

28th SPECIAL SESSION AND WORK SESSION – November 14, 2017

Mayor R. E. Bruchey, II called this 28th Special Session, Work Session, and Executive Session of the Mayor and City Council to order at 4:05 p.m., Tuesday, November 14, 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, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler. Councilmember D. F. Munson was not present.

28TH SPECIAL SESSION – November 14, 2017

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 of all members present to meet in Special Session at 4:06 p.m.

Approval of Purchase – Battalion Vehicle – McCafferty Ford (Mechanicsburg, PA) \$ 62,601.87

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 of all members present to approve the purchase of a 2017 F250 Extended Cab Pick-up truck from McCafferty Ford in the amount of \$ 62,601.87. This purchase accelerates replacement of a needed vehicle projected for FY19 with a one time discount opportunity of \$ 970.98. The purchase is funded by the sale of two used ladder trucks.

Approval of Open Containers Exemption – Christkindle Markt

Action: On a motion duly made by Councilmember P. D. Corderman and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote of all members present to approve an exemption from the City of Hagerstown's Open Containers regulation under section 173-6 of the Code of the City of Hagerstown for the Christkindle Markt on December 2, 2017.

Approval of Fund Balance/Retained Earnings Policy

Action: Councilmember E. Keller made a motion to approve an amended General Fund Balance/Retained Earnings Policy to provide guidance during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for future sustainability. This amendment updates the policy approved in 1993. Councilmember K. B. Aleshire seconded the motion.

Discussion: Councilmember Corderman does not think the policy should be revised until more budget information is available.

Councilmember Corderman made a motion to table the discussion until other avenues for revenue are reviewed. Motion to table died for lack of a second.

Michelle Hepburn, Director of Finance, provided a chart of the Fund Balance Reserve Trends for the past five years. The Mayor and Council had asked that the Comprehensive Annual Financial Report (CAFR) be completed before amendments to the policy were discussed. The CAFR is now complete. GFOA best practices suggest a retained earnings policy of 17%.

Mayor Bruchey stated he thinks the 17% is fair; however, the economy is improving so it may be better to wait until the next budget is approved before considering an amendment to the policy.

Councilmember Metzner doesn't support a percentage of less than 17% for the reserve policy. He noted that this body can amend a policy at any time.

Mayor Bruchey pointed out an unexpected expense could be for a major project, not just for an emergency.

Councilmember Keller stated a lower reserve balance policy could negatively affect the City's bond rating. Ms. Means and Ms. Hepburn clarified this is true.

Ms. Means indicated there is a restoration clause in the policy in case of an unplanned emergency situation. If approved, this amended policy will provide guidance as the FY19 budget is developed.

Councilmember Corderman expressed his concern that the amended policy is too restrictive, given the major projects that are set to take place within the City.

Councilmember Aleshire stated the minimum number of months of regular operating expenditures covered is more important for him than the percentage. He recommended establishing a minimum of 3 months of operating expenses, although he would prefer 6 months.

Motion carried 3-1 with Councilmember P. D. Corderman voting No.

The Special Session was closed at 4:24 p.m.

Proclamations – Transgender Day of Remembrance (November 20) and World AIDS Day (December 1)

Mayor Bruchey read a proclamation naming November 20, 2017 as Transgender Day of Remembrance in Hagerstown. He also read a proclamation naming December 1, 2017 as World AIDS Day. Both proclamations were accepted by Michael Jones, Veritas Church.

The Transgender Day of Remembrance raises public awareness of hate crimes against transgender people and publicly mourns and honors the lives of transgender people.

World AIDS Day serves as a reminder for citizens to educate themselves about the risk of HIV.

Donation Offer for City Park

Rodney Tissue, City Engineer, and Jennifer Keefer, City Attorney, were present to discuss a donation offer that was made for the City Park.

Mr. Tissue indicated the City receives donations of items from time to time. Typically, the offers are for minimal value items and staff does not accept them. However, if an offer is made for something of significant value, the offer is presented to the Mayor and City Council for consideration. A citizen has made an offer to purchase a nativity scene for display at the City Park.

Ms. Keefer stated if a policy is adopted for the acceptance of donations, it must be content neutral.

Councilmember Aleshire thinks anyone who wants to use park facilities or properties for displays, etc. should be required to complete a user agreement similar to what is used for rental of the bandshell and pavilions. An appropriate rental fee could be established. He attended an Easter egg hunt at City Park and there were multiple religious displays at the event. He wondered if there has ever been a request to rent out areas of the park, other than the pavilions and bandshell. Mr. Tissue stated he has not received a request like this.

