60850)

These accounts were level funded.

Water Engineering (81080)

The big change in the account was in Equipment for the new plotter requested for the past three years. It has been funded with a three-year maintenance agreement.

Sewer Engineering (84080)

This was also level budgeted.

CIP

The Impervious Surface Reduction Project was on Mt. Hermon Road and was a public-private partnership. It was formerly a Rite-Aid and now a doctor's office.

Finance Department (15000)

Mr. Cordrey discussed the \$14,000 increase in check fees. There was a standard fee associated with every check and every deposit, all set by the amount of money the City maintained in its checking account but the City's money was worth less than it did a year ago.

Water Billing (81570)

There was another \$2,000 in bank fees for the same reason as above.

Sewer Billing (85070)

There was a \$5,000 increase in bank fees. The Hardship Program was reduced but they would ask Council to add back funds to the program. The new Water Incentive Program (WIN) would need funding.

Fire Department (24030)

Fire Chief John Tull, Deputy Chief Darren Scott and Deputy Chief Chris O'Barsky joined the Council to discuss the Fire Department Budget. Chief Tull discussed items on the essential items list which included several new positions which were reclassifications for current positions to EMS Sergeants, funding for computer usage programs for the incident reporting software, and a Rescue Truck. There were not many changes in Operating, and the bulk of the changes in the budget were in Personnel Services.

Chief Tull discussed how compression impacted the pay of senior positions due to the years where there were no cost of living increases. As a solution, the America Rescue Plan had funds designed for emergency workers. Otherwise, the problem would have to be fixed a bit at a time.

Ms. Blake asked if this was ongoing or if we knew this existed, and President Heath said it had been ongoing for at least three years.

Ms. Glanz said that positions were underfunded compared to other jurisdictions. They tried to chip away over the years with the Predictability Plan. There was no easy way to fix the problem and it would cost millions of dollars, which the City did not have.

Chief Tull was concerned with the starting pay because it was no longer competitive in the market. The City was losing people to Snow Hill and Delmar because their starting pay was higher and their pay ranges got them farther much quicker. President Heath said if starting salaries were increased it would be worse for those senior employees who we couldn't do anything for. Ms. Glanz thought that discussing Chief Tull's idea of shifting the pay scale to increase starting pays had value. Chief Tull also said that electricity and fuel increased but natural gas decreased.

CIP items funded included the replacement of HVAC system at Station 16, beginning the replacing of the portable radios, and the Rescue Truck. The current Rescue Truck, an American LaFrance, was 20 years old and they could no longer find parts for it.

Water Works

Director Cori Cameron was joined by Utilities Superintendent Brian Lewis and discussed the essential items. She reported that there were 17 people advancing in the Career Ladders this year and the most essential item was the Chemical Budget. The price of chemicals have increased drastically and an additional \$145,000 was requested over last year. The ground storage tank at Paleo was budgeted to be painted for \$136,000. Ms. Cameron said they were struggling to hire and retain employees, and the Governor started a task force for Wastewater. Everybody was retiring and they could not get people to come into the business. They wanted to get into the high schools and community colleges to educate on the profession as a career. Once they obtain their three years of training, operators receive their certifications only to be hired by Tidewater, Artesian and other utilities for more than the City paid.

Water Administration (83000)

No changes as it was a level budget. Small things were moved around.

Water Treatment Plant (82075)

Grounds was increased by \$7,000 to keep the grounds cut. President Heath asked if the Chemicals Account was enough based on what they heard earlier from Ms. Cameron. She was unsure if it was enough – they could not project. They were put out for three-year bids, but currently they were not holding because some of the chemicals were going up quarterly. Procurement Director Jennifer Miller was able to hold them to contract for six months but they were not renewing right now with the City for three-year renewals. Some vendors held for a year, and some have increased quarterly. The market was still unstable at this point and the costs of shipping has increased.

Water & Sewer Water (82076)

Ms. Cameron requested a part-time admin but it was cut from the Proposed Budget. There were currently four vacant technician positions that they were actively trying to fill.

Wastewater Treatment Plant (86083)

\$1.4 million was requested for chemicals. Ms. Cameron said that chemicals, equipment and supplies had all increased in cost, and next year would be very challenging.

Water & Sewer Utilities (86085)

They attempted to start the Fines Account for sewer overflows at \$10,000 under Essential Items and requested to increase some of the Equipment Accounts because the costs of meters, fittings and everything had increased.

Pretreatment (86086)

Nothing changed in the budget.

Water Works 2nd Admin Account (87000)

She decreased Other Attorney by \$5,000 and moved it under City Attorney to deal with PFAS and pretreatment issues.

CIP

She reported IT was working on Software and Fiber. The Park Well Field was the rehabilitation of the City's wells. There was the Paleo Well Storage Tank painting for \$70,000. The Dump Truck was for the Wastewater Treatment Plant. The Structural Study was in addition to the money they already had. The study was completed and they were going to start construction to support the buildings that were falling, cracking and moving. She explained the reason the raw water line at Naylor Mill Road was defunded. They were at 30% on the engineering and design phase of the building and the initial numbers have come back at \$21 million and there was only \$3 million budgeted. They were trying to do it in a couple of phases and the first phase should be \$10 - \$11 million, and would attempt to secure federal funds for infrastructure for the construction.

President Heath asked Ms. Cameron to thank the Water Works staff for all they did.

Field Operations (Field Ops)

Field Ops Director Jana Potvin joined Council and discussed the essential items list, which included a Signal Light Tech. This position worked with electricity but was not a certified electrician. An electrician was on the list but was not essential for this year while other items were more important. One mechanic position was frozen and some of the funding utilized to increase the pay of the existing staff. Two people were brought in a higher pay grade, with two mechanics still needed to be brought up another grade. The Sanitation Supervisor would become the Sanitation Manager, and the Office Manager .

She explained Training was a large amount and needed \$6,000 additional for certifications, and the Safety Account could be used for some of the training. Building improvements included repairs to the pole building, fixing windows with bullet holes, doors replaced, and garage electrical upgrades. The traffic-water meter- carpentry building needed work on the back steps railings which had water damage, needed painting, and cracks in the concrete blocks needed sealing.

Sanitation frequently ran into overtime. Their days seemed to run long and equipment not working like it should did not help the matter. Three Sanitation workers were paid out of the Stormwater Sweeping Account. The Railroad Right-Of-Way lease was \$1,800 for the easement that went through the site and the agreement would need to be signed before they began construction on any of the new buildings on the site.

Traffic (22000)

Ms. Potvin discussed positions and vacancies in the division. \$2,000 was cut from the account, leaving \$10,000 for next year. As of April she spent \$7,052 in overtime.

What was not funded in the CIP that Ms. Potvin wanted consideration for was pavement markers for \$20,000. President Heath said that this could be placed in a budget amendment.

(30000)

The Office Manager's Career Ladder was left out. Overtime was reduced in this.

Streets (31150)

They still needed a vehicle to replace one that was surplus. Was appreciative of the Ford F350.

Sanitary Waste Collection (32061)

There was a frozen position that needed to be reallocated to Parks. An additional \$3,500 was requested in Comp Time.

There were two Fords F250 with snow plows that were placed on the list that were needed for Parks and Streets.

Recycling (32062)

This was flat budgeted, except for overtime which was cut from \$1,800 to \$500.

Fleet Management (34064)

\$500 was cut in overtime.

Carpentry (35000)

\$2,300 has been spent so far in comp and overtime. Only \$1,000 has been budgeted after a \$2,150 cut by Administration.

Parks (45000)

One of the Field Op's techs has transferred to Wastewater and it was the position that they proposed to freeze. One of the vacant positions, a crew leader, has been filled. \$7,900 was cut from overtime, leaving \$10,500 for next year. Currently, she has spent \$9,473 this year.

Parks & Rec (45001)

Mr. Kitzrow explained that as part of the Arts and Culture Department, they dedicated two staff members to the events. \$11,000 of overtime, \$27,000 out of part-time salaries, \$30,000 allocation to National Folk Festival, and salary savings from Bill Sterling's retirement were used to pay for the two staff members. They took a three-year average of overtime and used the excess. A lot of what Field Ops had done that was overtime, particularly with events, would be done with these two staff members. During COVID there was no overtime, and that was included in the 3 three-year averages.

Parking (31154)

20% of the Deputy Director's salary was paid out of Parking and would now be paid 100% out of Traffic.

Marina (47000)

Mr. Kitzrow said that the Marina Fund and Parking Fund were separate entities with the revenue used to offset it and had adjustments made since they were supposed to be at least a break-even venture. That was why there were some parking rate increases proposed. Fees were also proposed for Marina slip rentals to help cover the increases in expenditures.

Ms. Potvin noted a large increase in the electricity rate, and they hoped the increases in the slip rentals and the 30 amp and 50 amp electrical rates would help. There were bulkhead and decking improvements needed at the Marina and asked how long before it was not considered a City asset.

Stormwater Sweeping (60820)

Overtime non-clerical was budgeted at \$500. The revised budget for the past several years was \$5,500 and so far this year spent \$3,100 in overtime and comp time. It was one they frequently had to pull for overtime. They were able to transfer salary from vacancies in the department but were close to being fully staffed and would not have the funds available.

Fuel budget

Mr. Kitzrow informed Council that fuel was initially budgeted at \$2.27 gallon and was revised to \$2.81/gallon which amounted to about \$38,000 throughout all the departments.

Housing and Community Development Department (HCDD)

HCDD Director Ron Strickler joined Council at the table and introduced Code Compliance Manager Dan Hogg, Office Manager Trish Warrington, Housing and Homelessness Manager Christine Chestnutt, and Community Relations Manager Rachel Manning.

Essential items for the department included: the addition of a deputy director; added cleaning services to the Newton Street Community; reclassification of the Housing and Homelessness Manager and Community Relations Manager to a Grade 10 from Grade 9; reclassification for the Community Programs Coordinator from a Grade 6 to Grade 7; Anne Street Village operational expenditures; and inclusion of at least five code enforcement officers into the LEOPS State Retirement system.

President Heath suggested checking with Dove Point and other businesses employing people with disabilities when Mr. Strickler made the decision to hire a cleaning company.

501006 Part Time Salaries

\$33,000 was allocated in 2022 and funds were pulled from Personnel Services, which paid for the Summer Youth Employment Program (SYEP). It was determined the best course of action was to bring the SYEP into a part time status as an employee versus a stipend position. It was effective and the money was allocated to part time salaries in '22 and they were paid like any other hourly employee of the City. \$9,000 was added from the AmeriCorps position which had not been filled. This was all grouped together into part time salaries which included the three part time employees for the Community Centers, coverage at both community centers for events, and eight FYEP positions.

Rubbish Removal (523261)

This account was increased. A Strategic Demolition Grant was received in FY21 that lasted two years. Did not know if the grant would be renewed.

Tree Cutting (523634)

This account was reduced to \$1,000 from \$1,500. They would be training in May on tree removal.

Janitorial Services reduced by \$3,820 knowing some of the funds would be allocated for the Newton Street Community Center cleaning.

Computer Software (534502)

Part of the account was the Code Enforcement Software they utilized currently. Knowing they would be transitioning to EnerGov, they needed to maintain the service to help with that transition.

Rent 554400

There was a 5% increase in rent due to the increase being built into the lease.

Cellular Phones (555402)

Increased \$1,000 to cover the additional line that was added for additional personnel.

Advertising (55501 and 90501)

Reduced by \$400 and requested an additional \$1,000 for Newton Street advertising.

CIP

Mr. Strickler discussed the one request for FY23 which was a replacement vehicle for a 2006 which was totaled and LGIT paid \$6,000 towards replacement. There was a trailer and equipment stolen from the City Yard, and with the \$10,000 deductible they had to move funds around to buy replacements.

With nothing further to discuss, the Budget Work Session adjourned at 4:09 p.m.

City Clerk

Council President



City of
Salisbury

Financial Health

Presented April 2022



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 23 Budget**

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



Benchmarks

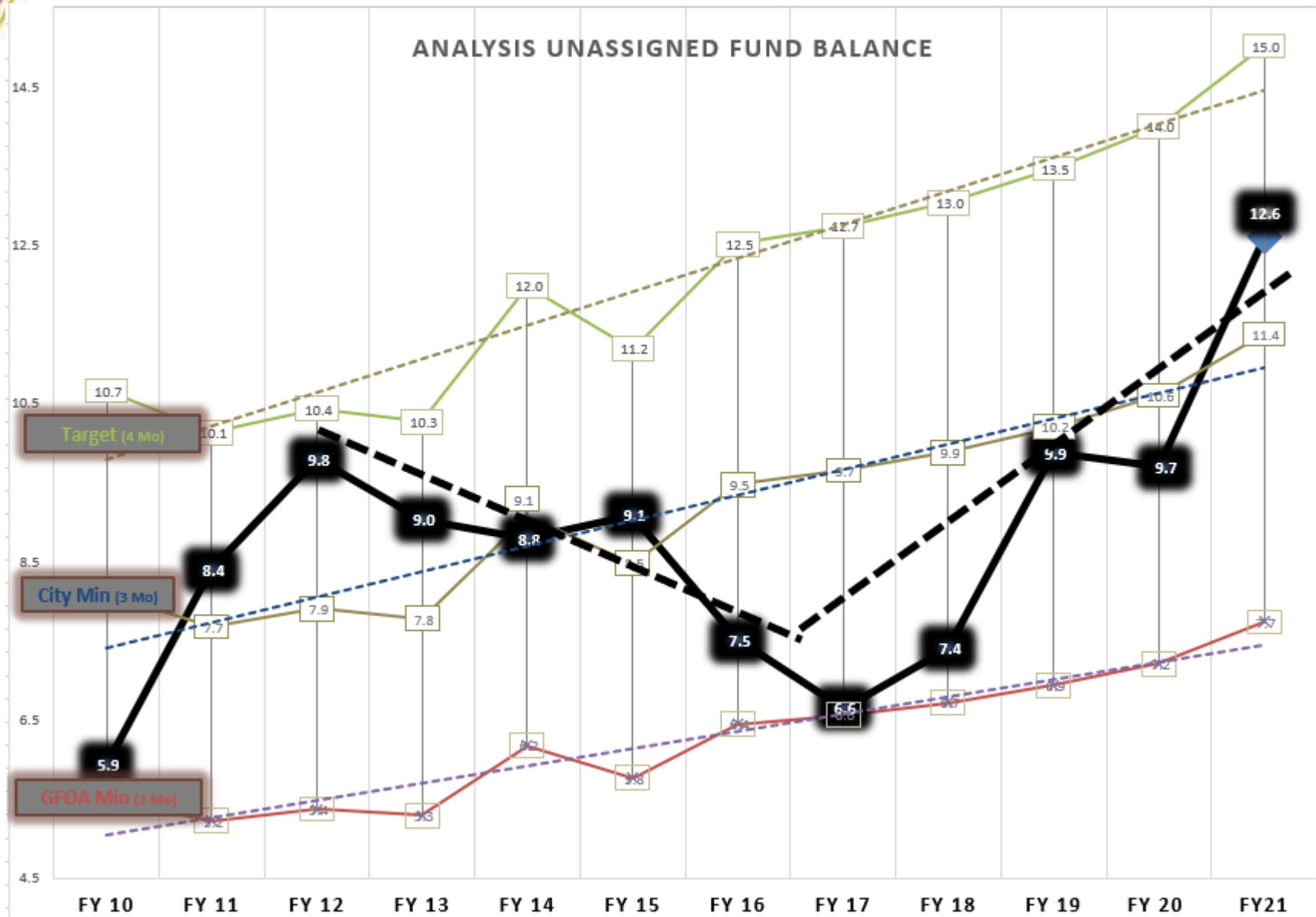


General Fund - Total Fund Balance

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|------------------------------|--|--|--|--|
| Total Fund Balance | \$10,738,933 as of June 30, 2018 | \$12,775,227 as of June 30, 2019 | \$13,811,228 as of June 30, 2020 | \$17,005,761 as of June 30, 2021 |
| Budgeted Expenditures | 38,992,253 2018 | 40,775,227 2019 | 42,386,053 2020 | 45,462,945 2021 |
| Ratio | 31.9% (Strong) | 31.7% (Strong) | 32.6% (Strong) | 37.4% (Strong) |
| | | | | Strong > 25 % |
| | | | | Adequate 10-25 % |
| | | | | Weak < 10 % |



