

20TH SPECIAL SESSION – April 4, 2006

Mayor Robert E. Bruchey, II called this 20th Special Session, Work Session and Executive Session to order at 4:02 p.m., Tuesday, April 4, 2006 in the Council Chambers at the City Hall. Present with the Mayor were City Council Members K. B. Aleshire, K. S. Cromer, L. C. Metzner, and P. M. Nigh, City Administrator Bruce Zimmerman, City Attorney Mark Boyer, and City Clerk D. K. Spickler. Councilmember A. Parson-McBean arrived later.

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session.

**Approval of an Ordinance: City Park and Claude M. Potterfield Pool
Concession Agreement**

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an ordinance as introduced to approve the execution of an agreement with J and L Concessions to operate the Concession Stands at City Park and the Claude M. Potterfield Pool for the period of April 1, 2006 through October 31, 2011.

Approval of an Ordinance: Memorandum of Understanding between the City of Hagerstown and the University System of Maryland at Hagerstown concerning operations of University Plaza

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an ordinance as introduced to approve the execution of a Memorandum of Understanding between the City of Hagerstown and the University System of Maryland at Hagerstown concerning operations of University Plaza for the period of one (1) year from date of execution and a renewal of four (4) additional one (1) year terms.

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember K. B. Aleshire, the Special Session was closed at 4:04 p.m.

WORK SESSION – April 4, 2006

Councilmember A. Parson-McBean arrived at the meeting.

Recycling Program – Bins and Public Information

Rodney Tissue, City Engineer, presented each Mayor and City Council member with a recycling bin and a copy of the informational pamphlet that has been distributed throughout the City. The program will begin on April 23, 2006. Changes are being made to the trash collection dates and the curbside recycling program is being expanded. Every resident is receiving specific information for their location.

Zoning Ordinance Text Amendments – Cluster Development Adjustments ZT-2006-01

Stephen Bockmiller, Zoning Administrator, presented proposed amendments to the Zoning Ordinance as it pertains to the cluster development provision of the Zoning Ordinance. The Planning Commission conducted a public hearing on the amendments, and adopted the proposal, with three minor adjustments, which are included in the proposal.

Staff has identified structural problems with the current language and provisions that are unnecessarily vague or punitive. The purposes of these amendments are as follows:

1. Clarify how forest conservation shall be applied to cluster projects (now currently ambiguous in the Zoning Ordinance)
2. Allow more than four town house dwelling units in a building when developing townhouses as part of a cluster development (new limit would be 8)
3. Adjust the means of calculating the open space requirement so that it is easier to compute and ties the amount of open space directly to the individual lot size reduction on a lot-by-lot basis.
4. Defines accessory structure setbacks in cluster subdivisions (cluster section does not currently address this).

Staff and the Planning Commission felt it necessary to proceed with these “band-aid” amendments in order to affect several cluster subdivisions that will be processed in the immediate future. These developments total over 1,000 units, including Haven Road, Howell Road, Harrison Tract (north of Dual Highway) and potential others. Staff and the Planning Department believe these amendments are necessary to improve the quality of these large cluster subdivisions which will be submitted soon, and if the Mayor and Council are agreeable, should be adopted without delay.

Councilmember Nigh asked if these amendments would address developments such as the one on Pangborn Boulevard. Mr. Bockmiller indicated the amendments would address this type of development through the setback requirements.

Councilmember Aleshire asked if the Startzman property would be subject to these amendments. Mr. Bockmiller stated it would not be, since the plans are scheduled for review by the Planning Commission at their next meeting. Councilmember Aleshire questioned whether or not the project would be approved prior to the amendments.

Councilmember Aleshire stated he does not think there should be any deviation from the Forest Conservation standard allowed. He also does not think a developer should be allowed to count open space as part of the forestry requirement.

Councilmember Metzner stated a question has been raised about the Planning Commission's authority to waive forestation requirements. He suggested that the Mayor and City Council should be the ones that have the right to waive the requirement instead of the Planning Commission. Mayor Bruchey asked if forestation is allowed off-site. Mr. Bockmiller stated this is allowed in some instances.