Councilmember Metzner stated a policy for renting space for static displays would likely have to be restrictive. He noted this discussion is different from the Executive Session discussion last week when staff and counsel indicated the City would likely be sued if they didn't accept the donation. It was also noted that any donated items would become property of the City and could be used by the City in a manner that is determined.

Councilmember Aleshire stated he thinks a nativity scene as part of the static display would be acceptable.

Councilmember Metzner noted the offer was made with an expectation of where the nativity scene would be displayed.

It was the general consensus to not accept any offers of static displays for any City property.

Hagerstown Business Revolving Loan Program Guideline Updates

Jonathan Kerns, Community Development Manager, and Ashley Newcomer, Business/Community Development Finance Specialist, were present to discuss proposed updates to the City's Hagerstown Revolving Loan Fund (HRLF) guidelines. DCED staff have reviewed the existing guidelines with the members of the Hagerstown Loan Review Authority (HLRA) and the City Attorney. Many of the proposed updates are routine in nature and all updates will ensure the guidelines reflect current practices.

The HRLF was established in 1999 in order to make direct, low-interest loans to businesses for certain approved activities within the City of Hagerstown. The program was initially funded with local funding and State grant funding. In recent years, additional State grant funding has been awarded to the program. The HRLF currently has 15 active loans with a total outstanding balance of \$ 948,889.75.

The majority of the proposed changes to the existing guidelines are routine in nature. Highlights of the recommended updates include the following:

1. All references to Hagerstown Redevelopment Authority (HRA) to be deleted and replaced with Hagerstown Loan Review Authority (HLRA)
2. Adding flexibility to the interest rate section of the guidelines to allow the HLRA to determine loan interest on a case-by-case basis
3. Adding a standard, fixed fee for late payments and defining when delinquent loans transition to default status
4. Removing Federal Community Development Block Grant job creation language that is not applicable to the HRLF
5. Updating loan approval process section of the guidelines to reflect actual practice of requiring HLRA approval for all loans above \$ 10,000

A draft version of the full guidelines reflecting the proposed updates was provided at the meeting.

Councilmember Metzner asked that Mr. Kerns confirm that massage therapy establishments, which are licensed, would be eligible for this program.

It was the general consensus to approve the updates at the November or December, 2017 Regular Session.

Homeownership Program Guideline Updates

Jonathan Kerns, Community Development Manager, was present to discuss updates to the City's CDBG Homeownership program Guidelines.

During the October 10, 2017 Work Session , City staff updated the Mayor and Council on City owned properties. A segment of this discussion focused on properties owned as part of the CDBG Homeownership Program.

The City's Homeownership Program utilizes Federal CDBG funding to acquire, renovate, and sell residential properties to homeowners. The majority of the properties acquired through this program are blighted and/or vacant structures with significant code violations. Since the early 1990's, the City has purchased, renovated, and sold approximately 105 properties within the program. The goal of the program is to encourage homeownership opportunities through the rehabilitation of vacant and blighted properties.

The City currently owns four structures as part of the CDBG Homeownership Program. This includes the following:

1. 212-214 N. Jonathan Street – Duplex structure purchased in 1993, two units for sale. Property is in need of general interior and exterior maintenance.
2. 441-443 N. Jonathan Street – Duplex structure purchased in 2005, two units for sale. Recent maintenance work was completed and property is in move-in condition.
3. 64 East Franklin Street – Single Family structure purchased in 2014, one unit for sale. Full renovations were completed within last 12 months and property is in move-in condition.
4. 261 South Prospect Street – multi-unit structure purchased in 2015, currently contains four vacant, substandard units. Initial demo work has begun and renovations expected to begin in late 2017 to create two units for sale.

Proposed Homeownership Program Guideline updates include:

1. Current program guidelines require ALL CDBG Homeownership units to be resold directly to a CDBG eligible, low/moderate income household. Staff recommend removing this requirement for duplex structures within the Homeownership program. For duplex structures within the program, only 1 of 2 units would be required to be resold to a CDBG eligible, low/moderate income household. The remaining unit could be sold to a household with no income restrictions.
2. Current program guidelines require CDBG Homeownership homes to be resold at appraised value. Staff recommend the target sale price remain at appraised value but guidelines should permit an exception to this requirement. Exceptions would require Mayor and City Council approval on a case-by-case basis.
3. Current program guidelines require all units be resold and utilized for owner occupancy. Staff recommend owner occupancy remain the priority use for homes resold within the program but guidelines should permit an exception to this requirement. Exceptions would require Mayor and City Council approval on a case-by-case basis.

4. Current program guidelines require Homeownership Program mortgage lending to be provided in-house by the City of Hagerstown and/or be provided via a combination of in-house mortgage lending and private mortgage lending. Staff recommend updating the guidelines to reflect current practice of permitting applicants to secure any private mortgage lender of their choice.

