

The City Council met in regular session on Monday, May 9, 2016 in Council Chambers. A quorum being present, Acting Mayor Donald J. Sydnor called the meeting to order at 6:00 p.m. Those Commissioners in attendance were Commissioners Vickers, Cooke, Thomas, and Hanson. Acting Mayor Donald J. Sydnor asked for a moment of silence. Commissioner Hanson led in the Pledge of Allegiance.

Agenda

1. Council to approve or amend agenda as presented—Acting Mayor Donald Sydnor asked that Item 13 concerning the American Legion Post 91 be discussed at the beginning of the meeting. A motion by Commissioner Thomas to approve the amended agenda was seconded and approved 5:0.

13. SUBJECT: May 3, 2016 Fire at American Legion Post 91

Recommendation that Council hear a report on the fire and the Legion's efforts to recover (to be taken immediately following Item 1)

Fire Chief Brian Willey said the initial call for the fire was on May 2nd at 11:14 a.m. It eventually went to three alarms. Assistant Chief Adam Pritchett arrived within 2 minutes of the call. The other apparatus arrived shortly thereafter. The initial reports said they saw the fire inside of the hall. The first engine arrived 6 minutes after the call. There were 34 members of Rescue Fire Company along with 4 engines. They also had 10 other fire departments responding from Dorchester, Talbot, and Caroline County. They were assisted by Cambridge Police, Dorchester Sheriff's Office, Dorchester EMS, Department of Public Works, State Highway Administration, State Fire Marshal's Office, Delmarva Power, and the Salvation Army. One of the contributing factors for them being able to make a quick containment of the fire was knowing the layout of the building because there was no visibility when they got inside. The fire was contained within about 20 minutes and took about 90 to 100 minutes to get it fully under control. There were a little over 60 firefighters from the 11 departments. Fire units began to clear around 2:00 pm with the last unit clearing around 4:54 pm. It is a tragic loss of the much of the building but there were no injuries to the occupants or firefighters. Because all of the companies in Dorchester County were not covered, Wicomico County sent units to cover for Cambridge and Dorchester County. The State Fire Marshal's Office went through and eliminated pretty much everything as a cause so they are going with the fact that it was pretty much caused by lightening. Mayor Sydnor said members of the City have been in contract with the members of the American Legion in trying to expedite them to finding a location that they would be able to use. Oden Wheeler said the American Legion is looking to temporarily relocate. They are concerned about transferring their liquor and slot machine licenses. The City assisted them with by contacting the correct offices and asking for expedited services. They are receiving offers from other organizations in the City for meeting places and to help them with their contracted events. Their intent is to be back in business as quickly as possible.

Public Hearings

2. SUBJECT: FY 2017 Community Development Grant Application in the amount of \$685,000 for the purpose of streetscape and infrastructure improvement to the 300 block of High Street
Recommendation: That Council:
 - A. Hold public hearing on subject application;
 - B. Approve subject application; and
 - C. Authorize the Acting Mayor to sign a resolution of support for the project.

The public hearing was advertised in the *Star Democrat* on Tuesday, May 3, 2016. Pat Escher reported that the City has applied for this grant in the past. One reason they were not granted the funds was because the City was not shovel ready. The additional studies are now in place. They have discussed the application with the reviewing agency who gave them ideas on what they need to do to improve the grant. They are applying for \$685,000 which will be in conjunction with the \$100,000 that the City applied for from an MHAA grant strictly for the bricks. The Community Development Block Grant would be for the infrastructure. Commissioner Cooke asked about the kind of sidewalks that will be used. Questions came up before about porous vs. non-porous sidewalks. George Hyde said the plan is to use concrete. This is not a green grant where we are required to use pervious sidewalks. Commissioner Cooke asked about the difference in the cost. George Hyde said it is substantially more money. He does not have an exact cost. They have incorporated some management within the street but not necessarily with the sidewalk itself. Commissioner Thomas said he thinks the cost concern is on a pervious sidewalk it is a 3-foot dig vs. a 4-inch dig. On the Maryland Avenue project they had to excavate 3 feet and backfill with gravel because water cannot just run through the sidewalk. It would freeze and thaw. That is what drives up the cost.

