

MINUTES

CITY OF WESTMINSTER Mayor and Common Council Meeting Monday, April 8, 2019 at 7 pm

CALL TO ORDER

Elected Officials Present: Councilmember Becker, Councilmember Chiavacci, Mayor Dominick, Council Pro Tempore President Pecoraro, and Councilmember Yingling.

Staff Present: Director of Public Works Glass, Director of Recreation and Parks Gruber, Police Chief Ledwell, City Attorney Levan, Director of Community Planning and Development Mackey, City Administrator Matthews, Director of Finance and Administrative Services Palmer, and City Clerk Visocsky.

Guests Present: Valerie Giovagnoni, Manager of Westminster Ting Internet; Jamie Petry, President of the Westminster Volunteer Fire Department; and, Amy Rupp, Executive Director of the Mid-Atlantic Gigabit Innovation Collaboratory.

President Pro Tempore Pecoraro welcomed Command Sergeant Major Thomas Beyard, Retired and students from Paide Hammerbecki Basic School in Paide, Estonia, sister city of the City of Westminster. He shared that the students were traveling and visiting local schools to perform Estonian Folk dancing.

APPROVAL OF MINUTES

President Pro Tempore Pecoraro requested a motion to approve the following minutes:

- Mayor and Common Council meeting of March 11, 2019
- Special Mayor and Common Council meeting of March 25, 2019
- Mayor and Common Council meeting of March 25, 2019

Councilmember Becker moved, seconded by Councilmember Chiavacci, to approve the minutes, as presented.

VOTE

AYES: President Pro Tempore Pecoraro, Councilmember Becker, Councilmember Chiavacci, and Councilmember Yingling.

NAYS: None.

PRESENTATIONS

Quarterly Update – Westminster Fiber Network Project

Ms. Matthews reported that, as of March 31, 2019, the City had drawn down \$15,116,225 of the \$21.0 million loan for design and construction, paid \$587,197 in interest costs, and received \$966,424 in lease and miscellaneous revenue.

Ms. Matthews also reported that Phase 4 construction, including the Sullivan Road work, was close to completion. All areas are operational, with the exception of Stonegate, which should be live in the next two weeks.

Mr. Glass then provided a status report on construction activities. During the quarter ending March 31, 2019, crews installed approximately 0.32 miles of conduit and 0.57 miles of carrier strand on poles. Crews also installed 5.81 miles of underground and aerial fiber.

As of March 31, 2019, Mr. Glass stated that the City had constructed about 93.7 miles of conduit, through which approximately 107.9 miles of fiber optic cable was pulled. Additionally, crews installed approximately 1,710 drops.

Mr. Glass reported that the transition to in-house maintenance of the Westminster Fiber Network was ongoing. The Westminster Fiber Network maintenance team is still learning how to operate the recently acquired equipment. Mr. Glass stated that the team was handling new order installations in Phases 1 and 2 and was transitioning to take over responsibility for all new orders; Southern Maryland Cable previously performed this work. Additionally, the City's in-house maintenance team was working with Ting installers to troubleshoot any issues arising during customer installations.

Councilmember Chiavacci inquired if the City intended to draw down more than \$15,116,225. Ms. Matthews replied that there were pending invoices; therefore, this amount would increase.

Ms. Giovagnoni then updated the Mayor and Common Council on Ting's activities during the quarter ending March 31, 2019. A copy of her presentation is attached to these minutes and incorporated herein by reference.

Quarterly Update – Mid-Atlantic Gigabit Innovation Collaboratory

Ms. Rupp provided the Mayor and Common Council with a quarterly status report on the activities of the Mid-Atlantic Gigabit Innovation Collaboratory (MAGIC). A copy of her presentation is attached to these minutes and incorporated herein by reference.

Mayor Dominick asked Ms. Rupp about the job creation statistics shown in the agenda packet materials, inquiring if the jobs were located in the City of Westminster. Ms. Rupp replied that one job at a local tech company was filled by a student from Frederick, Maryland who had participated in Capture the Flag. The second job was filled by an individual who transitioned from a non-tech occupation to a position with a local tech company.

Councilmember Becker encouraged her colleagues to attend MAGIC's Capture of the Flag event on April 13, 2019.

