

70<sup>TH</sup> SPECIAL SESSION, WORK SESSION AND EXECUTIVE SESSION – MAY 8, 2012

The Mayor and City Council dedicated Lou Scally Alley at 3:30 p.m. They met at the intersection of the alley and Country Club Road, at the end of the 1300 block of Oak Hill Avenue.

EXECUTIVE SESSION – May 8, 2012

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember F. W. Easton, the Mayor and City Council unanimously agreed by voice vote to meet in closed session 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(Section 10-508(a) 1.(i)) and to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State, #4 (Section 10-508(a) 4) and to consult with counsel to obtain legal advice, #7 (Section 10-508(a) 7) at 4:11 p.m. in the Mayor's Office, 2<sup>nd</sup> Floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember W. M. Breichner, Councilmember M. E. Brubaker, Councilmember F. W. Easton, Councilmember A. C. Haywood, Councilmember L. C. Metzner, City Administrator Bruce Zimmerman, City Attorney Mark Boyer, Rodney Tissue, City Engineer, Jill Estavillo, Economic Development Manager, Michelle Hepburn, Budget Officer and Donna K. Spickler, City Clerk. The meeting was held to discuss potential members of the Planning Commission and a lease with the Hagerstown Suns. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 5:17 p.m.

70<sup>TH</sup> SPECIAL SESSION – May 8, 2012

Mayor R. E. Bruchey, II called this 70<sup>th</sup> Special Session, Work Session and Executive Session of the Mayor and City Council to order at 5:30 p.m., Tuesday, May 8, 2012, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. W. Easton, A. C. Haywood, L. C. Metzner; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler.

On a motion duly made by Councilmember W. M. Breichner and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 5:30 p.m.

**Approval of City Funding for Multi-Use Sports & Events Center**

**Action:** On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember W. M. Breichner, the Mayor and City Council unanimously agreed by voice vote to approve of \$ 400,000 in annual city

funding over a 20 year period to support the development and construction of the Multi-Use Sports & Events Center in downtown Hagerstown. This funding will match \$ 400,000 in annual financial support approved May 1, 2012 by Washington County, which will also be provided for the project over the 20 year period.

In approving this funding, this action of the Mayor and Council does not represent the final approval of the construction of the Multi-Use Sports & Events Center whose current estimated cost is \$ 30 million. There are a number of steps subsequent to the approval of this funding that will take place prior to a final decision to move forward with construction. These steps include among others, the approval of a long term lease with the Hagerstown Suns, securing private and State funding, additional site analysis, and property acquisition.

On a motion duly made, seconded and passed, the special session was closed at 5:32 p.m.

#### WORK SESSION – April 10, 2012

Councilmember Metzner indicated a lease with the Hagerstown Suns was discussed during the executive session. A memorandum of understanding was discussed with the Suns that would ensure to the Mayor and City Council and every stakeholder that, if and when the City starts expending funds for this project, there is a firm commitment from the Suns they will stay in Hagerstown. There was unanimous agreement within the Council on what the wording should be.

#### Utility Billing System Upgrade

Scott Nicewarner, Director of Technology and Support Services, reported the utility billing system upgrade to the MUNIS system officially occurred on May 3, 2012. This module is part of the overall MUNIS financial system which was started in 2009. Much of the functionality of the former system has been maintained. The new system will provide enhancements that will benefit the utility customer and staff processing the accounts.

These features include:

1. Enhanced utility bill management capabilities through a more feature rich Citizen Self-Service web page.
2. More streamlined processes for a variety of customer service processes, including movers and service terminations.
3. Enhanced reporting capabilities of the Cashiering System used to process UB payments.
4. Elimination of many of the manual or “outside the system” operations being done with ICS.

5. A reformatted and more informational utility bill for both electric and water/wastewater customers, including the ability to pay by credit card on the remit section of the bill.

Staff will begin an informational campaign on the web, Channel 6, and in print with the help of the City Communications Department over the summer to acclimate customers to the changes they will experience with the new system. Information will also be provided on the general operations of Utility Billing as it relates to payment assistance and Rights and Responsibilities related to the utility service.

Mr. Nicewarner thanked staff involved for their work with the conversion.

