



BUDGET WORK SESSION MEETING MINUTES APRIL 22, 2025

PUBLIC OFFICIALS PRESENT

Council President D'Shawn M. Doughty, Council Vice President Angela M. Blake, Councilwoman Michelle R. Gregory, Councilwoman Sharon C. Dashiell, Mayor Randy Taylor

STAFF IN ATTENDANCE

City Administrator Andy Kitzrow, Finance Director Sandy Green, Assistant Director of Finance Phil Menzel, and City Clerk Julie English

CALL TO ORDER

The City Council convened in a Budget Work Session on April 22, 2025 at 8:55 a.m. in the Government Office Building Council Chambers, Room 301, located at 125 N. Division Street.

Finance Director Sandy Green began by providing a brief review of the Financial Overview. The overview was a recap of the city's financial audit and the city's Financial Health Report. Both documents are attached.

Ms. Green reported that the Water & Sewer Fund's net position increased by approximately \$2M, though unrestricted operating funds remain negative at \$3M due to restricted capital funds and growing debt. She noted the city's general fund debt was \$85M though debt per capita was slightly above the recommended \$2,500. She added that on the revenue side, trash fees were proposed to increase from \$71 to \$77 per quarter, EMS fees were adjusted based on provider projections, and real estate tax rates remained unchanged, generating an estimated \$1.8M in additional revenue. Ms. Green outlined the Mayor's proposed budget, including one-step pay increases in July and January, merit and career ladder adjustments, a 9% health insurance budget increase, and four additional positions.

The Mayor highlighted \$5.6M in general fund capital projects, primarily funded via FY26 bonds, including economical renovations of the Westside Community Center with partial city ownership. He discussed the Westside Community Center renovation, noting that operational programming would be handled by external partners to emphasize youth engagement. He added that water and sewer capital projects, totaling \$11.2M, would target streets, lights, and neighborhood

infrastructure. He also highlighted plans for a children's museum at the zoo to provide potential revenue generation.

Ms. Green provided updates on FY26 water/sewer debt service increases, trash fee adjustments due to county tipping fees, and competitive water/sewer rates. She reviewed the city's financial strengths which included a solid fund balance and the ability to fund projects. The weaknesses included rising personnel, medical costs and growing CIP obligations.

The Mayor talked about the Fire Service Agreement and shared that conversations were still happening. He added that the county tax breaks did not seem likely but disparity grants may help out.

FIRE DEPARTMENT – Fire Chief Rob Frampton, Deputy Chief Chris O'Barsky, Deputy Chief Chris Truitt, Deputy Chief Lee Smith

Chief Frampton thanked city leadership for additional FY26 funding and highlighted two urgent fire department needs: replacing ambulances and upgrading portable radios. He added that EMS revenue was projected at \$2.9 million, but service readiness depended on new ambulances. He noted that the four units proposed for FY26, did not have to be paid for until delivery. He emphasized that delaying the replacements risks safety.

Deputy Chief O'Barsky addressed the need for replacing more portable radios noting that 43 remaining radios remained outdated. He added that the replacement over the next two years was estimated at \$7,000 per radio. The radios would be funded via cash or lease, not bonds. He also emphasized that both requests were critical in maintaining operational safety and efficiency. Deputy Chief Smith highlighted that volunteers had contributed \$157,000 over the past year. Those contributions funded projects to include replacing the Hurst tool equipment, fire hose replacements, cyanide kit replacements, thermal imaging cameras, gear racks, a keyless access system, and two drones for search and rescue. He added that the volunteers also maintained the 1916 Americana LaFrance engine for parades and events. However, the engine was in need of some maintenance. He emphasized the need for four new ambulances due to heavy use and the desperate need for new radios. President Doughty suggested using museum updates to highlight minority history. Chief Frampton noted the volunteer's critical role in supporting operations, with over 20 new volunteers joining since July.

POLICE DEPARTMENT– Police Chief Dave Meienschein, Colonel Howard Drewer, Captain John Felts

Chief Meienschein expressed that the proposed budget was largely sufficient for operations. He noted that staffing remained a challenge, with several officers considering resignation due to workload and competitive offers. He added that the \$175,000 police incentive fund supported recruitment and retention, particularly for dispatchers. He highlighted that key increases included uniforms, mental health services, accreditation travel/software, equipment/software

for training, CAD/radio systems, body cameras and investigative tools, and K9 program enhancements.

