

CITY OF SALISBURY, MARYLAND

REGULAR MEETING

MAY 8, 2023

PUBLIC OFFICIALS PRESENT

*Council Vice President April Jackson
Councilmember Angela M. Blake
Councilmember Megan Outten*

*Mayor John R. Heath
Councilmember Michele Gregory (Zoom)*

PUBLIC OFFICIALS ABSENT

Council President Muir W. Boda

IN ATTENDANCE

City Administrator Andy Kitzrow, Procurement Director Jennifer Miller, Assistant Director of Finance – Accounting Sandy Green, Information Services Director Bill Garrett, Executive Administrative Assistant Jessie Turner, Events and Culture Manager Caroline O’Hare, Deputy Director Field Operations Sam Ireland, Asset and Facility Manager Jake Pavolik, City Attorney Ashley Bosché, City Clerk Kimberly Nichols, and members of the public

The City Council met in regular session at 6:00 p.m. via Zoom and in Council Chambers. Council Vice President April Jackson called the meeting to order. After reciting the pledge to the American Flag, Vice President Jackson invited Rev. John Wright of the Unitarian Universalists Fellowship at Salisbury forward to provide the invocation.

Proclamation- presented by Mayor John R. “Jack” Heath

Jewish American Heritage Month Proclamation

Mayor Heath presented the proclamation designating May as Jewish American Heritage Month and invited all citizens to learn more about our Jewish community. The history of the Jewish American is one of racism, bigotry, and injustice and includes stories of faith, courage and growth. They have played important roles in the civic and community life of our Nation including sports, business, medicine, science, arts and entertainment, government, and military service, and have made invaluable contributions to our City through their leadership and achievements.

ADOPTION OF LEGISLATIVE AGENDA

Ms. Blake moved, Ms. Outten seconded, and the vote was unanimous (4-0 vote) 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 second by Ms. Blake and Ms. Outten, respectively.

- April 3, 2023 Closed Session Minutes (separate email)
- April 10, 2023 Council Meeting Minutes
- April 10, 2023 Closed Session Minutes (separate email)
- **Resolution No. 3255-** to approve the appointment of La'Tanya Christopher to the Disability Advisory Committee for term ending May 2026

Ms. Jackson thanked Ms. Christopher for volunteering to serve on the Disability Advisory Committee.

AWARD OF BIDS- presented by Procurement Director Jennifer Miller

The following items were unanimously approved on a motion and seconded by Ms. Outten and Ms. Blake, respectfully:

- RFP A-23-106 Live Production Services \$155,500.00
- Declaration of Surplus
 1. SPD – Unit 1201
 2. SPD – K9 Hank

RESOLUTIONS- presented by City Administrator Andy Kitzrow

- **Resolution No. 3256-** to approve the City's Action Plan for Community Development Block Grant (CDBG) funds for CDBG Program Year 2023

Ms. Blake moved, Ms. Outten seconded, and the vote was unanimous (4-0) to approve Resolution No. 3256.

- **Resolution No. 3257-** to approve property transfers connected to the Community Development Projects Fund

Ms. Blake moved, Ms. Outten seconded, and the vote was unanimous (4-0) to approve Resolution No. 3257.

PUBLIC HEARINGS

Charter Amendment Resolutions- presented by City Administrator Andy Kitzrow

- **Charter Amendment Resolution No. 2023-1-** to amend §SC2-2 and § SC20-1 of the City Charter to change all references to the "Board of Supervisors of Elections" in the Charter to the "City of Salisbury Election Board."

Ms. Blake moved and Ms. Outten seconded to approve Charter Amendment Resolution No. 2023-1.

Mr. Kitzrow presented the Charter Amendment.

The Public Hearing was opened on 6:24 p.m., and as there were no requests to speak, was immediately closed.

Charter Amendment Resolution No. 2023-1 was unanimously approved on a 4-0 vote.

- **Charter Amendment Resolution No. 2023-2-** *to amend § SC6-11 of the City Charter to conform with state election laws*

Ms. Outten moved and Ms. Blake seconded to approve Charter Amendment Resolution No. 2023-2.

Mr. Kitzrow presented the Charter Amendment.

The Public Hearing was opened on 6:29 p.m., and as there were no requests to speak, was immediately closed.

Charter Amendment Resolution No. 2023-2 was unanimously approved on a 4-0 vote.

- **Charter Amendment Resolution No. 2023-3-** *to amend § SC6-13(H) of the City Charter to change the reference to the “Board of Supervisors of Elections” in the Charter to the “City of Salisbury Election Board” and to remove the random sampling requirement of verifying signatures on a recall petition*

Ms. Blake moved and Ms. Outten seconded to approve Charter Amendment Resolution No. 2023-3.

Mr. Kitzrow presented the Charter Amendment.

