

87<sup>TH</sup> SPECIAL SESSION, WORK SESSION, AND EXECUTIVE SESSION – April 5, 2016

EXECUTIVE SESSION – April 5, 2016

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote by all members present to meet in closed session to consult with counsel to obtain legal advice, #7, (Section 3-305(b)), and to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction, #1 (Section 3-305(b)) on Tuesday, April 5, 2016 at 3:06 p.m. in Room 407, 4<sup>th</sup> floor, City Hall, Hagerstown, Maryland.

Councilmember Aleshire was not present for the vote but was in attendance during the meeting.

The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Valerie Means, City Attorney Mark Boyer, Michelle Hepburn, Director of Finance, Karen Paulson, Director of Human Resources, Michael Spiker, Director of Utilities, Scott Nicewarner, Director of Information Technology and Support Services, Nathan Fridinger, Electric Operations Manager, and D. K. Spickler, City Clerk.

The meeting was held to discuss the status of the MELP property, to discuss the union lawsuit, potential membership for the Board of Code Appeals, and various personnel issues. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the Executive Session was adjourned at 4:02 p.m.

87<sup>TH</sup> SPECIAL SESSION AND WORK SESSION – April 5, 2016

Mayor D. S. Gysberts called this 87<sup>th</sup> Special Session, Work Session and Executive Session of the Mayor and Council to order at 4:14 p.m., Tuesday, April 5, 2016, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson, and P. M. Nigh, City Administrator Valerie Means, and City Clerk D. K. Spickler.

87<sup>th</sup> Special Session – April 5, 2016

On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 4:10 p.m.

**Approval of a Purchase: Ford Interceptor for Police Department Use –  
Keystone Ford (Chambersburg, PA) \$ 30,765.00**

**Action:** On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve the purchase of one 2016 Ford Interceptor for Hagerstown Police Department use. This vehicle will be purchased from Keystone Ford in Chambersburg, Pennsylvania for \$ 30,765.00. It will remain unmarked.

Funding will be partially from insurance replacement and remaining funds from the vehicle CIP account.

**Acceptance of 2016 GVRG (Gun Violence Reduction Grant)**

**Action:** On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote to approve and accept the 2016 GVRG Grant (Gun Violence Reduction Grant) in the amount of \$ 60,000.00.

This grant covers overtime for officers doing special assignments and/or investigation involving handguns.

**Acceptance of 2016 DVUP Grant (Domestic Violence Unit Program)**

**Action:** On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember P. M. Nigh, the Mayor and City Council unanimously agreed by voice vote to approve and accept the 2016 DVUP Grant (Domestic Violence Unit Program) in the amount of \$ 10,994.00.

This grant will cover the partial salary of one part-time employee who is assigned to enter protective orders into the State of Maryland system. This information provides all law enforcement with the information to seek and serve offenders.

**Acceptance of 2016 VAWA Grant (Violence Against Women Act)**

**Action:** On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve and accept the 2016 VAWA Grant (Violence Against Women Act) in the amount of \$ 20,000.00.

This grant will cover the partial salary of one Detective assigned to be the Lethality Assessment Coordinator on domestic situations, which is vital to preventing violence in the home.

The Special Session was closed at 4:17 p.m.

Proclamation: National Service Recognition Day

Mayor Gysberts read a proclamation naming April 5, 2016 as National Service Recognition Day in Hagerstown, Maryland. Lisa Clark, Elizabeth Stevens, and Chris McGee accepted the proclamation on behalf of AmeriCorps. Angel Burnett and Amanda Starliper accepted the proclamation on behalf of the Washington County Mediation Center.

Proclamation: National Child Abuse Prevention Month

Mayor Gysberts presented a proclamation recognizing April, 2016 as National Child Abuse Prevention Month in Hagerstown, Maryland to Dee Myers, Maryland State Department of Education Office of Child Care, and Tammy Poffenberger, Safe Place.

Request from North Hagerstown High School Athletic Boosters for Noise Ordinance Exemption for Fireworks Display

Doug Fiery, North High Athletic Boosters, and John Williamson, original Stadium Committee, were present to discuss a request for an exemption from the Noise Ordinance.

The North Hagerstown High School Athletic Boosters are planning an event to commemorate making the final payment for the Callas Stadium debt. Plans for the celebration include a fireworks display. The event will be held on Monday, May 23, 2016, beginning at 4:30 p.m. The 30 minute fireworks display will begin at approximately 7:45 p.m., depending on sunset.

Chapter 155 of the City Code allows exemptions from the Noise Ordinance for a variety of activities including parades, fireworks displays, festivals, and other special events by approval of the Mayor and City Council. This event, as planned, will require an exemption by the Mayor and City Council from §155-5 of the City Code.