General Fund - Unassigned Fund Balance





Debt to Market Value

| | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 |
|---------------------------------|---------------------|---------------------|---------------------|--------------------|
| General Obligation Debt | \$ 99,578,997 | \$ 94,970,713 | \$ 99,605,678 | \$ 92,453,779 |
| Market Value of Property | \$ 2,151,596,042 | \$ 2,228,360,951 | \$ 2,312,626,586 | \$ 2,409,081,247 |
| Ratio | 4.63% (Adequate) | 4.26% (Adequate) | 4.31% (Adequate) | 3.84 (Adequate) |
| | Strong | | < 3 % | |
| | Adequate | | 3 – 6 % | |
| | Weak | | > 6 % | |



Debt Per Capita

| | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Citywide General Obligation Debt | \$ 99,578,997 | \$ 94,970,713 | \$ 99,605,678 | \$ 92,453,779 |
| Population | 33,000 | 33,000 | 33,000 | 33,050 |
| Debt Per Capita | \$ 3,017 (Needs Improvement) | \$ 2,878 (Needs Improvement) | \$ 3,018 (Needs Improvement) | \$ 2,797 (Needs Improvement) |

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



Annual Debt Service - General Fund

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------------------|---------------------|---------------------|---------------------|
| Budget Debt Service | \$ 4,008,907 | \$ 3,867,449 | \$ 4,337,283 | \$ 4,140,183 |
| General Fund + Capital Project Budget | \$ 44,221,824 | \$ 48,773,991 | \$ 51,464,722 | \$ 55,796,796 |
| Ratio | 9.07% (Adequate) | 7.93% (Adequate) | 8.43% (Adequate) | 7.42% (Adequate) |
| Adequate <= 10% | | | | |



Water and Sewer Unrestricted Balance

| | FY 19 | FY 20 | FY 21 | FY 22 | FY 23 |
|--------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| Unrestricted Fund Balance | \$ (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 | \$ (1,844,472) as of June 30, 2021 |
| Water Sewer Operating Revenue | \$ 16,616,820 (FY19 Budget) | \$ 16,547,775 (FY20 Budget) | \$ 16,140,750 (FY21 Budget) | \$ 16,909,350 (FY22 Budget) | \$ 20,303,088 (FY23 Budget) |
| Ratio | - .75 % (Needs Improvement) | 12% (Needs Improvement) | 5.5% (Needs Improvement) | 4.43% (Needs Improvement) | -10% (Needs Improvement) |

Strong > 25%

Adequate 17 – 25%

Weak < 17%



Parking Authority Unrestricted Net Position

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|----------------------------------|-------------------------------------|---------------------------------------|--|--|
| Unrestricted Net Position | \$181,501 as of June 30, 2018 | \$ (98,781) as of June 30, 2019 | \$ (173,401) as of June 30, 2020 | \$ (443,042) as of June 30, 2021 |
| Revenue | \$678,200 | \$675,000 | \$782,810 | \$661,447 |
| Ratio | 26.8% Strong | -14% Needs Improvement | -22% Needs Improvement | --67% Needs Improvement |

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



Benchmark Summary

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|-------------------|-------------------|-------------------|-------------------|
| 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 | Needs Improvement | Needs Improvement | Needs Improvement |



FY23 Budget Highlights



FY 23 Budget Highlights - Revenue

☐ General Fund - Rates and Fees

- Trash Service – increased from \$63.00 to \$67.00 per Qtr.
- Tax Rates – no change
- Fire Dept. fees:
 - EMS Service – increase between 15%-20%
- Others – see Fee Schedule in Fee Ordinance



FY 23 Budget Highlights - Revenue

☐ Tax Rates

- No change

☐ Water Sewer Rates

- Water Sewer Rates – increase 6%
- Water Sewer Urban Services – increase from 1.5x to 2.0x

☐ Parking Fund Rates

- Permit parking rates – increase by \$5 most lots and parking garage by \$10

☐ Storm Water Rates

- Storm Water Fee – no change



FY 23 Tax Assessments

| Fiscal Year | Assessments | | | | Tax Rate | | Tax Levy |
|-------------|---------------|-----------|--------------|---------------|--------------------|---------------|------------|
| | Real | Personal | Corporations | Total | Personal Property | Real Property | |
| 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 | 0.943 | 22,017,568 |
| 2018 | 1,852,099,222 | 3,105,050 | 296,391,770 | 2,151,596,042 | 2.40 PP 2.81 RR | 0.983 | 24,127,199 |
| 2019 | 1,930,891,071 | 3,058,170 | 294,411,710 | 2,228,360,951 | 2.40 PP 2.81 RR | 0.983 | 25,059,823 |
| 2020 | 2,009,236,346 | 3,247,210 | 300,143,030 | 2,312,626,586 | 2.40 PP 3.51 RR | 0.983 | 26,436,227 |
| 2021 | 2,113,819,337 | 2,561,790 | 292,700,120 | 2,409,081,247 | 2.40 PP 3.51 RR | 0.983 | 27,245,705 |
| 2022 (EST) | 2,070,388,160 | 2,541,667 | 245,324,074 | 2,318,253,901 | 2.40 PP 3.51 RR | 0.983 | 27,737,423 |
| 2023 (EST) | 2,220,913,883 | 1,958,333 | 243,589,744 | 2,466,461,960 | 2.40 PP 3.51 RR | 0.983 | 28,020,025 |



FY 23 General Fund Revenues

| | 2022 Revised | MAYOR | Increase (decrease) |
|------------------------------|-----------------|------------|------------------------|
| <u>Top Increases:</u> | | | |
| Federal Recovery Funds | 1,052,710 | 4,800,000 | 3,747,290 |
| Real Property | 20,966,423 | 21,273,025 | 306,602 |
| Lifequest Revenue | 1,820,837 | 2,000,000 | 179,163 |
| Trash Fees | 2,062,391 | 2,228,000 | 165,609 |
| Municipal | 177,450 | 342,700 | 165,250 |
| Capital Lease Proceeds | 534,000 | 678,532 | 144,532 |
| Highway User | 1,317,857 | 1,456,434 | 138,577 |
| Local Income Taxes | 2,100,000 | 2,200,000 | 100,000 |
| Railroad/Utilities | 2,600,000 | 2,700,000 | 100,000 |
| Building Permits | 350,000 | 430,000 | 80,000 |
| Admission Amusement Tax | 50,000 | 120,000 | 70,000 |
| Fire Prevention - Plan Rev | 125,000 | 185,000 | 60,000 |
| Billboard Licenses | 21,000 | 69,000 | 48,000 |
| <u>Top Decreases:</u> | | | |
| Debt Proceeds | 3,586,387 | - | (3,586,387) |
| School Zone Camera | 750,000 | 600,000 | (150,000) |
| OBC - Current Year | 4,110,000 | 4,000,000 | (110,000) |
| MDOT Reimbursements | 148,311 | 41,570 | (106,741) |
| Zoo Commission FT | 93,408 | - | (93,408) |
| Transfer In - Drain Impv F | 75,952 | - | (75,952) |
| Donations | 100,000 | 50,000 | (50,000) |



FY 23 Budget Highlights – Personnel

- A 6% step increase is included for all personnel with the exception of the police officers who received a one step increase
- Non-manager level employees below step 5 and manager level employees below step 10 were reviewed for a market adjustment
- Market Rate adjustments
- Career Ladder Updates
- Merit increases
- Health insurance increased by 8%



FY 23 Budget Highlights – Personnel

| Department | Position | Grade |
|----------------------|--|---------|
| New Positions | | |
| Bus Dev | ABC Director | 14 |
| Bus Dev | Culture & Events Manager | 10 |
| Mayor | Special Assistant for Intergov Affairs | 8 |
| HR | Human Resource Coordinator | 8/10/11 |
| DID | Deputy Director | 14 |
| Parks | Events Technical Manager | 10 |
| Parks | Events Technical Specialist | 7 |
| FO | Signal & Lighting Technician II | 8 |
| Fire | Assistant Fire Chief | PS7 |
| Fire | 4 Lieutenants | PS5 |
| Fire | 2 Paramedics | PS1P-3P |
| Fire | 6 EMT's | PS1-3 |
| Eliminated Positions | | |
| FO | Traffic Supervisor | 8 |
| FO | Deputy Director Field Ops | 16 |
| Fire | Captain | PS6 |
| Frozen Positions | | |
| FO | Field Ops Tech | 4/5/6 |
| WW | Utility Locator | 5/6 |



FY 22 Budget Highlights – Personnel

| Department | Position | Grade | Grade | Notes |
|-------------------|---|--------|---------|--|
| | | From | To | |
| Reclassifications | | | | |
| FO | Field Ops Tech - Crew Leader (Streets) | 6 | 7 | |
| FO | Garage Supervisor | 8 | 9 | |
| FO | Automotive Mechanic I/II/III/SR | 4/5 | 6/7 | Added a Senior career ladder |
| FO | Carpenter I/II/III | 4 | 5 | Added II/III career ladders |
| FO | Logistics Coordinato/Specialist/Administrator | 5 | 6 | |
| FO | Zookeeper I/II/III/IV/SR | 4/5/7 | 5/7 | Eliminated grade 4 |
| FO | Parks Manager | 8 | 10 | Changed name from Parks Supervisor |
| FO | Traffic Systems Manager | 10 | 11 | |
| FO | Asset & Facilities Manager | 8/9/10 | 11 | Changed name fro Asset Management & Facilities Specialist I/II/III |
| FO | Deputy Director Field Ops | 13 | 14 | |
| FO | Sanitation Manager | 10 | 10 | Changed name from Sanitation Superintendent |
| FO | Field Ops Tech - Crew Leader (Sanitation) | 7 | 7 | Changed name from Sanitation Supervisor |
| FO | Parking Supervisor | 7/9 | 7 | Eliminated career ladder I/II |
| FO | Parking Enforcement Officer I/II | 3 | 3 | Eliminated career ladder III |
| FO | Parking Maintenance Worker I/II/III | 3/4/5 | 3/4 | Eliminated grade 5 |
| FO | Field Ops Admin Assistant | 5 | 5 | Moved from Utilites Water Admin Assistant |
| HCDD | Housing & Homeless Manager | 9 | 10 | |
| HCDD | Community Relations Manager | 9 | 10 | |
| HCDD | Community Programs Coordinator | 6 | 7 | |
| HR | Risk Manager | 11 | 11 | Moved from FO |
| HR | Human Resource Director | 14 | 16 | |
| HR | HR Coordinator/Specialist/Administrator | 5/9/10 | 8/10/11 | Changed name from Assistant/Associate/Sr Specialist |
| Procurement | Contract Specialist I/II/III | 9 | 11/12 | |
| Procurement | Buyer I/II/III | 7 | 8/9 | |



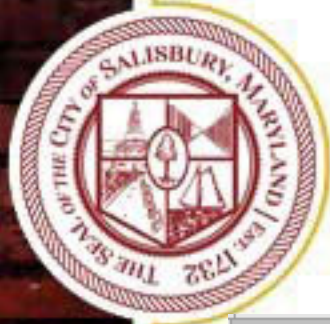
FY 23 Budget Highlights -Transfers

| PayGO for General Capital Projects | 337,500 |
|-------------------------------------|-------------------|
| Transfer – Special Revenue Fund NFF | 125,000 |
| | |
| Police Grants Match | 60,000 |
| Community Development Grants Match | 124,000 |
| | |
| | |
| Homeless Program | 100,000 |
| | |
| TOTAL Org 91001 >> | \$ 746,500 |



FY23 General Fund Capital Outlay

| | | General Fund - Capital Outlay | | | |
|--------------|-------------------------------------|-------------------------------|--------|------------------|----------------|
| | | Account | | Funding Source | |
| Dept | Project Description | Org | Acct | General Revenues | Lease Proceeds |
| Field Op | 3-Ton Dump Truck | 45000 | 577025 | | 200,000 |
| Fire | Portable Radio Replacement | 24035 | 577030 | | 103,532 |
| Field Op | Ford F350 1-Ton Dump Truck - 2 Door | 31150 | 577025 | | 75,000 |
| Police | Patrol Vehicle | 21021 | 557025 | | 300,000 |
| General Fund | | | | - | 678,532 |



FY23 Water Sewer Capital Projects

| Schedule B: General Capital Projects | | | | | | |
|---|------------------|----------------|-------------------|----------------|----------------|------------------|
| Funding Source | | | | | | |
| Project Description | Approved Amount | PayGO Gen Fund | PayGO Storm Water | Grants | Reallocation | FY 24 Bond |
| Comprehensive Plan | 150,000 | | | | 150,000 | |
| TownSquare | 900,000 | | | | | 900,000 |
| Mill Street Bridge Rehabilitation | 60,000 | - | | | 60,000 | |
| Impervious Surface Reduction | 145,000 | | 145,000 | | | |
| Stream Restoration along Beaverdam Creek | 120,000 | | 120,000 | | | |
| Schumaker Pond | 10,000 | | 10,000 | | | |
| Storm Drain Main Lining | 25,000 | | 25,000 | | | |
| North Prong Park Improvements | 200,000 | | | 200,000 | | |
| Street Reconstuction (Milling and Paving) | 45,000 | | | 45,000 | | |
| Rail Trail Master Plan Implementation | 500,000 | | | 500,000 | | |
| Mill Street Bridge Rehabilitation | 240,000 | | | 240,000 | | |
| Computer Aided Dispatch (CAD) Replacement | 1,105,000 | | | | | 1,105,000 |
| GOB HVAC Return Air Fans | 37,500 | 37,500 | | | | |
| GOB Repair to West Wall | 30,000 | | | | 30,000 | |
| GOB Ceiling and Lighting Replacement | 22,500 | | | | 22,500 | |
| Station #16 HVAC Replacement | 130,000 | | | | | 130,000 |
| Rail Trail Master Plan Implementation | 700,000 | | | | | 700,000 |
| Downtown Street Scaping | 775,000 | | | | | 775,000 |
| Field Operations Facility Plan - Phase IIIB | 1,100,000 | | | | | 1,100,000 |
| General Fund & Capital Projects | 6,295,000 | 37,500 | 300,000 | 985,000 | 262,500 | 4,710,000 |



