

WORK SESSION  
2017

JANUARY 10,

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

A tour of the Hamilton Property at 86-98 W. Washington Street, Hagerstown, Maryland was held prior to the beginning of the Work Session. The following Mayor and City Councilmembers were in attendance: Mayor R. E. Bruchey, II, Councilmember P. D. Corderman, Councilmember E. Keller, and Councilmember D. F. Munson. Other attendees included Kathleen Maher, Director of Planning and Code Administration, Jill Frick, Director of Community and Economic Development, Erin Anderson, Communications Manager, and Blaine Mowen, Chief Code Official.

#### WORK SESSION – January 10, 2017

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 5:02 p.m., Tuesday, January 10, 2017, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, P. D. Corderman, E. Keller, L. C. Metzner, and D. F. Munson, City Administrator Valerie Means, and City Clerk D. K. Spickler.

Mayor Bruchey informed the group that the tour was complete and work continues on rehabilitation of the property. He thinks it will be a great asset when it is complete.

#### 2017 Western Maryland Blues Festival Artwork Reveal

The Western Maryland Blues Festival committee revealed the selected artwork for the 22<sup>nd</sup> annual event. Mary Anne Burke, Executive Director of the Washington County Arts Council, was also present for the unveiling.

Nathan Gorey, a recent graduate from Towson University and native of Mount Airy, Maryland, was selected through a blind selection process to be the Western Maryland Blues Festival Poster Artist. His work will appear on event posters, various pieces of merchandise, and event advertisements.

The artwork will go on raffle beginning, Friday, March 3, 2017 at the Cabin Fever Blues Bash. A winner will be selected at the Family Blues picnic portion of the Western Maryland Blues Festival on Sunday, June 4, 2017 at City Park.

#### 2017 Western Maryland Blues Fest Sound Contract

Lauren Metz, Community Events Coordinator, and Jill Frick, Director of Community and Economic Development, were present to review the recommended sound contract for the Western Maryland Blues Festival.

Proposal P1616.17 was issued by staff on October 12, 2016 to seek a vendor to provide sound for the 2017, 2018, and 2019 Western Maryland Blues Festival. Following the close of the proposal period, bids were received from the following three vendors: MHA Audio, DSL Sound, and Stagecoach Productions Sound and Lighting. The bid from DSL Sound was immediately eliminated due to the vendor not providing

the required bid documents as detailed in the proposal. Stagecoach Productions Sound and Lighting provided a total bid price of \$ 34,550.00 while MHA Audio provided a total bid price of \$ 50,135.00.

Ms. Metz reported an evaluation committee, which includes the Co-Chairs of the Blues Fest Committee, reviewed the two remaining bids, as is required for all bids, and determined MHA Audio's experience best matches the scale of the event. References were provided by both bidders.

Representatives of Stagecoach Productions Sound and Lighting, LLC submitted additional information to the Mayor and City Council prior to their meeting expanding on the experience their company has had in various events. It was noted by staff that this information was not included in the bid submitted by Stagecoach Productions Sound and Lighting, LLC. Councilmember Metzner stated the information included several notations of "freelanced". He is not clear if that means Stagecoach employees participated with events or managed events.

Ms. Frick reiterated the committee evaluated the information that was submitted as part of the bid package. Ms. Means pointed out only information submitted as required is to be considered as part of the bid evaluation.

Staff is recommending that the City select the bid proposal set forth by MHA Audio due to the inexperience of Stagecoach Productions Sound and Lighting in producing multi-day and multi-stage musical events. The original budgeted total for the event's sound technician (that was approved on October 25, 2016) was \$ 40,000.00. The overage of \$ 10,135.00 will be covered within the Blues Fest budget specifically through budget adjustments to overall entertainment which is under-budget by \$ 10,650.00.

Staff is seeking approval of the contract at a Special Session on January 17, 2017. It is important to award the contract as soon as possible so the vendor can have sufficient lead time to secure the equipment.

Councilmember Aleshire would like to have past cost information prior to the award of the bid.

It was the general consensus to schedule approval of the contract for a Special Session on January 17, 2017.

#### 2017 Bond Issuance

Michelle Hepburn, Director of Finance, was present to begin discussing the 2017 bond issuance. A bond issue was planned and approved in both FY 2015/16 and FY 2016/17 budgets. The bond amounts were reflected on the Debt Service schedule in the Financial Projections section of the FY 2016/17 budget. A copy of the schedule was provided to the Mayor and City Council. The 2017 bond issuance will include projects and purchases

from both budget years. Several projects and purchases on this project listing are in various stages of completion in anticipation of this bond issue. Due to reimbursement regulations, the City will need to complete the bond sale by July 1, 2017 in order to be fully reimbursed for all items done to date.

Prior to the sale of the bonds, staff will return to introduce and obtain approval of enabling ordinances. So that the City can sell and close on the bonds, staff will also return to obtain approval of a resolution outlining the details of the bond sale. The Capital Improvement Program (CIP) project needs were anticipated and approved in the FY 2015/16 and FY 2016/17 CIP budgets.

A preliminary 2017 Bond Issuance project listing was reviewed. The project listing reflects amounts identified in the FY 2015/16 and FY 2016/17 budget documents as well as several other priority projects which need bond proceeds as a source of funding. Currently, the anticipated total amount to be issued for 2017 is \$ 8,534,675; and a summary by fund is listed below:

General Fund	\$ 6,008,201
Water Fund	\$ 1,106,474
Wastewater Fund	\$ 1,300,000
Property Management Fund	<u>\$ 120,000</u>
Total 2017 Bond	\$ 8,534,675

Included in the General Fund bond request is \$1.25 million for the replacement of a Ladder Truck, \$ 1.1 million for City Park lake dredging, \$ 1.0 million for a Downtown Redevelopment project and \$ 2.66 million for various other projects, including two replacement dump trucks in Public Works.

