

**CITY OF SALISBURY, MARYLAND**

**#8 MEETING**

**MAY 10, 2010**

**PRESENT**

*Council President Louise Smith  
Councilwoman Terry E. Cohen*

*Councilwoman Deborah S. Campbell  
Councilwoman Eugenie P. Shields*

*Mayor James Ireton, Jr.*

**ABSENT**

*Council Vice President Gary A. Comegys*

**IN ATTENDANCE**

*City Clerk Brenda Colegrove, MMC, City Administrator John Pick, ICMA-CM, City Solicitor Paul Wilber, Public Works Director Teresa Gardner, Building, Permitting and Inspections Director William Holland, Internal Services Director Pam Oland, and interested Citizens and Members of the Press.*

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**CONVENING - ADOPTION OF AGENDA**

*The City Council met in regular session at 6:00 p.m. in Council Chambers. Council President Smith called the meeting to order. The Lord's Prayer and the Pledge of Allegiance were recited.*

*Ms. Cohen moved and Mrs. Shields seconded to adopt the agenda as presented. Ms. Cohen moved to remove the following Resolutions from the agenda for discussion at a work session: 1) Resolution No. 1915 (approving an exemption from FY09 and FY10 real property taxes for East Side Men's Club) and Resolution No. 1916 (adopting fee schedule for sidewalk café permit). Mrs. Campbell seconded and the vote was unanimous. Ms. Cohen moved and Mrs. Campbell seconded to remove Resolution No. 1917 (approving License Agreement for parking on a 30 foot easement by the Tabernacle of Prayer for All People of the Eastern Shore). The motion passed on a 3-1 vote with Mrs. Shields casting the nay vote.*

*The agenda, as amended, was unanimously adopted.*

**CERTIFICATES/PROCLAMATIONS** – *presented by Mayor James Ireton, Jr.*

*Certificates of Recognition were presented to the following James M. Bennett teacher and students for their dedication to the Urban Salisbury Newsletter project:*

*Amber Shellenberger (teacher)  
Lindsay Johnson  
Becky Pierson*

*Jordan Evans  
Samim Manizade  
Emily Rainey*

May 16-22, 2010 was proclaimed as "Public Works Week" and "Emergency Medical Services Week" in the City. Accepting the Proclamations were Public Works Director Teresa Gardner and Assistant Fire Chief James Gladwell.

**APPROVAL OF APRIL 26, 2010 MINUTES**

The April 26, 2010 minutes were unanimously approved on a motion and a second by Mrs. Campbell and Ms. Cohen, respectively.

**AWARD OF BIDS** - presented by Internal Services Director Pam Oland

On a motion by Mrs. Shields and seconded by Mrs. Campbell, the Award of Bids, consisting of the following, was unanimously approved:

- Recommendation of Re-award Contract RFP 3-10 \$100,616.00  
Southside Elevated Water Storage Tank Engineering Services Project  
Acct. No. 30200-513020-48012  
Birdsall Services Group

**PUBLIC HEARING – FY11 BUDGET** – presented by Mayor James Ireton, Jr. and Internal Services Director Pam Oland/City Clerk Brenda Colegrove administered the oath

- Ordinance No. 2107 – proposed FY11 budget

The PowerPoint presentations providing an overview of the proposed FY11 budget and the financial health of the City are attached and made a part of the original minutes. Three citizens commented on the following issues: 1) seven positions not filled; 2) increases to certain employees; 3) new positions; and 4) Poplar Hill budget (including stipend for curator).

- Resolution No. 1911 – proposed water and sewer rates

No public comments were received.

**ORDINANCES** - presented by City Attorney Paul Wilber

- Ordinance No. 2101 – 2<sup>nd</sup> reading – repealing and reenacting Chapter 13.28, Stormwater Management, of the Salisbury Municipal Code in order to comply with the requirements of the Maryland Department of Environment Water Management Administration

Ms. Cohen moved and Mrs. Campbell seconded to approve Ordinance No. 2101 for second reading. Ms. Cohen moved to adopt the amendments to Ordinance No. 2101 as presented in the Council's Briefing Book. Mrs. Campbell seconded and the motion

passed unanimously. Ordinance No. 2101, as amended on second reading, was unanimously approved.

- Ordinance No. 2105 – 2<sup>nd</sup> reading - amending Chapter 15.24 of the Salisbury Municipal Code to provide for the removal of graffiti from private and public property

Ordinance No. 2105 for second reading passed unanimously on a motion by Mrs. Campbell and seconded by Mrs. Shields.

- Ordinance No. 2106 – 2<sup>nd</sup> reading - amending Chapter 12.36 to the Salisbury Municipal Code to allow businesses that are designated as public eating establishments to obtain a sidewalk café permit to operate a sidewalk café

Ms. Cohen moved and Mrs. Campbell seconded to approve Ordinance No. 2106 for second reading. Mrs. Campbell moved to amend Section 12.36.020C by substituting Ordinance for Resolution in the last sentence. Ms. Cohen seconded and the amendment passed unanimously. Ordinance No. 2106, as amended for second reading, was unanimously approved.

- Ordinance No. 2109 – 1<sup>st</sup> reading – approving a Service and Equipment Lease Agreement between the City of Salisbury and the Wicomico County Board of Elections

Ordinance No. 2109 for first reading passed unanimously on a motion by Ms. Cohen and seconded by Mrs. Campbell.

**RESOLUTIONS** – presented by City Administrator John Pick

- Resolution No. 1912 – accepting donation to be used to build a dog park in the City Park and naming the park the “Frances J. Tilghman Memorial Dog Park”

Resolution No. 1912 passed unanimously on a motion and a second by Mrs. Campbell and Ms. Cohen, respectively.

- Resolution No. 1913 – approving the City’s Action Plan for Community Development Block Grant (CDBG) funds for CDBG Program Year 2010 and to authorize the mayor to submit the same to HUD for review for the following projects:

Administration (20)%	\$ 65,640
Code Enforcement Officer	41,902
Demolition of the Linens of the Week Building	<u>220,667</u>
	\$328,209

Mrs. Shields moved and Ms. Cohen seconded to approve Resolution No. 1913. Resolution No. 1913 failed to pass (2-2 vote). Mrs. Shields and Mrs. Smith voted aye. Mrs. Campbell and Ms. Cohen voted nay.

- Resolution No. 1914 - declaring that Matic Interactive is eligible to receive Enterprise Zone benefits for property located at 212 W. Main Street (created more than two full-time positions since locating within the Enterprise Zone)

On a motion by Ms. Cohen and seconded by Mrs. Campbell, Resolution No. 1914 passed unanimously.

