

**CITY OF WESTMINSTER, MARYLAND
MAYOR AND COMMON COUNCIL MEETING
MAY 16, 2011**

QUORUM:

The Biennial Organizational 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 May 16, 2011 at 7:00 P.M. Mayor Utz; Council President Halstad; Council member Chiavacci; Council Member-elects Dennis Frazier, Robert Wack, Paul Whitson; City Administrator and Acting City Clerk Wolf; Acting City Treasurer Ehlers; Chief of Police Spaulding, Director of Public Works Glass, Director of Recreation and Parks Schroers; and City Attorney Levan were present. Director of Planning, Zoning and Development Tom Beyard was excused from attending.

Ms. Wolf read the following Statement of Return of Election submitted by Chief Judges Susan Thomas and Nancy Smelser and Election Clerk Marge Wolf:

“To The Mayor and Common Council of Westminster:

We the undersigned Judges and Clerk of the biennial Municipal Election, held in the City of Westminster, Maryland, on Monday, May 9, 2011, between the hours of 7:00 AM and 7:00 PM for the election of three (3) members of the Common Council of the City of Westminster for four years commencing on the third Monday of May 2011, do hereby certify that the polls were opened at 7:00 AM and closed at 7:00 PM on this 9th day of May 2011, and that at said election the whole number of ballots cast was 719 and of that number of votes cast for the individual candidates for the respective offices was and is as follows:

<i>FOR COMMON COUNCIL MEMBER</i>	<i>NUMBER OF VOTES</i>
<i>SUZANNE P. ALBERT</i>	<i>249</i>
<i>DENNIS FRAZIER</i>	<i>366</i>
<i>WILLIAM R. GILL</i>	<i>284</i>
<i>DARCEL HARRIS</i>	<i>99</i>
<i>GREGORY PECORARO</i>	<i>257</i>
<i>ROBERT WACK</i>	<i>295</i>
<i>PAULWHITSON</i>	<i>356</i>
<i>Write-in vote for KEN HORNBERGER</i>	<i>1</i>

And it appearing that Dennis Frazier, Paul Whitson, and Robert Wack received the highest number of votes for Members of the Common Council, we do hereby declare that they will hold office for the next four years. And we do further certify that the above statement is correct in each

and every respect, and that notice has been given to the candidates of their election.”

The Clerk of Court Don Sealing, administered the Oath of Office to Council Members Frazier, Wack, and Whitson.

BIENNIAL ORGANIZATIONAL MEETING:

On motion of Dr. Wack, seconded by Mr. Chiavacci and unanimously passed, Mr. Halstad was re-elected Council President. On motion of Mr. Chiavacci, seconded by Mr. Whitson and unanimously passed, Dr. Wack was named President Pro Tempore of the Common Council.

Mayor Utz read the list of recommended Mayoral appointments: Planning and Zoning Commission – Dr. Wack; Recreation and Parks Advisory Board – Mr. Chiavacci; Cable Regulatory Commission – Tom Cannon; Town Center Board – Mayor Utz and Mr. Whitson; Greater Westminster Development Corporation (GWDC) – Mr. Frazier and Mayor Utz; Arts Council – Mr. Whitson; Westminster Cemetery – Mr. Frazier.

President Halstad read the list of recommended appointments to the Standing Committees: Finance and Personnel – Dr. Wack, Chair, Mr. Halstad, Vice-Chairman; Economic Development & Community Affairs – Mr. Whitson, Chair, Mr. Halstad, Vice-Chairman; Public Works – Mr. Frazier, Chair, Mr. Chiavacci, Vice-Chairman; Public Safety – Mr. Chiavacci, Chair, Mr. Halstad, Vice-Chairman.

Mr. Chiavacci made a motion to approve all of the recommended appointments. Dr. Wack seconded and the motion passed unanimously.

MINUTES:

Upon motion of Dr. Wack, seconded by Mr. Whitson and unanimously passed, the minutes of the Council meeting of May 9, 2011 were approved.

UNFINISHED BUSINESS:

Ms. Wolf summarized that in working with Carroll County to keep Knorr Brake Corporation from relocating to Pennsylvania, it was discovered that there is a job creation tax credit enabled under legislation with the State of Maryland. This can be applied to companies that obtain 5,000 square feet of new or expanded premises, employ 25 individuals in new permanent full time positions at the new or expanded premises, and pay the employees 125% of the County's average week wage. In the Knorr-Brake retention package, they will receive a tax credit from the City in the amount of \$152,100 over a six year period, 52% for years one and two; 39% for years three and four and 26% for years five and six. The property is currently owned by the Industrial Development Agency and pays no taxes to the City of Westminster. She informed that

Mayor and Common Council the County has already passed the same piece of legislation.

