

13th REGULAR SESSION AND WORK SESSION – April 25, 2017

WORK SESSION – April 25, 2017

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:31 p.m. on Tuesday, April 25, 2017, in the Council Chamber at City Hall. Present with the Mayor were Councilmember K. B. Aleshire, P. D. Corderman, E. Keller, L. C. Metzner, and D. F. Munson, City Administrator Valerie Means, Paul Rose and Tom Lynch, Attorneys with Miles and Stockbridge, P.C., and City Clerk D. K. Spickler.

FY 2017/18 Budget Review

Michelle Hepburn, Director of Finance, continued the review of the FY2018 proposed budget. At the April 18, 2017 Work Session, staff was tasked with finding ways to be able to reduce the proposed tax rate increase to the Constant Yield Tax Rate level. The Department Managers reviewed the budget again and identified possible amendments to meet the task.

Items for consideration include (but are not limited to) the following:

1. Sale of 3 cabooses
2. Stormwater Management fee implementation
3. Real Estate Tax Tiers
4. PILOT agreements for tax exempt properties
5. Additional Safe Speed for Students Program camera
6. Reduce or eliminate events overall
7. Reduce operational hours at Parks in order to reduce staff expenses
8. Increase General Fund vacancy savings
9. Reduce General Fund CIP Expenditures
10. Reduce operating expenses in General Fund Departments

A chart showing the full list of items, with associated costs, is part of the packet material for this meeting.

When implemented, the Stormwater Management (SWM) fee would be a separate fund. Expenses associated with stormwater management could be covered from this fund.

For example, staff that does storm drain work would be funded through the Stormwater Management fee. Councilmember Aleshire stated SWM will become a utility driven fee. The State of Maryland will send SWM permits to jurisdictions.

Councilmember Metzner noted the SWM fee will also be assessed on non-profit and tax exempt properties. It will be based on the amount of impervious area that is on the property. Even if the property tax rate is lowered, implementing other fees means tax payers will still pay additional amounts.

Ms. Hepburn noted at least one other municipality in Maryland has a multi-tier tax structure. Staff will be discussing this structure during the summer.

It was noted the Refuse and Recycling contract expires at the end of 2017. It is anticipated that rates will increase even if the service remains the same. Councilmember Aleshire stated large, multi-family buildings are not usually easy to pick up. He suggested they be required to provide private service.

Community Legacy Grant Funding has been used to fund the Economic Redevelopment Fund. This Fund provides incentives for building renovations downtown. The fund has been depleted.

Councilmember Keller stated she does not like having to reduce events, close parks early, and not being able to provide incentives.

Councilmember Metzner stated this discussion reiterates for him that the original proposed budget is the right one.

Councilmember Munson stated constituents have contacted him indicating they want staff reduced.

Ms. Hepburn stated that as the Director of Finance, she is working under the existing set of goals from the Mayor and City Council. Until there are new goals and different projects supported, staff has to assume the existing goals are still priorities. It would be difficult to reduce staff only from the General Fund. Many employees perform duties that cross many divisions.

Ms. Means again stated staff needs direction on service levels supported by the Mayor and City Council in order to make decisions about reducing costs.

Councilmember Metzner speculated that the constituents did not indicate what services they wanted reduced.

Mayor Bruchey clarified that the stated reduction in events doesn't eliminate all events. He believes expenses can be reduced within the FY2018 budget. The FY2019 budget should include additional revenue sources and this will be discussed in June or July. The City needs to start doing things differently. He strongly supports incentive programs. He suggested using General Fund Reserves to restore funding for incentives and to promote economic development. Marketing and promotion efforts should not be reduced.

Deferring the signal controller upgrades was discussed. Rodney Tissue, City Engineer, stated this project is to upgrade equipment in order to determine the optimum timing on the signals.

Review of the FY2018 Proposed Budget will continue on May 2, 2017.

PILOT Agreement with the Bethel Corporation

Paul Rose, Miles and Stockbridge, P. C., was present to discuss updates to the draft PILOT agreement with The Bethel Corporation.

Mr. Rose stated the agreement is a 42 year term, at the owner's request. The original draft was for 40 years. The renovations are estimated at \$ 65,000.00 per unit. The new PILOT calculation nets greater revenue for the City over the life of the PILOT. There is no deduction for vacancies in the units. Renovations will be completed by June 1, 2019. The Bethel Corporation has agreed to participate in the Crime Free Housing program.

