

CITY OF SALISBURY  
WORK SESSION  
JUNE 17, 2024

Public Officials Present

Council President D'Shawn M. Doughty  
Councilmember Michele Gregory

Mayor Randolph J. Taylor  
Councilmember Sharon C. Dashiell

Public Officials Absent

Vice President Angela M. Blake  
Councilmember April R. Jackson

In Attendance

City Administrator Andy Kitzrow, Deputy City Administrator John Tull, Pocomoke Mayor Todd J. Nock, Grants Manager Jo Ellen Bynum, Housing and Community Development (HCDD) Director Muir Boda, Human Resources Director Meg Caton, Deputy Fire Chief Chris O'Barsky, Sergeant Brandon Records, City Attorney Ashley Bosché, City Clerk Kim Nichols and members of the public.

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On June 17, 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.

**Resolution to approve substantial amendment to the PY 2023 Annual Action Plan**

City Administrator Andy Kitzrow reviewed the previous June 3<sup>rd</sup> discussion on the modification to the CDBG PY 2023 Plan. Two major changes proposed were to move sidewalk construction funds for Waterside Park and to move monies identified for Anne Street Village (ASV) for a part-time case manager and some ASV capital infrastructure. He shared that Truitt Street Community Center would be finished with different funding. The resolution presented was a modification to use the funding for Waterside Park. They realized they did not have enough funding for the bathrooms and pavilions and moving the money would allow them to finish the project later. He reported on a meeting held earlier in the day with the City's housing and homelessness team. They were going to continue with the RFP process but until they knew exactly what we wanted to do at ASV we would not move any money. The Waterside funding was detailed in the resolution. President Doughty agreed that until we knew what would be decided for ASV, we should keep that money there. Mr. Kitzrow said they had a draft of the RFP and the goal was to put it out in a week or so. The review process would include the United Way and the Community Foundation. He added that ASV would have 15 occupants this week.

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

## **Short-term rentals**

Mr. Boda reported the liability insurance requirement would be removed from the draft legislation. Most of the platforms either required it or offered it through their service. MDE and State legislation had two different definitions of what was short term rentals. MDE defined them as ninety days or less. Lead paint inspections would be required after that. The State identified a short-term rental as 31 days or less.

President Doughty had the same concerns as the persons who owned the short-term rentals and Airbnbs. Mr. Boda said as they started to deploy this and Open Gov they would meet with Communications to create an educational program on communicating the changes and what was expected. HCDD would host training sessions for short-term rental owners, landlords and property managers with information offered on the website.

One member of the public provided the following comments on this topic at the end of the next topic:

- Short-term rentals were already covered by the City's rental code. It may need tweaking for minor things like lead paint. It was already subject to regulation.

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

## **Discussion on litter, enforcement and associated fines**

Mr. Boda said the ad hoc committee put together by the Mayor had a robust volunteer program and was cleaning up the community. The code needed reviewing and they may want to address tighter fines. The County Council was discussing aligning their fines with the City's. Further details would be provided on funding and education. President Doughty said, sadly, it was not the volunteers' jobs. Partnering with the County was key.

Mr. Boda shared HCDD looked it from the enforcement side. Volunteers put in lots of time and they were unsure if it was sustainable. Without them, he did not know who would clean up. They wanted assurance of a long-term concerted effort to address it.

Mayor Taylor thought it would likely be best to identify the problem locations and figure how to solve them. He would also like to see it self-funding. President Doughty would add this to the pending list and Mr. Boda would return in August with more info.

Ms. Dashiell said truckloads of trash was being dumped and agreed if could help to find the target dumping spots. Mr. Boda said they addressed the problem areas immediately and found other things that brought up the waterway issues, that currently was only a \$25 fine. That was something they needed to look at. As they looked at each location, they found more to address. He wanted to be prepared to appropriately handle it.

Mr. Boda would return next month to discuss this topic in deeper detail.

One member of the public commented the following:

- The County closed recycling stations at the Civic Center and Sam's Club and wondered why so much trash was on the road. In the County's FY25 Budget the trash tipping fee at the landfill increased by almost 50%, impacting all county and city residents because it regulated what the City had to charge for trash services.

Mayor Taylor said he was in touch with County Administration regarding this and did not think the increase would be impactful to the City, but they would have to see.

