

CITY OF SALISBURY
WORK SESSION
MAY 20, 2024

Public Officials Present

Council President D'Shawn M. Doughty
Vice President Angela M. Blake
Councilmember April R. Jackson

Mayor Randolph J. Taylor
Councilmember Michele Gregory
Councilmember Sharon C. Dashiell

In Attendance

City Administrator Andy Kitzrow, Fire Chief Rob Frampton, EMS Assistant Chief Chris Truitt, Deputy Chief Chris O'Barsky, Assistant Chief Chris Twilley, Housing and Community Development Director Muir Boda, City Attorney Laura Ryan, City Clerk Kim Nichols and members of the public.

On May 20, 2024 the Salisbury City Council convened at 4:30 p.m. in Work Session in Council Chambers of the Government Office Building. The following is a synopsis of the items discussed.

PRESENTATION- EMS Week Proclamation- Mayor Randolph J. Taylor

Mayor Taylor presented the Emergency Medical Services (EMS) Week proclamation to proclaim May 19th - 24th EMS Week. Salisbury EMS provided medical services seven days a week and 24 hours a day. Access to quality emergency care intensely improves survival and recovery of those who become suddenly ill or injured. The EMS System consists of first responders, EMTs, paramedics, emergency medical dispatchers, firefighters, police officers, educators, administrators, prehospital nurses, emergency physicians, trained members of the public, and other non-hospital medical care providers.

Assistant Chief Chris Truitt thanked the Mayor and Council for the proclamation and said it was the 50th Anniversary of EMS Week.

Budget amendment for fuel at Fire Department

Deputy Chief Chris O'Barsky and Assistant Chief Chris Twilley joined Council at the table. Mr. Twilley presented the request for the budget amendment for \$20,000 to cover a shortfall in the gasoline account due to increased fuel costs and call volume for fire and EMS through the City and County.

President Doughty asked if this would get the department through to the end of the fiscal year and if they looked at this projection for next years' budgeted numbers. Mr. O'Barsky answered the projection was not done by them but was done through Finance.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Short-term rentals

Housing & Community Development (HCDD) Director Muir Boda explained he was asked to look for a solution for short-term rentals. The key was life safety to ensure the safety of everyone. It required smoke detectors, carbon dioxide detectors, lead paint inspections, etc. HCDD monitored these things currently with standard rentals. This would allow for owner occupied and non-owner occupied resident owners to operate their property as short-term rentals. The state has said cities could implement programs to register and inspect short-term rentals which placed them on the same level as regular rentals to create a fairness between the two industries.

Mr. Boda said they clearly defined short-term rentals and standard rentals. The code was changed to “rental owner’s license.” They’ve allowed for electronic transmission of invoices and licenses. Everything was currently mailed. In the program, they would create and manage their own account. They would have the option to receive it by mail or electronically and set a maximum stay guideline for thirty days. Standard rentals would be thirty one days or more which were in line with the State of Maryland. Some cities did things differently. Later on they would discuss the landlord unit registration fees and the fee schedule. There were inspection requirements and liability insurance requirements for policies of at least \$1 million.

President Doughty asked what cities were looked at to shape the legislation. Mr. Boda answered Gaithersburg, Oxford, Annapolis, Frederick, and five or six others. They used Gaithersburg as a model because they had a good system in place with good legislation that mirrored what the City wanted to do.

Ms. Dashiell asked if the proposed legislation covered the Airbnb’s people rented in the City and he replied in the affirmative.

The following comments were heard from four members of the public:

- Speaker was property owner and short-term rental owner and asked for the definition of short-term rental. She felt as if the City had lumped short-term rentals in the same category as long-term rentals. Requiring the same legislation was a stretch. They were completely different from long-term rentals.
- Speaker understood the need for safety, inspections and registration for short-term rentals, but the extent of the inspections was something she wanted to hear more discussion on. If a short-term rental was defined as less than 30 days, then a lead based inspection was not necessary since the State of Maryland did not require the inspection if parties were staying less than 30 days.
- Airbnb’s collect 6% fees from owners, so the City should be getting funds from Airbnb and Vrbo. Both entities require and cover their hosts with a million dollar liability insurance. Speaker asked for clarification on this coverage and policy.