Councilmember Aleshire suggested several changes in the cluster dimensional requirements. He feels that triplex and quadriplex units should be side by side, not on top of each other. Mr. Bockmiller stated units on top of each other are not allowed under the Zoning Ordinance.

Mayor Bruchey stated the forestry requirements and authority to waive the requirements will be reviewed.

A Public Hearing to discuss the amendments is scheduled for April 25, 2006.

Deerfield Knolls Planned Unit Development (PUD) Discussion

Stuart Bass, Comprehensive Planner, and Bruce Pitts, applicant, were present to discuss the Deerfield Knolls PUD, a proposed 82 unit townhouse development on 6.1 acres of C2 and R2 zoned land on N. Burhans Boulevard, with the Mayor and City Council. Input is needed to assist staff in preparing the ordinance for introduction on April 25, 2006.

Following the work session discussion on March 14, 2006, the applicant met with Tom Brown (Fire Marshall) and Doug Dehaven (Assistant Fire Marshall) and reached an agreement on the street widths. The applicant has made the following revisions to the Concept Plan:

1. The project density was additionally reduced from 84 to 82 townhouses (with one of the units backing to N. Burhans Boulevard being eliminated and another unit backing to the existing homes along Mitchell Avenue being eliminated).
2. Per the request of the Fire Marshall, the streets were widened by 5 feet

3. The berm along N. Burhans Boulevard was widened and additional landscaping was provided.
4. The fence along the railroad was modified to tie into the berm along N. Burhans Boulevard to better deter access to the railroad and the quarry on the other side of the railroad tracks. The plan also now calls for the fence to be a minimum of 6' in height. A variance or waiver will be requested during the site plan process to allow the fence to be 8' in height.
5. The two tot-lots have been increased in size by approximately 35%.

Councilmember Aleshire is concerned about the sight distance from driveways. Mr. Bass stated this would be addressed at the site plan stage. Rodney Tissue, City Engineer, indicated the sight distance is questionable at some locations.

Councilmember Aleshire asked how many lots would be available if a fee simple ownership was used. Mr. Pitts stated it was not based on a fee simple layout. A commitment has been made to the people in the neighborhood that the homes would be condominium style.

Councilmember Aleshire stated he is still concerned that attempts will be made to turn the garages into additional living space.

It was the general consensus of the Mayor and City Council to include approval of the Deerfield Knolls Planned Unit Development on the agenda for April 25, 2006

Budget Overview

Bruce Zimmerman, City Administrator, stated this budget reflects a history of managing the City's finances both professionally and responsibly. The City's General Fund operating surplus is healthy and well within the guideline established by the financial policies. The City has faced a long history of sizeable deficits in the General Fund that had a negative impact on operations. There was no deficit this year or last year. Resources are available to address some community issues. A budget plan is needed for the OPEB (Other Post Employment Benefits) issue. The requirements of the Government Accounting Standards Board, based on the current retiree health insurance program, will require the City to increase funding of retiree health insurance expenditures far beyond the current levels of revenue.

The wage and benefit study and public safety needs have been addressed in the proposed budget. The wage and benefit study indicated the class and compensation program needs to be upgraded, in order to deal with wage compression and market competitiveness. Funding is included in the base budget to implement the first phase of the study. An additional amount is included in the Tier One budget to fund the first year of the adjustments that were outlined in a discussion on March 7, 2006.

In response to the Mayor and City Council's direction, Staff has prepared a Proposed Base Budget and then two Tier Budgets for consideration. The base budget proposes numbers working from available revenues without a tax increase. To fully fund the wage study, add nineteen firefighters and additional police officers at the same time, a tax rate adjustment would be required. The base budget includes funding for some public safety staff increases and funding for restoration of the cadet program. The Tier One Budget completes the full implementation of the first year of a three year program for the Wage and Benefit Study. The Tier Two budget includes increased funding for 10 firefighters and 3 police officers.

As discussed at the Goal Setting Retreat, there are areas outside of public safety that are understaffed. The proposed base budget funds new positions in critical operations that are presently understaffed. The base budget includes funding for two police cadets, five positions in Water & Sewer, elimination of one position in Water & Sewer, two police support positions, elimination of the Director of Administrative Services Position, one economic development position, one recruitment and employee relations position, one planner, and one meter reader.

