

Mayor and Council Work Session October 8, 2013 Agenda

*"Being the location of choice for a diverse and dynamic citizenry."
"Providing a proud and prosperous community."*

"I don't know the key to success, but the key to failure is trying to please everybody." Bill Cosby

4:00 PM WORK SESSION

1. [Property Maintenance Code Chapter 64 for Smoke Detectors](#)
- 4:15 PM 2. [Proposed Amendments to City Code Chapter 176, Peddlers and Transient Dealers](#)
- 4:30 PM 3. [City Center Holiday Parking Program](#)
- 4:35 PM 4. [Budget Discussion](#)
- 5:35 PM 5. [Vision and Mission Statement](#)

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:

Property Maintenance Code Chapter 64 for Smoke Detectors

Mayor and City Council Action Requested:

Review of draft update to Chapter 64, Property Maintenance Code, regarding smoke detectors, prior to introduction of the ordinance at a future regular meeting of the Mayor and City Council.

Discussion:

The State of Maryland has updated the Code requirements for smoke detectors. The proposed amendments to Chapter 64, Property Maintenance Code, update the City's regs to be consistent with the new State requirements.

Financial Impact:

Recommendation:

Approval.

Motion:

Action Dates:

October 8, 2013 - M&CC discussion
October 22 - Introduction of Ordinance (if ready)
November 26 - Adoption of Ordinance
December 26 - effective date

ATTACHMENTS:

Name:

 [Smoke Detector M-C.pdf](#)

Description:

City Code Revision for Property Maintenance Code Regarding Smoke Detectors



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development
Planning & Code Administration Division
301/739-8577, Ext 103

TO: Bruce Zimmerman, City Administrator

FROM: Kathleen A. Maher, Planning Director
Paul W. Fulk, Inspection Manager

DATE: September 24, 2013

SUBJECT: City Code Revision for Property Maintenance Code regarding Smoke Detectors

Planning and Code Administration staff and the City Attorney will be present at the October 8th Mayor and City Council work session to discuss proposed amendments to the City Code to revise Chapter 64, Article III, Property Maintenance Code. The purpose of these amendments is to update the City Code to reflect the results of changes in State standards, industry standards, and other factors.

Code Administration staff routinely address fire protection and prevention related to residential smoke alarms and smoke detectors in residential dwellings. The current code is inconsistent with the minimum standards currently adopted in the State of Maryland Fire Prevention Code.

The proposed amendments to this chapter will create new definitions for "interconnection", "smoke alarm", and "smoke detector" matching the State code. It will also add language about smoke alarm and smoke detector interconnection establishing a set date of when interconnection is required. Finally, the amendments will replace current sections of the City Code with new language detailing the smoke alarm and smoke detector power source for all one and two family dwellings.

If the Mayor and City Council are ready to move forward, staff anticipates having the ordinance introduced on October 22nd and adopted on November 26. It would become effective 30 days following adoption.

Attachments

c: Mark Boyer, City Attorney
Blaine Mowen, Chief Code Official
John Lestitian, Department of Community & Economic Development

CITY OF HAGERSTOWN, MARYLAND

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF HAGERSTOWN, CHAPTER 64, ATTACHMENT 3 THEREOF, ENTITLED *PROPERTY MAINTENANCE CODE*, TO UPDATE THE PROPERTY MAINTENANCE CODE FOR CONSISTENCY WITH STATE STANDARDS

RECITALS

WHEREAS, the City of Hagerstown has previously adopted property maintenance standards in Chapter 64, Article III of the Code of the City of Hagerstown; and

WHEREAS, the property maintenance standards are delineated in Attachment 3 thereof;

WHEREAS, as a result of changes in State standards, industry standards, and other factors, it becomes necessary from time to time to update the property maintenance standards contained therein; and

WHEREAS, the Mayor and Council find it to be in the best interests of the citizens of the City of Hagerstown to do so;

NOW, THEREFORE, BE IT RESOLVED, ENACTED AND ORDAINED by the Mayor and Council of the City of Hagerstown, Maryland as its duly constituted legislative body as follows:

SECTION 1. The Code of the City of Hagerstown, Chapter 64, Attachment 3, *Property Maintenance Code* is hereby amended to insert the following new definitions in Section 202, *General Definitions*:

“Interconnection. Activation of any one smoke alarm causes alarm activation of all other required smoke alarms within the unit.

Smoke Alarm. A single or multiple station device that detects visible or invisible products of combustion and includes a built-in internal alarm signal.

Smoke Detector. A system-connected smoke sensing device tied to a fire alarm control panel or a household fire warning panel.”

SECTION 2. Chapter 64, Attachment 3, *Property Maintenance Code*, is hereby amended by deleting and repealing Section 804.1 thereof.

SECTION 3. The Code of the City of Hagerstown, Chapter 64, Attachment 3, *Property Maintenance Code*, is hereby amended by adding thereto a new Section 804.1 and a new Section 804.2, to replace Section 804.1 hereinabove repealed, to read as follows:

“804.1 Interconnection. Where structures are built on or after January 1, 1989, interconnection of smoke alarms and smoke detectors shall be required.

Exception – Interconnection on a structure constructed prior to January 1, 1989 may be required by the Code Official if certain substandard aspects of the building warrant such a measure to protect public health, safety and welfare.

804.2 Maintenance. Smoke alarms and smoke detectors shall maintain interconnection within the unit.”

SECTION 4. The Code of the City of Hagerstown, Chapter 64, Attachment 3, *Property Maintenance Code*, is hereby amended by deleting and repealing Section 805.1 and Section 805.2 thereof.

