

WORK SESSION – October 8, 2013

Mayor D. S. Gysberts called this Work Session of the Mayor and City Council to order at 4:05 p.m., Tuesday, October 8, 2013, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson and P. M. Nigh; City Administrator Bruce Zimmerman, City Attorney Mark Boyer, and City Clerk D. K. Spickler.

City Code Revision for Property Maintenance Code Regarding Smoke Detectors

Paul Fulk, Inspection Manager, and Blaine Mowen, Chief Building Plan Reviewer, were present to discuss proposed amendments to the City Code to revise Chapter 64, Article III, Property Maintenance Code. The purpose of these amendments is to update the City Code to reflect the results of changes in State standards, industry standards, and other factors.

Code Administration staff routinely address fire protection and prevention related to residential smoke alarms and smoke detectors in residential dwellings. The current code is inconsistent with the minimum standards currently adopted in the State of Maryland Fire Prevention Code.

The proposed amendments to this chapter will create new definitions for “interconnection”, “Smoke alarm”, and “smoke detector” matching the State code. It will also add language about smoke alarm and smoke detector interconnection establishing a set date of when interconnection is required. Finally, the amendments will replace current sections of the City Code with new language detailing the smoke alarm and smoke detector power source for all one and two family dwellings.

Mr. Fulk stated the amendments mirror State law for interconnection and the requirement that smoke detectors have a 10 year lithium battery. Councilmember Metzner pointed out there are smoke detectors sold in Maryland that do not have the lithium battery. Mr. Fulk indicated the Fire Marshall is working with local vendors to ensure they do not sell the non-lithium battery detectors.

The interconnection is required for homes constructed after 1989. Adding the interconnection is not as substantial a job as it sounds.

Councilmember Metzner reminded citizens they may obtain a free smoke detector from the Hagerstown Fire Department.

Councilmember Brubaker asked if this requirement is being enforced outside the City limits. Mr. Fulk stated he doesn't know if it is being enforced in other jurisdictions; however, it is a State law.

Introduction of the Ordinance for the amendments will be scheduled for October 22, 2013.

Proposed Amendments to City Code Chapter 176, Peddlers and Transient Dealers

Donna Spickler, City Clerk, and City Attorney Mark Boyer, were present to continue a previous discussion regarding peddler and transient dealer regulations. Staff and Mr. Boyer met to follow up on the previous Mayor and Council discussion about the regulations for lemonade stands/snow cone stands, etc., and the distance restriction for vendors from businesses in permanent structures. As a result, staff recommends the following additional changes to the current Ordinance:

1. Designating that operators of lemonade stands, snow cone stands, etc. are exempt from obtaining a license if the stand is conducted at the operator's residence and not more than 14 days per calendar year.
2. Establishing distance limitations of 100' from businesses in permanent structures within the Arts and Entertainment (A & E) District and 300' in all other areas of the City. Staff contacted the Downtown Alliance and they are supportive of the change, noting that it may create a livelier City Center and additional foot traffic. A diagram showing the 100' distance from restaurants in the A & E District was presented.

The current Ordinance, fees and regulations have been relatively unchanged since 1992. Over the course of the last 20 years, the nature of peddler type of retailing has changed.

Mr. Boyer stated a question about regulations for businesses placing their goods on the sidewalks was raised during the previous discussion. The peddler ordinance does not apply to that type of business use. He stated the City has the authority to regulate the use of sidewalk space.

Councilmember Metzner recommended including an exception to the 100' distance restriction if a vendor receives written permission from the bricks and mortar businesses to be within the restricted distance.

It was the general consensus to include introduction of an ordinance to amend the Peddlers and Transient Merchants regulations on the October 22, 2013 agenda.

Mr. Boyer left the meeting at this time.

City Center Holiday Parking Program

Eric Deike, Director of Public Works, stated the City of Hagerstown has provided limited free parking the decks during the holiday shopping season for many years. The City officially recognizes the beginning of the holiday season with the Hollyfest program that includes the lighting of the Christmas tree in the square and festivities later that

evening at the Maryland Theatre. This year Hollyfest will be held on Thursday, December 5, 2013.

Staff would like to initiate the 2 hours of free parking as of 6:00 a.m. on Monday, November 25, 2013 and end the special rate on Thursday, January 2, 2013 at 6:00 a.m. The intent is to encourage patrons to visit the City Center during the holiday season to shop and dine. Parking will be free in both parking decks on Thanksgiving Day through the Thanksgiving holiday weekend. The weekends will also be free through the remainder of November and December.

Metered parking spaces along the street and in the City owned lots will continue to be free before 9:00 a.m. and after 5:00 p.m. weekdays and all day Saturday and Sunday as it is normally throughout the year.

Councilmember Munson wondered about the cost of lost revenue with this program. Mr. Deike stated revenue is down about \$ 700 to \$ 1,000 per weekend. The use of the decks does not change significantly during this time.

Councilmember Metzner stated this program is a statement of support for downtown merchants.

Councilmember Brubaker suggested marketing this program and others that highlight downtown. Ideas for a marketing campaign are the number of restaurants (20) and the ease of parking. Perhaps the City could match coupons or vouchers with restaurants. The new library or the Maryland Theatre could be promoted as a destination for people.

Councilmember Metzner pointed out the downtown has changed from a retail center to a culinary and cultural center. This should be highlighted.

Mr. Zimmerman mentioned the Downtown Dollars program is scheduled for discussion at the November 5, 2013 Work Session.

Mayor Gysberts mentioned it would be nice if church attendees stayed downtown for lunch following services.

Councilmember Munson suggested working with WJEJ and the Convention and Visitors Bureau to promote the businesses downtown.

It was the general consensus to approve the holiday parking program as outlined.

Budget Discussion

Michelle Hepburn, Acting Finance Director, Michael Spiker, Director of Utilities, and Eric Deike, Director of Public Works, were present to discuss various budget revenues.

Utility Dividend Transfers

Mr. Spiker discussed the Utility Dividend transfers to the General Fund. The City has a Community Betterment Fund/Utility Fund Dividend Policy(s) in place for the Hagerstown Light Department (Electric Division) and the Water Dividend of the Utilities Department. No Community Betterment Fund/Utility Fund Dividend Policy exists for the Wastewater Division. In order to declare a dividend, a minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operation expenses less depreciation and interest expense. Each of the three divisions is assessed an annual \$ 4,500 Public Utility License Fee payable to the General Fund.

Each of the three divisions is assessed an annual Payment in Lieu of Taxes (PILOT). Each of the three divisions is assessed an annual Administrative Allocation (AA). The total FY 13 PILOT and AA for all three utilities is \$ 4,488,100.08.

Utilizing the existing policy language would preclude a dividend declaration for two of the Utilities Department Funds in FY14. If the Mayor and Council choose to develop a policy for a dividend declaration for all enterprise funds, staff would recommend the language contained within the existing Light Fund Dividend Transfer Policy.

Using the current policy guidelines, the Water Division is the only one that meets the criteria to provide a dividend to the General Fund. Mr. Zimmerman pointed out that more than 10% of the General Fund in 2013 is from utility dividends. The Light Fund Dividend has been to the Community Betterment fund. This is for one time projects, not operating expenses.

Ms. Hepburn pointed out that there are currently no dividend policies for any of the other Enterprise Funds.

Bonds for capital projects are not considered part of the costs for operating the system.

A \$ 250,000 dividend from the water fund is included in the FY14 budget and projected for the FY15 budget. It was the general consensus to include the Water Dividend in these two budgets.

It was also the general consensus to keep the Community Betterment Fund in place.

A draft policy for all three utilities will be presented to the Mayor and City Council in November for further review.

Parking System User Fees

Mr. Deike reported the Parking System is an Enterprise Fund for the City of Hagerstown. No direct General Fund tax dollars go to support the Parking System. The

department is currently self funded by the user through parking meter revenues, parking deck revenues and parking enforcement revenues.

The Parking Master Plan completed in 2012 recommended that street meter rates be raised to \$0.75 per hours and lower the parking deck rates to \$0.50 per hour. The lot rates of \$0.50 per hour (and \$ 1.00 per hour in the Antietam Street Lot) would remain at their current rate of \$0.50 per hour. The intent was to encourage drivers to park in the decks and off the street. This encourages short term parking on the street for the business patrons and long term parking in the decks and lots for business employees.

Staff is currently not in favor of decreasing the hourly parking deck rates for several reasons. Utilizing coins would more than likely be looked down upon by drivers as a nuisance rather than a convenience.

Logistically, the machines are currently designed to handle a limited amount of coins. An increase in coin use by drivers would cause staff to increase access to the machines to remove revenue and fill the machine with new coin. This increases labor hours to continually remove revenue and fill the machines with new change.

Finally, both decks are being utilized at their maximum for permit use. Staff has to manage use of the decks to allow for permit use and transient use. It may not be wise to encourage additional transient use of the parking decks.

An examination of the estimates provided in the Parking Study shows that there can be an overall negative effect on revenues if too many drivers move from the street to the parking decks. By encouraging merely 20% of the drivers from the streets to the decks, the revenues actually fall below current revenue totals. Care must be taken in making changes to the parking rates.

Mayor Gysberts asked if a central pay location for metered spaces has been considered. He also asked if making spaces for bicycle parking has been considered.

Councilmember Aleshire stated many cities around the State are thriving and he believes one difference between them and Hagerstown is an aggressive parking plan. He stated he thinks a third parking deck is essential. The court system would most likely be a large user of a third deck.

Councilmember Brubaker stated the consultants have cautioned against building a deck based on speculations. He believes private investment is crucial to make a deck project successful.

Mr. Zimmerman pointed out the largest private investment in downtown in decades occurred in conjunction with the A & E Deck.

Councilmember Munson mentioned several restaurants are looking to locate in downtown and this could create a need for more parking.

If a downtown project plan progresses, a parking deck could be included as part of that plan.

Councilmember Munson stated a project to assist the Maryland Theatre would be appropriate.

There was some support for increasing the parking deck fees.

Utility Tax Rate

Ms. Hepburn provided information regarding authority to establish a separate Utility property tax rate.

Both personal property and utility property fall within the same category under state law. Municipalities, unlike local counties, are not restricted to a personal property tax rate of 2.5 times real property values. There is nothing in the City Charter or in State law that prohibits the City from establishing a separate utility property rate. The State Department of Assessment and Taxation has the authority to define who is a utility and/or railroad under this type of separation and classification.

There is an exemption under Section 7-237 of the Tax Property Article to provide a 50% exclusion from personal property tax for machinery and equipment used to generate electricity. This exemption would apply even if a separate utility property rate were established.

There are very few municipalities in Maryland that have a separate tax rate established in this manner. Staff has talked with members of MML, Nairn and Boyer, and the State Department of Assessment and Taxation. If a separate tax rate in an option the Mayor and Council wish to establish, the next step recommended to staff was to contact the State Attorney General Office.

Councilmember Metzner wondered if the City could choose which utilities to apply a tax to.

There was not a consensus to move forward with a Utility Tax.

The next budget work session will be held on October 22, 2013 at 5:00 p.m. Topics will include Other Service Charges and Fees, Safe Speed for Schools program.

Vision and Mission Statement

The current Vision for the City of Hagerstown is “being the location of choice for a diverse and dynamic citizenry”. The current Mission for the City of Hagerstown is “providing a proud and prosperous community”. In order to provide staff and customers a clearer Vision and Mission for the organization, the Mayor is proposing a new vision and mission statement as follows:

- Vision: A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods.
- Mission: Providing the most efficient and highest-quality services as the municipal location of choice for all customers.

Mayor Gysberts stated these statements are simple and clear.

It was the general consensus of the Mayor and Council to schedule formal approval of the new vision and mission statements for October 22, 2013.

Mayor Gysberts suggested including contact information for frequently needed services on the back of City business cards.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember M. E. Brubaker traveled in New England last week and visited several communities that rely on tourism. One community renovated a former school into the headquarters for a cosmetic company. This project was a public/private partnership. A river walk was completed entirely by community volunteers.

Councilmember L. C. Metzner stated Hagerstown has the nicest library in America for a City this size. Over 5,000 people visited the library over the weekend.

Councilmember P. M. Nigh is concerned about the number of posters on utility poles advertising for a bail bond company. Hagerstown doesn't need more bail bond companies. She wondered why the City had not considered running its own recycling program to raise revenue. This has been done in Montgomery County. Chief Holtzman recently spoke at a Hagerstown Area Religious Council meeting and provided a good message. She wondered how union contracts are progressing. Mr. Zimmerman stated the negotiating teams are continuing to meet. Harvest Hoedown will be held on Saturday, October 12, 2013.

Councilmember K. B. Aleshire stated the library is great. It was good to see children visiting the library. He asked that prospective businesses be made aware of the incentive programs the City offers. There is an issue with absentee landlords. He suggests looking into uniform lease legislation. This will help stabilize the neighborhoods. Mr. Zimmerman stated housing legislation will be included on upcoming agendas. He participated with City employees in the Day of Caring on October 3, 2013.

Councilmember D. F. Munson hopes the housing legislation includes policies to help with the issues at Cortland Apartments and Washington Garden Apartments. He thanked

everyone who helped with the annual Day of Caring. He agreed the library is wonderful. The City of Hagerstown helped make the library project a reality by provided \$ 1.5 million toward the construction. He congratulated Mary Baykan, Director of Washington County Free Library, for her efforts with the completed library project.

Mayor D. S. Gysberts also thanked everyone who helped with the grand opening ceremony for the library. He met with members of the Homeowners Association, who are concerned about the stormwater management regulations. He encouraged everyone to check out the new program “On the Record” on the City’s website and on Channel 25. Important information and topics that impact the community will be discussed in this program. There will be an Executive Session of the Mayor and Council on October 15, 2013 at 3:00 p.m. The Work Session will begin at 4:30 p.m.

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 6:11 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: November 26, 2013