



BUDGET WORK SESSION MEETING MINUTES APRIL 23, 2025

PUBLIC OFFICIALS PRESENT

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

STAFF IN ATTENDANCE

City Administrator Andy Kitzrow, Executive Office Administrator Jessie Turner, 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 23, 2025 at 8:44 a.m. in the Government Office Building Council Chambers, Room 301, located at 125 N. Division Street.

HUMAN RESOURCES DEPARTMENT – Director Meg Caton and Hiring Specialist Kelly Jones

Ms. Caton began with a focus on increasing key programs: the Employee Assistance Program at \$18,500 and professional development/training at \$16,000. Ms. Caton noted that the wellness program account was moved to the Mayor's Office. Ms. Gregory questioned the status of the pantry. Mr. Kitzrow replied that it had been discontinued and replaced with quarterly take-home meals. Ms. Turner, who was the overseer of the pantry, shared current employee incentives. Council supported centralizing HR programs and streamlining accounts to improve management and transparency.

Ms. Caton and Ms. Jones discussed increasing funds for advertising and background checks. She added that they were standardizing background checks for all new hires, including MVR records. She added that background findings did not automatically disqualify employees, as suitability depended on the role and the nature of offenses. Ms. Caton introduced a new software that would provide things such as inspections, training, and health and safety programs. It would assist the risk manager and potentially reduce costs. Council members expressed support and appreciation for the department's work.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT – Director Nick Voitiuc

Mr. Voitiuc reported no major changes to the department's operating budget. He focused on filling existing positions and providing professional development for newer staff. Key projects included the replacement of the Naylor Mill bridge and ongoing public and private development. He shared that efforts were underway to track all projects in a dashboard to assist with managing budgets effectively and to potentially recycle leftover funds. He explained that the department funding was split across general, water, sewer, and building permit accounts. Council discussed timing issues with street maintenance and sidewalk contracts, the need for flexibility in staffing positions, and potential funding for city committees like the Green Team and BPAC to support cross-collaboration initiatives.

HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT – Director Muir Boda and Housing and Homeless Manager Christine Chesnutt

Mr. Boda reported that smaller accounts such as graffiti removal and boarding had been consolidated, and some services, like summon servers, were no longer used. He added that multiple systems had been merged to streamline code enforcement, licensing, and homeless services, with payments moved online via OpenGov. He noted that vendor license fees had dropped from \$1,000 to \$100. He highlighted that committee funds had been covered by the community center's operating budget, with extra funds used for HVAC, roof, and plumbing repairs. He explained that the Anne Street bathhouse had cost \$1,000–\$1,600 per plumbing call, with winter staffing and utilities requiring \$20,000 for 64 residents. Ms. Chesnutt explained the Housing First program and that it supported 11 households, with participants paying 30% of income. She noted that HUD no longer funded the program and waitlists for senior housing was at least three years.

The discussion continued with a focus on homelessness services, housing challenges, and budget matters. Challenges noted by Ms. Chesnutt were a lack of affordable housing and long waitlists. She added that outreach to the Housing Authority had not been successful.

(Councilwoman Jackson exited the meeting at 9:57 a.m.)

Ms. Gregory questioned accessibility at the Anne Street bathhouse. Mr. Boda stated that it would cost \$350,000–\$400,000 to replace. Ms. Blake asked for this to be revisited under the Capital Improvement Plan discussion.

PROCUREMENT DEPARTMENT/GOVERNMENT OFFICE BUILDING – Director Jennifer Miller and Contract Specialist Michael Lowe

Ms. Miller reported that the department would continue with four staff members. She requested a level budget with three exceptions: \$5,000 for consulting fees to meet state energy reporting requirements, \$3,000 for operating expenses due to recurring salary shortfalls, and \$5,000 for document automation software to streamline contracts.

Discussion moved to the Government Office Building budget. The city shared operational costs with the county, which covered maintenance, security, janitorial, and utilities. She added that the CIP items included exterior waterproofing and window replacement, and HVAC chiller replacement. Ms. Miller highlighted that the city had paid approximately 45% of expenses. She clarified what had been leased versus owned properties and the related taxes. Ms. Miller also noted an electricity savings from a recent contract negotiation that provided additional budget flexibility. Council thanked the Procurement team for their thorough work.