Portia Johnson-Ennels asked if this was the only application the City was going to submit. It seems like every year all the projects that are submitted are projects for the City. They do not go into other wards and really look at the problems and get things fixed. We need more work to streets in Cambridge than the bricks on High Streets. We have other streets that are deteriorating and the City has not done anything over the last four years to really improve the Second, Third, and Fourth Wards. She is wondering if there is any way possible that any of this money can be used to do some of the work that needs to be done in the other work—especially the streets and curb appeal. Acting Mayor Donald Sydnor said he believes the grant amount limit is \$800,000. Pat Escher said they discussed this internally and the City is not shovel ready with any other street improvement project. They are looking at other streets and will more than likely apply in the future. They did not want an application that was not complete. If we have one grant for \$685,000 and are trying for another one for \$115,000 to make the \$800,000, we would be competing against ourselves. Portia Johnson-Ennels asked what will happen if the City does not get this grant. Will they have to wait one year because they do not have anything else in the works even though we have other issues within the City that could use this money. She asked Council to think about it. Commissioner Cooke said he does not know everything about what the people want. If citizens would contact their Commissioner and let them what they need. Portia

Johnson-Ennels said not this time. You will have to go out and talk with the people. They have been waiting for him for the last four years. He will have to knock on doors and find out what the problems are in their communities. They will not come to him. Acting Donald Sydnor said he agrees. There are other areas that need to be addressed. Staff has been looking at some of them as far as sidewalks in various areas. They have been looking at using impact fees to put sidewalks in some areas where we no longer have sidewalks. He thinks it is something that will be looked into in different areas. There is no doubt that if you ride down the 300 block of High Street you have to make sure your coffee has the top secured because it really is that bad. He used to walk in that area. You can smell gas and things coming from that area. He said Mrs. Johnson-Ennels is correct, other areas of Cambridge also need to be addressed.

Philip Wood, Postmaster for the Cambridge Post Office, said he would like to strenuously implore you to make sure we have all our 'Is' dotted and our 'Ts' crossed in this application process. The 300 block of High Street is in desperate need of repairs. As a businessman who works on the corner of Church Street and High Street, that corner is the beginning of where it really gets bad and the postal service uses High Street to branch out to all their delivery areas. They either cross the intersection or take High Street going farther on out to reach their areas. It has an impact on the postal service vehicles. They also have contract vehicles who come in and out during the day. His office sits right on the corner of Church and High Streets. It is like hearing vehicles crossing a railroad track. You can hear what it is doing to the vehicles. He encouraged Council to try to make sure that everything they can do to get this grant approved is done now so we are ready to be shovel ready.

Lou Hyman said as we are replacing the bricks on the 300 block of High Street we should use those bricks to fix the other holes that are on High Street in the 100 block and 200 block. The bricks should be recycled to replace the tar area. Oden Wheeler said they just had 5100 bricks delivered last week. As soon as he can secure the funds and get the contractor on board, they are going to fix three large holes. The bricks were ordered in January. He will try to have the repairs done by Memorial Day.

Commissioner Cooke said he was interviewed by WMDT (television) on this subject.

Nobody else asked to speak.

A motion by Commissioner Hanson to close the public hearing was seconded and approved 5:0.

A motion by Commissioner Vickers to approve the subject application as finalized by the City Manager and to approve the resolution to be executed by Acting Mayor Donald J. Sydnor was seconded and approved 5:0.

