

**CITY OF WESTMINSTER, MARYLAND
MAYOR AND COMMON COUNCIL MEETING
MAY 24, 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 May 24, 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 City Attorney Levan were present. Director of Planning, Zoning, and Development Beyard and Director of Recreation and Parks Schroers were excused from attending.

Mayor Utz read a Mayoral Proclamation for the 2010 Carroll County Law Enforcement Torch Run for Special Olympics on June 9, 2010. Chief Spaulding explained that from June 7th to the 11th, law enforcement officials from around Maryland will be carrying the Special Olympics Flame of Hope around the State. All the torches will converge at Towson University on June 11th and will be carried into the opening ceremony for the Maryland Special Olympics Summer Games. He stated that last year, law enforcement in the State raised \$3.6M for Special Olympics.

MINUTES:

Upon motion of Dr. Wack, seconded by Mr. Chiavacci and unanimously passed, the minutes of the meeting of April 26, 2010 were approved.

CONSENT CALENDAR:

Dr. Wack moved to approve the Consent Calendar, which consisted of the approval of the Intergovernmental Cable Agreement and the County Vehicle Maintenance Contract. Mr. Chiavacci seconded the motion and it passed unanimously.

REPORTS FROM STANDING COMMITTEES:

Mr. Chiavacci reported that the ribbon-cutting ceremony for the David S. Babylon Community Building was held on Thursday, May 20th. He explained that the project was funded by private donations and grants.

ORDINANCES & RESOLUTIONS:

President Halstad summarized Ordinance No. 811 – Amendment of Fee Schedule. He explained that as of July 1, 2010, the City of Westminster Family Center will be changing their enrollment fees for city and county residents. Dr. Wack motioned to waive the rules of order and procedure to introduce Ordinance No. 811 – Amendment of

Fee Schedule. Mr. Pecoraro seconded and the motion was passed unanimously. Mr. Chiavacci motioned to adopt Ordinance No. 811 – Amendment of Fee Schedule. Mrs. Albert seconded and the motion passed unanimously.

Mr. Ehlers summarized the three sections of Ordinance No. 812 – Levy of Taxes for Fiscal Year 2011. He stated that first section describes the rates of the real and property taxes for FY2011, which reflect the \$0.14 increase. He explained that the second and third sections are special taxes for light and water and the Westminster Volunteer Fire Department and do not reflect any changes. Dr. Wack motioned to waive the rules of order and procedure to introduce Ordinance No. 812 – Levy of Taxes for Fiscal Year 2011. Mr. Chiavacci seconded and the motion passed 4-1 with Mrs. Albert opposing.

President Halstad explained that the adoption of Resolution No. 10-3 – Dedication of Tax Revenues to Capital Improvement Projects – finalize the City's commitment and intent to devote all revenues of the tax increase of fourteen cents (\$0.14) per one hundred dollars (\$100) of assessed property value, adopted as a consequence of Ordinance No. 812, be used solely and exclusively to expenditures for urgently needed capital improvements, and that no part of the revenue derived from such incremental property tax increase shall be devoted to the City's General Fund for day-to-day operational activities. Mr. Chiavacci motioned to adopt Resolution No. 10-3 – Dedication of Tax Revenues to Capital Improvement Projects. Dr. Wack seconded and the motion passed 4-1 with Mrs. Albert abstaining.

UNFINISHED BUSINESS:

Ms. Wolf explained the changes that were made to the budget. She stated that the first thing that was added was the \$2,574,979 tax increase revenue. She said the Rental Licensing Program for \$75,000 in revenues was eliminated. Ms. Wolf stated that in response to the Common Council's request, an additional \$25,000 was reduced from the budget. She explained that the reduction was made in the Public Works budget. She reported on the inclusion of the capital projects to be funded with the tax increase revenue and the revision of the projected carryover fund to reflect where the City will be at the end of FY2010. Ms. Wolf announced that an additional \$140,000 grant awarded from the State Community Parks and Playgrounds program was included. She explained that this will be a new capital project for Recreation and Park department and is to be used for the upgrading of the playground adjacent to the swimming pool. Finally, she stated that an award for Service Linked Housing of \$17,500, which is a pass-through grant, was included. She explained that once it comes in, the City will pass it to the County's Social Services Department. The City was originally told there would be no grant this coming year.