It was noted Bethel Gardens has two outstanding loans with the City totaling \$ 192,000.00. They are proposing to pay off the one for \$ 20,000.00 and refinance the one for \$ 172,000.00, with extending the term to 2057 at 2.81% interest. Jonathan Kerns, Community Development Manager, indicated both loans are CDBG funded loans. The Bethel Corporation indicated the extension of the loan is required to make the financing feasible for the planned renovations.

It was the general consensus to consider approving the revised PILOT agreement during the Regular Session following this Work Session. The Washington County Commissioners are expected to approve the revised agreement as well during their next meeting.

Joint Meeting with the Washington County Commissioners

A joint meeting was held with the Washington County Commissioners. In addition to the Mayor and City Council, the following Washington County Commissioners and staff were in attendance: Commissioner Terry Baker, President, Commissioner Jeff Cline, Vice President, Commissioner Leroy Myers, Commissioner Wayne Keefer, County Administrator Rob Slocum, and County Clerk Vicki Lumm.

Mr. Slocum reported a meeting was held last week with an ombudsman to help secure funding at the State level for demolition and refinancing assistance for the Urban Improvement Project. A formal presentation will be made to both the City and County.

The City has committed \$ 500,000.00 toward the design of the project.

Councilmember Aleshire pointed out that the City is facing its ninth year of declining assessments. The ability to realize and maintain assessment increases is to have a vibrant urban core. This project includes investment in existing commercial buildings in the core and could possibly increase the assessable base and provide an opportunity for investment.

The Mayor and City Council thanked the Commissioners and other entities involved in the project for their vision.

Fire Chief Steven Lohr then discussed the positive collaboration and cooperation between public safety entities in Washington County. There is a training facility at Bowman Avenue that is need of updates. This facility is always available to any fire company that wants to use it. He supports the Roxbury project (a fire safety training facility supported by the County) but the location makes it difficult to provide coverage in the City while training there.

Regardless of what is done at the Roxbury site, the City's facility needs upgrading. Funding is included in the proposed budget to begin this process. President Baker asked how much is needed to fully upgrade the Bowman Avenue facility. Chief Lohr will be meeting with Chief Hayes, Director of the Emergency Operations Center, to discuss the costs. President Baker asked Chief Lohr to relay the cost information to him. Chief Lohr stated the Hagerstown Police Department and Washington County Sheriff's Department also use the Bowman Avenue training facility.

Commissioner Myers inquired about the status of the PILOT agreement with The Bethel Corporation. Mayor Bruchey stated there is a tentative agreement being considered for approval. Commissioner Myers reported Andrew Wilkinson, Attorney with Divelbiss and Wilkinson, presented a tentative agreement to the Commissioners earlier today. Commissioner Myers is concerned there is division within the Mayor and Council about the agreement.

Councilmember Aleshire indicated he is concerned that the costs for police services to Bethel Gardens are not covered adequately within the proposed PILOT agreement. He is also concerned about the 42 year term of the agreement. He is not convinced it is a good deal for the neighborhood or the City in general.

Commissioner Myers asked what happens if the agreement is not approved. It has been stated the project would not be completed and the deterioration of the housing units would continue. Commissioner Myers stated he does not think the community can afford to let it continue to decay.

Commissioner Keefer asked if there are other examples of renegotiated PILOTs. No other examples could be given.

Councilmember Munson stated many years ago, a legislative entity determined a PILOT agreement was the best option for a non-profit corporation to assist in rehabilitating Jonathan Street. It would be beneficial to realize increased revenue from this PILOT, but that is not an option.

Councilmember Corderman stated he does not think the PILOT is the only option.

Councilmember Metzner stated points from both sides are valid. This PILOT agreement has been discussed at length.

Commissioner Myers made a motion for the County to approve the revised PILOT agreement with The Bethel Corporation. Motion failed for lack of a second.

Councilmember Metzner hopes a serious discussion can be held about fire service in Washington County.

Mayor Bruchey indicated he hopes to hold quarterly meetings with the County Commissioners and the Mayor and Council.

Councilmember Myers thanked the City for their cooperation with the UIP. Streamlined permitting will help make this project successful.