3. SUBJECT: Fiscal Year 2017 Real and Personal Property Tax Rates
Recommendation that Council:

- A. Hold a public hearing on whether to maintain the current Real Property Tax rate of .7989 per \$100 of assessed property value rather than lowering the rate to .7945 thus maintaining a “constant yield” in property tax revenues;
- B. Approve maintenance of the current real property tax rate rather than a lower “constant yield” rate; and
- C. Adopt a Resolution of the Commissioners of the Cambridge, Maryland, to adopt and approve the Tax Rates for FY 2017, Effective July 1, 2016 to June 30, 2017.

The public hearing was advertised in the *Dorchester Star* on April 22, 2016. Sandra Tripp-Jones said the State advised the City that expected revenue from real property tax for 2017 would increase by \$32,511 if the property tax rate remains as it is today. In order to maintain the current property tax and realize those additional revenues resulting from expansion of the assessable property base, not from increases in individual assessments, rather than to let it drop back to what is called a constant yield level, the City must hold a hearing and hear from the public on whether or not to leave the rate at 0.7989 per \$100 of assessed property value or to lower the rate to a level that would maintain the constant yield. In other words, the City would not realize the additional \$32,511. Staff recommends that Council hold the hearing and then consider maintaining the current rate and adopt a resolution for both real and personal property tax rates. The personal property tax rates do not require any constant yield hearing. Staff recommends that the real property tax rates and personal property tax rates remain the same. Acting Mayor Donald J. Sydnor said it is worthwhile noting that by using the tax rate that staff recommends, there would not be an increase in anyone’s taxes. The difference in the revenue that we are going to receive is because of the expansion of the tax base—not of the assessment itself.

Commissioner Thomas said the rate on personal property is \$1.69. Commissioner Vickers said once we have the public hearing and go through all the necessary steps, there is no opportunity after that to raise the taxes. Sandra Tripp-Jones said there would not be for Fiscal Year 2017. Commissioner Thomas said we are building our budget based on that rate. Commissioner Cooke said what we have done in the past is to wrestle with the budget, even considering modifying the rate, and what difference here is that we haven’t really addressed the budget from the standpoint of fixing the rate beforehand. Sandra Tripp-Jones said if Council elects to lower the rate to a constant yield level, then Council would be directing staff to bring back amendments to the proposed budget that reduces revenues by that \$35,000. Acting Mayor Donald Sydnor said the budget has been prepared with a tax rate of \$0.7989. Sandra Tripp-Jones said it is worthwhile to point out that next scheduled re-assessment of properties is not until 2018. Commissioner Vickers said she has real concerns with the overwhelming debt. We want grants and maybe we will get them and maybe we will not as we have found out with High Street. We have Cannery Park, the Long Wharf bulkhead, Great Marsh Park projects, bulkheads on several streets, the Sailwinds wharf which we had to get a \$2.5 million line of credit for, and the Sunburst Highway entrance. She thinks it would be far better to go up on the taxes. She is not talking about jumping a great deal so that every year we did not have to fight this battle. While some of those may be grants, we cannot afford it. We have grand ideas. All those things are important. We just do not have the money for them. Acting Mayor Donald Sydnor said what Commissioner Vickers is referring to is very important and the City staff