SECTION 5. The Code of the City of Hagerstown, Chapter 64, Attachment 3, *Property Maintenance Code*, is hereby amended by adding thereto new Sections 805.1, 805.1.1, 805.1.2, and 805.1.3 to replace Sections 805.1 and 805.2 hereinabove repealed, to read as follows:

“805.1 Power Source. All one and two family dwellings shall be required to comply with requirements in 805.1.1 through 805.1.3.

805.1.1 Before 1975. Where structures are built before July 1, 1975, ten (10) year lithium battery powered smoke alarms shall be required.

805.1.2. Between 1975 and 1990. Where structures are built between July 1, 1975 and June 30, 1990, AC primary smoke alarms shall be required.

805.1.3. After 1990. Where structures are built on or after July 1, 1990, AC primary with battery backup smoke alarms shall be required.”

SECTION 6. This Ordinance shall become effective immediately upon the effective date of this enacting ordinance.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED that this Enacting Ordinance shall become effective at the expiration of thirty (30) calendar days following its approval.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF
THE CITY OF HAGERSTOWN, MD

Donna K. Spickler, City Clerk

BY: _____
David S. Gysberts, Mayor

Date of Introduction: October 22, 2013
Date of Passage: November 26, 2013
Effective Date: December 26, 2013

PREPARED BY:
NAIRN & BOYER, LLC
City Attorneys

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:

Proposed Amendments to City Code Chapter 176, Peddlers and Transient Dealers

Mayor and City Council Action Requested:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

Name:

Description:

 [Peddler.pdf](#)

Proposed Amendments to City Code Chapter 176, Peddlers and Transient Dealers



CITY OF HAGERSTOWN, MARYLAND

Donna K. Spickler
City Clerk

To: Bruce Zimmerman, City Administrator

From: Donna K. Spickler, City Clerk

Date: October 4, 2013

Re: Proposed Amendments to City Code Chapter 176, Peddlers and Transient Dealers

The Mayor and City Council considered proposed amendments to the City's Peddler and Transient Dealer regulations. As a follow up to the discussion, staff met with City Attorney, Mark Boyer to discuss the regulations for lemonade stands/snow cone stands, etc. and the distance restriction for vendors from businesses in permanent structures. As a result, staff recommends the following changes to the current Ordinance:

- Designating that operators of lemonade stands, snow cone stands, etc. are exempt from obtaining a license if the stand is conducted at the operator's residence and not more than 14 days per calendar year
- Establishing distance limitations of 100' from businesses in permanent structures within the Arts and Entertainment (A & E) District and 300' in all other areas of the City. Staff contacted the Downtown Alliance and they are supportive of the change, noting that it may create a livelier City Center and additional foot traffic. A diagram showing the 100' distance from restaurants in the A & E District is attached.

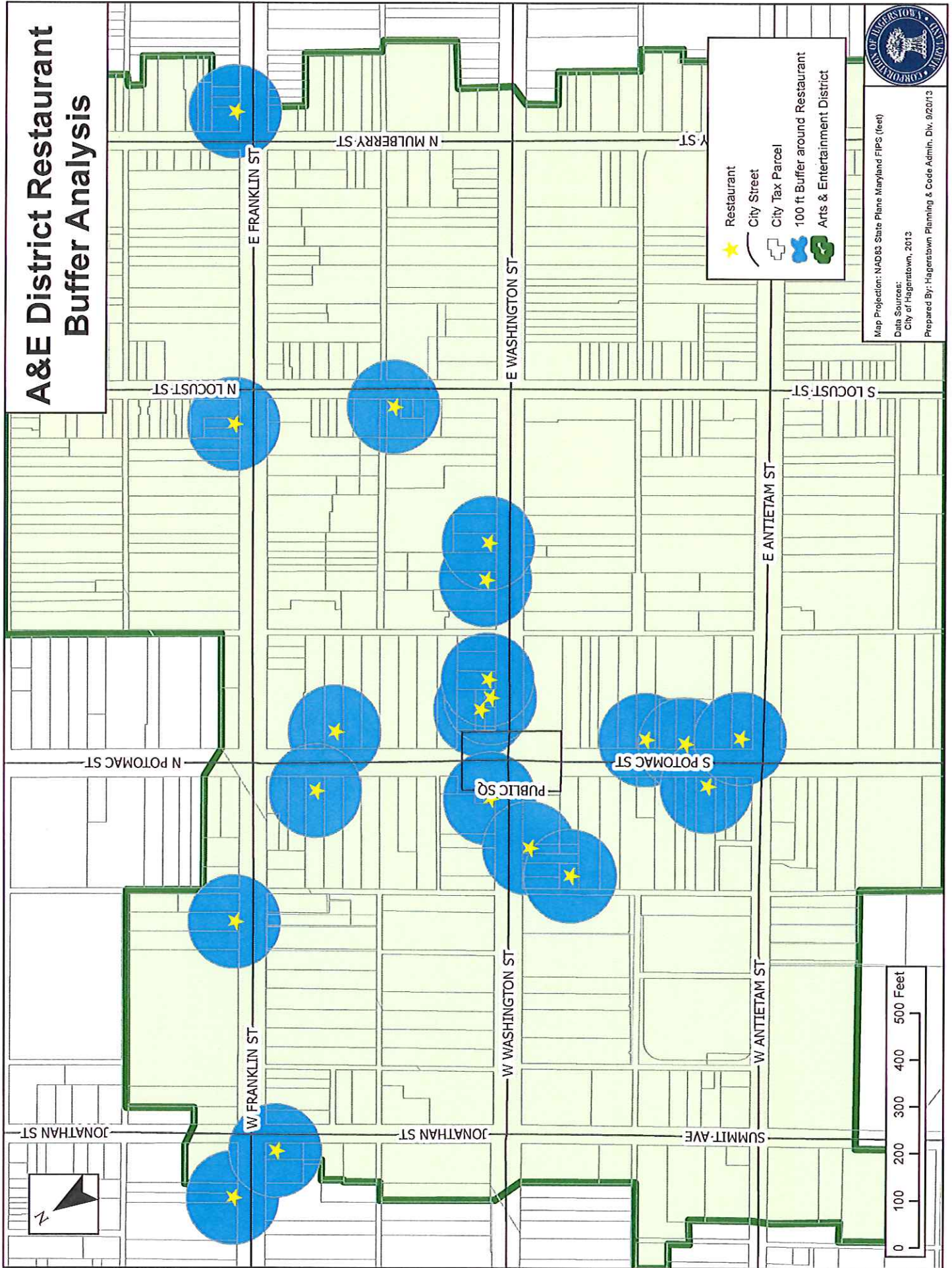
BACKGROUND: The current Ordinance, fees and regulations have been relatively unchanged since 1992. Over the course of the last 20 years, the nature of peddler type of retailing has changed.