FY23 General Fund Debt Service

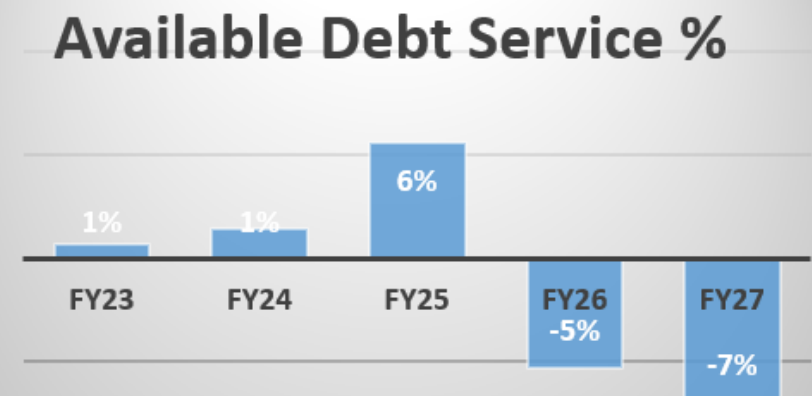
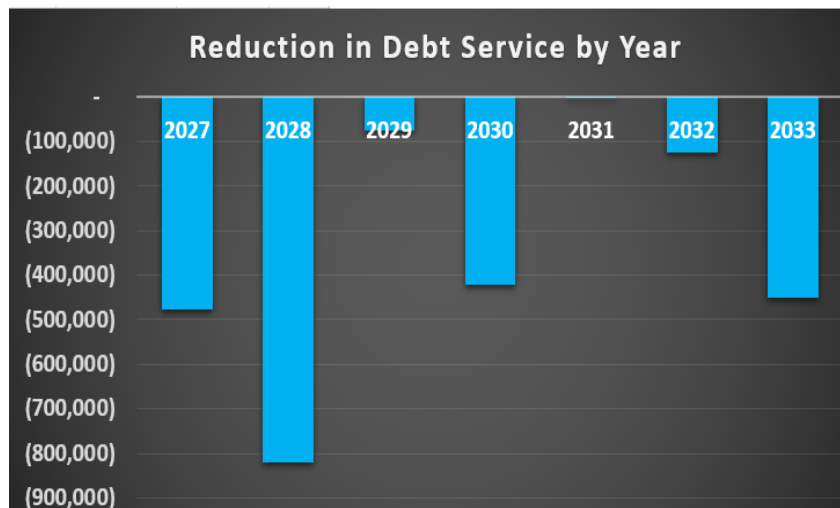
| | | | 21 Actual | 22 Approved | 23 Mayor | Increase (Decrease) |
|------------------|--------|------------------------------|------------------|------------------|------------------|------------------------|
| Principal | | | | | | |
| 70101 | 588111 | Principal - FY 11 | 327,822 | 338,804 | - | |
| 70101 | 588114 | Principal - 2011B | 257,666 | 213,300 | 221,176 | |
| 70101 | 588117 | Principal - FY13 | 204,000 | 210,000 | - | |
| 70101 | 588122 | Principal - 2016 | 367,911 | 375,938 | 384,133 | |
| 70101 | 588123 | Principal - 2017 | 900,756 | 945,535 | 903,092 | |
| 70101 | 588124 | Principal - 2018 | 331,322 | 339,647 | 348,172 | |
| 70101 | 588131 | Principal - Waverly WQ Inlet | 4,667 | 4,714 | 4,761 | |
| 70101 | 588140 | Principal - 2019 | 487,600 | 515,200 | 538,200 | |
| 70101 | 588141 | Principal - 2022 | | | 840,000 | |
| | | Total Principal | 2,881,744 | 2,943,138 | 3,239,534 | 296,396 |
| Interest | | | - | - | - | |
| 70101 | 588211 | Interest 2011 | 79,555 | 68,389 | | |
| 70101 | 588214 | Interest 2011B | 19,005 | 12,085 | 6,138 | |
| 70101 | 588217 | Interest 2013 | 58,544 | 52,248 | - | |
| 70101 | 588222 | Interest 2016 | 46,813 | 38,705 | 30,421 | |
| 70101 | 588223 | Interest 2017 | 275,065 | 229,222 | 182,720 | |
| 70101 | 588224 | Interest 2018 | 114,791 | 106,478 | 97,953 | |
| 70101 | 588231 | Interest Waverly WQ Inlets | 521 | 474 | 427 | |
| 70101 | 588240 | Interest 2020 | 391,920 | 366,850 | 341,290 | |
| 70101 | 588241 | Interest 2022 | - | 519,694 | 241,700 | |
| 70101 | 588900 | Bond Issuance Cost | 8,700 | - | - | |
| | | Total Interest | 994,914 | 1,394,145 | 900,649 | (493,496) |
| | | Total Debt Service | 3,876,658 | 4,337,283 | 4,140,183 | (197,100) |



FY23 General Fund Debt Service

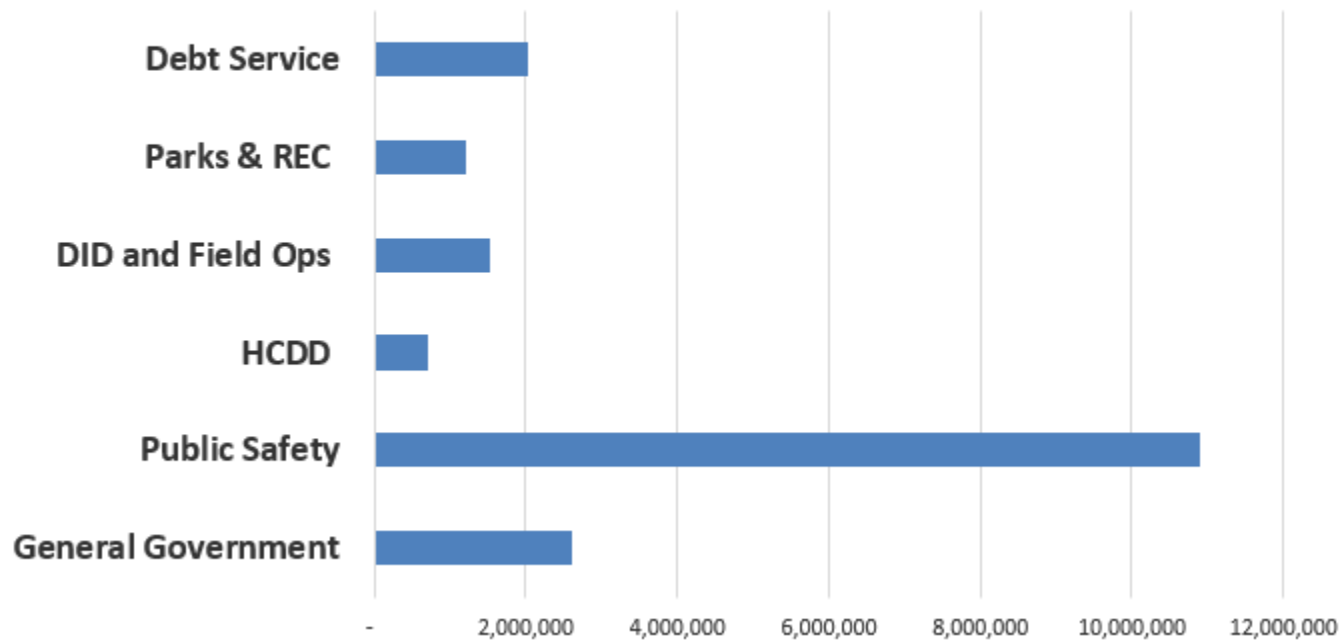
The schedule below was developed during the construction of our FY23-FY27 CIP plan. It assumes all items included in the CIP plan to be funded by bond were approved in annual budget going forward and then compares the estimated debt service to the max debt service per the City's Financial Policy.

| | FY23 | FY24 | FY25 | FY26 | FY27 |
|---|------------------|------------------|------------------|------------------|------------------|
| Additional Debt Service - General Fund | 744,807 | 470,611 | 340,542 | 462,825 | 739,684 |
| <i>Ending Debt Service</i> | 5,334,438 | 5,909,998 | 5,683,250 | 6,134,557 | 6,394,701 |
| Max Debt Service per Financial Policy 10% | 5,370,000 | 5,996,923 | 6,020,107 | 5,827,332 | 5,983,564 |
| <i>Available Debt Service Amount</i> | 35,562 | 86,925 | 336,856 | 307,225 | 411,137 |
| <i>Available Debt Service Percentage</i> | 1% | 1% | 6% | -5% | -7% |





Increase FY23 vs FY12 by Function



| | Change | FY12 | Fy23 |
|--------------------|------------|------------|------------|
| General Government | 2,610,708 | 2,437,121 | 5,047,829 |
| Public Safety | 10,906,479 | 17,914,856 | 28,821,335 |
| HCDD | 708,514 | 622,568 | 1,331,082 |
| DID and Field Ops | 1,534,808 | 4,037,212 | 5,572,020 |
| Parks & REC | 1,200,722 | 1,436,425 | 2,637,147 |
| Debt Service | 2,041,567 | 2,098,616 | 4,140,183 |
| | 19,002,798 | | |

The Tax Levy in FY12 was \$ 20.4M vs. \$ 28M in FY23 or an increase of **\$ 7.6M**. This tax revenue increase pales in comparison to the **\$ 19** increase of major departments and debt service costs during that period. Public Safety alone has increased by **\$ 10.9M** and that does not include the cost of 12 safer grant employees.



FY23 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 | 465,511 | 1,696,297 | 115,640 | 2,277,448 |
| Transfer per FY22 Scd B | | (740,000) | 740,000 | |
| PNC Investment | 313,586 | 275,211 | 853,709 | 1,442,506 |
| Sub total before Trf | 779,097 | 1,231,508 | 1,709,349 | 3,719,954 |
| <i>Fy23 Transfer</i> | | <i>(700,000)</i> | <i>700,000</i> | - |
| FY23 Projects | | | <i>(900,000)</i> | <i>(900,000)</i> |
| Min | (500,000) | (500,000) | (1,500,000) | (2,500,000) |
| | | | | |
| Actual Over (Under) Min | 279,097 | 31,508 | 9,349 | 319,954 |



Takeaways...Strengths

- Financial Position

Presently the City enjoys a strong Financial Position. This status is based on the financial data as of the FY21 Audit.

- Unassigned Fund Balance

The General Fund's Unassigned Fund Balance is strong as of 6/30/21.

- 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 FY23 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

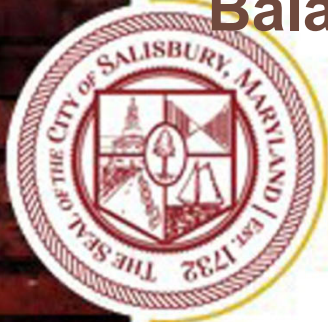




City of
Salisbury

Financial Overview

Presented April 2022



Balance Sheet – Governmental Funds

FY20

Cash FY21 \$14.4M vs FY20 \$10.7M

FY21

| | 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 | \$ 5,760,274 |
| Investment pool | 8,602,985 |
| Taxes receivable | 2,425,310 |
| Less allowance for uncollectibles | (1,015,790) |
| Due from other governmental units | 933,210 |
| Due from other funds | 632,859 |
| Sundry accounts receivable | 4,519,655 |
| Less allowance for uncollectibles | (2,765,835) |
| Inventory | 771,896 |
| Other assets | 105,871 |
| Restricted cash | 207,444 |
| Restricted investment pool | 1,321,751 |
| TOTAL ASSETS | \$ 21,499,630 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable and accrued expenses | \$ 1,628,133 |
| Due to other funds | - |
| Unearned revenue | - |
| Deposits and advance payment of taxes | 158,443 |
| Compensated absences | 216,485 |
| Total Liabilities | 2,003,061 |
| Deferred Inflows of Resources | |
| Unavailable revenue | 2,490,808 |
| Total Deferred Inflows of Resources | 2,490,808 |
| Fund Balances: | |
| Nonspendable | 877,767 |
| Restricted | - |
| Committed | 2,378,100 |
| Assigned | 1,103,080 |
| Unassigned | 12,646,814 |
| Total Fund Balances | 17,005,761 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 21,499,630 |

Unassigned FB \$12.6M vs \$10.7M

REVENUES OVER (UNDER) EXPENDITURES

\$3,194,533

Revenues exceed expenditures during FY21 by \$3,194,533.

Total Fund Balance was increased by the same amount.

| | General Fund |
|---|-------------------|
| REVENUES | |
| Taxes | \$ 30,361,776 |
| Other revenue | 4,091,504 |
| Intergovernmental revenues | 6,284,412 |
| Charges for services | 4,791,812 |
| TOTAL REVENUES | <u>45,529,504</u> |
| EXPENDITURES | |
| Current: | |
| General government | 4,121,549 |
| Public safety | 24,452,125 |
| Public works | 4,302,605 |
| Recreation and culture | 2,158,032 |
| Nondepartmental | 1,039,769 |
| Capital outlays | 657,247 |
| Debt service: | |
| Principal | 1,039,082 |
| Interest | 3,686,563 |
| TOTAL EXPENDITURES | <u>41,456,972</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>4,072,532</u> |
| OTHER FINANCING SOURCES (USES) | |
| Operating transfers in (out) | (1,326,022) |
| Proceeds from bond and capital lease issuance | 352,896 |
| Proceeds from sale of capital assets | 95,127 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(877,999)</u> |
| NET CHANGE IN FUND BALANCES | 3,194,533 |

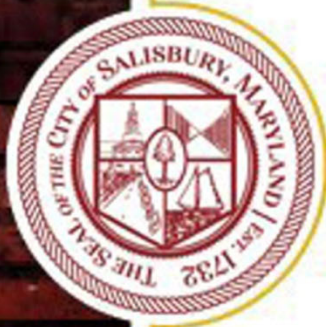
REVENUES OVER (UNDER) EXPENDITURES

\$3,194,533

Revenues exceed expenditures during FY21 by \$3,194,533.

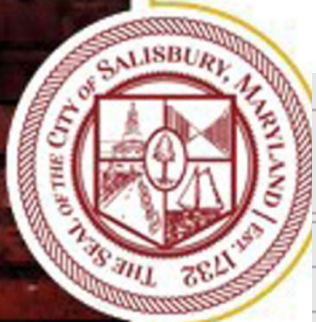
Total Fund Balance was increased by the same amount.

| | FY21 |
|---|----------------|
| Use of Surplus | |
| Original Budget | 2,291 |
| Encumbrances from Prior Year | 973 |
| Ordinances | 47 |
| Final Budget | 3,311 |
| Revenue Variances | |
| Taxes | 798 |
| School Zone Camera | (404) |
| Charges for Services | 80 |
| Landlord Licenses | (146) |
| Health Care Rebate | 348 |
| American Recovery Program | 3,269 |
| Other | 114 |
| Debt Proceeds | (1,275) |
| Total Revenue Variances | 2,784 |
| Expenditure Variances | |
| Mayors Office | 19 |
| Municipal Buildings | 307 |
| General Government Other | 335 |
| Police | 801 |
| Traffic | 85 |
| Fire | 1,372 |
| PW Engineering | 222 |
| PW Roads | 2 |
| PW Sanitation | 13 |
| Recreation | 318 |
| Insurance | 13 |
| Transfer | 35 |
| Debt Service | - |
| Other | 199 |
| Total Expenditure Variances | 3,721 |
| Change in Fund Balance | (3,194) |
| <i>* All amounts shown in thousands</i> | |