Maryland municipalities are limited, by State Law in their ability to develop new sources of revenue. Municipalities depend on property taxes to fund their operations. Property tax revenue accounts for 58% of the City's general fund revenues. One way to relieve the burden on taxpayers is to continue to grow and develop in order to increase the property tax base. No tax increase is proposed in the proposed base budget. A property tax cap has been approved by the State legislature. This cap means the City will see a decrease of \$ 286,000 in property tax revenue.

The Tier One Budget completes the full implementation of the first year of a three year program for the Wage and Benefit Study. Tier One includes a Tax Rate increase of 1.68 cents to provide the additional \$ 420,000 needed in the General Fund. \$ 632,551 is included in the other funds to complete the first year implementation.

The Tier Two Budget includes the Public Safety Staffing increases of three police officers, nine firefighters, and a fire training captain in FY 06/07. Tier Two includes additional expenditures of \$ 465,017 for these positions, funded by a tax increase of 1.86 cents. This Tier Two Budget contemplates the funding of two police officers and nine firefighters in FY 07/08.

To support the Mayor and Council's efforts in supporting the revitalization of downtown, Staff is recommending that the City issue a \$ 2.5 million Downtown Revitalization Bond to be funded with \$ 150,000 in annual debt service from the General Fund. This gives the Mayor and Council the opportunity to utilize a significant amount of funds to support one or more major projects that will visibly impact the condition of downtown. The \$ 250,000 for annual debt service is funded in the Proposed General Fund Budget and does not require a property tax increase. Funding is included in the proposed budget for further downtown enhancements, including widening of sidewalks,

construction of pedestrian access to the new parking deck, additional camera systems and additional lighting.

The Economic Development Department is staffed with one full time position and a fraction of a support person. There would be additional staffing provided in other communities. Mr. Zimmerman recommended that the Mayor and Council look at staffing in this department and more realistically staff what is an understaffed department.

The highlights of the budget message include:

- Downtown Bond Issue
- County Excise Tax Revenue
- Public Safety Operation Supports
- Street Improvement Projects
- Firefighter Operations
- Parks and Recreation Facility Projects
- Livable City Projects
- Support of Other City Operations
- Information Technology
- Housing and Neighborhood Projects
- Community Agency Support
- Water and Sewer
- Light Fund

Over the last ten years, the City has utilized the bond/credit market to borrow \$ 32.9 million for major capital and economic development projects through fiscal year 2004/2005. During this same ten year period, the City repaid \$ 19.2 million of principal.

In fiscal year 2005/2006 it is proposed to issue \$ 5,100,00 of General Fund debt, \$ 5,028,736 of Water Fund debt, and \$ 1,127,500 of Sewer Fund debt. Both the Water and Sewer Fund debt will be financed with the Maryland Department of Environment using subsidized interest rates of less than 2% for twenty years.

In fiscal year 2006/2007, it is proposed to issue \$ 10,419,500 of new debt for the Water Fund, \$ 7,370,750 of new debt for the Sewer Fund, and \$ 150,000 of new debt for the Parking Fund. No additional borrowing is proposed for General Government purposes in 2006/2007.

One of the challenges faced by the City this year was the increase in fuel rates. Fortunately with growth in revenues, the \$ 1.2 million increase was covered. Health Insurance premiums are expected to increase by approximately 12%. Hourly parking rates are not scheduled to be increase. Long term parking rates are to be increased. Rates at the golf course are to be increased. Even though there is a decrease in federal funding for Community Development, the City still has a robust program with a focus on housing.

The 2006/2007 Proposed Budget is \$ 134,421,589. This is a 24.2% increase from the 2005/2006 budget. The proposed budget is a comprehensive one and is much stronger than it was two to three years ago.

Mayor Bruchey suggested scheduling time at future work sessions to discuss the budget, after the Mayor and Council have had time to review the proposed budget. He suggested allocating an hour for discussing the budget at each session.

Councilmember Aleshire stated the amount proposed for utility rate increases is not the amount a customer's bill will increase. He asked for a comparison of the property tax revenue from last year to this year.

Budget discussions will be scheduled on each Work Session agenda until the budget is approved at the end of May.