RECOMMENDATION: Staff recommends making the proposed changes in the attached ordinance. By making the changes, staff feels it will strengthen the guidelines and bring the fees up to date while still making doing business in this manner a viable option. If the Mayor and City Council accept the recommendation, introduction of the Ordinance will be scheduled for the October 22, 2013 Regular Session.

Staff will be available at the October 8, 2013 Work Session for further discussion. If you have any questions, please contact me.

Attachments: Diagram
Proposed Ordinance

A&E District Restaurant Buffer Analysis



Chapter 176

Vendors, Peddlers and Transient Dealers

§ 176-1. – Definitions.

- (a) “Vendor” means a person or entity engaged in a business for profit who does not occupy a building or structure, but who uses or occupies a fixed place of business on private or public property, or on the streets, sidewalks, rights-of-way or public lands of the City for the purpose of selling or offering to sell, goods, merchandise or commodities of any type for a period of up to one (1) year.
- (b) “Peddler” means a person or entity engaged in a business for profit who sells, offers to sell, or offers to purchase merchandise or commodities of any type, or solicits orders for future services, from house to house or place to place, whether by the use of a vehicle, wagon, cart, pack, basket, container or otherwise for up to one (1) year.
- (c) “Temporary Peddler” means a person or entity engaged in a business for profit who sells, offers to sell, or offers to purchase goods, merchandise or commodities of any types, or solicits orders for future services, from house to house or place to place, whether by the use of a vehicle, wagon, cart, pack, basket, container or otherwise for a period not to exceed one (1) day.
- (d) “Transient Dealer” means any person or entity engaged in the temporary business of selling or offering goods, merchandise or commodities of any type for sale, or who displays samples thereof for the purpose of taking orders for future delivery within any hotel, motel, or conference room, or house or other structure within the City for period of up to one (1) year.

§176-2. – License – Required.

It shall be unlawful for any person, firm, corporation or other entity to engage in the business of a vendor, peddler, temporary peddler or transient dealer without first obtaining a license as provided in this article, unless specifically exempted hereinafter.

§176-3. – License – Exemptions.

(a) The following types of businesses shall be exempt from the requirement to obtain a vendor, peddler, temporary peddler or transient dealer license:

- (1) Commercial travelers, selling agents and wholesalers in the normal course of business.
- (2) Bonafide sales of goods for future delivery in interstate commerce.
- (3) Delivery or sales calls made at the request of the owner or occupant.
- (4) Deliveries or sales calls made in connection with dealer delivery routes to regular customers.
- (5) Locally grown produce and farm products sold by bona fide producers thereof.
- (6) Yard sales to the extent permitted by Maryland law.

- (7) Operators of lemonade stands, snow cone stands, or other similar businesses conducted at the operator's residence, who do not operate in excess of 14 days per calendar year.
- (8) Exhibitors or participants in an event for which a transient dealer license has been obtained are exempt from obtaining individual vendor licenses, so long as there are at least ten (10) exhibitors or participants engaged in the transient dealer activity.

(b) A non-profit organization which is exempt from federal taxation pursuant to Section 501(c) of the Internal Revenue Code, and its employees, members and volunteers desiring to conduct sales or solicitations for charitable, religious or philanthropic purposes shall be exempt from the payment of any license fee required hereunder.

§176-4. License Duration; Fee;

Licenses, including any renewal thereof, issued by the City Clerk shall be issued for the period of time hereinafter delineated. The amount of the non-refundable license fee identified hereinafter shall be payable by each applicant at the time of the application for the license.

Type of License	Duration of License	License Fee
1. Vendor	1 Year	\$250.00
2. Peddler	1 Year	\$250.00
3. Temporary Peddler	1 Day	\$25.00
4. Transient Dealer	Up to 1 Year	\$1,000 for first month; and \$500 per month thereafter, up to a maximum of \$3,500 per year

§176-5. Registration and license application.

Every vendor, peddler, temporary peddler and transient dealer shall, prior to engaging in such activity, apply to the City Clerk and furnish in writing on an application to be furnished by the City Clerk, the following information, along with the appropriate non-refundable license fee:

- A. The applicant's name and address.
- B. The applicant's place of residence.
- C. A personal description of the applicant, including marks of physical identification. Each applicant shall also submit to a photograph to be included as part of the license identification card.