is looking into these projects. We have a five-year capital improvement plan that we are going to present to Council tonight to see how we will be able to cover some of the projects over a five-year period. We realize that we are not able to do all of them next year but we are looking ahead to see if we can do a portion of them next year and then continue on. Commissioner Vickers said Portia Johnson-Ennels is exactly right. The sidewalks and the curbing need to be done. She thinks it should be incorporated into City services like it is done in many cities. Sandra Tripp-Jones said she doesn't disagree with anything that was said. She thinks our capital program lays out in excess of \$20 million over the next five years. We are not going to pull that out of thin air. She thinks that a property tax increase to address capital needs must be approached in a way where Council looks carefully at what those needs are, determines what really needs to be done that we would not be able to pay for otherwise, to consult with the public and consult with constituents on their taste for a tax increase for those kinds of reasons, have a public education process, and then consider raising the tax. To do so now without that kind of work behind it would be hard for her to recommend to Council. She could not give Council a number and that is not fair to the taxpayers. Commissioner Cooke said he tends to agree about what Sandra Tripp-Jones just said that were we to work on a tax increase, it ought to be in some sort of investment that everyone is on board with. Between the County and City tax rates, we are up closer to the top. One county north of us is half of what we are. When it comes to trying to solicit businesses to come into the areas, they are going to look at that. He tends to agree that we do not have enough money to do some of the projects, but we ought to be very careful about what it is we are asking citizens to pay for. We ought to have a very clear idea and what the likely payback is going to be. Sandra Tripp-Jones said one of the principles behind tonight's recommendation of holding the tax rate constant is that a strategy for increasing our revenues is to expand the accessible base. That is slow going but it is a strategy. Commissioner Vickers said she would agree with expanding but she still thinks there is never going to be a right time for any increase in taxes. Commissioner Thomas said they have spent the last eight years doing more with less because of the economy. We are doing more with less in creating revenues by the actions of our City Manager and Finance Director to save us \$1 million. Now where does that \$1 million go? It goes to increase spending in other areas. We have not been presented the budget yet. He thinks the plans will be put forth and very well received. A motion by Commissioner Hanson to hold a public hearing was seconded by Commissioner Thomas and approved 5:0.

Steve Rideout said he thinks he heard the Mayor say there would not be a tax increase to the public by maintaining the tax rate as it is now. That would mean that the evaluation of all the properties would have to have remain the same. If property was added, our rate would have to go down or the existing property values would have to have gone down in order that there be the same out-of-pocket for the other taxpayers. If you have new property coming on line, it is going to generate more income. It seems to him that would then cause there to be this increase. Acting Mayor Donald Sydnor said we gave a particular rationale why it was happening to the fact that we are talking about approximately \$32,000. Do we decrease the tax rate or simply absorb those other additional properties that are coming on line and have them absorbed? There is not going to be an additional increase to the taxpayers because their properties have not been accessed. Steve Rideout said there was no notice to the public. If they are going to raise these kinds of issues, you

have to let the people know about it. Sandra Tripp-Jones said this hearing was noticed and it was on the last Council agenda. It was discussed at a prior Council meeting. There was a published notice of the hearing. That is the law. The agenda was made available on Thursday which presented the information. The recommended 'no change in the tax rate' generates \$32,000 more because more property has come into the base that is generating an additional \$32,000. That \$32,000 is not on top of any existing taxpayer's bill. It stays the same.

Charles McFadden said he is an astute businessman who bought a home in Cambridge in 2005 at the height of the real estate market. He made a killing because he got his house when we were very excited. Since then he has lost \$70,000 or \$80,000 in value. When everyone is talking about reducing the property tax to make him feel better, it doesn't do a thing for him. Do things to raise his property values. Take that money and he will give the City some more money. If the value of his house increases by \$10,000, it is a lot better for him than a \$100 reduction in taxes.

Nobody else asked to speak.

A motion by Commissioner Hanson to close the public hearing was seconded by Commissioner Thomas and approved 4:1 with Commissioner Vickers opposed.

A motion by Commissioner Thomas to maintain the current real property tax rate at \$0.7989 per \$100 and personal property rate at \$1.69 was seconded by Commissioner Hanson and was approved 3:2 with Commissioners Vickers and Cooke opposed. Commissioner Cooke is opposed based on the timing—not the particular rate. Commissioner Vickers is opposed because she thinks there should have been a longer period of talking about this. She thinks we need to look further into the future.

Consent Calendar

4. SUBJECT: Minutes from the April 25, 2016 Council meeting
Recommendation: That Council approve as submitted.
5. SUBJECT: Request from Dorchester County YMCA for permission to hold their annual Firecracker Kid's Triathlon on Monday, July 4th from 6:00 am until 11:00 am and a variance from the noise ordinance
Recommendation: That Council approve as requested.
6. SUBJECT: Request from American Cancer Society for a variance from the noise ordinance during Relay for Life on Friday, May 20, 2016 from 6:00 pm until 1:00 am (May 21st) at Cambridge South Dorchester High School
Recommendation: That Council approve as requested.

