

WORK SESSION – May 13, 2008

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:08 p.m., Tuesday, May 13, 2008, 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, City Attorney Mark Boyer, City Attorney William Nairn and D. K. Spickler, City Clerk.

Proclamation – National Boating Safety Week

Mayor Bruchey presented a proclamation to Jeff McKinney recognizing May 17 – 23, 2008 as National Boating Safety Week.

Discussion of Towing Ordinance

Mayor Bruchey asked that an additional discussion of the towing ordinance be added to this agenda. He asked why the amount of time for a towing company to respond to a call for recovery of a towed vehicle is now 45 minutes, instead of one hour.

Chief Arthur Smith, Hagerstown Police Department, stated 45 minutes to respond was considered a reasonable time.

Roy Jones, Blue/Gray Towing, was present to discuss this issue. He is concerned that 45 minutes is too short a time for response if the call is made overnight. He stated an hour or two would be a more reasonable amount of time to respond if the call is made in the early morning.

Councilmember Cromer pointed out the vehicle owner would be waiting during that time.

Mr. Jones asked that at least an hour be set as the response time. If the company was in the middle of a job, it could be completed and then they could respond. Mr. Jones is also concerned about the amount of the fine imposed if the time limit is not met.

Councilmember Metzner stated the purpose of the provision is to make sure people towed from private lots can recover their vehicles within a reasonable amount of time and for a reasonable price.

Chief Smith indicated he felt a reasonable amount for towing would be \$ 110.00. This is the same amount a towing company receives for towing a vehicle involved in an accident.

Mr. Jones pointed out there is an officer on duty during a tow from an accident scene. That is not the case when a tow is made from a private parking lot. A tow from a private lot could be hazardous. Mr. Jones stated if his company's check service denies a check,

he will not accept a check. Chief Smith stated this would not be a problem. The wording in the ordinance states payment will be by a reasonable commercial payment.

Mr. Jones asked if an automatic increase for the cost of living rate could be included in the ordinance. He also asked if assistance could be provided in determining owners of the vehicles. Chief Smith instructed Mr. Jones to provide the vehicle identification number to the police department and the information will be provided.

### Preliminary Agenda Review

The Regular Session will be held on Tuesday, May 20, 2008 at 7:00 p.m. There will be a special session held on Tuesday, May 27, 2008 at 7:00 p.m. to adopt the budget, tax rate, water rates and sewer rates.

### **Consent Agenda**

- A. Fire Department: Ford F-350 Pick Up – Foutz Brothers Fire Equipment (Smyrna, GA) \$ 74,900.00
- B. Engineering: Mt. Aetna Road Bridge Pedestal Repair – Building Systems, Inc. (Hagerstown, MD) \$ 27,140.00
- C. Parks and Recreation: Dump Truck to Replace Unit 305 – Hagerstown Ford (Hagerstown, MD) \$ 45,466.00

Junior Mason, Parks Superintendent, stated maintenance costs for this vehicle have exceeded \$ 10,000 in the last three years.

- D. Public Works:
  - 1. One Ton Dump Truck with Snow Plow and Salt Spreader to Replace Unit 10 – Keystone Ford (Greencastle, PA) \$ 54,500.00
  - 2. One Ton Dump Truck with Snow Plow and Salt Spreader to Replace Unit 12 – Keystone Ford (Greencastle, PA) \$ 54,500.00

Eric Deike, Public Works Manager, stated one vehicle will be replaced from the FY 07/08 Budget and one from the FY 08/09 Budget. Councilmember Cromer asked if one of the purchases could be delayed. Mr. Deike stated Staff anticipates replacing vehicles on a ten year schedule. When the vehicle is scheduled for replacement, the condition is reviewed and many times delayed for one or two years. Vehicles are not typically replaced every ten years.

- E. Purchasing:
  - 1. Elevator Maintenance Contract – Kone, Inc. (Hagerstown, MD) \$ 16,620.00
  - 2. General Liability, Fleet & Property Insurance – Local Government Insurance Trust (Hanover, MD) \$ 406,129.00