### **Budget amendment to purchase K-9 "Hot N Pop" system**

City Administrator Andy Kitzrow announced the City just purchased a new K-9 vehicle. The "Hot n Pop" was an alarm system in the vehicle that regulated the internal temperature and if there was any issue, an alarm sounded. The other four K-9 units had the same system. Blue Heron Agility Association donated the \$3,500 which covered most of the installation costs. This budget amendment would be to accept the donation.

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

### **Re-appropriation of Co-responder Grant funds**

Police Chief Dave Meienschein explained they had several sources to fund the project. Federal funding had another year before expiring. Private funds were through Target Corporation. The State money expired in October. They had tried to fill the co-responder position, but now had two candidates in the final stages of interview.

They could not get an extension and it was possible they could spend some of it between now and the successful person's October hiring date. But since it was almost \$85,000, they would not be able to spend it all. They needed radios as their current ones would be reaching end of life in the next few years. Radios were in the CIP and they were very expensive and this was an opportunity to repurpose the money for a need and still have funds available to fund the Co-Responder Project.

Mr. Kitzrow explained the worker would be a social worker who would help intervene. They received thirty-eight applicants and had a rigorous background check. Some people just did not meet the qualifications. The position was more challenging than initially thought, and six months later we only had two people even close.

President Doughty restated that we were still going to hire this position but were just allocating the funds because we didn't want the funds to go back to the state. We would use the money and find another source of funds for this \$84,500 to fill the mental health professional position. Chief Meienschein said they still had \$150,000 to \$160,000 in available funds with the other two grants. There was also city funded money set aside to cover some of the fringe, etc. Multiple sources would fund it.

President Doughty stressed the importance in finding this mental health professional and Council reached unanimous consensus to approve the radio purchases.

### **Union contracts**

Human Resources Director Meg Caton joined at the table and Special Counsel Daniel Altchek via Zoom to review the Union contracts with the three bargaining units. Mr. Kitzrow said that Administration had kept Council updated regarding the funding requirements for wages and other benefits. The process took several months and each of the three negotiations had a different team that negotiated with the Union reps. He thought they settled on a pretty good product for it being our first.

President Doughty asked if an employee would have to pay dues if they did not want to participate in the Union. Ms. Caton said they did not. He asked how much of an increase would this have on the City's fiscal year expenses. Mr. Kitzrow said that in most Union negotiation contracts, wages and hours were typically the two biggest pieces. The difference in the Mayor's Budget and the Adopted Budget, based off of the negotiations, increased the bottom line by a little over a million dollars. The Mayor's Budget did not include that. Benefits the City had chosen to fund in the past were now mandated by contract which amounted to an additional \$250,000 to \$400,000. Any additional legal costs from using Mr. Altchek as Special Counsel or additional needs from CBM that would come because of an arbitration would be additional costs. With this contract there would be an additional open negotiation on wages for FY26 which would result in additional dollars. Subsequent years would not be as expensive as this year. Because we had a Union negotiation that allowed for wages to be negotiated, if we were in a financial situation and not comfortable with an increase, negotiation would be required.

Mayor Taylor said they had a \$3.5 million wall they had to leap over and would already start in July to ramp it up for next year because with flatter assessments and no new revenues it would be tight. We needed to work together to collar some of the expenses.

Mr. Kitzrow said this was a win for the employees and we learned through the process. Everyone would be treated as if they were in the Union even if they decided not to join.

Ms. Caton said some of the wins were hiring practices. Accrual rates for Annual Time were increased as well as the cap. Employees would be able to carry over more time.

Mr. Altchek echoed that any collective bargaining agreement was a give and take by both sides. From the Unions' perspective, they were able to contract many of the terms and conditions that had been in City policy, so now they were binding. There would also be more consistency and uniformity. He said that all the employees in the bargaining unit were not required to pay dues by law and could not be compelled to pay dues. President Doughty thanked him for his help and guidance.

Ms. Gregory was glad we got through this and hoped it would be easier as time went on.

Three members of the public provided the following comments:

- Speaker asked if an employee would receive Union representation if they had a grievance if they did not pay Union dues. Ms. Caton stated they would receive it.

President Doughty asked why pay dues for representation if it was offered dues or not. Mr. Kitzrow said representation costs money so the collective efforts gave more opportunity to negotiated a better position to have more representation.

