

61ST REGULAR SESSION AND WORK SESSION – February 24, 2015

WORK SESSION – February 24, 2015

Mayor D. S. Gysberts called this Work Session of the Mayor and City Council to order at 6:09 p.m., Tuesday, February 24, 2015, 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 Donna K. Spickler, City Clerk.

Michelle Hepburn, Director of Finance, and Christine Sneeringer, Budget Officer, were present to present a mid-year FY15 budget review of the General Fund. They presented a summarized breakdown of General Fund revenues and expenditures for FY 2013/2014 Actual, FY 2014/2015 Budget, and FY 2014/2015 Estimated Actual.

The spreadsheet reflects an overall deficit for the General Fund of \$ 601,487 as a result of utilizing prior years' Fund Balance Reserves as approved by the Mayor and Council in the FY 2014/2015 Budget to fund various CIP projects and Economic Redevelopment Invest Hagerstown program incentives. Adjusting for the approved use of Fund Balance Reserves, the General Fund is expected to have current year surplus of \$ 332,089 (current year revenue over current year expenditures).

The major changes in revenue from revised budget to estimated actuals are as follows:

1. Property Revenues reflect an anticipated increase of 3% or \$ 770,414. This increase reflects approximately \$ 523 K additional revenue in overall real estate property taxes and \$ 224 K additional revenue in corporate personal property tax.
2. Licenses and Permits reflect a total increase of 32.1% or \$ 522,443. The implementation of two newly approved Code Administration programs was not included at the time of FY15 budget adoption: Residential Licensing changes and the Vacant Structures Program. These two programs are expected to generate a combined \$ 380 K over budget. Also, Engineering's Street Digging Permits are expected to surpass budget by \$ 90 K.
3. Transfer from other funds will be over budget by \$ 140,105 or 49.2%. This increase is a result of transfers from CIP contingency funding and Property Management Armory sale funding for the Maryland Theatre's seating campaign and HVAC renovation completion.

The major changes in expenses from revised budget to estimated actuals are as follows:

1. In total, wages are expected to be 1.8% or \$ 317,894 over budget by the end of June. Overtime salaries are trending \$ 267 K over budget primarily within Public Safety operations. The budget includes an overall vacancy savings of \$ 250 K which is not currently estimated to be reached based on position

occupancy. Also, there are several new positions added since budget adoption: 3 Neighborhood Services Inspectors, 1 Programs Administrative Specialist, 1 Neighborhood Services Program Specialist (approved by Mayor and Council for the expanded code enforcement and vacant structures programs), and 1 Organizational Development Specialist (approved by Mayor and Council for Human Resources due to the transition to self-insured Workers Compensation).

2. Benefits are expected to be over budget by 1.9% or \$ 176,980. Primarily the largest variance in this area is in health insurance. Retiree health insurance is estimated to be over budget by \$101 K. Additionally, sick pay upon termination is anticipated to be \$ 75 K over budget.
3. Materials and Supplies are projected to be slightly over budget by \$ 59,472 or 2.9%. This variance is primarily due to utility overages, HPD taser purchases, and operating supplies for Parks projects. Additional revenue sources were identified for both the taser purchases and operating supplies and are included in the revenue projections above.
4. Other expenditures reflect a total budget variance of 13% or \$ 472,923 for which \$140,105 is offset by revenue/transfers from other funds, as indicated above. The projected overage in this category is due to the following:
 - a. Agency Contributions – are higher than anticipated by \$ 140 K as a result of funding to the Maryland Theatre’s seating campaign and HVAC renovation projects. These expenditures are offset by a transfer into the General Fund from CIP contingency and from Property Management’s sale of the Armory.
 - b. Vehicle operating expenses – exceed budget by \$ 100 K due to garage repairs to fire department equipment and snow removal vehicles.
 - c. Professional development and related training costs – are projected to be \$ 50 K over budget primarily due to specialized training and transportation related expenses.

Mr. Zimmerman stated the reason vacancy savings is not as high as projected is partly due to the fact that police positions are being filled. The savings has been due to the amount of time it takes to fill a position.