Dr. Wack pointed out the significant decrease in costs for the street overlay program in 2015 and 2016 and questioned if those numbers are for the maintenance program or would the City still be dealing with backlog at that point. Mr. Glass explained that while some will be backlog, more of it would be a maintenance program. Dr. Wack expressed his interest in seeing those numbers come down even more.

Ms. Wolf explained that those figures are constantly revised as work is done. She clarified that should the City find streets that are in better condition than expected, the numbers will go down.

Mr. Ehlers summarized the revision to the Financial Policies. He explained that a dividend was incorporated into the design of water/sewer rate structure study that was built a couple of years ago. If everything performs as it should, the Council has the ability to declare a dividend which is derived from the County resident revenue portion of the consumption, which was targeted at about \$500,000 a year.

Dr. Wack motioned to approve the Operating Budget for FY2011, the CIP for FY2011 – FY2016, and the Revised Financial Policies. Mr. Chiavacci seconded and the motion passed 4-1 with Mrs. Albert abstaining.

NEW BUSINESS:

Mr. Halstad announced, per a memo from the City Administrator, that the City finally has an Agreement with the County for the construction and water sharing of the Gesell Well.

Mr. Glass summarized approval of the Well Construction and Water Sharing Agreement will provide the City with a permanent easement for a well, pipeline, treatment building, and access to the property. He explained that in exchange for that, the City will agree to add the Bramble Hills subdivision of 14 houses to the City's water system. These properties are not to be charged impact fees for connection and they will pay City rates for water. Another requirement of the Agreement is that the new growth water from the Gesell Well will go to the anticipated projects, exhibited in the Agreement, of the County and City, as well as a reserve for economic development projects.

Mr. Halstad pointed out that the memo states that the City does not expect much new water before 2015.

Ms. Wolf explained that the Gesell Well will be the first time the City will have water that will not go directly towards the drought deficit that the City is still working off. The well will take the City out of the deficit and there is the potential that there will be water available to allocate. Ms. Wolf recommended, per her memo, that, pending a final review by the City Attorney, the Mayor and Common Council approve the Well Construction and Water Sharing Agreement. Mr. Pecoraro motioned to approve the Agreement. Dr. Wack seconded and the motion passed unanimously.

DEPARTMENT REPORTS:

Ms. Wolf reported that the Downtown Westminster Main Street Program received the 2010 Main Street Maryland Excellence Award for Design. She stated that the City was awarded this in recognition of the façade improvement program and the improvement the City made to Locust Lane. Ms. Wolf also reported on changes that are being made

to the City's delivery of services. She stated that a client services request system will be implemented on July 1st. She explained that residents will be able to make a request for service online. All requests will come in directly to the 56 West Main Street offices instead of the Public Works department. She also explained that the bulk trash removal system will be modified so that it is an every other week activity. The residents no longer need to call in and request a pick-up. She announced the following bulk trash removal schedule:

Every other Monday	Brush
Every other Tuesday	Metal
Every other Thursday	Bulk trash pick-up East of MD-31
Every other Friday	Bulk trash pick-up West of MD-31

* Yard waste will continue to be removed on a weekly basis.

Finally, Ms. Wolf reported that the Arts & Cultural Task Force completed their work and they are expected to have a presentation and report to the Mayor and Common Council at the June 14th meeting.

President and C.E.O. of the Westminster Fire and Hose Company No. 1 Bob Cumberland commented on the death of volunteer firefighter and former City employee, Scott Jeznach. He stated that the company flag will fly at half-mast in his honor. He announced that a memorial service will be held at the fire hall on Thursday, May 27th at 5:00 pm. Mr. Cumberland reported that due to lack of funding and lack of volunteers, the department might possibly have a reduction in their services. The department has certain standard that they have to meet in order to put apparatus on the street. Finally, he reported that a 20' x 40' storage facility will be erected on the department's property to meet the requirements of OSHA's workplace safety policy.

