

**CITY OF WESTMINSTER, MARYLAND  
MAYOR AND COMMON COUNCIL MEETING  
APRIL 26, 2010**

**QUORUM:**

A meeting of the Mayor and Common Council was held at the John Street Quarters of the Westminster Fire Engine and Hose Company, 28 John Street, Westminster, Maryland on the evening of April 26, 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, Director of Planning, Zoning, and Development Beyard, Director of Recreation and Parks Schroers; and City Attorney Levan were present.

Lyndi McNulty of the Westminster Kiwanis Club presented the Westminster Police Department with a \$1,200 donation to go toward the procurement of a T3 Personal Electric Vehicle for the department.

Mayor Utz recommended the reappointments of Ed Cramer to Board of Zoning Appeals, Margaret Bair to the Planning and Zoning Commission, and Roland Backhaus to the Tree Commission. Mr. Chiavacci moved to approve the recommendations. Dr. Wack seconded and the motion passed unanimously.

**MINUTES:**

Upon motion of Mrs. Albert, seconded by Mr. Pecoraro and unanimously passed, the minutes of the meeting of April 12, 2010 were approved.

**CONSENT CALENDAR:**

Dr. Wack moved to approve the Consent Calendar, which consisted of the approval of the March Departmental Operating Reports. Mr. Chiavacci seconded the motion and it passed unanimously.

**REPORT FROM THE MAYOR:**

Mayor Utz publicly apologized that due to illness, he was unable to attend the Rape Crisis Intervention Service of Carroll County Walk a Mile in Her Shoes event on April 17<sup>th</sup>. He then reported that on April 23<sup>rd</sup> he attended the ribbon cutting for the Pennsylvania Avenue Streetscape project and the ground breaking at Union Crossing. He also reported that he attended the ribbon cutting and dedication of the new Westminster Lions Club Playground at the Westminster City Park.

## **REPORTS FROM STANDING COMMITTEES:**

Mr. Pecoraro reported that he attended the RCIS of Carroll County Walk a Mile in Her Shoes event. He stated that it was very well attended and thanked those who attended. He encouraged others to participate in the event next year.

## **UNFINISHED BUSINESS:**

Mayor Utz reviewed the events from the previous Mayor and Common Council meeting on April 12<sup>th</sup>; he received a balanced budget of \$12.6M for FY2011 which was \$1.2M less than FY2010. He stated that there were no Capital Improvement Projects included the budget for the third year in a row. \$3.5M was proposed for CIP which included vehicles, road overlay and milling, technology, and storm drain repairs. He explained that delaying these projects any longer would only cost the City and its citizens more money. He stated that he received good recommendations from the Council and citizens regarding the budget and the Capital Improvement Projects.

Chief Spaulding reviewed with the Mayor and Council that when he started with the Westminster Police Department in January 2004, there was a high turnover rate of sworn officers with an average of four to eight vacancies at a time, whereas there are currently no sworn officer vacancies. He stated that in January 2005, he recommended the take-home vehicle policy in hopes of enhancing the retention of sworn officers and entice potential recruits. He stated that the Carroll County Sheriff's is the biggest competitor with recruiting qualified staff. Since the policy was set in place, there has been more consistency and stability in staffing. He explained that with the recent rise in cost of gas, the policy was modified so that take-home vehicles were only to be used for transportation to and from work, court, and training. Chief Spaulding recommended to the Mayor and Common Council the City adopt a county-line option in the take-home policy. He explained that under the current policy forty-two of the forty-five officers have take-home vehicles, but with this option in effect, thirteen officers would lose their take-home eligibility. He further explained that savings of fuel and vehicle preventative maintenance would save the City \$22,870 per year. The department would be able to eliminate six of the forty-eight vehicles that are in the poorest conditions. Since fewer are needed, those six vehicles will not need to be replaced. Chief Spaulding also stated that the WPD currently filed a Capital Improvement Project request for \$1,042,000 for over the next six years. With the county-line option in place, the request can be reduced to twenty vehicles from thirty-seven originally requested. This will reduce the fiscal burden on the City to \$561,000 over a six-year period.

Mr. Chiavacci thanked Chief Spaulding for his county-line recommendation and stated that he feels the county-line option is an appropriate reduction. He explained that should any further adjustments be made there would be serious ramifications to retain quality and well-qualified officers. The City has already lost some of its attraction to potential new employees with the lack of salary increases. With the county-line option, the City could potential lose a few officers.