Ms. Hepburn reported the CIP for Invest Hagerstown and residency grants includes \$ 588,500. The programs are successful, as indicated by the expense being over budget.

Councilmember Brubaker stated projections include utilizing a portion of the fund balance to help the budget in the next two years. The City is not in a deficit situation, these are planned expenditures. A healthy budget is maintained. He stated there will always be overages in public safety. The current budget levels cannot be maintained without a tax increase. He is concerned that an increase in the tax rate will make Hagerstown less competitive in attracting businesses and residents. There is no surplus

projected to fund large CIP projects. During the next 5 to 10 years, he expects the CIP needs to be between \$ 15 million and \$ 30 million. He does not see any way to finance the projects except through a bond issue. This fact will have to be considered when planning projects. The City has successfully funded the retirement plans. He noted other municipalities have struggled to maintain retirement plans.

Mayor Gysberts stated the City continues to struggle with decreasing property values. If values do not increase before the next assessment, the struggle will continue.

Councilmember Aleshire shares Councilmember Brubaker's concerns. To continue to fund capital improvement projects, the City will need to borrow funds to acquire assets or make changes in the existing finances. A large portion of these funds address infrastructure needs. The Mayor and Council continually look for ways to stop degradation of property. The Constant Yield Tax Rate indicates the downward slide in the assessable tax base needs to be stopped. The City is stepping up with public funds to address this issue. Legislation is needed to address the continued degradation. Public/Private partnerships will be needed to make a significant change.

Mayor Gysberts noted that degradation is primarily on private property. It is the responsibility of the property owner to maintain their property.

Councilmember Munson thanked staff for this information, which provides the Mayor and Council with a clear indication of where they need to focus their efforts.

Councilmember Aleshire would also like an update on the Enterprise Funds. He also asked for an update on the recent legislation implemented by the Mayor and City Council and hopes the update shows positive results.

Ms. Hepburn stated this information will be provided. She stated budget figures indicate the subsidy for the golf course will be for the amount that was budgeted. Water and Wastewater Funds are close to budgeted amounts. Mr. Zimmerman noted this will be the second year of the five year rate plan for Water and Wastewater services.

The Work Session was adjourned at 6:38 p.m.

61ST REGULAR SESSION – February 24, 2015

Mayor D. S. Gysberts called this 61st Session of the Mayor and City Council to order at 7:03 p.m., Tuesday, February 24, 2015, 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 John Salvatore, and Donna K. Spickler, City Clerk.

The invocation was offered by Councilmember Lewis C. Metzner. The Pledge of Allegiance was then recited.

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 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: No meeting on Tuesday, March 3, 2015, State of the City at 7:15 a.m. at Hager Hall on Tuesday, March 10, 2015, Work Sessions beginning at 4:00 p.m. on Tuesday, March 10, 2015 (with an evening presentation of the State of the City at 6:30 p.m.), Tuesday, March 17, 2015, and Tuesday, March 24, 2015, and the Regular Session at 7:00 p.m. on Tuesday, March 31, 2015.

CITIZEN COMMENTS

Mary Haines, 27 Laurel Street, Hagerstown, Maryland, was present to discuss the Alms House. Research about the Alms House indicates it was used as a place to punish people and as a place to take sick people. She noted she had documents to substantiate these uses. She will be providing copies of the documents when she completes her report, which will be after the next several Mayor and Council meetings.

Mayor Gysberts stated the Alms House will be included as an agenda item in the spring.

CITY ADMINISTRATOR COMMENTS

Bruce Zimmerman, City Administrator, thanked Public Works and Utility employees for their efforts and support of residents during recent snow storms and cold weather.

MAYOR AND COUNCIL COMMENTS

Councilmember P. M. Nigh thanked the employees who worked to clear snow. She stated Ms. Haines is conveying the message that the Alms House is an important part of Hagerstown history. She stated she, and others, will fight to keep it in place or have it labeled as a historic site.