Zambelli Fireworks will be managing the display. The tentative contract includes \$1,000,000 of Commercial General Liability insurance for the Athletic Boosters group. Doug DeHaven, City Fire Marshall, and a representative from Zambelli visited the site recently to determine the best location for staging the display. Three possible locations were identified and wind conditions that day will dictate the final location.

Mr. Williams announced the next payment will be the final payment for the Mike Callas Stadium debt. In recognition of the success story of the Stadium, the Boosters are planning this celebration. He thanked the Mayor and City Council and staff for their support of the project. The City was the first public entity to contribute to the project. When the County was not willing to pay the extra amount for synthetic turf, the City

financed the purchase. He noted Councilmember Munson was serving as Senator at the time and was instrumental in the successful passing of bond bills through the State of Maryland. He thanked Councilmember Munson for his support.

Mr. Fiery noted this is an accomplishment to celebrate and show the community it is possible to dream big. Many fun activities are planned for May 23, 2016.

It was the general consensus to include approval of the required exemption on the April 19, 2016 agenda.

#### Street Closure Request: Hagerstown Rescue Mission: Rock the Run

Gaela Shoop, Community Events Coordinator, presented a request for a street closure for Hagerstown Rescue Mission 5k, scheduled for Saturday, April 23, 2016. The route requires road closures on Randolph and Locust Streets only as participants pass the area. This event was not included in the list of road closures approved earlier this year.

Councilmember Metzner recommended that staff create a policy that includes a deadline for the request for a road closure. He does not want staff to have to seek approval for closures at the last minute.

It was the general consensus to approve the road closure and to formally approve the request at the April 19, 2016 Regular Session.

#### Residential Rental Property Leases in Various City Parks and Utilities Department

Michael Spiker, Director of Utilities, Rodney Tissue, City Engineer, and Bill Fockler, Utilities Facilities Manager, were present to discuss the residential rental property leases administered by the Utilities Department and the Parks Division.

The Utilities Department (Water) currently rents two residential properties that are located at water production facilities and one residential property that is located within the Edgemont Watershed.

The Parks Division currently rents five residential properties that are located in parks throughout the City. They feel it is important to have occupancy in these units so they are not vandalized and they provide some level of evening “presence” in the five parks.

In FY16, the Utilities Department will collect \$ 20,400 in rent and have expended \$ 2,270.84 to date in maintenance on rental properties. In FY16, The Parks Division will collect \$ 32,424 in rent and have expended less than \$ 2,000 to date in maintenance.

At the City’s request, CES Properties recently performed a Market Rate Analysis to determine fair market rental value for all of the rental properties. Based on the analysis, staff recommends rent increases over the next three fiscal years, where applicable, in

order to adjust the rent values to be comparable to the 2016 Market Analysis Comparative rate.

Councilmember Nigh asked if all tenants pay for utilities. Mr. Tissue indicated there is not a separate meter for the rental unit at the Hager House; however, the usage is monitored. Usage increase is minimal.

Councilmember Aleshire is ok with staff having the option to adjust the rent in exchange for services.

It was the general consensus to approve staff's recommendation for rental rates and to schedule approval of the leases.

### FY 2016/17 Budget Review

Valerie Means, City Administrator, Michelle Hepburn, Director of Finance, Eric Deike, Director of Public Works, and Michael Spiker, Director of Utilities, were present to discuss the FY 2016/17 proposed budget.

Ms. Hepburn noted there are no significant changes within the Utilities funds. Rates will be adjusted based on the most recent five year plan for Water and Wastewater.

Utilities Division staff are pleased with the performance of the operations. The Light Division is projected to have \$ 24.2 million in revenue, with an increase in retained earnings of \$ 80,000.00. There are 31 employees in the Light Division, with five unfunded positions (since 2010). Total capital outlay is \$ 988,000.00 and is projected to be \$ 5.2 million during the next five years. All CIP projects are anticipated to be covered by the customer base. Twenty percent of the Light Division revenue is transferred to the General Fund. The Wholesale Power Agreement is the next significant project for the Light Division. Bids are expected to be requested in early 2017.

There is approximately \$ 1 million outstanding for active customers (accounts 120 days overdue). This is in part due to Public Service Commission restrictions regarding winter terminations of service. There is an outstanding balance on non-active accounts of approximately \$ 2.7 million.

Councilmember Aleshire noted the outstanding amount on customers' accounts is significant and this is an issue each year.