President Pro Tempore Pecoraro asked Ms. Rupp whether she had the opportunity during the last quarter to market the Westminster Fiber Network. Ms. Rupp replied that there was not an opportunity to do so at the meetings she had attended; however, the Capture the Flag events draw attention to Westminster from those outside the City. She added that multiple tech companies volunteer for MAGIC events, which draws further attention to the Westminster Fiber Network.

President Pro Tempore Pecoraro asked Ms. Rupp how MAGIC promotes the Westminster Fiber Network during its events. Ms. Rupp replied that MAGIC shares that the events are taking place through the use of the Westminster Fiber Network.

Proposed FY 2020 Budget

Ms. Matthews began her presentation by thanking the City's department directors for their assistance throughout the budget process. She then expressed her appreciation to Ms. Palmer, adding that Ms. Palmer had worked many evenings and weekends on budget-related matters.

Ms. Matthews stated that the City's new fiscal year will commence on July 1, 2019. In accordance with Article II of the Charter of the City of Westminster, she prepared a proposed budget for the Common

Council's consideration. A copy of Ms. Matthews's presentation is attached to these minutes and incorporated herein by reference.

Ms. Matthews stated that City staff met with the Finance Committee, which consists of Mayor Dominick, Councilmember Pecoraro, and President Wack, on three separate occasions during the budget development process. She thanked the Committee for their guidance and direction.

Ms. Matthews noted that a work session would be held following her presentation, which would provide the Mayor and Common Council with the opportunity to discuss the proposed budget for FY 2020 budget.

Ms. Matthews concluded her presentation by outlining the remaining steps in the FY 2020 budget process, as summarized below.

April 5, 2019

- Budget Work Session #1

April 11, 2019

- Presentation of Proposed Capital Improvement Program to Planning and Zoning Commission

April 24, 2019

- Constant Yield Tax Rate Public Hearing
- Budget Public Hearing #1
- Budget Work Session #2
- Introduction of Budget Adoption Ordinance

May 13, 2019

- Budget Public Hearing #2
- Adoption of Budget Ordinance

PUBLIC HEARING

Westminster Public Housing Agency's FFY 2019 Annual Plan and Administrative Plan

Mayor Dominick conducted a public hearing regarding the Westminster Public Housing Agency's Federal Fiscal Year (FFY) 2019 Annual Plan and Administrative Plan. Ms. Matthews, on behalf of Director of Housing Services Valenzisi, stated that the Public Housing Plan (PHA) is a comprehensive guide to a PHA's policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the Five-Year Plan and the Annual Plan and Administrative Plan, both of which are submitted to the U.S. Department of Housing and Urban Development (HUD).

Ms. Matthews then summarized the proposed changes to the FFY 2019 Annual Plan and Administrative Plan.

Chapter 4 – Establishing Preferences and Maintaining the Waiting List

Staff removed the reference to the pilot program that would allow a homeless admission preference on the Housing Choice Voucher waiting list for a limited amount of vouchers. The City of Westminster has been working with the Continuum of Care, a local homeless shelter, and the Carroll County Housing Office to address local housing needs identified by the community. This pilot program is no longer in effect; therefore, it has been removed from the draft Administrative Plan.

Chapter 20 - Family Self Sufficiency

The Family Self Sufficiency (FSS) program was a program that encouraged Housing Choice voucher participants to identify short- term and long-term goals. The goals were

intended to reduce the rental subsidy and aid them in the path of independent living. The City is no longer grant funded for the Family Self Sufficiency program and has fulfilled the HUD requirement to have 25 families graduate from the FSS program. Therefore, this Chapter was deleted in the draft Plan.

Chapter 21 – Homeownership Voucher Program

The Housing Choice Voucher program was interwoven with the FSS program. A FSS participant may have chosen “Housing Choice Voucher Homeownership” as a goal. This would have allowed the participant to receive housing assistance payments to a mortgage lender, instead of a landlord. This would only occur once the participant joined the FSS program; worked on the short-term and long-term goals; improved his/her credit score, becoming credit worthy; and, found a suitable and affordable home and lender. With the removal of the FSS program, the reference to the Homeownership Voucher Program has been removed.

