

51ST SPECIAL SESSION – MAY 8, 2007

Mayor Robert E. Bruchey, II called this 51st Special Session, Work Session and Executive Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, May 8, 2007 in the Council Chambers at the City Hall. Present with the Mayor were City Council Members M. E. Brubaker, K. S. Cromer, L. C. Metzner, P. M. Nigh and A. Parson-McBean, City Administrator Bruce Zimmerman, and City Attorney Mark Boyer.

On a motion duly made, seconded and passed, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session.

Approval of a Resolution: Lease for 728 Frederick Street

Action: Councilmember L. C. Metzner made a motion to approve a resolution to authorize the execution and delivery of a lease between the City of Hagerstown and Lewie P. Thomas, III for the residence located at 728 Frederick Street, Hagerstown, Maryland. Councilmember K. S. Cromer seconded the motion.

Councilmember P. M. Nigh made a motion to table approval of the resolution. Councilmember A. Parson-McBean seconded the motion.

Discussion: Councilmember Cromer stated the residence has been empty since January and no revenue has been received. Councilmember Metzner asked what the reasons are for tabling this approval. Councilmember Nigh stated this has not been discussed any further than the discussion held during an executive session. She stated there is an issue with how the applicants were handled and there is now a relative of a councilmember who is going to be moving into the residence also. She is concerned that there may be a discrimination issue. Councilmember Metzner asked if this venue is the proper forum to discuss this issue.

Councilmember Brubaker stated the person was named in the motion. Councilmember Nigh stated the issue is not the person who is to be the tenant. It is with how the process was done. Councilmember Brubaker asked if this could be discussed in the executive session scheduled for later. Mayor Bruchey stated it could be.

Motion to table until executive session carried unanimously.

Approval of Healthcare Broker/Consultant Services

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 the selection of CBIZ

Benefits & Insurance Services of Maryland as the benefit services consultant/broker for the City of Hagerstown's employee benefit plans for a three (3) year contract period at a guaranteed annual rate of \$ 48,000. The change will be effective May 16, 2007 or as soon as administratively possible after May 16, 2007.

WORK SESSION – May 8, 2007

Request for Special Event at City Park

Karen Giffin, Director of Community Affairs, stated Ron Lytle of the Contemporary School of the Arts & Gallery, Inc. requested and was approved to use the City Park Band Shell for an "Art in the Park" on Saturday and Sunday, June 16 and 17, 2007. He now wishes to expand on this event by selling vendor spaces and have those same vendors sell their wares.

The Band Shell Use Agreement and Park Rules and Regulations prohibit any vendor from selling items unless approved by Mayor and Council. If this special event is approved, City services would be required at an estimated cost of \$ 1,015.00. In addition to having the special event approved, Mr. Lytle is requesting Mayor and Council to waive the fees for City services.

Mr. Lytle indicated this is a fund raiser for the School for the Arts. Proceeds will go toward the educational program at the School.

Bruce Zimmerman asked if there is any restriction for food vendors within the concession stand agreement. Ms. Giffin indicated the City Attorney is reviewing the agreement.

Councilmember Nigh expressed her concern that other groups will ask for the use of the band shell for similar events. Councilmember Metzner stated the only precedence set will be for the Contemporary School for the Arts. He has not heard negative comments about this event in the past.

It was the general consensus to waive the fee for this special event.

Request by Demcore Entertainment, LLC To Hold a Music Festival on South Potomac Street

Karen Giffin, Director of Community Affairs, stated R. Michael Deming of the Demcore Companies made a request to host a music festival entitled Downtown Live on South Potomac Street on October 20, 2007 from 11 a.m. to 11 p.m. This is the second year of the festival. A proposed layout for the event has been developed but has not received final approval from City Staff.

Representatives of a number of departments including Police, Fire, Engineering, Community Affairs, Light, and Public Works met with Mr. Deming to discuss plans for the event. Mr. Deming has asked for an expanded area. Mr. Deming would like the Mayor and City Council to approve use of North Potomac Street, South Potomac Street, West Washington Street and East Washington Street for the festival and to exempt the festival from the Open Containers Law for the day. Mr. Deming is willing to pay for all City Services needed, and he will sign an application/permit and have the required insurance for the event similar to the procedures for other events.