3. General Pest Control Services – J. C. Erhlich Co., Inc. (Hagerstown, MD)  
\$ 10,015.00
- F. Water and Wastewater Departments:
  1. Kampac II Packer – Rausch Electronics USA (Chambersburg, PA)  
\$ 13,757.00
  2. Fybroc Series 5500 Bare Pump – STH, Inc. (Frederick, MD) \$ 14,465.00
  3. Annual Maintenance Program for Oxygen Compressors – Atlas Copco  
Edmac Customer Center (Winston-Salem, NC) \$ 27,122.00
  4. Miscellaneous Inventory for Water Department – HD Supply Waterworks,  
LTD (Martinsburg, WV) \$ 22,545.04
  5. Three Large Meters – HD Supply Waterworks, LTD (Martinsburg, WV)  
\$ 29,700.00
  6. 2008 Ford F-750 Diesel Dump Truck 2 WD to Replace Unit 211 – Keystone  
Ford (Greencastle, PA) \$ 63,000.00
- G. Community Affairs:
  1. Application/Permit – Thursday Evening Music Series at University Plaza,  
Washington County Arts Council – May 29, June 5, June 12, June 19, June  
26 and July 3, 2008
  2. Open Containers Law – Exemption for Thursday Afternoon Concert Series  
at University Plaza in Downtown Hagerstown – May 29, June 5, June 19,  
June 26 and July 3, 2008

**Introduction of a Resolution: Annexation of 1914 – 1920 Dual Highway –  
Stamper/Dual Highway Annexation, Case No. A-2008-03 and Approval of  
Annexation Plan for the Same**

Stuart Bass, Comprehensive Planner, stated the subject property is located at 1914-1920 Dual Highway and is approximately .92 acres. The proposed zoning district is C2. The current County Zoning is HI-1 (Highway Interchange).

After Introduction of the Resolution, staff will advertise the proposed annexation for Public Hearing.

**Residential Leases for City Owned Property**

There are nine leases scheduled for approval. The maintenance requirements for residency have been removed. Mark Boyer, City Attorney, stated most of these tenants do not have a standard lease at this time. The Mayor and City Council discussed increasing the current rent by \$ 200.00 when the maintenance requirements were removed. The leases are scheduled to begin on June 1, 2008.

**Approval of Taxi Stands**

This will be discussed later in the meeting.

This completed the preliminary agenda review.

Operating Agreement for City Ice Rink with Hagerstown Youth Hockey Association (HYHA)

Karen Giffin, Director of Community Affairs, and Lewie Thomas, Recreation Facilities Coordinator, were present to discuss an operating agreement for the City's ice rink.

On March 4, 2008, HYHA provided an update of the ice rink operations to the Mayor and City Council. At the end of their presentation, HYHA stated that the current operating agreement expires on June 15, 2008, and they would be looking for a long term commitment from the City. After much discussion, the majority of City Council agreed to a five year operating agreement with HYHA. A draft operating agreement was presented to the Mayor and Council for their review.

Councilmember Brubaker asked if HYHA should be paying the utilities at the facility. Ms. Giffin indicated a clause could be added to the operating agreement stating that utilities would be monitored and compared to previous usage.

Jeff Barbour, HYHA, stated Phase 1 of the plan was specifically for the hockey league. Phase 2 includes programs in which the facility is open for public skating. Ms. Giffin stated the agreement could include a list of the groups and programs. Staffing will continue to be provided by volunteers.

It was the general consensus of the Mayor and City Council to approve an operating agreement with HYHA for five years.

Thursday Afternoon Concert Series at University Plaza

Karen Giffin, Director of Community Affairs, and Kevin Moriarty, Executive Director of the Washington County Arts Council, were present to provide information on a new music program.

The Washington County Arts Council is grateful for its successful partnerships with the City of Hagerstown. The growing popularity of the Music by the Lake summer concert series has been rewarding.

This summer, the Arts Council will expand their partnership with the City to establish a new Thursday afternoon concert series at University Plaza in downtown Hagerstown. This series will launch at the opening of Blues Fest on May 29, and then continue for five more Thursdays through June, concluding on July 3. Performances will begin at 5:00 p.m. and conclude at 6:30 p.m.

Mr. Moriarty stated the Arts Council is requesting that the Council approve the sale of soft drinks, beer and wine during the performance series. This would be done responsibly under the Arts Council's own liquor license, much as is currently done during the Western Maryland Blues Fest. Trained volunteers would handle the operation under Mr. Moriarty's supervision. The Plaza will be secure; the north access gates would be closed during the concerts, and access/egress through the Washington Street gate will be monitored.

It was the general consensus to approve the new concert series and to approve the sale of beverages during the concerts. An application permit and open container law exemption will be approved.

Bruce Zimmerman, City Administrator, acknowledged Ms. Giffin's announcement of her resignation earlier today. He stated the announcement caused some sorrow but good wishes also. He thanked Ms. Giffin for her 16 year career with the City.

Councilmember Brubaker, Councilmember Cromer, and Councilmember Parson-McBean stated they are not accepting Ms. Giffin's resignation.