- Speaker asked for the opportunity to have additional discussions including short-term rental owners in the community. They were very different from long-term rentals. She asked for Council to table the discussion for further discussion.
- Speaker said Airbnb's were different in the way they provided everything for the guests. Most of the time they were making the property very nice because they wanted the people to come back. You want to have both Airbnb's and short-term rentals because it showed the City was alive and vibrant. As far as the cities that were compared, speaker wanted to be sure we were comparing apples to apples. People were not coming here for any major attractions. Most people came here for family. Salisbury University was also a big draw.
- Speaker asked what we did for people who came here three months for work.
- Airbnb's were important to have in a community. Money was spent on supplies, offering people work, cleaning opportunities, and handyman opportunities. One had to have a great property to attract the good visitors.
- Speaker was unsure if any other businesses were required to have liability insurance, and did not think the government could dictate how much liability he needed to have.
- Speaker said she knew how good some of the Airbnb's were. Her concern with the legislation was that it was in the same area as the other registrations were located for rentals. At what point would the rest of them be held to the same standards, proving who her insurance carrier was and how much coverage she had. That was a relationship speaker had with her insurance company to protect her own interest and own properties. The City did not have a right to know what company she used. That was her business and not the business of a government entity. At some point, once the door was opened, it would become a rental policy as opposed to just a short-term rental.
- As far as keeping a detailed record of who was living there for how long and how much they paid, that was their business and the IRS could check. She asked if that was the business of the City. Why was it a requirement that must be presented upon any investigation by a City inspector. It was between the property owner, landlord and renter. She saw some of these flowing over into the rental industry in general. The concern about the liability insurance was important. The lead paint inspection had to be done "upon turnout." This could get very labor intensive and expensive if it was not a leadfree property. Some of this was necessary and going after the 6% if we were not already getting it was necessary. Return this to Work Session with more conversation with the people involved.
- Speaker asked if this was "feel good legislation" or did it address an actual problem. Just because Gaithersburg did something was no reason why we should. If there was no problem here why couldn't the short-term rentals be treated just like other landlords get treated with licenses and abiding by the same rules. He asked why these other special rules were needed. He said it didn't stipulate what type of liability insurance was required. He said it was poorly drafted.
- Speaker asked if there was issue with short-term renters.

President Doughty asked Mr. Boda if he wanted to speak to the comments. Mr. Boda said he would defer to Legal about the liability insurance and what was provided through

the platform. If the platform was not providing it, that was something they could discuss. He added the 6% was the County Hotel tax. If they were collecting that, then the City would get 6.7 % for the Zoo. He stated they would look into the lead paint. He knew that at a minimum they had to have a smoke and carbon monoxide detector. It was state law and the state defined short-term rental as 31 days or less.

Ms. Gregory said this was something that had been asked for specifically by the Airbnb owner in her district in Newtown. The previous owner asked the City to do something multiple times because she was being held to the standard of the hotel rules as a regular Airbnb and saw all these Airbnb's cropping up, operating and closing. She was being forced to go through the registration process and she did not see it as fair that there were other rentals that were part-time and not held to that same standard.

Ms. Dashiell asked if the short-term rentals that we were aware of had to register and get a license and if that would alleviate the insurance, lead paint, etc. issues. Mr. Boda said that short-term rentals currently did not register and this would create that process. They were different and fell closer to using your home as a hotel or providing lodging such as what a hotel did. Sometimes a landlord could have a renter for twenty years. Some basic things still applied whether it was a short-term or standard rental. Ms. Dashiell asked if it couldn't be rolled all together and if the specific guidelines couldn't be applied to any rental. Having to have a license and registration might address that without having to go through all the hoops for defining each thing. Mr. Boda said they could circle back to legal on that. It was possible that the state would incur some more definitions over the next years. If one owned a hotel in the City and wanted the hotel license, the City had the right to ask for records and rent roll. A short-term rental was in that realm. With them, if there were issue with the property, the City could vacate it in 48 hours. With standard rentals, they City had a longer period of time in which to vacate the property. The other issue between standard and short-term was if the owner needed the renter to vacate it would be much easier if there was legislation that backed them up. The longer period went into the eviction process and was a longer process.