- D. The name and address of the person or entity by whom the applicant is employed or with whom the applicant is associated.
- E. The length of such employment or association.
- F. A description of the business and the nature of the commodities, articles, items or services the applicant is selling or offering for sale in the City.
- G. An estimate of the part of the City in which the applicant intends to pursue his activities as a peddler.
- H. The proposed location of sale if the applicant intends to sell any commodity, article, item or service from an established spot as a vendor or transient dealer.
- I. The name and address of three persons who have known the applicant for at least one year and from whom the applicant authorizes that inquiry to be made to verify the facts stated by the applicant.
- J. Proof of having obtained all necessary state and local licenses, inspections and approvals to carry out the proposed activity.
- K. A statement as to whether or not the applicant has ever been convicted of any crime.
- L. Every applicant for a transient dealer's license shall execute and file with the Clerk a good and sufficient bond in the amount of \$10,000, with the surety thereon a surety qualified to do business in the State of Maryland, which shall be payable to the City of Hagerstown to the extent that any fees, taxes, or fines are due or not paid. Said bond shall also provide that the City of Hagerstown may file suit in its own name against the licensee and/or the surety on said bond for any taxes, fees or fines due from the licensee which are not paid within 30 days of the termination of the sale or the termination of the license. Said bond shall also provide that any purchaser at any sale or sales may maintain an action against a licensee and/or said surety for claims arising from such sale for defective merchandise or misrepresentation. Said bond shall also provide that it shall continue in effect for one year after the termination of the sale and/or license for which the same was made, and until all actions are concluded and the judgment or judgments, if any, have been paid and fully satisfied or the amount of the bond exhausted by such payments. This bond shall be in addition to all deposits, license fees, permit fees or any other requirements under any other ordinances of the City. The applicant may in lieu of the bond, deposit a sum in cash with the City equivalent to the full amount that would be due hereunder for the license based upon the estimated time required.

It shall be a violation of this Chapter to submit false or misleading information on the application or to misrepresent any fact therein.

§176-6. Verification of Information.

- A. The City Clerk shall promptly make such verification of the facts stated by the applicant as the circumstances may require and shall complete such verification and issue, reissue or deny the license applied for within 14 days after the filing of the application.
- B. It shall be unlawful for an applicant to vend, peddle, or deal within the City until a license is issued, or until a license is reissued after expiration of a previous license.

§176-7. Denial or revocation of license; Appeal.

- A. The Clerk may refuse to issue or to renew a license, or may revoke any license issued under this chapter if the Clerk finds that the applicant has willfully submitted false or misleading information on the license application, misrepresented any fact therein, or has been convicted of a felony or a crime of moral turpitude. The Clerk may revoke or refuse to renew any license upon a finding that the licensee, while vending, peddling, or dealing, has engaged in fraud or willful misrepresentation, has violated any of the provisions of this chapter, has committed any unlawful act or has refused to leave the premises immediately when requested by the owner or occupant thereof to do so. Any denial, revocation or failure to renew shall be by written notice to the applicant or licensee, delivered personally or sent by certified mail to the licensee's address as listed in the application. The notice shall contain a statement of the reason for the action taken.
- B. Any person aggrieved by the action of the Clerk in the denial, revocation or failure to renew a license as provided in this chapter shall have the right of appeal to the Review Board established in Chapter 92 of the City Code. Such appeal shall be taken by filing with the Clerk, within fourteen (14) days after receipt of notice of the action complained of, a written statement setting forth fully the grounds for the appeal. The Review Board shall set a time and place for a hearing on such appeal within 30 days of the filing of the request for appeal, and notice of such hearing shall be given to the appellant. The decision and order of the Review Board on such appeal shall be final and conclusive, and shall be appealable pursuant to Maryland Law for Administrative Appeals.

§176-8. Expiration of License; Transferability.

All licenses issued under this Chapter shall automatically expire at the end of the license period, and must be surrendered to the City Clerk upon the expiration thereof prior to issuance of any renewal license. Licenses shall not be transferrable.

§176-9. Regulations and Restrictions.

All licensees hereunder shall comply with the following regulations and restrictions:

- A. No licensee shall vend, peddle or deal on a public street, parking space, alley, sidewalk, parking lot, park or other public place, including the public square unless specifically authorized to do so by the Clerk.

- B. Vendor and transient dealer sales are limited to the specific location identified on the license.
- C. Peddlers may not sell from the same location in the City for more than 30 minutes, nor more frequently than one time per day. Upon the expiration of 30 minutes a peddler must move at least 300 feet to new location.
- D. No licensee may vend or deal within 100 feet of a store, restaurant or other business which offers for sale goods or services which are similar to or compete with those of the licensee, located in permanent structure in the Arts and Entertainment district, as from time to time designated. In all other locations in the City, no licensee may vend or deal within 300 feet of a store, restaurant or other business located in a permanent structure which offers for sale goods or services which are similar to or compete with those of the licensee.
- E. No licensee may vend, peddle or deal within 300 feet of a City-sponsored special event, or an event supported by the City, unless specifically permitted in the license.
- F. All licensees must clearly and prominently display the photographic identification license issued by the Clerk at all times when engaging in the licensed activity.
- G. Unless expressly provided on the license, no vendor or peddler shall conduct any licensed activity between dusk and 10:00 a.m.

§176-10. Severability.

The provisions of this chapter are severable. If any provision of this chapter or its application to any person or circumstances is held to be invalid, such invalidity shall not affect any other provision or applications of this chapter which can be given effect without the invalid provision or application.

