

CITY OF SALISBURY
WORK SESSION
JUNE 4, 2012

Present

Council President Terry Cohen
Councilman Tim Spies

Council Vice President Deborah S. Campbell
Mayor James Ireton, Jr.

Absent

Councilwoman Eugenie “Shanie” P. Shields

Councilwoman Laura Mitchell

In Attendance

City Clerk Kim Nichols, CMC, City Administrator John Pick, ICMA-CM, Assistant City Administrator Loré Chambers, Ph.D., Acting Director Internal Services Gerri Moore, City Attorney Mark Tilghman (arrived at 6:05 p.m.), Public Works Director Teresa Gardner, Acting Internal Services Director Gerri Moore, Assistant Internal Services – Procurement Director Catrice Parsons, Division Planning & Zoning Director Jack Lenox, Jakubiak & Associates, Inc. President Chris Jekubiak, and members of the public and press.

The City Council convened in a work session at 1:30 p.m. in Conference Room 306 of the Government Office Building.

Downtown Initiatives – John Pick/Teresa Gardner/Jack Lenox

• **Surplusing parking lots**

Jack Lenox, Teresa Gardner, and Chris Jekubiak joined Council at the table to discuss Mayor Ireton’s recommendation to surplus seven downtown parking lots (parking lots 1, 10, 11, 15, 16, 30, and 33) and the old fire station headquarters parcel, excluding the riverfront property, to create a Downtown Development District.

Jack Lenox identified four (4) goals to be achieved by Year 2020:

- adding 750 additional residents
- adding 300 additional jobs
- adding 500 additional housing units
- improving connectivity to downtown (to and from the hospital, schools and neighborhoods)

Additionally, Mr. Lenox stated everything now happening in Annapolis at the state level is directing more growth towards the cities and towns. The County is focused on preserving open space and agricultural land. He estimated that only one in ten of the housing units constructed between now and 2020 will be in the County.

Chris Jekubiak explained the process will create opportunity for the private sector to provide development goals based upon the Comprehensive Plan and previous downtown plans. Prospective developers would be required to submit concept plans for evaluation by a group of experts to determine credibility of the proposed projects prior to moving forward. He

identified downtown assets as being nearby Salisbury University and Peninsula Regional Medical Center, both of which are growing, economic generators.

According to Teresa Gardner, Public Works' role will be based upon individual project requests. Consideration will be given to underground infrastructure and the road network in place, meeting water quality needs, and creating a greener downtown.

- **EDU Free Zone**

John Pick indicated the paving policy relates to downtown, but is citywide. There are opportunities to reduce development costs in both downtown and citywide. Jack Lenox inserted EDU Free Zones help private properties implement new development. Primarily market driven, these uses will change over time.

Ms. Cohen recognized written comments in support of the Mayor's downtown initiatives from the following attendees:

- Matt Drew
- Jack Heath
- Greg Olinde (on behalf of the Greater Salisbury Committee)
- Jim Thomas (Ms. Cohen read his comments)
- Douglas Wilson (Ms. Cohen read his comments)

Council will review the material provided by staff.

- **Paving Policy**

The paving policy discussion will be re-scheduled for a time when it can be fully discussed.

Capacity Fees – follow up discussion

Mrs. Campbell asked if capacity fees could be set when permits are pulled, as opposed to when meters are set, even if payment is not collected until the meter is set. She added builders are probably waiting to see if the capacity fee drops, and aren't setting meters because when they pulled their permits it cost \$8500, and now there's discussion of a 65% reduction. She recommended Council and staff give serious thought to what the legislation change may trigger.

Teresa Gardner informed Council the capacity fee structuring was an effort created by Public Works staff to develop a ten (10) year program. Sensitive to the City's borrowing abilities and the amount of money the City could spend per year, Public Works also took into consideration the City's needs in the next ten (10) years by examining trends from the past ten (10) to fifteen (15) years. Public Works is addressing where the City will require water & sewer in the future ten (10) years. The Finance Department staff has worked with Public Works to revise the forecasting tool.

