

71<sup>ST</sup> SPECIAL SESSION, WORK SESSION AND EXECUTIVE SESSION – MAY 15, 2012

EXECUTIVE SESSION – May 15, 2012

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 closed session 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 4:05 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 L. C. Metzner, City Administrator Bruce Zimmerman, City Attorney Mark Boyer, Rodney Tissue, City Engineer, Jill Estavillo, Economic Development Manager, John Lestitian, Department of Community and Economic Development Director, Michelle Burkner, Director of Finance, and Donna K. Spickler, City Clerk. The meeting was held to discuss 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 5:05 p.m.

71<sup>ST</sup> SPECIAL SESSION – May 15, 2012

Mayor R. E. Bruchey, II called this 71<sup>st</sup> Special Session, Work Session and Executive Session of the Mayor and City Council to order at 5:16 p.m., Tuesday, May 15, 2012, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. W. Easton, L. C. Metzner; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember A. C. Haywood was not present.

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 meet in Special Session at 5:16 p.m.

**Introduction of an Ordinance: Tax Rates Beginning July 1, 2012**

**Action:** Councilmember M. E. Brubaker made a motion to introduce an ordinance to establish the City's tax rates for the levy year July 1, 2012 through June 30, 2013 on the basis of \$0.788 per \$100 of assessed value of all real property and \$1.97 per \$100 of assessed value of all business personal property within the City of Hagerstown. These rates are the same as the current year. Councilmember W. M. Breichner seconded the motion.

Discussion: Councilmember Easton stated he will be voting against the tax rate and budget this year. He does not believe it is fair for him to

disagree with the direction or vision of the City and vote in favor of funding. Keeping the tax rate the same should not be the Mayor and City Council's goal. They need to look at ways to lower the tax rate in order to be competitive. The budget should be discussed throughout the year, rather than just the month before it is adopted.

Councilmember Brubaker asked what portions of the budget Councilmember Easton wants to reduce. Councilmember Easton stated he is not required to provide a solution for his disagreement. His suggestions from last year were not discussed. He asked what happened to his suggestion to discuss the Fire Marshall's office.

Councilmember Metzner stated there was not a majority of Councilmembers that wanted to discuss the Fire Marshall's office. The State of Maryland legislature approved an increase in income taxes for people making more than \$ 100,000.00 per year. The Mayor and City Council has lowered taxes in recent years. Even with the tax rate remaining the same, revenues have been decreasing. He does not think there would be support for cutting expenses further.

Councilmember Easton stated it took three years to eliminate staff positions, but some of the positions are kept in the budget. Now, there is discussion about filling the positions. He stated he has brought up cutting divisions and departments but the discussion has gone nowhere.

Councilmember Brubaker stated some departments have been restructured. For example, the Planning Department is half what it was. He asked if further cuts are being recommended.

Councilmember Easton indicated that could be the case.

Councilmember Metzner stated they are willing to discuss any suggestions.

Councilmember Easton stated his argument is not that the City doesn't have great services or great employees. The problem is the services offered to people moving here don't want them. The services offered need to be reviewed because people relocating to Hagerstown don't choose to live within the City limits. He stated there need to be incentives for people to shop and live downtown.

Councilmember Breichner stated to improve the situation, money has to be spent to revitalize the residential areas.

Councilmember Brubaker stated he was also concerned about the tax rate. He suggested proposing specific steps to reduce costs at the table. He stated operations are at the lowest operating costs now.

Councilmember Metzner stated talking about the tax rate without talking about the assessed value is not talking about the amount people pay. The City's tax rate may be higher than other areas, but assessments are lower. Hagerstown has a high percentage of public housing downtown. He pointed out Hagerstown was the only municipality that did not raise the tax rate when the County lowered the tax rate for the differential. Most citizens are paying less overall now. He believes the issues this Mayor and Council have addressed have all dealt with quality of life. If the strategic plan had said reduce taxes at all costs they could have looked at selling the golf course or Pangborn Park. A large portion of personnel costs are in public safety. Mr. Zimmerman stated total personnel cost is 75% of the budget, with police and fire being 46%. Councilmember Metzner stated he has been supportive of increasing fire personnel. It does not make sense to have only one person on a fire truck.

Councilmember Easton suggested looking at ways to consolidate operations with the County. Previous consolidations have worked well.