The Public Hearing was opened on 6:35 p.m., and as there were no requests to speak, was immediately closed.

Charter Amendment Resolution No. 2023-3 was unanimously approved on a 4-0 vote.

- **Ordinance No. 2802-** *appropriating the necessary funds for the operation of the Government and Administration of the City of Salisbury, Maryland for the period July 1, 2023 to June 30, 2024, 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. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0 vote) to approve Ordinance No. 2802 to be presented for Public Hearing.

Ms. Bosché presented the Ordinance.

The Public Hearing was opened at 6:40 p.m. and eight members of the public were sworn in. They provided the following comments:

- *There were a number of problems with the budget ordinance including no list of revenues. They needed to know where the money would come from.*
- *The City needed a balanced budget and to have a list of expenditures.*
- *Should schedule another public hearing once the problems were straightened out.*
- *The budget being proposed was incomplete.*

Mr. Kitzrow said that last Monday at Work Session the Council discussed the budget and issues brought up right now. He reported the Fire and Life Safety Fee, proposed at \$300, was tabled and would not be implemented in this year's budget. The 15 cents Commercial Property Tax Rate was reduced to .1068. There were proposed Property Tax increases, but no Fire and Life Safety Fee. There were no adjournments made to the Water & Sewer Rate increase of 12%. There was \$967,000 in recommended cuts from the Mayor's Proposed Budget based off of the reductions and fees proposed.

- *Speaker encouraged Council to stop the process and schedule a new hearing. Council should be irate that they have publicized a hearing that announced no tax increase and now there was a 10% tax increase to City residents.*
- *Speaker was concerned how the proposed increase would impact renters and those on fixed incomes. People were not prepared for a 10% tax increase. It was not their fault that taxes were not increased year ago.*
- *The City needed to work with the property owners, citizens and business community on a reasonable way to move forward as a community.*
- *Speaker understood the City had needs but there was a proposed 12% increase in water and 10% increase in property, and a massive increase in assessed value of property, which would be going up for two years. Many of residents were on fixed income and renters, and the increases would get passed on to them. It was not their fault the City did not do their due diligence with some mismanagement in the past.*
- *This was an opportunity to work with the citizens to create a reasonable solution. Nobody knew what was going on and felt like they were being duped on the budget.*

Mayor Heath said they were not pleased to have had to make the suggestions they made. He explained the Fire Department budget was approximately \$15 million. The City serviced not only the City limits but outside the City limits also. Five thousand of those calls were outside the City limits. With a \$15 million budget, 5,000 calls out of 15,000 calls annually was 1/3. A third of the budget was \$5 million. For the past three years the County paid the City \$1 million in the Fire Service Agreement. Mayor Heath asked for the citizens present to also go to the County Council because if the City did not have to raise \$4 million, we would not have to raise taxes. He discussed the dual taxes to Salisbury and Wicomico County the City residents had to pay. The City could not survive at this rate and he recalled that the City received \$4.5 million in ARP funds, but that had ended and they had to make that up.

- *Speaker was on a fixed income and disabled. The two Councils should stop blaming each other and work together. She did not know what happened to all of the money the City had, but here we were and she could barely pay her water bill and buy food.*
- *It was hard to have discuss the budget when all of the information was not provided prior to the meeting. She has had to cut things she wanted or needed and the City*

would have to do the same. A balance budget was Revenue=Expenses. She lived on Social Security and the money was not there. Raise taxes slowly over three years. Most of the people in the City were not rich and lived on fixed incomes. Many were at the poverty level. A lot of people would be hurt and angry.

- Speaker had a new business in Salisbury and recovering from the pandemic. Their income had not increased and they were looking at taxing her business 27%, which would be thousands of dollars. It needed to be reconsidered and done in increments. Go to the County Council yourselves and work this out. If they owed the City, get it from them. The citizens should not be the ones paying.
- Speaker asked about the HORIZON program and Mr. Kitzrow informed him about the incentive program. Speaker said that it seemed in the past there was the desire to increase development but no prioritizing to retain the people who already lived here. For instance, the Ross building would not pay anything for quite a while, but now the normal people's property taxes had to be increased by 10%.
- Speaker said the County and the City needed to get it resolved. She was going to them, too and did not think they should pay both entities. She was on a fixed income. Salisbury was a nice place to live and she would continue living here.
- Speaker said the 10% increase was too much. He was Wicomico County Director of Finance for 27 years. One of the problems with the tax increases was that the City was venturing outside of its historic role of providing basic services by approving these new tax credits for builders to encourage population growth by adding 7,684 new housing units. It unfortunately forfeits \$40 million in fee revenue in the coming years and puts pressure on the City's operating budget. The pressure put on the Fire and Life Safety Fee was the type of pressure placed on the services. The City should be careful because pressure on the operating budget meant higher taxes.