- Speaker said the reason the Union was required to protect everyone in the bargaining group was because under law it had a monopoly in representation of that bargaining group. Before the Janice case in 2018, Unions could require everyone in the bargaining unit to pay the dues. The Supreme Court struck that down under the First Amendment. He said that half of the dues in our local Union went to AFSME. Much of the dues went to political lobbying for liberal causes. The Union should disclose to the members what the dues went for and if they did not, the City should. The City should also tell employees that they did not have to join the Union because they would be on them to join. The Code said before any of the CBA's were adopted, Human Resources should provide a written statement about the costs. It was not in the briefing book, and was called transparency.
- Speaker was in the AFA Union and asked if dues come out of their paycheck or would they be billed. It was great that everyone came to an agreement, but she wondered about being in the Union and not paying dues.

President Doughty stated it was a federal statute that we had to follow. Mr. Altchek said the legal framework that covered the airline industry was not the same as the one that covered the City. Dues were important to the Union and were between them and the employees. What they went for was a matter of the relationship between the Union and the employee. If someone signed a form authorizing the employer to withhold some of their paycheck for dues purposes, that was the extent of employer involvement.

Mayor Taylor was concerned how much it cost the City this first year. He said we could appreciate and compensate our employees without potentially hyper extending the budget. At some point we would run out of cash and could do only so much.

Ms. Dashiell asked if it was conceivable that no employees would pay dues, and Ms. Caton said there were some who would pay. A member of the public asked to speak to Council and provided the following comments:

- Asked if there was potential for the City to have to supplement for the fees. Mr. Kitzrow said there was not. By passing the labor code we defined the relationship between us and the opportunity for the employees to enter into different unions. Administration's role was very limited on purpose.

Mr. Altchek said for the Unions to have been brought in, a majority of the employees in those representation units had to express desire to vote in favor of Union representation.

That was how they became represented and how the bargaining process was able to occur. The dues was a financial relationship between the Unions and the employees in the bargaining unit. The City had nothing to do with that nor pay fees for the Unions.

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

### **Lot 10 Subrecipient Agreement**

Mr. Kitzrow said they were still going through the process with the agreement. It was not the details of the agreement, but was the funding of the allocation and making sure we were on the same terms, of which there still seemed to be some disagreement.

Mayor Taylor said we were apart on the actual dollar amount and how we verified to set a budget. He had multiple conversations and called the developer today. They were still working through it. President Doughty asked Mayor Taylor where he drew the line. He said they discussed setting a dollar amount to reimburse up to that amount, and if verifiable receipts for the expenses were provided, they would be reimbursed. President Doughty said that Chief Meienschein underscored it with the mental health professional, that we did not want to give back federal or state funding. We had \$4 million of state funding and we did not want to give that up. Mayor Taylor had discussed it with Ms. Bell and they could repurpose it, but we definitely wanted to make a provision for the developer if he wanted to move forward with the project.

Ms. Gregory asked Mayor Taylor what was holding us up. He said primarily that the developer had not gone through the approval process and we did not know what the upgrades were. He wanted things outside of infrastructure costs that were developer expenses. That was not allowed based on the grant language. President Doughty asked Mr. Kitzrow if they had this lull with subrecipients before, where we had not been able to compromise. Mr. Kitzrow said that subrecipient agreements with PAYGO cash was not already defined in an agreement from the grant awarding agency that named the details. This was different because it was an earmark with a little looser interpretation of how the funding could go within the agreement. It would be within an exhibit that detailed how the developer would be reimbursed for eligible line items. There were some cost uncertainties, but we could estimate an amount make it eligible up to a certain amount. We must see proof of expense and if it did not exist, we would not be able to reimburse. The flexibility would be in what was infrastructure and site designs, etc. Mayor Taylor said he shared the email from Ms. Bell with the developer.

President Doughty said we knew that as the owner of Lot 10, the developer could decide something that we would not have a buy into. Given whatever the local zoning permitted, we did not have say about what it would be. In the funding application it stated the funds were to be used for development of Lot 10 for a hotel and conference center. He was confused they were having this conversation. Mayor Taylor said the purpose of the grant was only for design and infrastructure. He would have structured the contract differently but we were here and he was doing his best to navigate it legally. Next was to say what we would allocate him and for him to decide in thirty days.

