

City of Salisbury



MARYLAND

SALISBURY CITY COUNCIL WORK SESSION AGENDA

MARCH 10, 2014
CONFERENCE ROOM #306
GOVERNMENT OFFICE BUILDING

- 4:00 p.m. The Cottages at Riverhouse Phase IV – Tom Stevenson/John Schuster
- 4:20 p.m. Manufacturing Tax Exemption – Keith Cordrey
- 4:35 p.m. Pay for Elected Officials – Council discussion
- 4:50 p.m. Discussion – Facade loan subordination (Doug Church)
- 5:10 p.m. Charter Change for City Attorney – Tom Stevenson
- 5:35 p.m. Fireworks Budget Amendment – Tom Stevenson
- 5:45 p.m. Adjournment

*Times shown are approximate. Council reserves the right to adjust the agenda as circumstances warrant.
The Council reserves the right to convene in Closed Session as permitted under the Annotated Code of Maryland 10-508(a).*

SIS PROPERTIES LLC

836 Littlestown Pike
Westminster, Maryland 21157
(410) 833-5484
Fax: (410) 526-5605

City of Salisbury
125 North Division Street
Salisbury, Maryland 21801-4940

Attn: Mr. Thomas Stevenson
City Administrator

Re: Cottages at River House
Phase IV

February 4, 2014

Dear Mr. Stevenson,

Pursuant to our conversation yesterday, I have attached an EDU calculation that was done by Matt Hedger of Public Works. Mr. Hedger's calculation assumes 250 gallons per day per unit of water use. Using the 250 gallons per day per unit calculation the EDU fee for the proposed 44 units would be \$155,452.00. However, Matt's email also states that "the fee may be reduced if you can provide documentation showing less usage per unit".

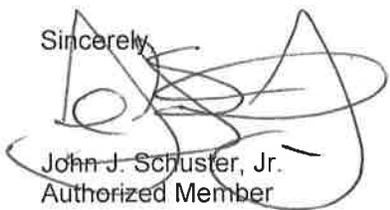
I have reviewed the water bills for all 114 units for the most recently billed quarter, which covers 09/24/13 through 12/19/13 (a total of 86 days). I am enclosing my worksheet and bills which show the average consumption per unit per day was 53.14 gallons. If the City used 60 gallons per day per unit to calculate the capacity fee, I calculate that the fee, without any waiver, would be 11 EDU's multiplied by \$3,533.00 or \$38,863.00.

I provide this calculation only so that the City will understand the true value of the requested waiver. The reason the actual consumption is so much less than the projected 250 gallons is mostly due to the fact that 91% (105 units) of the units are occupied by only one resident, the remaining 9% (9 units) are occupied by two person households.

By copy of this letter, I am requesting that Mr. Hedger review my calculations and other related information and advise me if the calculations have been performed in a manner that is consistent with Public Works policy.

I appreciate the ability to provide you this information and to discuss any questions you may have.

Sincerely,


John J. Schuster, Jr.
Authorized Member

Enclosures

Cc: Matthew Hedger

JJS/jes



1 RESOLUTION No.

2
3 A RESOLUTION OF THE CITY OF SALISBURY, MARYLAND AUTHORIZING THE
4 CAPACITY FEE OF THE CITY'S COMPREHENSIVE CONNECTION CHARGE BE
5 WAIVED FOR A DEVELOPMENT KNOWN AS THE COTTAGES AT RIVER HOUSE
6 PHASE IV, WHICH IS AN AFFORDABLE SENIOR CITIZEN HOUSING
7 DEVELOPMENT.

8
9 WHEREAS, Blackburn Housing III L.P. has requested a waiver of the Capacity
10 Fee for its development known as the Cottages at River House Phase IV; and

11
12 WHEREAS, the proposed development requires approximately 11 Equivalent
13 Dwelling Units of water and sewer service and is located on Pemberton Drive; and

14
15 WHEREAS, the Current Capacity Fee for 11 Equivalent Dwelling Units is
16 \$38,863.00; and

17
18 WHEREAS, one of the City's goals is to encourage the development of
19 affordable housing in the City of Salisbury; and

20
21 WHEREAS, the City Council approved a Capacity Fee waiver process under
22 Resolution No. 1211 for public sponsored or affordable housing, which means any
23 dwelling unit built or financed under a government program, regulation, or binding
24 agreement that limits for at least ten years the price or rent charged for the unit in order
25 to make the unit affordable to households earning less than 60% of the area median
26 income, adjusted for family size; and

27
28 WHEREAS, Blackburn Housing III L.P. has committed to providing affordable
29 housing at the Cottages at River House Phase IV apartments to households earning
30 less than 60% of the area median income, adjusted for family size for at least forty one
31 years.