- Resolution No. 1918 – authorizing temporary lane closures of Naylor Mill Road and the temporary road closures of Northwood Drive and Northgate Drive (for installing a water main, gravity sewer main and sewer force main in association with the construction of the Naylor Mill Road Regional Lift Station)

Resolution No. 1918 passed unanimously on a motion by Mrs. Campbell and seconded by Ms. Cohen.

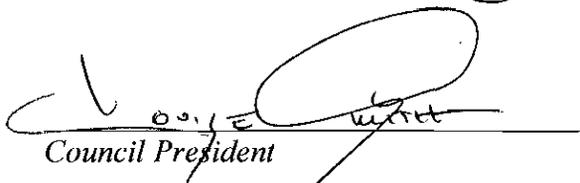
### **PUBLIC COMMENTS**

Four citizens commented on the following issues:

- Linens of the Week property
- “The Bricks” property
- Old Fire Station #16 property
- new Library
- FY11 proposed budget (raises for a select few; cuts impacting public safety)
- Properties not being maintained according to Code
- SAPOA’s goals to partner with the City
- Pohanka event – Habitat for Humanity dedication for a home that was built by women

With no further business, the meeting adjourned at 8:03 p.m.

  
City Clerk

  
Council President

# City of Salisbury



JAMES IRÉTON, JR.  
MAYOR

JOHN R. PICK  
CITY ADMINISTRATOR

LORÉ CHAMBERS  
ASSISTANT CITY ADMINISTRATOR

MARYLAND

125 NORTH DIVISION STREET  
SALISBURY, MARYLAND 21801  
Tel: 410-548-3190  
Fax: 410-548-3192

PAMELA B. OLAND  
DIRECTOR OF INTERNAL SERVICES  
PROCUREMENT DIVISION

## COUNCIL AGENDA

May 10, 2010

Page No.

1. Recommendation of Re-Award Contract RFP 3-10 \$100,616.00  
Southside Elevated Water Storage Tank Engineering Services Project  
(Acct. No. 30200-513020-48012)

# City of Salisbury



JAMES IRETON, JR.  
MAYOR

JOHN R. PICK  
CITY ADMINISTRATOR

LORÉ CHAMBERS  
ASSISTANT CITY ADMINISTRATOR

MARYLAND

125 NORTH DIVISION STREET  
SALISBURY, MARYLAND 21801  
Tel.: 410-548-3190  
Fax: 410-548-3192

PAMELA B. OLAND  
DIRECTOR OF INTERNAL SERVICES  
PROCUREMENT DIVISION

## COUNCIL AGENDA

May 10, 2010

TO: Mayor and City Council

SUBJECT: Recommendation of Award Contract # RFP 3-10  
Southside Elevated Water Storage Tank Engineering Services Project

The City of Salisbury Internal Services Department, Procurement Division, received a request from Salisbury Public Works (SPW) to re-award Contract # RFP 3-10 *Southside Elevated Water Storage Tank Engineering Services Project* for the design and related engineering services for this project. This contract was originally awarded November 30, 2009 through the competitive bid process to CMX Engineering and work was progressing on the design. On March 19<sup>th</sup>, SPW received a letter from Birdsall Services Group (BSG) indicating they had purchased CMX Engineering and intended to complete the project as originally bid, adhering to all bid requirements and specifications. SPW requested a proposal, timeline for completion and related reference documents. The following outlines the work remaining on the contract and the costs associated with the entire project.

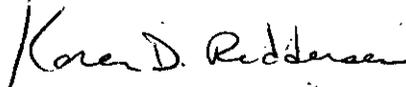
BSG has agreed to finish the construction drawings and specifications (currently at 75% complete), provide bidding services, construction administration, construction inspection, Maryland Department of the Environment construction loan administration, and SCADA instrumentation design for the remaining contract cost of \$100,616.00. The cost of each task is outlined below:

Task 100 – Design, Permitting, Cost Estimation, Scheduling (1.5 & 2.0 MG tank option)	\$53,500.00
Task 200 – Additional Design Services to Include 1.0 & 1.25 MG tank option	\$0.00
Task 300 – Bidding Services	\$3,500.00
Task 400 – Construction Administration	\$9,000.00
Task 500 – Construction Inspection	\$50,000.00
Task 600 – MDE Loan Application	\$30,000.00
Task 700 – SCADA Requirements	\$3,500.00
<hr/>	
Total Contract Amount	\$149,500.00
Funds previously paid to CMX	(\$18,156.00)
Funds pending payment to BSG for work completed by CMX	(\$30,728.00)
<b>Funds available to BSG for remainder of the contract</b>	<b>\$100,616.00</b>

SPW reviewed all documents submitted by BSG and completed reference verification to ensure the firm was qualified to complete the project per the bid specifications and with the required timeframe set by MDE. CMX staff who were previously assigned and approved for the original contract are now employed by BSG and will complete the project if awarded to BSG. The transfer proposal was discussed with the City Attorney and it was determined that a re-award by City Council would be in the City's best interests. BSG has shown the capability to complete the contract and will utilize all work completed to date. Re-bid of the contract will result in time delays during the bid process which may prevent the City from delivering a final design in time to meet the construction funding schedule set by MDE. It could also result in increased costs to start the design process with a new vendor.

Funds are available from the FY2008 General Obligation Bond as awarded under Purchase Order # 02100237-13 to CMX, Account Number 30200-513020-48012 (Water and Sewer Capital Project-Engineering, Water Storage-Milford) for this project. After review of the submitted documents, the Department of Internal Services-Procurement Division requests Council's approval to accept the bid as noted above from Birdsall BSG, in the amount of \$100,610.00. Upon approval, all insurance documents and related transfer documents will be obtained prior to award of the contract to BSG.

Thank you.



Karen D. Reddersen

Assistant Director of Internal Services-Procurement Division

# CITY OF SALISBURY

## DEPARTMENT OF PUBLIC WORKS

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**To:** Karen Reddersen - Assistant Director of Internal Services – Procurement  
Division

**From:** Lee Beauchamp– Project Engineer, Salisbury Public Works

**Subject:** Request to re-award Contract RFP 03-10 from CMX to BSG  
"Southside Elevated Water Storage Tank Engineering Services Project"

**Date:** 27Apr2010

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On March 19<sup>th</sup> SPW received a letter from CMX Engineering, the design engineer for Contract RFP 03-10 Southside Elevated Water Storage Tank Project, stating that the company has been purchased by Birdsall Services Group (BSG) from Eatontown, NJ. The attached proposal from BSG outlines the firm's intent to finish the project under the budget and terms first secured by CMX Engineering. BSG has agreed to finish the construction drawings and specifications (currently at 75% complete), provide bidding services, construction administration, construction inspection, Maryland Department of the Environment construction loan administration, and SCADA instrumentation design using the remaining contract funds of \$131,344.00. The cost of each task is outlined below.

