

WORK SESSION – June 16, 2009

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:05 p.m., Tuesday, June 16, 2009, in the Council Chamber, 2nd Floor, at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. Easton, A. C. Haywood and L. C. Metzner; City Administrator Bruce Zimmerman, City Attorney John Urner and D. K. Spickler, City Clerk.

Preliminary Agenda Review

Consent Agenda

A. Public Works:

1. Signal Cabinet for Jefferson St. and Cannon Avenue – Econolite Control Products, Inc. (Hanover, MD) \$ 11,375.00
2. Camera Security System for North Potomac Street Deck – Control Systems, Inc. (West Hartford, CT) \$ 37,428.00
3. Heavy-Duty Vehicle Lift – C & T Equipment Co. (Gaithersburg, MD) \$ 14,488.00
4. ½ Ton Pickup Truck – Hetrich Fleet Services, Inc. (Denton, MD) \$ 17,187.00

B. Engineering:

1. Traffic/Planning Study of Extension of Professional Court to Robinwood Drive – Sabra Wang & Associates (Baltimore, MD) \$ 25,811.78
2. 2009 Pavement Preservation Program – Craig Paving, Inc. (Hagerstown, MD) \$ 840,000.00

Councilmember Breichner asked why the City was doing a traffic study on private ground. Rodney Tissue, City Engineer, stated this study is to determine the number of lanes necessary and the impact of the design on the surrounding area. This will help with seeking federal funding for a portion of the project. This study will include connections at Yale and Campus Drive. It will not commit the City to funding other portions of the upgrade.

C. Light Department:

1. Decorative Streetlights – Hagemeyer (Hagerstown, MD) \$ 13,204.80
2. HADCO Decorative Streetlights – HADCO (Littlestown, PA) \$ 25,900.00
3. Garage Doors at Hagerstown Light Department Facility – K & K Door (Chambersburg, PA) \$ 12,300.00

Michael Spiker, Director of Utilities, stated the bid from Hagemeyer is for poles for streetlights and the bid from HADCO is for lights.

D. Water Department:

1. Processors and Digital I/O – Flow Tech (Hunt Valley, MD) \$ 26,702.40

2. Miscellaneous Inventory for Water Fund – HD Supply Waterworks, LTD (Martinsburg, WV) \$ 31,830.88

E. Human Resources:

1. Workers Compensation Insurance – Injured Workers’ Insurance Fund (Towson, MD) \$ 757,503.00
2. Administration of Medical Claims – National Capital Administrative Services (NCAS) (Owings Mills, MD) \$ 404,000.00
3. Aggregate Stop Loss Insurance and Specific Stop Loss Insurance – Highmark Life Insurance (Pittsburgh, PA) \$ 209,669.00
4. Dental Insurance – Administration – NCAS (Owings Mills, MD) \$ 34,927.00
5. Employee Assistance Program – Behavioral Health Services (Hagerstown, MD) \$ 12,650.00

F. Finance: Approval of Bank of America as City Purchasing Card Provider

Alfred Martin, Finance Director, stated a pcard is a specific type of credit card that can be issued individually and for specific purchases and amounts. A policy will be developed for the use of the pcard. There is no cost for the cards. However, there is interest charged on unpaid balances.

G. Police Department: Replacement Laptops for Cruisers – Pelican Mobile (Hanover, MD) \$ 21,285.00

These laptops will be used in the criminal investigation division, not in cruisers.

Approval of a Resolution: Sale of Bonds

Alfred Martin, Finance Director, presented a draft resolution for the sale of the 2009 City bonds as discussed during the meeting on June 9, 2009. This version does not reflect all the Mayor and Council modifications to the proposed use of bond proceeds that were adopted as part of the 2009/2010 budget adoption ordinance. These corrections will be made to the final version of the resolution to be considered for approval by the Mayor and Council on June 23, 2009.

Approval of Resolutions: Multiple Lease Agreements for City Owned Residential Properties

Junior Mason, Parks Superintendent, and Michael Spiker, Director of Utilities, were present to discuss renewing the nine leases for rental property located on City property. In 2008, rents were increased for seven of the properties by \$ 200.00. Staff is proposing no increase in rental rates for the upcoming year.