#### Draft County Hazard Mitigation Plan

Kathleen Maher, Planning Director, provided information about the County Hazard Mitigation Plan. Last year, the County's consultant and a committee of representatives from the County and various jurisdictions in the county worked on the five year update to the 2005 County Hazard Mitigation Plan, as required by mitigation planning regulations. Inclusion in the County plan provides eligibility to municipalities for FEMA disaster funds. As in the 2005 plan, the City of Hagerstown is included in the draft 2011 document along with all the other towns in the county.

Per federal requirements, the County Hazard Mitigation Plan includes public involvement, a risk of assessment of various hazards, an inventory of critical facilities and at-risk residential areas, a mitigation strategy for high risk hazards, and a method to maintain and update the plan.

For the most part, the 2011 update of the 2005 County Hazard Mitigation Plan continues the 2005 recommendations and analysis. The 2011 draft updates the statistics and mapping and provides new ranking of hazards and a few new recommendations. The committee ranked winter storm and major transportation accidents as the high risk hazards for Washington County.

New recommended actions to address risk factors include:

1. Building code review/update to minimize wind damage in manufactured housing
2. Ensure existing high risk residential structures are utilizing retrofitting techniques to mitigate repetitive flooding
3. A few strategies to protect public infrastructure from flooding and flood damage

Staff recommends adoption of a resolution on May 22, 2012 indicating that the County's draft 2011 Hazard Mitigation Plan is the City's Hazard Mitigation Plan.

Councilmember Haywood asked why increasing flood insurance for businesses would impact the City's ability to mitigate the hazard. Ms. Maher will find out.

Councilmember Haywood stated the large population of senior citizens should be an identified factor in the plan.

Councilmember Metzner would like to meet with staff to discuss outreach programs.

It was the general consensus of the Mayor and City Council to include adoption of the County plan on the May 22, 2012 agenda.

### Budget Work Session

#### Parking Fund – Section 4, pages 32-36

Eric Deike, Public Works Manager, reviewed the Parking Fund. There are 625 parking spaces in 2 parking decks, over 500 spaces on the streets and more than 750 spaces in 11 parking lots around the city. A systems supervisor oversees full time and part time employees to collect money from the meters, invoice permit customers and keep the facilities clean. Parking enforcement was transferred from the police department to parking in July 2011.

Parking enforcement has been updated using a third party provider of handheld electronic devices that allow real-time collection and review of data. Staff will look at how this new technology may help the city in its enforcement efforts.

Revenues are down due to the loss of several key organizations relocating out of the city center. Staff's objective is to find new and innovative ways to enhance revenues while maintaining sensitivity to the needs of the city center businesses. No rate increases are anticipated in FY 2013.

The North Potomac St. deck debt will be paid off within the current fiscal year.

Councilmember Breichner pointed out parking spaces have been offered for businesses. Mr. Deike indicated the Rochester Lot is used mostly by the County under an agreement that expires in 2018.

A parking study is underway and will be completed soon. The study will help the City and staff better understand the current parking resources and plan for future parking resources. The plan could also help decide on incorporating new technology such as parking meters that accept credit cards. The plan will be presented to the Mayor and City Council in June, 2012.

Mr. Deike mentioned the "booting" program income increased significantly. A "boot" is placed on the vehicles when three violations are not paid. The owner of the vehicle cannot move the vehicle until the violations are paid. The department currently has three boots. Councilmember Easton suggested obtaining more boots to increase paid violations. Mr. Deike stated staff is trying to be fair and balanced with enforcement.

Property Management Fund – Section 4, pages 44-48

The Property Management Fund provides professional stewardship over downtown property owned by the City and leased to area businesses. This fund includes the Elizabeth-Hager Center, Roslyn building, 60 West Washington Street (future site of a small business incubator), 36-40 North Potomac Street (future home of Artist Housing and a Cooperative Gallery) and the Fire Police headquarters near the Fairgrounds. The fund is a self-supporting Enterprise Fund.

Mr. Deike stated the largest tenant is the Department of Labor and Licensing Regulating, which is located in the Elizabeth Hager Center. They rent 11,000 square feet of space.