Task 100 – Design, Permitting, Cost Estimation, Scheduling (1.5 & 2.0 MG tank option)	\$53,500.00
Task 200 – Additional Design Services to Include 1.0 & 1.25 MG tank option	\$0.00
Task 300 – Bidding Services	\$3,500.00
Task 400 – Construction Administration	\$9,000.00
Task 500 – Construction Inspection	\$50,000.00
Task 600 – MDE Loan Application	\$30,000.00
Task 700 – SCADA Requirements	\$3,500.00
<b>Total Contract Amount</b>	<b>\$149,500.00</b>
Funds paid to CMX	(\$18,156.00)
Funds pending payment to BSG for work completed by CMX	(\$30,728.00)
<b>Fund available to BSG</b>	<b>\$100,616.00</b>

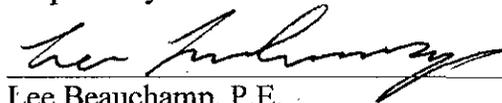
In addition to the work proposed, BSG has supplied the City with AIA Forms 254 & 255 that outline projects BSG has performed related to RFP 03-10 and the staff that will be working on this project. SPW has reviewed the document and is confident that BSG has the expertise and experience to complete this project. BSG has also retained all key staff CMX had working on the project with the exception of one individual on the project team who has been replaced by equally skilled staff.

SPW reviewed the transfer proposal with the City Attorney and he recommends a re-award of the contract from CMX to BSG and not re-bidding the project. Re-bidding this contract could prevent the City from delivering a final design in time to meet the construction funding schedule established by MDE and potentially cost the City additional funding to meet the proposal of the next ranked vendor.

SPW has reviewed the proposal and recommends transferring the contract to BSG using the remaining contract funds of \$100,616.00 to complete the project. BSG has also agreed to complete the project, per the attached schedule, to prevent jeopardizing construction funding from Maryland Department of the Environment. This recommendation is based on BSG utilizing CMX personnel for the design and management of the project as outlined in their project approach and staffing report. SPW recommends re-awarding the contract in full to BSG for \$100,616.00 with \$30,728.00 pending payment to BSG for work completed by CMX once the re-award is approved, see the attached letter from BSG. The project is economically feasible for the City with \$150,000.00 budgeted for this project in FY2008 General Obligation Bond "Water Storage Engineering". Funds to cover the cost of this work are available in PO #02100237-13 from Water and Sewer Capital Project-Engineering, Water Storage-Milford Account # 30200-513020-48012.

Thank you for your assistance on this and past requests.

Prepared by:



Lee Beauchamp, P.E.  
Project Engineer

Approved by:



Teresa Gardner, P.E.  
Director, Salisbury Public Works

Cc: File



## BIRDSALL SERVICES GROUP

BIRDSALL ENGINEERING • DI STASIO & VAN BUREN • LGA ENGINEERING • MORRIS, JOHNSON & ASSOCIATES • PMK GROUP

March 24, 2010

**Re: Birdsall Services Group Purchases Assets of CMX, Inc.**

Dear City of Salisbury :

Birdsall Services Group (BSG) recently acquired certain assets of CMX, Inc. (CMX). Among these assets are the City of Salisbury contracts and projects identified below.

BSG is prepared and qualified to handle the projects covered under these contracts. In addition, we have hired a number of former CMX employees to assist us in providing you with a seamless transition. We respectfully request that you take such action as may be required to transfer the Agreement(s) between CMX and City of Salisbury to BSG.

In addition, all amounts your entity owes to CMX for services previously performed by CMX relating to these contracts and projects have been transferred to BSG. Accordingly, kindly remit payment for all existing invoices and for invoices in the future for future services, to BSG at the following address:

**Birdsall Services Group  
2100 Highway 35  
Old Mill Plaza  
Sea Girt, NJ 08750  
Attn: Mr. Chris Wetzel**

Mr. Wetzel can also be reached at 732-681-1165 ext. 2292 or [cwetzel@birdsall.com](mailto:cwetzel@birdsall.com).

On behalf of all of us here at BSG let me assure you that we are looking forward to providing you with the exemplary level of service that you deserve and for which our firm is known.

Sincerely,

**BIRDSALL SERVICES GROUP, INC.**

Howard C. Birdsall  
President & Chief Executive Officer

**Southside Elevated Water Storage Tank**

**#90549101**



March 19, 2010

RE: Birdsall Services Group, Inc. Purchases Assets of CMX, Inc.

Dear City of Salisbury:

As you may be aware, Birdsall Services Group, Inc. (BSG) recently acquired certain assets of CMX, Inc. (CMX). Among these assets are the contracts and projects identified below with your entity. In fact, you may have been notified of this already by BSG.

In addition to the above-identified contracts and projects, all amounts your entity owes to CMX for services previously performed by CMX related to these contracts and projects have been transferred to BSG. Accordingly you should no longer send checks for such amounts to CMX. Instead, you should remit payment for all such invoices and for invoices in the future for future services to BSG as the following address:

Birdsall Services Group  
2100 Highway 35  
Sea Girt, NJ 08750  
Attn: Mr. Chris Wetzel

Mr. Wetzel can also be reached at 732-681-1165 or [cwetzel@birdsall.com](mailto:cwetzel@birdsall.com).

Very truly yours,  
CMX, Inc.

A handwritten signature in black ink, appearing to read 'Bret Bero'.