§176-11. Violations and Penalties.

Any person who violates any of the provisions of this Chapter shall be deemed guilty of a municipal infraction and upon conviction thereof may be punished by a fine not to exceed \$500. The foregoing notwithstanding, a municipal infraction citation issued for a violation hereof may be pre-paid by the violator in the pre-payable amount of \$200 within the time prescribed by law for payment of a municipal infraction citation. Each day a violation of this Chapter exists shall constitute a separate and distinct violation.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:

City Center Holiday Parking Program

Mayor and City Council Action Requested:

To approve the modified rates from Monday November 25, 2013 to through Wednesday January 1, 2014.

Discussion:

For many years, the city has provided for limited free parking in the parking decks during the holiday shopping season. The city officially recognizes the beginning of the holiday season with the Hollyfest program. Typically held on the Monday before Thanksgiving, this year Hollyfest will be held on Thursday December 5th.

Staff is proposing that 2 hours of free parking in the decks begin on the Monday after Thanksgiving. Thanksgiving and Black Friday are City of Hagerstown holidays. Parking will already be free on those days. The decks will remain free through the Thanksgiving weekend. Therefore, the 2 hours of free parking will begin on the following Monday.

Financial Impact:

The impact will be similar to other years. Since this is an annual program, it could be argued that the impact will be negligible as the reduction in revenues is expected within the parking budget.

Recommendation:

Staff recommends that the Mayor and Council approve the 2 hours of free parking in the University District Parking Deck and the Arts & Entertainment Parking Deck from Monday November 25, 2013 through Wednesday January 1, 2014. Regular rates will resume on Thursday January 2, 2014.

Motion:

See attached for the full motion.

Action Dates:

October 22, 2013: Formal approval by the Mayor and Council

November 25, 2013: Free 2 hours of parking in both decks goes into effect

January 2, 2014: Special rate ends at 6:00 am.

ATTACHMENTS:

Name:

 [Holiday Parking memo 2013.pdf](#)

 [REQUIRED MOTION for Holiday Parking 2013.pdf](#)

Description:

City Center Holiday Parking Program Memo

City Center Holiday Parking Program Motion Sheet



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

(301)739-8577 ext. 178

September 11, 2013

To: Bruce Zimmerman, City Administrator

From: Eric B. Deike, Manager of Public Works *EBD*

Re: City Center Holiday Parking Program

RECOMMENDATION: Staff is requesting the Mayor and Council approve modifying the existing parking rates to allow 2 hours of free parking in the University District Parking Deck and Arts & Entertainment District Parking Deck from Monday November 25, 2013 through January 1, 2014.

HISTORY: For many years, the City of Hagerstown has provided limited free parking in the decks during the holiday shopping season. The City officially recognizes the beginning of the holiday season with the Hollyfest program that includes the lighting of the Christmas tree in the square and festivities later that evening at the Maryland Theater. This year Hollyfest will be on Thursday December 5th and not on the Monday before Thanksgiving.

Staff would like to initiate the 2 hours of free parking as of 6:00 am on Monday November 25th and end the special rate on Thursday January 2nd at 6:00 am. The intent is to encourage patrons to the city center during the holiday season to shop and dine. Parking will be free in both parking decks on Thanksgiving Day through the Thanksgiving holiday weekend. The weekends will also be free through the remainder of November and December.

Metered parking spaces along the street and in the city owned lots will continue to be free before 9:00 am and after 5:00 pm weekdays and all day Saturday and Sunday as it is normally throughout the year.

CONCLUSION: Staff would like to get Mayor and Council consensus so we may begin informing the public of the change.

cc: Jason Rodgers
John Lestitian
Mark Holtzman

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

DATE: October 22, 2013

TOPIC: **Approval of City Center Holiday Parking Program**

Charter Amendment

Code Amendment

Ordinance

Resolution

✓ Other

MOTION: I hereby move for Mayor and Council to approve the recommended city center holiday parking plan to allow two hours of free parking in the University District and Arts & Entertainment District parking decks on weekdays beginning Monday November 25, 2013 through Wednesday January 1, 2014. Parking in the decks after 4PM in the evenings and all day Saturday and Sunday will be free.

Parking in the city center, central business district street and lot meters will continue to be free after 5PM and all day Saturday and Sunday as it is normally throughout the year.

Parking enforcement of metered spaces along the streets and in city owned lots will be suspended during the city recognized holidays of Thanksgiving (Nov. 21st & 22nd) and Christmas (Dec. 24th & 25th).

DATE OF PASSAGE: OCTOBER 22, 2013

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:

Budget Discussion

Mayor and City Council Action Requested:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

Name:

- 📎 [Utility Dividend Discussion 100813\[1\].pdf](#)
- 📎 [Light Fund Dividend Transfer Policy\[1\].pdf](#)
- 📎 [Community Betterment Dividend Policy\[1\].pdf](#)
- 📎 [Parking Revenues\[1\].pdf](#)
- 📎 [Budget Session Memo.pdf](#)
- 📎 [Utility Personal Property Tax Rate.pdf](#)

Description:

Utility Dividend Transfers to the General Fund

Light Fund Dividend Transfer Policy

Community Betterment Speical Revenue Fund Use Policy

Parking System Revenues

Budget Session Memo

Utility Personal Property Tax Rate

City of Hagerstown



Department of Utilities

425 East Baltimore Street
Hagerstown, MD 21740-6105

1 Clean Water Circle
Hagerstown, MD 21740-6848

51 West Memorial Blvd
Hagerstown, MD 21740-6848

October 8, 2013

TO: Bruce Zimmerman, City Administrator

FROM: Michael S. Spiker, Director of Utilities *MSSpiker*

SUBJECT: Utility Dividend Transfers to the General Fund

ACTION: Discussion / No action required

Per the request of the Mayor and Council regarding "Utility Dividend Transfers to the General Fund", I offer the following bulleted items for discussion and copies of the existing policies for review and comment.

