

CITY OF SALISBURY
WORK SESSION
SEPTEMBER 3, 2013

Public Officials Present

Council President Jacob R. Day
Councilwoman Terry E. Cohen (left 8:05 p.m.)
Councilman Timothy K. Spies
Council Vice-President Laura Mitchell (via teleconference)
Councilwoman Eugenie P. Shields (left 6:50 p.m.)

Public Officials Not Present

Mayor James Ireton, Jr.

In Attendance

City Clerk Kimberly R. Nichols, CMC, Interim City Administrator M. Thomas (Tom) Stevenson, Jr., Assistant City Attorney Peter J. Golba, Public Works Director Michael Moulds, Public Works Deputy Director Amanda H. Pollack, Planning & Zoning Director Jack Lenox, Planning & Zoning Long Range Planner JaLeesa Tate, interested citizens, and members of the press.

The City Council convened in Work Session at 4:30 p.m. in Conference Room #306 of the Government Office Building. City Clerk Nichols placed a phone call to Mrs. Mitchell, who had opted to participate in the meeting via teleconference.

Charter change/Advertising requirements discussion

Assistant City Attorney Peter J. Golba joined Council to discuss the advertising requirement to publish Charter changes in the local newspaper prior to changing the Charter. This action will necessitate adding a new section to the Charter and amending SC-11 to include the newspaper requirement.

Mrs. Mitchell explained she was requesting legislation that mandates the dissemination of public information prior to a Charter Resolution being voted on and adopted by Council, providing a mechanism for further public notice to encourage public input prior to the passage of a Charter Resolution. Mr. Golba stated that the Charter states public notices must be made in accordance with SC2-11, but that only requires posting the notice. If additional advertising requirements are desired for Charter changes, they can be added.

Council reached unanimous consensus for the City Attorney to research what is legally allowable and draft additional requirements giving authority to the City to advertise Charter changes prior to Council's consideration of the change.

Community Presentation – hotDesks.org

Mike Thielke, Executive Director of Eastern Shore Entrepreneurship Center joined Council at the table to discuss hotDesks.org, the new club house style concept of shared working space for freelancers and solopreneurs to work, collaborate, access the internet, and brainstorm new ideas. These new co-

working spaces are cropping up all over the United States, with more than 2,000 locations worldwide. He explained hotDesks are being used by professionals rather than working from home or internet cafes to enable networking and the sharing of knowledge.

Mr. Thielke reported the first Eastern Shore hotDesks location is in Salisbury, located at 31901 Tri-County Way. He informed Council of the bus visit on Monday, September 9th from 4 p.m. to 6 p.m. in front of the Chamber of Commerce on Main Street where entrepreneurs can create pitches and have their videos posted on YouTube.

Rivers Edge PILOT

Joining Council at the table were Andrew Hanson, Vice President of Osprey Property Company and Mike Dyer, CEO of United Needs and Abilities (UNA) to discuss the requested payment in lieu of taxes (PILOT) for Rivers Edge.

Mr. Hanson updated Council on the progress of the project and the receipt of the permit which is required in order to stabilize the shoreline with the large stone riprap which will join up with the steel bulkhead at Chesapeake Shipbuilders. Planning & Zoning and City of Salisbury Public Works are finalizing site plan approval and Storm Water Management Utility. Mr. Hanson reported an increase in interest rates and construction costs, and projected the interest rate for the project would come closer to 7%, not below 6% as previously expected.

Mr. Hanson reported the Weinberg Foundation offer will be accepted, and the housing project was also allocated resources from the Department of Housing and Community Development (DHCD) in federal tax credits to the amount of \$1,324,429 per year for ten years, and received \$1,960,000 of re-housing state loan funds.

President Day asked Mr. Hanson how close Osprey Property Company was to getting the project started, given the resources received. Mr. Hanson indicated the company was working with an investor in order to make use of the tax credits and from whom private debt financing will be received, and estimated that the project should be started by October, 2013 and leased out by October, 2014.

Mr. Jack Lenox reported because this project is different from the first project started at that location, they are required to go back to the Planning Commission. Public Works is involved in regards to Storm Water and progress has been made with the requirements of the Critical Areas Commission. Mr. Lenox estimated that the project would be approved and signed off very soon.

In Mayor Ireton's absence, Interim City Administrator Tom Stevenson shared the Mayor's thoughts as follows:

"The City has already provided through the EDU Incentive program about \$348,000 in subsidy. If this PILOT request is approved, the City would have over \$700,000 invested in the project. While the project is very important, he was unable to say at this time whether he supports the request for the PILOT."