Ms. Hepburn pointed out the budget assumptions and projections do not include properties for which there is not a current lease agreement.

Councilmember Breichner wondered why 140 S. Potomac Street is not included in the list of properties. John Lestitian, Department of Community and Economic Development Director, stated this property is not being leased and is intended to be sold.

Ms. Hepburn mentioned new tenants for FY2012 include Think ReInk, Rocky's Pizza and the Antietam Fire Company. She reported revenue and expenses are fairly flat for the fund. The fund balance has remained level. It is anticipated the balance at the end of the fiscal year will be more than \$ 350,000.

Mr. Lestitian stated they are anticipating grants in the amount of \$ 250,000 for two projects, one at 60 W. Washington Street and the other at 36-40 N. Potomac Street. This work will be completed with CDBG funds.

Councilmember Easton inquired why all the properties owned by the City are not part of the property management fund. Mr. Deike stated the Property Management Fund only includes properties that have tenants. The residences on park and utility property are included in those two funds. Mr. Lestitian indicated the Single Family Home Ownership homes are not intended to be held by the City and are purchased for resale with CDBG funds.

Electric Fund – Section 4, page 4-12

Michael Spiker, Director of Utilities, Nathan Fridinger, Electric Operations Manager, and Nelia Tidler, Utilities Finance Manager, were present.

Total operating revenues are \$ 27,565,284, a 4.6% increase from FY 2012. Staffing totals 30 employees with 10 total positions unfunded. The current wholesale power contract rates are in place until May 31, 2013 and total capital outlay is \$ 890,000. No increase in rates is anticipated for FY 2013.

Staff completed the Maryland Energy Administration EmPOWER Grant by installing 111 programmable thermostats for owner occupied residences within the service territory. The thermostats are projected to save participating customers 199,800 kWh per year, which equates to approximately \$ 18,000 per year.

Staff will continue to explore grant opportunities which will assist in the lowering of the amount of energy used by customers. The HLD has distributed energy efficient light bulbs through two MEA grants.

HLD staff will assist in publicizing the rebate program for energy star appliances through the State of Maryland. This is a good program for municipal customers.

Staff will continue to gather baseline information, utilizing consultants, legal counsel, and trade data, regarding the ownership of generation assets, offsets in the renewable energy standards or rate structures vastly different for the typical wholesale power supply contracts. Savings of this nature may be used to offset the expected increase in future energy costs. Additionally, staff will continue with the current conservative approach regarding Wholesale Power Supply Agreement extensions as long as the market allows for a decrease in the out year costs. The City is currently under contract through May 30, 2014.

Councilmember Breichner asked if staff is looking at solar energy. Mr. Spiker indicated they are looking at supplying all the treatment plants (except for Willson) with solar power. More information will be provided during a future work session.

#### Wastewater Fund – Section 4, pages 24-31

Donnie Barton, Wastewater Operations Manager, was present for the discussion.

Total operating revenues are \$ 10,523,025, a 7.2% increase from FY 2012. Staff totals 45.5 employees, with 2 total positions unfunded. As of July 1, 2012, there will be an increase in rates: 5% Inside Rate and 3% Outside Rate. Total capital outlay is \$ 2,186,500.

Mr. Spiker indicated with the closing of the Unilever (Gold Bond) operation there will be a decrease in revenue. This has been included in the budget.

Staff refined the processes as they relate to the Enhanced Nutrient Removal (ENR) initiatives at the Wastewater Treatment Facility (WwTP). As of January 31, 2012, the WwTP has operated 48 consecutive months without a Discharge Monitoring Report Violation per the State Discharge Permit. Since FY 2010, the Maryland Department of the Environment has supplied funding in the amount of approximately \$ 14 million of which \$ 8 million was grant funding through the Bay Restoration Fund. The City plant has reached the limit of technology with the effluent levels.

Work continues on the Citywide Inflow and Infiltration Project. The Project removes non system related flow in the wastewater collection system from extraneous sources. Removing this flow from the treatment process lowers expenditures at the wastewater treatment plant and allows for a recapture of allocation.