32
33 NOW, THEREFORE, BE IT RESOLVED that the City of Salisbury, Maryland
34 approves the waiver of 11 Equivalent Dwelling Units of Capacity Fee for the Blackburn
35 Housing III L.P. sponsored affordable housing development known as the Cottages at
36 River House Phase IV.

37
38 THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the
39 Council of the City of Salisbury, Maryland held on March 10, 2014 and is to become
40 effective immediately upon adoption.

41
42
43
44
45
46

47 ATTEST:

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51 _____
Kimberly R. Nichols

52 CITY CLERK

53

54

55

56 APPROVED BY ME THIS

57 ____ day of _____, 2014

58

59

60

61 _____
James Ireton, Jr.

62 MAYOR, City of Salisbury

63

64

Jacob R. Day, City Council President

City of Salisbury



MARYLAND



125 NORTH DIVISION STREET
SALISBURY, MARYLAND 21801
Tel: 410-334-3028
Fax: 410-548-3192

KEITH A. CORDREY
DIRECTOR OF INTERNAL SERVICES

JAMES IRETON, JR.
MAYOR

TOM STEVENSON
INTERIM CITY ADMINISTRATOR

To: Tom Stevenson, Interim City Administrator
From: Keith Cordrey, Director of Internal Services
Date: February 25, 2014
Re: Decouple Personal Property Tax Rates from Real Property Tax Rates

Currently, the Personal Property rate is automatically set to 2.5 times the City's Real Property Tax Rate.

The attached documents prepared by the City Attorney's office which will serve to decouple the City's Personal Property Tax Rate from the Real Property Tax Rate. Going forward the City will set the two rates independent of one another.

Please let me know if you have any questions.

Chart I – Manufacturing Exemption Phase In

FY	Tax Rate	Net Assessment	Revenue	2010 Revenue	40 % Increase	Phase In %	Phase In Revenue Decrease	Year
11	0.819	1,901,981,631	15,577,230	15,577,230				
12	0.819	1,885,046,023	15,438,527	15,577,230				
13	0.819	1,829,149,426	14,980,734	15,577,230				
14	0.884	1,697,325,239	15,004,355	15,577,230				
15	0.884	1,739,758,370	15,379,464	15,577,230				1
16	0.884	1,783,252,329	15,763,951	15,577,230	74,688			2
17	0.884	1,827,833,637	16,158,049	15,577,230	232,328	30%	248,066	3
18	0.884	1,873,529,478	16,562,001	15,577,230	393,908		-	4
19	0.884	1,920,367,715	16,976,051	15,577,230	559,528	60%	496,132	5
20	0.884	1,968,376,908	17,400,452	15,577,230	729,289		-	6
21	0.884	2,017,586,331	17,835,463	15,577,230	903,293	100%	826,886	7
22	0.884	2,068,025,989	18,281,350	15,577,230	1,081,648			8
								9
					Total		826,886.31	10

Total Assessed Value for MFG Equipment	48,493,360.00
Less: Existing Average Exemption Granted	10,388,000.00
Net Assessed Value for MFG Equipment	38,105,360.00
Revenue at 2.17	826,886.31
Assumed Assessment Growth Rate	1.025

This chart assumes the city dedicated 40% of tax revenues increases due to rising assessments assumed to be 3% annually. The spreadsheet could be used to adjust the growth rate or the percentage of the tax increase to be dedicated to phasing in the manufacturing exemption.

