

**CITY OF WESTMINSTER, MARYLAND
MAYOR AND COMMON COUNCIL MEETING
APRIL 12, 2010**

QUORUM:

A meeting of the Mayor and Common Council was held in the Council Chambers at City Hall, 1838 Emerald Hill Lane, Westminster, Maryland on the evening of April 12, 2010, at 7:00 P.M. Mayor Utz; Council President Halstad; Council Members Albert, Pecoraro, Chiavacci and Wack; City Administrator and Acting City Clerk Wolf, Acting City Treasurer Ehlers; Chief of Police Spaulding, Director of Public Works Glass, and Director of Planning, Zoning, and Development Beyard were present. City Attorney Levan and Director of Parks and Recreation Schroers were excused from attending. Attorney Karen Ruff attended in Ms. Levan's absence.

Mayor Utz read a proclamation declaring the week of April 11th through April 17th as National Public Safety Telecommunications Week. Communications Specialists Linda Knott, Cheryl Pickett, and Lisa Cooper and Dispatch Supervisor Brenda Roper were recognized by the Mayor and Chief Spaulding. Mayor Utz also read a proclamation announcing that April is Fair Housing Month. Finally, he recognized that the week of April 5th was proclaimed Arbor Week in the City of Westminster. A proclamation was read the prior week at the Tree Commission's annual Arbor Day commemoration at Cranberry Station Elementary School.

PUBLIC HEARING:

Mayor Utz conducted a public hearing on the Annual Public Housing Administration Plan and the Administrative Plan for the Section 8 Housing Choice Voucher program. Mr. Ehlers explained that a few changes have been made to the Administrative Plan. The changes include the adoption of the City of Westminster Property Maintenance Code, the allowance of the PHA to pay utility reimbursements directly to the supplier, clarification of requirements for both the participant and unit owner, and an acknowledgment that the PHA has met HUD's mandatory requirements for the FSS program which allows the program to be voluntary for the PHA. Mr. Ehlers summarized the Five Year Plan objectives and goals for the Section 8 HCV program. Mayor Utz inquired as to how participants know that they are not eligible within the City. Mr. Ehlers stated that an applicant to the program should know that if they were previously terminated from a Federal subsidized program that they are not eligible; however, they are also told at the time they apply. Mr. Chiavacci inquired about the typical wait time for an applicant. Mr. Ehlers responded that there is no set wait time; it depends on the movement within the program and the applicant's preference schedule. There being no further comment, Mayor Utz closed the hearing and recommended the adoption of the Public Housing Annual Plan and Administrative Plan. Upon motion of Mr. Pecoraro, seconded by Mr. Chiavacci and unanimously approved, the Administrative and Five Year Plans were adopted.

MINUTES:

Upon motion of Dr. Wack, seconded by Mr. Pecoraro and unanimously passed, the minutes of the meeting of March 22, 2010 were approved.

REPORT FROM THE MAYOR:

Mayor Utz reported that he continues to go to on a monthly basis to the Annapolis area to work on the MML Communications Committee. He is working on the "If I Were Mayor..." project, as well as on a subcommittee that recently produced a video showing what the MML does for its members. He also reported that he has conducted numerous Service Award presentations to long term employees of the City. He stated that he has been working with the Finance Committee and department heads on the budget. Mayor Utz stated that he recently attended an Easter breakfast at the Westminster Volunteer Fire Department, and then attended the annual Easter Egg Hunt at City Hall. He commended the Recreation Parks and Street Departments for excellent job on the event. He recounted that he attended Tree Commission's annual Arbor Day commemoration at Cranberry Station Elementary School where he, along with City Arborist Eric Schlitzer, City Planner Tim Rogers, and several members of the Commission planted five trees around the school. Mayor Utz reported that he opened the 21st annual Tournament of Champions at McDaniel College. He stated that the college hosts this one day event of games and activities for students with disabilities from four of the county schools. He also reported that he recently attend a non-City funded luncheon at Cactus Willies to recognize the Public Works department for their work during the blizzards. He presented each of them with a Certificate of Appreciation, a hat, and cookies. Next, Mayor Utz stated that he and Chief Spaulding attended a NAACP dinner recently where the guest speaker was Chief Judge of the Appellate Court of Maryland Robert Bell. Mayor Utz read a proclamation at the annual MS 5K Walk in Westminster on April 11th. Mayor Utz reminded the Council that the 2nd annual Walk a Mile in Her Shoes event, sponsored by Rape Crisis Intervention Services of Carroll County, will be held Saturday, April 17th from 10:00 a.m. to 2:00 p.m. Finally, Mayor Utz reported that Ron Schroers and Jennifer Mellor are currently in Ocean City, on scholarship, attending the annual Maryland Recreation and Parks Association conference. They will be recognizing Jim Marks for his work and volunteer efforts on the Skate Park project.

