

EXECUTIVE SESSION – October 17, 2017

On a motion duly made by Councilmember E. Keller and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session to conduct or discuss an investigative proceeding on actual or possible criminal conduct; #12 (Section 3-305(b)), to consider the acquisition of real property for a public purpose and matters directly related thereto; #3 (Section 3-305(b)), 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, October 17, 2017 at 3:02 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember K. B. Aleshire, Councilmember P. D. Corderman, Councilmember E. Keller, Councilmember L. C. Metzner, City Administrator Valerie Means, City Attorney Jason Morton, Police Chief Victor Brito, Eric Deike, Director of Public Works, Michael Spiker, Director of Utilities, Nathan Fridinger, Electric Divisions Manager, Jonathan Kerns, Community Development Manager, Roger Schlossburg, Attorney, and D. K. Spickler, City Clerk. Councilmember D. F. Munson was not present.

The meeting was held to provide a Hagerstown Police Department operations update, to discuss legal issues regarding a pending property transaction, to discuss a business proposal, and to discuss membership of the Board of Zoning Appeals and the Historic District Commission. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the Executive Session was adjourned at 4:31 p.m.

WORK SESSION – September 19, 2017

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:38 p.m., Tuesday, October 17, 2017 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, P. D. Corderman, E. Keller, and L. C. Metzner, City Administrator Valerie Means, and City Clerk D. K. Spickler. Councilmember D. F. Munson was not present.

Proclamation: Character Counts! Week

Mayor Bruchey read a proclamation naming October 15-21, 2017 as Character Counts! Week in the City of Hagerstown. Carolyn Brooks accepted the proclamation. Police Chief Victor Brito was also present.

Discovery Station Annual Update

Tom Riford, President of Discovery Station, was present to provide an update of the programs offered at the Discovery Station. Pat Kelley, Secretary, and Phil Kelley, Director, Secretary, were also present.

The Discovery Station strives to be the premier children's museum in the tri-state area. Discovery Station at Hagerstown, Inc. is a hands-on museum that provides life-long learning experiences to thousands of children and families each year. They create an environment that stimulates curiosity for discovery, exploration, and further investigation through exhibits and programs that focus on Science, Technology, Engineering, Art, and Math (STEAM) principles.

Discovery Station is located at 101 W. Washington Street. People visiting the Discovery Station often eat at local restaurants.

Their budget welcomes donations from the County, the Convention and Visitor's Bureau, the Gaming Commission, and the City, when possible.

Exhibits include a full-scale model of a Triceratops skull. The Space and Beyond Exhibit includes displays about space, weather, and the solar system. A collection of artifacts and memorabilia are on display depicting the aviation heritage of the Hagerstown area. An exact replica of the cruise liner, the RMS Titanic, is on display also.

Mr. Kelley invited the Mayor and City Council to visit the Discovery Station. He thinks they will be surprised at how much has been accomplished with one paid person and a number of volunteers. In the last five years, admission has increased significantly. They are on track to have 15,000 visitors for 2017. They partner with other museums and local museums to create interesting exhibits.

Mr. Riford requested the Mayor and City Council to consider including \$ 15,000 in the coming budget for the continued operation of the Discovery Station. If a monetary donation is not possible, "in lieu of" or "in-kind" assistance would be welcomed.

Councilmember Aleshire asked if Discovery Station intends to stay downtown. Mr. Riford informed the group that a five year lease was just completed for the current location.

The budget request will be reviewed.

The order of the scheduled agenda was changed. Discussion of the items continues as follows.

