

EXECUTIVE SESSION – May 20, 2008

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote to meet in closed session at 5:01 p.m. 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. Councilmember Cromer was not present. No formal action was taken at the session. The meeting was held in Room 407, 4th Floor at the City Hall. The meeting was adjourned at 5:50 p.m.

WORK SESSION – May 20, 2008

Mayor R. E. Bruchey, II called this Work Session and 78th Session of the Mayor and City Council to order at 6:19 p.m., Tuesday, May 20, 2008, 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, and D. K. Spickler, City Clerk. Councilmember K. S. Cromer was not present.

Budget Discussion

Alfred Martin, Director of Finance, provided a budget modification sheet for the General Fund and other funds to the Mayor and City Council for their review. The sheet reflects items that have been reviewed with the Mayor and Council and that have been quantified to date. The model has been expanded to cover all five years included in the financial projection mode. This assists in showing the impact of the SAFER grant revenue phase out in future years and some of the other proposals on the financial projects.

Mr. Martin also presented two versions of the budget modification sheets. The first reflects the modifications that were discussed at the May 6, 2008 budget work session. The second reflects additional modifications suggested by Councilmember Brubaker on May 13, 2008.

The first version (from May 6, 2008) includes:

1. The impact of the reduction in the growth in the City's real estate assessable base below the earlier projections provided by the State Department of Assessments and Taxation, is anticipated to be approximately \$ 240,000.
2. Offsetting this impact is the multi year award of the federal SAFER grant to assist with the hiring of nine additional fire fighters. The grant is for a total of \$ 948,825 over five years. There is a provision in the grant that prohibits the use of federal funds to fund positions that are currently funded by the applicant.

3. Energy and petroleum related costs continue to rise. There is not enough money budgeted in the fuel oil accounts. The CIP Annual Street Resurfacing account is being severely impacted by a 25% increase in asphalt costs over last year. Mr. Martin proposed that an additional \$40,000 be added to the General Fund Transfer to the CIP for higher than expected street resurfacing costs, \$ 10,000 for higher fuel oil costs and \$ 20,000 for higher gasoline costs.
4. The City expects to receive approximately \$ 220,000 of annual revenue from the Hotel/Motel tax.
5. It has been proposed to eliminate the Water Fund dividend transfer to the General Fund of \$ 250,000 that was included in the original proposed budget. This would save the Water Fund a \$ 250,000 cash transfer to the General Fund and allow for no, or at least a lower, water rate increase than the 3.5% rate increase included in the proposed Water Fund budget for 2008/09. This would be the second year without a water rate increase.

The second version (from May 13, 2008) includes:

1. Restoration of the 3.5% Water Fund rate increase and a \$ 250,000 dividend to the General Fund.
2. A reduction of \$ 300,000 in the fiscal year 2008/09 General Fund Transfer to the CIP Fund for street resurfacing and replacement of City owned curbs and sidewalks. Funding would come from cutting back on other bond financed projects and using that bond capacity for these bond eligible CIP projects.
3. Additional reductions of \$ 50,000 in proposed operating expenses to be determined by the City Administrator through position management, vacancy savings or other cost and productivity improvements. The 2008/09 contingency budget already reflects vacancy savings of \$ 150,000 and \$ 100,000 in operations savings from combining police dispatch with the County in a Combined 911 Center.
4. A reduction in the City real estate tax rate of 2 cents per \$ 100 of assessed value which would reduce City revenues by approximately \$ 300,000 per penny or \$ 600,000 in 2008/09.

Mr. Martin reminded the Mayor and City Council of the fiscal uncertainties that had been discussed earlier. These include:

1. Current contracts for all City bargaining groups expire at the end of the 2008/09 fiscal year. The financial projections do not include any funds for cost of living adjustments (COLA's) for FY 2009/10, only steps as structured in the existing agreements.
2. Energy costs have been increasing at an extremely high rate.
3. Continued uncertainty over State shared revenues.
4. Declining values in the housing market and consequently the real estate tax base.