7. SUBJECT: Request from Stephen Lantz and Melissa Coenen to hold their marriage ceremony in the grassy area of Long Wharf Park on July 9, 2016 from 4:00 pm to 5:30 pm
Recommendation: That Council approve request.
8. SUBJECT: Request from Alpha Kappa Alpha Sorority, to hold a clean-up day at Cornish Park on Saturday, May 21, 2016 from 8:00 am until 1:00 pm
Recommendation: That Council approve request. Council added a variance from the noise ordinance and permission to install a bench as described to Mr. Wheeler.
9. SUBJECT: Request from Cambridge Main Street and C-SD Golf Team for a variance from the noise ordinance and use of five rolling trash cans during Second Saturday on June 11, 2016 from 5:00 pm until 8:30 pm in Craig's parking lot on Race Street.
Recommendation: That Council approve the request.
10. SUBJECT: Historic Preservation Training and Education
Recommendation: That Council:
 - A. Authorize staff to submit an application to the Maryland Historical Trust for a Certified Local Government Grant for training and education in the amount of \$4,200, and
 - B. If awarded, authorize staff and HPC members to attend the National Alliance of Preservation Commissions Annual Forum in Mobile, Alabama
11. SUBJECT: City Mayor and Commissioners Election
Recommendation: That Council approve the Dorchester Board of Elections list of judges for City of Cambridge primary and general elections.

Sandra Tripp-Jones asked for a correction to Item 4 which is the meeting minutes from April 25. In Item 12, the Council approved modifying the MOU to allow of submission of proposals for a marketing feasibility study and/or a broker marketing services or both.

A motion by Commissioner Hanson to approve the minutes with the noted correction was seconded by Commissioner Thomas and approved 5:0.

A motion by Commissioner Thomas to approve the consent calendar Items 5 through 9 and Item 11 was seconded by Commissioner Hanson was seconded and approved unanimously.

A motion by Commissioner Tomas to approve Item 10 was seconded by Commissioner Hanson was approved 4:1 with Commissioner Vickers opposed.

Old Business

12. SUBJECT: Hearn Building

Recommendation: That Council receive a verbal update from Staff.

Oden Wheeler reported that the steel for shoring up of the building is now on site. The crane was delayed but should be here tomorrow. Weather has been an issue. They need five full work days to complete the steel erection. Hopefully the street will be opened by the middle to end of next week (weather permitting).

New Business

14. SUBJECT: FY 2017 Proposed Operating and Capital Budget

Recommendation that Council:

- A. Receive the FY 2017 Proposed Operating and Capital Budget
- B. Approve the schedule for considering and adopting the budget
- C. Set May 23, 2016 at 6:00 pm for a public hearing on the FY 2017 Proposed Operating and Capital Budget

Sandra Tripp-Jones gave an overview of the budget focusing on the general fund. The proposed budget for next year is \$17,969,000. On May 16th the Council will hold a special regular meeting during which department budget presentations will be made. Council can ask questions and make comments at that time. On May 23rd at 6:00 pm during the regular meeting, Council will hold a noticed budget hearing with public input. If needed, Council will hold a second public hearing on either June 2nd or 3rd with a goal of bringing all of Council's instructions and input into documents for adoption on June 13th.

A motion by Commissioner Hanson to adopt a schedule as presented by Sandra Tripp-Jones was seconded by Commissioner Thomas and approved 5:0.

15. SUBJECT: Quarterly Financial Report (January 1 through March 31, 2016).

Recommendation: That Council receive subject report.

Ginger Heatwole said the quarterly report presents the adopted budget, amended budget, actual expenses year-to-date, as well as comments on year end projections. As of right now, we are looking at projected year end revenue of about \$223,000 for the general fund. It includes the \$180,000 of reserves that Council appropriated into the budget for 2016. If you take that out, you are looking at a very small excess.