Washington County Museum of Fine Arts – HVAC Request

Rebecca Massie-Lane, Director, and Al Martin, President, were present to request support from the City of Hagerstown to assist with an HVAC system replacement and upgrade at the Washington County Museum of Fine Arts (WCMFA). John Schnebly, Immediate Past President, was also in attendance. The Board of Trustees, as fiduciaries of the building, the collections, and the funds of the museum, engaged an Energy & Systems Audit in 2015 from Kibart Engineering. As a result of the audit recommendations, the independent subject matter experts are of the opinion that the WCMFA can go from a whole-building heating efficiency of 68% to 90%; electric use is expected to decrease by 54% as a result of the HVAC upgrade. In addition, natural gas consumption is anticipated to be reduced by 20%. The Systems Audit Report is the basis for prioritizing, budgeting, and planning for energy efficiency cost improvements, maintenance and equipment replacement savings, improved conditions for the care and preservation of the magnificent art collections, and better conditions for the public. This Audit Report was followed by a detailed study and cost estimate outlining a comprehensive replacement of the HVAC system.

During the past five years, the trustees and staff have raised a total of \$ 749,102 for Capital Projects. These have included two roof replacements, historic skylights repair, refurbishing two major galleries, improving the North Entry Plaza and upgrading the catering kitchen. The WCMFA has been accredited by the American Alliance of Museums since 1976, and was re-accredited in 2016; only 3.1% of American museums are accredited.

The WCMFA board is asking for the City's consideration of \$ 50,000 to \$ 75,000 in five annual installments of \$ 10,000 - \$ 15,000. As has been done for past capital projects, they also request forgiveness and waiver of permit and professional fees. In consideration of the museum's founding agreement with William H. and Anna Brugh Singer, they also ask that the Mayor and City Council consider this a special request in addition to the museum's annual operational support of \$ 40,500 per year.

The replacement of the HVAC system is now the top capital priority for WCMFA. The expectation is that the work will be completed by June 2018. The current HVAC systems in the WCMFA are aging, failing, and provide inadequate controls. Problems facing the Museum include HVAC failures in galleries, art storage, and office areas, lack of redundancy, lack of humidity control, inability to maintain museum climate standards, and concerns for the threat this poses to collections stewardship. The museum's national accreditation rests upon its ability to meet Best Practices, including environmental conditions affecting care of collections.

The WCMFA is an economic driver for the region. The museum's zip code collecting reveals that 21.3% of visitors originate beyond a 50 mile radius of the museum and those visitors have a yearly \$ 1,328,470 economic impact (State and Local Tourism Statistics). Over the past five years, the WCMFA has received visits from all 50 States, the District of Columbia, and 51 foreign countries; 52.0% of museum visitors are from Washington County. Using the museum's average attendance for the last ten fiscal years (47,545), the Museum predicts it will receive 494,460 County visitors during the next 20 years of the newly installed HVAC system. The museum's goal is to increase visitors originating

beyond 50 miles to 22% creating a yearly economic impact from these visitors of \$ 1,495,766 (+\$167,296) and totaling \$ 29,915,320 over the next 20 years.

The WCMFA has provided a vibrant place for the presentation and exploration of art of lasting quality for the benefit of a diverse public for more than 85 years. Hagerstown native Anna Brugh Singer and her husband William H. Singer, Jr., in partnership with the City of Hagerstown, Washington County Commissioners, and private citizens, established the WCMFA in 1931 with the proviso that the museum adhere to the highest standards of collecting, that admission be free in perpetuity, and that the museum provide an active program of public art education. Their generosity, and that of subsequent collectors, has resulted in a remarkable collection of some 6,500 works, with particular strength in 18th – 20th Century American Art. Over 80 specialized art classes are offered yearly for Children and Adults. Tours, Educational Programming, Outreach, Bus Trips, Concerts & Community Programming accounted for 33% of the total Museum attendance. The 31,150 square foot building is on the Maryland Historic Trust register. WCMFA requests support for comprehensive modifications of its HVAC system.

The total cost for a new system is \$ 1.2 million. The Board anticipates raising up to \$ 300,000 from the key donators and trustee fundraising. They are asking for funding from the City over the next five years.

Mr. Schnebly stated the annual meetings with the County Commissioners and Mayor and City Council have included references to the need for a new system. The timeline for the replacement has been accelerated due to a leak and humidity concerns.