Dr. Wack and Mr. Pecoraro also thanked Chief Spaulding for dealing with the difficult task. Dr. Wack stated that those savings will have a significant impact on the City's budget.

Mr. Glass presented the Mayor and Council with images of streets around the city that are considered to be in the poorest condition with surface cracking, patching, water penetration, and pot holes. The presentation included images of Old New Windsor Road, Ridge Road, Sunset Avenue, Bond Street, Park Avenue, Park Place, South Center Street, Pine Valley Road, Milton Avenue, Alymer Court, Logan Court, and Buck Cash Drive. Mr. Glass's presentation also included images of the storm drains on Clifton Boulevard and East Green Street that are pitted and rusted out with potentially unstable conditions. The presentation concluded images of City vehicles that are in need of replacing due to age, holes and reinforced bodies.

Ms. Wolf stated that the Recreation and Parks department have capital projects that are in the works and are fully funded, therefore they did not submit a request for FY2011.

Mr. Ehlers reported that Technology Services has several capital projects for FY2011. These projects include the current annual leases for server equipment; the Enterprise Vault Archive project that will allow searchable archived data, the VOIP project will replace the City's current antiquated voicemail system and eliminate 60% of the City's outside lines, and the addition of the fixed assets, inventory, and web-extension modules to the City's financial management system.

Mayor Utz explained that the proposed budget and tax increase should not be taken lightly having been shown the evidence of the streets and roads. As leader of the City of Westminster, he stated that he cannot continue to watch the city break down.

Mr. Pecoraro agreed, stating that the need for repairs is clear. The City hasn't had the funding and circumstances and priorities change from year to year.

Mr. Chiavacci received clarification on the Priority 1 capital projects. He stated that anything below a \$0.13 increase is only going to cost the City more in the future.

Dr. Wack stated that the Capital Improvement Plan is a six-year plan that is constantly changing due to items falling into disrepair, breaking, and requiring maintenance or replacements and that the Council needs to discuss how the tax increase can be used for capital projects only. He also stated that they need to look beyond next year and that future project savings need to be put back specifically towards the CIP and not the General Fund. Restrictions and safeguards need to be set so that future Councils abide by them to prevent the City from drifting back to where it is now because revenues have been diverted to other purposes.

Mr. Pecoraro stated that the City Attorney advised the Council that there are limits to binding future Councils, but the current council can set a policy that creates an expectation. Capital or operating, it's all part of the General Fund. He stated that they

can segregate money within the Fund for general purposes and that they need to segregate these funds so that the City has the money for the important capital expenditures in the coming fiscal year and the future. He also stated that if the tax rate is increased somewhere between \$0.12 and the recommended \$0.19, there should be a stability of spending and ability to save in some years; however, setting the rate at \$0.12 will extend the period of time that the City will be playing catch-up with maintenance several years into the future past FY2014. During that time, some of the items that should be taken care previously will be extended even further into future. He explained that streets in good condition with a 1 or 2 rating will continue to move up to 3, 4, or 5 rating. Storm drains will continue to deteriorate to point that they won't be up to the code that the City needs or wants them. The costs will grow in relation to these deteriorating conditions. He stated that if they raise the tax rate to \$0.19 and get through the next few years, the City could get a lot of work done and resume a lower rate at some point to a more reasonable rate for capital spending.

President Halstead suggested the possibility of sunseting the tax increase which will give the assessment a finite life.

Ms. Levan explained that there is not a way to permanently restrict funds because future Councils will always have the ability to change, by Ordinance, what the current Council decree by Ordinance, but that the current Council can adopt a Resolution setting a spending policy for the tax revenues. She stated that the Resolution could include a statement regarding an intention to have a sunset with respect to a tax increase. However, each year, the Council has to set the tax rate, so each year there is an opportunity to reverse the decision.

Mr. Pecoraro suggested that as part of the policy, the Council can express that it is their intention to review this. That might constitute as a sunset and make it clear to the successors the intention that they are not going to continue it indefinitely.

President Halstad questioned the amount of flexibility they want to put into the notion of capital improvements. Mr. Pecoraro stated that the definition of capital improvements includes capital equipment. Mr. Ehlers clarified that capital equipment is \$7,500 as a financial limit, but also adds to the infrastructure as a fixed asset of the city that would depreciate over time.

Dr. Wack commented that the number of capital improvement projects will never go to zero since new items will appear and some items have fairly short replacement cycles. He stated that there will always be capital improvement costs, but by knocking out some of the larger projects, such as the street repair, the City can get an annual number that is much lower than the current figures.