REPORTS FROM STANDING COMMITTEES:

Mr. Pecoraro thanked the Mayor and his fellow Council members for signing up for the Walk a Mile in Her Shoes event.

Mr. Chiavacci stated that the Public Works luncheon was well-deserved by those employees. He thanked Lori Graham for her help coordinating the event and Ms. Wolf for allowing it to be possible.

ORDINANCES & RESOLUTIONS:

Mr. Beyard summarized that Ordinance No. 810 declares 18A Union Street as surplus property and authorizes the sale of the City-owned property to a qualified buyer under the City's Affordable Housing Program for not less than \$116,000. This half of a duplex is the last of the City rehabbed properties and listed for \$122,000. He stated that with the suspension of the rules and adoption of the Ordinance, the City can quickly move through the sale of the property. Mr. Beyard recommended that the Mayor and Common Council suspend the rules of order and procedure to allow the introduction and adoption of Ordinance No. 810. Mr. Pecoraro moved to suspend the rules that interfere with the immediate introduction and adoption of Ordinance No. 810. Dr. Wack seconded and the motion passed unanimously. Upon motion of Mr. Chiavacci, seconded by Mr. Pecoraro and unanimously passed, Ordinance No. 810, allowing the sale of 18A Union Street, was approved.

Mr. Beyard summarized that of Resolution No. R10-2 authorized the Mayor to execute the BGE easement that is required for the installation, maintenance and repair of utility facilities in conjunction with the development of the Union Crossing project by Episcopal Housing Corporation. Mr. Beyard recommended that the Mayor and Common Council adopt Resolution No. R10-2, and allow the Mayor to execute the easement document. Upon motion of Mrs. Albert, seconded by Dr. Wack and unanimously passed, Resolution No. R10-2 was approved.

NEW BUSINESS:

Mr. Beyard summarized that the City's Citizen Participation Plan and Residential Anti Displacement and Relocation Assistance Plans are a requirement to the Maryland Community Development Block Grant program. He explained that the Citizen Participation Plan requires the City to encourage participation from the citizens as to how the funds requested are to be used. The City plans to meet these requirements through public hearings and access to information and records as it relates to the CDBG funding requests. He also explained the Residential Anti Displacement and Relocation Assistance Plan. This plan would require the City to offer relocation assistance to any citizen(s) who are displaced due to CDBG funding activity.

Mr. Chiavacci inquired as to how many people attend the recent public hearing regarding the Community Center.

Mr. Beyard stated that no one attended the hearing, but that that wasn't uncommon, so long as the City was adhering to the requirements. Mr. Beyard recommended the adoption of the Community Development Block Grant Program Citizen Participation Plan and Residential Anti-Displacement and Relocation Assistance Plan. Upon motion of Mr. Chiavacci, seconded by Mr. Pecoraro and unanimously passed, the plans were approved.

FY2011 BUDGET DISCUSSION:

Mayor Utz stated that after he came into office, he had the opportunity to examine, in depth, the City of Westminster's current financial condition. Using the City's new automated financial system, he was able to analyze information over a ten year period and in looking at the trends, it is clear where the City currently stands and where it is headed.