Staff changed the way the General Fund projections were presented this year, from expenditure based projections, to revenue based projections. This means that while out years may appear balanced, they may not contain sufficient resources to cover all the future cost increases the City may need to deal with. Bruce Zimmerman, City Administrator, stated Staff will continue to live within the revenue projected.

Councilmember Brubaker stated his proposal includes a reduction in the tax rate in order to give something back to the taxpayers.

Councilmember Metzner commended Councilmember Brubaker for his efforts. He is not agreeable to increasing water rates in order to offset the real estate tax revenue. He is not agreeable to deferring the Roslyn building CIP project. He is concerned about the rapidly increasing energy costs. He stated he is not in favor of reducing the tax rate, unless someone can guarantee that a tax increase won't be necessary next year.

Councilmember Nigh stated she is concerned about the effects of a tax reduction and increasing energy costs on the budget.

Councilmember Metzner stated it is commendable that no tax increase was necessary to hire additional firefighters and police officers.

Councilmember Parson-McBean stated she defers to the expertise of Staff in dealing with the budget. She knows everyone is working to do the best thing for City residents.

Mr. Zimmerman clarified that the consensus of the Mayor and Council is to support Version 1 of the modifications, which includes no water fund dividend transfer to the General Fund and no water increase.

Mayor Bruchey stated he believes work will begin on Eastern Boulevard sooner than what Councilmember Brubaker anticipates.

Councilmember Brubaker had proposed delaying the Eastern Boulevard bond financing until the project is included in the County's CIP budget. He thinks the Mayor and City Council should reduce the tax rate in consideration of the taxpayers. He doesn't think the water dividend should be removed. He stated he has also been a proponent of doing the Eastern Boulevard Project.

Mayor Bruchey stated introduction of ordinances for the water rate, sewer rate, tax rate and budget is scheduled for the Regular Session today at 7:00 p.m.

The work session ended at 6:59 p.m.

78TH REGULAR SESSION – MAY 20, 2008

Mayor R. E. Bruchey, II called this 78th Session of the Mayor and City Council to order at 7:16 p.m., Tuesday, May 20, 2008, 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 John Urner and D. K. Spickler, City Clerk. Councilmember K. S. Cromer was not present.

The invocation was offered by Councilmember Penny M. Nigh. The Pledge of Allegiance was then recited.

Mayor Bruchey announced the Rules of Procedure for this meeting will be followed as adopted March 28, 2006. It was announced that the use of cell phones and electronic devices during meetings is restricted and that all correspondence for distribution to elected officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.

The next scheduled meetings are: Special Session to Adopt the 2008/09 Budget at 7:00 p.m. on Tuesday, May 27, 2008, Work Sessions beginning at 4:00 p.m. on Tuesday, June 3, 2008, Tuesday, June 10, 2008, and the Regular Session on Tuesday, June 17, 2008 at 7:00 p.m.

AWARDS

In recognition of Preservation Month, awards were given to the following recipients:

1. Shiloh Renovations, Matt Johnson and Mike Reffo - 29 Charles Street
2. Skip Tovornik – Mount Prospect Condos, 37 S. Prospect Street
3. John Laughland - 328 N. Prospect Street
4. Skip Alsip - 806 The Terrace
5. Messrs. Aitkin and Sadlik - 342 The Terrace

The awards were presented by Mayor Robert E. Bruchey, II, Robert Hershey, Chairman of the Preservation Design District Commission, and Stephen Bockmiller, Zoning Administrator.

Preservation Maryland will be holding their annual conference in Hagerstown next week.

PRESENTATION

Tom Riford, Executive Director of the Washington County Convention and Visitor's Bureau, presented the City with a donation of \$ 2,000 toward the preservation of Train 202 and \$ 3,000 for the 13th Annual BluesFest.