President Halstad explained that if a house is assessed at \$250K and the taxes are raised by \$0.13, it would be an additional \$325 in taxes each year. If it is raised by \$0.19, it is an additional \$475 in taxes each year. He stated that the Council needed to settle on an amount due to the deadline and constraints of the constant yield advertisement that needs to be published.

Ms. Wolf reported that the public hearing will be held at the May 10<sup>th</sup> meeting, so the ad needs to be run no more than twenty-one days or less than seven days prior to the hearing. She stated that the County needs the new rate by May 28<sup>th</sup> in order to put it on the tax bills.

Ms. Levan informed the Council that they can set the tax rate equal to or lower than the advertised rate, but not higher.

Mr. Pecoraro suggested to the Council that it would make sense to advertise the proposed \$0.19 rate, but take the opportunity over the next couple of weeks to work on coming up a more appropriate number.

Mr. Chiavacci agreed with Mr. Pecoraro and added that they still needed to hear the citizens' suggestions and recommendations.

Mrs. Albert stated that she was still not comfortable with the \$0.19 increase since they had not heard from the citizens. She stated that the Council has only discussed how the tax money will be spent, not saved. Mrs. Albert maintained her position in that she would be able to vote for the increase. Mr. Pecoraro clarified to Mrs. Albert that the Council does not anticipate a final rate of \$0.19, but somewhere between \$0.13 and \$0.19.

Mayor Utz stated when the next budget cycle starts, the City is already in a \$1M deficit again and that it has nothing to do with mismanagement and everything to do with expenditures such as employee costs, healthcare costs, and even fuel costs.

After further discussion, President Halstad stated that he feels the consensus is to run the advertisement at \$0.19, but the Council was going to have to get specific in the next couple weeks as to what can and should be eliminated.

Mr. Pecoraro moved to authorize Ms. Wolf to run the constant yield ad at the proposed \$0.19 tax rate increase. Dr. Wack seconded, and the motion passed 2-1 with Mrs. Albert voting "Nay".

### **NEW BUSINESS:**

Mr. Ehlers gave the Mayor and Council a thorough explanation of the Water Fund revenues. He stated that the Metered Sales are based on the anticipated consumption by the clients on various sized meters. The consumption is based on the phased-in rate structure that was effective last year. He explained that the Other Service Charges are

miscellaneous charges with the largest being rents that the City receives for the antennas on the water towers. The Non-Operating Revenue represents capital projects in which there has been carryover funding from the last capital budget or external funding, depending on the nature of the project. He noted that the City is not anticipating enough growth to boost the revenue; therefore, the service connections for the City and County were not included in the Water Fund budget. Finally, Mr. Ehlers stated that due to last year's phased-in rate structure, the City is still operating at a loss on the operating expense side. It is intended that the transfer from the benefit assessment account for water will pay for that loss until FY2014. The City is anticipating using growth projects to reimburse that and increase the amount in the Benefit Assessment Account.

Mr. Glass explained in detail the Water Fund capital improvement projects projected for FY2011. These projects included the replacement of a one ton utility truck, the designing and construction of the Gesell Well, research, design work, and exploratory drilling at Big Pipe Creek for another possible water source for the City. He also stated that the remaining \$426,000 in stimulus funding for the water meter replacement project will be in use by the end of the calendar year. Also included is funding for additional water supply opportunities that may present themselves. Little Pipe Creek can intake water and pump it directly to the Medford Quarry pipeline, which would convey it to the Cranberry Reservoir. He also listed the Radon removal project, the replacement of the Rt. 27 water mainline, the replacement of pumps and controls at the Hook Road pump station, the complete sandblasting and painting, inside and outside, of the Wakefield water tank, and the rehabilitation of wells to determine issues of those that are underperforming. Finally, Mr. Glass stated the possibility of purchasing watershed easements that would protect the raw water in the watersheds and at the same time could provide the City with water availability.

Mr. Ehlers finished the discussion of the Water Fund by explaining the expenditures of the fund. He stated that the General Government which includes benefits, salaries, and operating costs, is split between all funds in the budget process. The General Government includes Legislative, Executive, Legal, General Administrative, Finance Operations, Technology, Human Resources, and Planning, Zoning, and Development. He explained that the Public Works totals included the Public Works administration benefits, salaries, and operating costs, as well as the Water Operations which includes the Water Treatment Plant and the capital projects associated with it. He further stated that the Fund's expenditures also include the Utility Operations and the benefits, salaries, and operating costs of the Utility Maintenance group, as well as improvements to city facilities. Finally, Mr. Ehlers stated that the Community Support expenditures include the City/County National Pollution payment and the maintenance of City Hall and 56 West Main Street.

