

99TH SPECIAL SESSION AND WORK SESSION - May 5, 2009

Dedication of Park Circle Fountain and Garden at City Park Entrance

The Park Circle Fountain and Garden at the intersection of Key Street and Virginia Avenue were dedicated at 3:30 p.m. Mayor Bruchey, Councilmember Nigh, Councilmember Brubaker and Councilmember Metzner were present for the dedication.

WORK SESSION – May 5, 2009

Mayor R. E. Bruchey, II called this 99th Special Session and Work Session of the Mayor and City Council to order at 4:34 p.m., Tuesday, May 5, 2009, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers M. E. Brubaker, L. C. Metzner, P. M. Nigh and A. Parson-McBean; City Administrator Bruce Zimmerman, City Attorney William Nairn and D. K. Spickler, City Clerk. Councilmember K. S. Cromer was not present.

Consolidated Communication Center

Chief Arthur Smith and Kevin Lewis, Director of Washington County Fire and Emergency Services, were present to discuss the Combined 911 Center. Chief Smith reported the cost factors have now been determined to a large extent. The State Retirement System, upon reevaluation of their cost estimates based on an involuntary transfer, which is the case in this situation, has now included City contributions in their calculations and it appears likely that there will be no cost to the employees (or to the City) to make up for any pension deficits.

The recommendations of the consolidation committee remain the same as at the last presentation. Formal approval of the recommendations is being requested so that the City employees are reassured on these points.

Those points are:

1. Employees who will lose a week of their current vacation allotment in the transfer, due to differences in HR rules between the City and County, would be compensated. Employees who currently get three weeks and will only receive two at the County would receive payment for the difference until they have sufficient tenure to receive three weeks at the County. Employees who currently receive five weeks at the City will be reduced to four weeks at the County. The recommendation is that they be paid for five weeks of vacation upon separation. HR has estimated a cost of approximately \$ 15,000 to compensate City individuals who lose a week of vacation leave in the transfer. This would be a one time expenditure.

2. Currently Washington County offers no medical insurance to retirees after they reach the age of 65. The City offers a limited benefit. It is recommended that City employees having 15 years of service or more be allowed to receive the City benefit which may be in place upon their reaching the age of 65, as if they had remained City employees.

The cost sharing agreement between the City and the County remained unchanged, as do other HR recommendations. To restate the cost sharing formula, the City will pay to the County an annual sum equal to 85% of the salary of the eleven City employees on their last day of City employment. The method and schedule of payment would be worked out between City and County officials. This sum will remain unchanged in future years, even though some of those employees retire or otherwise leave employment. This is deemed appropriate as the City will continue to receive the same level of service regardless of who performs those functions.

The Combined Communication Center will also provide the capability for emergency services personnel to be in contact with each other.

It was the general consensus of the Mayor and City Council to approve the recommendations.

County Alarm Ordinance

Chief Arthur Smith was present to discuss a County-wide alarm ordinance. Sheriff Mullendore had appeared before the Mayor and City Council to explain the details of the new ordinance. Although the draft at that time was later modified slightly by the County Commissioners, there appears to be nothing which would increase the costs to City residents.

By adopting the County Alarm ordinance, all alarm permits would be issued through one office, the Consolidated Communication Center.

It was the general consensus to adopt the County Alarm ordinance.

Mayor and Council Review of the 2009/10 Proposed Budget

Alfred Martin, Finance Director, reported staff has started compiling Mayor and Council budget modification sheets to reflect items that have developed since the proposed budget was drafted at the end of March, 2009. So far, staff has recommended the following revisions to the General and CIP Funds:

1. The impact of the reduction in the State Highway User Revenue distribution formula for local governments enacted by the State legislature in April 2009 as part of their balancing of the State budget. Per information received from the Maryland Municipal League and State

Highway Administration, the City should experience a reduction of approximately \$ 216,000.

2. The City also received word from the State Highway Administration, through the MML, that the City should expect an additional 2% reduction in the Highway User Revenue due to a continued drop in gasoline use due to the current economic conditions. This will result in an additional \$ 40,000 reduction in this revenue.
3. To offset the impact of the reductions in State Highway User Revenues, staff is proposing to reduce the General Fund transfer to the CIP Fund for street resurfacing by \$ 256,000.
4. Funding will need to be added to the General Fund operating budget to begin funding an annual replacement program of protective turnout gear for fire fighters at a cost of \$ 21,000. It is recommended that this be funded through a reduction in the General Fund transfer to the CIP fund. This will be accomplished by replacing the roof on the South Pavilion at City Park this fiscal year and by reducing the amount of funds for the annual City Park bench replacement program.