Mayor Bruchey stated Frederick City no longer has paid firefighters. Frederick's tax rate includes a fire tax. He asked Fire Chief Kyd Dieterich if this would work in Hagerstown and Washington County.

Chief Dieterich indicated Frederick had four companies operating independently with no chief or fire marshal's office. Frederick removed jurisdictional boundaries and it helped the situation. He stated the City of Hagerstown fire department has the resources to manage a consolidated fire company. It would be logical for the City to be the main jurisdiction.

Motion carried 3-1, with Councilmember F. W. Easton voting No.

#### **Introduction of an Ordinance: Budget FY 2012-2013**

**Action:** Councilmember W. M Breichner made a motion to introduce an ordinance to adopt the budget for fiscal year July 1, 2012 through June 30, 2013 in the total amount of \$ 128,544,686. Councilmember L. C. Metzner seconded the motion.

Motion carried 3-1, with Councilmember F. W. Easton voting No.

On a motion duly made, seconded and passed, the special session was closed at 5:44 p.m.

WORK SESSION – May 15, 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.

Preliminary Agenda Review

**Consent Agenda**

- A. Department of Community and Economic Development:
  - 1. Approval of Street Closures for Tour of Washington County, Friday, June 15, 2012
  - 2. Approval of Street Closure for Bike Night, Friday, July 6, 2012
- B. Police Department
  - 1. Document Imaging Project – Quality Associates, Inc. (Fulton, MD) \$ 54,428.00
  - 2. Police Cruiser Purchase – Brekford (Hanover, MD) \$ 34,003.00

**60 West Washington Street – Phase II Renovations**

John Lestitian, Director of the Department of Community and Economic Development, presented a recommendation of the award of a contract to Callas Contractors, Inc. for the next phase of 60 West Washington Street. This contract is for the next and largest phase of the scheduled renovations. The area being renovated is approximately 7500 square feet.

This project is time sensitive and staff seek informal direction pending the official vote to work with the recommended contractor to begin preparations for this project. The target date for completion of this renovation is mid-August.

Plans for the partition walls and incidental electric in each finished area are being finalized. These final modifications will complete the overall project.

Councilmember Breichner asked why the low bid was not being recommended. Mr. Lestitian stated the low bid was \$ 6,000 less than the recommended contractor. The bids were reviewed and there are concerns with recent experiences with the low bidder. Councilmember Metzner suggested this discussion take place in executive session since it deals with an individual.

Councilmember Breichner asked if a bid bond was required for this project. Jonathan Kerns, Community Development Manager, stated a bond may not have been required for this project.

Mr. Zimmerman indicated based on Councilmember Metzner's suggestion, an executive session could be scheduled for further discussion of this issue. Awarding of the contract will be placed on the agenda.

Councilmember Breichner asked what the City policy is for bidding.

This completed the preliminary agenda review.

#### Multi-Use Sports & Events Center – Preliminary Project Timeline

Rodney Tissue, City Engineer, was present to discuss a preliminary bar-chart timeline of the major tasks of the Multi-Use Sports & Event Center (MUSEC) project. Many of the tasks can be adjusted as this is the initial suggestion.

Points included are:

1. The design work would commence in coordination with State funding decisions.
2. An 18-month timeframe is being used for the MUSEC construction. This could be accelerated, but staff see having the MUSEC completed prior to the end of the 2014 season as improbable.
3. Staff would plan to issue a Request for Proposals for design services. However, a preliminary design schematic needs to be completed soon and Mr. Tissue suggested it be incorporated in the lease. This drawing would show how the MUSEC "fits" on the property and major components of the facility.

Completion of a lease with the Hagerstown Suns is paramount. Land acquisition would follow.

Councilmember Brubaker suggested immediately working with the State for funding, as soon as the preliminary design is completed.

Mr. Tissue stated a computer model of traffic review for game day traffic will be used. This will be a specialty traffic study.

Councilmember Brubaker suggested requesting a waiver from the territorial rights for at least 20 years from the South Atlantic League. This would ensure surrounding communities could not prohibit other teams from locating in Hagerstown. He suggested reviewing other leases with teams in order to make the lease as secure as possible. There should be a significant financial penalty clause in the lease if the Suns go bankrupt or leave Hagerstown.

Councilmember Breichner indicated the waiver should be from the league located in Frederick. Mr. Zimmerman stated the Frederick Keys are part of the Carolina League. Councilmember Breichner stated the team previously located in Hagerstown was moved to another league and the owner at that time brought the current team from the Myrtle Beach area.