President Baker suggested starting the 2+2 meetings again. These meetings were held with two Commissioners and two Councilmembers to discuss issues concerning both groups. He recommended rotating membership on the committee.

There being no further business for the Work Session, on a motion duly made, seconded, and passed, the meeting was adjourned at 6:40 p.m.

13th REGULAR SESSION – April 25, 2017

Mayor R. E. Bruchey, II called this 13th Session of the Mayor and City Council to order at 7:04 p.m. Tuesday, April 25, 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.

The invocation was offered by Councilmember Lewis C. Metzner. The Pledge of Allegiance was then recited.

Mayor Bruchey announced the Rules of Procedure for this meeting will be followed as adopted December 20, 2016. It was announced that the use of cell phones during meetings is restricted and that all correspondence for distribution to elected officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.

The next scheduled meetings are: Work Sessions beginning at 4:00 p.m. on Tuesday, May 2, 2017, Tuesday, May 9, 2017, and Tuesday, May 16, 2017, a Public Hearing on the Tax Rate and Budget on Tuesday, May 16, 2017 at 7:00 p.m., and the Regular Session on Tuesday, May 23, 2017 at 7:00 p.m.

GUESTS

Blues Fest Children's Artwork Recognition

Mayor Bruchey recognized Jasmine Walker-Keegan for being chosen as the winner of this year's Children's Art competition. Jasmine is a 6th grade student at Western Heights Middle School.

CITIZEN COMMENTS

Marvin Lohr, 1135 Sunnyside Drive, Hagerstown, Maryland, has spoken at several Work Sessions about the trash issues in Hagerstown. He suggested dividing the City into sections and focus on resolving the trash issues in each section. He thinks better displays could be placed in empty store front windows. He recommended organizing a contest for employees for ideas to ways to save money. He doesn't know any government agency that can't cut 5% from their budget.

James Devine, P. O. Box 2217, Hagerstown, Maryland, is concerned chemicals in water affect the aquatic life. He is concerned about the federal government and the current president. He asked the Mayor and City Council to consider making Hagerstown a Sanctuary City. Occupants in the buildings across from the USMH center and the Washington County Free Library would improve the downtown.

Justin Wilson, 50 Summit Avenue, Apartment 11, Hagerstown, Maryland, is concerned about the safety of children. He witnessed a near accident when a child went between two parked vehicles and almost walked into traffic. Mayor Bruchey asked Mr. Wilson to talk with Police Chief Brito about this.

Patrick Prudhomme, 136 N. Mulberry Street, Hagerstown, Maryland, does not think the City's Code Enforcement department is effective. There are properties on Mulberry Street where large items such as stoves, dishwashers, etc. seem to be stored. This is not permitted in the City but the items remain. He stated he has contacted the City many times about these items and other issues but the items remain on the property. His partner has received death threats for removing a memorial along the street.

Brian Geenty, 136 N. Mulberry Street, Hagerstown, Maryland, asked why people who speak during Citizen Comments never see any follow-up from their comments.

Mayor Bruchey stated the Mayor and City Council and staff do respond to citizens. Staff has been discussing Mr. Lohr's concerns with him. He reminded Mr. Geenty that a policy for memorials along the street has been established. This is in response to a meeting the Mayor had with Mr. Geenty and Mr. Prudhomme.

PUBLIC HEARING

Rezoning – Olde Towne Development LLC, 613 West Washington Street (ZM-2017-01)

A Public Hearing was held to receive testimony regarding the proposed rezoning on property located at 613 West Washington Street. The total area of the proposed rezoning is approximately 0.21 acres. This property has been zoned R2/RMED since 1977. The property once contained a single-family residential dwelling and still contains a large garage block building, both constructed prior to the City having a zoning ordinance (1956). The dwelling was demolished in 1962, leaving the block building the only structure on the property. #613 and neighboring #607 (also owned by the applicant and zoned CL) have both been under common ownership since the mid-20th century.

Alex Rohrbaugh, Planner, stated the applicant proposed to rezone the property from RMED (Residential Medium Density) to CL (Commercial Local). If rezoned to CL, the plan is to renovate the building for commercial use.

