

SALISBURY CITY COUNCIL
BUDGET WORK SESSION
JUNE 1, 2015

Public Officials Present

Council President Jacob R. Day
Mayor James Ireton, Jr.

Council Vice President Laura Mitchell
Councilwoman Eugenie P. Shields
Councilman Timothy K. Spies

Public Officials Not Present

Councilman John "Jack" R. Heath

In Attendance

City Clerk Kim Nichols, City Administrator Tom Stevenson, Assistant City Administrator Julia Glanz, and Internal Services Director Keith Cordrey

The City Council convened in a Budget Work Session at 7:28 a.m. in Council Chambers, Room 301 of the Government Office Building following the regularly-scheduled Work Session and a Closed Session, which adjourned at 7:24 p.m. President Day reported to the public that while in Closed Session Council received an update from consultants and PAC 14 leadership regarding the Comcast Franchise agreement. No consensus was reached concerning the agreement.

Mayor Ireton thanked Council for their many hours of work on the budget during the past several weeks but stated he would not support the Council's budget for the following reasons:

- Community Development Initiative not supported by Council
- Fire Inspection Permit not supported by Council
- Councilman Heath's directive by Council to negotiate on behalf of the City
- Council has kept the rate cuts for County residences and Urban Services in the budget but removed the rate cuts to City residents
- Council has added \$240,000 to revise City Codes. Mayor Ireton asked if this was for downtown, neighborhoods, the commercial corridor, etc..

Mayor Ireton thanked Council for placing the broadband matter into Surplus and remarked he was trying to understand Council's point of view since they normally steer away from spending from Surplus.

Mayor Ireton reported that the \$500,000 bond funds was for more than just tax sale, it was for Clean/Liens, demolitions, and the great number of things that was agreed upon. Regarding the \$100,000 to Salisbury Neighborhood Housing Service (SNHS), Mayor Ireton explained that SNHS does not demolish houses. They do an excellent job to keep people in their homes during the recession, but there has not been a large scale changing of our neighborhoods by SNHS.

Additionally, Mayor Ireton discussed the following FY16 Budget topics with Council:

- **Fire Inspection Permit**

- Mayor Ireton reported he was told the Fire Inspection Permit could not be created.
- Mayor Ireton stated Mr. Heath should not have received permission to meet with the personnel.
- Mr. Stevenson stated that the Fire Inspection Permit was in the budget but Mr. Heath was asked to meet with Chief Hoppes, Mr. Lenox and Mr. Wright, and it would then come out of the budget if nothing came of the mediation. It is showing in the budget as a revenue and an expense.
- Mr. Day thought the consensus was to remove it.
- Mrs. Mitchell stated it came back for discussion because it was budget neutral item (equal revenue lines in and out).
- Mrs. Shields stated that it was clear at the last budget meeting that Mr. Wright, Chief Hoppes, and Mr. Lenox had not met and discussed the Fire Inspection Permit process, and so Council suggested they sit down and discuss the plan. Mrs. Shields suggested they meet, and it would be a good idea if Mr. Heath was part of the discussion since he had related experiences and understood both sides.
- Mrs. Mitchell added that Mr. Heath's role was to get the answers to Council's questions.
- Mayor Ireton was concerned that with Mr. Heath's role as president of a County fire company, the revenue could drop for his company if this was done in the City. He would agree if the City could raise revenue and not hire additional staff.

Mrs. Mitchell noted they received conflicting reports and figures from Chief Hoppes and Mr. Lenox. Council's questions concerned the conflicting reports and whether there was a duplication of services and enhanced services. Mr. Heath was the Council member who had the expertise to discuss with them.

Council reached consensus to remove the \$320,000 and have the conversation after the Fire Service Agreement was discussed with the County.

- **Rate Cuts to County Urban Services District**

Mayor Ireton stated he put the rate cuts in for County Urban Services along with the rate cuts for residents. Previous Councils have used monies from development funds such as annexations and placed them in certain accounts to be spent in certain ways. One of the ways the City remains competitive with neighboring municipalities is in keeping our rates steady over the past several years. Mayor Ireton indicated Urban Services District customers are charged based upon the number of fixtures since sewerage cannot be metered. He asked if the Council was serious about cutting the rates of people who live outside of City limits before they cut the rates of people living in City limits, and wished to bring that perspective to Council before they make final budget deliberations.

Mayor Ireton asked if Council could even them out in some way to keep the rates as competitive as possible with Delmar and Fruitland.

- **Form Based Code and Planning Initiatives**

Mayor Ireton expressed concern because \$240,000 was a large amount to spend all at once on planning if it was not going to be completed in one year.

Community Development Initiative (CDI)

Mayor Ireton stated that if Council does not find the money in the budget to hire someone to do this job then we must be prepared to answer community requests. Mr. Day noted that if funds were available for the City to acquire property for neighborhood stabilization purposes, and those properties are transferred to a qualified partner like Salisbury Neighborhood Housing Service (SNHS) or Habitat for Humanity, this could be created and the perimeters by which properties would be able to be transferred to a qualified partner. Mayor would like some funds allocated for this in the budget.

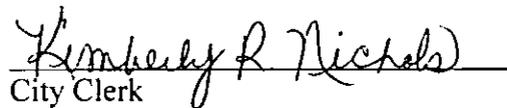
Mayor and Council Discussion

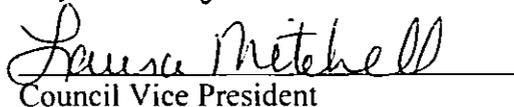
Mrs. Shields remarked that all of the topics discussed this evening should have been discussed in a Goal Setting Session so that Council could be on the same page with Administration, and they should not be compromising like this at the last hour.

Mr. Day suggested the planning piece be reduced to \$100,000 stipulating that certain projects be completed this year. Additionally, some amount for the CDI could be funded through bonds with perimeters that City acquired property must be transferred in the end to a qualified partner.

Mr. Day suggested it might be wiser to use the allocated CDI funds to acquire property and transfer it to qualified partners instead of funding a particular organization and directing how they use those funds. Council agreed that giving property to qualified partners (SNHS, Habitat, etc.) was not directly profitable to the City, but was a tool that the City can use that private industry cannot or will not use. Mr. Day suggested reviewing how much impact the added funds get and what effect it has on staff, and if this initiative should increase with added staff, that could be addressed next year.

With no further discussion, President Day adjourned the Budget Work Session at 8:48 p.m.


City Clerk


Council Vice President