Councilmember D. F. Munson also thanked City employees for their efforts.

Councilmember L. C. Metzner thanked City employees, who often work in extreme conditions. He congratulated everyone on the success of the Potters Bowl and Rotary fundraiser.

Councilmember M. E. Brubaker had no additional comments.

Councilmember K. B. Aleshire stated his comments at last week's meeting regarding the trash in the fence line on Garland Groh Boulevard were not directed at the Public Works Department. This is not a problem that should be taken care of by City

employees. The issue should be discussed with the owners of the property to have it taken care of. He commended City employees who have to work in freezing conditions. His comments about removing the overlay designation from the Alms House were intended to possibly make the property more marketable for a private entity. He would not object to considering a reasonable presentation that would place the Alms House in some type of privately held investment for redevelopment.

Mayor D. S. Gysberts acknowledged the 20th anniversary of Just Lookin Gallery. He encouraged people to check out this business. He announced that Kyd Dieterich, Fire Chief, will be retiring in June, after 35 years of service and dedication to the Fire Department.

MINUTES

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 the minutes, as presented, for the Mayor and Council meetings held on January 6, 2015, January 13, 2015, and January 27, 2015.

CONSENT AGENDA

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Consent Agenda was approved as follows:

- A. Department of Community and Economic Development:
 - 1. Funding Support for Country Music Fest – Up to \$ 17,175 from FY16 Public Functions Budget

- B. Department of Parks and Engineering:
 - 1. Engineering: Street Tree Box Improvements – Botanica (Hagerstown, MD) \$ 45,000.00
 - 2. Engineering: Basement Doors in Public Right-of-Way Contract – Milton Stamper Builders (Hagerstown, MD) \$ 33,990.00
 - 3. Parks: Golf Course Mowing Contract – J R Services (Smithsburg, MD) Third year of three year contract: \$ 16,500.00
 - 4. Parks: Mowing and Trimming in Various Parks – J R Services (Smithsburg, MD) Third year of three year contract: \$ 71,504.52

- C. Department of Utilities:
 - 1. Water: Goulds Vertical Pump Assembly – Geiger Pump and Equipment (Baltimore, MD) \$ 51,174.00
 - 2. Water: Hardware/Parts for the Willson SCADA System – ABB Inc. (Wickliffe, OH) \$ 55,818.84
 - 3. Wastewater: 2015 4WD Service Vehicle to Replace Unit # 526 – McCafferty Ford (Mechanicsburg, PA) \$ 85,387.00

D. Hagerstown Police Department:

1. Predictive Policing Software Subscription – PredPol, Inc. (Santa Cruz, CA) \$ 15,000.00
2. Tasers and Taser Cartridges – TASER (Scottsdale, AZ) \$ 15,395.57
3. Ammunition for Patrol – The Gun Shop (Vincentown, NJ) \$ 34,266.94

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

A. Introduction of an Ordinance: Amendments to Chapter 216 – Streets and Sidewalks

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 amend Chapter 216 Streets and Sidewalks of the City Code by deleting Articles I through VII thereof and replacing the herein repealed articles with new Articles I through VII.

B. Introduction of an Ordinance: Amendments to Chapter 60 – Vehicles and Traffic

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 amend Chapter 60 Vehicles and Traffic of the City Code to add a new section prohibiting the obstruction and reservation of parking spaces.

Discussion: Councilmember Munson asked that this amendment be enforced with common sense.

C. Approval of Purchase of Aerial Ladder Truck – Atlantic Emergency Solutions (Manassas, VA) \$ 1,042,823

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 to approve the purchase of an aerial ladder truck from Atlantic Emergency Solutions for \$ 1,042,823, plus apparatus to fit-out the vehicle for a total amount not to exceed \$ 1,150,000, with the following sources of funds:

Funding of \$ 1,000,000 is included in the 2015 General Obligation Bond Issue. The Pioneer Hook and Ladder Company will provide the remaining funding of up to \$ 150,000.

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 7:29 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler, City Clerk

Approved: March 31, 2015