Councilwoman Cohen recalled that when the Council was initially approached they were just being asked to support the request for the tax credits. The EDUs request came later, and now the PILOT is being requested. She asked Mr. Hanson if there would be any more requests made, and asked that a copy of the application made to the State be emailed to her.

Mr. Hanson reportedly met with the Salisbury Wicomico Arts Council, Art Institute & Gallery, Salisbury University, and the Art & Entertainment District to ensure artists are made aware of the housing opportunity. Councilman Spies inquired into the amount of saved tax dollars Rivers Edge would realize should the PILOT be granted, and Mr. Hanson estimated about \$9,000. Mr. Spies asked Mr. Stevenson to research whether \$9,000 was enough to cover City services on the property. Mr. Hanson clarified that the PILOT would get the project to the "finish line" but they may consider requesting Enterprise Zone benefits in the future if they do not receive the PILOT from the City. Ms. Cohen asked for the amount the Enterprise Zone credit would be for the non-residential components, and asked for a comparison of the numbers used in which tax credits would be obtained.

Council agreed to advance the request for the PILOT to the September 23, 2013 Legislative Session after Mr. Hanson has answered Council's questions.

Accepting grant for Rain Barrels

Planning & Zoning Director Jack Lenox and Long Range Planner JaLeesa Tate joined Council to explain the grant for rain barrels received from the Chesapeake Bay Trust Grant Fund. Council suggested changing the resolution to include providing barrels to commercial properties as well as residential properties, but priority will be given to residents first.

The following changes to the resolution were unanimously agreed upon by Council:

- Line 15 – strike "City residents attending the workshops" and insert "those residing or operating a business in the City of Salisbury who attend one of the workshops" just after "no cost to".
- Line 17 – insert "Whereas, the City of Salisbury will retain a limited number of rain barrels to use as demonstration projects to promote environmental stewardship; and"
- Line 22 – strike "on individual residential properties"

The Council members present unanimously agreed to advance the resolution to the September 9, 2013 legislative session. Ms. Cohen had excused herself from the room prior to the time President Day asked for consensus.

Resolution of Support – CP & P Funding Application – Salisbury Skatepark, Phase II

Director of Community Development Deborah Stam joined Council to discuss the Resolution of Support for Phase II of the Salisbury Skatepark. The Community Parks & Playgrounds (CP&P) funding application to the Maryland Department of Natural Resources (DNR) for the FY2015 funding round was submitted on August 19, 2013. Even though the DNR did not request a Resolution of Support with the application, Ms. Stam indicated including it may greatly help during the review phase.

Among the Council members present, it was unanimous to advance the Resolution of Support to the September 9, 2013 Legislative Session. Ms. Cohen had not returned to the conference room prior to the time President Day asked for consensus.

Proposal – Reorganization of Internal Services Department

Internal Services Director Keith Cordrey presented a PowerPoint to help explain the proposal to reorganize the Internal Services Department. The reorganization includes restructuring positions and redistributing duties; and changing job descriptions, titles and classifications. Restructuring will hopefully improve efficiency, create job growth within the department, and encourage retention. The restructuring will not affect Procurement or Parking.

Mr. Cordrey explained the plan requires no increase in cost, even if the Evergreen study was adopted. Not only does it not cost anything more, but will cost less if the Evergreen study is implemented.

Ms. Cohen asked Mr. Cordrey to identify in the future what improvements are yielded to the bottom line of the City as a result of this reorganization. Mr. Stevenson will review the Pay Plan, Budget, and Charter & Code to make sure all bases are covered, and will be prepared with the legislation for September 23, 2013. SC7-1 will require an amendment.

Council unanimously agreed to advance the legislation to the September 23, 2013 Council meeting.

Council President Day called for a brief recess, and the work session reconvened at 7:10 p.m.

Stormwater Utility Feasibility Study

Public Works Director Mike Moulds and Deputy Director Amanda Pollack joined Council for the continued discussion regarding the implementation of a Stormwater Utility.

Grant matching utilization was suggested to help cover personnel costs. Administration will invite officials from the Town of Berlin to a work session to discuss the process they followed in their Stormwater Utility implementation. Mr. Moulds will ask the Hal Adkins, the Ocean City Public Works Director, for his thoughts on the utility.

Mrs. Pollack reported that the State is focusing on the Phase I Permit Holders, which are the much larger municipalities. After all of the Phase I Permits are finished, they will begin addressing the Phase II Permits, which is the one Salisbury holds.

Mrs. Mitchell questioned the logic in starting the utility with initial fees of \$20 per year since experts who performed the study reported that it needs to be started at the \$48 level. Mrs. Pollack stated that the study looked at the utility as a new department, with new staffing, billing, computers, etc. She suggested taking the vantage point of viewing this utility as an extension of another department to minimize the initial start-up costs including personnel and equipment.