INFORMATION SERVICES DEPARTMENT – Director Steve Dickerson and Assistant Director John O’Brien

Mr. Dickerson presented the Information Services budget, seeking level funding from the previous year with increases for computer replacements. The prior year’s budget cut left them behind schedule, and the upcoming replacements would cost more. He also clarified budget reallocations for internet costs and consolidated annual service agreements.

Mr. O’Brien discussed rebranding the GIS division to Data Services to better reflect its work supporting all city departments. He explained that the team’s in-house expertise had saved significant costs compared to third-party vendors, with recent successes including the comp plan, FireHub, and police and fire support. Mayor Taylor praised the improvements to the phone system. Mr. O’Brien believed the Amazon distribution center was a positive outcome of prior city planning and expressed his excitement for the next few years. Mr. Dickerson emphasized that Information Services’ funding had supported city-wide efficiency and thanked the council for their support.

President Doughty called for a brief recess at 11:11 a.m.

The Budget Work Session reconvened at 11:20 a.m.

MAYORS OFFICE – City Administrator Andy Kitzrow

Mr. Kitzrow stated that the wellness program had been returned to Human Resources. He noted that the consulting fees had been set at \$7,500, reducing only to the Legislative Session. Councilmembers questioned the value of past lobbying efforts, suggested interviewing multiple firms, and stressed the need for earlier, targeted planning.

He reviewed the software contracts, which included agreements with Zen City totaling \$28,500 and Rep’d Inc. totaling \$19,000 through December 2025. Councilmembers questioned Zen City’s effectiveness and suggested fully funding the current obligations, with the option to amend later.

Mr. Kitzrow noted that the salary adjustments included the City Administrator’s market rate, and merit and career ladder increases. The Assistant City Administrator role, which had been part-time, would return to full-time in January. Additional discussion addressed future salaries for the

Mayor and Council. Councilmembers agreed the positions warranted review. Mr. Kitzrow added that the new salary study should occur in FY27.

Councilwoman Jackson returned to the meeting at 11:37 a.m.

Mr. Kitzrow explained that the miscellaneous budget had been cut in half, with items such as uniforms and meals now separated for transparency. The dues, training, and travel accounts were also reviewed, with the largest cost tied to Maryland Municipal League membership. Ms. Blake mentioned increasing the salaries for elected officials. Ms. English added a possible increase in the election board's salary, considering their growing responsibilities, given that city elections cost about \$100,000 every four years.

President Doughty called for a motion to adjourn for lunch at 11:53 a.m. Ms. Gregory motioned, and Ms. Jackson seconded. The vote was 5-0 in favor.

LEGAL – City Solicitor Ashley Boschè

City Solicitor Ashley Boschè presented the legal budget, noting that CBM provided primary legal services while specialized counsel was used for labor and complex cases. She added that the CBM budget had been reduced from \$335,000 to \$315,000, with \$40,000 shifted to specialized counsel. She highlighted that the expenses year-to-date had been \$233,364, with projected costs around \$308,000, which was under budget. She expressed those routine expenses should remain stable, but full union contract negotiations could significantly increase specialized counsel costs. She added that, in prior years, expenses had exceeded \$450,000. Council had approved reallocating \$20,000 between accounts and agreed to revisit funding if negotiations drove higher costs.

CLERK'S OFFICE – City Clerk Julie English

Ms. English presented the 11100 budget, highlighting the largest expense was the new agenda software. She noted that the cost was \$11,366.94, with a 5% annual increase. She explained that the testing date had been scheduled for May 12th and if everything went well they would fully implement the software moving forward. She noted that CivicPlus remained stable with a \$5,000 subscription for code and charter updates.

Ms. English explained that additional funds were added to the training and travel accounts for the City Clerk and the Deputy City Clerk. She added that funds were transferred from other accounts to support their professional development. Council stressed the importance of both positions attending conferences.

CITY COUNCIL – City Clerk Julie English

Ms. English highlighted that the Council's budget was reorganized for transparency, including creating new accounts for uniforms, software, and future city-issued laptops and phones to assist

with removing city business from personal devices. She also noted that the travel and training accounts had been increased to cover all members' participation in annual conferences.