Chief discussed the need for providing take-home vehicles to officers off probation to improve retention. Colonel Drewer added that the current fleet included 91 vehicles, 21 of them being over 10 years old.

Chief Meienshein explained there was a \$1,000 increase in the communications account to support part-time communications officers and a \$50,000 increase in the overtime coverage account due to being understaffed. Colonel Drewer mentioned that officers worked an 84-hour week. President Doughty pointed out that was 208 hours more annually than comparable agencies and highlighted the \$4–\$6K compensation gap per officer. Chief added that the 10 hr. shift schedules could not be accomplished with the man power they currently have. He added that differential should be negotiated through the union.

Chief informed Council that another notable increase in the police budget was a \$7,500 payment to the county for maintenance of the county-owned emergency radio system for police communications and also an increase in animal control. He stated that the city contributes one-fifth of the Humane Society's operating costs which was about \$53,960 this year. Lastly, he mentioned the \$154,000 for 22 replacement radios, and grant-matched funding to upgrade the property and records storage area.

SALISBURY-WICOMICO ECONOMIC DEVELOPMENT (SWED) – Executive Director Dave Ryan

Mr. Ryan thanked Council for the opportunity to present and for the City's long-term partnership. He shared that the industrial development in Westwood and Northwood Parks added tax revenue and jobs. In addition, the Port moved a million tons of commodities annually. He noted that it reduced truck traffic and supply costs, while sustained dredging ensured continued commerce.

Mr. Ryan emphasized that the airport generated \$200 million in economic activity and supported hundreds of jobs, while the new aviation maintenance school would create another local economic cluster. He added that 8–9% of local jobs were in manufacturing and their roundtable was driving efficiency and growth through AI and other innovations. He valued the City's support, which enabled job retention, commercial and industrial growth, and a stronger community.

At 12:04 p.m. President Doughty called for a motion and a second to break for lunch. Ms. Jackson motioned and Ms. Gregory seconded. The vote was 5-0 in favor.

After a brief lunch break, the meeting reconvened at 12:41 p.m.

FINANCE DEPARTMENT – Director Sandy Green, Assistant Director Shawanda Garrison, Assistant Director Phil Menzel

Ms. Green requested that the Grant Coordinator position be unfrozen and renamed to a Project/Grant Administrator position. She explained the increase in work load the department had seen with essentially no additional staff. In addition to overseeing grants, the “new” position would take on responsibilities including the Here Is Home project, annexations, managing the accounts payable division, and ensuring the departments billables were collected.

President Doughty asked Ms. Green to distinguish the responsibilities between the Grants Manager and the Project/Grants Administrator positions. She explained that the Grants Manager oversees all departments to ensure federal and state guidelines were followed with respect to grants. The administrator position would actually set up the grant accounts and handle the legislative responsibilities, more on the accounting side of things. The administrator would supervise the manager.

There was brief discussion about the name of the new position. The structure and position titles from the county were reviewed. The main concern from Ms. Dashiell and President Doughty was the length of the position title and the potential confusion it may cause.

WATER WORKS DEPARTMENT – Director Cori Cameron, Superintendent Ron Clapper, Superintendent Trey Klaverweiden

Ms. Cameron presented their budget and operational updates. She expressed that most budget accounts remained balanced, with a notable increase in wastewater chemical costs due to rising tariffs and contract adjustments. In anticipating the retirement of key staff at the wastewater treatment plant, they proposed adding a maintenance supervisor and an assistant superintendent to maintain operations and regulatory compliance. Ms. Cameron explained that the maintenance costs continued to increase as the plant aged and grant funding may decrease. Mr. Klaverweiden noted the need for additional utility division vehicles, as well as the need to switch to an automated meter reading system. Capital improvements included new bio solids vehicles, maintenance crew staff and planning for a Westside Water Tower. Mr. Clapper stated that the Water Treatment Plant did not ask for any extra funding this fiscal year. Council highlighted the importance of explaining the proposed 6% rate increase to residents, noting aging infrastructure and regulatory pressures. Overall, the department emphasized careful planning, regulatory compliance, and infrastructure maintenance while managing operational costs.