Administrative and Collections Staff will utilize the Capacity Management Operation & Maintenance (CMOM) evaluation and procedure documentation. This document allowed the Wastewater Division to meet former MDE Consent Judgment mandates and plan for the future maintenance and operational needs of the wastewater collection system.

Water Fund – Section 4, pages 14-22

Nancy Hausrath, Water Operations Manager, was present for the discussion.

Mr. Spiker indicated total operating revenues for the water division are \$ 10,540,797, an 8.3% increase from FY 2012. Staffing totals are 52.5 employees, with 3 unfunded positions. As of July 1, 2012, there will be an increase in rates: 5% Inside Rate and 6.5% Outside Rate. Total capital outlay is \$ 7,419,100.

The completion of the construction and subsequent operation of the second 6.4 million gallon West End Water Tank occurred in the spring of 2011. The Water Division is now in full compliance with the Maryland Department of the Environment Finished Water Covered Reservoir Rules. The Rock Willow Water Tank is located on the north side of Route 40 and was completed in 2009, along with an upgrade to Water Pump Station 4 and all of the associated pipe and valve installations.

The R. C. Willson Transmission Main Replacement/Electrical Upgrade Project is complete with all work accomplished with minimum system disturbances.

The Water Division has set a goal for the replacement of all residential meters by 2016. This will allow for system billing accuracy, the reduction in unallocated water, and reduced customer billing complaints associated with human error. The Department has replaced over 50% of the 28,000 residential meters and staff continues to test the 300 commercial meters annually.

Staff will continue to work with Hazen & Sawyer and the MDE regarding Phase IV Improvements for Stage 2 DPBR Compliance. The Water Division will continue with the \$ 350,000 budgeted system rehabilitation and main replacement projects through the leak detection program, hydrant and valve program, and through the coordinated efforts with the City/County/State roadway rehabilitation projects.

**CITY ADMINISTRATOR'S COMMENTS**

*Bruce Zimmerman, City Administrator*, had no additional comments.

**MAYOR AND COUNCIL COMMENTS**

*Councilmember M. E. Brubaker* had no additional comments.

*Councilmember W. M. Breichner* had no additional comments.

*Councilmember L. C. Metzner* had no additional comments.

*Councilmember A. C. Haywood* had no additional comments.

*Councilmember F. W. Easton* stated the work at the golf course clubhouse is very nice.

*Mayor R. E. Bruchey, II* expressed his condolences to the family of Perrin Wells, who passed away recently. Ms. Wells worked with as a victim/witness advocate. He stated he is pleased the Mayor and City Council are moving forward in developing lease terms to present to Hagerstown Baseball LLC and in continuing to look at the possibility of building a multi-use center in the downtown core.

This portion of the meeting ended at 6:23 p.m.

**70<sup>TH</sup> SPECIAL SESSION – May 8, 2012**

Mayor R. E. Bruchey, II reopened the 70<sup>th</sup> Special Session of the Mayor and City Council. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, A. C. Haywood, L. C. Metzner; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember F. W. Easton was not present.

On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember W. M. Breichner, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 7:04 p.m.

**Public Hearing – Community Development Block Grant (CDBG) Program Proposed Annual Action Plan for FY 2012-2013**

Jonathan Kerns, Community Development Manager, stated the City of Hagerstown has prepared a draft copy of the proposed Annual Action Plan (AAP) and will be applying for a FY 2012/13 CDBG Entitlement Grant from the U. S. Department of Housing and Urban Development (HUD). The City anticipates a total FY 12/13 CDBG Budget of \$ 1,700,984 which includes a Federal B12 Entitlement Grant of \$ 661,780. In addition to the B12 Entitlement Grant, the City expects to have \$ 1,039,204 available from program income (CDBG loan repayments) and unspent entitlement funds.

In order to address the City's identified needs, the proposed AAP for FY 2012/13 includes the following activities: public services, public facilities, acquisition, clearance, commercial improvements, housing and administration.

The following testimony was presented:

Ron Lytle, Contemporary School of the Arts and Gallery, Inc. (CSAGI), 4 W. Franklin Street, thanked the Mayor and City Council for including the CSAGI in the general fund budget for the past three years. CSAGI has not been awarded CDBG money. He asked the Mayor and City Council to consider including CSAGI in the CDBG funding. They could do more for children with more support.