CITIZEN COMMENTS

Gary W. O'Bryan, 210 Alexander Street, Hagerstown, Maryland, stated he has issues with the City's sidewalk policy. The policy is not homeowner friendly. Notices have been issued to previous owners of the property for sidewalk repairs. He recently purchased the property and is now responsible for the alleviating the violation. He doesn't think he should be responsible for repairing the sidewalk that has been in violation for quite some time. He stated the City of Hagerstown should take care of all the sidewalks, like the City of Frederick.

Mayor Bruchey stated the City could maintain and repair the sidewalks, but other services would have to be reduced. He stated he will have City Engineer Rodney Tissue contact Mr. O'Bryan to discuss this issue.

MINUTES

On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember A. Parson-McBean, the Mayor and City Council unanimously agreed by voice vote of all members present to approve minutes, as presented, for the Mayor and Council meetings held on April 15, 2008 and April 22, 2008.

CONSENT AGENDA

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously by voice vote of all members present as follows:

- 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
- 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
- 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

UNFINISHED BUSINESS

**A. Approval of an Ordinance: To Amend Chapter 60, Vehicles and Traffic, to
Specify Towing Regulations**

Action: On a motion duly made by Councilmember P. M. Nigh 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 to
amend Chapter 60 of the City Code entitled, *Vehicles and Traffic*, to
specify requirements and regulations for the towing of vehicles from
privately owned parking lots consisting of five or more spaces.

NEW BUSINESS

**A. Introduction of an Ordinance: Amending Chapter 197, Rental Facilities, To
Modify the Penalty Provision**

Action: On a motion duly made by Councilmember P. M. Nigh and seconded by
Councilmember A. Parson-McBean, the Mayor and City Council
unanimously agreed by voice vote of all members present to introduce an
ordinance to amend Chapter 197 of the City Code entitled *Rental
Facilities* to change the penalties for any non-compliance from a criminal
violation to a municipal infraction which carries a corresponding fine.

B. Introduction of an Ordinance: Water Rate Increase

Action: Councilmember M. E. Brubaker made a motion to introduce an ordinance to increase water rates by 3.5% as contemplated in the approved budget for 2008/09. The new rates shall be effective for all bills rendered on or after July 1, 2008. Councilmember L. C. Metzner seconded the motion.

Discussion: Councilmember Metzner stated this is an introduction of an ordinance and he would not vote in favor of this as a final ordinance. He would not vote to approve a water rate increase unless things change drastically by the next meeting.

Motion failed, 1-3. Councilmember M. E. Brubaker voted Yes and Councilmember L. C. Metzner, Councilmember A. Parson-McBean and Councilmember P. M. Nigh voted No.

C. Introduction of an Ordinance: To Increase Sewer Rates

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to introduce an ordinance to increase sewer rates by 6% for in-City customers and 7.3% for City customers outside of the City in accordance with the approved budget for 2008/2009. The increased rates shall be effective for all bills rendered on or after July 1, 2008.

D. Introduction of an Ordinance: Tax Rate Beginning July 1, 2008

Action: Councilmember L. C. Metzner made a motion to introduce an ordinance to consider establishing the tax rates for the levy year July 1, 2008 through June 30, 2009 on the basis of \$0.798 per \$100 of the assessed value of all real property and \$1.995 per \$100 of the assessed value of all business personal property within the City of Hagerstown. These rates are the same as the current year. Councilmember P. M. Nigh seconded the motion.

Discussion: Councilmember Brubaker stated he will be voting against this ordinance. He would like to lower the tax rate and has presented a proposal to do so.

Motion carried, 3-1, with Councilmember M. E. Brubaker voting No.

E. Introduction of an Ordinance: Budget FY 2008/2009

Action: Councilmember L. C. Metzner made a motion to introduce an ordinance to adopt the budget for fiscal year July 1, 2008 through June 30, 2009 in the

total amount of \$ 163,324,840. Councilmember A. Parson-McBean seconded the motion.

