

CITY OF SALISBURY
BUDGET WORK SESSION
MAY 21, 2013

Public Officials Present

Council President Jacob R. Day
Councilwoman Terry E. Cohen

Council Vice President Laura Mitchell
Councilwoman Eugenie P. Shields
(withdrew from meeting at 10:52 a.m.)

Public Officials Not Present

Mayor James Ireton, Jr.
Councilman Timothy K. Spies

In Attendance

Assistant City Clerk Diane C. Nelson, CMC, City Administrator John Pick, ICMA-CM, Assistant City Administrator Lore Chambers, Ph.D., Internal Services Director Keith Cordrey, Neighborhood Services and Code Compliance (NSCC) Director M. Thomas (Tom) Stevenson Jr., and Shore Fresh Growers/Farmers Market Representative Donna Ennis.

The City Council convened in work session at 9:26 a.m. in Conference Room 306 of the Government Office Building to discuss various components of the FY14 Budget.

Farmers Market Representative Donna Ennis provided an overview and chronology of the Shore Fresh Growers/ Farmers Market Program, followed by a question and answer period by Council.

City Administrator Pick provided an overview of the FY 2014 retirement incentives Administration recommends be offered to eligible employees, inclusive of projected savings and anticipated employee participation, followed by a question and answer period by Council.

After discussion, Council reached consensus for Administration to move forward with the employee retirement incentive.

City Administrator Pick presented Administration's request to Council to reallocate funds between capital projects, summarizing how the Administration's original request to reallocate FY13 budget funds from the Parkside and Hampshire Road Pump Station construction projects to the Mill Street Pump Station rehabilitation project was pulled from the May 20, 2013 Council work session agenda in favor of discussing it at today's budget work session because it had evolved into the current request to reallocate a portion of the same FY13 budget funds for the purchase of a concrete breaker and backhoe. There followed a question and answer period by Council.

After discussion, Council reached consensus to add the Mill Street Pump Station rehabilitation project to the FY14 Budget and to take the concrete breaker and backhoe out of the FY14 Budget.

City Administrator Pick presented several changes to the memorandum of understanding and the structure of the Health Insurance Consortium that the City's health insurance consultant recommended as measures to reduce the increase in premiums and to ensure compliance with the Federal Affordable Care Act, followed by a question and answer period by Council.

After discussion, Council reached consensus to support the consultant's recommended changes and for Mr. Pick to communicate Council's support of those changes to the other members of the consortium.

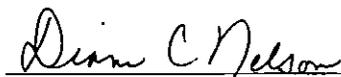
Council requested Mr. Cordrey differentiate between "changes by Council" and "updates/corrections by Administration" on the *Budget Ordinance Items adjusted by Council* spreadsheet that he updates as each successive Budget Meeting is held; a request was also made to reflect "the change to the tax rate" as a *dynamic calculation* on the worksheet so Council could see at a glance how budget adjustments impact the tax rate.

President Day called for a short recess at 11:08 a.m.; the work session reconvened at 11:17 a.m.

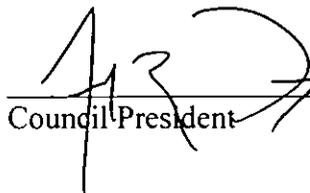
General discussion of the budget continued regarding the constant yield tax rate and associated advertising requirements, the County deadline for submitting the City tax rate, specific line items in conjunction with anticipated surplus, estimated revenue, debt projections and the debt policy, operating versus capital expenditures, and proposed tax and utility rates in the General and Water/ Sewer Funds respectively, with Internal Services Director Cordrey and Mr. Pick fielding Council questions on any aspect of the budget or budget follow-up information provided thus far to Council.

Council will meet in Legislative Session on Tuesday, May 28, 2013, with the next Budget Work Session to be held on May 29, 2013 for discussion of public comments from the May 28, 2013 Budget Hearing and follow-up of other outstanding issues that Mr. Cordrey continues to cumulatively document on the *Budget Ordinance Items adjusted by Council* spreadsheet.

The Budget Work Session adjourned at 12:15 p.m.



Assistant City Clerk



Council President