CITIZEN COMMENTS:

Linda Stallcup of 365 Fitzway Drive expressed her concerns with the \$0.14 tax increase in that it is more money out of her pocket and her kids will have to do without. Ms. Stallcup feels that the \$80,000 allocated for the curbs and gutter on Fitzhugh Avenue is not needed; the work does not need to be done.

Joseph Weber of 471 Palatial Park Drive thanked the Mayor and Common Council for all their time and effort; however, he questioned someone was not able to come up with a way to produce more revenue such as fundraisers or raffles. He stated that he was unaware of any other municipalities who have raised taxes during the recession. Mr. Weber feels that the increase will be a big strain on citizen's pockets. He suggested that each Director take a \$10,000 pay cut to save the City \$50,000. He also suggested that the Police department's take-home vehicle policy should be eliminated completely, which would save money on gas and cause less wear and tear on the vehicles. Mr. Weber continued by saying that 30% of homes nationwide are either behind in payment or in the process of being foreclosed. He questioned how they were going to pay with

the taxes having been raised if they can't pay now.

Mayor Utz explained to Mr. Weber that the City of Westminster's taxing authority is very limited and everything has to be approved by the State of Maryland. He stated that the volunteer organizations that the City supports have asked for fundraising methods, but have been denied by the state delegates.

Nelson Izquierdo of 708 Charingworth Court stated that there are three houses on his street that have been foreclosed upon and the increase in property tax is not going to get those houses sold any faster. He stated that the City of Westminster is already one of the top five places in Maryland with the highest taxes.

Dr. Wack clarified that the City does not control the County's tax rate and that the City does not gain any benefit from their tax revenue. He continued to explain that the property taxes paid by citizens of Carroll County from the City of Westminster is approximately \$17M which goes out of the City to the County, but only \$800,000 comes back to the City in form of aid from the County.

Mr. Pecoraro expanded by stating that the State of Maryland expects the County to have some payment back to the municipalities to ease the double taxation, but there is no law that requires it. He explained that the County provides very few services countywide, but with the lack of industrial tax base throughout the County, the residents carry most of the burden with the high tax rate. The City does provide a lot of services that must be paid for without help from the County. He stated that there are very few options left and doing nothing is not an option for each year.

Donna Izquierdo of 708 Charingworth Court stated that a 32% increase is more than anyone gets in a pay raise. She questioned why it has to be done all at once; nothing else goes up where you have to pay an immediate 32% increase.

Mr. Pecoraro stated that fuel prices have doubled over time.

Mrs. Izquierdo agreed with Mr. Pecoraro, but also countered that fuel prices have gone down whereas tax reductions are rarely seen.

Mr. Pecoraro explained that the City of Westminster reduced taxes \$0.07 in 1991.

John Knauer of 38 East George Street explained that he is not a fan of the increase, but understands that the City is trying to stave off the decaying of the city. He questioned, however, that now that tax has been increased, will citizens ever see a decrease or have the capital projects been put off for too many years.

Mr. Pecoraro stated that they cannot promise a specific date, since that would be up to the future Mayor and Common Council, but, currently, the City is trying to move beyond the crisis of having to fix these things on to a reasonable maintenance budget that gets what is needed to maintain the City's infrastructure. He explained that there are rough

project ideas in the CIP of when the City might get there. He continued to say that over the next few of years, pending nothing unexpected or significantly worse shows up, the City hopes to get to that maintenance level. It could happen sooner or it might take longer, but it is unknown until the City starts milling the streets and finds out what is underneath.

Mr. Knauer questioned that if there is a surplus, where would that money go?

Dr. Wack responded by saying that the surplus would stay in the CIP and be a CIP reserve, and if there continues to be surplus and there is sufficient reserve to continue that program, then that is when the tax cut could possibly occur.

Mr. Chiavacci added that citizens have not been paying, in taxes, what they should have been for many years. He stated that this should have been an incremental process over the course of a number of years, but, unfortunately, the City has come to the realization that if it is not done now it will get exponentially worse. He explained that what is 32% now would become 60% in a year or two or even 100% in three to four years.

Dr. Wack explained that the City is in an \$18M hole with capital projects and the increase would generate \$2.5M a year. He continued to say that as the backlog is worked through, the City could possibly to start seeing some daylight.