City Attorney Levan explained that the State's authorizing statute that allows the City to adopt Ordinance No. 828 – Job Creation Tax Credit also allows the City to impose additional requirements which could effectively narrow the pool of businesses that could obtain the tax credit, should it choose to do so. She stated that one item in which this ordinance models the State's statute is the requirement that the jobs created pay 125% of the County's average week wage with the idea that if the City is going to provide this credit to businesses for creating new jobs, they should be high quality employment. Ms. Levan pointed out that the ordinance states that all credits claimed for a taxable year shall be recaptured if, during the three taxable years succeeding the taxable year in which a credit was claimed, the business entity's employment level or the square footage occupied by the business entity at the premises falls below the applicable thresholds required to qualify for the property tax credit under this section. She explained that the language in the County's ordinance differs from the State's authorizing statute in that the County will recapture the credit if the business does not continue to satisfy all the applicable requirements for the three subsequent taxable years; therefore, the business entity does not receive the tax credit for that year and repays the tax credit for the previous three years even if they qualified. She stated that Ordinance No. 828 does not state how the credits will be reclaimed if the business fails to maintain their eligibility. She explained that the County's ordinance provides that the tax credits that are repayable will be a lien on the real and personal property. She recommended that a provision be added to say that the repayment will carry interest and penalties at the applicable rate for property taxes. Finally, Ms. Levan stated that the current effective date of the ordinance is at the default time period of ten days after the date of passage and approval, but can be changed should the Mayor and Common Council choose to do so.

Dr. Wack requested clarification that the language of Ordinance No. 828 was modeled from the State's statute.

Ms. Levan explained that it was largely lifted from the State's statute, but changes were made in the areas that were unclearly drafted. She stated that the ordinance primarily models the State's language, especially in the definitions. She explained that the County's ordinance cross-references the State's statute, whereas Ordinance No. 828 uses the definitions, which were modified to be appropriate for the City of Westminster rather than the State of Maryland.

Dr. Wack inquired as to where the employment data will be coming from and who will be verifying that the information is correct.

Ms. Levan stated that verification would ordinarily be done by the City of Westminster's Director of Finance, which she is able to include that in the ordinance. She added that she does not feel that the State's statute requires the City to do any affirmative investigation. If the business entity provides information to the City that is under oath

and under the penalties of perjury, that would misrepresent the business.

Ms. Wolf added that the same data will be prepared for the County and the State.

Dr. Wack thanked Ms. Wolf, Mr. Ehlers, Mr. Beyard, and Ms. Levan for all their work on this ordinance. He stated that this package made a huge contribution in persuading the Knorr Brake Corporation to stay in Westminster and it is a huge win for the City and the County for many reasons.

Mr. Chiavacci informed the new Councilmen and those in attendance that Knorr Brake Corporation was looking at potentially leaving Carroll County, and relocating to Hanover, Pennsylvania. He stated that the County Commissioners, along with the Common Council, put a package together to keep them from making the move and Knorr decided to stay here with the offer that was put forth. He explained that this was a great move for the City of Westminster since this will open up an additional 250 jobs, but, most importantly, the City will start to recoup property taxes on that commercial land and eventually alleviate the burden on the homeowners of the City. He thanked the staff for their great work on putting the package together and making it all happen. Mr. Chiavacci questioned whether or not to specify the ordinance should specify the Director of Finance or leave it vague in case another department handles it. He also inquired as to whether this was a universal application and not just for the Knorr Brake Corporation situation.

Ms. Levan explained that the provision will state that the business entity will submit verifying information to the City and will not specify a department or position. She stated that the ordinance is set-up so that if a business entity meets the criteria, they will be granted the credit.

Ms. Wolf pointed out that on both the county and city level, this can only be used in priority funding areas. It is universal in these areas, but not universal all over the County.

Upon motion of Mr. Chiavacci, seconded by Mr. Frazier and unanimously passed, the introduction of Ordinance No. 828 – Job Creation Tax Credit was approved.

ADJOURN:

Upon adjourning the meeting, Council President Halstad recognized former councilwoman Suzanne Albert in attendance. He thanked Mrs. Albert for her sixteen consecutive years of service on the Common Council, adding that she was of tremendous help and influence. Council President Halstad adjourned the meeting at 7:32 PM.

Respectfully Submitted,
Elizabeth L. Fahey