Bret Bero  
Interim Chief Executive Officer

Southside Elevated WaterStorage Tank

#90549101

WORKING TOGETHER FOR A BETTER TOMORROW®

JUSTIN CORPORATE CENTER, 200 STATE HIGHWAY NINE | PO BOX 900 | MANALAPAN, NJ 07726-0900  
TEL 732.577.9000 | FAX 732.577.9888 | [WWW.CMXENGINEERING.COM](http://WWW.CMXENGINEERING.COM)

NEW JERSEY PENNSYLVANIA NEW YORK MARYLAND FLORIDA



BIRDSALL SERVICES GROUP

BIRDSALL ENGINEERING • DI STASIO & VAN BUREN • LGA ENGINEERING • MORRIS, JOHNSON & ASSOCIATES • PMK GROUP

VIA E-MAIL AND REGULAR MAIL

City of Salisbury  
Public Works Department  
125 N. Division Street  
Salisbury, Maryland 21801-4940

April 22, 2010  
Project No. 09.05491.01

Attn: Mr. Lee Beauchamp, P.E., LEED AP

RE: Southside Elevated Water Storage Tank Project  
CMX to BSG Transition  
Contract No. RFP 03-10

Dear Mr. Beauchamp:

This letter proposal has been generated in response to your e-mail request of April 20<sup>th</sup>, 2010. Birdsall Services Group (BSG) is proposing to finish out the contractual work first secured by CMX. The City of Salisbury ("City") needs to complete engineering services related to the design, permitting, and construction management of a new elevated water storage tank, to be located at Parcel #1635 on Milford Street in Salisbury, MD.

The overall scope of services for this project is split into seven major categories, based on seven final bid items as listed in RFP Addendum #2. Each of the final sub-categories of engineering scope is discussed in greater detail, below:

**Task 100 – Design, Permitting, Cost Estimation, Scheduling  
(1.5 & 2.0MG tank options) \$53,500.00**

The scope of work will proceed in three major phases:

- Engineering Due Diligence;
- Preliminary Design; and
- Detailed Design

**Task 200 – Additional Design Services to Include 1.0 & 1.25MG Tank Options \$0**

**Task 300 – Bid Services \$3,500.00**

Under Task 300, BSG proposes full project bid services.

**Task 400 – Construction Administration \$9,000.00**

After design and bid, the project will transition to the construction phase. BSG proposes the following scope of services:

- Issue Notice To Proceed to the winning bidder.
- **Pre-Construction Meeting:** Arrangement, attendance, including site walk with contractor. Outline contract expectations, submittal expectations, and set a schedule for contract execution.
- **Submittals:** Act as clearinghouse for review of shop drawings and other submittals which may be required of the contractor for completion of the work. BSG will compile a working shop drawing log, keeping copies of all submittals (accepted and rejected) as part of the log history. Separate copies will be distributed to the City, the resident site inspector, and to the project file.
- **RFI's:** Act as clearinghouse for requests for information submitted during the materials procurement and construction processes. Act as Owner's representative and advocate during owner/contractor interaction.
- **Construction Contract Administration:** Interact with contractor during the construction process to ensure project is delivered per approved design, according to agreed-upon budget, and at or before agreed-upon project deadline. Interact with interested parties and regulatory agencies during project construction and commissioning of the tank and SCADA components. Process change orders to the project scope, at the discretion of the City. Conduct weekly progress meetings with the contractor, and monthly progress meetings at City offices and/or the project site, with the contractor and City representative(s). Upon delivery of "substantially complete" end-products, conduct a punchlist inspection and review with the City. Assist during new infrastructure startup, including pressure testing and disinfection of water mains and tank proper, and coordination of new equipment commissioning interior of the tank and at the tank site. Deliver three sets of operations and maintenance manuals for all project equipment.

**Task 500 – Construction Inspection**

**\$50,000.00**

BSG will perform inspection services on a Lump Sum fee basis continuously throughout the entire construction phase of the project based on a 1,000 hour allowance written into the City's RFP document. BSG offers the following scope of inspection services:

- Provide inspection services during the execution of project startup including stakeout of tank center point.
- Supervise site re-grading and any proposed/required improvements to the existing stormwater basin.
- Oversee excavation of the foundation pit, including Proctor testing at the base layer. Review and supervise materials delivery, and execution of construction for the foundation, the tank superstructure, and all related site, mechanical, electrical, and controls improvements.
- Oversee foundation concrete sample testing by the contractor and coordinate with the testing lab for results. Keep and copy materials delivery manifests for all major construction materials deliveries, and verify against shop drawing submittals.

A daily inspectors log will be kept indicating contractor's progress, make and model of construction materials, triangulations for locations of buried water system hardware. Generally, the inspector will enforce compliance with the contract documents (both technical and administrative) during every phase of construction.

**Regarding inspection for construction of the tank structure and coatings systems, BSG offers the sub-contracted services of Mumford Bjorkman Associates (MBA). MBA is a specialty firm with practice expertise in the fields of coatings evaluations, underwater inspections, daily inspection services, environmental monitoring, and potable water tank security. MBA's entire service offering revolves around their knowledge of the construction, operation, and maintenance of potable water storage tanks. MBA is staffed by construction professionals from tank erection firms working across the country. BSG endorses and relies upon MBA for an expert-level project approach in the inspection of tank construction, surface preparation, and application of coatings systems. Further, MBA's corporate headquarters in New Castle, DE give them easy access to the proposed Southside tank site. It is anticipated that MBA will provide full-time inspection services during the erection, blasting, and coatings phases of tank construction.**

Inspection records and triangulations will be made available at the completion of the work, pursuant to the generation of records drawings.

**Task 600 – MDE Loan Administration** **\$30,000.00**

The Drinking Water Revolving Loan Fund (DWRLF) provides financial assistance for a wide variety of projects to facilitate compliance with national primary drinking water standards that protect or improve the quality of Maryland's drinking water resources.

BSG is highly familiar with the entire project lifecycle for infrastructure work performed under the auspices of State revolving loan funds. Based on the lump sum project allowance indicated in the City's RFP, BSG will provide all application materials, checklists, and technical documentation necessary to guide the City through the application process to MDE for inclusion in the 2010/FY2011 loan program.

Upon receipt of confirmation of inclusion in the loan program, BSG will update all project documents (primarily the plans and specifications) to reflect any formatting and/or content requirements dictated by MDE. Further – once construction has initiated – BSG will act as the City's agent in filling out project kickoff paperwork, processing funding application with the MDE loan officer, filing change order requests if required and approved by the City, and filing closeout documents upon resolution of the final punchlist and agreement to substantial completeness status by all involved parties.

**Task 700 – SCADA Requirements** **\$3,500.00**

BSG proposes to coordinate the design of all instruments, control systems, and communication equipment with the City's existing SCADA consultant. Under the Task 700 scope, BSG will

perform due diligence to understand existing City SCADA design and operating standards, and provide a communications platform that will integrate directly with the existing potable water SCADA network. The City's consultant will perform all system programming and data entry during tank startup and commissioning. BSG's scope under Task 700 includes the creation of plans and specifications for construction of a new antenna and foundation at the site of the Paleo WTP, and specification for the performance of a radio path study by the winning contractor. The path study is to reference and defer to the results of a computer study performed by the City in anticipation of the construction contract award.