- The City of Hagerstown has Community Betterment Fund/Utility Fund Dividend Policy(s) in place for the Hagerstown Light Department (Electric Division) and the Water Division of the Utilities Department
- No Community Betterment Fund/Utility Fund Dividend Policy exists for the Wastewater Division
- In order to declare a dividend, a minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operating expenses less depreciation and interest expense. Utilizing un-audited FY 13 year end financials, the position of each fund is noted below;
 - Electric Division Cash Equity \$3,765,607.99 with projected 2 month operational revenue requirement of \$4,693,317.
 - Wastewater Division Cash Equity \$1,753,339.19 with projected 2 month operational revenue requirement of \$2,085,475.
 - Water Division Cash Equity \$4,260,284.73 with projected 2 month operational revenue requirement of \$2,096,155.
- Each of the three divisions is assessed an annual \$4,500 Public Utility License Fee payable to the General fund FY13

- Each of the three divisions is assessed an annual Payment In Lieu of Taxes (PILOT) FY13
 - Electric Division \$532,400.04
 - Wastewater Division \$1,298,199.96
 - Water Division \$660,00.00
- Each of the three divisions is assessed an annual Administrative Allocation (AA) FY13
 - Electric Division \$837,500.04
 - Wastewater Division \$510,00.00
 - Water Division \$650,00.00
- Each of the three divisions' total FY13 PILOT and AA
 - Electric Division \$1,369,900.08
 - Wastewater Division \$1,808,199.96
 - Water Division \$1,310,000.04
 - Utilities Total-----\$4,488,100.08

Utilizing the existing policy language would preclude a dividend declaration for two of the Utilities Department Funds in FY14. If the Mayor and Council choose to develop a policy for a dividend declaration for all enterprise funds, I would recommend the language contained within the attached "Light Fund Dividend Transfer Policy" be utilized. Staff will be available for discussion at the October 8 Work Session.

Light Fund Dividend Transfer Policy:

1. As part of its year end annual financial evaluation process, the City will consider whether it is appropriate and prudent to transfer a portion of the unused retained earnings of the electric utility to the Community Betterment Special Revenue Fund.

2. This transfer payment can not be considered a normal cost of utility operations recoverable through the electric rate base. Rather, it is to be paid out of the annual net profits of the prior year just as a private investor owned utility would pay their shareholders a dividend from these sources.

3. The following controls will be developed to ensure that the payment of dividends by the Light Fund does not jeopardize the financial health of the utility. Profits from the utility's operation need to help pay for system debt retirement and capital improvements as well as provide a working capital reserve for unexpected items.

- On an annual basis in November or December, after the prior fiscal year end audited financial statements are presented, an updated six year financial projection analysis of the Light Fund will be done. The analysis will include all expected sources and uses of funds for the current year as well as a five year future projection.
- A minimum working capital reserve level equal to two months of operating costs must be maintained at all times. Operating cost is defined as total operating expenses less depreciation and interest expense.
- Adequate funds must be provided for debt interest and principal repayments and any debt coverage requirements.
- Capital expenditures on average during the six year projection period must be at a level at least equal to the average depreciation expense during the projection period. (This control is intended to prevent underfunding replacement capital expenditures to allow for dividend transfers).
- Payment will be made after reviewing the prior year's audited financial statements, and preparation of an updated financial projection analysis for the Light Fund.
- Mayor and Council act on staff recommendation and declare dividend if appropriate and in compliance with this policy.

4. These needs must be anticipated and adequately provided for in the Light Fund.

Community Betterment Special Revenue Fund Use Policy:

1. The Community Betterment Fund is designed to be used for special one-time projects or contributions to be used for the betterment of the City of Hagerstown. The Fund will be used for non-recurring expenditures and should not be used for regular operating expenses. Use of the funds must be consistent with the City's financial policies, accounting standards, and the eligible uses outlined below.
2. Source of funds will be the Light Fund dividend transfer payments, host fees from First Urban Fiber, when those payments start and other sources of funds such as grants and contributions as the Mayor and Council may direct.
3. Uses of the fund will include non-recurring expenditures for city neighborhoods, downtown redevelopment, economic development projects, special one-time projects. Public art, park improvements or beautification are a few of the one-time special projects. Contributions to non-profit agencies for special one-time projects supportive of the City's goals may be 15% of the annual budgeted amount with no one agency receiving more than 25% of the amount set aside for non-profit agencies. Other uses of the fund may also include other similar one-time Community Betterment projects deemed appropriate by the Mayor and Council.
4. The City will budget use of the funds for eligible purposes in the year after they are received and available. City will not budget or commit to spend dollars until they are received. A portion of the expected available funds should be held in a contingency fund for use for special opportunities or other needs that may develop during the fiscal.



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

(301)739-8577 ext. 178

October 2, 2013

To: Bruce J. Zimmerman, City Administrator

From: Eric B. Deike, Director of Public Works *END*

RE: Parking System Revenues

Action Requested

No action is requested of the Mayor and Council at this time. The following is a summary of revenues contained within the Parking System.

Summary

The Parking System is an Enterprise Fund for the City of Hagerstown. No direct General Fund tax dollars go to support the Parking System. The department is currently self funded by the user through parking meter revenues, parking deck revenues and parking enforcement revenues.