Under Maryland Law, a piecemeal rezoning of property can be considered only if the applicant can demonstrate that 1) there was a substantial change in the character of the neighborhood where the property is located, or 2) that there was a mistake in the existing zoning classification. The applicant has filed the rezoning based on the mistake in the existing zoning classification because the commonly-owned 607-609 W. Washington Street (zoned CL) and 613 W. Washington Street properties should have been zoned CL together because they have historically been used for a common purpose and that the City did not take this into account during the last Comprehensive Rezoning in 2010. The applicant provided a statement of justification.

The Planning Commission held the Public Review Meeting for this proposal on Wednesday, March 29, 2017. At the Hearing, the Planning Commission took testimony from the applicant, Jake Baer (old Towne Development LLC). In his testimony, Mr. Baer mentioned the argument for mistake in the existing zoning classification and discussed a proposed commercial use for the property that would be shared between 613 and 607 (the adjacent, commercially-zoned property also owned by the applicant).

The Commission also took testimony from an adjacent property owner on Madison Avenue. The gentleman stated that he was not opposed to the rezoning to CL, however, he expressed concerns unrelated to the rezoning proposal.

The record was held open for 7 days, until April 5, 2017, in which time staff did not receive any additional public comment.

At its April 5, 2017 meeting, the Planning Commission considered the rezoning proposal and the testimony provided at the Public Review Meeting. The Commission determined in its deliberations that there was a mistake in the existing RMED zoning classification based on the following:

1. The City did not take into account that 607 West Washington Street (zoned CL) and 613 West Washington Street have been and are under common ownership and were historically used together for a common commercial use; and
2. The City did not consider this during the last Comprehensive Rezoning in 2010.

For these reasons, the Planning Commission recommended the property be rezoned to CL based on the mistake in the existing zoning classification for the reasons stated above.

Mr. Rohrbaugh entered the following Exhibits:

Exhibit 1 – Certificate of Advertisement of the Public Hearing

Exhibit 2 – Planning Commission file be reference

The following testimony was presented:

Mr. Baer indicated staff has been very good to work with through this process.

There was no further testimony presented, either in favor of or against the rezoning request.

The hearing was closed at 7:41 p.m. The record will be held open for 10 days for additional comments.

CITY ADMINISTRATOR COMMENTS

Valerie Means, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember D. F. Munson had no additional comments.

Councilmember L. C. Metzner attended the Barbara Ingram School for the Arts production of *Suessical*, the Musical. It was a great show.

Councilmember E. Keller presented a certificate of recognition during the Unity March held in Hagerstown several weeks ago. There is a Climate March being held this weekend. She attended an Opioid Intervention Forum and is glad this initiative is being taken.

Councilmember P. D. Corderman thanked the Washington County Commissioners for meeting with the Mayor and City Council. He thanked citizens for discussing their concerns with the Mayor and City Council.

Councilmember K. B. Aleshire appreciates the process of citizen comments and the opportunity to hear from citizens. He understands Mr. Prudhomme's frustration with Code Enforcement. He found his remarks to be disparaging to the City and staff.

Mayor R. E. Bruchey, II assured citizens that the Mayor and City Council address their concerns. He reminded everyone it may take some time to work through the concerns.

MINUTES

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve the minutes, as presented, for the Mayor and Council meetings held on March 7, 2017, March 15, 2017, March 21, 2017, and March 28, 2017.

CONSENT AGENDA

On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Consent Agenda was approved as follows:

- A. Community and Economic Development:
 - 1. Application Permit for MSO 35th Anniversary Celebration – May 13, 2017

- B. Fire Department:
 - 1. Rescue Lifting Equipment for Truck 4 – Fire & Rescue Products (Harrisburg, PA) \$ 14,755.00
 - 2. Hydraulic Equipment for Truck 4 – Municipal Emergency Services, Inc. (Lanham, MD) \$ 49,900.00
 - 3. Purchase of F-250 Pick-up Truck – McCafferty Ford (Mechanicsburg, PA) \$ 63,572.85

- C. Police:
 - 1. Building Renovations – Criminal Investigative Division – Milton Stamper Builders (Hagerstown, MD) \$ 39,098.00

- D. Public Works:
 - 1. Emergency Repair: Fuel Island – Spigler Petroleum Equipment, LLC (Westminster, MD) \$ 20,130.00