#### Taxi Stands

The request for taxi stands was discussed. Any company can use designated taxi stand spaces. The taxi stands will be operating all day. Councilmember Metzner suggested approving two of the locations requested and ask the Board of Traffic and Parking to review the request for a space on S. Potomac Street.

Councilmember Parson-McBean is concerned about removing parking spaces on S. Potomac Street. Councilmember Metzner would prefer to have taxis downtown rather than transportation services.

Mayor Bruchey stated the request for a taxi stand on S. Potomac Street will be returned to the Board of Traffic and Parking and the other two locations will be scheduled for approval.

#### Budget Discussion – Water Rate/Wastewater Information/Proposed FY 08/09

Mayor Bruchey stated an hour has been scheduled to discuss the budget. Anyone may make suggestions for the budget during this discussion.

Per the joint discussion held during the Work Session of the Mayor and Council on May 6, 2008, Al Martin, Director of Finance, and Michael Spiker, Director of Utilities, offered the following as clarification of information presented during the Water Rate Increase deliberation. Two proposals were discussed, one requesting a 3.5% increase for customers utilizing both Inside and Outside City Rates and another request of a 0% increase for customers utilizing both Inside and Outside City Rates. These increases are scheduled to become effective July 1, 2008.

The following options were summarized for consideration:

1. 3.5% increase including a declaration of the budgeted dividend. This option received the most discussion. This increase is designed to cover the dividend and has no effect upon the Water Division operating budget for FY 08/09.
2. 3.5% increase excluding the declaration of the budgeted dividend. This option would increase the cash reserves of the Water Division, allowing for greater cushion during the interim assignment of payments for Capital Projects and the receipt of State Funding.
3. 0% increase excluding the declaration of the budgeted dividend. This option has no effect upon the Water Division operating budget for FY 08/09 except for a \$5,000 reduction in Engineering Fees, and a \$5,000 reduction in Engineering Services.
4. 0% increase including a declaration of the budgeted dividend. This option is the least palatable for the Water Division due to the fact that in effect, this would amount to a decrease in net water revenue and require a \$ 250,000 budget reduction to occur. This may affect the City's ability to meet the regulatory obligations and require larger rate increases in the out years to cover the FY 08/09 shortfalls.

Staff proposes an increase of 6% in the Inside City wastewater rate and the associated fixed quarterly service charge. For those customers under the Outside City and Joint Service Area rates, staff proposes a 7.3% increase in the base rate and associated fixed quarterly service charge. Additionally, the Low Pressure Grinder Fees will increase 6%. These increases are scheduled to become effective July 1, 2008. Staff does not recommend a further reduction in wastewater rates due to a \$ 732,000 projected increase in fixed charges and at present, a negative cash balance. Earlier budget projections warranted an approximate 12% increase, which was reduced to its present proposed increase through the reduction of \$ 926,000 in overall expenditures.

The overall quarterly increase seen by the Inside City, Joint Service Area, and Outside City rate will be \$4.04, \$7.68 and \$8.54 respectively. Overall, the proposed rate increases will generate an additional \$537,773.00 in wastewater revenue and \$259,752.00 in water revenue for Fiscal Year 08/09.

In regard to inside city rates, a 5% increase in the overall combined quarterly charges will be realized. The outside city rate customers will realize a 6% total increase in the overall combined quarterly charges and the Joint Service Area customers will realize a 4% combined rate increase. The average Inside City residential customer who uses 13,000 gallons of water per quarter will pay \$0.88 per day for combined water and wastewater service. Outside City and Joint Service Area residential customers pay \$1.65 and \$2.06 respectively.

Mayor Bruchey recommended choosing Option 3, which is a 0% rate increase and excluding the declaration of the budgeted dividend. Councilmember Metzner supports this option.

Councilmember Brubaker thinks the Council should maintain the water dividend. There has not been a water rate increase for several years and he recommended implementing an increase. He also proposed reducing the tax rate by two cents. He presented a proposal to lower the property tax rate by two cents by lowering General Fund expenditures by \$ 600,000 and lowering the CIP five year bond obligation by \$ 500,000. This could be accomplished by postponing bond funds for the Eastern Boulevard northern extension and the bond funds for the City Hall/Roslyn Building renovation. Councilmember Brubaker's proposal also includes using bond funding for bond eligible CIP general fund projects such as curb and sidewalk replacement and the pavement preservation program. He pointed out this administration has invested in the City. They have invested in vehicle replacements and infrastructure needs. They have also invested in the employees. He proposes lowering the tax rate in order to return some of the resources to the tax payers.