FIELD OPERATIONS DEPARTMENT– Director Mike Dryden, Assistant Director Shane Imschweiler, Deputy Director Jake Pavolik, and Chief Office Administrator Sandy Elliott

Mr. Dryden noted that there were minimal new funding requests for the department. The transportation funds had shifted from Department of Infrastructure and Development (DID) to the traffic team, which now oversees concrete, construction, and street paving. Mr. Dryden stated that the budget remained largely level aside from a position transfer. Mr. Kitzrow added that the fleet building project had been revised from \$2 million to \$8 million, using value-

engineering approaches. Mr. Kitzrow also noted that the \$850,000 for street maintenance was moved from DID to Field Operations to cover paving, potholes, curb and gutter, sidewalks, and striping. The Mayor proposed an additional \$1 million in bonded funds to address backlogged repairs over a 4–5 year ramp-up. Mr. Dryden added that the tipping fees for landfill trash was projected to increase from \$73–\$76 per ton to \$88 per ton in July and possibly \$100 next year. Mr. Kitzrow pointed out that the city’s budget covered current increases and further hikes may require additional funding.

Mr. Dryden emphasized that vehicle funding was critical since backups were limited. Trucks last around seven years, and new trucks cost around \$500,000. Mr. Kitzrow noted that pre-owned trucks could be used as backups to avoid service disruptions. Mr. Kitzrow stated that the marina fund continued to lose money and would require significant future investment. He noted there needed to be a bigger conversation about how to move forward with the marina.

Council took a brief break at 1:58 p.m. and reconvened at 2:13 p.m.

ARTS, BUSINESS, AND CULTURE DEPARTMENT – Director Allen Swiger

Mr. Swiger presented minimal budget changes; curator salary adjustments and \$150,000 in CIP for exterior work at Poplar Hill Mansion. The development services account consolidated staffing, increased professional services for event recruitment, and added funds for both art maintenance and the Salisbury Wicomico Arts Council. The Mayor emphasized that the Sister Cities funding supported student cultural exchanges. President Doughty discussed the \$100,000 for the Winterfest of Lights upgrades and noted underused franchise fee allocations.

Mr. Swiger reported that the zoo was operationally stable with no additional staffing needed. He was proud of the growing education and special events programs being funded mostly through revenue that offsets program costs. He noted that \$36,000 of the budget covered program expenses, and \$150,000 covered three full-time staff who generate revenue to sustain their roles. (Ms. Blake exited the meeting at 2:27 p.m.)

Mr. Swiger added that the capital improvement projects for the zoo included remodeling the animal services building and completing the eagle and hawk exhibits, which were all required for the AZA accreditation. He proposed a 10,000 sq. ft., two-story education/discovery center to expand classrooms, improve the animal holding area, and support the education team. He mentioned that the total cost was \$5 million, with an initial \$500,000 request to kickstart the campaign. He believed the project would enhance educational programming, attract visitors, and create additional revenue opportunities. In conclusion, he emphasized that the AZA accreditation remained a priority to unlock larger funding for future projects, including the Andean bear exhibit.

GENERAL DISCUSSION

Mr. Kitzrow addressed topics he had been tracking for Council. He began with the road replacement schedule, which was emailed to council members, and explained the rating used. Mr. Kitzrow noted that he was still looking into the following topics: radios for the fire department, PAC14 funding and Christmas lights in the park. The county council topics he was tracking included tipping fees and Fire Service Agreement funding. Council shared concerns and frustration with the lack of contribution from the county to pay for the expenses incurred when responding to service calls for the county.

President Doughty questioned why the water and sewer for the urban service district did not increase. Mr. Kitzrow responded that it had to be a mutual agreement with the county to increase the rates.

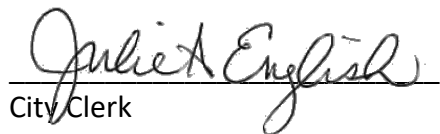
Ms. Gregory asked if the Disability Advisory Committee could have a line item in the budget to allow them to receive money from the community. The funds would be used to increase accessibility in the city. They were not requesting money from the city, just a line item (account) to place the funds in. Ms. Gregory also advocated to bring back the downtown ambassadors. She reflected on how clean they kept the downtown area and that they provided security and assistance to the public.


Ms. Jackson requested that summer programs for kids return to the playgrounds. Mr. Kitzrow stated he would get numbers together for the request so it could be discussed at the next budget work session.

Other topics noted by Mr. Kitzrow for discussion the following day were ambulances, fire radios, police vehicles, sanitation truck, Christmas lights and the garage.

ADJOURNMENT

With no further business to discuss, the Work Session adjourned at 3:19 p.m.


City Clerk


Council President