Mr. Ehlers explained that the Support Ratio trend shows how well the City's general revenues and transfers of funds within the City cover expenses. He continued by saying that a ratio over 1.0 is considered a favorable position for an organization to achieve. He stated that the City lost that position in 2002 and continued the downward trend through 2009. Mr. Ehlers also discussed the Per Capita Measures trend, which shows what the City spends and receives per citizen of the population. He stated that the City's expenditure per capita has almost doubled over the last ten years gone from \$583 in 2000 to \$1,007 in 2009 while revenues have only increased 23% over that same time period from \$734 to \$866. He also explained that due to equipment loan payoffs, the long term debt is currently experiencing a downward trend from \$444 in 2005 to \$337 in 2009; however, prior to 2002 it averaged \$700. Finally, he stated that cash and investments have been reduced from over \$8M in 2000 to \$2M in 2009.

Mayor Utz commented that this in part has been the result of federal, state, and county cutbacks over the years. The City of Westminster has taken actions to alleviate the disparity between revenue and expenditures. The staff was reduced and a hiring freeze was placed on open positions. Employee benefit packages were modified and no merit increases were received. Capital improvement projects have been put off, as well as the purchasing of cars, trucks, and equipment necessary to employees to carry out the duties. Mayor Utz stated that he asked the City Administrator to prepare a balanced budget with no increase in the property tax rate.

Ms. Wolf informed the Mayor and Council that a budget request for under \$1M less than last year is being submitted mostly due to the loss of over \$800,000 in State funds in September. She explained that this request was achieved by keeping staff vacancies vacant and cancelling \$300K in capital expenditures. Contingency reserves were redirected to the operating account, as well as other Union Street property proceeds and savings from reduced tipping fees. She continued to say that each department reduced their budget by \$10,000 to \$30,000. She stated that there were very few increases in the budget, such as health care, pension, and operating costs, and only one position will be changing from contractual to permanent. Ms. Wolf reported that, in addition to the no merit increase and no filling of vacant positions, there is no reserve fund for any emergencies should they occur and that only mandatory capital improvement items which are in process or already have funding were included. She stated that the capital improvement projects, totaling almost \$3.5M for FY2011, were not included in this budget at all. These projects included street milling and overlay for deplorable streets, the replacement of vehicles and necessary equipment, technology improvements, repairs and renovations to City buildings, storm drain repairs and

renovations, and the purchase of a trash compactor. She also stated that in the six years covered in the Capital Improvement Plan, the need for capital improvement funding for additional projects, improvements, and repairs to buildings and City-owned parcels of property would total almost \$18M.

Mayor Utz stated that after many discussions with the Finance Committee, he feels that it is critical that the City deal with the capital improvements to its infrastructure. The longer the repairs are delayed, the more it costs. Mayor Utz proposed a \$0.19 increase in the City's tax rate, which would be dedicated solely to those critical capital projects.

President Halstad suggested that the Mayor and Council consider allowing the City Attorney to research the possibility of earmarking revenue for particular uses, such as streets and storm drains. He stated that that could be a way to ensure the citizens that they know exactly where their money is going.

Dr. Wack thanked the Mayor, Ms. Wolf, and the staff for the work put into the budget. He emphasized that for years the City has pushed off important work that needs to be done. He stated that a positive outcome of a tax increase would be that it is for tangible things by which citizens can directly benefit. He explained that deferring these projects makes a \$100,000 repair become a \$1M repair. He continued to say that they are going to have to look carefully to be sure that they are prioritizing the projects correctly. Finally, Dr. Wack recommended that before they consider cuts, they explore other possible mechanisms such as fundraising, fees, or grants, to offset the impact.

Mr. Pecoraro also thanked that Mayor standing up and making the proposal. He explained that the City has done everything possible to cut the waste and now there is nothing left to cut. He continued to say that in the past years the City has made the decision to not increase taxes and ask the citizens for any additional money. He stated that the City of Westminster's tax rate is far less than some jurisdictions of similar size, even some of whom do not provide water and sewer services. He stated that while the City has a significantly high County tax rate, the Municipal tax rate is far lower. He pointed out that city property owners pay both City and County proper taxes on one bill and a lot of citizens do not differentiate between the two and wonder why their tax bills are so high. The citizens of Westminster are getting a lot of services for a relatively low fee. Finally, Mr. Pecoraro stated that to not ask the citizens for more money to do these things needed to be done now would be irresponsible.