- E. Utilities:
 - 1. Water: Meters – HD Supply Waterworks (Martinsburg, WV) \$ 12,500.00
 - 2. Water: Meters – L/B Water Service, Inc. (Chambersburg, PA) \$ 31,800.00
 - 3. Wastewater: Compact Utility Tractor – Smith's Implements, Inc. (Hagerstown, MD) \$ 36,782.75

UNFINISHED BUSINESS

A. Approval of an Ordinance: Amending Chapter 38, Police and Fire Employees' Retirement Plan

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance to amend the City of Hagerstown Police and Fire Employees' Retirement Plan to provide for the designation of a Human Resource employee of the City to serve as the Administrator of the Plan and allow for the delegation of administrative responsibilities to another employee to serve as the Coordinator. The amendment changes the role of the Retirement Committee for fiduciary protection. This amendment also changes the definition of the citizen representative for this committee from a City resident to a Washington County resident.

B. Approval of an Annexation Resolution: 2009 Salem Avenue North LLC (Fulton), 12839 and 12919 Salem Avenue (A-2017-01)

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to approve an Annexation Resolution for property located at 12839 and 12919 Salem Avenue. The property to be annexed is approximately 5.75 acres in size and is intended to be added to and made part of the adjacent municipal lands.

NEW BUSINESS

A. Introduction of an Ordinance: Rezoning – Olde Towne Development LLC, 613 West Washington Street (ZM-2017-01)

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance for zoning reclassification and zoning map amendment from Residential- Medium Density (RMED) to Commercial Local (CL) for property located at 613 West Washington Street. The draft Findings of Fact and Statement of Reasons for this rezoning are attached to the ordinance.

B. Approval of a Resolution: Authorizing an Agreement with The Bethel Corporation, Bethel Gardens Development Partners, LP, and the Board of County Commissioners of Washington County, Maryland

Action: Councilmember L. C. Metzner made a motion to approve a resolution authorizing the City to approve a resolution authorizing the City to enter

into a Payment in Lieu of Tax Agreement with The Bethel Corporation, Bethel Gardens Development Partners, LP, and the Board of County Commissioners of Washington County, Maryland. Councilmember D. F. Munson seconded the motion.

Motion carried 3-2, with Councilmember K. B. Aleshire and Councilmember P. D. Corderman voting No.

C. Approval of a Resolution: City of Hagerstown Public Facilities Bonds, Series 2017A (Tax-Exempt) and City of Hagerstown Public Facilities Bonds, Series 2017B (Taxable) for Various Public Purpose Projects

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve a resolution authorizing the City of Hagerstown to issue and sell by solicitation of competitive bids at public sale two separate series of general obligation bonds. Once such series will be issued on a tax-exempt basis in the aggregate principal amount of \$5,700,000 in order to finance 15 specific projects identified in the resolution, and the other such series will be issued on a taxable basis in the aggregate principal amount of \$ 1,620,000 in order to finance 3 specific projects identified in the resolution. The aggregate principal amount of each series of the bonds is subject to reduction as provided in the resolution.

As required by enabling City Ordinance O-17-02, which was passed by the Council and approved by the Mayor on March 7, 2017, the resolution enumerates details regarding the bonds and their sale and authorizes the Director of Finance or, in her absence or disability, the City Administrator on behalf of the City, to (i) make modifications to bond details and to provide for communication of such adjustments prior to the sale, and (ii) award the separate series of the bonds (or reject bids for one or both series) on the sale date. The resolution provides that the full faith and credit and unlimited taxing power of the City of Hagerstown shall be pledged to the payment of the principal of and interest on the bonds, although it is expected that allocable portions of debt service on the bonds will be paid in the first instance from the Water Fund, the Wastewater Fund and the Property Management Fund. Appropriate City officials are hereby authorized to take the actions necessary to proceed with the bond sale and to close the issuance and delivery of the bonds.

D. Approval of a Memorandum of Understanding between the City of Hagerstown and the Washington County Mental Health Authority

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember E. Keller, the Mayor and City Council unanimously

agreed by voice vote to approve a memorandum of understanding for the purpose of reimbursing Hagerstown Police Department for overtime costs to allow officers to attend approved Crisis Intervention Training.

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 7:54 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: May 23, 2017