Councilmember Aleshire stated a radio station, Bob Rocks radio, recently disparaged the community, the City Park, and the museum. The money the City spends with this radio station on advertising (\$ 11,000 annually) should be used to help fund the HVAC system instead. He doesn't want any City money going to an entity that makes fun of the community.

Ms. Massie-Lane reported attendance is increasing. There have been close to 48,000 people visit the museum this year.

Annual Review of Police and Fire Retirement Plan and Other Post-Employment Benefits (OPEB)

Wendy Nussbaum, Director of Human Resources, Alvin Winters, CBIZ, and Lisa Locher, PNC, were present to provide an update of the status of the Police and Fire Retirement to include plan performance and to discuss plan funding as well as an OPEB plan review.

CBIZ serves as the City's Police and Fire Retirement plan actuary and has worked with the City since the plan's inception in 1998.

Ms. Locher meets regularly with the City's Police and Fire Retirement Committee to review investment performance, identify trends, project future performance, and monitor

the investment policy compliance. She will begin providing regular reviews of the OPEB plan in October, 2017.

A defined benefit pension is a major component of an employee's overall compensation package. The Police and Fire Retirement Plan offers a benefit that provides a maximum lifetime benefit of 60% of an employee's three highest years' salary after 30 years of service. Police and Fire are eligible to retire after 25 years of service and their benefit is calculated at 2% of their salary for each year worked.

As a comparison, the City participates in the Maryland State Retirement Plan for eligible non-sworn personnel. The Reformed Maryland State Plan offers a benefit of approximately 40-50% of an employee's five highest years' salary. Normal retirement is age 65 with ten years of service or based on the Rule of 90 (age and service must equal 90). The Reformed Maryland Plan also has a ten year vesting requirement.

Since the inception of the Police and Fire Plan, the City has funded 100% of the actuary's recommended employer contribution amount. The employee contribution rate has remained at 7% with Mayor and Council approved increases of the City contribution rates to make up the difference. The absorption of contributions by the City was taken to ensure a securely funded retirement plan.

Chapter 38 of the City's Code details the authority and administration of the plan. Mayor and Council have ultimate authority over the Police and Fire Retirement Plan and the Committee.

The Police and Fire Retirement Committee reviews plan performance and discusses matters that could have an impact to the plan. The establishment and authority of the committee are also defined by Chapter 38 of the City's Code. Two positions on the committee require Mayor and Council's formal appointment. The Committee votes to establish a Chair and Vice-Chair.

It is recommended that the City change the long term rate of return to 7.25% and the salary growth assumptions of OPEB to 4.25% for GASB purposes.

Mr. Winters stated the City of Hagerstown is on the leading edge of the OPEB funding since they listed OPEB as a liability several years ago. Ms. Means noted the bond rating companies view the pre-funding favorably when reviewing the City's financial status.

Councilmember Aleshire clarified that the rate of return indicates it was a good investment year. He stated a cap should be considered for the City's contribution, which would extend the time it will take to fully fund the liability.

Ms. Locher reported the OPEB plan market value as of the end of fiscal year (June 30, 2017) was \$ 8.7 million versus a year earlier market value of \$ 7.2 million. The market value as of September 30, 2017 was \$ 9.0 million. The Police and Fire Retirement Plan

market value as of the end of fiscal year June 30, 2017 was \$ 20.1 million versus a year earlier market value of \$ 18.8 million. The market value as of September 30, 2017 was \$ 20.8 million.

Approval of the recommended changes in the assumptions used for the Annual Financial Reporting of the City of Hagerstown Police & Fire Employee's Retirement Plan will be included on the October 24, 2017 Regular Session agenda.