Mr. Tissue stated the timeline for the parking deck depends on the stadium progress. The first step would be finalizing the site. Construction time would probably be twelve months.

Councilmember Metzner reported an executive session was held prior to this meeting to discuss a lease with the Hagerstown Suns. No conclusions have been reached. The method for property acquisition and ways to move forward were also discussed.

#### Budget Work Session

General Fund Operating Budget Expenditures – Section 3, pages 16-61  
General Fund Capital Improvement Program – Section 9, pages 6-21  
General Fund Revenue – Section 3, pages 3-15

Michelle Burkner, Director of Finance, and Michelle Hepburn, Budget Officer, were present to discuss the proposed budget.

The Capital Improvement Program budget includes funding for the MUSEC (\$ 13.5 million), vehicles (\$975,000) and bridge repairs (\$ 1.33 million).

A listing by department with individual projects begins on page 15 in Section 9 of the budget. Additional funding source details can be found on page 70 of Section 9.

Councilmember Metzner pointed out the amount from the City of Hagerstown for the MUSEC is \$ 2.2 million, which would be a bond issue. Funding for the balance of the project is anticipated from the State of Maryland and Washington County.

Councilmember Brubaker stated the figures will have to be revised when firm cost estimates are received. Mr. Zimmerman stated these figures are preliminary and the proposed budget was completed prior to the completion of the Ripken Design report.

Councilmember Brubaker stated the County contribution toward the multi-use facility needs to be clearly shown in the funding model.

A large portion of the funding for pavement preservation is from State Highway Revenue. Additional funding will be required from the general fund. Mr. Zimmerman indicated this is consistent with the discussion last year. The amount from the general fund is being increased to stay on track with the preservation program.

Ms. Hepburn stated the Fire Department CIP budget is \$ 496,000, with \$ 296,000 from City funding and \$ 200,000 from contributions. Councilmember Metzner pointed out the City receives substantial financial reports from the volunteer companies.

Mr. Zimmerman stated there is a substantial commitment to the fire department for vehicles and apparatus. The purchase of vehicles was deferred when the State Highway Administration funding was reduced.

Councilmember Breichner asked what has been spent on the GIS system. Mr. Zimmerman stated an update and demonstration can be provided for the Mayor and City Council.

The cable peg, which is about to expire, is included in the budget projections through 2014. Funding for vehicle replacement is included in the CIP also.

Councilmember Brubaker asked what the status is of the State Stormwater Management regulations. Mr. Tissue stated there were no changes for the City of Hagerstown during the most recent legislative session. Phase I regulations do not apply to the City yet. Staff is developing plans to fulfill the regulations in the Watershed Improvement Plan. These two issues should be held in separate discussions.

Ms. Burkner indicated staff is anticipating a General Fund bond issue for FY 2013 of approximately \$ 7.1 million. This number could change as the MUSEC project moves forward.

Councilmember Brubaker pointed out this administration has made significant reductions in the budget since they were elected.

Councilmember Breichner stated he has some concerns about the Hager House. He wondered if hours had been reduced. Mr. Tissue stated several years ago, there was significant funding for the Hager House and the funding has been reduced significantly. The amount included in the budget covers maintenance and a part time staff person. Staffing levels had been as high as 2.5 full time staff members. Councilmember Easton asked if using volunteers to staff the Hager House had been considered. Mr. Tissue stated self guided tours are offered now to help reduce costs. A visitor can pay for a guided tour, if they wish. Councilmember Breichner suggested looking at having students provide tours to visitors.

Councilmember Brubaker stated the Council's budget should be reduced to the same level as last year.

Councilmember Metzner encouraged the newspaper reporters to request a listing of Council expenses. He stated it is important for elected official to attend the annual Maryland Municipal League conference.

It was noted annexation costs have decreased. Mr. Zimmerman stated funding was included in last year's budget for the survey work for the split parcel annexation, which was completed in FY 2012.

John Lestitian, Director of the Department of Community and Economic Development, stated the funding in the Neighborhoods First budget reflects the amount of money that is put towards the groups. Staff and members of the groups interact on a significant level. As revisions are made to the program, staff is looking to at least provide the same level of support. Councilmember Breichner suggested allocating the time staff spends on Neighborhoods First to the program. Councilmember Metzner agreed.