Chapter 12 – Re-certification

A participant on the HCV program is required to report changes in income and family composition, in writing, within seven days of the occurrence. Income changes that occur in between the annual re-certification are called interim re-certifications. A participant is still required to report the changes in writing within seven days in the case of an interim re-certification, but the method by which the changes are processed have changed. Previously, no changes were made to the program participant’s rent portion if the income change was \$300.00 or less annually. The proposed plan increases that amount to \$500.00 annually. The higher income change limit would allow the participant and his/her family to pay less of a rental portion. It would also reduce the administrative burden on the staff by not requiring an interim re-certification in some instances.

Ms. Matthews noted that the Housing Services’ staff sought public input on the proposed changes to the FFY 2019 Annual Plan and Administrative Plan, although not required to do so. She stated that Advisory Board members were comprised of randomly chosen participants in the City’s Housing Choice Voucher Program. Staff invited the members to a meeting to offer their comments; those who were unable to attend the meeting were provided the opportunity to email their comments. Ms. Matthews noted that the comments received were included in the agenda packet.

Ms. Matthews noted that the Mayor and Common Council would have the opportunity later in the meeting to approve the proposed changes to the FFY 2019 Annual Plan and Administrative Plan. If approved, staff would submit the modified Plan to the HUD Field Office in Baltimore.

With no additional comments, Mayor Dominick closed the public hearing at 8:21 p.m.

CONSENT AGENDA

President Pro Tempore Pecoraro requested a motion to approve the Consent Calendar, which consisted of one item – the approval of a contract for independent audit and financial reporting services with Rager Lehman Houck CPAs & Business Advisors LLC.

Councilmember Chiavacci moved, seconded by Councilmember Becker, to approve the Consent Calendar, as presented.

VOTE

AYES: President Pro Tempore Pecoraro, Councilmember Becker, Councilmember Chiavacci, and Councilmember Yingling.

NAYS: None.

REPORT FROM THE MAYOR

Mayor Dominick stated that he was looking forward to the upcoming City special event/stroll season, adding that the events had become part of City of Westminster's identity.

REPORTS FROM STANDING COMMITTEES

Councilmember Becker, on behalf of the Arts Council, reported that the Carroll Arts Council's PEEPshow event would get underway on April 12, 2019.

President Pro Tempore Pecoraro, on behalf of the Economic and Community Development Committee, stated that the City's special events were an important part of Westminster's economic development efforts.

President Pro Tempore Pecoraro, on behalf of the Finance Committee, reported that the Committee had several meetings with staff regarding the FY 2020 budget.

President Pro Tempore Pecoraro stated there was no Personnel Committee report.

Councilmember Chiavacci, on behalf of the Public Safety Committee, reported that Chief Ledwell was moving forward with a reorganization of the Police Department. He noted that the Mayor and Common Council had received positive feedback from the community about the increased level of patrol downtown and community engagement initiatives such as the recent Coffee with a Cop event held at the Carroll County Public Library. Councilmember Chiavacci then reported that the Westminster Public Safety Advisory Council would hold its next meeting on April 17, 2019; at the meeting, Chief Ledwell would share his vision for the Police Department.

Councilmember Yingling, on behalf the of Public Works Committee, reported that City staff, the City's lobbyist, and representatives from WATEK would be meeting with Maryland Department of the Environment staff on April 18, 2019. At the meeting, the parties would discuss the City's water re-use initiative and how to move the project forward to the pilot stage.

Councilmember Yingling informed his colleagues that he recently met with Senator Ben Cardin and raised the subject of the City's water re-use initiative. He noted that Senator Cardin is a member of the Committee on the Environment and Public Works.

Councilmember Yingling stated that an important part of the City's water re-use initiative is the public information/education piece. He asked his colleagues for their feedback on how to expedite securing these services.

Councilmember Chiavacci inquired if the City had researched how other municipalities addressed public information/education for their water re-use projects. Councilmember Yingling responded that he and staff recently participated in a webinar that provided beneficial information on approaches that others have used.