Replacement costs for the Prospect Street wall are included. The amount included in the bond issue is the cost in excess of an insurance claim payment.

The Water Fund includes \$ 0.5 million for the continuation of the main replacement program, and \$0.6 million for other equipment replacements. The Wastewater Fund request is for a total of \$ 1.3 million, which includes \$ 1 million for Synagro Facilities Improvements per the Synagro contract, and the remaining \$0.3 million is for other infrastructure and equipment replacements, repairs or upgrades.

Staff would recommend that this issuance be a General Obligation of the City, backed by its full faith and credit to obtain lower interest rates. Amounts needed for the Water, Wastewater, and Property Management Funds would be fully paid for by users of those systems. The City has made prudent use of its debt and has adequate capacity to issue new debt. Currently, the city is rated Aa3 with Moody's and upgraded to AA with Standard & Poor's in June 2014. Both are strong ratings.

Ms. Hepburn stated projects that are included in the bond issue have to be shovel ready. The City of Hagerstown typically issues a tax exempt bond.

The list of projects includes a Fire Department Training Center, which would replace the existing Fire Training Burn Building at the City Fire Training Center. Mayor Bruchey asked if departments other than the City's Fire Department use the existing facility. He wondered if the City could expect a reimbursement from other departments if they are using the facility.

Councilmember Aleshire stated there was a push at the County level for a larger training center. The County's direction isn't feasible for the City. He would like to discuss why the City isn't participating with the County training facility.

Ms. Means stated staff's understanding is the County facility does not include a burn building.

The Elizabeth Hager Center roof replacement is currently under way.

Replacement of deteriorated alleys is also on the project list. The Highway User Revenue (HUR) funding from the State of Maryland is used toward paving of streets. None of the HUR is used for alley maintenance. Just to maintain the current level of annual paving, the City budgets \$ 1,000,000. The budget for alley repair is \$ 100,000.

Councilmember Aleshire pointed out if the alleys aren't maintained, there will eventually be a failure that will be an emergency repair. That repair may cost \$ 100,000 itself. It is better to include repair costs each year.

Councilmember Metzner suggested repeating the presentation made by Rodney Tissue, City Engineer, showing the street and alley conditions in Hagerstown.

Councilmember Aleshire is willing to discuss abandoning some of the alleys. He noted that many alleys also contain utility lines.

The 2002 Ford Dump Truck used by the Parks Division needs to be replaced. The new vehicle will also include a snow plow.

The Marsh Run Walls Rehabilitation project is continuing. Phase I is complete. Phase II repairs will continue on other areas identified during an August, 2013 inspection.

There is \$ 1,500,000 included in the bond issue for downtown redevelopment. This includes \$ 500,000 already committed toward the Maryland Theatre expansion project.

Councilmember Aleshire asked if there is \$ 1,000,000 set aside for the hub project. If not, this \$ 1,000,000 has to be available for that project.

Councilmember Corderman asked if this funding can be used for projects requesting funding from the City's various incentive programs. Ms. Means stated bond funding cannot be used for those programs.

Councilmember Aleshire wondered if bond funding spent on public improvements is taxable. He stated it would be easier to put this \$ 1,000,000 toward a third parking deck, which is needed. Ms. Hepburn will identify the \$ 1,000,000 as a future bond issue.

The installation of a heavy duty vehicle lift to assist with the City's over 300 vehicle fleet of cars, trucks and heavy equipment is included for \$ 75,000. The Central Maintenance Garage (CMG) has been completing more repairs. This project has been deferred for three years.

Review of the projects will continue at the January 17, 2017 Work Session.

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

*Valerie Means, City Administrator*, reminded the group that a public information meeting to discuss the lake dredging project is being held on January 11, 2017 at the Washington County Museum of Fine Arts at 6:00 p.m. A public information meeting regarding the restoration of the Hamilton Run is being held this evening at the golf course club house.

### **MAYOR AND COUNCIL COMMENTS**

*Councilmember D. F. Munson* had no additional comments.

*Councilmember L. C. Metzner* hopes 2017 is a good year. He recommended that the Mayor and City Council tour the various City operations throughout the spring. Being able to visual operations when projects are discussed is helpful.

*Councilmember P. D. Corderman* thanked Mayor Bruchey for setting up the tour of the Hamilton Hotel property. He hopes something amicable can be worked out with the owners so their project can move forward.

*Councilmember K. B. Aleshire* stated the City Farmers Market is noticeably empty, with only 5 or 6 vendors. The location of pop up shops helped add vendors for the event weekends. This is an asset that may die of neglect. He believes the problem is an issue of how the market functions. He thanked Governor Hogan for recognizing the City's efforts to support the urban improvement project. He thanked Senator Serafini and County Administrator Greg Murray for their diligence with keeping the interest high with this project.

*Councilmember E. Keller* would like to have the mural on W. Washington Street at Burhans Boulevard refreshed to be inviting for visitors traveling to downtown. She

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suggested forming a committee to improve the perception between the City's Code Enforcement division and the landlords of Hagerstown. She wants to let people know the City is open for business. She has heard people say the City is difficult to do business with and she wants the perception to change. Mayor Bruchey noted an Ad Hoc Committee could be appointed to review this specific issue.

*Mayor R. E. Bruchey, II* reported the tour of the Hamilton Hotel property was informative. The reality is this very large building is vacant and is part of what visitors see when they come to downtown. There is great potential for the building.

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 6:18 p.m.

Respectfully submitted,

*Original signed by D. K. Spickler*

Donna K. Spickler  
City Clerk

Approved: February 28, 2017