The residence at Mills Park will be vacant as of June 30, 2009. The rental rate will be reviewed before renting it to someone else.

It was the general consensus to keep the rent for the other properties the same as last year.

Approval of Sidewalk Task Force Members

Mayor Bruchey stated an executive session will be held prior to the regular session to discuss membership of the task force. Approval will occur at the June 23, 2009 meeting.

Approval of Agreement - Extension of Eastern Boulevard

Rodney Tissue, City Engineer, reported the City and County staff have been in negotiations with Holcim (US), Inc. for several years for the acquisition of right-of-way for the eventual extension of Eastern Boulevard. This extension would be from the current location at the YMCA through the lands of Holcim (US), Inc. (formerly known as St. Lawrence Cement) to an intersection on MD Rt. 60 (Leitersburg Pike) directly opposite Marsh Pike. Eastern Boulevard is deemed as the top transportation project by the City's Planning Commission, the former City Council, and Washington County.

From the City's perspective, this is an important project since the intersection of MD Rte 60 and Eastern Boulevard/Northern Avenue is currently at capacity and it would be difficult to widen it any further.

The agreement covers both the extension of Eastern Boulevard through the lands of Holcim (US), Inc. as well as the relocation of Old Forge Road. The City's responsibility in this agreement would be to continue to work in good faith with the County on the design/construction and maintenance of the Eastern Boulevard extension; and to possibly maintain Eastern Boulevard extended if in the future the City chooses to annex land on the opposite side of Eastern Boulevard. The park may become a City Park in the future if the Council chooses with consent of the County.

Councilmember Metzner suggested adding a dedicated bike lane on Old Forge Road.

It was the general consensus to include approval of the agreement on the regular session agenda.

This completed the preliminary agenda review.

Community Rescue Service was discussed at this time.

Community Rescue Service Overview

Dave Hayes, Deputy Chief, Chris Stockslager, Board of Directors President, Terry Trovinger, Financial Officer, and other members of Community Rescue Service (CRS) were present.

Deputy Hayes and Mr. Stockslager thanked the Mayor and Council for their past support. CRS is a non profit business with an annual budget of \$ 3.3 million. There are seven ambulances with three locations dispatched by 911 to serve the citizens of Hagerstown and Washington County. CRS averages over 30 emergency calls per day. Approximately 62% of CRS emergency calls are within the Hagerstown City limits.

In addition to 24 hour service from Eastern Boulevard, CRS operates an ambulance from the Western Enterprise Fire Station on W. Washington St. twelve hours each day. Operating from the East end of town, CRS has reduced response time to the western portions of Hagerstown by an average of 2.5 minutes. Current goals for CRS include increasing the coverage from 12 hours per day to 24 hours per day from the Western Enterprise Fire Station. The cost to operate the service 24 hours per day is approximately \$ 300,000.

At least 30% of all calls within the Hagerstown City limits do not provide any type of collectable income to cover the associated cost to CRS. This includes insurance reimbursements.

Councilmember Haywood volunteered to represent the Mayor and Council on the CRS Board.

Green Practices Task Force

Rodney Tissue, City Engineer, reported the Mayor and Council passed a resolution in February, 2009 listing several practices they wanted implemented in the City. Many of the items have been successfully implemented in the few months since. There may be other issues the new administration wishes to consider.

Staff is requesting the creation of a task force to study these issues in more detail. Some of the issues may be city fleet issues (hybrid or alternate fuel vehicles), stormwater (changes to Maryland laws), alternate forms of energy and bike and trail planning. Other questions may arise, but Mr. Tissue anticipates the culmination of the taskforce work as a report to the Mayor and Council in early 2010.

Suggested task force membership is: City elected official, Neighborhood's First Representative, four at-large members, and city staff. The Mayor and Council were asked to provide nominees for the task force to staff by July 3, 2009. Approval of the list of nominees would be included on the July 28, 2009 Regular Session agenda.

Councilmember Haywood has expressed a strong interest in green practices. Councilmember Easton suggested a larger number of members for this task force. Councilmember Breichner suggested looking at alternate forms of energy, such as wind energy.

Councilmember Easton asked if there is a time frame for the energy audit. Mr. Tissue indicated there is a small amount of funding (under \$ 10,000) in the new budget for the audit.

