

CITY OF SALISBURY  
WORK SESSION  
OCTOBER 5, 2015

Public Officials Present

Council President Jacob R. Day  
Councilwoman Eugenie P. Shields  
Mayor James Ireton, Jr. (left at 6:30 p.m.)  
Councilman John "Jack" R. Heath  
Councilman Timothy K. Spies

Public Officials Not Present

Council Vice President Laura Mitchell

In Attendance

City Clerk Kimberly Nichols, City Administrator Tom Stevenson, Assistant City Administrator Julia Glanz, Community Development Grants Specialist Theo Williams, Police Chief Barbara Duncan, Neighborhood Services & Code Compliance Director Susan Phillips, Public Works Director Mike Moulds, interested citizens and members of the press.

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On October 5, 2015, Salisbury City Council convened in a Closed Session at 4:00 p.m. in Council Chambers, Room 301 of the Government Office Building. At 4:47 p.m., upon reconvening in Work Session after adjourning the Closed Session, President Day reported to the public that Council had met in Closed Session and agreed to send to legislative session the agreement to sell Lots 1 & 11 in downtown Salisbury, scheduled for Monday, October 12, 2015.

The following is a synopsis of the topics discussed in Work Session:

**Rent Stabilization Program**

Mayor Ireton and Community Development Grants Specialist Theo Williams reported on Mr. Williams rental market analysis report, *Renting in Salisbury: Affordable for Whom?* Mr. Williams presented the purchase information, assessment values, current rent received and stabilized rent on numerous single-family rentals in Salisbury in various neighborhoods.

Mayor Ireton and Mr. Williams discussed the proposed Rent Stabilization program for Salisbury and the creation of the Rent Stabilization Board, which would ensure the seven (7) members consisted of one (1) landlord, one (1) tenant, and a housing official from each of the five (5) districts.

The following comments were provided by thirteen members of the public:

- Rent control hurts the elderly and those less informed. This is no longer a free market, but is socialism (no such thing as Utopia)
- Rent control will reduce the supply of houses in Salisbury
- Rent control is a bad idea and the tax burden is excessive

- Not all landlords are greedy, but many of them help people
- Rent control will destroy all real estate in Salisbury
- The proposal is for rent reduction, not stabilization
- Rent control will cause lower end markets to drop and there will be many vacant properties. This will drive property values down across the board
- There is not control on gas or bread
- This is not what the free market is all about
- In most cases City homeowners own houses right beside rentals and range from being well maintained to poorly maintained
- The experiment will not work but will result in more foreclosures
- Less rent equals less maintenance
- We need more, not fewer, homeowners in Salisbury
- You cannot get a thirty year mortgage on a rental property
- This proposed legislation will destroy neighborhoods
- If you cap someone's rent to \$350, why would they ever want to own a home?
- Banks will foreclose and tenants will be removed from the City properties and rent homes in the County
- How will the City determine what fair rent is? Fair rent is fluid.
- How does the City expect a board to determine fair rent

Council and Mayor provided the following comments:

- Mr. Spies – Has issues with the fact that out of the 8,600 students that attend SU, about 2200 live on Campus. Approximately 6,400 live somewhere. Where are they living? Why did this come up four (4) weeks before the election? This issue should be discussed for years. He has done his homework, too and this is not a long-term solution to anything and takes a bite out of everywhere it goes. He was happy the public came out and spoke to the subject. For this period of time, with one month until the elections, this is a “fluff” issue. He encouraged everyone to continue this dialogue whether or not he is still a Councilman in another five (5) weeks. Let us look at our rental issues over time.
- Mayor Ireton – Mr. Williams did most of the research during the summer before he was hired as a Grant Specialist.
- Mr. Heath - Asked Mr. Williams how many of the landlords did he speak with in developing the reports. (Mr. Williams answered none). Mr. Heath expressed frustration because if you put reasonable people in a room and sit down to discuss goals, you can probably achieve a solution. We need to talk with the stakeholders.
- Mrs. Shields – This is a very serious issue, and as presented, does not think anything positive will become of this. Needs to discuss with those in the rental business.
- Mr. Day – If we only discuss one proposed solution we miss an opportunity. He has many questions based on what he read and heard today. The issue is bigger than just rent, but also is chronic and debilitation poverty. The issue of homeownership must also be discussed. If there are disadvantages, how thoroughly have we analyzed them? If we have not, let us go through the process. Only four (4) states have rent control laws (and Maryland is one of the four) and 36 states have outlawed them. If the states that allow it and the few municipalities that it is allowed have the highest rents in the Country (and Salisbury is kind of close to that) is rent control going to be the solution? If the “club” of

really high rents is where rent control exists, and we do not want to be in that “club” anymore, then maybe that is not the policy solution. We need to discuss this with the stakeholders.

- Mayor Ireton – Nobody is present from the rental community or from a single-family neighborhood, and there is a reason for that. Just because the people are not in the room does not mean the problem does not exist. Apologized for dropping this topic in Council’s lap so close to an election, but will not stop talking about this.

Council reached unanimous consensus to advance the topic for discussion to the Mayor’s pending items list.

Following a ten-minute recess, Council reconvened in Work Session at 6:40 p.m.

### **Advance Telecommunications Systems Property Tax Credit**

Mr. Williams stated that with the City spending funds to install the 1-gigabit fiber optic cable downtown, the tax credit was being proposed to encourage investment in downtown. If substantial renovations were made to downtown commercial or residential properties that meet state of the art Amsel Communication Systems’ standards as determined by the Director of Internal Technology Bill Garrett in accordance with the standard provided, a property tax credit would be awarded in the amount of 10% of the renovations. The amount will be determined by a third party appraisal, paid for by the entity making the renovations.

