

CITY OF SALISBURY
BUDGET WORK SESSION

May 20, 2024

Public Officials Present

Council President D’Shawn M. Doughty
Council Vice-President Angela M. Blake
Councilmember Michele Gregory

Mayor Randolph J. Taylor
Councilmember April R. Jackson
Councilmember Sharon C. Dashiell

In Attendance

City Administrator Andy Kitzrow, Housing and Community Development Director Muir Boda, City Attorney Laura Ryan, City Clerk Kim Nichols, and interested staff and members of the public

The City Council convened in Work Session at 4:30 p.m. on May 20, 2024 in Council Chambers of the Government Office Building. At 5:30 p.m. upon adjournment of the Work Session, Council convened in a Special Meeting. At 5:35 p.m. upon adjournment of the Special Meeting, Council convened in the Budget Work Session to discuss the Fees Ordinance.

City Administrator Andy Kitzrow said the purpose of the Budget Work Session was to further review the Fee Schedule. There was a new fee schedule for short-term rentals as previously discussed and additional adjustments within the parking permits not only to standardize our three different types of parking permits and fee structures but also to prepare us for any future parking infrastructure.

Mr. Kitzrow reported they overhauled the fees within the Fire Marshal’s office and realized we were too low, so adjustments were made based off of the time spent on the implementation of a lot of those pieces and inspections. He pointed out adjustments in the development fees. After discussing with a local civil engineer and members of the business community, we were significantly under what was traditionally being charged. There was the addition of a third party review for outsourcing. A lot of other organizations similar in size to the City outsourced development plan reviews. If someone wanted to rush the process and have a review done very quickly, we could outsource it.

Mr. Kitzrow said there were discussions surrounding vacant buildings- residential, commercial vacant properties, and some discussion about the legality or need to have escalator fees within the annual fees for registering those properties. That was the biggest substantial change. President Doughty asked him what brought about that look into the deeper dive, and what was he seeing as far as the legality.

Mr. Kitzrow said about three years ago this was new added under Mayor Day’s tenure. We ramped up vacant property registrations- both residential and commercial and wanted to build an escalator built in that did not exist before FY22. Administration now thought we may want to go down a different path.

Mayor Taylor stated one of the challenges with the fee was that it was not illegal to keep a property vacant. It was not ideal, but not technically illegal. Fees must be commensurable with an expense on the administrator side. He asked City Attorney Heather Konyar to give a legal opinion and understood what former Mayor Day was trying to do with the escalator, but you could have other tools to get people to make improvements. You could not just say because a property was vacant, it required the fee escalated.

President Doughty asked if Mayor Taylor could share the legal opinion with Council, which he passed around. Mr. Kitzrow said there was a proposal to reduce residential vacant building registrations from \$200 to \$100. There would also be an annual vacant building fee of \$100. The escalator would be based off the number of years it was vacant. This would be for residential and building but the proposal would be to reduce the registration fee, to standardize the annual inspection fee to a singular rate. There was also a request to remove non-residential vacant lots as an annual fee.

President Doughty asked what we considered a vacant building. Mr. Kitzrow said a vacant building that was non-residential could be a commercial space and residential would be a home or a dwelling residential unit. Mr. Doughty asked how it was considered to be vacant. Mr. Kitzrow answered it was on a timeline, and after a certain period of time it had to be registered as being vacant.

Housing and Community Development Director Muir Boda joined Council and shared if a property was vacant, at six months they were required by code to register. The new year began in June every year and if it was still vacant, they would have to renew and get an annual inspection to review the property for any outside safety issues. They did not do internal inspections on them. Mr. Doughty asked if other cities did this and Mr. Boda replied that some did. Ms. Ryan said when this was initially enacted HCDD was supposed to look into the man hours that went into responding to calls for service etc. Mr. Doughty wanted to be sure we had a benchmark and foundation all of the fees were aligned by. He asked if the revenue that was generated from the budget that Council approved and adjusted was cohesive or not. Mayor Taylor said he did not think it was meaningful to the budget. Mr. Kitzrow answered, specifically for the residential vacant building registrations with this reduction, we did not show a reduction in our anticipated revenue for registration of buildings.

Ms. Gregory asked Mr. Boda if data was put together for calls for service when we first passed this because we knew vacant homes and vacant properties often led to crime. Mr. Boda said a piece of it was when there was a vacant property or a foreclosed property, there were other things that affected the community. They tended to attract more calls for service, but he did not have data pertaining to that. When they updated the vacant building registration, it was shared with the police department. He could get some data points from GIS on calls for service to registered vacant properties.

Ms. Gregory asked to clarify that these did not apply to vacant lots like the one she owned beside her house and that this was only on lots that were either commercial or unattached to a property that had an existing home that was with it. Mr. Kitzrow said he did not think the City charged for a vacant residential lot. They initially decided not to do that three years ago because it was more for commercial. Every year staff reviewed the fee schedule or there were citizen driven suggestions or complaints. The City had not received much feedback from the community about eliminating these.