The Stormwater Utility will be scheduled for further discussion at the October 21, 2013 Work Session. Ms. Cohen suggested publicizing the meetings to ensure citizens awareness.

MOU with DOT for the Northeast Collector Hike & Bike Path

Mrs. Pollack presented the grant agreement for the Northeast Collector Hike & Bike Path, Phase II. She reported the following:

- The City signed an MOU amendment in 2012 which allowed the City to accept additional funds for the project.
- The original agreement with the State was very narrow in focus and specific as to the funding, and the original project cost was about \$450,000.
- The Department of Transportation (DOT) was providing a \$225,000 grant and the City was to provide matching funds.
- The State plan review dictated the installation of electronic crossing devices (ECD) across Rt. 50 for bikes. These ECDs were not part of the original budget and added approximately \$90,000 to the project.
- The State has offered a grant through the Maryland Bikeways Program for the additional \$90,000, with no match required.

Mr. Day suggested considering calling the route a specific color in order to incorporate it into the new bike system Salisbury is begun developing. Ms. Cohen asked for the resolution to include language regarding there will be no additional grant matches required.

Council unanimously agreed to include the resolution in the September 9, 2013 agenda.

City Attorney/City Clerk evaluations

Mr. Day updated Council on the proposed procedure for evaluating the City Attorney and City Clerk which includes the completion of an anonymous survey on each position by Mayor Ireton, Council members, Department Heads, and the City Administrator. Council agreed that a conversation in closed session on the results of the survey would also be useful.

Ms. Cohen questioned the methodology and disagreed with the described process because the City Attorney was a contractor. She asked to review the evaluation questions.

Mr. Day suggested Ms. Cohen might offer an alternative suggestion on how the evaluations could be conducted, and Ms. Cohen agreed to think on the matter and report back to Council. Mr. Golba communicated Mr. Tilghman's concern with the anonymity and his inability to respond to comments.

The evaluation discussion will be continued during the September 16, 2013 Work Session.

Ordinance No. 2258 – EDU Incentive Zone

Mr. Moulds, Mrs. Pollack, and Mr. Lenox reported on the draft eligibility criteria to be used in evaluating an application. Additions include required consistency with the Salisbury Sustainable Community Plan on file, the Maryland Department of Community Development, and consistent with one or more of the following benchmark objectives from the "Plan for Transformation" done in 2012:

1. Increasing the number of jobs in the City
2. Increasing the number of downtown housing units and associated resident population
3. Increasing the amount of commercial square footage in the City
4. Removing 25% of the impervious surface area downtown in each developed project

This information would be submitted with proposed application packages to the Public Works Director for review.

Mr. Day cautioned for downtown to not end up becoming more suburban in nature and fragmented with portions of park space but no actual gathering space when using the 25% reduction criteria, and suggested specifying that the way to achieve the 25% reduction is not by reducing building footprints.

Mr. Day added if the "Plan for Transformation" calls for an increase in the number of jobs in the City, those jobs should pay a living wage. The median household incomes in Wicomico County and the City of Salisbury are \$51,751 and \$44,793, respectively.

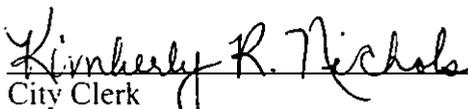
Deeming the section on criteria unclear, Mr. Golba suggested including in the ordinance verbiage requiring compliance with the criteria, and clarifying the Public Works Director will evaluate the criteria and determine whether the application is to be advanced to the Mayor for approval. Mrs. Pollack suggested that on Lines 51 and 52 the first sentence should be, "...will be submitted to the Director of Public Works for review and to make a determination." The second sentence would read, "After review, upon a favorable recommendation, the Public Works shall submit the allocation request to the Mayor for approval."

Mr. Day asked for Mr. Moulds to update the eligibility criteria based upon this discussion, and Mr. Day, Mrs. Mitchell, and Mr. Spies unanimously agreed for the ordinance to be advanced to the September 9, 2013 Council Meeting.

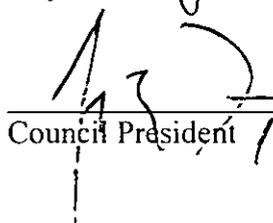
General Discussion

Mrs. Mitchell requested a legal update on the various cases being worked on by the City Attorney. Included with that update should be the status of the City's election redistricting and the requirement to go to court with this.

Thereafter, and with no further discussion, President Day adjourned the Work Session at 8:34 p.m.



City Clerk



Council President