Dan Hoff of 23 Park Avenue asked the Mayor and Common Council what has been done as far as bringing in a consultant to take a look at the operating budget in detail and make further suggestions. He also questioned how the City of Westminster compares to other municipalities and he recommended that the comparison be published on the City's website.

Dr. Wack responded that consultants have been used in the past, but they are very expensive. He stated that consultants were brought in a couple years ago to do the City's salary survey. It was found that the salary structure was completely a skewed. There were some people in some positions that were overpaid relative to other jobs at other municipalities, as well as many were underpaid. The City restructured the entire salary system, in terms of job titles, job description, and pay grades. He added that it increased the City's total cost base for employees' salaries. Dr. Wack explained that most of the information used to compare the City of Westminster to other municipalities is publicly available. He stated that in comparison with the ten municipalities on either side, by population, Westminster has one of the smallest police force and public works department per thousand citizens. He added that Westminster has one of the lowest, if not the lowest, expenditures per citizen.

Rick Blizzard of 113 Anchor Street stated that a few years ago, the City decided to beautify Main Street with a concrete cobblestone effect in pedestrian crosswalks. He continued by saying that after some time, the City discovered that those crosswalks did not work, so they were dug up and now the City is impressing the faux-brick

appearance on the street. Mr. Blizzard questioned why more research and quality inspections were not undergone on the cobblestone prior to construction, saving the City hundreds of thousands of dollars.

Mr. Glass responded that the design had been suggested by the State of Maryland. He stated that the look was attractive and also approved by the State. The City was under the impression that the concrete would last longer than the brick.

Connie Simmons of 373 Old New Windsor Pike explained that while she appreciates the situation for the Mayor and Common Council, she asked how the citizens will be able to afford the improvements to the streets when they cannot afford to make improvements to their own houses. She expressed how much she loves the City, but she is concerned with the growing problem of people loitering on the sidewalks of Main Street. She also stated that as the taxes increase, more people are going to leave the City and the houses are going to go down even more in value. She explained that the house next to hers has been foreclosed upon and that due to the knee-high grass and the pool breeding mosquitoes, the value of her home has decreased. She concluded by saying that she has friends in Eldersburg that have told her they would not move to downtown Westminster because they feel that Main Street is not a safe place to live.

Betty Kniskern of 52 Fitzhugh Avenue, a realtor, stated that it is hard to sell the City of Westminster when the taxes are increasing. She explained that it is a supply and demand situation in that the more properties sold, the more revenue increases. She feels the City is going to tax the businesses and citizens out of the area. Ms. Kniskern questioned whether or not the increase could have been done incrementally.

Dr. Wack explained that the property and resale values would still go down if every road ends up in as poor of a condition as Old New Windsor Road. He stated that the longer the City waits, the more expensive the repairs become.

Rose Blizzard of 113 Anchor Street recognized Mrs. Albert for being opposed to the tax increase and requested input from her.

Mrs. Albert responded that while she feels that there is going to be a time when an increase will be needed, now is not the right time because of the downturn of the economy and the response of the citizens in that they do not want it.

Ms. Blizzard noted that she appreciated Mrs. Albert's stand and feels that most of the citizens in the City would feel the same way. She stated that most people are living on a restricted budget. She explained that neither she nor her husband has received increases in pay and their IRA has decreased immensely. She asked the Mayor and Common Council how she is supposed to afford a 32% tax increase. She suggested that they look at the budget again and cut the \$100,000 salaries.

Mayor Utz clarified to Ms. Blizzard that Mrs. Albert abstained from the vote, she did not vote against it.

Ms. Blizzard continued to say that people cannot afford to live here. She explained that her youngest daughter and husband are living with them because they can afford to rent an apartment here and save money for a down payment on a house. She feels that there are more rental signs now than when she moved to Westminster twelve years ago.

President Halstad explained that the forces that are bearing down are larger than the City of Westminster. He stated that it is the national forces that are filtering down to the State, County, and Municipalities. He feels that when the recovery comes, those forces will kick in again, but until then, the City will have to take care of the streets.

ADJOURN:

Council President Halstad adjourned the meeting at 9:09 PM.

Respectfully Submitted,

Elizabeth L. Fahey