Ms. Blake said she could see the escalator fee. She asked about the term blight, and Mr. Kitzrow said he did not want to mix the two. There could be vacant property that was not in a blighted condition, but there could not be blighted properties that were vacant. She asked Mayor Taylor how many of the seventy vacant properties belonged to him, and he said he had three but one was almost finished being renovated. He said the City already many other tools independent of the registration process. She said there was not a fine for the term blight. There was vacancy and blight. Last year there was discussion regarding blighted properties because of drug trafficking and gun violence.

Mr. Kitzrow stated municipal infractions and citations were defined with penalties in the code. Blight fell within municipal infractions from the code enforcement standpoint rather than registration and fees. It

was more punitive from an infraction standpoint. Blight was farther into the code enforcement side of it. We had other recourse with chronic nuisance or problematic properties in the municipal code.

President Doughty asked if it was reasonable to lower the foreclosed property registration from \$1,000 to \$100? City Attorney Laura Ryan replied it was complaint driven. She was contacted by an attorney and asked staff to re-evaluate to determine what fee was rationally related to our foreclosed property registration, and that was the suggested fee. Mr. Kitzrow said the \$100 was because we had the other one at \$100 for residential vacant property registration and we wanted them to be the same.

Ms. Gregory asked Mr. Boda what an average amount was for a city of our size. She did not want to see us go through a lending crisis similar to 2008 that again, but if we did, we had to be prepared. She asked if the \$100 was on par with other cities. Mr. Boda answered that some towns did and some did not do anything. With the ones that had fees, some combined vacant building and the foreclosure fees. Some had a separate fee such as what we had which was between \$100 and \$400.

President Doughty asked Council for questions on the other highlighted fees. Ms. Blake asked if we were renting the kitchen out in the Newton Community Center. She wanted to advocate for \$25 per hour fee. Mr. Boda said they used the community room with the kitchen, and which was included with the \$20 per hour fee. Mr. Boda said staff was on site during all events and closed up afterwards.

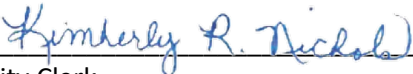
President Doughty asked if the Third Party Review Fee of \$160 per hour was on par with other cities and to increase the fee from \$1000 to \$3000 on the line above it (Development Plans Review). Mr. Kitzrow answered with speaking with Davis, Bowen and Friedel, Inc. and others in the business community, it was not unreasonable and we were charging less than the private sector rates. Mayor Taylor said people were returning for second and third reviews with no additional charges, and for that we would leave ourselves open to charge for them. President Doughty thought that was reasonable, but said three times the original was pricey and a big jump, and perhaps unbalanced. Mr. Kitzrow said with staff hours, planning, and meetings, he could get to \$3000 quickly. President Doughty asked if we were increasing to \$3000 if the review would come with a quicker turnaround and higher response times. Mr. Kitzrow said that one of the things the fee would allow us to do was to be more competitive with wages to hire staff, whether through a contract or internally and would allow us to better meet timelines.

Ms. Gregory asked what the private sector charged for plan reviews. Mr. Kitzrow answered if they did the \$160 per hour, they were 15 to 20 for the same process. In the private sector the billables were \$160 an hour and easily 40 hours into a review with additional costs. A lot of time was invested into reviews. We were probably paying a third of the market rate for the initial review. It was a steep jump and if we had additional push backs we might have reconsidered. Mr. Doughty asked who they conferred with, and Mr. Kitzrow said they had members of SWED, Greater Salisbury, Brock Parker Associates, and a rep from DBF, and all thought this was reasonable. We could start lower. President Doughty said everything should be on the same level playing field and was making sure we were not reaching too high but were not too low. Mr. Kitzrow offered to review development plan review fees in surrounding areas. President Doughty proposed if we separated preliminary and final reviews out, we could determine where our employees spent the most time, and raise that to create two different benchmarks. It could be adjusted from year to year. Mr. Kitzrow would send Council some ideas.


Ms. Blake asked about maps and copies, because maps were stricken from the schedule. Mr. Kitzrow did not think they were passed out any longer.

Mr. Kitzrow said that there was already a first reading, and asked City Clerk Kim Nichols if we could talk about this on the 3rd as a separate piece, or if we needed an additional budget session before an actual reading of a second fee schedule. Ms. Nichols said it sounded like another budget session should be scheduled. He would send information to Council, follow up on the outstanding items, and Council could come to consensus for a second reading. We would also make sure that the fee schedule as modified was available to the public for additional feedback.

The Budget Work Session adjourned at 6:08 p.m.



City Clerk



Council President