The Mayor and Council agreed to authorize the creation of this task force. Anyone interested in serving on this task force should contact Mr. Tissue or file an application with the City Clerk.

Long Term Refuse & Recycling Plan

The City of Hagerstown has a successful refuse and recycling collection program, including twice per week refuse collection; full-service curbside recycling for mixed paper; co-mingled plastics, glass and aluminum; and yard waste. The collection is currently performed by Allied Waste Industries, Inc. and they are under contract to collect these materials through 2011.

Rodney Tissue, City Engineer, stated staff is asking the Mayor and Council to create a task force to study these issues in more detail, appoint one member of the Council to be on the task force and to provide nominees for the task force to staff by July 3, 2009.

Some of the issues that could be discussed are:

1. Should trash collection be changed to once per week pickup?
2. Should services be provided to commercial properties and apartment buildings?
3. Should an automated collection be utilized?
4. Should the holiday collection policy change?
5. Should the City and the Housing Authority have joint collection?
6. Recommendations for increasing participation in the recycling program
7. Should participation be mandatory?
8. Should a recycling rebate program be implemented?

The suggested task force membership would be as follows: City elected official, representative from Washington County Solid Waste Department, representative from current contractor, Neighborhood's First Representative, four at-large members and the City engineer. A list of nominees would be scheduled for approval at the July 28, 2009 Regular Session.

Councilmember Metzner suggested including representation of the private recycling community, i. e. Conservit and Maryland Metals.

It was the general consensus of the Mayor and Council to approve this task force.

Doub Farm Annexation Petition

Kathleen Maher, Planning Director, and Stuart Bass, Comprehensive Planner, informed the Mayor and Council that the property owners of the Doub Farm and some

nearby properties are requesting that the Doub Farm annexation process resume. They have submitted a revised annexation petition to reflect the fact that they have lost their developer and therefore do not have a concept plan for development. The revised petition removes all the site plan conditions, but leaves in the proposed downtown financial contribution from any commercial development and the offer from any shopping center developer of two transit buses to the City. The requested zoning remains the same as presented at the April 2008 annexation hearing: C4 (Regional Shopping Center) for approximately 88% of the site and POM (Professional Office Mixed-use) for the balance of the site.

Upon the City Attorney's advice, the following schedule for action has been developed to carry forward on this annexation request:

1. If the Mayor and Council are ready, Introduction of the Amended Annexation Resolution and Adoption of the Amended Annexation Plan at the June 23, 2009 meeting.
2. Following four weeks of advertisement, a public hearing on the Amended Annexation Resolution will be held on July 28, 2009.
3. If the Mayor and Council deem annexation to be appropriate for the City, adoption of the Annexation Resolution could occur as soon as August 25, 2009.

Later this month, the Doub Annexation will reach its two year anniversary of consideration by the City of Hagerstown. This complex annexation involves a total of 141 acres, including a 112 acre farm along the west bound exit ramp from I-70 to US 40 (northeast corner of interchange) and several small parcels between the farm and the Dual Highway.

During the annexation review process last summer and fall, staff recommended that the Mayor and City Council approve this annexation because the property is within the City's Medium Range Growth Area and the requested zoning is compatible with the recommended land use in the City's 2008 Comprehensive Plan. The issue is not whether or not the property is to be developed. The issue before the Mayor and Council is whether or not the city boundary will be adjusted to ensure that whatever development occurs is inside the City of Hagerstown, where the City will have the ability to control and realize the benefits associated with development. Staff's recommendation remains the same, even with the amended Annexation Petition.

Councilmember Metzner asked if it is true that the Mayor and Council has the highest level of control for use conditions of a property at the time of annexation. Mr. Uner stated the legislative body can impose conditions after the annexation but site plan restrictions can be imposed by the Planning Department. The Mayor and Council could impose conditions any time between the time of introduction and approval of an annexation. The Mayor and Council have the authority to waive city taxes.

Councilmember Metzner asked why this property should be exempt from paying city taxes. He thinks this body needs to discuss the request further.

Mr. Urner stated the Mayor and Council has an obligation, under law, to go through the annexation process to decide whether or not it is in the best interest of the public to annex the property.