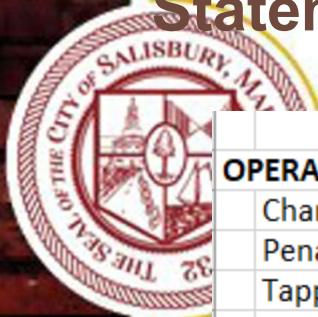
Water Sewer Fund Statement of Net Position

| | FY20 | FY21 | Increase (Decrease) |
|---|----------------|----------------|------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 4,096,055 | \$ 3,290,795 | \$ (805,260) |
| Investment pool | 3,173,789 | 3,177,398 | 3,609 |
| Accounts Receivable | 2,879,986 | 2,789,968 | (90,018) |
| Less allowance for uncollectible | - | - | - |
| Due from other governmental units | 986,298 | 183,145 | (803,153) |
| Inventory | 404,063 | 401,365 | (2,698) |
| Total current assets | 11,540,191 | 9,842,671 | (1,697,520) |
| Noncurrent assets: | | | - |
| Restricted cash | - | - | - |
| Restricted investment pool | 15,461,737 | 9,321,751 | (6,139,986) |
| Construction-in-progress | 3,767,459 | 9,175,264 | 5,407,805 |
| Land | 301,703 | 301,703 | - |
| Buildings, equipment, and improvements | 167,771,600 | 168,829,382 | 1,057,782 |
| Less accumulated depreciation | (43,152,909) | (47,488,183) | (4,335,274) |
| Total noncurrent assets | 144,149,590 | 140,139,917 | (4,009,673) |
| Total assets | 155,689,781 | 149,982,588 | (5,707,193) |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred pension contributions & outflows | 667,484 | 1,044,567 | 377,083 |
| Deferred outflows OPEB | 658,780 | 931,754 | 272,974 |
| Total deferred outflows of resources | 1,326,264 | 1,976,321 | 650,057 |
| Total assets and deferred outflows of resources | \$ 157,016,045 | \$ 151,958,909 | \$ (5,057,136) |



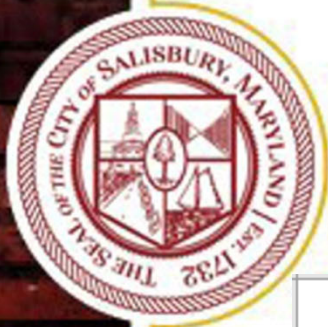
Water Sewer Fund Statement of Net Position

| | FY20 | FY21 | Increase (Decrease) |
|---|---------------|---------------|------------------------|
| LIABILITIES | | | - |
| Current liabilities: | | | - |
| Accounts payable and accrued expenses | 2,082,600 | 1,179,500 | (903,100) |
| Accrued payroll | 128,890 | 152,778 | 23,888 |
| Accrued interest payable | 136,077 | 118,195 | (17,882) |
| Unavailable revenue | 111,953 | 1,324,705 | 1,212,752 |
| Bonds, notes and capital leases payable | 4,405,636 | 5,869,560 | 1,463,924 |
| Compensated absences | 26,733 | 30,222 | 3,489 |
| Total current liabilities | 6,891,889 | 8,674,960 | 1,783,071 |
| Noncurrent liabilities: | | | - |
| Bonds, notes and capital leases payable | 65,374,211 | 59,603,909 | (5,770,302) |
| Post-employment benefits | 5,021,074 | 5,614,240 | 593,166 |
| Net Pension Liability | 3,953,875 | 4,450,355 | 496,480 |
| Compensated absences | 240,601 | 271,997 | 31,396 |
| Total noncurrent liabilities | 74,589,761 | 69,940,501 | (4,649,260) |
| Total liabilities | 81,481,650 | 78,615,461 | (2,866,189) |
| DEFERRED INFLOWS OF RESOURCES | | | - |
| Deferred inflows pension | 377,008 | 384,196 | 7,188 |
| Deferred inflows - OPEB | 38,938 | 137,276 | 98,338 |
| Total deferred inflows of resources | 415,946 | 521,472 | 105,526 |
| Total liabilities and deferred inflows of resources | 81,897,596 | 79,136,933 | (2,760,663) |
| NET POSITION | | | - |
| Net investment in capital assets | 58,908,006 | 65,344,697 | 6,436,691 |
| Restricted for: | 15,461,737 | 9,321,751 | (6,139,986) |
| Unrestricted | 748,706 | (1,844,472) | (2,593,178) |
| Total net position | \$ 75,118,449 | \$ 72,821,976 | \$ (2,296,473) |



Statement of Revenues Expenses and Changes in Net Position Water Sewer Fund

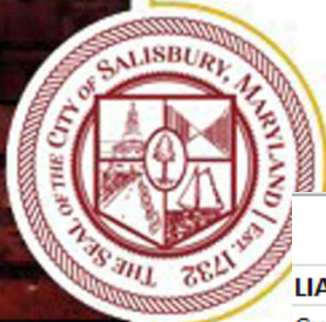
| | <u>FY 19</u> | <u>Change</u> | <u>FY 20</u> | <u>Change</u> | <u>FY21</u> |
|---|-------------------|--------------------|-------------------|--------------------|--------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 15,991,643 | \$ (318,365) | \$ 15,673,278 | \$ (415,310) | \$ 15,257,968 |
| Penalties | 75,774 | (26,994) | 48,780 | (13,295) | 35,485 |
| Tapping charges and connection fees | 13,520 | 242,272 | 255,792 | (45,406) | 210,386 |
| Sundry income | 212,015 | (41,337) | 170,678 | (41,594) | 129,084 |
| Pretreatment monitoring fee | 180,295 | 1,686 | 181,981 | 76,015 | 257,996 |
| Impact Fees | 740,407 | (527,979) | 212,428 | (39,808) | 172,620 |
| TOTAL OPERATING REVENUES | 17,213,654 | (670,717) | 16,542,937 | (479,398) | 16,063,539 |
| OPERATING EXPENSES | | | | | |
| Salaries | 4,121,496 | 62,844 | 4,184,340 | 149,375 | 4,333,715 |
| Personnel benefits | 1,731,684 | 443,350 | 2,175,034 | 88,148 | 2,263,182 |
| Professional and skilled services | 1,072,337 | (309,798) | 762,539 | (264) | 762,275 |
| Other operating expenses | 4,837,665 | 70,230 | 4,907,895 | (200,498) | 4,707,397 |
| Equipment | 30,690 | 30,094 | 60,784 | 1,422,234 | 1,483,018 |
| TOTAL OPERATING EXPENSES | 11,793,872 | 296,720 | 12,090,592 | 1,458,995 | 13,549,587 |
| Operating income (loss) before depreciation | 5,419,782 | (967,437) | 4,452,345 | (1,938,393) | 2,513,952 |
| Depreciation | 4,587,216 | 47,663 | 4,634,879 | 145,374 | 4,780,253 |
| NET OPERATING INCOME (LOSS) | 832,566 | (1,015,100) | (182,534) | (2,083,767) | (2,266,301) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Grants | 259,232 | 195,202 | 454,434 | (42,721) | 411,713 |
| Gain on Sale of Fixed Assets | | | | 58,423 | 58,423 |
| Operating transfers in | - | - | - | - | - |
| Operating transfers out | - | - | - | - | - |
| Interest income | 456,198 | (112,374) | 343,824 | (323,612) | 20,212 |
| Interest expense | (649,763) | 70,125 | (579,638) | 59,118 | (520,520) |
| TOTAL NONOPERATING REVENUES | 65,667 | 152,953 | 218,620 | (248,792) | (30,172) |
| CHANGE IN NET ASSETS | 898,233 | (862,147) | 36,086 | (2,332,559) | (2,296,473) |



Statement of Net Position Governmental

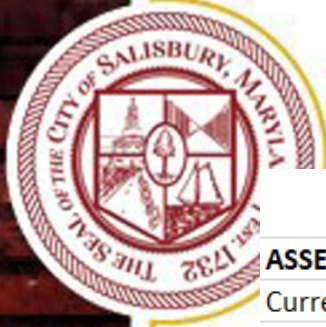
| | <u>FY19</u> | <u>Change</u> | <u>FY20</u> | <u>Change</u> | <u>FY21</u> |
|---------------------------------------|--------------|---------------|--------------|---------------|--------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Investment Pool | 11,581,457 | (525,183) | 11,056,274 | 4,371,407 | 5,427,681 |
| Taxes receivable net | 1,284,584 | 283,675 | 1,568,259 | (158,735) | 1,409,520 |
| Accounts receivable, net | 1,813,085 | 296,900 | 2,109,985 | (125,777) | 1,984,208 |
| Due from other governmental units | 1,286,972 | 944,719 | 2,231,691 | (623,658) | 1,608,033 |
| Due from other funds | 229,154 | 20,499 | 249,653 | 316,132 | 565,785 |
| Inventories | 794,462 | 76,971 | 871,433 | (99,537) | 771,896 |
| Other assets | 5,233 | 16,073 | 21,306 | 84,565 | 105,871 |
| Total current assets | 16,994,947 | 1,113,654 | 18,108,601 | 3,764,393 | 21,872,994 |
| Noncurrent assets: | | | | | |
| Restricted cash | 5,619,198 | 6,664,760 | 12,283,958 | (4,114,115) | 8,169,843 |
| Construction -in-progress | 9,482,079 | 5,872,033 | 15,354,112 | (7,430,139) | 7,923,973 |
| Land and art | 8,594,735 | 81,403 | 8,676,138 | (1,045) | 8,675,093 |
| Capital assets at cost | 70,488,813 | 2,213,315 | 72,702,128 | 11,761,176 | 84,463,304 |
| Less accumulated depreciation | (32,100,791) | (3,057,716) | (35,158,507) | (2,769,922) | (37,928,429) |
| Total noncurrent assets | 62,084,034 | 11,773,795 | 73,857,829 | (2,554,045) | 71,303,784 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred pension contributions | 6,428,479 | (832,323) | 5,596,156 | 1,666,038 | 7,262,194 |
| Deferred outflow - pensions | 1,560,169 | 1,074,946 | 2,635,115 | 1,091,901 | 3,727,016 |
| Total deferred outflows of resources | 7,988,648 | 242,623 | 8,231,271 | 2,757,939 | 10,989,210 |
| Total assets and deferred outflows | 87,067,629 | 13,130,072 | 100,197,701 | 3,968,287 | 104,165,988 |

Statement of Net Position Governmental



| | <u>FY19</u> | <u>Change</u> | <u>FY20</u> | <u>Change</u> | <u>FY21</u> |
|--|--------------|---------------|--------------|---------------|--------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | 1,600,726 | 1,396,410 | 2,997,136 | (1,104,146) | 1,892,990 |
| Unearned revenue | 389,800 | 79,413 | 469,213 | 380,975 | 850,188 |
| Due to other governmental units | | - | | - | |
| Deposits and advance payments of taxes | 71,979 | 103,544 | 175,523 | 19,263 | 194,786 |
| Compensated absences | 182,314 | 29,354 | 211,668 | 4,817 | 216,485 |
| Accrued interest payable | 119,433 | 144,914 | 264,347 | (21,331) | 243,016 |
| Bonds, notes & cap leases (short term) | 3,194,446 | 492,683 | 3,687,129 | 282,914 | 3,970,043 |
| Total current liabilities | 5,558,698 | 2,246,318 | 7,805,016 | (437,508) | 7,367,508 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 1,640,824 | 264,191 | 1,905,015 | 43,354 | 1,948,369 |
| Post-employment health benefits | 17,747,638 | 2,336,657 | 20,084,295 | 2,372,667 | 22,456,962 |
| Net Pension Liability | 29,648,006 | 527,488 | 30,175,494 | 5,409,863 | 35,585,357 |
| Bonds, notes, and capital leases payable | 21,938,616 | 8,353,357 | 30,291,973 | (2,715,641) | 27,576,332 |
| Total noncurrent liabilities | 70,975,084 | 11,481,693 | 82,456,777 | 5,110,243 | 87,567,020 |
| Total liabilities | 76,533,782 | 13,728,011 | 90,261,793 | 4,672,735 | 94,934,528 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows - pensions | 3,593,069 | (99,796) | 3,493,273 | (1,206,234) | 2,287,039 |
| Deferred inflows - OPEB | 184,734 | (28,979) | 155,755 | 393,348 | 549,103 |
| Total deferred inflows of resources | 3,777,803 | (128,775) | 3,649,028 | (812,886) | 2,836,142 |
| Total liabilities and deferred inflows | 80,311,585 | 13,599,236 | 93,910,821 | 3,859,849 | 97,770,670 |
| NET POSITION | | | | | |
| Net investment in capital assets | 31,331,775 | (3,737,006) | 27,594,769 | 3,992,797 | 31,587,566 |
| Restricted for: | 5,619,199 | 6,664,759 | 12,283,958 | (4,114,115) | 8,169,843 |
| Unrestricted | (30,194,930) | (3,396,917) | (33,591,847) | 229,756 | (33,362,091) |
| Total net position | \$ 6,756,044 | (469,164) | \$ 6,286,880 | 108,438 | \$ 6,395,318 |

Statement of Net Position Total



| | <u>FY19</u> | <u>Change</u> | <u>FY20</u> | <u>Change</u> | <u>FY21</u> |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and Investment Pool | \$ 19,107,045 | (219,248) | \$ 18,887,797 | 3,527,347 | \$ 22,415,144 |
| Taxes receivable net | 1,284,584 | 283,675 | 1,568,259 | (158,739) | 1,409,520 |
| Accounts receivable, net | 4,500,055 | 621,490 | 5,121,545 | (186,622) | 4,934,923 |
| Due from other governmental units | 4,258,452 | (1,040,463) | 3,217,989 | (1,426,811) | 1,791,178 |
| Inventories | 1,162,635 | 92,314 | 1,254,949 | (96,734) | 1,158,215 |
| Other assets | 5,233 | 36,620 | 41,853 | 96,440 | 138,293 |
| Total current assets | 30,318,004 | (225,612) | 30,092,392 | 1,754,881 | 31,847,273 |
| Noncurrent assets: | | | | | |
| Restricted cash | 24,163,254 | 4,855,844 | 29,019,098 | (10,326,597) | 18,692,501 |
| Construction -in-progress | 14,193,835 | 5,410,386 | 19,604,221 | (2,045,840) | 17,558,381 |
| Land and art | 10,793,238 | 81,403 | 10,874,641 | (1,045) | 10,873,596 |
| Capital assets at cost | 243,223,965 | 6,030,228 | 249,254,193 | 12,683,414 | 261,937,607 |
| Less accumulated depreciation | (76,529,272) | (7,924,466) | (84,453,738) | (7,178,786) | (91,632,524) |
| Total noncurrent assets | 215,845,020 | 8,453,395 | 224,298,415 | (6,868,854) | 217,429,561 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred pension contributions | 7,259,006 | (960,055) | 6,298,951 | 2,063,068 | 8,362,019 |
| Deferred outflow - pensions | 1,950,212 | 1,343,683 | 3,293,895 | 1,364,875 | 4,658,770 |
| Total deferred outflows of resources | 9,209,218 | 383,628 | 9,592,846 | 3,427,943 | 13,020,789 |
| Total assets and deferred outflows | 255,372,242 | 8,611,411 | 263,983,653 | (1,686,030) | 262,297,623 |