Ms. Jackson asked if there were any other complaints other than Ms. Gregory's constituent. Mr. Boda reported they received complaints on short-term rentals on occasion. They had a complaint last month where someone had rented a short-term rental and it actually was a party for high school kids with alcohol. HCDD received the complaint the next day. Ms. Jackson asked how many Airbnb's and Bed and Breakfasts they City had. Mr. Boda said the estimate was that there were between 100 and 150 short-term rentals, and one or two Bed and Breakfasts.

Ms. Jackson thought the discussion should be tabled and asked how they distinguished a long-term rental. Mr. Boda said typically someone had a contract with a landlord for six months or a year for a long-term lease and the City had legislation and a process already in place for long-term rentals. Short-term rentals typically reserved through a website.

Mr. Kitzrow said that part of the City's goal was to find alternate revenue sources, and this was between taxing the people who lived here or finding other sources. There was

an opportunity through tourism from those coming here to help offset some of our recurring costs. Airbnb's were an opportunity to increase our revenue stream. We budgeted a net revenue of \$75,000 for this process. If we consider not doing this, we would have to decide whether or not to leave the money on the table.

Mayor Taylor thought that was correct about the lead paint requirement at the state level and it also applied to rooming houses because they were considered weekly even though they were longer term in general. As it related to insurance, if they applied for the license perhaps they sign an affidavit stating they were providing insurance whether it was through their provider of Airbnb or on their own. The affidavit would be used rather than tracking it as a separate document. Mr. Boda said it would be checking off that they had liability insurance and they would only have to collect the lead paint certificate.

Mayor Taylor did not think that was required for short-term rentals. The reason behind this was to put some structure and safety into the short-term rentals, and agreed with Ms. Gregory's point that for people to compete with either a mainline hotel or a B & B with an unregulated space was unfair. The original concept was to collect a percentage of the total revenue, and that was the challenge. Hotels were not required to report an annual. Mr. Boda said there was a registration process on hotels which was another discussion. This summer HCDD would probably receive 50 to 100 complaints about some of the hotels. They were received regularly, but due to the tournaments, there would be more.

President Doughty said it sounded like there was more work to do and he knew Mr. Boda had to confer with Legal.

Ms. Dashiell thought it needed fine tuning before moving forward. Ms. Gregory agreed and said she wanted it to be right the first time. She asked how long would it take to get some of the points incorporated into the legislation. Mr. Kitzrow suggesting moving the discussion to June 17th and just ask for some additional information.

Council reached unanimous consensus to revisit the discussion on June 17th.

Budget amendment for Special Counsel

Mr. Kitzrow said the budget amendment was for the Special Counsel for the City's labor relations. Negotiations were winding down and it had been an expensive process. The City was short in the budget for counsel. At \$475 per hour, it added up quickly. Administration knew they would exceed the initial cash injection of \$50,000. There was much back and forth negotiations, and being the first time and with three separate bargaining units, it got expensive. He said he thought this was a one and done for this cost, and did not anticipate spending this two years from now when we renegotiated.

President Doughty said we had to pay the bill. Council had questions but did not know if it was prudent to go through it. He asked for Council to be notified next time if this happened. Mr. Kitzrow agreed and said it was the City's and his first time, and was also shocked when we received the invoice. When we decided on the labor code as it was it left a lot of room for negotiation on some smaller level items which ended up costing.

Our Special Counsel said this was not too expensive and we knew we were going to be into the six figures by the time we were done.

Mr. Doughty asked if there would be more costs and asked to clarify that the amount included a projection for this month and next. Mr. Kitzrow said the March bill was about \$40,000. April was just as busy as was when they did final negotiations. May and June would probably be half that. Whatever was not spent would go back into the General Fund. There would be additional funding after July 1 and he thought they could absorb most of that in our current allocation of budgeted legal fees for FY25. There would be a little bit of negotiation next January and February as part of the agreement to talk about wages, but it would not be nearly as lucrative or time consuming.