Below is a summary of project invoicing to the City as of March 31<sup>st</sup>, 2010. The City may not have the March 31<sup>st</sup> CMX invoice in the amount of \$19,614.00 in its possession yet. Regardless, that is taken into account below.

Task	Original Budget	Invoiced To-Date	% Billed	BALANCE
Task 100 Design 1.5 & 2.0 MG Tanks	\$53,500	\$45,924	86%	\$7,576
Task 200 Design 1.5 & 1.25 MG Tanks	\$0	\$0	0%	\$0
Task 300 Bid Phase	\$3,500	\$0	0%	\$3,500
Task 400 Construction Administration	\$9,000	\$0	0%	\$9,000
Task 500 Construction Inspection	\$50,000	\$0	0%	\$50,000
Task 600 MDE Loan	\$30,000	\$2,400	8%	\$27,600
Task 700 SCADA Design	\$3,500	\$560	16%	\$2,940
<b>Totals</b>	<b>\$149,500</b>	<b>\$48,884</b>		<b>\$100,616</b>

Mr. Lee Beauchamp  
Page 5

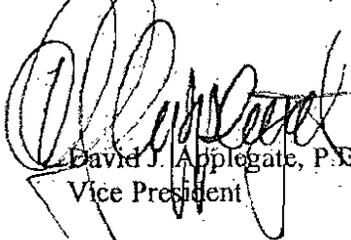
April 22, 2010  
Project No. 09.05491.01

BSG agrees to complete all unfinished and future tasks for the dollar balances outlined above. All tasks will be performed on a Lump Sum Fee basis, and billed based on percentage complete. The project schedule will remain intact as previously conveyed to you (MS Project schedule attached).

We respectfully request that the City authorize the transfer of the above referenced project to BSG so that we may provide continuity on the project and continue the high level of engineering consulting service that the City deserves and expects. If you have any questions concerning the above, please do not hesitate to call.

Very truly yours,

**BIRDSALL ENGINEERING, INC.**



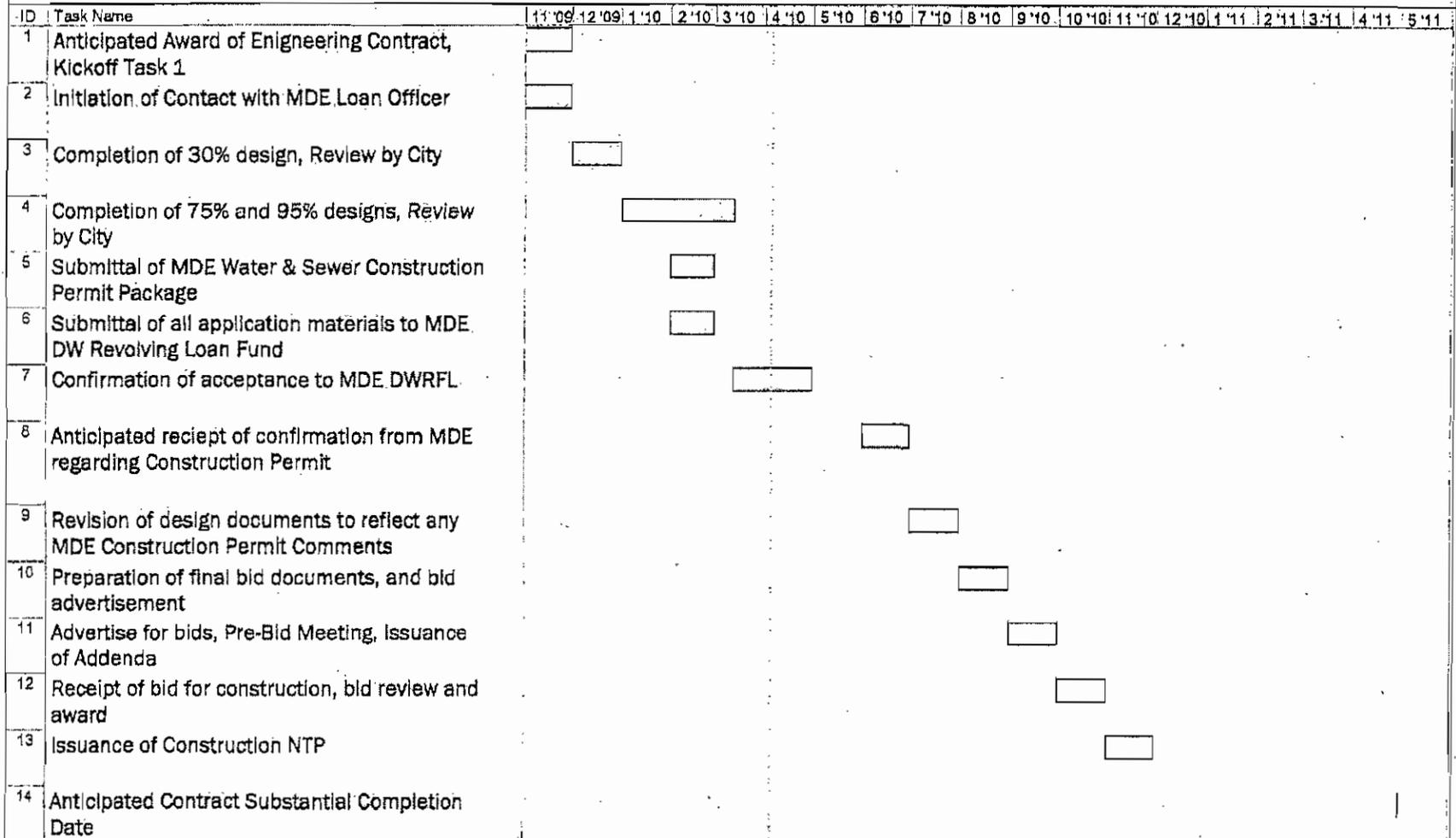
David J. Applegate, P.E.  
Vice President

DJA/ms

Attachments Submittal Schedule (Revised April 5, 2010)

cc: Patrick Cole, P.E.