Statement of Net Position Total



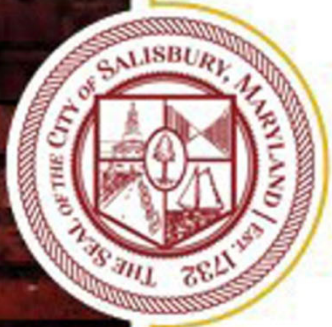
☐ OPEB Liability

- FY16 \$ 21.3M
- FY17 \$ 22.2M
- FY18 \$ 19.2M
- FY19 \$ 22.2M
- FY20 \$ 25.1M
- FY21 \$ 28.1M

☐ 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
- FY21 \$ 40M

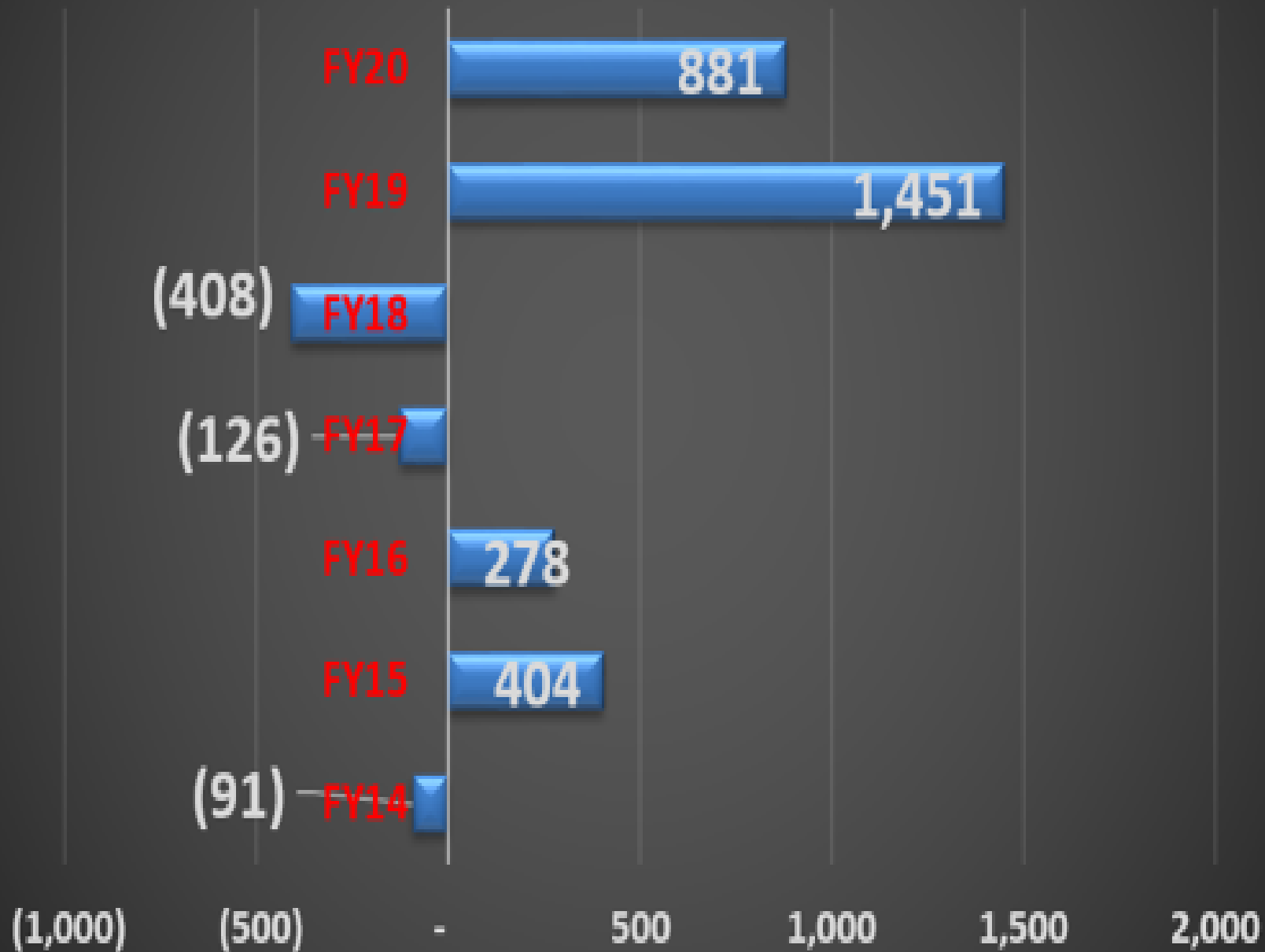
| | <u>FY19</u> | <u>Change</u> | <u>FY20</u> | <u>Change</u> | <u>FY21</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | 5,728,142 | (361,871) | 5,366,271 | (1,968,923) | 3,397,348 |
| Unearned revenue | 691,355 | (110,189) | 581,166 | 1,593,727 | 2,174,893 |
| Due to other governmental units | | - | | - | |
| Deposits and advance payments of taxes | 83,858 | 105,973 | 189,831 | 16,795 | 206,626 |
| Uncompensated absences | 205,809 | 32,592 | 238,401 | 8,306 | 246,707 |
| Long-term debt interest payable | 274,009 | 142,345 | 416,354 | (40,203) | 376,151 |
| Notes and capital leases (short term) | 7,685,028 | 657,350 | 8,342,378 | 1,746,838 | 10,089,216 |
| Current liabilities | 14,668,201 | 466,200 | 15,134,401 | 1,356,540 | 16,490,941 |
| Long-term liabilities: | | | | | |
| Uncompensated absences | 1,852,277 | 293,339 | 2,145,616 | 74,750 | 2,220,366 |
| Employment health benefits | 22,184,547 | 2,920,822 | 25,105,369 | 2,965,833 | 28,071,202 |
| Pension Liability | 33,546,168 | 792,361 | 34,338,529 | 5,932,608 | 40,271,137 |
| Notes, and capital leases payable | 93,814,615 | 4,933,354 | 98,747,969 | (8,727,212) | 90,020,757 |
| Long-term liabilities | 151,397,607 | 8,939,876 | 160,337,483 | 245,979 | 160,583,462 |
| Total liabilities | 166,065,808 | 9,406,076 | 175,471,884 | 1,602,519 | 177,074,403 |
| INFLOWS OF RESOURCES | | | | | |
| Inflows - pensions | 4,103,440 | (213,215) | 3,890,225 | (1,198,666) | 2,691,559 |
| Inflows - OPEB | 230,917 | (36,224) | 194,693 | 491,686 | 686,379 |
| Deferred inflows of resources | 4,334,357 | (249,439) | 4,084,918 | (706,980) | 3,377,938 |
| Liabilities and deferred inflows | 170,400,165 | 9,156,637 | 179,556,802 | 895,539 | 180,452,341 |
| NET POSITION | | | | | |
| Investment in capital assets | 90,182,124 | (1,993,154) | 88,188,970 | 10,438,117 | 98,627,087 |
| Due for: | 24,163,255 | 4,855,843 | 29,019,098 | (10,326,597) | 18,692,501 |
| Net position | (29,373,302) | (3,407,915) | (32,781,217) | (2,693,089) | (35,474,306) |
| | \$ 84,972,077 | (545,226) | \$ 84,426,851 | (2,581,569) | \$ 81,845,282 |



Questions

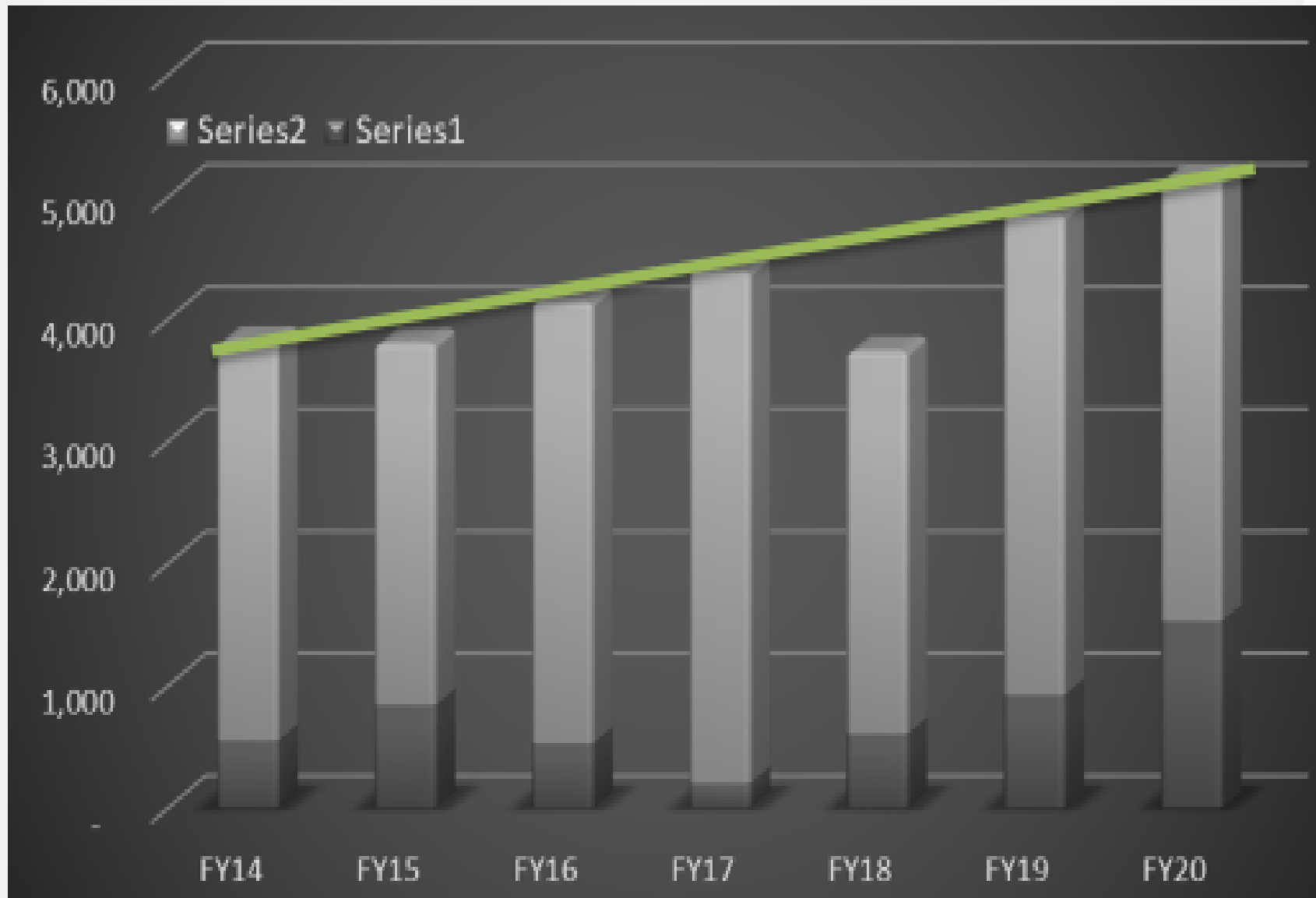


Change in Fund Balance



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

REVENUE & EXPENDITURE VARIANCES



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.

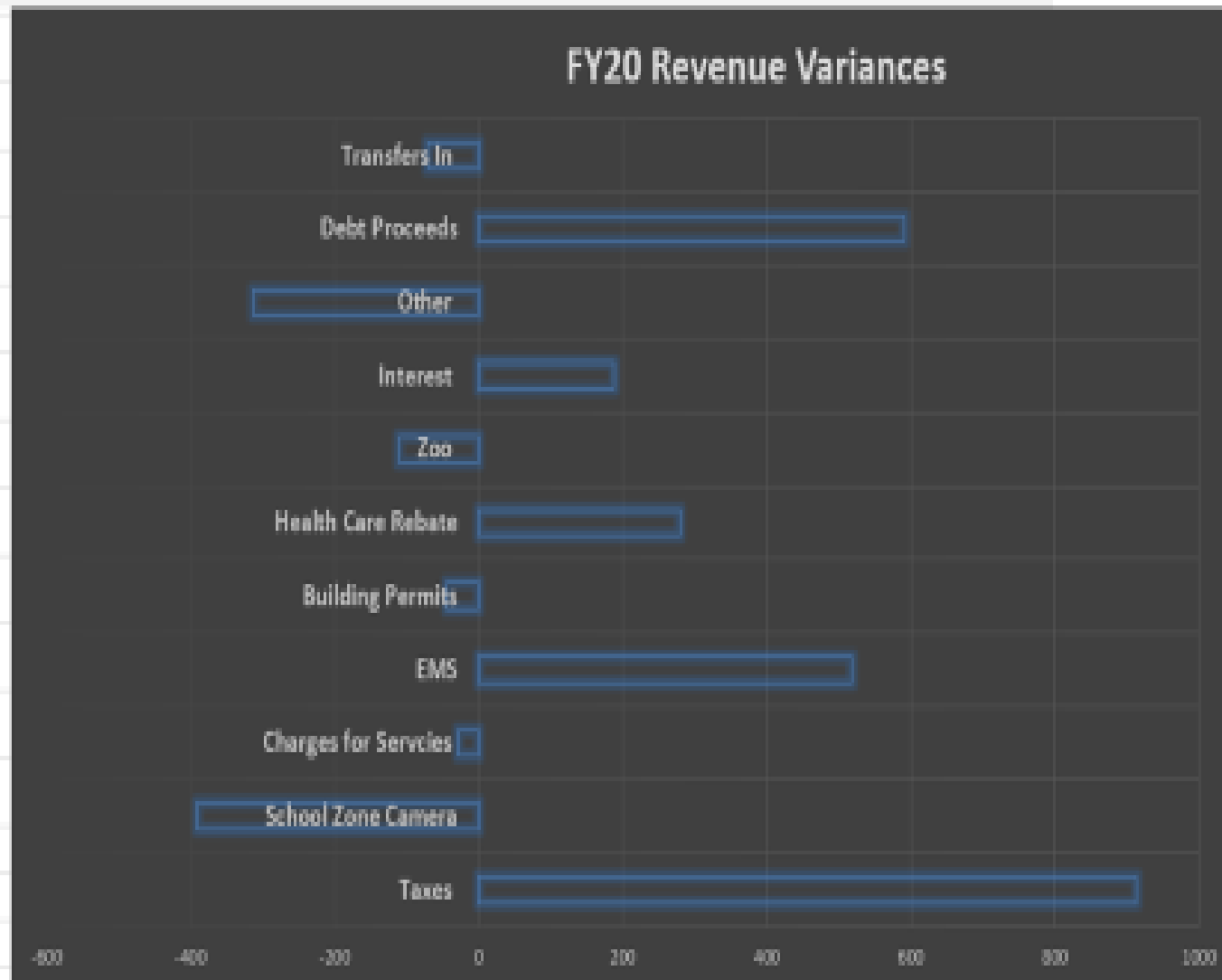
| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Use of Surplus | | | | | | | |
| Use of Surplus per Original Budget | (2,084) | (1,635) | (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