Mr. Deming would like to expand the area for the event because it seemed as though the festival area last year was too small.

Several Councilmembers asked if closing the street would cause problems for the Fire Department and the Police Department. Some Councilmembers expressed concern about the availability of alcohol at the event.

Councilmember Cromer asked if the closing would cause more problems than events such as BluesFest did when it was held in the square.

Councilmember Parson-McBean expressed concern about the length of time scheduled for the event.

It was the general consensus to approve the event. Councilmember Nigh would like staff to contact the businesses for input.

Budget Discussion – General Fund Budget Adjustments

Alfred Martin, Director of Finance, presented updated budget modification sheets for the CIP Fund and the General Fund. Two new items are reflected in the update:

1. The CIP Fund sheet reflects the deferral of planning and design of the Eastern Boulevard North Extension project by one year as discussed by the Mayor and Council on May 1, 2007. This is to allow time for the County to get the project, and the section to the South of it between the YMCA and Jefferson Boulevard that is their responsibility, in their CIP. This deferral by one year reduces by \$ 110,250 the amount of planned General Fund supported bond financing, which then impacts the General Fund. The General Fund sheet reflects interest only cost avoidance of \$ 1,463 in 2007/08 and \$ 10,182 in a full year's principal and interest debt service cost avoidance in 2008/09.
2. The General Fund sheet also reflects the Mayor and Council's decision at the end of April to, along with the County, provide additional support to the Miss Maryland Scholarship Pageant in the form of assistance with the rental of the Maryland Theater. This assistance will ensure the program stays in Hagerstown and Washington County for the next five years. This year's commitment of \$ 6,000 will be coming out of the General Fund contingency

account. Since the additional funding for 2007/08 was not included in the proposed budget, staff feels it should be included as a budget modification. The modification sheet reflects the amounts in the recently approved agreement of \$ 6,500 for 2007/08 and \$ 7,000 for 2008/09.

The adjusted General Fund surplus for 2007/08 is now \$ 399 after these two additional modifications and the modifications reviewed on May 1, 2007. The bottom line for the CIP Fund remains unchanged. The adjusted General Fund surplus for 2007/08 is now \$ 399 after these two additional modifications and the modifications reviewed on May 1, 2007. The bottom line for the CIP Fund remains unchanged.

The tax rate will not be increasing. Taxpayers may see an increase in their taxes due to an increase in the assessment. The City adopted a 5% cap on assessment last year. Homeowners will not experience an increase in excess of 5% of assessment in their tax bills. There are a variety of programs available to assist eligible taxpayers with their tax bills.

Councilmember Brubaker asked why revenue sources in operating funds were only increased by 1%, excluding real estate taxes. Mr. Martin stated Section 10 of the budget book lists the anticipated State and County shared revenue. This list shows that grants are decreasing, central services costs (costs that are split between the general fund and the utilities) includes a roll forward adjustment that is not recurring to adjust for prior year; trash fees are increasing, licenses and permits are decreasing and sales of land is decreasing.

Councilmember Brubaker asked why projections for wages are 12% for two years and then decrease to approximately 7.3% in the third year. Mr. Martin will review this and provide additional information.

Councilmember Brubaker asked what the turnover percentage is per year. Mr. Martin stated it fluctuates from year to year. He stated he would provide this information. He stated part of the reason the percentage fluctuates is due to a variety of different things – such as neighboring employers and demographics of the employee base.

Councilmember Cromer asked which contracts still include the sick leave buy back. The IBEW and IAFF contracts do not include the sick leave buyback. Councilmember Cromer speculated that the overtime numbers may decrease if the sick leave buyback is reinstated. Chief Hawbaker stated a large part of the overtime cost this year was due to long term sick leave for several people. Councilmember Cromer asked Chief Hawbaker if giving back the sick leave buyback would decrease overtime costs. Chief Hawbaker stated he believes overtime costs may decrease.

Councilmember Brubaker pointed out that overtime has been increasing as more people are hired. He asked why the overtime costs haven't been decreasing instead. Chief Hawbaker stated adding more employees does not necessarily reduce overtime

costs because there are not stand-by employees. There are more employees who receive vacation and sick time.