**PROJECT SCHEDULE**  
 Contract RFP No. 03-10  
 Southside Elevated Water Storage Tank Engineering Services



Project: 090649100  
 Date: Revised April 5, 2010

Task		Rolled Up Task		External Tasks	
Progress		Rolled Up Milestone		Project Summary	
Milestone		Rolled Up Progress		Group By Summary	
Summary		Split		Deadline	



# Mayor's FY 11 Budget Public Presentation and Narrative

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**Mayor James Ireton, Jr.**  
**City of Salisbury,**  
**Maryland**  
**April 15, 2010**



# FY2011 Budget Summary

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- **Totals:**
- **Fiscal Year 2011 City of Salisbury Budget:**
- **Mayor's FY2011 Proposed - \$47,008,016**
- **FY 2010 - \$50,658,353**
- **Difference - \$3,650,337 (Reduction of 7.2% from FY10)**
- **General Fund Mayor's FY2011 Proposed Budget - \$29,502,695**
- **General Fund FY10 - \$32,193,241**
- **Difference - \$2,690,561 (Reduction of 8.35% from FY10)**



## Major Revenue Reductions

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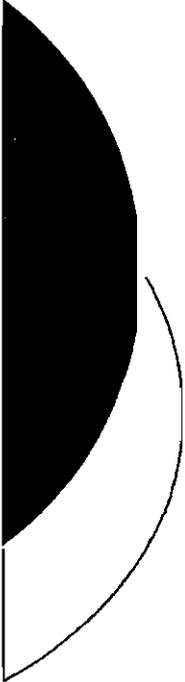
Real Property Tax	\$257,085
Railroad & Utilities Personal Property Tax	\$224,824
Income Tax	\$100,000
Admissions & Amusement Tax	\$168,000
Building Permits	\$50,000
Police Aid (State Shared Revenue)	\$177,723
Highway User Tax (State Shared Revenue)	\$1,062,924
Hotel/Motel Tax	\$53,000
Investment Earnings	<u>\$175,000</u>
	\$2,268,556



## Budget Cuts by Department - Represents a 10-11% Cut Across the Department

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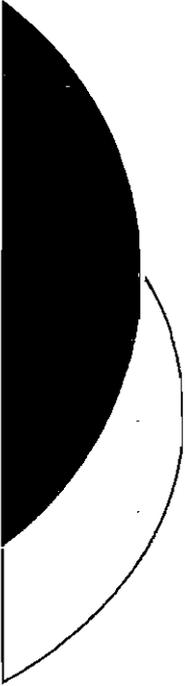
- City Council - \$786 (\$951 since FY10)
- Mayor - \$8,404 (\$10,305 since FY10)
- City Clerk - \$2,090 (\$2,680 since FY10)
- Elections - \$0 (\$30 since FY10)
- Finance - \$28,667 (\$31,764 since FY10)
- Procurement - \$5,213 (\$6,038 since FY 10)
- Human Resources - \$-800 (\$3,147 since FY10)
  - Internal Services (Total since FY10 \$40,949)
- Planning and Zoning - \$21,937 (\$26,007 FY10)



## Budget Cuts by Department - Represents a 10-11% Cut Across the Department

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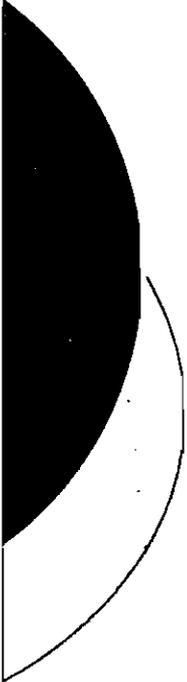
- Poplar Hill Mansion - \$35,750 (\$36,850 FY10)
- Fire Fighting - \$89,847 (\$121,124 since FY10)
- Fire Volunteer - \$3,500 (\$20,403 since FY10)
  - Fire Total - \$93,347 (\$141,527 since FY10)
- BPI - \$2,330 (\$3,530 since FY10)
- NSCC - \$25,692 (\$29,092 since FY10)



## Budget Cuts by Department - Represents a 10-11% Cut Across the Department

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- Traffic Control - \$6,455 (\$23,755 since FY10)
- Engineering - \$188,500 (\$668,020 since FY10)
- Streets \$31,650 - (\$34,905 since FY10)
- Street Lighting - (\$23,125 since FY10)
- Street Sweeping - (\$910 since FY10)
- Waste Disposal - \$250 (\$6,087 since FY10)
- Recycling - \$1,675 (\$1,675 since FY10)



## Budget Cuts by Department - Represents a 10-11% Cut Across the Department

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- Fleet Management - \$30,367 (\$33,535 FY10)
- Carpenter Shop \$4,300 (\$4,300 since FY10)
- Zoo - \$24,349 (\$29,809 since FY 10)
- Parks - \$26,404 (\$29,350 since FY10)
- Public Works Total  
\$313,750 (\$855,471 since FY10)



## Budget Cuts by Department - Represents a 10-11% Cut Across the Department

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- Police Services - \$74,751 (\$104,429 FY10)
- Police Communications  
\$12,149 (\$14,522 since FY 10)
- Animal Control - \$18,275 (\$20,219 since FY10)

Police - \$105,175 (\$139,170 since FY 10)

Totals: \$642,563 (\$1,286,562 since FY10)



# Furlough Schedule

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<u>Annual Pay Level</u>	<u>Number of Furlough Days</u>
Less than \$40,000	5
\$40,000 - 50,000	6
\$50,001 - 60,000	7
\$60,001 - 75,000	8
\$75,001 - 90,000	9
Over \$90,000	10

We are planning to make the associated reductions in pay pre-tax but these reductions will not affect the future retirement benefits of our employees. The cost to do this was approximately \$80,000.



# Expenditure Reductions

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- Employee Furlough Days - \$325,512
- 40 hr to 35 hr Reduction - \$127,864
- Employee Health Care Cost Share Increase - \$167,247
- Mayor Contingency Reduction - \$20,000
- Energy Savings - \$39,163
- Zoo Extended Hours Cut - \$12,150
- 7 Frozen for 1 year through attrition savings - \$316,211
- City Attorney Reduction - \$30,000
- Refinance Fire Station Headquarters - \$309,175



## Additional Expenditures

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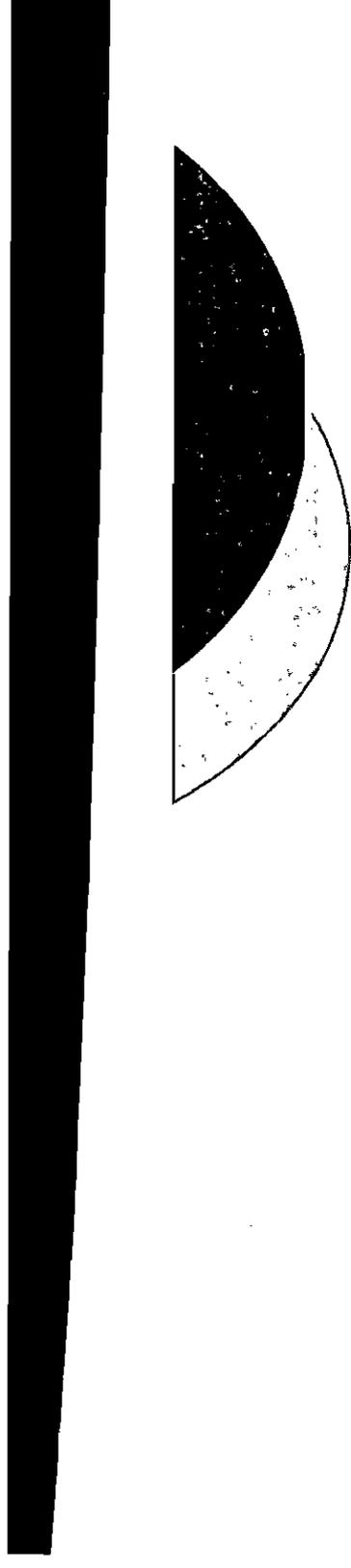
- COPS Grant Transfer - \$50,000
- Upgrades/Transfers - \$52,313
- Neighborhood Service Centers - \$15,000
- NSCC 1 Position - \$47,564 (Paid for by increase in registration fee increase)



## Additional Revenue Sources

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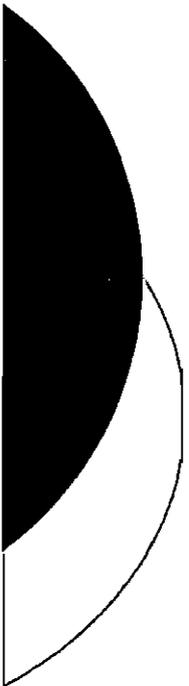
- NSCC Fees Increased by \$7.50 - \$63,600 (First increase since 2004)
- Restaurant Fee Increased by \$25.00 - \$4,850 (First increase since 1983)
- Elimination of \$1 Parking Tickets - \$2,300
- Cost Allocation - \$313,283 (Allocation of overhead costs paid for previously only general fund)
- Increase Billboard Fee - \$14,000 (First Increase since 1992)
- Police Reports and Fingerprints - \$10,000



# Unfunded Initiatives

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- Community Promotions Request Reductions - \$68,035
- Government Office Building Projects - \$70,650  
(Replace air handlers; upgrade alarm and security system; and replace second and third story windows)
- Public Works Vehicle Maintenance Facility (to be financed through a bond issue) - \$35,000 estimated first year debt payment
- East Prong Debris Curtain - \$120,000
- Police Vehicles (4) - \$121,718
- Fire Department Ambulances (3) - \$620,000
- Traffic Signal at Northwood Drive and Naylor Mill Road (to be partly funded through State Aid) - \$100,000
- Paving Projects (to be partly funded through State Aid) - \$373,500



# Debt Issuance

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This budget anticipates the issuance of debt during FY 11 for the following projects:

General Fund:

- Riverwalk Repairs (\$500,000)

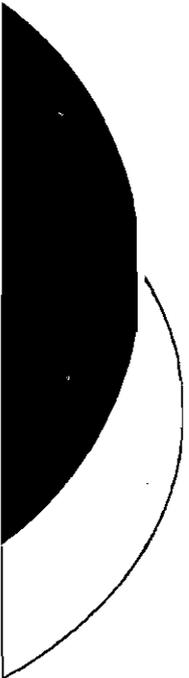
Water and Sewer Fund

- East Main Street Valve Replacement and Main Lining (\$535,000)
- East Main Street Sewer Main Replacement (\$166,000)
- Lift Station Pump Replacement (\$350,000)
- Milford Street Water Tower (ARRA Loan) (\$4.7 million)
- North Division St. Relief Sewer (\$2.1 million)
- WWTP Engineering (\$4 million)

Anticipated to be awarded in FY 10 or 11:

Jane Lawton Loan

- Poplar Hill Mansion Storm Window Replacement (\$25,000)
- Parking Garage Lighting Upgrade (\$142,800)



# Transfer of Funds Requirements

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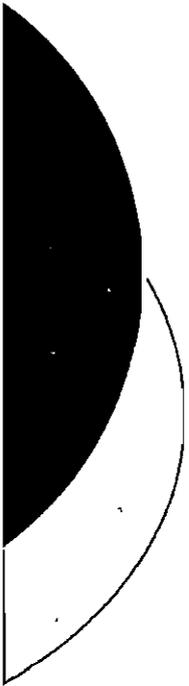
- No transfers between broad budget categories (personnel costs, operating costs, capital expenditures), except emergencies and accounting treatment transfers
- If a transfer is needed between categories, there must be a detailed memo explaining the reason
- No transfers in or out of Travel/Training and utilities (can transfer within the group)
- All transfers will be sent to Finance division to ensure rules are met before they are sent to the Mayor's office for approval.
- All transfers over \$50,000 will be reported to City Council on a monthly basis for informational purposes.



# Summary

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Only six times in the past thirty years has general fund revenue for the City of Salisbury had a budgeted decrease. By far, this budget is the most difficult in memory in terms of revenue decreases. Though it presents challenges to our city, there is a silver lining and opportunities. With large reductions in state aid, we begin to operate without monies that can be taken away by state government. \$1.2 million dollars in state cuts was a huge amount to absorb this year. Today it is obvious what that amount of money will provide for in the general fund. This reduction does give the city a chance to better ascertain exactly how much money we have in the budget without relying on non-guaranteed sources. Knowing the true amount of Salisbury's budget will give us a clearer path to spending only what we have. In closing, these financial times have made clear that we can provide services even with massive cuts in budgets. The question for the mayor, city council, and the citizens of our city is one of how long we can continue to operate and provide these services if reductions in revenue and aid continue.



# Thank You's

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John Pick, City Administrator

Lore Chambers, Assistant City Administrator

Pam Oland, Director of Internal Services

Jessie Cocci, Executive Office Associate

Sherrell McBride, Office Associate

City Department Heads

And all City employees for their help  
creating this budget.