The adjusted General Fund surplus for 2009/10 would still be \$ 3,915 after considering these modifications.

Mr. Martin mentioned that General Fund Agency Contributions includes two changes. The Community Action Council summer lunch program has been expanded to include a breakfast program. The Contemporary School for the Arts is a new recipient of an agency contribution.

Councilmember Metzner asked why the CASA expenditures continually rise. Mr. Martin indicated the funding support CASA receives is used to assist the police department when CASA's services are needed.

Mr. Martin mentioned that the allocation to Community Rescue Service (CRS) was increased a few years ago to \$ 75,000. CRS is now requesting an increase of up to \$ 100,000. CRS Board Members may be contacting Mayor and Council members.

Larry Bayer, Manager of Community Development, stated Food for Friends and the Easter Seals Adult Day Service were not funded in this year's CDBG budget. Funding for the other agencies remained the same, with the exception of a \$ 14,000 reducing in funding for Neighborhoods 1st. Support for Neighborhoods 1st is also included in the General Fund budget.

Councilmember Metzner expressed concern that some residents of Holly Place are not from the City. He believes making a \$ 50,000 contribution to the Community Free Clinic would serve a larger number of city residents.

Councilmember Parson-McBean stated the funds at Holly Place are necessary to sustain life for the residents. She asked if CDBG includes a component for the proposed child health insurance coverage. Mr. Bayer has not heard of the program.

Mr. Bayer stated he is still waiting for the guidelines from HUD for the stimulus funds that were recently announced. Councilmember Parson-McBean suggested that residents contact congressional leaders to let them know Hagerstown needs this funding.

The proposed budget includes maintaining the current year adjusted funding level for the Hagerstown Neighborhood Development Partnership (HNDP) and the Hagerstown HomeStore. The total is \$ 100,000. The proposed budget also includes an increase in the parking deck and monthly pass rates. Water and sewer rate increases will be discussed after the cost of service study is completed this summer.

Councilmember Brubaker mentioned that the State Highway User Revenue has been reduced by the State. Staff has suggested reducing the street overlay program. He recommends deferring the renovation of the Roslyn Building (which is scheduled to be completed with bond funding) and applying the bond funding to the CIP to restore the overlay program. Another alternative is to use bond funding for sidewalk repairs instead of general fund money. He stated he is not suggesting that the Roslyn Building renovation be cancelled, just deferred until 2011.

Mr. Zimmerman and Mr. Martin will incorporate Councilmember Brubaker's recommendations into the budget for further review by the Mayor and Council. They will also provide alternative funding sources to keep the overlay program in tact.

Councilmember Metzner asked which streets would not be overlaid if the budget is reduced. Rodney Tissue, City Engineer, stated Staff is in the process of creating the overlay list. This year's program was increased in order to catch up from last year. The cost of asphalt and gasoline affected the overall cost of the overlay program, resulting in fewer streets being resurfaced.

Councilmember Nigh stated when home owners have to repair their sidewalks in anticipation of the street being overlaid, they should not have to wait for a long period of time for the work to be completed.

Councilmember Parson-McBean stated the departments moving into the Roslyn (Community Affairs, Community Development and Information Technology) sustain the image of the City and disseminate information about the City. She thinks the renovation project is just as important as the roads. She stated there may be other money available for street overlay projects.

Councilmember Nigh asked how much has been spent on the Roslyn renovation so far. Staff will provide this information.

In order to comply with State law and the City Charter requirements to adopt a budget by the end of May (30 days before the start of the new fiscal year) advertisements have been placed for the public hearings on the budget, tax rate and CDBG Fund annual action plans for May 5, 2009 at 7:00 p.m. A special meeting is planned for Tuesday, May 12, 2009 to introduce ordinances to adopt the budget and set the tax rate, after the hearings. Approval of the ordinances will be scheduled for Tuesday, May 26, 2009.