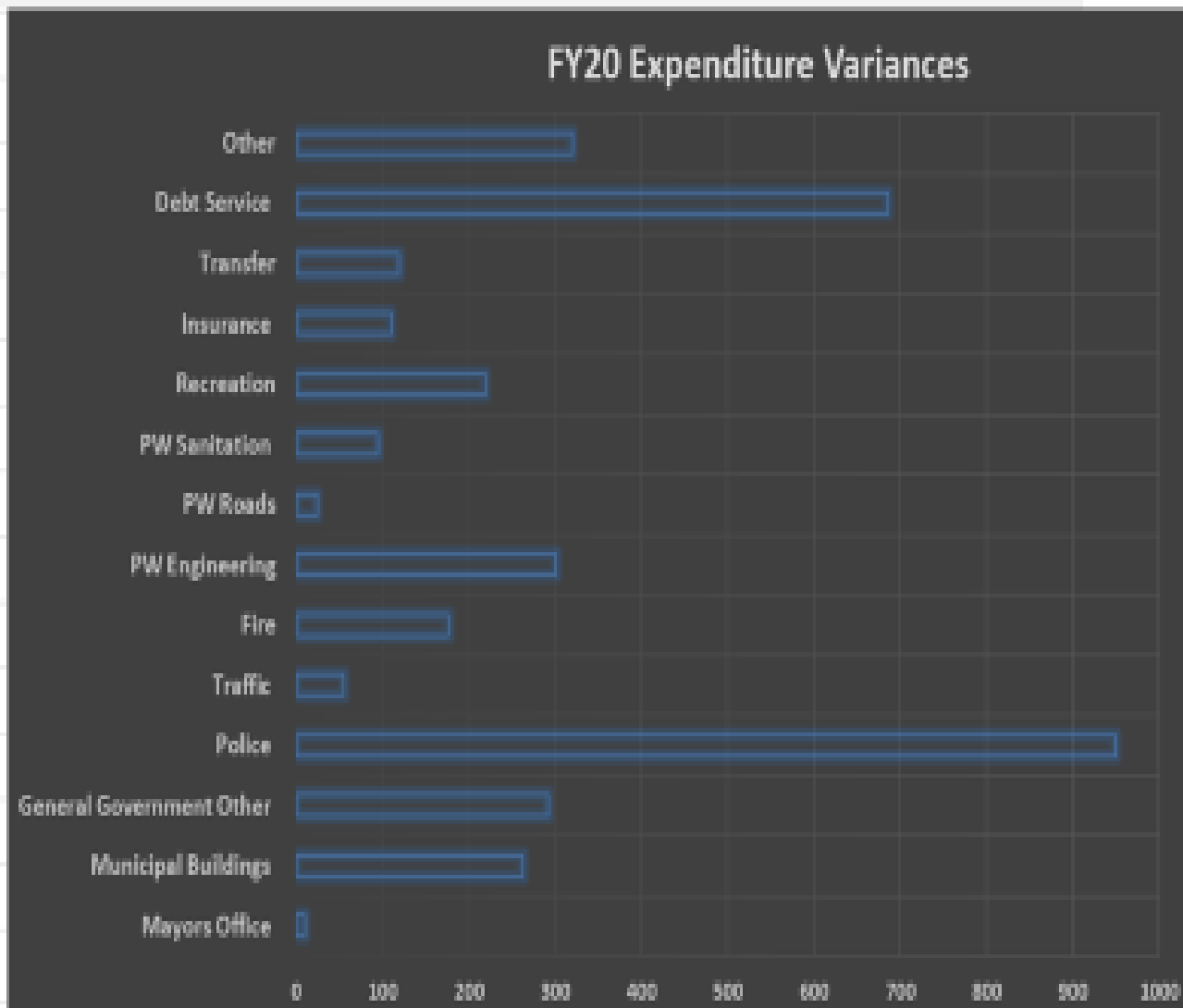
| | |
|---------------------|-------------|
| Taxes | 913 |
| School Zone Camera | -391 |
| Charges for Service | -28 |
| EMS | 518 |
| Building Permits | -45 |
| Health Care Rebate | 280 |
| Zoo | -111 |
| Interest | 188 |
| Other | -313 |
| Debt Proceeds | 591 |
| Transfers In | -71 |
| Total | 1531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



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 |



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 Cfwd | (1,212) |
| Revised Budget | (4,268) |
| | |
| Variances: | |
| Revenues | 1,531 |
| Expenditures | 3,618 |
| Total | 5,149 |
| | |
| FY20 Total | 881 |

CITY OF SALISBURY
BUDGET WORK SESSION
APRIL 21, 2022

Public Officials Present

Council President John “Jack” R. Heath Council Vice-President Muir Boda
Councilwoman Angela M. Blake Councilwoman Michele Gregory (left 10:00 a.m.)
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 press

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

Human Resources (18500)

Director Meg Caton joined Council and noted the biggest change to the budget was the addition of the Training Specialist and noted that Risk Management had also become part of the HR Team.

President Heath asked whether the Workers Comp and Health Insurance increases were due to the added personnel (she said they were) and he thought the salary discussion should address compression.

Procurement (16000)

Director Jennifer Miller and Contract Specialist Michael Lowe joined Council to discuss the budget. Ms. Miller noted the essential items were reclassification requests for herself, the Contract Specialist, and the buyer position to bring the salaries up to a very reasonable market rate. Ms. Glanz noted the Director position and Contract Specialist were fully funded at the requested amount.

Ms. Miller reported the requested budget for operating expenses was level from last year with the exception of the replacement of two computers. Otherwise, it was a level budget.

Government Office Building (GOB - 19500)

Ms. Miller informed the Council the one essential item was the replacement of the first and second floor fire door. She requested \$17,500 with \$5,000 going towards GOB security enhancements. Only \$12,500 was funded.

CIP

She reported the HVAC return air fans at \$37,500 were in the CIP. Mr. Heath requested that the City discuss the need for balance in the system with the County. Ms. Jackson asked when the repairs were made if the County partnered with the City, and Ms. Miller said they both shared ½.

The GOB lighting and ceiling tile replacement would be for the City offices and would be completed progressively at one floor per year. The estimate was \$30,000 for the first phase, which would be the third floor. There would also be rebates from Delmarva Power.

50
51 **Information Service (IS - 18000)**

52 Joining Council was Director Bill Garrett and Assistant Directors John O'Brien and Steve Dickerson.

53
54 Mr. Garrett discussed the essential item of reclassing the GIS Analyst to a higher grade. It was cost
55 neutral and would only be changing the classification. He as requested a merit increase for Will Schlager
56 who won employee of the month for his idea of streamlining the onboarding process and requested a
57 merit increase for Mike Fiorelli who kept the department going through COVID and streamlining the City
58 into a new firewall to increase security.

59
60 Mr. Garrett explained the handout for how the GIS Tech position would be funded by finding resources
61 within his own budget. Ms. Glanz noted this was the type of approach they wanted all the departments
62 to take. President Heath applauded the effort but questioned getting rid of the interns and Mr. O'Brien
63 said the intent of the internship program was to hire them on into the position.

64
65 Mr. Dickerson explained the benefits of the help desk. They initially used a free software but the City has
66 grown beyond the capabilities of the software and they selected a cloud-based software.

67
68 Mr. Garrett explained everything was level funded and the big accounts were software and maintenance
69 contracts. President Heath noticed quite a bit of reduction and asked about the Equipment Account and
70 Hardware Account. Mr. Garrett said Hardware was reduced because in lieu of the annual computer
71 refresh where each department bought their own computers, this year they received \$15,000 to buy the
72 computers for the departments, as needed. Lease payments were reduced because of the High
73 Availability Server Arrays in the CIP from three years ago. \$57,900 was the cost of three super servers
74 and all of the networking associated. Last year was the final year of the item in the CIP.

75
76 President asked about the status of the IS upgrades. Mr. Garrett said they were successful and they were
77 replacing other fiber connections to increase connectivity, which was funded out of Operating.

78 Mr. O'Brien reported an RFP was created to replace CIS. To avoid a lot of problems, they hired TSSI from
79 Michigan to build the RFP and do the project management. TSSI did a great job working with SPD, Fire,
80 Procurement and IS to create the RFP which had approximately 10,000 items the companies would be
81 rated on. TSSI would act as the City's project management team during the implementation process.

82
83 Mr. Garrett said that cybersecurity was part of Mr. Dickerson's job duties. Mr. Dickerson reported they
84 purchased a new firewall VPN, which was implemented and working great. The old one was beginning to
85 fail and was becoming increasingly difficult to update. Another tangible asset was the Log Aggregation
86 Software introduced into the system to identify failed log ins into the system. It monitored permission
87 group changes which could indicate an attempted system intrusion. Dashboards were set up to identify
88 other possible compromises. They increased monitoring and set up email lists of some of the trends in
89 the cyber security world. They tested employees and provided mandatory education to those who
90 failed. They re-worked permission structures so that users had access only to what they needed. The
91 network was segmented off so that if a section was breached, the hackers could only get so far. They
92 implemented a robust back up strategy. They found vulnerability in the City's water system, and made
93 corrections resulting in the City's system becoming completely air gapped totally from the internet,
94 which was the industry's standard. They also had a new vendor managing SCADA (water system).

95
96 **Legal (17000)**

97 City Attorney Ashley Bosche joined Council and President Heath asked her if ongoing lawsuits were
98 considered in the development of the budget. She said the bills were relatively the same each month

and they had been on the job for a year and knew that the bills were generally about the same. Unless they were brought into some unforeseen litigation, she thought they would stay right on target. With the law changes in police accountability going into effect July 1, Legal kept very busy. She added that the rates were staying the same and they offered monthly discounts.

President Heath appreciated the fact that they had specialists in the group that could represent the City.

Salisbury-Wicomico Economic Development Corporation (SWED) (11600-569212)

SWED Executive Director Dave Ryan joined Council and reported they wrapped up their COVID Assistant Funds in the past year to the amount of \$13.8 million to over 1, 220 small businesses having less than 20 employees in Wicomico County, most being within City limits. The need was great and immediate.

He reported on the success of various entities around the City and County. There were new initiatives in workforce development in the next year, and Mr. Ryan requested \$50,000.

Art, Business, & Culture Department (ABCD) (11600)

Director Allen Swiger joined Council and Mr. Kitzrow informed Council that they were tracking the new department revenue-wise through the Business Development accounts (11600) and they would become the new ABCD accounts. The Zoo would track their revenues through 40000.

The Zoo requested a part-time maintenance position which was not funded, and a Guest Services Seasonal Manager. If the manager position was funded, it would be a wash to the account. The Director of the Zoo would report to Mr. Swiger.

When Ben Baker retired, the City moved his salary from Field Operations to create Mr. Swiger's position.

40000

The Zoo had a reduction to part-time staff because the advance technical team would be doing work.

President Heath was concerned about compression. Mr. Kitzrow said that 6% was not where they wanted to be in some of the higher end employees. In order to hire the HR Director, they had to move up \$20,000. The people applying for the DID Director position were requesting salaries off the pay chart. President Heath asked Council and Administration to review their priorities and they would meet again and compare. If they agreed on them in order, then everything else was numbers.

Ms. Jackson wished the other departments would have been able to follow Mr. Garrett's lead and move money around, keeping a flat budget. Public safety was a concern for her.

Mr. Boda encouraged Administration to let the other departments know how Mr. Garrett budgeted his priorities. Our people should always be top priority along with the safety of the water supply.

With nothing further to discuss, the Budget Work Session adjourned at 10:49 a.m.

City Clerk

Council President

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 President

CITY OF SALISBURY, MARYLAND

REGULAR MEETING

MAY 23, 2022

PUBLIC OFFICIALS PRESENT

*Council President John “Jack” R. Heath
Councilwoman Angela M. Blake
Councilwoman April Jackson*

*Council Vice-President Muir Boda
Councilwoman Michele Gregory*

PUBLIC OFFICIALS ABSENT

Mayor Jacob R. Day

IN ATTENDANCE

City Administrator Julia Glanz, Procurement Contract Specialist Michael Lowe, Fire Chief John Tull, Deputy Fire Chief Darrin Scott, Water Works Director Cori Cameron, City Attorneys Ashley Bosche and Heather Konyar, City Clerk Kimberly Nichols, and members of the public

CITY INVOCATION – PLEDGE OF ALLEGIANCE

The City Council met in regular session at 6:00 p.m. via Zoom and in person and Council President John R. “Jack” Heath called the meeting to order. They recited the pledge to the flag followed by a moment of silent meditation or prayer.

PROCLAMATION- *presented by City Administrator Julia Glanz*

Gun Violence Awareness

Ms. Glanz presented the Gun Violence Awareness proclamation in which the City of Salisbury renewed its commitment to reduce gun violence and pledged to do all it could to keep firearms out of the wrong hands and encouraged responsible gun ownership in order to keep citizens safe.

AWARD PRESENTATIONS

Fire Chief John Tull presented the “Citizen’s Commendation” award to Elizabeth Day and Jason Lewis for their efforts to help save a life from a burning house fire on Hartford Road.

Chief Tull presented Salisbury Fire Department members Deputy Chief Darrin Scott, Lieutenant Aaron Colegrove, Sergeant Brandon Records, and Firefighter/Paramedic Brandon Hoppes the “Unit Citation” award for rescuing an occupant from the second floor of a burning home on North Division Street.

ADOPTION OF LEGISLATIVE AGENDA

Ms. Jackson moved, Ms. Gregory seconded, and the vote was unanimous (5-0) to approve the legislative agenda as presented.

CONSENT AGENDA- presented by City Clerk Kimberly Nichols

The consent agenda, consisting of the following items, was unanimously approved on a motion and seconded by Mr. Boda and Ms. Gregory, respectively:

- April 25, 2022 Council Meeting Minutes
- May 2, 2022 Work Session Minutes
- May 2, 2022 Special Meeting Minutes
- May 9, 2022 Council Meeting Minutes
- May 16, 2022 Work Session Minutes

AWARD OF BIDS- presented by Procurement Contract Specialist Michael Lowe

The following item was unanimously approved on a motion and seconded by Ms. Jackson and Ms. Blake, respectively:

- ITB 22-126 Department of Field Operations Sanitation Truck \$ 211,285.00

RESOLUTION- presented by City Administrator Julia Glanz

- **Resolution No. 3170**- authorizing the Mayor to execute a “legal services agreement” with the law firms of Baron & Budd, P.C., Cossich, Sumich, Parsiola & Taylor LLC and Macleod Law Group, LLC for representation of the City of Salisbury in litigation arising from contamination of public drinking water, and possibly the Wastewater Treatment Plant, by products containing perfluoroalkyl substances (PFAS)

Mr. Boda moved, Ms. Jackson seconded, and the vote was unanimous (5-0) to approve Resolution No. 3170.

Ms. Jackson asked about the harmful effects of PFAS and City Attorney Heather Konyar and Water Works Director Cori Cameron joined Council at the table. Ms. Konyar answered that they did not know yet how harmful PFAS was yet, but the EPA fact sheet stated they caused cancers and other health issues on pregnant women and unborn babies. She provided an overview of the basics of the lawsuit. Ms. Cameron said there was a current treatment limit for tests with 70 parts per trillion, and the City’s test was 14 parts per trillion.

- **Resolution No. 3171**- accepting a vehicle forfeited by the Circuit Court for Wicomico County and adding such vehicle to the Salisbury Police Department vehicle fleet for use in various operations and police details

Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous to approve Resolution No. 3171.

PUBLIC HEARINGS- Mayor's Proposed FY23 Budget, Water & Sewer Rates, Fees, and Constant Yield Tax Rate- City Attorney Ashley Bosche

- **Ordinance No. 2721**- appropriating the necessary funds for the operation of the government and administration of the City of Salisbury, Maryland for the period July 1, 2022 to June 30, 2023, establishing the levy for the General Fund for the same fiscal period and establishing the appropriation for the Water and Sewer, Parking Authority, City Marina, and Storm Water Funds

Ms. Bosche presented Ordinance No. 2721.

President Heath opened the Public Hearing at 6:27 p.m. As there were no requests to speak, he closed the Public Hearing.

- **Ordinance No. 2722**- increasing Water and Sewer rates by 6% and making said changes effective for all bills dated October 1, 2022 and thereafter, unless and until subsequently revised or changed

Ms. Bosche presented Ordinance No. 2722.

President Heath opened the Public Hearing at 6:28 p.m. As there were no requests to speak, he closed the Public Hearing.

- **Ordinance No. 2723**- to set fees for Fiscal Year 2023 and thereafter, unless and until subsequently revised or changed

Ms. Bosche presented Ordinance No. 2723.

President Heath opened the Public Hearing at 6:29 p.m. As there were no requests to speak, he closed the Public Hearing.

- **Constant Yield Tax Rate**

Ms. Bosche presented the Constant Yield Tax Rate information.

President Heath opened the Public Hearing at 6:33 p.m. As there were no requests to speak, he closed the Public Hearing.

PUBLIC HEARING - Ordinance No. 2716- 2nd reading- amending Section 17.04.040 of the code, entitled "Method of Regulation", to add confirmatory language exempting Federal, State and Local governments from Title 17 of the Salisbury City Code- City Attorney Ashley Bosche

Ms. Bosche presented Ordinance No. 2716 for second reading.

President Heath opened the Public Hearing for Ordinance No. 2716 at 6:34 p.m. As there were no requests to speak, he closed the Public Hearing.

Ms. Jackson moved to approve Ordinance No. 2716, Mr. Boda seconded, and the vote was unanimously approved on a vote of 5-0.