Mayor Bruchey has met with members of IAFF to discuss staffing. Currently, funding is included in the proposed budget for nine additional firefighters. He is concerned with the budget projections for the next two budget years. He understands the situation at the Fire Department and firefighters are needed. He has reviewed the budget numbers and he suggested that four firefighters be hired in February, 2008 and five firefighters in April, 2009. He is also proposing budget cuts to help with the projected deficit. This would create manageable deficits in the FY 2008/2009 and FY 2009/2010 budget years.

Councilmember Cromer asked if delaying the hiring of the nine firefighters will put the City in a better budget position. Mr. Martin indicated delaying the hiring will delay the expenses. If additional revenue is not identified before all the firefighters are hired, the City will be facing the expenses in future years.

Councilmember Parson-McBean asked if it would be a noticeable "better position." She asked how it would be better. Mr. Zimmerman stated an analysis could show how the delaying of hiring the firefighters would affect budget projections.

Councilmember Metzner reminded everyone that a firefighter would be off duty on a Worker's Compensation claim because he/she was injured fighting a fire. He offered a compromise of hiring the nine firefighters and then seriously discussing actual overtime staffing with department heads, management and personnel. He suggested not using overtime to fill in when someone is sick.

Councilmember Brubaker stated reducing the overtime won't make a large difference in the projected deficits. Councilmember Parson-McBean asked when the Council was going to follow through with the promises that were made to hire nineteen additional firefighters.

Councilmember Nigh stated additional firefighters have been needed for many years. As the City grows, the Mayor and Council has to be able to supply fire services to residents. She wants the response to be there if she has a house fire. If the citizens don't feel they need additional firefighters they should appear before the Mayor and Council and make their feelings known. She showed pictures of fires in which there were not enough firefighters available to respond. Supervisors have had to man the equipment, which is not the way it should be.

Councilmember Cromer asked how many firefighters Washington County has. Joe Kroboth, Washington County Director of Public Works, stated the County has 10 paid firefighters.

Councilmember Brubaker stated he understands the shortage of firefighters is due to the loss of volunteers and not to the growth in the City. Councilmember Metzner stated

the growth is a contributing factor. Chief Hawbaker stated the lack of volunteers is the highest contributing factor to the shortage but as area increases, there is higher potential for calls. Councilmember Parson-McBean stated the lack of volunteerism is due to a shift in society values. Chief Hawbaker stated they are trying to encourage people to volunteer. Councilmember Metzner stated the major factor is understaffing for the last decade.

Councilmember Nigh asked for a list of the non-profit organizations that do not pay taxes.

A budget hearing will be held on May 15, 2007. Final adoption of the budget will be scheduled for May 22, 2007.

City Administrator Comments

Bruce Zimmerman, City Administrator, stated City Clerk Donna Spickler is not present at this meeting due to death of her grandmother, Eliza Spickler.

Mayor and City Council Comments

Councilmember P. M. Nigh apologized for not mentioning two other people who were injured in a fire at Easter. She thanked Louise Cline, Vicky Lookabaugh, Deanna Rudisill, Nancy Schindledecker and Danielle Nigh who helped her with food preparation for the employee appreciation lunch.

Councilmember A. Parson-McBean thanked Councilmember Nigh for all her efforts in preparing the food for the appreciation lunch. She will do everything she can to support the hiring of the nine additional firefighters. Her concern with the Downtown Live festival is with the fact that the event is planned for 12 hours. Open mic night continues. This is something positive for the youth of the City.

Councilmember M. E. Brubaker clarified his reasons for deferring the Eastern Boulevard widening were to avoid having part of the road completed and not all of it. He did not propose to defer the existing project for Eastern Boulevard. He proposed to defer the Eastern Boulevard extension project.

Councilmember K. S. Cromer had no additional comments.

Councilmember L. C. Metzner stated there is still graffiti in the parking garage.

Mayor R. E. Bruchey, II expressed his condolences to the family of Eliza Spickler. He pointed out in 2001/2002 two firefighters were hired. Two were hired in both 2002/2003 and 2003/2004. Firefighters were hired during his previous administration.

EXECUTIVE SESSION – May 8, 2007

On a motion duly made by Councilmember K. S. Cromer and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in closed session to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction, #1. No formal action was taken at the session. The meeting was held in the Council Chamber, 2nd floor at the City Hall.

Respectfully submitted,

Donna K. Spickler, City Clerk
(by video)

Approved: