

WORK SESSION AND 31ST REGULAR SESSION– December 17, 2013

WORK SESSION – December 17, 2013

Mayor D. S. Gysberts called this Work Session of the Mayor and City Council to order at 4:34 p.m., Tuesday, December 17, 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, and City Clerk D. K. Spickler.

Budget Discussion

The Mayor and Council have held prior Budget Work Sessions and discussed several important issues related to the City's finances and budget. Among the topics the Mayor and Council discussed in recent months are: Employee Compensation, Preliminary FY13 General Fund Surplus, General Fund Agency Contributions, Water and Wastewater Five Year Rate Study, Utility Fund Dividend Policy, State Stormwater Management Requirements and Possible Revenue Sources and Parking System User Fees.

In addition, Mayor and Council have received staff presentations on significant budget related topics including: the Pavement Preservation Program and funding needs, the Stormwater Management Projects study, the City's revenue experience since implementing the Safe Speed for Schools Program in April, 2012, and Employee and Retiree Health Insurance Program costs and trends. In addition there have been brief Mayor and Council discussions on a Fire Service Tax, Red Light Cameras, and a potential alternative approach for bond financing of capital expenditures in FY14.

It is anticipated the State will announce the results of the Assessor's Office Triennial Reassessment of Real Estate at the very end of 2013 or early 2014, which will inform the City of the change in the property tax base. It is anticipated the Mayor and Council will focus on this information in January, 2014 and incorporate it into their work on the budget.

Staff has begun departmental preparation of next year's budget. It is early in the process, but staff will need to know soon what assumptions Mayor and Council wish to include in department operating budgets for employee pay.

In the meantime, Mayor and Council direction on the following topics will assist staff in preparing a proposed budget. This will help in developing budget projections and also in developing plans for bond financing and debt service costs.

1. Third Parking Deck: Members of the Mayor and Council have expressed their interest in the City constructing a third parking deck. Staff needs to clarify how Mayor and Council wish to include the possible construction of a third parking deck in the preparation of the Proposed Five Year Capital Improvement Program.

Councilmember Metzner stated he envisions a third parking deck, but not in the next budget. He suggested including it in the five year plan.

Councilmember Brubaker stated a third deck could be included in a future budget. He would like to know what the private sector would supply.

Mayor Gysberts wondered if the State of Maryland would commit funding for a third deck.

Councilmember Metzner pointed out a third deck in the area of Antietam Street would benefit economic development in that area.

Councilmember Brubaker stated it would be good to reconstruct some of the buildings in the area as part of a joint project for revitalization.

Councilmember Aleshire stated if some funding isn't included in the FY15 CIP, it has to be included in FY16, at the latest. If funding is not identified for the project in the City's CIP, there will not be a commitment from other parties.

Councilmember Brubaker stated staff has enough input from the Mayor and Council to develop a proposed budget that is responsible and includes information from the budget work sessions that have been held.

Councilmember Munson stated the Council should wait to see what information the economic development consultant report contains before moving forward with a project. He would support including funding in the budget for a third parking deck, possibly using \$ 500,000 from the funding for a downtown project.

Mr. Zimmerman inquired if the Council is thinking the deck would be funded through the parking fund or some other source.

Councilmember Aleshire thinks 35% of the funding should be from the parking fund. Including a third parking deck in the budget would convey the City's desire for growth. Councilmember Brubaker would not be opposed to 35% from the parking fund. Councilmember Aleshire wants a time frame to be included in the budget as well.

Mr. Zimmerman clarified that funding for the design of the deck will be included in the FY15 budget and construction will be included in the five year plan.

2. Downtown Project Funding: The Five Year CIP, as included in the FY14 Budget, includes \$ 1,500,000 for a downtown project to be determined by the Mayor and Council. The suggested funding source for the project is \$ 1,500,000 from the FY14 General Fund supported bond financing. This CIP and potential funding can be used to support a future catalyst project to be identified in the downtown planning project approved by Mayor and Council on December 3, 2013 or a current downtown priority project. It will help staff if Mayor and Council can indicate whether they wish this CIP project to remain in the proposed budget and

whether they have a specific project in mind to receive the funding.

Councilmember Munson supports utilizing this funding for a major project at the Maryland Theatre.

Councilmember Brubaker believes other entities should be involved in funding improvements at the Maryland Theatre, since it is a regional draw.

Councilmember Aleshire suggested offering the City's funding as one-third of a project at the Theatre. A project in the core is important for Hagerstown.

Mayor Gysberts clarified the consensus is to keep the funding in the budget, with no specific project.

Mr. Zimmerman pointed out the Urban Partners project may provide a recommendation for projects.

Mr. Zimmerman asked if the Mayor and Council's consensus is to not pursue a project on the Massey property. Councilmember Brubaker pointed out the City doesn't own the property. Mr. Zimmerman indicated the property is owned by the County and condition of the buildings has been discussed with the County Administrator. It was decided to send a letter to the County asking what their plans are for the property.

3. Acquisition of Two Fire Department Ladder Trucks: The CIP includes the FY14 acquisition of a ladder truck to replace the 1998 Ladder Truck 1 operating out of Pioneer Hook and Ladder. The CIP includes \$ 900,00 in funding for this acquisition with \$ 700,000 coming from General Fund supported bond financing and \$ 200,000 in funding from volunteer company contributions.

In FY15, the CIP includes the acquisition of a ladder truck to replace the 1998 Ladder Truck 4 operating out of Western Enterprise. The CIP includes \$ 950,000 in funding for this acquisition with \$ 750,000 coming from General Fund supported bond financing and \$ 200,000 in funding from volunteer company contributions.

Michelle Hepburn, Acting Finance Director, reported the ladder truck at Pioneer Hook and Ladder has arrived. Funding from the volunteer group will be approximately \$ 150,000. The Mayor and Council agreed to keep purchase of second ladder truck in the FY15 budget.

Councilmember Munson reminded the citizens that there is adequate fire protection within the City, even though two ladder trucks are being replaced.

4. \$ 625,000 in Revenue from the Sale of the Army Reserve Building: Mayor and Council have previously indicated they wish to utilize the revenue from the sale for this property to the County for one or more one time projects. This revenue

was placed in the Property Management Fund for allocation to a project at a future time.

Councilmember Aleshire stated this \$ 625,000 should be used for the removal of the MELP building, and nothing else.

5. Use of FY13 General Fund Surplus: As discussed with Mayor and Council during the November 12, 2013 Work Session, preliminary year end results for the General Fund in FY13 indicate a surplus of \$ 1,500,000. Some of this surplus has previously been allocated to projects such as the purchase of Police Patrol Vehicles, the acquisition of 21 West Antietam, and the FY13 Golf Course deficit. In addition, staff are presently assuming the use of \$ 346,000 to fund the new Engine One and staff identified a number of options for use of the remaining FY13 General Fund Surplus.

Councilmember Brubaker suggested keeping the remaining surplus as a cushion, pending the outcome of union negotiations.

Councilmember Aleshire stated the surplus should not be used for operating expenses.

If the surplus is not allocated to projects prior to the end of the fiscal year, it will roll into the reserve balance as unreserved balance.

Councilmember Aleshire is concerned that a future budget may include a potential tax increase, even though there is an increase in the amount in the reserve balance fund.

6. CDBG Budget Information Update: The annual entitlement grant has significantly declined in recent years as the Federal Government has reduced funding. In FY11, the entitlement grant totaled \$ 1,004,945. In the current fiscal year, the City received \$ 66,490. As staff have learned this week, Congress is working on a budget compromise which may shed some light on the future CDBG funding and the timing of HUD's announcement of the entitlement for next year.

John Lestitian, Director of Community and Economic Development, indicated staff is projecting an additional 10% in the entitlement. Funding levels do not permit providing any CIP assistance from the CDBG program.

Mayor Gysberts stated several members of the Mayor and Council have discussed the budget several times during the last few months. He also thinks staff has ample information and direction from the discussions to complete a proposed budget for presentation by the March 31 deadline.

Councilmember Aleshire stated staff has indicated there are bad debts with some of the CDBG loan programs. He stated a plan is needed for how these accounts are going to be

addressed and retired. He stated the Mayor and Council have reviewed the revenue side of the budget and the CIP projects, but they have not discussed expenses.

Mr. Zimmerman stated a proposed budget will be completed by March 31. During the budget preparation process, staff will bring issues such as the Water and Sewer Rate Study and potential bond financing to the Mayor and City Council. He thanked the Mayor and Council for their discussions about the budget.

The Work Session was then adjourned.

31ST REGULAR SESSION – December 17, 2013

Mayor D. S. Gysberts called this 31st Regular Session of the Mayor and City Council to order at 7:03 p.m., Tuesday, December 17, 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, P. M. Nigh; City Administrator Bruce Zimmerman, City Attorney John Urner, City Attorney Mark Boyer and D. K. Spickler, City Clerk.

The invocation was offered by Mayor David S. Gysberts. The pledge of allegiance was recited.

ANNOUNCEMENTS

Mayor Gysberts announced the Rules of Procedure for this meeting will be followed as adopted September 24, 2013. 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: Work Sessions beginning at 4:00 p.m. on Tuesday, January 7, 2014, Tuesday, January 14, 2014, Tuesday, January 21, 2014 and the Regular Session on Tuesday, January 28, 2014 at 7:00 p.m.