City Administrators Comments

Bruce Zimmerman, City Administrator, mentioned that the Fire Operations program will be held this weekend.

Mayor and City Council Comments

Councilmember L. C. Metzner had no additional comments.

Councilmember P. M. Nigh thanked the Hagerstown Police Department for being very visible on Friday and Saturday nights. Citizens on Patrol needs additional people.

Councilmember A. Parson-McBean had no additional comments.

Councilmember K. B. Aleshire stated a 530 unit development on the Dual Highway is in the review process. Passage of an APFO could affect the timing of this project. He does not support a development of this size in that location. He hopes a mitigation plan (required under the APFO) would include a reduction in the number of units. The dumpster program will be held from April 17, 2006 through April 22, 2006. He mentioned additional correspondence concerning the hospital relocation supports his thinking that the Edgewood Drive/US 40 improvements are being fast tracked to accommodate the relocation. The Washington County Commissioners discussed the City's APFO at their meeting today. The amount of traffic expected on McDade Road will require further road improvements. He indicated it appears the Startzman property will not be subject to the proposed Cluster Development regulations that were discussed earlier. He asked for a status report of the permit software. He wondered why the flow amounts in the weekly report vary so much. There was a problem with the flow meter.

Councilmember K. S. Cromer asked for a list of tax exempt properties in the City. She thanked Delegate John Donoghue for his part in securing \$ 4 million for schools. She stated there could be an increase in CDBG funding. Mr. Zimmerman stated this would

be for 2007/2008. Opening day for the Hagerstown Suns is April 10, 2006. The Parks Department is beginning to clean up City Park.

Councilmember Cromer asked for information about the full committee meeting of Building Community. Mr. Zimmerman stated meetings are held on the third Monday of each month. Individual committees can meet as they choose. Councilmember Cromer stated she doesn't understand why this is so vague. Councilmember Parson-McBean stated they meet once per quarter as a full committee. Councilmember Cromer asked if this is for city residents. Councilmember Parson-McBean stated selected city residents attend. Councilmember Cromer asked if this means someone could not attend unless they were selected. Councilmember Parson-McBean stated this is not a public initiative at this time and this is all that can be said about it now. She offered to discuss this with Councilmember Cromer in private. Councilmember Cromer asked who is providing funding for the group. Councilmember Parson-McBean stated they fund themselves. Mr. Zimmerman indicated the City paid approximately \$ 200.00 for materials such as markers and flip charts. Councilmember Cromer asked if Council members could attend. Councilmember Parson-McBean indicated Council members have been invited to attend from the beginning.

Mayor R. E. Bruchey, II reminded everyone that First Fridays will start again downtown on April 7, 2006. The grand opening of the Hagerstown Suns Plaza will be held on Friday, April 7, 2006. He stated the improvements to the Edgewood Drive/US 40 intersection will not be a long term solution to the problem. He believes that income from the APFO and the Excise Tax will provide funding for future upgrades. An Arbor Day ceremony will be held on Wednesday, April 5, 2006 at Fairgrounds Park.

Councilmember L. C. Metzner made a motion to meet in closed session to consult with counsel to obtain legal advice, #7. Councilmember K. B. Aleshire seconded the motion.

Motion failed, 0-5.

The Mayor and City Council then discussed the Expense Reimbursement Limitations.

Mark Boyer, City Attorney, concluded his research into the issue of whether the Mayor and Council are permitted to increase the amount they are reimbursed for expenses during their current term. The short answer is no, they can't. He stated it is his opinion that the expense account for Council members can be considered a benefit, since it is used for personal expenses.

Alfred Martin, Finance Director, does not agree. Councilmember Metzner asked Mr. Boyer if registration fees and tuition for conferences would be considered personal expenses. Mr. Boyer stated this could be classified differently.

Councilmember L. C. Metzner moved to table this discussion until Mr. Boyer and Mr. Martin have met to discuss this further.

EXECUTIVE SESSION – April 4, 2006

On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in closed session at 6:13 p.m. to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State, #4. No formal action was taken at the session. The meeting was held in the Council Chamber, 2nd floor at the City Hall. The meeting was adjourned at 6:39 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved:_____