Discussion: Councilmember Brubaker stated he will be voting against this motion for the reasons stated previously.

Motion carried, 3-1, with Councilmember M. E. Brubaker voting No.

F. Introduction of a Resolution: Annexation of 1914 – 1920 Dual Highway – Stamper/Dual Highway Annexation, Case No. A-2008-03

Action: Councilmember M. E. Brubaker made a motion to introduce an Annexation Resolution for the property located at 1914 – 1920 Dual Highway. The property to be annexed is 2.181 acres in size and is intended to be added to and made part of the adjacent municipal lands. Councilmember L. C. Metzner seconded the motion.

Motion carried, 3-1 with Councilmember P. M. Nigh voting No.

G. Approval of an Annexation Plan: 1914 – 1920 Dual Highway – Stamper/Dual Highway Annexation, Case No. A-2008-03

Action: Councilmember L. C. Metzner made a motion to adopt an Annexation Plan for the Stamper/Dual Highway Annexation for property located at 1914 – 1920 Dual Highway. Councilmember M. E. Brubaker seconded the motion.

Motion carried, 3-1 with Councilmember P. M. Nigh voting No.

H. Approval of a Resolution: Approving the FY 2008/2009 Community Development Block Grant Program Annual Action Plan

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to adopt a resolution approving the FY 2008/2009 Annual Action Plan for the Community Development Block Grant Program, and authorizing the Mayor to file an application for financial assistance with the US Department of Housing & Urban Development in the amount of \$ 919,151 through the CDBG program, and further authorizing the Mayor to execute all other documents relating to the City's CDBG program for FY 2008/2009.

I. Approval of a Resolution: Approval of Operating Agreement with Hagerstown Youth Hockey Association (HYHA)

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving an operating agreement between the City of Hagerstown and the Hagerstown Youth Hockey Association, Inc. The five year Agreement would provide for the Hagerstown Youth Hockey Association, Inc., as a contractor of the City of Hagerstown, to run the day-to-day operations of the Ice Rink. The Agreement obligates the Hagerstown Youth Hockey Association, Inc., to provide the City monthly financial information and commit to measurable programmatic and financial outcomes and expenses. Under this Agreement, the City assumes the annual financial obligation of the building utilities and bond debt. The term of this Agreement is from June 16, 2008 to June 30, 2013.

J. Approval of a Resolution: Residential Lease Agreement for Property at 23510 Warner Hollow Road

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and John Rinehart and Michele Rinehart for the residence located at 23510 Warner Hollow Road, Smithsburg, MD.

K. Approval of a Resolution: Residential Lease Agreement for Property at 12140 Crystal Falls Road

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and Charles Henson and Laurie Henson for the residence located at 12140 Crystal Falls Road, Smithsburg, MD.

L. Approval of a Resolution: Residential Lease Agreement for Property at 12727 Ritchie Road

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to pass a resolution approving a residential lease between the City of Hagerstown and Bradley Luhn, for the residence located at 12727 Ritchie Road, Smithsburg, MD.

M. Approval of a Resolution: Residential Lease Agreement for Property at 10831 Water Works Road

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and Ricky L. Delauter located at 10831 Water Works Road, Williamsport, MD.

N. Approval of a Resolution: Residential Lease Agreement for Property at 280 Mill Street

Action: On a motion duly made by Councilmember P. M. Nigh and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and Robert Dawson for the residence located at 280 Mill Street, Hagerstown, Maryland.

O. Approval of a Resolution: Residential Lease Agreement for Property at 124 Charles Street

Action: On a motion duly made by Councilmember P. M. Nigh and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and Moses Norris for the residence located at 124 Charles Street, Hagerstown, Maryland.

P. Approval of a Resolution: Residential Lease Agreement for Property at 570 Jefferson Street

Action: On a motion duly made by Councilmember P. M. Nigh and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to pass a resolution approving a residential lease between the City of Hagerstown and Gerald Bernhisel for the residence located at 570 Jefferson Street, Hagerstown, Maryland.