Chart 2 – Sample Worksheet

Company: Sample Company Inc.												
Due	Interest thru 6/2013	Billed Less Exempt	Principal	City Year	Date Billed	Credit	Exemption Total	2008	2009	2010		
							Equipment \$:	333,620	11,500	96,418		
9,346.26	2,855.59	6,490.67	6,490.67	2010	1/29/10							
7,959.43	2,019.56	5,939.87	5,939.87	2011	11/24/10							
6,516.08	1,130.89	5,385.19	5,385.19	2012	12/20/11							
6,966.36	746.40	6,219.96	6,219.96	2013	9/11/12		-					
-				2014		6,577.06	322,405	166,810	50%	6,900	60%	148,695 70%
-				2015		2,771.50	135,858			5,750	50%	130,108 60%
-				2016		2,275.03	111,521					111,521 50%
\$30,788.13	\$ 6,752.44	\$ 24,035.69	\$24,035.69				\$11,623.59	3,403	258	7,963		
Proof												
-												
Exemption Value												
Year	%	Yrs After Equip Yr	Exempt yrs Granted	Calculated Yrs based on equip Yr ->	2008	2009	2010					
1	90%	< 2	5	1	2009	2010	2011					
2	80%	2-3	3	2	2010	2011	2012					
3	70%	3-4	2	2-3	2011	2012	2013					
4	60%	4-5	1	3-4	2012	2013						
5	50%			4-5	2013							
# Years:					4-5 Yrs= 1	3-4 Yrs= 2	2-3 = 3					
Date Filed:					02/27/13	02/27/13	02/27/13					

1 **CITY OF SALISBURY**

2 **ORDINANCE NO. ____**

3
4 AN ORDINANCE OF THE CITY OF SALISBURY AMENDING § 3.08.030 OF
5 CHAPTER 3.08 PERSONAL PROPERTY TAXES OF THE SALISBURY MUNICIPAL
6 CODE TO EXEMPT CERTAIN PERSONAL PROPERTY USED IN MANUFACTURING
7 FROM MUNICIPAL PERSONAL PROPERTY TAXES AS PROVIDED FOR BY STATE
8 LAW.

9 **WHEREAS**, certain classes of personal property subject to general exemptions from
10 personal property tax in the Annotated Code of Maryland are nonetheless subject to municipal
11 personal property tax unless exempted by the governing bodies of municipal corporations under
12 § 7-109(a) of the Tax-Property Article of the Annotated Code of Maryland; and

13 **WHEREAS**, § 3.08.030 of the Salisbury Municipal Code imposes “city of Salisbury
14 property tax” on forty-five percent (45%) of the assessed value of personal property; and

15 **WHEREAS**, § 7-225 of the Tax-Property Article of the Annotated Code of Maryland
16 defines “Manufacturing property” and provides a general exemption from personal property
17 taxes thereon for persons who have applied for and been granted an exemption by the Maryland
18 Department of Assessments and Taxation; and

19 **WHEREAS**, the City of Salisbury has determined that it is in the public interest to
20 exempt tools, implements, machinery, and manufacturing apparatus and engines, if used in
21 manufacturing, from municipal personal property tax.

22 **NOW, THEREFORE**, be it enacted and ordained by the Council of the City of
23 Salisbury, Maryland, that § 3.08.030 be amended as follows:

24 **Chapter 3.08**

25 **PERSONAL PROPERTY TAXES**

26
27
28 The personal property, being the stock in business of a person engaged in manufacturing
29 or commercial business (formerly referred to as "commercial inventory"), shall be subject to a
30 city of Salisbury property tax on forty-five (45) percent of its assessment. Manufacturing
31 property, with respect to which an exemption has been granted by the Maryland Department of
32 Assessments and Taxation pursuant to § 225(d) of the Tax-Property Article of the Annotated
33 Code of Maryland, as amended or recodified from time to time, shall be exempt from the tax
34 imposed by this section.
35

36 AND BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY
37 OF SALISBURY, MARYLAND, that the Ordinance shall take effect JULY 1, 2014.

38
39 THIS ORDINANCE was introduced and read at a meeting of the Council of the City of
40 Salisbury held on the _____ day of _____, 2014 and thereafter, a statement of the
41 substance of the ordinance having been published as required by law, in the meantime, was
42 finally passed by the Council on the ___ day of _____, 2014.

43 ATTEST:

44

45 _____
46 Kimberly R. Nichols, City Clerk

Jacob Day, City Council President

47

48

49

50 Approved by me, this _____ day of _____, 2014.

51

52

53 _____
54 James Ireton, Jr., Mayor

INTER

OFFICE

MEMO

OFFICE OF THE MAYOR

To: City Council
Mayor
From: Tom Stevenson
Subject: Salary Recommendations for Elected Officials
Date: October 16, 2013

During the October 7, 2013 council work session, the administration was asked to determine whether or not council members are considered “employees”.