16. SUBJECT: Grant Appropriations

Recommendation: That Council appropriate:

- A. Maryland Department of Environment (MDE) grant funds in the amount of \$36,000 to the Sewer Fund for the remaining work on the Enhanced Nutrient Removal (ENR) upgrade;
- B. Department of Natural Resources (DNR) grant funds in the amount of \$3,911 of grant funds to the Marina Fund for maintenance at the Marina; and
- C. The Maryland Community Development Block (CDBG) Grant No. MD-16-CD-8 in the amount of \$325,000 to the General Fund for the purpose of cleaning up and greening of two commercial properties previously acquired by the City through Maryland's Smart Growth Impact Fund (SGIF), at the intersections of Maryland Ave. & Rt. 50, other Byrn St. & Rt. 50.

A motion by Commissioner Cooke to accept the recommendations for the grant appropriations was seconded by Commissioner Thomas and approved 4:0. Commissioner Vickers was out of the room.

17. SUBJECT: Gateway Demolition Contract Award

Recommendation: That Council:

- A. Receive a recommendation from Staff on award of contract for Gateway Demolition (report to be filed Friday, May 6, 2016 following bid openings on May 5, 2016);
- B. Consider awarding the contract based on the May 6, 2016 report.

A motion by Commissioner Thomas to award the contract to the low bidder, Russel Insley in the amount of \$31,900 was seconded by Commissioner Hanson and approved 5:0.

Requests from the Public

- 18. SUBJECT:** Request to declare the following City property as property no longer needed for public purpose: Unimproved Lot, containing 1,715 sq. ft., located at 705 Pine Street, Cambridge, MD; Tax Map 302, Parcel No. 2692 Mr. Eddie Beasley is requesting that the City Council consider the sale of the property to him for redevelopment purposes.

Recommendation that Council:

- A. Take and consider public comment on whether the subject property is needed for public purpose;
- B. Receive report from City Manager that Department Heads have identified no need of subject property for public purpose;
- C. Make a finding that aforesaid property is no longer needed for public use;
- D. Direct the City Attorney to prepare a resolution declaring aforesaid property is not no longer needed for public use to be brought back to Council for adoption; and

- E. Authorize the City Attorney to proceed with publication notice required for sale or transfer of property.

A motion by Commissioner Thomas to open this item up to the public was seconded by Commissioner Cooke and approved 5:0. The Department Heads did not see a future need for this parcel. Nobody from the audience asked to speak. A motion by Commissioner Thomas to close the public hearing was seconded by Commissioner Hanson and approved 5:0. A motion by Commissioner Thomas to declare 705 Pine Street as excess property, to direct the City Attorney to proceed with the necessary actions, and to authorize the Acting Mayor to sign the resolution was seconded by Commissioner Hanson and approved 5:0.

Committee Meetings:

19. Finance Committee

April 14, 2016

April 26, 2016

At their two meetings the Finance Committee updated the budget, reviewed audit bids, recommended an auditor based on the bids, and reviewed quarterly financial statements. Sandra Tripp-Jones discussed reorganizations in FY17 for Economic Development and IT.

20. Sailwinds Committee

April 19, 2016

On April 19, 2016, the Sailwinds Committee discussed the visits they made to other locations.

21. City/County Coordinating Meeting - Postponed to 5-23-16

Notices:

May 16, 2016 at 6:00 pm: Special Regular Meeting for Department FY 2017 Budget Presentations

May 23, 2016 at 6:00 pm for a public hearing on the FY 2017 Proposed Operating and Capital Budget

A motion by Commissioner Thomas to adjourn the meeting was seconded and approved unanimously.

With no further business, Acting Mayor Donald J. Sydnor adjourned the meeting at 8:30 p.m. I hereby certify that the foregoing is a true and accurate account of the Council meeting Monday, May 9, 2016, insofar as I personally am aware.

Donald J. Sydnor, Acting Mayor