The Mayor and City Council adopted a five-year rate schedule for Water and Wastewater customers on March 27, 2014. Water service rates are scheduled to increase an average of 2.0% for services provided both in the City and outside the city. The five-year rate schedule was based on a cost of service study. The rate schedule began on July 1, 2014 and will end on June 30, 2019. The customer base for the Water Fund is fairly stable. There are no significant expenditure increases projected through 2021.

Mr. Spiker reported operating revenue in the Water Division is \$ 11.53 million. There are 51 employees and 4 unfunded positions. CIP funding is projected to be \$ 37 million over the next five years. Major projects include the transmission main replacement project, the Edgemont Reservoir Project, and an upgrade of the William M. Breichner Water Plant. Funding for FY 2016/17 is proposed to be \$ 3.75 million, with \$ 2.6 million funded from other sources.

The outstanding amount on customer bills is \$ 248,000.00. This is a manageable number.

Ms. Hepburn noted Wastewater service rates will increase by 4% in FY 2016/17 and by 2% in both FY 2017/18 and FY 2018/19. Projections for FY 2019/20 and FY 2020/21 include an additional 2% rate increase.

Mr. Spiker reported operating revenue in the Wastewater Division is \$ 12.9 million. There are 46 employees and 2 unfunded positions. Capital Outlay in FY 2016/17 is \$ 3.2 million. Most of the CIP funding will be used for a sludge storage improvement project with Synagro, Inc. Staff will be completing an I/I study during FY 2016/17.

The outstanding amount on active customer bills is \$ 310,000.00.

Councilmember Metzner asked if there plans to change the street lights to LED lights. Mr. Spiker stated there are some LED lights in place. He noted the brightness is significantly different with LED lights and may cause concern for residents.

The Parking Fund was then reviewed.

Ms. Hepburn stated the parking rates were last increased on July 1, 2014. Future revenues do include an estimate for increased usage by 1.5% annually beginning in FY18 through FY21.

Mr. Deike stated the usage report is for peak hours during the week. Both the University District Deck and the Arts & Entertainment Parking Deck are oversold. Because of the transient nature of the majority of the users, spaces are available for permit holders when needed. Anticipated revenue for the Parking Fund is \$ 850,000.00. Mr. Deike believes the rates are appropriate for the services provided. Expenses are covered by the rate payers. The Market Lot is expected to be paved and LED lights will be added in some locations.

Mayor Gysberts noted if there is an increase in demand other parking would be reviewed. At this point, it seems there are ample spaces available.

Income from the Rochester Lot has decreased significantly due to the Walnut Street Clinic moving from the downtown location.

Ms. Hepburn stated the Parking Fund is beginning to pay for itself. A third parking deck is included in the out-year projections. As projects occur, the need for a third parking deck is anticipated. Revenue from surface lots would be decreased if a third parking deck is built. Mr. Deike indicated a catalyst project would constitute the possible need for a third parking deck. A third deck should be fully funded by the users.

The estimates for the third deck revenue also include usage being primarily composed of daily rates and not monthly rentals of group spaces based on current development around the City. Additionally, new parking deck expenses and fees are included in the projections and are based on average expenditure trends reflected in the existing two decks. With the inclusion of a third parking deck, it is anticipated that there will be a deficit in FY21 which will begin to deplete the Parking Fund cash balances.

Councilmember Brubaker stated funding sources in addition to the General Fund will have to be secured to construct the deck.

The operating revenue from a third deck, combined with other Parking Fund revenue, would need to meet total parking operating expenses plus related debt service expenses to avoid general fund subsidies and revenue shortfalls.

Bond financing to fund either all, or a portion of, the planning/design phase and land acquisition and construction would be needed by the end of calendar year 2020. Finally, the preliminary annual debt service for a future bond issue is estimated to be \$ 570 ,000 for a 30 year term.

Mayor Gysberts believes the State of Maryland may be willing to provide some funding because the site is located near the District Court and Circuit Court buildings. Councilmember Aleshire mentioned the County Commissioners may be willing to assist as well.

Mayor Gysberts stated he and Valerie Means, City Administrator, have met several times with representatives of the Commissioners, the Washington County School system, the Maryland Theatre, and USMH. It is his understanding the County is moving forward with the design of a project at the Theatre. The Theatre has contacted someone who specializes in theatre design. He expects the third deck will be crucial in helping projects be successful. He thinks the timing of the deck in the CIP budget works well with the completion of a catalytic project. He stated Greg Murray, County Administrator, is asking the City to provide \$ 500,000.00 toward the design contract for a project at the Maryland Theatre. The total cost of the design is anticipated to be \$ 1 million. The group would like to start with the architect soon. He indicated this action would not set a precedence.

Ms. Hepburn asked how soon an answer is expected. Mayor Gysberts stated by the end of 2016.