Preliminary Agenda Review

Consent Agenda

A. Information Technology, Communications, and Support Services:

1. Microsoft Exchange Enterprise Server Software Upgrade – Vision Business Products (Carnegie, PA) \$ 34,857.00

B. Fire Department:

1. Roof Replacement at Engine 3 – Bonded Applicators, Inc. (Hagerstown, MD) \$ 56,476.00

C. Police:

1. Community Based Prosecutor Fees – Washington County Sheriff's Office (Hagerstown, MD) \$ 30,244.00
2. NTF Reimbursement to Washington County - \$ 310,000.00

D. Public Works:

1. Bulk Road Salt – Cargill, Inc. (North Olmsted, OH) \$ 52.38/ton

E. Utilities:

1. Electric – Transformers – National Transformer Sales (Raleigh, NC) \$ 75,089.00
2. Electric – Three Vehicles – Keystone Ford (Chambersburg, PA) \$ 84,755.00

There were no questions about any item on the Consent Agenda.

Approval of Salt Utilization Agreement with Maryland State Highway Administration

Eric Deike, Director of Public Works, stated the Maryland State Highway Administration will allow local governments to purchase salt from them as needed during snow emergencies if the salt is available. The local governments must have an approved Salt Utilization Agreement in place before salt can be purchased. The current cost of the salt through the SHA is \$ 90.16/ton. The City purchases salt for its use during the winter season. Salt has only been purchased once from SHA in the previous 18 years so utilizing SHA for salt should be considered as a last resort option for the City.

Approval of a Memorandum of Agreement with Maryland Historic Trust and

Hager 5, LLC for the Property at 43-53 West Washington Street

Jonathan Kerns, Community Development Manager, reported since the City acquired the property utilizing Federal and State funding, Hager 5, LLC's proposed acquisition and demolition of 43-47 West Washington Street requires an MOA with the Maryland Historical Trust.

Similar to the recent MOAs for the UIP project, the MOA for 43-53 West Washington requires the City of Hagerstown to take the lead in coordinating the installation of interpretive elements (e.g. plaques, signage, or panels) to detail the history of the building being demolished. This would be done in concert with the interpretive elements for the Maryland Theatre project demolition and Washington County BOE/BISFA project demolition. The MOA requires the project developer to absorb the hard costs associated with the required interpretive elements.

This completed the Preliminary Agenda review. There were no additional comments or questions regarding the items on the Preliminary Agenda. All items are scheduled for approval on October 24, 2017.

FY19 Preliminary Budget for General Fund Agency Contributions

Valerie Means, City Administrator, stated this discussion of the General Fund Agency Contributions provides the opportunity for the Mayor and Council to discuss any adjustments to be included in the FY2018/19 budget, per the approved policy.

As outlined in the policy, any changes to total funding levels or any changes to the agencies guaranteed to receive funding from the City will be considered by the Mayor and Council by the end of October.

The current recipients (identified by the City as core agencies) receive a total of \$ 195,000. The agencies are as follows:

1. Washington County Free Library
2. Washington County Museum of Fine Arts
3. Maryland Theatre
4. Maryland Symphony Orchestra
5. Hagerstown Municipal Band
6. Community Rescue Service
7. Hagerstown Neighborhood Development Partnership
8. Hagerstown Historical Society

Per the policy, the Mayor and Council have established a \$ 10,000 contingency for General Fund Agency Contributions.

Councilmember Aleshire stated this list is acceptable. He is not interested in increasing the total.

Councilmember Metzner stated if the Mayor and Council decide to fund any portion of the requests made by the Discovery Station or the Washington County Museum of Fine Arts earlier in this meeting the money should be found within this fund.

Proposed Stadium Improvements for the 2018 Season

Rodney Tissue, City Engineer, reported per the fourth amendment to the lease with the Hagerstown Suns, the City will invest up to \$ 35,000 in general stadium improvements each season. In addition, this year there is a fund balance of \$ 6,321 (\$41,321 total) carried over from last year as staff was able to obtain an energy grant to fund some of the LED lighting improvements. In September, staff received a request from the Suns staff for improvements for the 2018 season which starts April 12, 2018. After negotiating with them, the proposed improvements are as follows:

1. Replace all field light bulbs and re-aim: The lighting is currently below current minor league baseball standards. Re-lamping should get close to the standards. Staffs recommend contracting with MUSCO, the industry leader in sports lighting, and their proposed cost is \$ 11,000.
2. Replace concession counter and add roof: Located behind the grandstand near Town Run, the existing counter is in poor condition with rotted wood and the area is susceptible to foul balls hitting patrons and the attendants. This can be completed by City staff and the estimated material cost is \$ 10,000.
3. Install screen/fence adjacent outdoor grilling/food preparation area: Located to the rear of the beer garden deck, install wooden board-on-board fence to screen the grills and food preparation area from the seating areas. This can be completed by City staff and the estimated material cost is \$ 6,000.
4. Install wall in the Team Store and a wall in grounds keeping room: Construct partition walls to create more merchandise displays and storage areas. This can be completed by City staff and the estimated material cost is \$ 4,000.
5. Electrical conduit repair: mounted on the outfield wall, the conduit raceway serving the field lights is sagging and is in danger of falling. The City would need to contract with a licensed electrician and use a crane to address this issue. Proposed cost is \$ 5,800.
6. General plumbing and electrical repairs: Suns have given staff a list of items to repair. All work would have to be completed by a licensed professional and the estimated cost is \$ 4,500.

Staff believes the listed work can be completed for a total estimated cost of \$ 41,300 (staff labor not included).

Staff also received a long list of items that require maintenance, a “Security Assessment” prepared by HPD, and a HVAC unit at the Team Store needs replaced in the next year. There are not sufficient operating funds to complete these items and they will have to be deferred or the Suns will have to complete them.

Mr. Tissue reminded the group that the Lease and the Player Development Contract with the Washington Nationals expires at the end of 2018. Staffs understand the team may seek an extension and will open discussions with the City in early 2018.

Councilmember Metzner pointed out the fund balance carry over is possible because the City found alternative funding sources to meet their obligation to the Suns. Staff labor should be included in the total costs. If he is assured the Suns will still be here after this season, he supports completing the work.

Travis Painter, Hagerstown Suns General Manager, stated the Suns' ultimate goal is to remain in Hagerstown. He will review the list with City staff to determine which items are most essential. Mr. Tissue stated Items 3 and 4 are likely to be removed during this review. Councilmember Metzner suggested not delineating the projects to be completed with the \$ 35,000.

Councilmember Corderman supports using the fund balance of \$ 6,000 to complete the list. He noted the Hagerstown Suns are the #1 tourist attraction.

Mr. Painter stated attendance for the season was 80,000. This figure is lower than last year, partly due to 10 rain outs. They are looking at ways to utilize the facility throughout the year to bring people to Washington County.

Approval of the expenditure will be included on the October 24, 2017 Regular Session agenda.

Fairgrounds Park Entrance Building and Gatekeepers House

Rodney Tissue, City Engineer, was present to review the possible options for the Fairground Park Entrance Building and Gatekeepers House.

In 2002, the City spent about \$ 144,000 to "mothball" and stabilize the Entrance Building and the Gatekeepers House and the work was funded in large part by a Preservation Maryland Grant for \$ 30,000 and a Maryland Historic Trust (MGT) Grant for \$ 43,122. A condition of the grants was that the City convey a perpetual historic preservation easement on the property to MHT. This requirement in the law is meant to protect the State's investment in historic preservation projects.

The Entrance Building has structural deficiencies that are rooted in the quality of construction when it was first built in the early 20th century. The Entrance Building is in poor condition and is structurally deficient. The back wall can literally be pushed outward on the second floor. The Entrance Building was built against the Gatekeeper's residence which has created significant water penetration issues where they join. The Gatekeeper's residence is basically a late 19th century farmhouse but is structurally more sound. Both buildings are currently vacant and uninhabitable.