Councilmember Haywood also thinks this should be discussed further before introducing the resolution for annexation. Councilmember Brubaker and Councilmember Breichner agreed.

Mr. Urner stated the original petition for annexation has been changed by circumstances enough that it doesn't make sense to consider the request as it was first presented. This is still the same annexation request and a decision has to be made at some time.

Councilmember Metzner asked that information regarding potential taxes be included in the discussion. Mayor Bruchey asked that a history of abated property taxes for annexed lands be included.

This will be scheduled for further discussion in July.

Healthcare Insurance Renewals and Related Expenses

Donna Frazier, Director of Human Resources, and Susan Delauter, Human Resources Administrator, were present to provide information about the City's healthcare coverage. The City of Hagerstown will continue providing health insurance through a partially self-funded arrangement for 2009-2010. This funding arrangement is transparent to employees. It utilizes the BlueCrossBlueShield network of doctors. Two health insurance plans are now available to active employees to provide employee choice and control of the rising cost of health insurance.

In order to offer the BlueCross BlueShield doctor network, it is necessary to contract for claims processing with one of only two sources. National Capital Administrative Services (NCAS) processes claims for the City. NCAS claim processing fees are approximately 20% less than the same services from BlueCross BlueShield, the only other vendor for this service. The cost for claim processing is projected at \$404,000, which is a .8% decrease from last year.

Stop Loss Insurance provides coverage when claims exceed a deductible amount. Highmark is the current provider and the premium is \$ 26,659 for Aggregate Stop Loss and \$ 183,010 for Specific Stop Loss. Even though this is not the lowest quote received, staff wants to build stability with a carrier and the Highmark premium is firm while the other two quotes received are contingent upon receiving additional large case information. New companies tend to exclude coverage for high risk participants and the City does not take that risk if the current vendor is retained.

Dental coverage will continue to be provided to employees with a BlueCross BlueShield dental plan, administered by NCAS. For the 2009-2010 plan year, the dental rates will decrease by \$ 35,156 or 9.57% for an annual administrative cost of approximately \$ 34,927.

The Employee Assistance Plan (EAP) will continue to be offered through the Behavioral Health Services, a division of the Washington County Hospital. Their rates will renew with no change in the monthly rate per employee.

Councilmember Easton asked if the health care committee looks at preventive programs. Ms. Frazier stated the City was awarded a small grant to start a wellness program.

It was the general consensus to approve the insurance premium proposals.

Worker's Compensation Insurance

Donna Frazier, Human Resources Director, and Kevin DeHaven, Safety & Loss Control, were present to discuss the Worker's Compensation Insurance. The City's Worker's Compensation Insurance is up for renewal effective July 1, 2009. Based on the current market and favorable projections by the broker, the City decided to extend the agreement with the current policy holder. The option to extend for another policy period is contained in the bid from last year.

The Injured Workers Insurance Fund (IWIF) issued a premium quotation in the amount of \$ 757,503, which is a reduction from the previous year's policy. That figure will fluctuate slightly due to changes to the base payroll figures throughout the year. Keller Stonebraker Insurance, Incorporated is the broker of record for the policy. The Loss Control Incentive used to establish the quote resulted in a \$ 1,356,299 discount, which is based on the City's safety programs along with IWIF's confidence that these programs reduce injuries and associated risks.

It was the general consensus to approve the worker's compensation insurance premium proposal.

Briefing – Other Post Employment Benefit Requirements

Donna Frazier, Director of Human Resources, and Alfred Martin, Finance Director, discussed the Other Post Employment Benefits (OPEB) Requirements for the City. New governmental accounting rules require that the City change the way retiree health and dental benefits are costed and accounted for. In order to comply with these new rules, and to avoid creating a situation where the City is faced with growing unfunded OPEB liabilities that would adversely affect its future financial condition and credit rating, staff is requesting the Mayor and Council to take the following steps at the June 23, 2009 regular meeting:

1. Approve the adoption of a Retiree Health Plan Trust Agreement to create a trust fund to accumulate OPEB plan assets
2. Approve the Retiree Health Benefit Plan document that outlines what the Other Post Employment Benefits are per the recently approved labor contract agreements
3. Approve an Investment Policy Statement for OPEB and appoint PNC Bank as the investment manager for OPEB Trust Fund assets.

The City has proactively been preparing for this change since the GASB rules were first issued five years ago. An actuarial firm reviewed the current OPEB for retirees in 2004 and worked with staff in exploring ways to reduce the unfunded future liabilities and their impact on the new annual required contributions for OPEB that would have to be reflected in the annual financial statements. Another study was conducted in 2005. The results for these studies showed that the city had a \$ 75 to \$ 80 million unfunded future OPEB liability and that the initial annual required contribution would need to be \$ 6.2 million per year.

Over the last four years the City and its employees have aggressively addressed the OPEB issue. Staff is pleased to report that the OPEB liabilities and ARC have been significantly reduced. The unfunded accrued OPEB liability and resulting ARC has been cut by 50%. After deducting what is currently being paid this fiscal year of \$ 2.4 million, the estimated additional contribution to begin funding the OPEB liabilities is within the \$ 810,000 estimated for this fiscal year and that was budgeted for next fiscal year.

Staff is recommending that \$ 810,000 be placed in a newly created OPEB Trust Fund as many other governments are doing. The funds for this are already programmed and available in the Health Care Fund for both this year.

The Mayor and Council agreed to move forward with the approvals on June 23, 2009.

City Goal Setting/Strategic Plan: Process and Schedule

Bruce Zimmerman, City Administrator, suggested that it would be helpful to both the community and staff if the Mayor and Council establish a clearly articulated strategic plan which sets forth their priorities and goals over the next four years. He recommended that the Mayor and Council consider this strategic plan in the larger context of responsibilities to citizens and the community's current and future needs. Examples of issue they may wish to consider would be Hagerstown's future growth and development, neighborhood vitality and housing, transportation, public safety, and quality of life for City residents. They may also wish to consider Hagerstown's Comprehensive plan, responsibilities regarding public infrastructure, citizen participation and involvement with the City government, the strength of the City's operations, and use of public funds.

An adopted plan will provide the public a clear picture of what the Mayor and Council are working toward to make Hagerstown a better community. Citizens, businesses, and community organizations will all benefit from knowing what the Mayor and Council see

as priorities and targeted accomplishments for the City. Likewise, the government will be more effective if the staff, boards, and commissions all understand the direction of the Mayor and Council. A strategic plan will guide the operations of the government and will provide unified and consistent message to Hagerstown's residents on what this Mayor and Council wish to accomplish.

Mayor Bruchey suggested a retreat to brainstorm priorities. Councilmember Breichner likes the idea of meeting on a Saturday morning to consider goals.

A plan could be adopted by the first of the year. Councilmember Easton stated this time frame may be unrealistic.

Mayor Bruchey asked Council members to check their calendars for Saturdays in August.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner expressed condolences to the family of Arthur Bayer, who passed away on June 14, 2009. Mr. Bayer is Larry Bayer's (Community Development Manager) father.

Councilmember W. M. Breichner stated the City's parks are in the best condition he has ever seen.

Councilmember M. E. Brubaker stated Hagerstown was first in the state to receive funding for a new program for minority businesses. He commended Deborah Everhart, Economic Development Director, and her staff for their diligence. He stated Senator Donald Munson was instrumental in designing the program.

Councilmember F. Easton asked if there is a deadline for Council appointments to various Boards and Commissions. Mayor Bruchey indicated all the appointments will be made at one time. Councilmember Easton suggested that the Charter Review Committee meet again to consider other issues, such as how a vacancy is filled if the Council member has no party affiliation.

Councilmember A. C. Haywood has volunteered for several committees with the intent to help develop solutions to issues facing the City.

Mayor R. E. Bruchey, II stated Market in the Square will be held on June 18, 2009. Center City Jazz continues on June 18, 2009 at University Plaza. The annual MiHi Fishin Frenzy will be held at Pangborn Park on June 20, 2009. The Barbara Ingram School for the Arts "Take Flight Gala" will be held on June 20, 2009. The first block of

South Potomac Street will be closed from noon to midnight for this event. He agreed that the Charter Review Committee should meet to discuss unresolved issues. He commended Human Resources and the Health Care Committee for their work with the OPEB issues.

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 6:52 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: July 28, 2009