Councilmember Chiavacci expressed his appreciation to the Governor and the Secretary of the Maryland Department of the Environment for their support of the City's water re-use initiative. He expressed concern that the project would not be successful without community support; therefore, a comprehensive public information/education strategy was needed.

President Pro Tempore Pecoraro inquired about the process for identifying a communications firm to assist the City. Ms. Matthews responded that the City would most likely need to issue a Request for Proposals, solely focused on communication services associated with the water re-use initiative. She added that the firm suggested by the City's lobbyist did not have an existing contract on which the City could ride. Ms. Matthews informed the Mayor and Common Council that she had contacted the Director of Procurement for the City of Rockville to identify any ridable contracts; its Director of Procurement

recommended researching available contracts on eMaryland Marketplace. Ms. Matthews stated that she had been unable to conduct the research to date because of the FY 2020 budget process, but would prioritize this task. She added that the April 18, 2019 meeting with the Maryland Department of the Environment would provide the needed scope of services for both WATEK and the public information/education component of the City's water re-use initiative.

Councilmember Yingling inquired about subcontracting the needed communication services through WATEK. Ms. Matthews responded that the proposed contract with WATEK without bidding was achievable because the services qualified as a sole source procurement. She added that the required communication services were readily available and that it would be inappropriate in her opinion to obtain them without a competitive bid process. Ms. Matthews explained that governmental procurement processes are structured to provide transparency and open competition, unless special circumstances dictate otherwise.

President Pro Tempore Pecoraro requested that staff determine the best way to move forward and update the Mayor and Common Council thereafter.

COUNCIL COMMENTS AND DISCUSSION

None.

ORDINANCES & RESOLUTIONS

Ordinance No. 911

Ms. Levan stated that Councilmember Pecoraro and Councilmember Becker asked her to prepare an ordinance to address the proliferation of single-use plastic bags in the environment. She stated that local governments addressed this concern in one of two primary ways – by banning the bags or taxing their distribution.

Ms. Levan indicated that Montgomery County imposes a \$.05 tax, but that her research indicated that municipalities do not have taxation power for this purpose. She advised that the Common Council has the authority to enact a ban on the distribution of these types of plastic bags in connection with retail transactions. Chestertown and Takoma Park both handle it in this manner. Their ordinances are similar in substance, but not identical in form, to the proposal set forth in proposed Ordinance No. 911.

Ms. Levan noted that Ordinance No. 911 would add a new Chapter to the City Code. The ordinance does not include the chapter number, as the City's code publisher would have to provide them. She summarized the various provisions of the proposal and highlighted certain specifics that she thought Council should consider carefully, including the question of whether to make it unlawful for retailers to possess the unlawful bags. In addition, the proposal for Ordinance No. 911 includes compostable bags, but not biodegradable bags. Compostable bags require oxygen to disintegrate and do not break down very quickly when deposited in a landfill, but Ms. Levan understands that not to be the case with biodegradable bags.

President Pro Tempore Pecoraro stated that introduction of the ordinance would allow the Mayor and Common Council to discuss the matter. He commented that plastic bags had become a significant public hazard across the country. President Pro Tempore Pecoraro noted that the Carroll County Landfill is no longer accepting plastic bags for recycling because it does not have the equipment to handle the recycling of the bags. He added that Ordinance No. 911 provided for a one-year implementation timeframe so that businesses in the City could plan accordingly.

Councilmember Becker stated that the timing is right for banning plastic bags in the City. She then commented on the environmental damage caused by plastic bags, noting that whales were recently found dead with 88 pounds of plastic bags in their stomachs.

Councilmember Yingling stated that he would support the introduction of the ordinance, but that he would like to have feedback from the business community before adopting the legislation.

Mayor Dominick agreed with his colleagues that plastic bags are a problem, noting that he sees discarded bags along the main routes in the City. He expressed concern about the enforcement of any ban and how it would be achieved.

Councilmember Chiavacci asked Ms. Levan if a public hearing was required for Ordinance No. 911. Ms. Levan replied that a hearing was not required. The Mayor and Common Council agreed that a public hearing should be held to receive community feedback.

Councilmember Becker moved, seconded by Councilmember Chiavacci, to introduce Ordinance No. 911, as presented.