The current rates for the Parking System are as follows:

Parking Deck Fees		
Minimum Fee		\$1
Half Hour Fee		\$0.50
¹ Maximum Daily Rate		\$8
Monthly		\$60
² Exiting between 4pm and 6 am weeknights & weekends		\$1
Parking Meter Fees		
Twelve (12) minutes		\$0.10
Thirty (30) minutes		\$0.25
³ Sixty (60) minutes		\$0.50
Thirty Minute Parking Meters		
Six (6) minutes		\$0.05
Twelve (12) minutes		\$0.10
Thirty (30) minutes		\$0.25
Antietam Street Parking Lot		
Fifteen (15) minutes		\$0.25
Thirty (30) minutes		\$0.50
Sixty (60) minutes		\$1
Parking Lot Permits		
⁴ Monthly Fee for Central, Church, Market & Rochester Lots		\$46
Special Event Fee in Decks		
Blues Fest & Augustoberfest only		\$5

Departmental Charges	
Monthly Rate	\$45
Discounted Parking	
Park and Shop Coupon at Decks Sixty (60) minutes	\$0.80
University District Parking Deck + Lots >10 Permits on one invoice; 10% discount; monthly	\$54
University District Parking Deck + Lots >25 Permits on one invoice; 25% discount; monthly	\$45
Parking Enforcement	
Expired Meter	\$10/\$25/\$35
Blocking a Fire Hydrant	\$100/\$110/\$120
Non-Meter/All Other including Street Sweeping	\$15/\$25/\$35
Illegal Handicap Parking	\$100/\$110/\$120
Parking Boot Fee	\$100

¹Maximum daily rate effective July 1, 2010.

²\$1 fee effective January 1, 2010.

³On July 1, 2012, the meter rates changed from \$0.25 per hour to \$0.50 per hour.

⁴Lot permit rate effective July 1, 2010.

The following are the Parking System revenues over the previous four (4) years.

	FY13	FY12	FY11	FY10
University Deck	\$247,844	\$196,988	\$170,747	\$194,055
A&E Deck	\$173,497	\$181,820	\$184,094	\$95,163
Street & Lots	\$359,252	\$346,228	\$331,866	\$410,358
Enforcement	\$191,473	\$130,601	\$125,161	\$172,865
Totals	\$972,066	\$855,637	\$811,868	\$872,441

Parking Master Plan

The Parking Master Plan completed in 2012 recommended that street meter rates be raised to \$0.75 per hour and lower the parking deck rates to \$0.50 per hour. The lot rates of \$0.50 per hour (and \$1.00 per hour in the Antietam Street Lot) would remain at their current rate of \$0.50 per hour. The intent was to encourage drivers to park in the decks and off the street. This encourages short term parking on the street for the business patrons and long term parking in the decks and lots for business employees.

Staff is currently not in favor of decreasing the hourly parking deck rates for several reasons. Utilizing coins would more than likely be looked down upon by drivers as a nuisance rather than a convenience.

Logistically, the machines are currently designed to handle a limited amount of coins. An increase in coin use by drivers would cause staff to increase access to the machines to

remove revenue and fill the machine with new coin. This increases labor hours to continually remove revenue and fill the machines with new change.

Finally, both decks are being utilized at their maximum for permit use. Staff has to manage use of the decks to allow for permit use and transient use. It may not be wise to encourage additional transient use of the parking decks.

Attached are several scenarios based on the Parking Study recommendations. The first presumes no changes to the parking habits. This is followed by an assumption that 10% of drivers would leave the Central Lot, Antietam Street Lot and the street to park in the decks. The next Excel sheet shows a 20% change in parking habits. The last is simply a change in street meter rates to \$0.75 per hour and \$1.00 per hour.

An examination of the estimates shows that there can be an overall negative effect on revenues if too many drivers move from the street to the parking decks. By encouraging merely 20% of the drivers from the streets to the decks, the revenues actually fall below current revenue totals. Care must be taken in making changes to the parking rates.

Obviously, the data can be manipulated with any manner of assumptions to determine the estimated change in revenue. Parking habits could change by any percentage and staff can prepare those estimates if the Mayor and Council chose to do so.

Conclusion

Staff will be in attendance at the October 8th Work Session to discuss the Parking System revenues.

CITY OF HAGERSTOWN

PARKING SYSTEM ESTIMATED CHANGES IN REVENUE - CASH SALES ONLY

CHART #1 - NO CHANGE IN PARKING HABITS

Study Recommendation: street meters up to \$0.75/hr; decks lower to \$0.50/hr; \$1 after-hour rate remains

[illegible]

CITY OF HAGERSTOWN

PARKING SYSTEM ESTIMATED CHANGES IN REVENUE - CASH SALES ONLY

CHART #2 - PARKING HABITS CHANGE BY 10%

Study Recommendation: street meters up to \$0.75/hr; decks lower to \$0.50/hr; \$1 after-hour rate remains

		FY13	% Change	Net Effect	% Change			
UDPD	cash sales	\$ 33,500	-50%	\$ 16,750	10%	\$ 18,425		
	coupons	\$ 5,100	-50%	\$ 2,550		\$ 2,550		
	validations	\$ 14,000	-50%	\$ 7,000		\$ 7,000		
A&E	cash sales	\$ 54,800	-50%	\$ 41,648	10%	\$ 45,813		
Meters	Street	\$ 103,600	50%	\$ 155,400	-10%	\$ 139,860		
	Antietam	\$ 24,900	0%	\$ 24,900	-10%	\$ 22,410	Rate remains at \$1/hour	
	Bryan	\$ 350	0%	\$ 350		\$ 350		
	Central	\$ 48,000	0%	\$ 48,000	-10%	\$ 64,800		
	Market	\$ 3,100	0%	\$ 3,100		\$ 3,100		
	Rochester	\$ 350	0%	\$ 350		\$ 350		
	Totals	\$ 287,700		\$ 300,048		\$ 304,658		
		Net Difference		\$ 12,348		\$ 4,610		
				Net Difference		\$ 16,958		

This model assumes parking habits change by 10%. The same number of drivers but 10% of the Street, Antietam and Central Lots go to the decks. The Market, Bryan and Rochester Lots are too far from the decks and the assumption is they would not move from the lots to the decks.