# FINANCIAL HEALTH

FY 11

# FINANCIAL BENCHMARKS

## Total General Fund Balance

General Fund Balance @ 6/30/09	\$11,340,615*
Total Operating Revenue FY11	\$29,502,695
Ratio	38% (Strong)

\* This number ( as well as all General Fund Balance amounts) includes \$1,585,299 in surplus generated by vehicles ordered under lease purchase arrangements in FY 09 and not delivered until FY 10. All benchmarks, even with reducing the fund balance are still considered strong. This applies to the next 3 slides as well.

### Total General Fund Balance Ratio

Strong = > 15%

Adequate = 5%-15%

Weak = < 5%

# FINANCIAL BENCHMARKS

## Total General Fund Balance

General Fund Balance	\$ 11,340,615
To Balance FY-10 Budget	\$ (1,752,353)
To Balance FY-11 Budget	\$ (291,578)
Remaining Balance	\$ 9,296,684
Total Operating Revenue	\$ 29,502,695
Ratio	32%(Strong)

<p><b><u>TGFB Ratio</u></b></p> <p><b><i>Strong = &gt; 15%</i></b></p> <p><b><i>Adequate = 5%- 15%</i></b></p> <p><b><i>Weak = &lt; 5%</i></b></p>
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# FINANCIAL BENCHMARKS

## Unreserved Fund Balance

Unreserved Fund Balance	\$ 6,591,971
Total Operating Revenue	\$29,502,695
Ratio	22% (Strong)

### Unreserved Fund Balance Ratio

- » Strong =>8%
- » Adequate = 2-8%
- » Weak = <2%

# FINANCIAL BENCHMARKS

## Unreserved Fund Balance

Unreserved Fund  
Balance \$ 6,591,971  
To Balance FY-10 Budget  
\$ (1,752,353)  
To Balance FY-11 Budget  
\$ (291,578)  
Remaining Balance  
\$ 4,548,040  
Total Operating Revenue  
\$ 29,502,695

Ratio 15.4% (Strong)

Unreserved Fund Balance

Strong = > 8%

Adequate = 2-8%

Weak = < 2%

# FINANCIAL BENCHMARKS

## Ratio of Debt to Market Value

General Obligation Debt	\$ 66,090,088
Market Value of Property @ 6/30/09	\$2,300,114,378
Ratio	2.9% (Strong)

### Ratio of Debt to Market Value

Strong = < 3%

Adequate = 3-6%

Weak = > 6%

# FINANCIAL BENCHMARKS

## Overall Debt Per Capita

General Obligation Debt	\$66,090,088
Population (estimate)	26,653
Debt Per Capita	\$2,480 (Adequate)

### G.O. Debt Per Capita

**Strong = < \$1,000**

**Adequate = \$1,000 - \$2,500**

**Weak = > \$2,500**

# Financial Benchmarks

## Annual Debt Service

FY 11 Budgeted Debt Service	\$ 2,098,616
FY 11 General Budget	\$ 29,502,695
Ratio	7.11% (Adequate)

15% is typically a recommended cap.

# **FINANCIAL BENCHMARKS**

## **Summary**

- Total General Fund Balance **Strong**
- Unreserved Fund Balance **Strong**
- Debt to Market Value **Strong**
- Overall Debt per Capita **Adequate**

**In prior years the debt to market value was considered adequate, while overall debt per capita was considered weak. These have improved with starting principal payments on the WWTP debt.**



**MAYOR'S FY-11 BUDGET**

# General Fund Budgets

- FY-04 \$18,767,000
- FY-05 \$20,093,000
- FY-06 \$25,437,000
- FY-07 \$26,662,260
- FY-08 \$29,289,244
- FY-09 \$30,901,830
- FY-10 \$33,212,042
- FY-11 \$29,502,695

# Revenues vs Appropriation

(In thousands, per audits)

<u>YEAR</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
APPROPRIATED	\$ 27,690	\$ 27,026	\$ 29,885	\$ 34,560
RECEIVED	\$ 24,841	\$ 26,509	\$ 30,429	\$ 33,456
DIFFERENCE	\$ (2,849)	\$ (517)	\$ 544	\$ (1,104)
PERCENT	-10%	-2%	2%	-3%

# Expenditures vs Appropriation

(In thousands, per audits)

<u>YEAR</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>APPROPRIATED</b>	\$28,599	\$28,145	\$30,819	\$35,661
<b>EXPENDED</b>	\$25,348	\$26,055	\$28,446	\$31,196
<b>DIFFERENCE</b>	\$ 3,251	\$ 2,090	\$ 2,373	\$ 4,465
<b>PERCENT</b>	11.3%	7.4%	7.7%	12.5%

# FY 2011 MAYOR'S BUDGET

## General Fund Revenue Increases

Landlord Licenses/Rental Registration (increase fee by \$7.50 to \$32.50)	\$63,600
Restaurant Licenses (inc. fee to \$50 from \$25)	4,850
Billboard fee (inc. fee from \$.19/sq ft to \$.50/sq ft)	14,000
Police Reports/Fingerprinting (double fees price varies)	10,000
Eliminate \$1 parking ticket	2,300

# FY 2011 MAYOR'S BUDGET

## General Fund Revenue Decreases

Real Property	\$257,085
Admissions/Amusement Tax	\$168,000
Building Permits	\$50,000
Highway User Tax	\$1,063,000
Interest Income	\$175,000

# FY 2011 MAYOR'S BUDGET

- Amount in the General Fund for Capital Outlay and Monitored Items
  - Capital Outlay \$25,000
  - Monitored Items 76,117
  - Total \$101,117
- Total amount of Current Surplus - Appropriated \$291,578
- Difference between Surplus and Capital/Monitored Items \$190,461
- This difference represents the amount of the appropriated surplus that is being used to finance operating expenses. According to the recently adopted financial policy, this should be less than 1% of estimated revenue.

# Property Tax Rate

Year	Total	G.F.	Bond	Year	Total	G.F.	Bond
FY-11	.819	.709	.110	FY-06	.729	.649	.082
FY-10	.819	.715	.104	FY-05	.729	.648	.081
FY-09	.819	.701	.118	FY-04	.704	.648	.056
FY-08	.819	.739	.080	FY-03	.652	.596	.056
FY-07	.729	.650	.079	FY-02	.652	.596	.056

# Summary

- City continues in good financial health; however, unreserved fund balance and debt burden are matters of concern
- Debt Burden is high due to WWTP project
- Need to continue to look at new revenue sources
- Reduced reliance on appropriated surplus in accordance with new financial policy.