Mayor Bruchey stated a reduction in the tax rate would mean the projections for the out years would change. Councilmember Brubaker stated there would be ample warning for problems in the out years.

Mr. Martin indicated he is concerned about the cumulative impact of delaying some financing needs, especially if the tax base growth continues to decline.

Councilmember Cromer doesn't think taxpayers can afford an increase in the water rate in order to receive a two cent decrease in the tax rate. She stated the problems on Eastern Boulevard will continue to worsen. She believes the County will begin the work on Eastern Boulevard soon, since the hospital construction has started.

Councilmember Brubaker stated this is the first year the County included funding in the CIP budget for Eastern Boulevard. He is not proposing to delay progress on Eastern Boulevard.

Councilmember Cromer indicated she would support delaying the City Hall/Roslyn Building renovation.

Councilmember Metzner pointed out that the projections for the out years do not include the City paying 25% of the Eastern Boulevard project. He stated he has been critical of the County for using City tax dollars to pay down their sewer debt. The reason the City has a dividend policy is because the City tax payers own the system. He is concerned that general fund rates (tax rate) will be lowered at the expense of water customers. He would be interested in discussing a zero rate increase and a smaller reduction in the general tax rate.

Mr. Zimmerman stated he understands what variations are being proposed. He and Al Martin will work the numbers into the projections and review the impact of the proposals. He believes there will be policy issues for the Mayor and Council to sort through.

Mayor Bruchey agrees that the City's portion of the Eastern Boulevard project should not be 25% and that the County needs to include funding for improvements to Eastern Boulevard. He stated if the water rate is increased and the tax rate lowered, many citizens would not realize any savings.

Councilmember Cromer stated she and Councilmember Nigh had asked for a list of take home vehicles. There are 49 vehicles on the list and 35 employees with the vehicles live outside the City limits. She asked what the savings would be if the 35 vehicles outside the city were removed from the list.

Councilmember Nigh stated she is also concerned about the wear and tear on the vehicles. She asked for a clarification of why so many employees are on call.

Councilmember Metzner stated it should be recognized if some employees perceive a take home vehicle as part of the wage package. He does not propose taking the vehicles from these employees. He would recommend addressing this for future employees.

Mr. Zimmerman indicated a policy was established several years ago in which police officers received a take home vehicle in exchange for giving up payment for time in line up.

Councilmember Cromer stated she does not have an issue with not having a residency requirement but she is concerned about providing take home vehicles to employees.

Councilmember Metzner predicted the savings would be minimal.

Councilmember Cromer stated the budget could be passed if they Council agrees to discuss take home vehicles immediately after the budget is passed.

A Work Session will be held at 6:00 p.m., prior to the Regular Session on May 20, 2008 to discuss the budget proposals made by Councilmember Brubaker.

#### City Administrator's Comments

*Bruce Zimmerman, City Administrator*, had no additional comments.

#### Mayor and Council Comments

*Councilmember M. E. Brubaker* stated Capital for a Day was good for Hagerstown.

*Councilmember K. S. Cromer* stated it was good to have Governor O'Malley visit Hagerstown. She thanked everyone who helped make this day a success. The



Governor's staff commented on how easy it was to plan this event with City staff, especially Karen Giffin, Director of Community Affairs. She stated Ms. Giffin will be missed.

Councilmember Cromer asked what the City's policy is for vendors that sell miscellaneous items on the streets. Mr. Zimmerman stated there is a peddler's policy. Staff has discussed the policy and is working to update it. This will be scheduled for discussion at a Work Session.

*Councilmember L. C. Metzner* congratulated Karen Giffin and her staff for the positive activities with the Governor's visit. He thanked the Governor and his cabinet.

*Councilmember P. M. Nigh* was not able to attend the Capital for a Day activities. She stated she was dismayed by Karen Giffin's resignation. She has witnessed how effective Ms. Giffin has been with fundraising and all the other activities she's been involved in. She stated Ms. Giffin has been an asset to the City.

*Mayor R. E. Bruchey, II* enjoyed the Governor's visit. He appreciated that Senator Munson was available during the day. The Governor's staff also mentioned to him how well Ms. Giffin had worked with them. She will be missed. She has been an integral part of Blues Fest, Augustoberfest and the Fourth of July at Fairgrounds Park. He wished her well in her new position.

Mayor Bruchey stated this is Police Week and a service will be held on May 14, 2008 at 4:00 p.m. at police headquarters. The 20<sup>th</sup> Anniversary celebration of the Schmankerl Stube will be held May 16, 2008.

There being no further business to come before the Mayor and City Council, on a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember K. S. Cromer, the meeting was adjourned at 6:47 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: June 17, 2008