City Administrator's Comments

Bruce Zimmerman, City Administrator, had no additional comments.

Mayor and Council Comments

Councilmember P. M. Nigh expressed sympathy to the family of Retired Fire Chief John Hall, who passed away on April 30, 2009. He was a firefighter from 1940 until 1974, when he retired due to injuries.

Councilmember L. C. Metzner pointed out the fountain at City Park was dedicated today. There are many positive things happening in Hagerstown.

Councilmember M. E. Brubaker attended a meeting of Maryland's large municipalities last week. Topics included intergovernmental relations, lobbying approaches, community policing and sustainable communities.

Councilmember Parson-McBean has been meeting with elected officials in Prince Georges County to discuss ways to get help from State legislators. She thinks the Roslyn Building renovation should have the same importance as road resurfacing.

Mayor R. E. Bruchey, II thanked the Washington County Museum Board of Directors for the information provided at their annual meeting earlier today. He thanked everyone who attended the City Park fountain dedication and all who donated resources. He does agree the Roslyn Building project is important but thinks it is difficult to recommend renovations to a government building at this time. He would suggest postponing the project until the economy is more stable.

The Work Session ended at 5:45 p.m.

99th SPECIAL SESSION – May 5, 2009

Mayor R. E. Bruchey, II called this 99th Special Session of the Mayor and City Council to order at 7:03 p.m., Tuesday, May 5, 2009, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers M. E. Brubaker, K. S. Cromer, L. C. Metzner, P. M. Nigh and A Parson-McBean; City Administrator Bruce Zimmerman, and D. K. Spickler, City Clerk.

AFSCME 1540 Labor Contract Approval

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember A. Parson-McBean, the Mayor and City Council unanimously agreed by voice vote to approve of a one year Collective Bargaining Agreement between the City of Hagerstown and the American Federation of State, County, and Municipal Employees, Council 67, AFL-CIO Local Union 1540. This Agreement commences on Monday, June 29, 2009 and continues until Sunday, June 27, 2010. This contract provides no change in salary scales. Major changes to existing contract language include:

1. Employees hired after July 1, 2009, who qualify for retiree health insurance will be eligible for that benefit until becoming eligible for Medicare.
2. Language to clarify the order in which employees select their shift in the City's 24/7 operations.
3. Deleting language on Communications Operators, scheduled to move to the County.
4. Slight change to make the contract language consistent with the current process to investigate work rule infractions and bringing the issue to resolution.
5. Added a sentence to the process for bumping rights to include that an employee must hold the same certifications as the employee being bumped.

The contract was then signed.

Public Hearings

Community Development Block Grant Annual Action Plan

The City of Hagerstown has prepared a Proposed Annual Action Plan (AAP) and will be applying for a FY 2009/10 CDBG Entitlement Grant from the U. S. Department of Housing and Urban Development (HUD) in the amount of \$ 924,326. In addition to the CDBG grant, the City anticipates receiving \$ 522,925 in program income primarily from CDBG loan repayments, and \$ 10,000 from other sources. The City also anticipates \$ 534,624 in unspent funds to be carried over from FY 08/09, for a total FY 09/10 budget of \$ 1,991,875.

Larry Bayer, Manager of Community Development, stated there is a loss of \$ 170,000 capacity over the last five years. In the proposed CD budget, two activities have been eliminated, six are funded at last year's level and one has had its funding reduced.

The following testimony was presented:

Sharon Disque, 21 E. Franklin Street, Hagerstown, Maryland, represents HNBP and the Hagerstown HomeStore. She thanked the Mayor and Council for the City's past support. Both 2008 and 2009 have proven to be challenging years for homeowners and homebuyers in the City of Hagerstown. HNBP continues to provide homebuyer education to first-time buyers, but the demand for foreclosure counseling services has increased dramatically. HNBP has stepped in to provide support for Downtown revitalization projects, financing the Barbara Ingram School for the Arts and administering grants on behalf of the City; preparing strategic plans to combat foreclosures and to promote the Arts & Entertainment District. HNBP receives funding from many sources, but City support is an essential piece of their operating budget. She urged the Mayor and Council to restore and approve funding to the program, whether that be through the CDBG budget, the General Fund, or a combination of the two.

Ron Lytle, 4 W. Franklin Street, Hagerstown, Maryland, is the founder of the Contemporary School for the Arts. He expressed concern that some people have implied that public safety funding is more important than grant funding. He asked when the Minority and Women Business Program stimulus money will be distributed. The money should not be given to franchises or national organizations. He stated the Contemporary School for the Arts can provide a safe haven for children in which to learn. He asked for the same consideration as other applicants.

Councilmember Parson-McBean clarified that the funding awarded to the Minority and Women Business Program is not part of the economic stimulus. This is a program that she introduced during her first year in office. She has requested funding for this program. She believes Mr. Lytle may have been referencing the request she made for stimulus funding for small businesses. The State has not awarded the funding yet.

Councilmember Metzner pointed out there is \$ 5,000 included in the proposed budget for the Contemporary School for the Arts. There is no funding in the budget for national organizations or franchises, like Mr. Lytle mentioned. He supports providing a portion of funding for a variety of groups, such as the museum, library and the Contemporary School for the Arts. He mentioned programs that provide sustenance for people had to be reduced in this year's budget.

Councilmember Parson-McBean has participated in the National League of Cities Congressional Cities Conference in Washington, DC for several years. During the conference, members lobby for increased funding for CDBG so more people receive the assistance they need.

Thomas Seger, 4 W. Franklin Street, Hagerstown, Maryland, is a board member of the Contemporary School for the Arts. He asked how citizens who are considered minority and low income become involved in the CDBG program. Mr. Bayer indicated the input provided by groups and citizens is taken into consideration in developing the funding list. The criteria used to determine which programs to fund was those that provide food, a place to live or health care.

Councilmember Parson-McBean asked how the public services amount could be increased. Mr. Bayer indicated a change in regulations or an increase in program income would be necessary. Councilmember Parson-McBean urged citizens to contact congress members to make them aware the City needs more money.

There was no further testimony presented. The record will remain open until May 30, 2009 for additional written comments.

The hearing was closed at 7:37 p.m.

FY 2009/2010 Proposed Real Property Tax Rate

A Public Hearing was held on the proposed real property tax rate increase. The City of Hagerstown is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Hagerstown proposes to adopt a real property tax rate of \$0.788 per \$100 of assessment. This tax rate is 7.7% higher than the constant yield tax rate and will generate \$ 1,498,098 in additional property tax revenues. The Constant Yield Tax Rate is \$0.732 per \$100 of assessment.

The following testimony was presented:

Tim Light stated he is a local realtor who promotes Hagerstown. He stated he wants the best things for Hagerstown. However, he doesn't think some of the programs promote Hagerstown. He suggested eliminating the Code Compliance office. He feels regulations are too strict. He does not think charging someone to rent their house is fair. He suggested using the money used to fund Code Compliance to help Mr. Lytle with his business.

Councilmember Parson-McBean stated the Code Compliance office provides a service to residents of Hagerstown.

Councilmember Brubaker pointed out the Mayor and Council are not proposing to increase the tax rate.

There was no further testimony presented.

The hearing was closed at 8:01 p.m. The record will be kept open for additional comments.

FY 2008/2009 Proposed Budget

A Public Hearing was held to discuss the proposed budget for the fiscal year 2009-2010. The total of the proposed budget is \$ 161,527,485.

Alfred Martin, Finance Director, stated money in the general fund budget is received from property tax revenues, State Highway User Revenues, State Income Taxes, Licenses and Permits, Refuse Collection Fees and other revenues. Expenditures include wages and benefits, economic incentives, debt service, capital expenditures, maintenance and repairs and material/supplies/utilities. Mr. Martin reported the State has notified the City a decrease in funding through the State Highway User Fee is expected. This information was received after the proposed budget was submitted on March 31, 2009.

There was no testimony presented.

Bruce Zimmerman, City Administrator, stated there is substantial savings in the General Fund (\$ 376,000) due to the consolidated communication center, savings by changes in health care coverage and no cost of living adjustment.

Introduction of the ordinances to approve the tax rate and the proposed budget will be scheduled during a special meeting for May 12, 2009. Approval of the ordinance will be scheduled for the regular session on May 26, 2009.

The hearing was closed at 8:07 p.m.

There being no further business to come before the Mayor and Council, on a motion duly made, seconded and passed, the meeting was adjourned at 8:07 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: May 26, 2009