VOTE

AYES: President Pro Tempore Pecoraro, Councilmember Becker, Councilmember Chiavacci, and Councilmember Yingling.

NAYS: None.

Resolution No. 19-09

Ms. Levan stated that, on September 27, 2018, the Federal Communications Commission (FCC) issued a Declaratory Ruling and Third Report and Order in Accelerating Wireless/Wireline Broadband Deployment, also known as the Small Cell Preemption Order. This Order preempts any previous aesthetics requirements for SWF unless they are (1) reasonable; (2) no more burdensome than those applied to other types of infrastructure deployments; (3) objective; and (4) published in advance. The FCC Order's aesthetic requirements take effect by April 15, 2019. In an effort to comply with the Order's requirements and effective date, City staff prepared SWF Aesthetic Guidelines.

Ms. Levan recommended that the Mayor and Common Council adopt Resolution No. 19-09, adopting Small Wireless Facilities Aesthetic Guidelines.

The Mayor and Common Council thanked Ms. Levan for her work on this matter. They then asked Mr. Mackey and Mr. Glass if they had reviewed the proposed guidelines. Mr. Mackey replied that he had done so, and they appeared to be in line with what the City had previously adopted. Mr. Glass replied that he had sent his remarks to Ms. Levan for her review.

Councilmember Chiavacci moved, seconded by Councilmember Becker, to adopt Resolution No. 19-09, approving Small Wireless Facilities Design Guidelines.

VOTE

AYES: President Pro Tempore Pecoraro, Councilmember Becker, Councilmember Chiavacci, and Councilmember Yingling.

NAYS: None.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Westminster Public Housing Agency's FY 2020 Five-Year Plan and Administrative Plan

President Pro Tempore Pecoraro requested a motion to authorize the proposed changes to the Westminster Public Housing Agency's FFY 2019 Annual Plan and Administrative Plan, as discussed during the public hearing earlier in the meeting.

Councilmember Chiavacci moved, seconded by Councilmember Becker, to authorize changes to the Westminster Public Housing Agency's FFY2019 Annual Plan and Administrative Plan, as presented.

VOTE

AYES: President Pro Tempore Pecoraro, Councilmember Becker, Councilmember Chiavacci, and Councilmember Yingling.

NAYS: None.

Annual Review of Automated Enforcement Program (Year 9)

The Westminster Police Department initiated its Automated Enforcement Program (AEP) at two intersections in the City on March 15, 2010. When the AEP was initiated, cameras were installed to monitor and capture red light violations for five traffic movements at the intersections of (1) Route 97/Malcolm Drive and Route 140 and (2) Route 97/Malcolm Drive and Nursery Road. In July 2012, the Common Council elected to continue the AEP at site 505 S/B Malcolm Drive (through lanes) at Nursery Road; it has remained in service since that time.

Chief Ledwell informed the Mayor and Common Council that 943 potential violations were captured at Site 505 in Year 9 of the AEP and forwarded by the vendor for law enforcement review. Of these potential violations, 917 violations were approved for the issuance of citations.

Chief Ledwell informed the Mayor and Common Council that there were six investigated crashes between March 15, 2018 and March 14, 2019. Of these, four did not involve red-light running, which is what the camera monitors. He stated that a comparison of crash data for the three years prior to implementing Site 505 AEP and since Site 505 AEP was put in place indicated a reduction in the number of crashes at the intersection. Red light violations have also decreased since the implementation of the AEP.

Chief Ledwell reported that this violator-funded traffic safety initiative continues to be self-sustaining at this location, with a net revenue in Year 9 of \$20,187.67; this figure factors in the imputed cost of staff time associated with administration of the AEP. He stated that one concern with the program is the "opportunity cost" of staff time spent administering this program.

Chief Ledwell recommended close monitoring the AEP over the next year to evaluate the overall cost/benefit of continuing this program based on the factors recommended.

The Mayor and Common Council unanimously agreed to continue operation of the AEP at Site 505 for another year.

DEPARTMENTAL REPORTS

Public Works Department

Mr. Glass reported that C.J. Miller had renewed work on the FY 2019 paving program, with work occurring in the location of Windsor Court and Johahn Drive in the Greens of Westminster. He also reported that the contractor for Phase 2 of the Inflow and Infiltration Project established construction entrances for the mitigation work, which has not yet commenced.