Sharon Disque, Hagerstown Neighborhood Development Partnership (HNDP), 21 E. Franklin Street, Hagerstown, Maryland thanked the Mayor and City Council for including \$ 24,000 in the budget for the downtown assistance program. The boundaries of the program have been expanded to include the entire city.

Joe Marschner, President of HNDP, 522 Summit Avenue, Hagerstown, Maryland, thanked the Mayor and City Council for including \$ 24,500 through CDBG funds for the down payment assistance program through the HomeStore. He also thanked the Mayor and City Council for the \$ 50,000 in the general fund for HomeStore activities. The amount is shown in two locations in the budget. He asked for clarification that it is indeed only in the budget once.

Julie Rivet, 141 Summit Avenue, Hagerstown, Maryland, asked if the funding for the stadium was approved earlier in this meeting. Mayor Bruchey read the motion that was unanimously approved earlier to commit up to \$ 400,000 toward the multi-use facility for 20 years.

Ms. Rivet moved to her residence in January and was unaware a multi-use facility was being considered in that area. She moved to Summit Avenue because it was a quiet street and only has one-way traffic. She asked when a decision was made to look at this area for a stadium. Mayor Bruchey indicated discussions began after January.

Mr. Zimmerman stated a Neighborhoods First meeting included information about the multi-use facility. Rodney Tissue, City Engineer, will be providing a summary of the meeting and discussion to the Mayor and City Council.

Ms. Rivet expressed her concern about the noise from fireworks. She has two year old twins and she is afraid the noise will wake them up. Mayor Bruchey stated the facility will not be built for at least two years. Ms. Rivet then expressed concern her children will be sleep deprived for kindergarten. She asked if the City will help her get out of the house. She can't afford to move as she is supporting her mother and sister. She wondered why the City spends so much money on a golf course when there are other golf courses in the area. She stated she will be fighting the multi-use facility as it will negatively affect her children and family.

No further testimony was presented. The record will remain open until June 5, 2012 for additional comments.

Public Hearing – FY 2012/2013 Proposed Real Property Tax Rate

Michelle Hepburn, Budget Officer, stated the Mayor and City Council of the City of Hagerstown, Maryland proposes to increase real property taxes. For the tax year beginning July 1, 2012, the estimated real property assessable base will increase by 0.5%, from \$ 2,514,391,110 to \$ 2,526,723,154. If the City of Hagerstown maintains the current tax rate of \$ 0.788 per \$ 100 of assessment, real property tax revenues will increase by 0.5% resulting in \$ 97,176 of new real property tax revenues. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.7842, the constant yield tax rate. The City of Hagerstown is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Hagerstown proposes to adopt a real property tax rate of \$0.788 per \$100 of assessment.

No testimony was presented.

Councilmember Brubaker pointed out the real property tax rate will remain the same, at \$0.788 per \$ 100 of assessed value.

The record will remain open for 10 days for additional comments.

Public Hearing – FY 2012/2013 Proposed Budget

A public hearing was held to discuss the proposed budget for the fiscal year 2012-2013. The total of the proposed budget is \$ 128,544,686. Michelle Hepburn, Budget Officer, stated money in the general fund budget is received from property tax revenues, State Highway User Revenues, State Income Taxes, Licenses and Permits, Refuse Collection Fees and other revenues. Expenditures include wages and benefits, economic incentives, debt service, capital expenditures, maintenance and repairs and material/supplies/utilities. The City is planning to maintain the City real estate tax rate for Fiscal Year 2012-13 at the same rate as the current year of \$ 0.788 per \$ 100 of assessed value.

The following testimony was presented:

Sharon Disque, HNBP, 21 E. Franklin Street, Hagerstown, Maryland, wanted to clarify there is only one line item for HNBP and the HomeStore. She stated the budget message suggests the City is providing two funding sources, which they are not. The City's investment in this organization pays dividend throughout the community.

No further testimony was presented. The record will remain open for 10 days for additional comments.

The public hearing segment of the meeting was closed at 7:24 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 7:24 p.m.

Respectfully submitted,



Donna K. Spickler, City Clerk

Approved: June 19, 2012