10/2/13

CITY OF HAGERSTOWN

PARKING SYSTEM ESTIMATED CHANGES IN REVENUE - CASH SALES ONLY

CHART #3 - PARKING HABITS CHANGE BY 20%

Study Recommendation: street meters up to \$0.75/hr; decks lower to \$0.50/hr; \$1 after-hour rate remains

	FY13	% Change	Net Effect	% Change			
UDPD							
cash sales	\$ 33,500	-50%	\$ 16,750	20%	\$ 20,100		
coupons	\$ 5,100	-50%	\$ 2,550		\$ 2,550		
validations	\$ 14,000	-50%	\$ 7,000		\$ 7,000		
A&E							
cash sales	\$ 54,800		\$ 41,648	20%	\$ 49,978		
Meters							
Street	\$ 103,600	50%	\$ 155,400	-20%	\$ 124,320		
Antietam	\$ 24,900	0%	\$ 24,900	-20%	\$ 19,920	Rate remains at \$1/hour	
Bryan	\$ 350	0%	\$ 350		\$ 525		
Central	\$ 48,000	0%	\$ 48,000	-20%	\$ 57,600		
Market	\$ 3,100	0%	\$ 3,100		\$ 4,650		
Rochester	\$ 350	0%	\$ 350		\$ 525		
Totals	\$ 287,700		\$ 300,048		\$ 287,168		
		Net Difference	\$ 12,348		\$ (13,412)		
				Net Difference	\$ (1,064)		

This model assumes parking habits change by 20%. The same number of drivers but 20% of the Street, Antietam and Central Lots go to the decks. The Market, Bryan and Rochester Lots are too far from the decks and the assumption is they would not move from the lots to the decks.

10/2/13

CITY OF HAGERSTOWN

PARKING SYSTEM ESTIMATED CHANGES IN REVENUE - CASH SALES ONLY

CHART #4 - CHANGE IN METER RATES

[illegible]



CITY OF HAGERSTOWN, MARYLAND

Bruce J. Zimmerman
City Administrator
(301) 739-8577 x114

September 30, 2013

To: Mayor and City Council
From: Bruce Zimmerman, City Administrator *BZ*
Subject: October 8, 2013 Budget Work Session

Mayor and Council are scheduled to hold your next budget work session on Tuesday, October 8th.

The next three revenues scheduled for your consideration are: 1) Utility Dividend Transfers to the General Fund; 2) Parking System User Fees, and 3) Utility Tax Rate.

Attached are materials to provide you background on each revenue category. Staff will be present to assist Mayor and Council with the discussion on October 8th.



CITY OF HAGERSTOWN, MARYLAND

Finance Department
301-739-8577 X156

To: Bruce Zimmerman, City Administrator
From: Michelle Hepburn, Acting Director of Finance
Date: October 4, 2013
Subject: Utility Personal Property Tax Rate

Per a suggestion from a Mayor and Council meeting, the following research has been completed regarding authority to establish a separate Utility property tax rate.

Both personal property and utility property fall within the same category under state law. Municipalities, unlike local counties, are not restricted to a personal property tax rate of 2.5 times real property values. There is nothing in our City Charter or in State law that prohibits us from establishing a separate utility property rate. The State Department of Assessment and Taxation has the authority to define who is a utility and/or railroad under this type of separation and classification.

There is an exemption under Section 7-237 of the Tax Property Article to provide a 50% exclusion from personal property tax for machinery and equipment used to generate electricity. This exemption would apply even if a separate utility property rate were established.

There are very few municipalities in Maryland that have a separate tax rate established in this manner. Staff has talked with members of MML, Nairn and Boyer, and the State Department of Assessment and Taxation. If a separate tax rate is an option we wish to establish, the next step recommended to staff was to contact the State Attorney General Office. Staff will be available for discussion at the October 8th Work Session.

cc: Scott Nicewarner

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:

Vision and Mission Statement

Mayor and City Council Action Requested:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

Name:

📎 [Vision and Mission Statement.pdf](#)

Description:

Vision and Mission Statement



CITY OF HAGERSTOWN, MARYLAND

Donna K. Spickler
City Clerk

To: Mayor and City Council
Bruce Zimmerman, City Administrator

From: Donna Spickler, City Clerk 

Subject: Vision and Mission Statement

Date: October 8, 2013

The current Vision for the City of Hagerstown is "being the location of choice for a diverse and dynamic citizenry".

The current Mission for the City of Hagerstown is "providing a proud and prosperous community".

In order to provide staff and customers a more clear Vision and Mission for the organization, the Mayor would like to propose and discuss the following changes at the October 8, 2013 Work Session:

VISION: A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods.

MISSION: Providing the most efficient and highest-quality services as the municipal location of choice for all customers.

Thank you.