Recreation and Parks Department

Ms. Gruber reported that the Main Street Mile would be held on April 10, 2019, followed by the Easter Egg Hunt on April 13, 2019 and the Downtown Wine Stroll on April 14, 2019. Due to the forecasted inclement weather on April 14, staff had developed a rain plan for the Wine Stroll.

Finance and Administrative Services

Ms. Palmer reported that the loan for the ENR/Biosolids Project had closed. She noted that there were two separate bonds for the project – one in the amount of \$27,606,475 and the second for \$1,500,000. If the City complied with all requirements for the \$1,500,000 loan, the State would forgive the principal

amount. Ms. Palmer shared that the City qualified for a special discount on the larger loan as a result of raising its water and sewer rates.

Ms. Palmer then reported that she is in the process of filling several staffing vacancies.

The Finance Department provided data to the consultant retained by the City to conduct a stormwater utility feasibility study.

Ms. Palmer then stated that the City was acquiring new meter reading software, which would shift work from the Utility Maintenance Department to the Finance Department.

The City will likely see some changes in its banking arrangement due to Suntrust's merger with BB&T Bank.

Ms. Palmer concluded her report by informing the Mayor and Common Council that she has not yet resolved the final piece of the FY 2018 audit, which involves the filing of the REAC report with the U. S. Department of Housing and Urban Development.

Westminster Police Department

Chief Ledwell reported that he had completed several internal promotional processes. As noted by Councilmember Chivacci, the Police Department recently held a Coffee with a Cop event at the Carroll County Public Library. The purpose of the event was for members of the community to get to know the police officers and interact with them, and similar events are planned for the future.

Chief Ledwell informed the Mayor and Common Council that Police Department staff was now attending Carroll County Sheriff's Office operational and jail intel meetings to exchange both crime and investigation information.

Chief Ledwell shared that Lieutenant Nikki Heuer recently attended training on the use of social media in law enforcement. The Police Department had begun to implement ideas from the training.

Community Planning and Zoning Department

Mr. Mackey reported that the Planning and Zoning Commission would hold a public hearing regarding the second local map amendment related to the West End School Place project. He noted that the purchase agreement between the City and Family Children's Services (FCS) allowed FCS to go through the various approval processes prior to purchasing the property, up to the issuance of a building permit.

Mr. Mackey noted that the Board of Zoning Appeals would review requested sign variances for WAWA and 7-11, both located on MD 140. The Tree Commission's Arbor Day celebration would take place on April 20, 2019 at Belle Grove Square.

Mr. Mackey concluded his report by informing the Mayor and Common Council that staff had advertised two public hearings for their regular meeting on May 13, 2019. The hearings concerned Ordinance No. 907, which would prohibit boarding and rooming houses in all zones from and after January 1, 2026, and Ordinance No. 910, which would add places of worship as permitted uses in the N-C Neighborhood Commercial Zone.

Westminster Volunteer Fire Department

Ms. Petry provided the Mayor and Common Council with the monthly report for the Westminster Volunteer Fire Department (WVFD). She reported that the WVFD responded to 492 calls during the month of March, consisting of 71 fire calls and 421 EMS calls. Of these, 293 calls were within the City limits. Year-to-date, WVFD had responded to 245 fire calls and 1,287 EMS calls.

Ms. Petry thanked the Mayor and Common Council for their continued support. She stated that the department did not have a date when it would receive the new fire engine; it was currently in the process of being detailed and having equipment installed. Ms. Petry informed the Mayor and Common Council that the new ladder truck was in the pre-engineering stage. She stated that the WVFD was participating in the Statewide Recruitment and Retention Day on April 14, 2019.

Ms. Petry stated that the WVFD would like to hold its open house in conjunction with the Oyster Stroll as it did in 2018. The Mayor and Common Council expressed their support for doing so.

CITIZEN COMMENTS

None.

The Mayor and Common Council took a brief break before holding the work session on the proposed FY 2020 budget.

NEW BUSINESS - CONTINUED

Proposed FY 2020 Budget – Work Session #1

Ms. Matthews stated that the work session would focus on three aspects of the FY 2020 budget proposal:

- Fiber Fund revenues and expenditures, including underlying assumptions;
- Water Fund revenues and expenditures, including proposed capital expenditures; and,
- Sewer Fund revenues and expenditures, with an update on the Inflow and Infiltration Project.

Copies of staff's presentations regarding these matters are attached to these minutes and incorporated herein by reference.

Following Ms. Palmer's presentation regarding the Fiber Fund budget for FY 2020, Councilmember Yingling asked for clarification regarding the refinancing of the fiber loan. Ms. Palmer provided background information on the current loan, sharing that the City received only two bids because of the uncertainty associated with the project. She noted that the City always envisioned refinancing the loan to a fixed rate upon the completion of construction. Ms. Palmer shared that she and Ms. Matthews were in discussions with the State regarding possible refinancing available through a State program. She noted that the State program's rates would reflect current market rates, similar to those of the current variable rate arrangement; however, the State program would offer more certainty due to the fixed interest rate. Ms. Palmer informed the Mayor and Common Council that the State also had a community broadband grant program, which staff hoped to access for debt relief.

Ms. Palmer and Ms. Matthews shared that they had a conference call on April 5, 2019 with State officials regarding a possible refinancing of the loan. Staff will meet with State officials the week of April 15, 2019 to discuss both the refinancing and the State grant program.

Councilmember Yingling expressed concern regarding the General Fund subsidy required in FY 2019 and again in FY 2020 to balance the Fiber Fund, inquiring when the fiber project would be self-sufficient. President Pro Tempore Pecoraro informed Councilmember Yingling that a 20% take rate was assumed to cover debt service.

Ms. Palmer informed the Mayor and Common Council that the study conducted prior to the commencement of construction had assumed a much higher number of premises than actually existed in the City. Additionally, there are operational expenses other than debt service. Ms. Palmer stated that Ting Internet is projecting a 50% take rate in five years.

President Pro Tempore Pecoraro noted that many potential subscribers are waiting for the television package before becoming Ting subscribers. Once it becomes available, he believes Ting will see an uptick in subscribers.

Ms. Palmer noted that the City had not drawn down the full \$21.0 million due to a change in approach regarding the installation of drops. The City installed drops in Phases 1 and 2 upon execution of an access agreement, even if the property owner was not a Ting subscriber. The City altered its approach in Phases 3 and 4, requiring that the owner sign up for service from Ting before receiving a drop connection.

Following Ms. Palmer's presentation on the proposed budgets for the Water and Sewer Funds, Mr. Glass shared information on the water and sewer capital projects to be undertaken in FY 2020. These included completion of the Gesell Well Stream Rehabilitation Project, continued work on the ENR/Biosolids Project, and the Sewer System Rehabilitation Inflow and Infiltration Project.

During his report, Mr. Glass also provided a status update on efforts to increase the amount of allocatable water from Medford Quarry. He informed the Mayor and Common Council that Maryland Department of Environment (MDE) staff had raised certain issues. Additionally, the quarry owner wanted to modify the agreement with the City, proposing that the City share or reimburse the owner for operational costs. Mr. Glass stated that additional testing would be performed on April 15, 2019.

Ms. Matthews informed the Mayor and Common Council that the second and final work session on the FY 2020 budget proposal would be held at the Special Mayor and Common Council meeting on April 24, 2019. She noted that the meeting had been rescheduled from April 22, 2019, which fell on an observed City holiday. Ms. Matthews stated that the second budget work session would focus on the Capital Projects Fund and other topics as desired by the Mayor and Common Council.

President Pro Tempore Pecoraro shared with his colleagues that the Finance Committee had extensive discussions with Ms. Matthews and Ms. Palmer during the development of the FY 2020 budget that as presented earlier in the meeting.

Councilmember Chiavacci inquired if the increased cost of \$160,000 for worker's compensation insurance impacted only the General Fund or if the increase would be spread across all funds. Ms. Matthews responded that the cost would be spread across all funds, as the premium was tied to individual employee's salary allocation.