Mr. Chiavacci stated that the situation is simple and that the citizens need to pay for the services provided by the City. He stated that, up until recently, the streets have been in relatively good condition and that to keep them that way, it costs money. He continued to say that the City is run as efficiently as possible. Ms. Wolf and her staff do an unbelievable job for the money spent. He explained that if the community is going to continue to be maintained at the level citizens are accustomed to, they have got to pay for said services. Otherwise, even more money is going to be asked of them in the future to deal with more difficult situations. Finally, Mr. Chiavacci encouraged the public to make some suggestions as to exactly what services they do not want the City to do

for them anymore if it is going to come down to more cutting.

Mrs. Albert stated that she welcomes citizen's input. She informed the Mayor and Council that she cannot support the proposed increase in the taxes.

Ms. Wolf informed the Mayor and Council that there will be another budget session at the next scheduled Council meeting, which will be held at the John Street Quarters on April 26th, and that May 10th will be the public hearing on the budget with the adoption at the May 24th Council meeting. She stated that tax rate must be set by May 28th in order for the County to process the property tax bills.

Dr. Wack explained that these decisions have consequences. By putting off these projects, the City runs the risk of increased costs on the capital side, but on the operating side as well. He stated that there will also be consequences to citizens of Westminster in that this could put some people in financial peril, but they have to think of the entire city when making this decision.

Mr. Halstad explained to the Mayor that if there are additional cuts to be made that he will specify as what they are. He reiterated his desire have the City Attorney to help them see if they can segregate the additional revenue for capital improvement projects because he feels that is going to be more readily received by the citizens then just a general increase. Finally, he stated that he feels that, at some point, the financial world is going to right itself and revenue will resume. Mr. Halstad recommended the possibility of discussing the sun-setting of this levy for capital projects so that if the City finds that in five years revenue has resumed, they could revisit the increase.

DEPARTMENT REPORTS:

President and C.E.O. of the Westminster Fire and Hose Company No. 1 Bob Cumberland reported that they responded to 108 fire calls, 49 were within city limits. He stated that that puts them 48 calls ahead of last year at this time. He continued to report that they responded to 391 EMS calls. Mr. Cumberland reported that some of their Fire Police will be attending a highway safety class in Manchester hosted by the Cumberland Valley Volunteer Fireman's Association Responders Safety. The program, called We Have Your Back, aims to protect first responders. Finally, he reported that on May 20th the department will be holding the annual big money raffle. Started in 1968, this is the major fund raiser for the fire department.

Mr. Ehlers reported that the City has put out the RFP to obtain a new audit firm.

Chief Spaulding announced that the 2010 Carroll County Law Enforcement Torch Run for Special Olympics will be held on June 9th. He stated that this year marks the 25th anniversary of this event and shirts and hats are available for purchase at \$10.00 each.

Mr. Beyard reported they are anticipating settlement on the Episcopal Housing in the coming week with a ground-breaking scheduled for April 23rd.

Ms. Wolf reported that during the upcoming weekend, the City will be holding a “Spring Clean-up.” Approximately 150 volunteers will be out cleaning up parks, gardens, etc. under the direction of McDaniel College and the City’s Public Works department. She also announced that Saturday, April 17th is opening day for the Westminster Optimist Little League.

CITIZEN COMMENTS:

Lori Graham, of 118 Pennsylvania Avenue, thanked the Mayor and Ms. Wolf for including her in the Public Works luncheon. She also stated that she thinks the City should develop and publicly post a list that shows exactly where the taxpayer money goes.

ADJOURN:

Council President Halstad adjourned the meeting at 8:29 PM.

Respectfully Submitted,

Elizabeth L. Fahey