Mr. Kitzrow clarified the speaker was referencing the Here Is Home Program. There was a shortage of housing in Salisbury and the City was incentivizing redevelopment.

Ms. Outten empathized with the community members on fixed incomes and had strong concerns with the rate increases. The City had increased costs but there should be another way of dealing with it without putting it on the backs of the residents.

The Public Hearing was closed at 7:16 p.m.

- **Ordinance No. 2803-** to amend Water and Sewer rates to increase rates by 10% and making said changes effective for all bills dated October 1, 2023 and thereafter unless and until subsequently revised or changed

Ms. Blake moved, Ms. Outten seconded, and the vote was unanimous (4-0 vote) to approve Ordinance No. 2803 to be presented for Public Hearing.

The Public Hearing was opened at 7:20 p.m. and as there were no requests to speak, was immediately closed.

- **Ordinance No. 2804-** to set fees for FY2024 and thereafter unless and until subsequently revised or changed

Ms. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0 vote) to approve Ordinance No. 2804 to be presented for Public Hearing.

The Public Hearing was opened at 7:22 p.m. and the following comments were received by three members of the public, who were sworn in prior to speaking.

- *Speaker was confused because the Fire Fee turned into a 10% tax increase.*
- *Speaker said the average working person with a 5% pay increase would not get ahead. The Laffer Curve was based on the theory that people could only be taxed so much before it rolled over and they received less income while they were taxing people more. He thought the City was dangerously close to rolling over that Laffer Curve and revenues would become a lot less. He asked Council to think it through and only do the necessary things. Get the house in order and demonstrate to the citizens that Salisbury was a good place to live and work.*
- *Speaker was in the rental business and the only source of income was from tenants, who would bear the costs. The City has spent and given away a lot of money in the past. The fees given away from Housing program amounted to over \$40 million. There may be a housing shortage in Salisbury but he said it was not in the amount of 7,684 units. The City sold the old Fire Department building in 2013 for \$85,000 and recently leased back by the City for fifteen years at a price of \$1.8 million, which amounted to \$10,000 per month. The Marina Landing property was sold to a developer for \$1 per year. The housing shortage was only a matter of opinion.*

The Public Hearing was closed at 7:37 p.m.

- **Constant Yield Tax Rate**

Ms. Blake moved, Ms. Outten seconded, and the vote was unanimous (4-0) to approve the Constant Yield Tax Rate for Public Hearing.

The Public Hearing was opened at 7:40 p.m. and one speaker provided the following comments:

- *Asked if this was going to be voted on at this time. Mr. Kitrow answered the question and said as read there was no property tax increase in the legislation.*

The Public Hearing was closed at 7:41 p.m.

ORDINANCES- presented by City Attorney Ashley Bosché

- **Ordinance No. 2797-** 2nd reading- approving a budget amendment of the FY2023 General fund budget to appropriate funds to the Salisbury Fire Department's Operating Budget

Ms. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2797 for second reading.

- **Ordinance No. 2798-** 2nd reading- to 1) authorize the Mayor to enter into a contract with the Department of Housing and Community Development for the purpose of accepting grant funds in the

amount of \$500,000; 2) authorize the Mayor to enter into a sub recipient agreement with Railroad Avenue Investments, LLC; and 3) to approve a budget amendment to the Grant Fund to appropriate the aforementioned funds to be used for eligible expenses associated with the Union Railway Station Stabilization Project

Ms. Outten moved, Ms. Gregory seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2798 for second reading.

- **Ordinance No. 2799**- 2nd reading- to authorize the Mayor to enter into a contract with the Department of Housing and Community Development (DHCD) for the purpose of accepting grant funds in the amount of \$25,000, and to approve a budget amendment to the Grant Fund to appropriate these funds to be used for eligible expenses associated with an event fund for the Main Street District

Ms. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2799 for second reading.

- **Ordinance No. 2800**- 2nd reading- amending Chapter 1.08 of the Salisbury City Code, entitled "Election Board," and Chapter 1.12, entitled "City Campaign Advertising and Finance," to adopt recommendations made by the City of Salisbury Election Board

Ms. Gregory moved, Ms. Outten seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2800 for second reading.

- **Ordinance No. 2801**- 2nd reading- to authorize the Mayor to enter into a contract with the Maryland Department of Housing and Community Development (DHCD) for the purpose of accepting funds from the Connected Communities Grant in the amount of \$34,228 for the Anne Street Village Fiber Internet Project

Ms. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2801 for second reading.

- **Ordinance No. 2805**- 2nd reading- approving a budget amendment of the FY2023 General Fund Budget to appropriate funds to the Salisbury Fire Department's Operating Budget

Ms. Outten moved, Ms. Blake seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2805 for second reading.