Parks staff routinely monitors the structure and repairs most exterior vandalism issues; however, the structures are in need of significant maintenance again beyond what staff can allocate resources to. The City has received an easement inspection letter from MHT

on May 15, 2017 and staff have examined the associated costs to address the maintenance issues that have arisen in the 15 years since the stabilization project was completed. The repair needed identified in the letter are estimated to cost over \$ 100,000. This expenditure would not make the upgraded buildings habitable. In order to be habitable, the buildings would need complete electrical, plumbing, and heating systems plus restrooms in order to meet modern code requirements. In addition to all of that, the Entrance Building would need to be structurally rebuilt to be sound enough for occupancy.

Staff have explored the following options:

1. Restore structures and make habitable: This option is truly “pie in the sky” and would require a major reconstruction, structural improvements and all systems installed. Staff estimate this cost at over \$ 500,000.
2. Repairs if funded by MHT: This option fulfills the City’s obligation to keep the structure, maintain an acceptable appearance and address the MHT easement inspection concerns. An estimated cost for this option is \$ 80,000.

Staff would not recommend that City funds be spent on this uninhabitable structure. Staff recommend that the City apply for an MHT Capital Historic Preservation Grant to address these issues and continue to do so going forward until a grant award is received to address the MHT’s inspection issues (the conditions will continue to deteriorate in the meantime). The award cap is \$ 100,000 per project. The MHT issues application forms and makes guidelines available in November of 2017. The applications are due by February 15, 2018.

3. Petition to remove the entire structure: The MHT has no authority to rescind the easement in exchange for repayment of past grant funds. The MHT indicated that if the City were to demolish the building without receiving prior approval from MHT, then the City would be in breach of easement. Easement remedies in event of breach of easement are possibly the following:
 - a. Sue to stop the breach or enforce a covenant by ex parte, temporary or permanent injunction
 - b. Demand prompt restoration to required condition
 - c. Enter property, cure breach and sue for costs
 - d. Sue for reimbursement of enforcement costs including attorney and court fees.

A petition to save the house and remove the Entrance building could be made, but staff doubt it would be successful. Cost of demolition of both structures is estimated to be \$ 75,000 or less.

Councilmember Aleshire stated spending \$ 80,000 to keep the building in its current state is a waste of money. Accessibility into Fairgrounds Park is limited because of the location of the building. He likes the building but it doesn’t enhance the park.

Councilmember Metzner would not support using General Fund money to make any repairs to the building. He suggested applying for grants to do this. There is no guarantee the MHT would permit the City to demolish the building.

Mr. Tissue suggested applying for the grant now and discussing possible outcomes with MHT. The Mayor and City Council agreed with this suggestion.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember E. Keller had no additional comments.

Councilmember K. B. Aleshire mentioned a planned tour of the downtown area for alley refuse pickup. He did not think there were three Councilmembers who wanted to explore this further. Councilmember Keller stated she said it won't work but is willing to look at the area. The Mayor and City Council should tour the area at the same time.

He discussed the recent negative comments on social media from 101.5 Bob Rocks radio. He understands the video was intended to be humorous but it wasn't since it disparaged everything about Hagerstown. He has no interest in the City doing any further business or advertising with this entity. An apology was issued and the piece about Hagerstown was removed. However, the same negative comments about other jurisdictions in the community, such as Greencastle and Williamsport, were left in place. One function of a radio station is advertising for the good of the community. No public announcement was made of the apology nor was any quantifiable disciplinary action made known to the City. He has no interest in furthering any business relationship with that station or any of their affiliates.

Councilmember Keller agreed. She made a Facebook post about this and received many positive comments. She does not want to continue any business with the station. There is nothing funny about crime and drug addiction in the community.

Ms. Means clarified the direction of the Mayor and Council is to formally terminate business with this broadcast company. It was the general consensus to include a motion on the October 24, 2017 agenda for this action.

Councilmember P. D. Corderman had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Mayor R. E. Bruchey, II had no additional comments.

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 6:36 p.m.

WORK SESSION AND EXECUTIVE SESSION
2017
MAYOR AND CITY COUNCIL

OCTOBER 17,
HAGERSTOWN, MARYLAND

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: November 28, 2017