Councilmember Aleshire wondered if the Theatre would have to wait to move forward with a project until the educational component of the overall project is started.

Mayor Gysberts indicated the County is more than willing to move forward with the project. A project like this will create a positive momentum downtown. He thanked Mr. Murray for his efforts to bring people together to discuss this project.

Councilmember Aleshire noted the Farmer's Market probably loses more money than the golf course does.

FY 2016/17 Budget discussions will continue during the next several meetings.

### **CITY ADMINISTRATOR'S COMMENTS**

*Valerie Means, City Administrator* thanked all staff, especially Michelle Hepburn, Director of Finance, and the finance team for their efforts to complete the budget.

### **MAYOR AND COUNCIL COMMENTS**

*Councilmember M. E. Brubaker* thanked Ms. Means for presenting a balanced proposed budget. He pointed out the next two budget years will be difficult. The next triennial tax assessment will be challenging. He has been a strong supporter of making the Maryland Theatre the center of the anticipated academic hub project. He noted that each penny on the tax rate generates about \$ 250,000.00 in revenue. Designing a building without having a plan of action for supporting the capital costs of the project could be a big risk.

Mayor Gysberts suggested Mr. Murray be invited to discuss the project with the Mayor and City Council during a work session.

Councilmember Brubaker stated his concerns do not reflect a lack of support but rather a practical manner of building the City's interests and protecting them at the same time.

*Councilmember K. B. Aleshire* wondered how many people from the Wells House were located at the rental residence where a recent fire occurred. He asked if the units are subject to inspections as required by the Rental Licensing Program. The standards can't be waived for rental units, especially for the most vulnerable citizens. There are other areas where transitional housing is located. The City is overwhelmed by this type of housing. The basic standards of living need to be applied to all residences. He stated the two block area near the Community Garden appears to have a higher incidence of code violations.

Mayor Gysberts stated, as significant investments are being made by the community and the City along the cultural trail, cleaning up that area would be good for the neighborhoods.

*Councilmember D. F. Munson* attended the Winter Street School reunion/closing gathering on April 3, 2016. It was good to see the school was recognized for what it meant to the community.

*Councilmember L. C. Metzner* had no additional comments.

*Councilmember P. M. Nigh* also attended the Winter Street school event. She attended Winter Street for a short time. Donations for T-shirts for students can be sent to the school. When set-outs occur, she wants to be able to have complaints addressed timely. Trash is being dumped along the railroad tracks. She mentioned that trash placed for pick up in plastic grocery bags will not be collected. There is graffiti on a building near the District Court building. There are more buildings with boarded-up windows than before. Nothing has been done about a complaint that a camper has been parked on the parking lot close to the Venice. She wondered if the City would be repairing trash cans that had broken lids after collections are complete.

Mayor Gysberts wondered if the pick up people are instructed to place the cans in specific locations.

Councilmember Nigh noted a sidewalk on E. Franklin Street is not usable. This needs to be addressed. Kathleen Maher, Planning Director, stated there are a variety of reasons this location is challenging. There are multiple property owners and attitudes about demolishing deficient buildings. The City Attorney believes the new ordinance regarding abandoned vacant properties and nuisance properties will help this situation.

Councilmember Nigh asked for more information about the planned housing summit. Mayor Gysberts stated an update will be provided soon. She suggested a State Housing representative be present as well.

Ms. Maher stated staff reached out to a number of non-traditional housing owners but have not received any responses. These residences are not subject to the rental licensing program inspections because it is assumed that the use of State funding requires them to be subject to state inspections. This is not necessarily the case.

Councilmember Nigh asked about the status of the City Revitalization Improvement Zone (CRIZ) bill. Mayor Gysberts stated the bill will be reviewed in committee to determine the most beneficial provisions. He knows Governor Hogan is trying to help Western Maryland.

Councilmember Nigh asked how many barber shops are in Hagerstown.

*Mayor D. S. Gysberts* congratulated the organizers of the Maryland International Film Festival. People from all over the world attend this event. He thanked the Washington County Sheriff and the County Commissioners for moving forward with a day reporting center. He congratulated the people who organized the event at the Winter Street School.

It was a meaningful event. He recently traveled to China and learned a great deal. He noted there were 60,000 troops stationed outside Xin Jin, China. This group was called the Flying Tigers. People at the U.S. Consulate in Chengdu, China are familiar with Hagerstown. He noted there are many businesses approaching the consulate looking for sister city affiliations where they can invest money. Opening night for the Hagerstown Suns is April 7, 2016.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 6:27 p.m.

Respectfully submitted,

Donna K. Spickler  
City Clerk

Approved: May 24, 2016