Mr. Williams reported that Business Development Specialist Laura Kordzikowski would administer the grant, and she has requested the application be modeled after the Enterprise Zone. The tax credit itself would be handled by Internal Services – Finance.

Mr. Day invited Mr. Garrett to the table and asked if the credit applies to state of the art communications and utility equipment and allowing for that standard to be applied to accommodating advanced computer and telecommunication systems, could Council have an idea of what those might be? Mr. Garrett responded that the standard is just a wiring standard to ensure that the renovation is capable of handling ten (10) years of future technology.

Mr. Williams asked Council to review Mr. Cordrey’s attachments where over five years 10% credit will be applied each year, or the tax is otherwise due, whichever is greater. If a tax credit for \$50,000 but taxes due are only \$2,000, the City will not pay the property owner the \$48,000 difference. By having the 10% total, it allows for inequitable returns.

Council reached unanimous consensus to advance the discussion to another work session to review Mr. Cordrey’s comparisons and scenarios on low cost improvements compared to high cost improvements.

### **Malone/College Avenue & Snow Hill Road Annexation**

Building, Permits and Inspections Director Bill Holland and Planner Chris Jakubiak joined Council at the table to review the annexation documents for the Malone/College Avenue annexation.

Mr. Holland reported the Malone/College Avenue & Snow Hill Road Annexation received a favorable recommendation from the Planning Commission for the property to be rezoned to General Commercial.

Mr. Jakubiak discussed the Annexation Plan and Annexation Agreement and reported the following:

- The property to be annexed is 2.71 acres and is located on E. College Avenue and Snow Hill Road, NW quadrant.
- The proposed use is Commercial.
- The City's Comprehensive Plan contains this property within the Municipal Growth Boundary, so annexation is consistent with the Comp Plan. The Comp Plan anticipates that this property would be annexed at some point.
- The zoning is consistent with the proposed land use.
- The developer has proposed a concept plan for the site's development to include two (2) commercial buildings (restaurant and retail mixed building).
- The project involves a series of pedestrian improvements around the perimeter of the site.
- The applicant must pay the fee of \$13,000 to the City for each lot that is being developed.
- The fees are used by the City to reinvest in the City.
- The annexation agreement recommends a buffer retained to separate this commercial site from the adjoining residential properties. The buffer must remain a forest.
- The applicant must address LEED standards and environment design and energy performance standards.

Council reached unanimous consensus to advance the resolutions to the October 26, 2015 Legislation for first reading and to set the date for the public hearing.

### **Accepting Grant Funds for Protective Vests for Police Officers**

Police Chief Duncan joined Council at the table to discuss the resolution to accept \$21,049.03.00 in federal grant funds awarded through the Department of Justice's Bulletproof Vest Partnership Program to purchase protective vests for each Salisbury police officer. She informed Council that this is a matching grant fund. The Police Department receives state funding for new hires and federal funding for replacement vests. All the vests are scheduled out on a five (5) year rotation, in accordance with the manufacturers recommended lifespan of the vest. The needed number can vary based upon the number of officers hired.

The federal grant is received every two years and must be used during the next two-year period, and the state grant is received every other year and must be spent in the same year it is received.

Council reached unanimous consensus to move the resolution to the next legislative agenda.

### **Revisions to 15.24.270 Building/Housing Official**

Neighborhood Services and Code Compliance (NSCC) Director Susan Phillips joined Council to discuss changes to 15.24 Building/Housing Official. The chapter incorrectly refers to the building official instead of the housing official in numerous places throughout the City code. Ms. Phillips reported that because of the needed change in subsection 15.24.270C, Neighborhood Services & Code Compliance has to forward some cases to the Department of Building, Permits & Inspections to enforce, and this recommendation will streamline code enforcement. She also reported that subsection 15.24.1090B incorrectly refers to the BOCA Mechanical Code and should be corrected to reflect the proper code reference of the National Fire Gas Code.

Council reached unanimous consensus to advance the legislation to an upcoming legislative agenda.

### **ECV/False Alarms Billing**

Ms. Phillips reported the Fire Department, Police Department, and Internal Services – Finance have collaborated in developing a process that will allow the City to enforce the provisions of the false alarm ordinance. The Fire and Police Department both send bills to the Finance Office, and once they reach the six (6) or more occurrences, a municipal infraction is issued. NSCC has developed a streamlined process. Ms. Phillips offered rather than the Finance Office begin that billing, NSCC would absorb the citations. At the same time NSCC writes the citations they will also send the bill. The ordinance would have to give permission to the Housing Official or designee to write the citations.

Council reached unanimous consensus to advance the legislation to a legislative agenda.

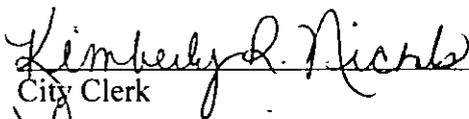
### **Public Works Robot Replacement**

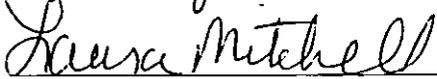
Public Works director Mike Moulds reported a budget amendment was needed to replace a broken piece of surveying equipment (robotic total station). He explained the total station was the main piece of equipment used by the survey crew for locating property corners and construction stakeout. The equipment was damaged in the field and will cost \$28,994 to replace. LGIT will be cover the replacement cost over the \$10,000 deductible. The insurance payment will be handled as a reimbursement.

Mr. Moulds stated a budget amendment will be needed to purchase the equipment and a second budget amendment will reimburse surplus for the amount less \$10,000.

Council reached unanimous consensus to advance the item to legislative agenda.

There being no further business to discuss, Council adjourned at 7:19 p.m.

  
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City Clerk

  
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Council Vice President