GUESTS

Special Recognition Utility Relief Fair Committee

Mayor Gysberts presented certificates of Special Recognition and thanks to the members of the Utility Relief Fair Committee. Beth Everhart, Customer Services Supervisor, assisted the Mayor. The members of the Committee are: James Marshall, Pastor Edward Heim, Cindy Brown, Liz Church, Sharon Hawkins, Pastor Robert Petties, Donna Rose, Carolyn Brooks, and Kim Buchanan.

Councilmember Nigh thanked the members of the committee and Ms. Everhart for their efforts in distributing the remaining funds raised during the previous Utility Relief benefits. She hopes another fair will be held in March.

City College Certificates

Mayor Gysberts recognized the following City College attendees: Christopher Howlett, San Rogers, Missy DeHaven, Nancy Allen, Eileen Briley, Betty Schlotterbeck, and Jennifer Hoffman.

City College is an eight-session program that teaches members of the community how the local government works and empowers them to become good ambassadors for the City of Hagerstown. Attendees meet one evening each month from April through November. At each session, they visit different locations – learning how departments work and how that work makes a difference in the City. The City thanks these participants for their interest in their community and their eagerness to become informed citizens.

Special Recognition of John Urner, City Attorney

Mayor Gysberts presented a certificate of Special Recognition to John Urner, City Attorney, who is retiring at the end of this year. Mr. Urner has served as City Attorney since 1997. He has provided legal advice and assistance to the Mayor and City Council and City Staff on many important issues including zoning, annexation, land use, utility management and many other areas of City operations.

Mr. Urner's son, Hammond Urner, and grandson Zachary Urner, were also in attendance.

CITIZEN COMMENTS

Mary Haines, 27 Laurel Street, Hagerstown, Maryland, is concerned about gang activity. There is an increase in the amount of graffiti that she stated is gang related. She provided photographs of the graffiti. She is also concerned about the number of buildings that have broken windows, windows covered with paper and are in general disrepair. She believes there is illegal activity occurring at a house on Broadway. She stated more police officers and code enforcement officers are needed.

Nate Steuer, P. O. Box 1871, Hedgesville, West Virginia, thanked the Mayor and Council for reviewing the proposed Noise Ordinance. His counsel is pleased with the way the revised version is written. It protects the community and individuals and free speech rights are kept in place. Debra Mahafie agreed.

John Benesik, Williamsport, Maryland, is concerned about the proposed crime free housing ordinances. He feels as though landlords are viewed as enemies. He compared landlords to a

renaissance man. He stated he owns several rental properties and they are well maintained. He is opposed to the proposed ordinances.

Mayor Gysberts stated he does not agree that Mr. Benesik's properties are well maintained.

CITY ADMINISTRATOR COMMENTS

Bruce Zimmerman, City Administrator, thanked Mr. Urner for his work with the City. He displayed integrity and provided good guidance to the City. Mr. Zimmerman reminded residents that refuse collections for the next two weeks will be delayed one day due to the Christmas and New Year's holiday.

MAYOR AND CITY COUNCIL COMMENTS

Councilmember K. B. Aleshire is still digesting comments from Mr. Benesik. He stated there has not been much discussion about the Mt. Aetna project as it moves forward. He is concerned about how annexation will apply with this development. He encouraged the owners to remember that the general process occurs with development and then moves toward annexation. In response to a letter to the editor about union negotiations, he stated that discussions in executive session are confidential and the Mayor and Council are not permitted to provide details of the discussions. He stated holding closed sessions causes people to speculate about the details of the discussions held there. Even though the crime free housing ordinances have been removed from this agenda, he is willing to have further debate. He is not willing to pretend the City does not have issues with rental properties that require additional actions to address. These issues are impacting the quality of life for citizens. He thanked Mr. Urner for his service and stated Mr. Urner is wise beyond his years.

Councilmember M. E. Brubaker extended best wishes to Mr. Urner on his retirement.

Councilmember L. C. Metzner agreed with the comments regarding Mr. Urner. He appreciates his service to the City.

Councilmember D. F. Munson stated he and Mr. Urner have known each other for many years. He has done a lot of great things for the citizens and his clients. He has helped make this a better community.

Councilmember P. M. Nigh wished Mr. Urner and his family the best.

Mayor D. S. Gysberts reminded everyone the Houses of Worship Holiday Tour will be held on December 26, 2013 from 3:00 p.m. to 7:00 p.m. This is a self-guided tour.

MINUTES

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve the minutes, as presented, for the Mayor and Council meetings held on November 5, 2013, November 12, 2013 and November 19, 2013.