Mr. Zimmerman indicated services are being provided to citizens with 50 fewer employees. Mayor Bruchey stated this shows staff members are doing more to keep the services in place. Councilmember Metzner stated that is true and he would like to see the support shown differently in the budget. Councilmember Brubaker wants to make sure the figures shown in different places for the same operation match.

The Police Department budget was then discussed. Ms. Hepburn stated the majority of the expenditure for the speed cameras is for the contractor. Councilmember Easton asked about the status of the cameras. Chief Smith indicated one camera is currently operating, at Northern Avenue. Testing continues for additional camera placement. Chief Smith stated almost 1,000 tickets were issued during the first three days. The cameras are operational five days per week, from 6:00 a.m. to 8:00 p.m. Councilmember Metzner suggested that the warning lights be operational 24/7. This may help further reduce speeding in school areas.

Chief Smith stated State law regulates the operations of the speed cameras. The contractor will complete a review after the first six months of operation.

Ms. Hepburn indicated the budget includes funding for anticipated retirement payouts. Capital expenditures include body armor and equipment needs.

The Fire Department budget was then discussed. Funding is included for bi-annual physicals, anticipated repairs for equipment and one possible retirement payout.

The Public Works department is operating with five vacancies. Mr. Zimmerman stated Public Works is making due with less and this has helped the City work through the lean years of the recession.

Councilmember Breichner asked if other agencies purchase gasoline through the City. Eric Deike, Public Works Manager, indicated Community Rescue Service and some fire companies do. Mr. Deike stated another revenue source for Public Works is routine maintenance of signals on State roads.

Councilmember Brubaker pointed out several departments show a decrease in expenditures for the coming year.

Councilmember Easton asked what other possibilities for increasing revenues are being explored, excluding fees or taxes. Some areas he suggested are fair market value for residential properties and revenue from events.

Mr. Zimmerman stated one focus has been on grants. The police department will always be looking for grants. The City subsidizes the larger events. Some events, such as the fireworks at Fairgrounds Park are free events. State statutes limit how local governments can raise funds. One way the City has been doing more with less is the increase in volunteer programs.

Chief Smith stated red light cameras may be discussed at some point. There would be more flexibility with location of these cameras. Public safety could be increased by reducing the number of accidents at intersections. Cost savings from the use of cameras include reducing the amount of time officers spend in court and the fine revenue is paid to the local jurisdiction.

Councilmember Easton asked if any operations could be combined with the County. Chief Smith indicated there are currently some positions that are shared. The police academy (which will be located at Hagerstown Community College) operations may be shared with the Washington County Sheriff's Department.

Mr. Zimmerman indicated both the police department and the fire department are geared to provide urban police and fire services. They would like to explore the opportunity to provide urban services for areas outside the City limits.

Councilmember Easton wondered if police and fire services could be sold to entities such as the outlets and medical centers. Mr. Zimmerman stated the City is the metropolitan water and wastewater provider. The possibility could be explored.

Councilmember Brubaker suggested reviewing the terms of user agreements.

It was the general consensus of the Mayor and City Council to keep the Council budget and the Mayor's budget at the same level as last year. Funding will be reallocated to reflect staff support for the Neighborhoods 1<sup>st</sup> program.

Ms. Burkner reported there is enough in the reserves to pay approximately 8 months of bills. Councilmember Brubaker pointed out this is despite the severe revenue decreases that have been experienced by the City. The City has maintained a fund balance and has been able to fund the pension obligations.

Mr. Zimmerman stated Standard and Poor's noted this success in the rating review last year.

**CITY ADMINISTRATOR'S COMMENTS**

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

**MAYOR AND COUNCIL COMMENTS**

*Councilmember M. E. Brubaker* asked that Councilmembers provide alternatives for suggested budget cuts and to be specific.

*Councilmember W. M. Breichner* stated budgets are a plan and need to be flexible; however, the tax rate is not flexible. He expressed condolences to the family of Bob Fiddler, former member of the City's survey crew.

*Councilmember L. C. Metzner* reminded the group that everyone, collectively as a body and community, need to confront the issues and problems and not each other.

*Councilmember F. W. Easton* had no additional comments.

*Mayor R. E. Bruchey, II* announced the Taste of the Arts will be held on May 17, 2012 in downtown. There will be twelve different establishments to visit during the event.

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 7:30 p.m.

Respectfully submitted,

  
Donna K. Spickler, City Clerk

Approved: June 19, 2012