The Human Resources Department investigated this question and determined that council members are **not** considered employees. They are described in a separate category called “Elected Officials”. Elected Officials are paid a stipend. This stipend is not based on hours, rather an annual compensation that is spread out over a 12 (twelve) month period.

Elected Officials are offered an opportunity to enroll in the City’s health care plan at the full group premium, which is deducted pre-tax from the monthly stipend.

The City is required to offer health insurance to those individuals with the status of Regular Full Time or Regular Part-Time employees. These employees work at least a minimum of 30 hours per week.

At your request, I have also attached another copy of the November 19, 2012 letter from the Salary Review Committee.

Please let me know if you require any additional information.

City of Salisbury



MARYLAND

SALISBURY CITY COUNCIL WORK SESSION AGENDA

DECEMBER 17, 2012
CONFERENCE ROOM 306
GOVERNMENT OFFICE BUILDING

- 1:30 p.m. Salary Review Committee Report – John Pick
- 2:00 p.m. CIP Review – John Pick
- 3:00 p.m. Break
- 3:15 p.m. Draft - Business Disclosure for Entities with Relationships with City – Mark Tilghman
- 4:00 p.m. General Discussion/Upcoming agenda items
- Mountain Bike MOU
 - Follow up questions & answers – FY12 Audit
 - Other
- 4:30 p.m. Adjournment

*Times shown are approximate. Council reserves the right to adjust the agenda as circumstances warrant.
The Council reserves the right to convene in Closed Session as permitted under the Annotated Code of Maryland 10-508(a).*

Posted: 12/12/12

City of Salisbury
Salary Review Committee
Recommendation to Mayor and City Council
November 19, 2012

The Salary Review Committee, having been duly appointed by the Mayor of Salisbury and under the direction and guidelines of the City Charter of Salisbury, Maryland, does hereby present these recommendations made herein to the Mayor and City Council.

This committee met on Thursday, November 1st, and Monday, November 19th, 2012. Committee members are Lauren R. Hill, Shirley Doane, Bill Press, Richard E. Widdowson, and Maarten Pereboom. The group was assisted by Linda Airey and Jeanne Loyd from the Human Resources Department, and received general guidance from City Administrator John Pick.

The committee took several factors into consideration when reviewing the current salaries of the Mayor and Council. These included, but were not limited to:

- A comparison of salaries for mayoral, council, and city employees of cities of similar size;
- The most recent increase in salaries recommended by the last Committee;
- The current state of the economy.

After review, the Committee determined that salaries for the Mayor of Salisbury and Council Members do correspond with their counterparts in cities of similar size from across Maryland as well as Dover, DE. Specific comparisons were made with Cumberland; Hagerstown; Laurel, MD; Dover, DE; Ocean City; and Cambridge. These numbers can be seen on the attached document.

However, the Committee recognizes that salaries have not risen since 2007, and the 2007 increase happened after a ten year stasis. The Committee also recognizes that an increase recommended and approved now will not take effect in 2015, reflecting another eight year stasis. The cost of living has increased by 11.6% since 2007, as calculated by the Consumer Price Index from the Bureau of Labor and Statistics (BLS). Living costs will continue to increase between now and 2015.

Additionally, and most urgently, the Committee recognizes that in order to continue to attract highly qualified candidates to the mayoral and council positions, and to reward the hard work and time dedication required of said positions, increases must be considered. As the roles, expectations, and regulations of these positions continue to expand, employees must be properly compensated for their time and energy.

Based on the above factors, the Committee recommends a 12% salary increase for each member: Mayor, City Council President, and City Council Members, totaling \$9,240.00 to the city budget. This number is based on BLS Consumer Price Index calculations reflecting an 11.6% increase in cost of living since 2007 and a very modest prediction of the BLS in 2015 (which could be a 17 or 18% difference in cost of living from 2007). 12% is appropriate, considering the eight year lag

that will have occurred. We would also like to very strongly recommend that the city consider a cost of living adjusted salary schedule to avoid large spikes in salaries in the future.

Finally, and of utmost importance, the Committee stresses concern and hope for city employees' salaries. City employees last received a salary increase in 2009 of 2%, but we would very strongly encourage City Council to consider and suggest further increases for city workers to reflect cost of living adjustments. Considering the BLS and the Consumer Price Index, city workers are being dramatically underpaid. We stress the importance of increasing all city workers' salaries to better reflect the demands of the changing economy.