Mr. Ehlers gave the Mayor and Council a thorough explanation of the Sewer Fund revenues. The Non-Operating Revenue represents capital projects in which there has been carryover funding from the last capital budget or external funding, depending on the nature of the project. He noted that the City is not anticipating enough growth to

boost the revenue; therefore, the Service Connections for the City and County were not included in the Sewer Fund budget. Finally, Mr. Ehlers stated that due to last year's phased-in rate structure, the City is still operating at a loss on the operating expense side. It is intended that the transfer from the benefit assessment account for water will pay for that loss until FY2014.

Mr. Glass explained in detail the Sewer Fund capital improvement projects projected for FY2011. These projects included equipment for ground maintenance and snow removal at the Wastewater Treatment Plant and the sewer system rehabilitation project. He also stated that the remaining \$426,000 in stimulus funding for the water meter replacement project will be in use by the end of the calendar year. Also included is the funding for an upgrade of the Wastewater Treatment Plant ENR (Enhanced Nutrient Removal) which is required by the Maryland Department of the Environment and the replacement of the Variable Frequency Drives that are no longer technically or mechanically supported. Finally, he stated that even though they are anticipating the change out of the bar screen in the nutrient removal project, funding still needs to be available should some happen in the mean time.

Mr. Ehlers finished the discussion of the Sewer Fund by explaining the expenditures of the fund. He stated that the General Government Fund, which includes benefits, salaries, and operating costs, is split between all funds in the budget process. The General Government includes Legislative, Executive, Legal, General Administrative, Finance Operations, Technology, Human Resources, and Planning, Zoning, and Development. He explained that the Public Works totals included the Public Works administration benefits, salaries, and operating costs, as well as the Sewer Operations which includes the Wastewater Treatment Plant and the capital projects associated with it. He further stated that the Fund's expenditures also include the Utility Operations and the benefits, salaries, and operating costs of the Utility Maintenance group, as well as improvements to city facilities. Finally, Mr. Ehlers stated that the Community Support expenditures include the City/County National Pollution payment and the maintenance of the City Hall and 56 West Main Street.

Mr. Ehlers gave the Mayor and Council a thorough explanation of the Public Housing Agency Fund. He stated that the program is almost entirely funded by the Department of Housing and Urban Development (HUD), so the agency gets the funding figures and the City tries to meet the expenditure side of the housing budget with those funding expectations. He stated that a reserve is carried in the General Fund of approximately \$47,000 which is a "just in case" fund should there be something that needs to be covered administratively. He explained that the funding comes from the Housing Assistance payments which go directly for rent subsidy, Administrative Fees which are based on the number of unit months leased by the program, and the Family Self Sufficiency program which reimburses the salary of a coordinator. He continued to explain the PHA's operating budget. He stated that the Administrative Expenses have stayed consistent, but there was a slight increase in Salaries and Benefits due to Housing and Planning, Zoning, and Development splitting the costs for the Code Enforcement/Inspector Officer. Mr. Ehlers explained that the Direct Program Costs, the

Housing Authority Program subsidies, are a little higher than the revenue expected to be received. Mr. Ehlers stated there is a HAP equity fund of almost \$600,000 from funding that was not spent over previous years that can be used to supplement any additional required HAP funds.

### **DEPARTMENT REPORTS:**

President and C.E.O. of the Westminster Fire and Hose Company No. 1 Bob Cumberland reported that he and three of their new officers recently attended the Fire Department Instructors Conference in Indianapolis, Indiana. He also stated that the department is looking to replace one of their older engines using their own funds from their fundraisers. He estimated \$400,000-500,000 in fire truck replacements this year. Finally, he reminded the Mayor and Council that on May 20<sup>th</sup> the WVFD will be holding their annual raffle and tickets are still available.

Mr. Beyard reported that not only was the ground breaking for Union Crossing, but the sale of the property closed on April 15<sup>th</sup>. He stated that by late May or early June construction should begin on the houses and, since they are modular, it should happen quickly. He also reported that the commercial section of the Village of Meadow Creek is beginning to develop. Walgreen's, IHOP, and New York J&P Pizza are potential businesses interested in spaces and are going before the Planning & Zoning Commission in May. Mr. Beyard reported that the Board of Zoning Appeals will be meeting regarding Giant Food's request to add a refueling station to their existing parking lot property. The Board will decide the merit of whether it is needed based on the community. Finally, Mr. Beyard reported that the Arts and Culture Task Force met recently to finish up work on their report. They will meet one more time before bringing their report and proposed ordinance before the Mayor and Common Council.