- **Ordinance No. 2806**- 1st reading- approving a budget amendment of the FY23 General Fund Budget to appropriate the funds received from the recycling of scrap metal

Ms. Gregory moved and Ms. Blake seconded to approve Ordinance No. 2806 for first reading.

Ms. Outten moved, Ms. Blake seconded and the vote was unanimous (4-0) to approve an amendment to Ordinance No. 2806 by striking \$3574.80 on Lines 15, 29, and 36 and inserting \$4518.40.

Ordinance No. 2806 for first reading, as amended, was approved by unanimous vote in favor.

- **Ordinance No. 2807**- 1st reading- approving a budget amendment of the FY023 General Fund Budget and the FY2023 Water Sewer Fund Budget to appropriate additional funds required for Field Operations

Ms. Gregory moved, Ms. Outten seconded, and the vote was unanimous (4-0) to approve Ordinance No. 2807 for first reading.

PUBLIC COMMENTS

The following comments were received from members of the public:

- Speaker referred to Ordinance No. 2798 and asked if there was anything that prevented gentrification because the residents of Fitzwater and Barkley may not being able to afford to live in their homes after the Marina development was complete.*
- Ms. Outten said that Here Is Home initiative addressed the affordable housing issue. Council and the City Administration were extremely mindful of that as they started further development. Ms. Jackson said that when the buildings came up they would not want to see the eyesore across the street. One of her goals for this year was a beautification project to help prevent gentrification from happening.*

ADMINISTRATION AND COUNCIL COMMENTS

City Administrator Andy Kitzrow announced a budget session was scheduled for Monday and thought it was a good idea to move the second reading of the budget to June 12th to give more time for decision points and an additional Council meeting on May 24th with a second public hearing.

Mayor Heath appealed to blood donors to donate. He reiterated his comments about going to the County. Administration met numerous times with them and have gotten the same answer every time.

Ms. Blake said it was important to listen to everyone because there were some very valid points. As a City resident, she felt that if the County was not interested in paying for their 5,000 calls then she was also not interested in paying for them. If healthy enough, please donate blood.

Ms. Outten thanked the public for attending. Their feedback was valuable, and Council was listening. She thanked Mr. Kitzrow and his team because the budget was not an easy task.

Ms. Gregory thanked the public for attending and thought there had been some misinformation. The main thing she heard when campaigning was that housing was too expensive. The landlords disagreed with housing incentives because they would have to be more competitive in their rents.

Ms. Jackson thanked Mr. Boda for not being there today because running the meeting challenged her. She did not want to offend anyone, but when hearing people say they were on fixed income, what did they do when the Federal Government took medical premiums out of their checks? As Mayor Heath said, expenses did go up. Nobody here wanted to raise taxes. The County needed to take the responsibility of helping pay for those 5,000 calls.

ADJOURNMENT

With no further business to discuss, the Legislative Session was adjourned at 8:05 p.m.

CITY OF SALISBURY, MARYLAND
CLOSED SESSION
APRIL 24, 2023

TIME & PLACE: 8:11 p.m., Council Chambers, Government Office Building & Zoom
PURPOSE: to consult with counsel to obtain legal advice on a legal matter
VOTE TO CLOSE: Unanimous (5-0)
CITATION: Annotated Code of Maryland §3-305(b)(7)
PRESENT: Council President Muir W. Boda, Mayor John R. Heath, Council Vice-President April Jackson, Council member Angela M. Blake, Council member Michele Gregory, Council member Megan Outten, City Administrator Andy Kitzrow, City Attorney Ashley Bosché, Assistant City Clerk Julie English, City Clerk Kimberly Nichols

The City Council convened in Legislative Session at 6:00 p.m. in Council Chambers of the Government Office Building and via Zoom Video Conferencing. At 8:11 p.m. Council President Muir Boda called for a motion to enter into Closed Session to consult with counsel to obtain legal advice on a legal matter as permitted under the authority of the Maryland Open Meetings Law, Annotated Code of Maryland General Provisions Article § 3-305(b)(7).

Ms. Blake moved, Ms. Jackson seconded, and the vote was unanimous (5-0) to convene in Closed Session.

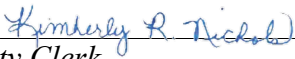
City Attorney Ashley Bosché provided her recommendations on verbiage to include in the Labor Code.

No votes were taken or consensus reached as the discussion was for Council information only.

At 8:38 p.m. Ms. Jackson moved, Ms. Blake seconded, and the vote was unanimous (5-0) to adjourn the Closed Session.

At 8:3 p.m. Council convened in Open Session and President Boda reported that Council had met in Closed Session to discuss a legal matter with counsel.

The Open Session was then adjourned.



City Clerk



Council President