ORDINANCES- presented by City Attorney Ashley Bosche

- **Ordinance No. 2725- 2nd reading-** authorizing the Mayor to accept Law Enforcement Body Camera Grant funds from the Local Government Insurance Trust in the amount of \$4,425 for the Salisbury Police body worn cameras project

Mr. Boda moved, Ms. Blake seconded, and the vote was 5-0 to approve Ordinance No. 2725 for second reading.

- **Ordinance No. 2726- 2nd reading-** authorizing the Mayor to accept donated funds in the amount of \$1,000 from the Community Foundation of the Eastern Shore, and to approve an amendment to the FY22 Budget to appropriate these funds to partially cover costs of the purchase and installation of a new water fountain at Ben's Red Swings Playground

Mr. Jackson moved, Ms. Blake seconded, and the vote was unanimous to approve Ordinance No. 2726 for second reading.

- **Ordinance No. 2727- 2nd reading-** authorizing the Mayor to enter into a memorandum of understanding with the Wicomico County Local Behavioral Health Authority for the purpose of accepting Community Mental Health Services (COVID relief) Block Grant Funds in the amount of \$12,562 and to approve a budget amendment to the Grant Fund to appropriate these funds for the Homeless Services Case Specialist position

Ms. Jackson moved, Mr. Boda seconded, and the vote was unanimous to approve Ordinance No. 2727 for second reading.

- **Ordinance No. 2728- 1st reading-** approving an amendment of the City's FY22 General Fund Budget and General Capital Project Fund Budget to provide funds for the "Poplar Hill Mansion ADA Ramp and Bathroom Project"

Mr. Boda moved, Ms. Gregory seconded, and the vote was unanimous to approve Ordinance No. 2728 for first reading.

- **Ordinance No. 2729- 1st reading-** amending Chapter 5.64 of the Salisbury City Code, entitled "Towing Companies", to update procedures for dispatching police directed towing, operations of a police directed tow on scene, and penalties for violations of the code

Ms. Jackson moved, Ms. Gregory seconded, and the vote was unanimous to approve Ordinance No. 2729 for first reading.

PUBLIC COMMENTS

Two members of the public provided the following comments:

- Did not hear proposals about the multiple tow companies owned by the same owner, which needed to be addressed. It was not fair to the individual tow companies for the owners of the multiple companies getting three or four times the amount of calls. It was hard to meet all of the expenses when their company was getting one call versus another company getting three or four calls that had the same owner.
- President Heath read a letter to enter into the record from Don D'Aquila of D & C Sales Inc., dated May 23, 2022 stating the increase in fees were greatly appreciated.
- Ms. Glanz said previously in the Code there was a section about not having any financial interests in other companies. Mr. Sansom advised they added a section to include a book inspection to give the City tools to look at financial records. The issue should be tackled moving forward. Ms. Bosche said the language was found in 5.64.120 (F).
- Asked if Section C of the Tow Ordinance was say the tow companies had to release after hours. It was not clear that he couldn't shut his business down even on Christmas. It said they had to release cars 365 days per year.
- Speaker remarked about the section regarding fenced in lots versus inside storage having the same rates, and said they had to have an \$80,000 building versus a \$7,000 impound lot to both store a car in for \$50 per night.
- Council reminded the tow companies that this was only the first reading.
- Mr. Boda read the fee ordinance about releasing after normal business hours only at the tower's discretion. Normal business hours were defined as Monday through Friday, 9 a.m. to 6 p.m.
- Speaker and Council discussed the section about covering vehicles and tow company owners said there had to be different charges, but was dictated about how much he could charge.
- President Heath informed the audience they still had another Work Session between this meeting and the next meeting. He suggested coming back to the June 6th Work Session to share ideas.
- Mr. Sansom said that regarding the weekend, holiday or after-hours release, the amendment stated that if the tow company refused to release the vehicle during either of the mentioned events, then no storage fees would be permitted for each day the release was refused.

ADMINISTRATION AND COUNCIL COMMENTS

Ms. Glanz thanked the City team for the Hops on the River, Movies on the River, Haitian Flag Day, and Third Friday. The beginning of summer events happened with the excellent help from Field Ops, SPD, Fire, and the new ABCD Team.

Mr. Boda said the weekend events were enjoyable. Visit NationalFolkFestival.com/volunteer to help out at the National Folk Festival this year.

Ms. Jackson asked everyone to be safe and social distance. There was a meeting held last week regarding the dirt bikes and there would likely be another one. They left with some good ideas.

Ms. Blake asked everyone to remember bus safety and to donate blood, if healthy enough.

150 *Ms. Gregory said COVID was back in the news and numbers were almost 14% in Wicomico*
151 *County. Please check on neighbors and friends and family with no air conditioner when it's hot out.*

152
153 *President Heath seconded Ms. Blake's request for blood, as the Eastern Shore was severely low on*
154 *blood supply, and asked for everyone to continue to keep Ukraine in their prayers.*

155
156 **ADJOURNMENT**

157
158 *With no further business to discuss, the meeting adjourned at 7:28 p.m.*

159
160 _____
161 *City Clerk*

162
163 _____
164 *Council President*



MEMORANDUM

To: Julia Glanz, City Administrator
From: Jessie Turner, Administrative Assistant
Subject: Appointment to the Disability Advisory Committee
Date: June 10, 2022

The following person has applied for appointment to the Disability Advisory Committee for the term ending as indicated:

| <u>Name</u> | <u>Term Ending</u> |
|---------------|--------------------|
| Michelle Hahn | June 2025 |

Attached is the information from Ms. Hahn and the resolution necessary for her appointment. If this appointment is approved, it will be placed on the next City Council agenda for review.

Attachments

OK
JRP



MEMORANDUM

To: Julia Glanz, City Administrator
From: Jessie Turner, Administrative Assistant
Subject: Appointment to the Disability Advisory Committee
Date: June 10, 2022

The following person has applied for appointment to the Disability Advisory Committee for the term ending as indicated:

| <u>Name</u> | <u>Term Ending</u> |
|--------------|--------------------|
| Ivy McIntyre | June 2025 |

Attached is the information from Ms. McIntyre and the resolution necessary for her appointment. If this appointment is approved, it will be placed on the next City Council agenda for review.

Attachments





MEMORANDUM

To: Julia Glanz, City Administrator
From: Jessie Turner, Administrative Assistant
Subject: Appointment to the Disability Advisory Committee
Date: June 10, 2022

The following person has applied for appointment to the Disability Advisory Committee for the term ending as indicated:

| <u>Name</u> | <u>Term Ending</u> |
|-------------|--------------------|
| Ron Pagano | June 2025 |

Attached is the information from Mr. Pagano and the resolution necessary for his appointment. If this appointment is approved, it will be placed on the next City Council agenda for review.

Attachments



MEMORANDUM

To: Julia Glanz, City Administrator
From: Jessie Turner, Administrative Assistant
Subject: Appointment to the Sustainability Advisory Committee (Green Team)
Date: June 22, 2022

The following person has applied for appointment to the Sustainability Advisory Committee (Green Team) for the term ending as indicated:

| <u>Name</u> | <u>Term Ending</u> |
|--------------|--------------------|
| Charly Sager | June 2025 |

Attached is the information from Ms. Sager and the resolution necessary for her appointment. If this appointment is approved, it will be placed on the next City Council agenda for review.

Attachments

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| | |
|--------------|--------------------|
| <u>Name</u> | <u>Term Ending</u> |
| Charly Sager | June 2025 |

ATTEST:

John R. Heath
PRESIDENT, City Council

_____ day of _____, 2022

Jacob R. Day, Mayor

INTER

OFFICE

MEMO

Finance Department

To: Julia Glanz, City Administrator
From: Keith Cordrey, Director of Finance *KAC*
Subject: Declaration of Official Intent – FY23 Project funded from Bond Proceeds
Date: June 21, 2022

The FY23 Budget Schedule B includes an appropriation for two projects (i.e. Computer Aided Dispatch Replacement and Station #16 HVAC Replacement) each to be funded from a future bond issuance planned for FY2024.

In order to adhere to U. S Treasury Regulations, the City must file a Declaration of Official Intent (DOOI) if the City expends the funds first and later wishes the “original expenditures” to be reimbursed from future bond proceeds.

Please find attached a Resolution prepared by Bound Counsel that will result in effecting the DOOI that is needed.

After your review, if you do not have questions or concerns, please forward this ordinance to council for their consideration.

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RESOLUTION NO. 3178

A RESOLUTION OF CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING THE CITY'S REASONABLE EXPECTATION TO REIMBURSE FROM PROCEEDS OF A FUTURE BORROWING PROJECT EXPENDITURES MADE IN CONNECTION WITH TWO SEPARATE PROJECTS GENERALLY IDENTIFIED AS COMPUTER AIDED DISPATCH (CAD) REPLACEMENT AND STATION #16 HVAC REPLACEMENT.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the "City"), is in the process of undertaking two separate projects generally identified as (1) "Computer Aided Dispatch (CAD) Replacement" and (2) "Station #16 HVAC Replacement" (each, a "Project" and, collectively, the "Projects"); and

WHEREAS, the City anticipates borrowing money for costs of the Projects, such borrowing to be evidenced by one or more series of general obligation bonds or other evidences of indebtedness to be issued by the City (collectively, or individually by series, the "Bonds"); and

WHEREAS, the City reasonably expects to spend City funds on costs of the Projects prior to the issuance of the Bonds (or any interim financing incurred by the City in anticipation of the Bonds), and further expects to (i) to reimburse the City from proceeds of the Bonds for all or a portion of such previously paid costs of the Projects, and/or (ii) to use proceeds of the Bonds to refinance all or a portion of any interim borrowing incurred by the City that is applied to reimburse the City for prior expenditures relating to the Projects; and

WHEREAS, Section 1.150-2 of the U.S. Treasury Regulations (the "Reimbursement Regulations") provides that a local government funding "original expenditures" intended to be reimbursed from the proceeds of "obligations" must make a declaration of "official intent" in order to qualify such original expenditures for reimbursement from a "reimbursement bond," all within the meaning of the Reimbursement Regulations; and

WHEREAS, the City is an "issuer" for purposes of the Reimbursement Regulations and wishes to adopt this Resolution for the purpose of evidencing the clear and official intent of the City to reimburse from reimbursement bond proceeds (meaning the Bonds or any interim financing incurred in anticipation of the Bonds) original expenditures made in connection with the Projects.

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

(a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein, and capitalized terms defined in the Recitals to this

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

Resolution and not otherwise defined herein will have the meanings given to such terms in the Recitals hereto.

(b) The names used for the Projects in this Resolution are the names by which the Projects are generally identified in the applicable budget materials of the City for the fiscal year beginning July 1, 2022 and ending June 30, 2023. It is hereby expressly recognized that expenditures for the Projects and/or issuance of any Bonds or interim financing incurred in anticipation of any Bonds may occur in a fiscal year subsequent to fiscal year 2023. References in this Resolution to either such Project shall be deemed to (i) be to such Project as it may be referred to by similar but not the exact same name in applicable City budgetary materials, including any capital improvement plan, and (ii) include any changes in the scope of activities of such Project and/or the name of such Project made by the City in accordance with applicable law, including (without limitation) in future fiscal years. References in this Resolution to costs of the Projects shall be deemed to be to expenditures that constitute capital expenditures and, to the extent applicable, (i) costs of issuance of any borrowing relating to the Projects and (ii) capitalized interest.

SECTION 2. AND BE IT FURTHER RESOLVED that in accordance with the Reimbursement Regulations, the City hereby makes this declaration of its reasonable expectation to expend money on costs of the Projects prior to the issuance of the Bonds (or any interim financing incurred in anticipation of the Bonds) and to use proceeds of the Bonds (or of such interim financing), which Bonds and/or interim financing will qualify as a “reimbursement bond” for purposes of the Reimbursement Regulations, to reimburse all or a portion of such original expenditures made with respect to the Projects. This Resolution is intended to be a declaration of official intent within the meaning of the Reimbursement Regulations.

SECTION 3. AND BE IT FURTHER RESOLVED that the maximum principal amount of the Bonds to be issued for each Project (and the maximum principal amount of any interim financing to be incurred by the City in anticipation of the Bonds issued for each Project) is identified on Schedule A attached hereto and incorporated by reference herein.

SECTION 4. AND BE IT FURTHER RESOLVED that the provisions of this Resolution shall be liberally construed in order to effectuate the purposes of this Resolution.

SECTION 5. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor. Pursuant to Charter Section SC7-46A, this Resolution may not be petitioned to referendum.

[CONTINUED ON FOLLOWING PAGE]

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

88 THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the
89 City of Salisbury held on the _____ day of
90 _____, 2022.
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93 ATTEST:
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96 _____
97 Kimberly R. Nichols, City Clerk
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John R. Heath, President
Salisbury City Council
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101 APPROVED BY ME THIS _____ DAY OF _____, 2022:
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105 _____
106 Jacob R. Day, Mayor
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113 #227076;58111.001
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Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

SCHEDULE A

IDENTIFICATION OF THE PROJECTS AND MAXIMUM PRINCIPAL AMOUNTS

| <u>Name of Project</u> | Maximum Principal Amount of the Bonds to be Issued or of Interim Financing to be <u>Incurred for Each Project</u> ¹ |
|---|--|
| Computer Aided Dispatch (CAD) Replacement | \$805,000 |
| Station #16 HVAC Replacement | <u>130,000</u> |
| | |
| TOTAL | \$935,000 |

¹ The specified maximum principal amount for each Project applies, to the extent applicable, to both any Bonds issued and to any interim financing incurred for such Project.

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

AS AMENDED ON JUNE 21, 2022

ORDINANCE NO. 2729

AN ORDINANCE OF THE CITY OF SALISBURY AMENDING CHAPTER 5.64 OF THE SALISBURY CITY CODE, ENTITLED “TOWING COMPANIES”, TO UPDATE PROCEDURES FOR DISPATCHING POLICE DIRECTED TOWING, OPERATIONS OF A POLICE DIRECTED TOW ON SCENE, AND PENALTIES FOR VIOLATIONS OF THE CODE.

WHEREAS, the ongoing application, administration and enforcement of the City of Salisbury Municipal Code (the “**Salisbury City Code**”) demonstrates a need for its periodic review, evaluation and amendment, in order to comply with present community standards and values, and promote the public safety, health and welfare of the citizens of the City of Salisbury (the “**City**”);

WHEREAS, the Mayor and Council of the City of Salisbury (the “**Mayor and Council**”) are authorized by MD Code, Local Government, § 5-202 to adopt such ordinances, not contrary to the Constitution of Maryland, public general law or public local law, as the Mayor and Council deem necessary to assure the good government of the municipality, to preserve peace and order, to secure persons and property from damage and destruction, and to protect the health, comfort and convenience of the citizens of the City;

WHEREAS, the Mayor and Council may amend Title 5 of the Salisbury City Code pursuant to the authority granted in § SC 2-15 of the Salisbury City Charter;

WHEREAS, the Mayor and Council find that the health, safety and general welfare of the citizens of the City will be furthered by amending Chapter 5.64 of the Salisbury City Code to update procedures for dispatching police directed towing, operations of a police directed tow on scene, and penalties for violations; and

WHEREAS, the Mayor and Council have determined that the amendments to Chapter 5.64 of the Salisbury City Code set forth below shall be adopted as set forth herein.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that Chapter 5.64 of the Salisbury City Code is hereby amended by adding the bolded and underlined language and deleting the strikethrough language as follows:

Section 1. Chapter 5.64 of the Salisbury City Code of the Salisbury City Code, entitled “Towing Companies” is amended as follows:

Chapter 5.64 TOWING COMPANIES

5.64.080 Investigation of employees of owner/applicants for police directed tow licenses.

A. Prior to the approval of the towing company application all employees of the owner/applicant shall submit to a criminal background investigation acceptable to the police department, including the completion of an affidavit and fingerprinting. Any costs associated with such investigation shall be assumed by the owner/applicant. A felony conviction or a plea of nolo contendere involving a ~~Part 1 crime~~ **an aggravated assault, forcible rape, murder, robbery, arson, burglary, larceny or motor vehicle theft** within three years of the date of the application will automatically disqualify the employee from responding to any police directed tow or releasing any police directed tow vehicle to the owner of said vehicle.