Councilmember Chiavacci then asked about the implementation of the Compensation and Classification Study results. Ms. Matthews stated that the cost of fully implementing the Study results was in the range of \$700,000 - \$800,000. As this was not financially feasible, the City decided to implement the results over a three-year period. The City implemented Phase 1 in FY 2019; this entailed adoption of a new salary structure and bringing employee salaries up to the minimum of the new salary range. In Phases 2 and 3, the City would begin to address salary compression issues. Ms. Matthews stated that the Phase 3 cost would be similar to that in FY 2020.

Councilmember Chiavacci noted that the City's net assessable base was projected to increase by 3.9%. He inquired how much additional revenue the City would receive as a result. Ms. Palmer replied that the City would receive an additional \$465,303 in real property tax revenue in FY 2020.

The Mayor and Common Council inquired about the payment from Carroll County in accordance with the Town/County Agreement. Ms. Palmer replied that the City would receive \$1,065,406 in FY 2020, an increase of approximately \$20,000. This is the amount of the overlapping services grant, not the net payment from the County. The net payment includes the Overlapping Services, Road Grant (\$12,655) and deductions for the NPDES amount (\$38,780) and Stormwater (\$198,497).

Councilmember Chiavacci commented on the proposed elimination of a Recreation and Parks Department position upon the employee's retirement in the fall, asking how that employee's duties would be addressed. Ms. Gruber stated that the position is classified as a Recreation Assistant III; the staff member works 35 hours per week. She informed the Mayor and Common Council that other staff members would assume this position's duties, adding that her department is working to build a volunteer corps to assist with special events.

Councilmember Chiavacci asked about the cost of replacing the Carroll Arts Center's HVAC system. Ms. Matthews stated that the projected cost is \$150,000. Per the lease agreement between the City of Westminster and Carroll Arts Center, the City is responsible for the building's infrastructure.

Councilmember Chiavacci then commented on increasing the cost of Family Center memberships and other Recreation and Parks programming, noting that cost recovery was not a goal for other City departments. President Pro Tempore Pecoraro shared that the Finance Committee had discussed this issue at great length. Committee members acknowledged the outstanding work done by the Recreation and Parks Department in its deliberations and felt that it was important to have a greater degree of cost recovery in order to continue the current level of programming. Towards that end, the Committee endorsed the idea of periodically adjusting pricing and minimizing the use of discounted memberships and fees.

Mayor Dominick noted that 60% of Family Center members are not City residents and, therefore, do not pay City taxes. He added that the Family Center is in direct competition with private businesses and, therefore, expecting the operation to cover its costs is a reasonable expectation. Mayor Dominick stated that Recreation and Parks programming, including the City's special events, are important quality of life services.

Ms. Matthews noted that the City had not increased the cost of Family Center and pool memberships in at least six years. Councilmember Chiavacci commented that it was reasonable to increase fees due to the higher cost of operating these facilities.

Councilmember Chiavacci inquired about the County septage facility. Mr. Glass responded that all costs are passed through to the County. The Mayor and Common Council discussed whether the City should charge a premium for allowing the County to operate its facility on City-owned property.

Councilmember Yingling stated that he was interested in the worker's compensation insurance aspect of the FY 2020 budget. He informed his colleagues that he and City staff would be meeting with the City's current broker in the near future. Councilmember Yingling recommended that the City explore other options, adding that many carriers would not insure entities with police departments.

Mayor Dominick commented that he found staff's discussions with the Finance Committee to be very helpful in crafting the proposed FY 2020 budget; the Committee worked through a number of issues over the course of its three meetings. President Pro Tempore Pecoraro noted that the Committee was in agreement on virtually all policy decisions.

Councilmember Chiavacci thanked Ms. Matthews and Ms. Palmer for their work on the FY 2020 budget. He noted that the FY 2020 budget reflects that the City's financial resources are more constrained than in the past.

Ms. Matthews asked the Mayor and Common Council to inform her of any issues they would like to discuss during the second and final budget work session on April 24, 2019. At this juncture, staff planned to focus on the Capital Projects Fund.

ADJOURNMENT

President Pro Tempore Pecoraro adjourned the meeting at 10:04 p.m.

Respectfully Submitted,

Shannon Visocky, City Clerk

Full audio version is available on www.westminstermd.gov