As the representative and chairperson of the Salary Review Committee, I do hereby make these recommendations to the Mayor and Council of the City of Salisbury for their review and approval.



Lauren R. Hill

Chairperson, Salary Review Committee

Date: 12/13/2012

Survey of Like Sized Cities

Cities	Cumberland	Hagerstown	Laurel	Dover	Ocean City	Cambridge	Salisbury
City Population	21,518	39,662	21,000	34,900	10,000	12,326	30,434
Form MC or CM	M/C	M/C	M/C	C/M	C/M	M/C	M/C
Mayor	\$ 7,200.00	\$ 28,000.00	\$ 20,000.00	\$ 45,000.00 -1998	\$ 30,000.00	\$ 12,000.00	\$ 25,000.00
City Council President	n/a	na	\$ 7,500.00	\$ 8,652.00	\$ 11,000.00	\$ 10,000.00	\$ 12,000.00
City Council Member	\$ 4,800.00	\$ 8,000.00	\$ 7,500.00	\$ 4,716.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Last Increase for M/C	FY82	1996	2006	7/1/2002	Unavailable	7/1/2000	7/1/2007
Last Increase for Ees	FY10	2009	FY13 (steps)	7/1/2010	2009	7/1/2009	7/1/2009
Same as Ees	No	No	No	No non-bargaining unit Unions other Mayor FT	No	No	No
Full time Part Time	PT	PT	PT	Council PT Mayor All Benefits No sick/vac/or pension Expense Alltmnt	PT	PT	PT
Benefits	None	Health, Dental Vision Same Rate as ee Flex Spending	HealthIns SameRate as ee Flu Shots CU Member	Council None	Health Ins - Same cost as employee - Life Insurance Pd up to 200% of Salary Blood Bank 457 Deferred	MSRP HealthIns,Life Same cost as ee	MSRP Health Ins Full Cost Flu Shots

MEMORANDUM

TO: City Council
Tom Stevenson, City Administrator

FROM: S. Mark Tilghman, City Solicitor

DATE: February 13, 2014

SUBJECT: Charter Amendment with Regard to City Solicitor Position

It is my understanding that a majority of the members of the City Council wish to place control over who occupies the position of City Solicitor, which currently lies with Council, in the hands of the Mayor and the Council. Therefore, I have drafted the attached charter amendment, to require agreement of the Mayor and a majority of the Council for appointment or removal of the City Solicitor and any Assistant City Solicitors. The attached draft charter amendment leaves the duties of the City Solicitor and the right of the Council to retain or authorize other legal counsel unchanged.

Like all charter amendments initiated by the Council, this amendment will need to be passed in the same manner as other Council resolutions. Once adopted, it must be posted for 40 days in the municipal building, and a summary of it must be published in a newspaper of general circulation in the City of Salisbury. With the posting and publication accomplished, the charter amendment will take effect on the fiftieth day after its adoption, unless a petition for referendum that meets the requirements of State law has been submitted on or before the fortieth day after adoption.

Let me know if you have any questions about or would like to make any changes to this draft charter amendment.

32 This Resolution was introduced, read, and passed at a meeting of the Salisbury City

33 Council held on the _____ day of _____, 2014.

34 .

35
36 ATTEST:

37
38 _____
39 Kimberly R. Nichols, City Clerk

Jacob R. Day, City Council President

40

OFFICE

MEMO

Office of the Mayor

To: City Council Members
From: Tom Stevenson
Subject: 2014 Fireworks Display
Date: January 29, 2014

Attached is an Ordinance that will have the effect of amending the FY14 budget to appropriate \$10,000.00 (ten thousand dollars) to be used as a contribution in support of the planned July 4th, 2014 Fireworks Display.

This event is being organized by a group of citizens with the active support of a number of businesses, institutions and individuals throughout the community.

In order to make an appropriate display of fireworks, the committee has been working with a budget of \$20,000???.

The City is working with the organizers to plan this event and is prepared to assist with the street closings, police patrols, EMS presence and other support as needed.

In addition, the Mayor feels that it is important that the City join with the other event supporters and demonstrate its commitment through a financial contribution to help make this event a success.

cc: Mayor Ireton