Mr. Schroers thanked Mr. Pecoraro for participating in the Walk a Mile in Her Shoes event. He also thanked the Westminster Lions Club and their President, Ron Brewer, for funding the new playground at the City Park. Mr. Schroers announced that May 8<sup>th</sup> will be the annual Flower and Jazz Festival in downtown Westminster. Finally, he reported that the Family Center had over 8,200 visitors for the month of March.

Mr. Ehlers reported that Technology Services completed the connections to the CCPN. He stated that they will start the server virtualization project which will allow the separation of data from the application which will then enable the disaster recovery facility.

### **CITIZEN COMMENTS:**

Janet Hoskins of 894 Sumner Court expressed her concerns on the \$0.19 tax rate increase. She stated that many homeowners in the City cannot afford any increase due to the current state of the economy and taking personal income cuts.

Yvonne Horton of 465 Pleasanton Road, Unit 12 (Parr's Ridge) stated that even though the community is out of city limits, it was annexed in as an agreement between the builder and the City. The community pays City taxes, but does not see benefits such as snow removal or trash pick-up. Ms. Horton questioned the possibility of assessing the Parr's Ridge differently since they do not get the same benefits of being City residents.

Ronald Brewer of 301 Klinger Drive suggested to the Council that the City do a onetime assessment and prorate it according to the assessed value of the houses that people live in and then see how and what the money will do to help the City get through the crisis. He stated that next year, should the City need to increase taxes, it might only need to be increased by \$0.06 instead of \$0.12 or greater. Mr. Chiavacci explained that each year the Council sets the tax rate and it is only good for that fiscal year.

Lyn Mallick of 379 Winged Foot Drive inquired about the bidding process for the capital improvement projects, as well as whether the City has applied for stimulus funding. Mr. Glass stated that if there are numerous projects in need of bids, the City will put out all projects to get a unit price on the projects. He also explained that the City has applied for stimulus funding, but was turned down. Ms. Mallick inquired about the \$1M cut from the State and the reasoning behind the cut. Mayor Utz responded that the State cut the highway user revenue, as well as police aid. He stated that to have balanced budget, the Governor made cuts on the local level. She requested clarification on the Police Department's \$538,000 savings and the changing of the take-home vehicle policy. Chief Spaulding explained that the department had a schedule to replace thirty-seven vehicles over a six year period, but due to the changes in the policy, the department will only need to buy twenty. He stated that the department currently has forty-eight vehicles and that eventually they all will need to be replaced. He explained that some officers that currently have a take-home vehicle will no longer have one as a result of the policy change. Furthermore, he stated that should the department lose an employee who is not eligible for a take-home and a new employee is hired, they would get a take-home vehicle if one is available. The department is reducing the number of vehicles in the fleet so that there will be fewer vehicles to give even if an officer becomes eligible in the future. Ms. Mallick questioned Mr. Glass regarding the image of the City truck that needs to be replaced and why a new truck body could not be purchased instead of a completely new vehicle. Mr. Glass stated that the images were examples of the condition of the vehicle and that it has very high mileage and is in very poor condition. Finally, Ms. Mallick inquired about the use of the \$426,000 of stimulus funding that was leftover and had not been used yet. Mr. Glass explained that that money was to be used specifically for the water meter replacement project. He stated that the project is currently on hold due to the manufacturer's supply, but the remaining amount of the stimulus funding should be spent by the end of 2010.

Lori Graham of 118 Pennsylvania Avenue asked the Mayor and Council when the draft budget would be available for the public to view. Mayor Utz informed her that the budget narrative would be available on the City's website on Wednesday, April 28<sup>th</sup>.

Ruth Anderson of 337 Bishop Court informed the Mayor and Council that she hears the City talk about spending, but has not heard about how the City is going to save money. She stated that a 43% increase is unheard of. She recommended that the City take the money it has now and do a few projects at a time. She suggested that to cut down on the wear and tear on Main Street, the City should eliminate tractor-trailer usage. Mr. Halstad reassured Ms. Anderson that the Mayor and Council will be going to do what is in the best interest for everyone. Ms. Anderson stated that people are getting less and less income each year because costs are going up.

**ADJOURN:**

Council President Halstad adjourned the meeting at 10:12 PM.

Respectfully Submitted,

Elizabeth L. Fahey