B. Prior to being allowed to respond to a police directed tow or to release a vehicle to its owner, any new employee shall submit to the background investigation process, fingerprinting and any costs associated with such investigation shall be assumed by the owner/applicant or towing company.

C. Should an otherwise approved employee be found guilty of or enter a plea of nolo contendere to a felony involving any crime listed in 5.64.080A, ~~a Part I crime~~ said employee shall immediately notify his employer who shall notify the police department within seventy-two (72) hours of having been notified. The police department shall remove said employee from the list of approved towing company employees.

D. Should the chief of police or his designee reject an employee for inclusion on the towing company's list of approved employees, the owner/applicant, the towing company and the employee shall have a right of appeal. This appeal shall be brought before the city administrator or his designee pursuant to Section 5.64.170.

(Ord. No. 2188, 2-13-2012)

5.64.090 Certificate of insurance to be filed by holders of police directed tow licenses.

Every towing company that is licensed to conduct police directed tows, under the provisions of this chapter, regardless of whether such license was issued before or after January 23, 2012, shall file with the Director of Finance a certificate of insurance evidencing commercial liability insurance coverage for auto liability with a minimum of one million dollars (\$1,000,000.00), with a maximum of one thousand dollars (\$1,000.00) deductible, and coverage for cargo, on unhook, and garage keeper's liability, with a minimum of fifty thousand dollars (\$50,000.00). Each licensee shall also list the city as an additional insured. If any insurance policy lapses without replacement by another insurance policy, said lapse shall be grounds for revocation of the license.

(Ord. No. 2188, 2-13-2012; Ord. No. 2444, 10-9-2017)

5.64.100 Procedure for dispatching police directed towing companies.

A. The Director of Finance shall furnish the police department with a current list of all towing companies with a police directed tow license. Whenever the service of a towing vehicle shall be required and a request is made to the police department for such service, the police department shall dispatch to the place where the service is required, a vehicle operated by that towing company whose license was first obtained and then request subsequent towing vehicles as needed on a chronological and rotating basis. If a towing vehicle is not available, the next company listed chronologically, in the order in which it obtained its license shall be called. If a towing vehicle does not arrive at the scene of the collision, parking violation or accident within thirty (30) minutes after the request is made, the officer at the scene shall notify the police department of such fact. It shall contact the next towing company, etc., as if the first towing company had not been contacted. Consideration will be given, however, to abnormal traffic patterns that result from adverse weather conditions, emergencies or other causes. Upon arriving at the scene of an accident, the towing company shall immediately remove the disabled vehicle to his storage lot or other location and notify, in writing, the police officer and vehicle owner, if available, of the location and telephone number of the storage lot as well as applicable towing and storage fees. If indoor storage is required, then the above rules shall apply to licensed towing companies with indoor storage. In the event a disabled vehicle cannot promptly and efficiently be removed from the scene of an accident, the towing company may have the police department call the next-listed licensee to assist in such removal.

B. ~~Any licensed towing company who shall decline three tow requests within a three month time period shall be removed from the police directed towing list for six months.~~ Any licensed towing company that declines or misses three tow requests within a calendar year shall have their police directed towing license suspended for one month. Following a one-month suspension, any licensed towing company that declines or misses a total of six or more tow requests within a calendar year shall have their police directed towing license suspended for three months. The following situations shall be considered a declination:

1. Failure to respond to the tow scene within the 30 minute on-scene timeframe.

2. Failure to respond when requested, regardless of reason.

3. Failure to answer or respond to a call for service.

4. Explicit refusal to respond.

Should a tow company need to temporarily come out of the tow rotation for a period of more than five (5) days due to mechanical or equipment problems, sick or injured employees or a similar issue, the tow company shall notify the Police Department in writing of the reason for the unavailability and the anticipated duration. The Police Department shall then remove the company from the rotation until the Department receives written communication from the company requesting to be placed back into rotation. The tow company shall be placed back into the tow list rotation at the bottom of the existing list.

Any licensed towing company who would like to be temporarily removed from the towing list, may request that the Finance Department temporarily suspend their police directed tow license. Following the suspension, the tow company shall be placed back into the tow list rotation at the bottom of the existing list. All requests for a temporary suspension shall be made in writing to the Finance Department and the Police Department. Making such a request will remove a company from the list of companies with a police directed tow license until such a time that the company requests its license be reinstated. Companies may request to have their license suspended for no less than thirty (30) days and no more than one hundred and eighty (180) days. Any requests for a temporary suspension must include the requested police directed tow license suspension and reinstatement dates.

C. The vehicle shall be towed by the safest and shortest practical route possible from the point of origin to the vehicle's destination. For all standard or basic tows, the vehicle shall be towed to a storage lot or facility that is located no more than ten miles from 125 North Division Street in Salisbury.

D. If a department or agency of the city, a public utility or similar entity requests the relocation of a vehicle from a work zone to a nearby street parking area, the police department shall follow the procedure set forth in Paragraph A above. The fee for an emergency vehicle relocation shall be established by ordinance and shall be at the expense of the requesting city department or agency, public utility or similar entity.

E. No towing company shall, in any way, solicit towing business at a scene involving either a traffic accident or a police directed tow, nor shall any such towing company attempt to take any vehicle in tow unless he or it shall have been summoned by the owner/operator of the vehicle requiring the tow or the city police department.

F. No towing company that is summoned by the owner/operator of the vehicle requiring the tow shall attempt to take a vehicle in tow unless the towing company can respond within thirty (30) minutes.

G. If a vehicle to be towed is gone upon the arrival of a towing company called from the police directed tow list, the towing company shall remain at the top of the list to receive the next police directed tow call.

(Ord. No. 2188, 2-13-2012; Ord. No. 2444, 10-9-2017)

5.64.105 - Operations on scene of a Police Directed Tow.

A. The licensed towing company shall be required in accordance with the law to clean the roadway of debris of a crash scene. ~~A non-reusable cleanup materials fee may be charged and a copy of the purchase invoice for the non-reusable cleanup material must be kept on file~~

~~and available for examination for two years. This fee is intended to offset the cost of single-use materials used to clean up the scene of the accident and to remove accident-related debris. A non-reusable cleanup materials fee may be assessed no more than once per tow call. This fee shall be established from time to time by ordinance.~~

~~B. If additional labor is essential and or required for roadway cleanup, such additional labor shall be provided by the licensed towing company. An invoice detailing the reason for the necessity of the labor and the type of work conducted shall be kept on file and available for examination for two years. This fee shall be established from time to time by ordinance.~~

~~BC. Licensed towing company operators and owners shall comply with the established police directed tow operator code of conduct. Failure to do so may result in penalties in accordance with section 5.64.160 .~~

5.64.110 Release from storage.

A. A licensed towing company holder of a police directed tow license shall be required to release ~~all police directed tows~~ disabled vehicles during the regular business day. Each licensed towing company must accept cash, certified checks, money orders, debit and at least two major credit cards (Mastercard, Visa, American Express, or Discover) for payment. If a towing company fails to accept the listed forms of payment, a five hundred dollar (\$500.00) fine will be issued for the first offense and a fine not to exceed one thousand dollars (\$1,000.00), will be issued for the second and subsequent offenses.

B. A licensed towing company shall ~~must~~ provide storage lot staff on site to allow vehicle owners timely access to their vehicles during the regular business day. If a vehicle owner is unable to obtain timely release of a vehicle from storage within two hours of the initial request during the regular business day, and the police department is notified by the vehicle owner, and the violation is verified by the police department, then storage fees shall cease on the date of notification by the vehicle owner.

C. Whenever a vehicle is released from the storage lot of a licensed towing company on weekends, evenings (6:00 pm to 9:00 am), or state and federal holidays, a release fee shall be charged to the vehicle owner. This charge shall be established from time to time by ordinance. If a licensed tow company refuses to release a vehicle during evenings, weekends or state and federal holidays, then no storage fees shall be permitted for each day the release is refused.

D. Inside storage of a vehicle shall only be at the request of the vehicle owner, operator or law enforcement, or if essential or necessary to preserve the condition of the vehicle. If indoor storage is the licensed towing company's only method of storage available, then the inside storage shall be charged at the outside storage rate. If, at the request of the vehicle owner, operator or law enforcement and in order to preserve the condition of the vehicle where inside storage is not available, an application of self-adhesive film (for example: Crash Wrap) may be used on the area of the vehicle which is open to the elements. If a vehicle must be wrapped in order to be safely transported, a licensed towing company may apply a self-adhesive film and charge a self-adhesive film wrap fee. This fee shall be established from time to time by ordinance. Photographic evidence of the self-adhesive film on the specified vehicle shall be kept on file with the invoice and available for inspection

(Ord. No. 2188, 2-13-2012)

5.64.120 Fees for towing and storage for police directed tows.

Fees for towing and storage for police directed tows shall be established from time to time by ordinance.

A. Every police directed towing company engaged in towing vehicles shall, at the time of its application for a license, pursuant to Section 15.64.030, file with the Director of Finance, a statement that it will charge the standard towing and storage fees adopted by ordinance.

B. A police directed towing company shall not charge fees for towing, storage, or release of vehicles of less than 10,000 GVW, other than those adopted by ordinance.

C. A police directed towing company shall post a list of current city council approved towing and storage fees in a conspicuous place at its storage facility using a sign substantially similar to that approved by the chief of police.

D. A list of current towing and storage fees shall be given to the vehicle owner/operator, if available, at the scene of the tow by the tow truck operator. Should the vehicle owner/operator not be available at the scene, a list of current towing and storage fees shall be given to the officer in charge of the scene.

E. Vehicle owners may not abandon vehicles at a city licensed facility. Leaving a vehicle at a tow facility for more than two weeks shall constitute abandonment. Abandoning a vehicle may result in forfeiture of the vehicle, criminal and/or civil prosecution including a municipal fine of up to one thousand dollars (\$1,000.00), plus court and recovery costs. In cases of police impounded vehicles, the two-week time period begins on the day following the release of the vehicle by the police department.

F. All approved tow companies engaging in police directed towing shall maintain adequate records to allow expeditious periodic review of their compliance with this chapter. Such records must include, but are not limited to, sequentially numbered invoices, a copy of which shall be provided to each customer and a copy of which must be retained for a period of at least two (2) years by the tow company. In addition, the City Police Department may conduct periodic reviews of the financial records of any tow company holding a police directed tow license to ensure it is not directly or indirectly financially interested in any other licensed police directed towing company as required by 5.64.70.

(Ord. No. 2188, 2-13-2012; Ord. No. 2444, 10-9-2017)

5.64.130 Release of vehicles removed at the order of the police department.

A. Vehicles removed at the order of the police department may not be released until approved by the police department and until the payment of all fines and fees has been made. In the case of city parking regulations, this requirement applies uniformly to all:

1. Motor vehicles not registered in the state of Maryland;
2. Motor vehicles registered in the state of Maryland;
3. Motor vehicles registered in the state of Maryland to leasing companies and rental agencies;
4. Nonregistered motor vehicles.

B. Vehicles shall be stored for a minimum of two weeks unless released as set forth above. After two weeks of storage, the vehicle may be removed from storage by the licensed towing company with written approval of the police department. No abandoned vehicle shall be scrapped except in accordance with Maryland State Law.

C. Personal property of owners/companies not attached to the vehicle shall be immediately returned to owners/companies upon owner's/company's request, unless the police department requires retention of the personal property not attached to the vehicle. **Example of items which**

225 are not considered personal property for the purposes of this section include but are not
226 limited to: stereos, batteries, license plates, etc.

227 D. No vehicle shall be released to the owner or the owner's authorized agent until proof of
228 ownership and a valid identification is provided to the towing company.

229 (Ord. No. 2188, 2-13-2012)

230 **5.64.140 Signs required on vehicles.**

231 On each side of every towing vehicle there shall be legibly inscribed the name, telephone number,
232 and address of the owner and the department of transportation number of each towing vehicle.
233 Letters and numerals required by this section shall:

234 A. Be visible from a distance of fifty (50) feet during daylight hours;

235 B. Be permanently affixed on or applied to the towing vehicle. Magnetically affixed or
236 applied signs do not satisfy this requirement;

237 C. Be in letters that contrast sharply in color with the background on which the letters are
238 placed;

239 D. Comply with Maryland Vehicle Law 22-404.3.

240 (Ord. No. 2188, 2-13-2012)

241 **5.64.150 Unlawful to provide bail if holding a police directed tow license.**

242 It is unlawful for any towing company holding a police directed tow license to offer to secure or
243 provide bail or to enter into any agreement, oral or written, to secure or provide bail or to arrange
244 for the providing of bail for any person involved in a motor vehicle collision or accident in the city,
245 with the exception that this section shall not apply to bona fide automobile clubs, associations or
246 insurance companies.

247 (Ord. No. 2188, 2-13-2012)

248 **5.64.160 Violations—Penalties.**

249 Any towing company ~~that violates any of the provisions of this chapter shall be subject to license~~
250 ~~suspension for up to ninety (90) days, for a first offense, or revocation for up to one year, for a~~
251 ~~second offense, by the chief of police. No new license shall be issued during a period of suspension~~
252 ~~or revocation. In addition, any towing company, its employees and agents who shall violate any of~~
253 ~~the provisions of this chapter, other than the provisions of chapter 5.64.100 (B) concerning tow~~
254 ~~declarations, shall be guilty of a civil infraction and shall be subject to a fine not to exceed five~~
255 ~~hundred dollars (\$500.00) for a first violation or one thousand dollars (\$1,000.00) for subsequent~~
256 ~~violations. Any towing company, its employees and agents found guilty of perjury under Maryland~~
257 ~~Criminal Law Title 9 shall be subject to imprisonment not exceeding ten years. Any towing~~
258 ~~company, its employees, and agents who shall violate the provisions of chapter 5.64.100 (B)~~
259 ~~shall be subject to license suspension in accordance with the provisions enumerated in chapter~~
260 5.64.100.

261 (Ord. No. 2188, 2-13-2012)

262 **5.64.170 Appeal.**

263 Any towing company whose license is suspended or revoked by the chief of police or an
264 owner/applicant whose application is rejected, or a towing company and its employee who has been
265 rejected may appeal that decision to the city administrator in writing within ten days of the date of
266 the decision. Within twenty-one (21) days after receipt of the appeal, the city administrator or his
267 designee shall review the file, hear any testimony the city administrator or his designee deems

necessary, and render a written decision either affirming, reversing, or modifying the decision of the chief of police. Failure to file a timely appeal shall constitute an acceptance of the police chief's action.

(Ord. No. 2188, 2-13-2012)

5.64.180 Severability.

Severability is intended throughout and within the provisions of the ordinance. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, then that decision shall not affect the validity of the remaining portions of this ordinance.

(Ord. No. 2188, 2-13-2012)

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

Section 2. 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 3. 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 4. 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 4.

Section 5. 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 23rd day of May, 2022 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 21st day of June, 2022

ATTEST:

Kimberly R. Nichols, City Clerk

John R. Heath, City Council President

Approved by me, this _____ day of _____, 2022.

Jacob R. Day, Mayor