Council also discussed potentially adding staff to assist the clerk's office. Ms. English recommended waiting to evaluate the impact of the new software and getting the Deputy Clerk up to speed before adding a position.

After a brief break, the meeting convened at 1:42 p.m. for general discussion.

GENERAL DISCUSSION

Mr. Kitzrow began the discussion by recommending they stay within the mayor's proposed surplus use of \$1.6 million, with the current draft coming in slightly under at \$1.594 million. Council members reviewed revenue and expenditure adjustments, noting that each change directly affected the surplus column. Trash fees were a major topic of discussion, with the current rate of \$73 per quarter proposed to increase to \$77. Mr. Kitzrow added that each \$1 increase generates about \$19,600 in revenue. The tipping fee budget was short about \$58,000 at the current \$78 per ton, and if the county raised fees, costs could climb to roughly \$994,000, creating a \$227,000 shortfall. To fully cover this, fees would have to rise to about \$88 per quarter.

The following account adjustments were made: Green Team and BPAC reduced to \$1,000 each, ZenCity platform reduced to \$23,750 with a mid-year review, and the addition of \$2,000 for cell phones and software for Council. Ms. Blake brought up the possibility of having the additional position in the Clerk's Office along with a new office and additional meeting space in the Government Office Building. Council then discussed having a part-time Downtown Ambassador position for \$23,500 and a proposed \$12,000 for an assistant for an evening playground program. It was noted that the \$12,000 would cover staffing and equipment for two sites to provide safe, supervised spaces for children. Council strongly agreed.

The council reviewed key CIP needs, prioritizing safety and equipment. Ambulance funding was a focus, with a proposed lease for four units costing 2.5 million dollars. Police requested 17 vehicles over three years; seven vehicles would be funded this year for \$525,000, with a five-year lease at \$117,000 annually. Administration acknowledged the desire to expand take-home cars for recruitment but weighed it against salaries and other needs. It was noted that the fire and police radio upgrades could be bonded together. Sanitation requested a rear-loading truck, originally \$475,000 but possibly 250–300 thousand dollars, with a seven-year lease suggested for heavy equipment.

Mr. Kitzrow reviewed the PAC 14 funding which was tied to declining Comcast fees. He projected the cost of \$83,000 this year, which was less than \$123,000 in 2018. Discussion was had on reducing the budget closer to \$90,000 for PAC 14. Overall, the council emphasized balancing safety priorities, equipment, and community services within budget limits.

Mr. Kitzrow reviewed the status of labor negotiations with the three bargaining units. The mayor's office budgeted a 3% (1.5 step) raise, but none of the unions agreed. He noted that arbitration with the fire union was scheduled for early June. The options included acceptance of the budgeted amount, arbitration, or a pre-arbitration compromise. He noted that a one-step increase would cost about \$690,000, while the unions' latest proposals would add up to \$1.6 million to the general fund, with additional impact on water and sewer.

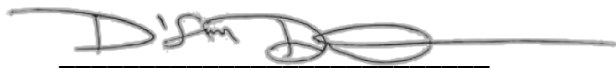
Mr. Kitzrow reviewed the water and sewer numbers. He shared that the city spent approximately \$25.7 million, just under the planned \$1.1 million, thanks to \$22,000 in energy savings. Ms. Green highlighted that the budget included a 6% rate increase—every 1% change equaled roughly \$142,000, and bumping the urban service rate could add about \$155,000. She emphasized that the debt was climbing and cash reserves were dropping, especially with a big loan payment coming. Mr. Kitzrow acknowledged that union pay raises and other costs were adding pressure.

Finally, the council discussed the potential to add a new community center in west Salisbury. A developer offered a 6,000 sq. ft. plus outdoor space for \$1/year, with approximately 8–9 thousand dollars in condo fees. The city conducted a survey that showed an 89% interest in after-school, career, and arts programs. Mr. Kitzrow mentioned that the estimated fit-out would be \$350,000, with staffing possibly costing \$130,000–\$140,000 annually. There was discussion over partnering with groups like the Boys & Girls Club versus having city-run programs. No final decisions were made. Further discussion would happen when all council members were present.

ADJOURNMENT

With no further business to discuss, the Budget Work Session adjourned at 3:41 p.m.


City Clerk


Council President