President Doughty said this agreement had been on the agenda time and time again, and he was not arguing either way but wanted resolution and suggested a timeline. Mayor Taylor agreed to the timeline and said the developer kept arguing for the additional money, which was not part of the purpose of the grant.

Ms. Gregory was disappointed that they were continuing this conversation. The splitting of hairs on this would cause us to end up with something we did not want to see on that lot if we did not move this forward. She asked Administration to please get it done.

Ms. Dashiell said it was decided to give the developer a timeline and share expectations. We could not be held hostage if someone was not getting their way.

Mr. Kitzrow stated he negotiated most of conversation through the last Administration. The City made obligations to the developer for \$4 million for the project. Whether the state put it in writing the right way or not, restricted or not, \$4 million was obligated in last year's budget and another \$2 million in this year's budget that were not funded. The developer decided to move forward based off of discussions from this office, previous mayor, and this Council that the \$4 million was guaranteed and we were moving the project forward. Money was invested on the project. That may not have been clear, but any departure from those points, the consequences would be the conference center and hotel would not be built. The developer, as owner, had the opportunity to sell it, make it private, or do what he wanted. President Doughty said that \$4 million could not be spent on whatever, it had to go towards the improvements of that building. Mayor Taylor said the restrictions on the grants were for a reason and they were trying to work through it.

Mr. Kitzrow suggested extending an offer to the July 1<sup>st</sup> Work Session to allow the developer to come discuss this. There was consensus to add this to July 1<sup>st</sup>.

Three members of the public provided the following comments:

- Speaker said everyone in Salisbury thought the hotel/conference center was a bad idea. The chance of it becoming a 7-11 or something like that was unlikely but they could do affordable housing apartments. It was almost three acres and they could do over a hundred units. We should see if the state money could be used for something else that would be helpful for the City. The City sold the developer the parking lot at \$26,000 per acre, now he wanted more giveaways. We should be realistic about what to do with the property despite what Mayor Day put us in.
- Speaker wondered if the funds were dedicated solely for infrastructure for this or if it could be allocated for somewhere else in the City. She was concerned that the Mayor had just stepped into this process. There were those who had negotiated the matter. It was their vision, but she did not see the need for the project. She did not want anyone to do something out of frustration and regret it later.
- The mayor was trying to get information so that when he signed off, the City would not be liable for a bad decision. Speaker agreed with Ms. Dashiell that we did not need to be bullied into a situation. We needed to follow the rules.

President Doughty did not think the funds could be allocated for affordable housing. If the developer wanted to build a multi-family affordable building, they would be coming back for PILOTS and such. Mayor Taylor said Ms. Bell, who evaluated the grant, told him what it could be used for but in the event they had excess funds it could be repurposed in the same kind of category, but it had to be used at the first site first.

President Doughty did not want this back on the agenda without the developer present. He was not trying to rush it but wanted updates. He did not want something built that none of us wanted, and the developer was frustrated. He urged Mayor Taylor to find resolve and hoped the next time it was discussed they would be talking about it in full.

### **Administration and Council Comments**

Mr. Kitzrow heard it was a great festival over the weekend Hoops on the Ave. was coming this weekend. June was packed with fun and exciting events. With school out, today was extremely busy at Unity Square's fountain and he was glad it was operational.

Mayor Taylor was enjoying the good weather and the pickleball courts at Harmon Field.


Ms. Dashiell gave a shout out to the Little Leagues. She thanked those who came out to help Council do our job for everyone.


Ms. Gregory acknowledged Mayor Todd Nock from Pocomoke City who was in the audience this evening. There was a really good crowd, vendors, and parade participants at the Juneteenth celebration downtown. The next ten days would be in the 90's, so stay hydrated and use sunscreen if spending time outside.

President Doughty thanked Mayor Nock for attending this evening. He said he visited one of Pocomoke's meetings recently and liked to see other cities' meetings. He extended condolences to the family of Gary Comegys, former City Council Vice-President. Last Saturday was the Eastern Shore Juneteenth Festival and Parade and was a wonderful event. Ms. Gregory represented Council in the parade. Wednesday was Juneteenth and a federal holiday. There were events at the Billy Gene Jackson Park and the repainting of the Black Lives Matter sidewalk.

### **Adjournment / Convene in Special Meeting**

With no further business to discuss, the Work Session was adjourned at 5:54 p.m. and President Doughty immediately called the Special Meeting to order.

  
City Clerk

  
Council President