Q. Approval of a Resolution: Residential lease Agreement for Property at 728 Frederick Street

Action: Councilmember L. C. Metzner made a motion to pass a resolution approving a residential lease between the City of Hagerstown and Lewie Thomas, III for the residence located at 728 Frederick Street, Hagerstown, Maryland. Councilmember P. M. Nigh seconded the motion.

Discussion: Mayor Bruchey stated he thought the Council agreed to increase rents by \$ 200.00 when the maintenance requirements ended. He didn't believe this property was to be included because it was already near market rate rent. The Mayor and Council asked for more information regarding the size of the property and market rate rent.

Mr. Zimmerman indicated all the city owned properties were increased by \$ 200.00 with the new leases that were approved at this meeting.

Councilmember Metzner made a motion to table the approval of the leases for 728 Frederick Street and 2-A S. Cleveland Street.

R. Approval of a Resolution: Residential Lease Agreement for Property at 2-A S. Cleveland Avenue

Action: Discussion of this item was tabled.

S. Acceptance of Staffing for Adequate Fire and Emergency Response (SAFER) Grant

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to accept the Staffing for Adequate Fire and Emergency Response (SAFER) Grant that will assist the City in funding nine (9) new firefighter positions. The SAFER Grant will provide \$ 948,825 in funding over the five years of the grant.

T. Acceptance of Fire Prevention and Safety Grant and Fire Prevention and Safety Grants

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote of all members present to accept the Fire Department, Fire Prevention and Safety Grant. This grant will provide the Fire Department grant funding to support the Department's Fire Safety/Personal Responsibility Initiative directed at rental properties and the installation of extended life smoke alarms. Mayor and Council acceptance includes approval to fund the \$ 4,350, with a 10% match required for the \$ 43,500 grant.

Councilmember Metzner reminded citizens that the fire department will provide free smoke alarms to anyone who asks for one.

U. Approval of Two Taxi Stands

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to establish taxi stands, per Section 60-2 of the Code of the City of Hagerstown, at the following locations:

West Washington Street, just east of the County Commuter transfer point
East Washington Street, near the Alexander House

The Mayor and City Council further agreed to have staff re-evaluate the locations in one calendar year and advise Council on their findings.

Discussion: Councilmember Metzner stated he thinks it is positive to have taxis back in Hagerstown.

V.. Approval of Memorandum of Understanding (MOU): US Rt. 40 at Edgewood Drive, Construction of Access Driveway

Action: Councilmember M. E. Brubaker made a motion to approve a Memorandum of Understanding (MOU) with the State Highway Administration (SHA) of the Maryland Department of Transportation and the Edgewood Place Condominiums, for the ownership of an access driveway constructed as part of Contract WA 199A31. The City's role is to act as a conduit for the transfer of the driveway's land parcel from the SHA to the Condominium Association. Councilmember A. Parson-McBean seconded the motion.

Motion carried, 3-1 with Councilmember P. M. Nigh voting No.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, acknowledged that last week was National Police Week. The weekly report highlights some of the activities to recognize officers and citizens.

MAYOR AND CITY COUNCIL COMMENTS

Councilmember M. E. Brubaker had no additional comments.

Councilmember A. Parson-McBean had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Councilmember P. M. Nigh had no additional comments.

Mayor R. E. Bruchey, II applauded the Council's effort during this year's budget process. He stated a discussion concerning take home vehicles will be scheduled for a work session in June. This is based on Councilmember Cromer's concern. He stated take home vehicles serve a purpose and he believes that when someone, from any department, has to respond to a scene during a crisis a take home vehicle is worthwhile.

Councilmember Parson-McBean stated Councilmember Nigh has been asking to look into the cost of take home vehicles for some time.

Councilmember Nigh stated her concern is that gas costs keep increasing and the usage should be monitored.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 8:28 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: June 17, 2008