CONSENT AGENDA

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 to approve the consent agenda as follows:

A. Department of Utilities:

1. HVAC Upgrade at Wastewater Treatment Plant Barn – ASN General Contracting (Upper Marlboro, MD) \$ 49,775.00

UNFINISHED BUSINESS

A. Approval of an Ordinance: Additional Three Month Extension of Cable Television Franchise Agreement with Antietam Cable Television, Inc.

Action: On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance authorizing an additional three month extension of the Cable Television Franchise Agreement with Antietam Cable Television, Inc.

NEW BUSINESS

A. Introduction of an Ordinance: Repeal of Chapter 155, Noise, and Replacement with New Chapter 155, Noise Control

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to repeal Chapter 155, Noise, and replace it with a new Chapter 155, Noise Control. This change is proposed for the following reasons: 1) old Chapter 155 includes provisions which complicate enforcement of the ordinance; and 2) staff need a better tool to protect the quality of life and public health, safety and welfare of the citizens of Hagerstown from excessive noise.

Discussion: Councilmember Brubaker stated changes to the existing Noise Ordinance are an attempt to improve the quality of life for citizens.

Councilmember Metzner is voting in favor of the introduction. However, he wants to discuss the granting of variances further. The approval should come from the Mayor and Council, not the City Clerk. Fireworks shows should not be exempted.

B. Approval of a Resolution: Hagerstown Ice and Sports Complex Operating Agreement

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 approve a resolution authorizing an Operating Agreement with the Hagerstown Youth Hockey Association, Inc. (HYHA) for operation and management of the Hagerstown Ice and Sports Complex through June 30, 2014. A condition of this approval is that once the new Operating Board, comprised of all User Groups, is created and the Mayor and Council approve an Operating Agreement with the new Board, the City will terminate this Operating Agreement with HYHA.

Discussion: Councilmember Munson thanked City Engineer Rodney Tissue for his efforts in working through this controversial issue.

Mayor Gysberts thanked the Mediation Center representatives for their assistance also.

C. Approval of a Resolution: Acceptance of Offer of Dedication of Cramer Alley and Bixler Alley (Part of Library Expansion)

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 approve a resolution accepting the offer of dedication of Cramer Alley and Bixler Alley that were recently improved as part of the library expansion. The City shall commence maintenance of this area effective immediately.

D. Approval of License Agreement – Valley Pride LLC (Shenandoah Family Farms)

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to execute a license agreement between the City of Hagerstown and Valley Pride LLC for the installation of fencing and gates across Kenly Avenue, and grant permission to modify the Kenly Avenue right-of-way adjacent their loading dock area to facilitate truck maneuvers.

E. Approval of Community Coalition Lobbyist Funding - \$ 5,000

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to authorize the expenditure of \$ 5,000.00 from the General Fund in order to contribute toward hiring Michael Johansen with the firm Rifkin, Livingston, Levitan and Silver, as the Community Coalition Lobbyist. Other funding partners that have provided funding in the past include Washington County, the City of Hagerstown, the Chamber of Commerce, CHIEF, Convention & Visitors Bureau, Washington County Public Schools and the Washington County Free Library.

F. Approval of Enterprise Fund Dividend Policy

Action: On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote to approve the Enterprise Fund Dividend Transfer Policy. The revised Enterprise Fund Dividend Transfer Policy dated December 17, 2013 replaces the previously utilized Light Fund Dividend Transfer Policy, Community Betterment Dividend Policy, and the Water Division Dividend Transfer.

G. Approval of AFSCME, Local 3373 Contract Extension to March 31, 2014

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve of a three month extension of the collective bargaining agreement between the City of Hagerstown and the American Federation of State, County and Municipal Employees Local No. 3373. The collective bargaining agreement shall remain in effect until 2400 hours on Monday, March 31, 2014. This extension does not preclude a settlement or ratification of a new contract prior to March 31, 2014.

Discussion: Councilmember Nigh would have preferred that the contract be extended for six months. Councilmember Aleshire would have preferred that the contract be completed by this time.

H. Approval of IAFF, Local 1605 Contract Extension to June 30, 2014

Action: On a motion duly made by Councilmember P. M. Nigh and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve of a six month extension of the collective bargaining agreement between the City of Hagerstown and the International Association of Fire Fighters, Local 1605. The collective bargaining agreement shall remain in effect until 2400 hours on Monday, June 30, 2014. This extension does not

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DECEMBER 17,
HAGERSTOWN,

preclude a settlement or ratification of a new contract prior to June 30, 2014.

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 7:59 p.m.

Respectfully submitted,

Original signed by D. K. Spickler
Donna K. Spickler, City Clerk

Approved: January 28, 2014