Comments from two members of the public included the following:

- Speaker said the budget for the Special Counsel was 250% over the estimate. Mr. Kitzrow just said we knew it would be in the six figures, so why was \$50,000 budgeted? These agreements were not all that unusual. There may be three negotiating groups but they were all pretty much the same. In the future, with TIFs, PILOTS, etc., remember how much over budget this was on this matter.
- Speaker asked how the firm was vetted and hired, and if it was through competitive bidding, did the City get information from other areas to compare. When the bill was received, did we question the amount and ask to negotiate it for the future? She said she was for everyone getting fair pay and benefits but we weren't the first organization to go through collective bargaining. A lot could have been cut, pasted and tweaked, and it should not have cost that much in overages. Someone should have told them ahead of time.

Mr. Kitzrow said when the Special Counsel was selected, this was the firm and person who did labor relations with Ocean City Fire Department. By spending the money now we protected ourselves significantly in the future. It was worth every penny. The rate was not the issue, but he was not prepared for as many hours of negotiations. He said this was what we had to pay and the other sides had to pay this, too.

City Attorney Ryan agreed with Mr. Kitzrow and added that it was difficult to predict legal fees because the back and forth caused more hours to be spent. No one knew what the back and forth would be until you saw what the other side was going to say.

Mayor Taylor said that hopefully in the summer or late fall we could tweak the labor agreement and how it interfaced with the Union negotiations to make our situation a little simpler going forward. He hoped that would help.

Council reached unanimous consensus to advance the legislation to legislative agenda.

Administration / Council Comments

Mayor Taylor said the Unity Square grand opening was Friday night, and was great. He was proud that his son, Max graduated from college summa cum laude.

Mr. Kitzrow said the Haitian Flag Celebration looked like a lot of people were having a great time. There was a big vote tomorrow night at the County Council. If people wanted to see the library get a facelift in a new location and a downtown performing art center, go out and show your support of that vote at the Wicomico County Council meeting. The City supported having the performing arts theatre downtown in the heart of Salisbury.

Ms. Gregory was thrilled for the opening of Unity Square. It was great seeing so many kids playing and it was an amazing turnout. Third Friday gets bigger and better every month. It was nice to get outside and relax, hang out and see all of the different vendors.

Ms. Jackson said she recovering and thanked everyone who reached out to offer help.


Ms. Dashiell met with the Salisbury Wicomico Metropolitan Planning Organization (SWMPO). They had a report from the State Department of Highway Administration which looked at lights, specifically one on Rt. 13 near the Mall which was a big issue. She was sure the Fire and Police Departments would be thrilled when they re-worked it so there were fewer accidents. They were working to connect Delmar to Seaford on the bike paths. The National Police Memorial Week and Awards Ceremony honored fallen heroes. She hoped more supported our Police Department and the more interaction the more understanding there was of how they made Salisbury safer. She and Ms. Gregory attended two Habitat blessings this week. PAC14 would celebrate their 25th Anniversary. Their coverage of events greatly increased over the past few years.

Ms. Blake reported on a Cyclist Ghost Ride held last week. Bikes were painted white for people killed on our roadways while riding bikes. The ride was to bring awareness for bicyclist safety. The Salisbury Zoo Gala would be held on June 8th to celebrate their 70th Anniversary. If healthy enough, please donate blood or become an organ donor.


President Doughty said it was a great weekend with lots of events. Friday's ribbon cutting was amazing. He couldn't wait for the weather to stay warm so we could have more safe events. The high schoolers were having prom and he hoped they had a safe summer. Watch out for people on bikes, motorcycles, etc. so we could have a safe summer. He noted that Council did see comments, emails and concerns and to keep them coming to Council to hold us accountable.

Adjournment / Convene in Special Meeting

With no further business to discuss, the Work Session was adjourned at 5:30 p.m. and President Doughty immediately called the Special Meeting to order.



City Clerk



Council President