John Pick requested Council to consider acting on the recommended capacity fee levels and schedule changes. If the schedule is adopted, the new capacity fees will take place on July or August 1, 2012.

Mrs. Campbell stated if Council reduces the fees, and afterwards the forecasting tool is received indicating the need to raise the fees, public attitude will be unfavorable. She could support the proposed fee change if Council could see the forecasting tool and a ten (10) year list of sources and uses. Mr. Pick indicated he will provide the information when it becomes available.

Teresa Gardner expressed concern that the CIP has already been passed. She told Council the only things in the ten (10) year that are not in the approved CIP are the Filter project at Paleo (\$10 million) and the Wastewater Treatment Plan Upgrade (\$30 million). The capacity fees topic will be discussed again in work session after the requested material is received.

Property & Liability insurance proposals

Mr. Pick introduced Wayne Pachol from Alternative Insurance Management, LLC (AIM), which was awarded the insurance consulting services. Mr. Pachol stated that 2011 was the second worst catastrophic year for the insurance industry.

The City, with AIM's assistance, solicited bids for Property and Casualty Insurance, and sent bid documents to twenty (20) vendors. A pre-bid conference was held on January 30, 2012. The City received one bid submission from LGIT.

Mr. Pachol recommended increasing the property insurance deductible to \$10,000 from the current \$1,000, increasing the auto comprehensive deductible to \$5,000 from \$250, and increasing the excess coverage to \$4,000,000 from \$1,000,000. If the City decided to follow his recommendation, a savings of \$95,574 (22%) would be realized.

It was noted the Marina liability insurance was included in the bid, but the vessel was not. Mr. Pick asked Council to consider the excess liability insurance and suggested if Council was interested in increasing the deductibles, per Mr. Pachol's recommendation, an amount of money should be set aside in both the General Fund and the Water & Sewer to cover the required deductibles.

(Council took break at 6:30 p.m. and reconvened at 6:47 p.m.)

Charter Amendment – Election Redistricting

Mark Tilghman stated Clay Hall and Frank McKenzie were working on identifying modifications the new elections map. Council discussed revisions and typographical changes to the resolution.

Council will review the document again after Mr. Tilghman makes the discussed changes.

General Discussion (Part 1)

Mrs. Campbell asked John Pick about two of the properties identified for purchase at the Wicomico County Tax Sale which are owned by people who live out of town, and requested digital photos of each property. The goal was to have five properties identified at the second reading of the budget amendment. Mark Tilghman informed Council that buying the properties at tax sale does not preclude the city from going after "slumlords."

John Pick reminded Council that one of the properties was zoned General Commercial, and it can't be used for single family residential purposes, and recommended not pursuing this particular property.

Ethics Ordinance

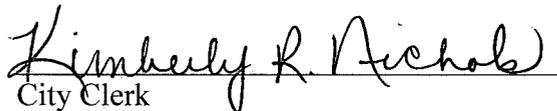
Mark Tilghman indicated the State of Maryland recently approved the draft ordinance, which was prepared according to the strict requirements of the State Ethics Commission. This ordinance will be placed on the June 11, 2012 agenda for first reading. He will work on creating a new Ethics Form for City use.

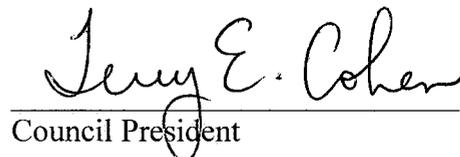
General discussion (Part 2) /Upcoming agendas

Mrs. Campbell requested a discussion on LLC disclosures be added to the list of upcoming agendas.

Mark Tilghman briefed Council on an issue dealing with local foreclosures. Mortgage companies are refusing to record ownership of foreclosed properties because they are waiting on the economy to turn upwards in hopes of rising values in real estate. Property maintenance on these properties is falling upon the City. Mrs. Campbell recalled recently reading about other cities that have dealt with this issue and will ask her contacts for specifics.

With no further discussion, the work session adjourned at 9:18 p.m.


City Clerk


Council President