All of these recommended changes would be permitted under the Federal CDBG regulations.

Per the City of Hagerstown CDBG Citizen Participation Plan, any proposed changes to the Homeownership Program guidelines must be advertised in the Herald Mail. This advertisement is followed by a 30 day public comment period. Once the 30 day comment period expires, any guideline changes would become effective after approval by the Mayor and City Council.

It was the general consensus to approve the proposed updates. Per the City of Hagerstown CDBG Citizen Participation Plan, any proposed changes to the Homeownership Program guidelines must be advertised in the Herald Mail. This advertisement is followed by a 30 day public comment period. Once the 30 day comment period expires, any guideline changes would become effective after approval by the Mayor and City Council.

VerStandig Broadcasting Discussion

A motion to end any contracts and prohibit future contracts with VerStandig Broadcasting was tabled by the Council at the October 24, 2017 Regular Session.

Councilmember Metzner stated the City is a government and does not operate as a regular business. As individuals, the Councilmembers can object to the content of a tv or radio station. The reason the City advertises on the stations it does is because staff has recommended advertising in this manner to reach the largest number of people, based upon the best use of the City's funds. When the governing body decides to stop doing business with a company because it objects to the content of their broadcasting, it starts to impede their first amendment rights. The City's government status should not be used to punish freedom of speech. The Mayor and Council has expressed their concern and dissatisfaction with the content of a recent posting by the radio station known as 101.5 Bob Rocks. Staff should continue to make decisions about the most feasible advertising. He thinks VerStanding Broadcasting officials are aware of the City's concerns about the broadcast.

Councilmember Keller disagrees. The Mayor and Council are the government but they are in the business of protecting the City. The broadcasting company officials apologized to Mayor and Councilmembers individually. The City was blamed on social media for the cancellation of a Halloween event the company had planned. The City had no involvement in the cancellation.

Councilmember Metzner thinks taking a stand against the entire broadcasting company may be detrimental for the City.

Councilmember Keller thinks the Councilmembers agree that prohibiting any advertising was more than they intended.

Councilmember Corderman noted there is an offer of free advertising within the apology sent to the Mayor and Council members. The City should take advantage of the free advertising.

Councilmember Aleshire stated he was an avid listener to the 101.5 radio station. There was a full page of radio spoofs about Hagerstown and other towns. He is concerned there has not been an effort to see Hagerstown as any way except what was broadcast. He doesn't understand why money would be spent with an entity that doesn't want people to see Hagerstown or other communities differently.

Mayor Bruchey stated there were disparaging comments made on 105.5 and it shone an ugly light on some of the ugly truths the City faces each day. He supports Hagerstown on Facebook. His suggestion is to acknowledge this occurred and has been addressed and then to allow staff to determine the best use for advertising dollars to increase the interest in Hagerstown.

It is anticipated the motion will be removed from the table at the November 28, 2017 Regular Session.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, reminded everyone that the tree lighting in the square will take place on Friday, November 17, 2017.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner thanked all the volunteers who serve on the City's boards and commissions. A thank you luncheon was held today. Doug Wright, Planning Commission, received the Dennis Miller Award for his dedicated service to the City of Hagerstown. A ribbon cutting was held at the new Korean restaurant today.

Councilmember P. D. Corderman thanked the Chamber of Commerce for their continued support of Hagerstown and congratulated them on their new location on Public Square. He asked that the crime issues at the Garden Plaza Hotel be discussed during a work session. It was the consensus to place this item on an agenda.

Councilmember Corderman asked if a letter is going to be sent to the Hagerstown Housing Authority noting the concerns about the McCleary Hill project mentioned during recent Mayor and City Council meetings.

Councilmember Metzner stated the Mayor can send a letter on his behalf, if he wishes, but not on behalf of the Council.

Mayor Bruchey stated the draft correspondence identifies the letter is from the undersigned, meaning Mayor Bruchey and Councilmember Corderman. The letter reiterates the concern that other citizens will have to pick up the costs for services not covered by the development.

Councilmember Aleshire sent a letter in opposition of the project in January, 2017. He is concerned the draft correspondence implies the opinion is of the full elected body, not just the Mayor and Councilmember Corderman. He wondered if Roberts Rules of Order allows bringing a completed topic back to the table for discussion by other members of the body.

Councilmember Corderman stated Councilmember Metzner and Councilmember Keller voiced their opposition to the project at a meeting held with the residents of Cedar Lawn.

Councilmember Metzner said that is not accurate. At that meeting he said he didn't support a project where no funding is provided back to the City.

Councilmember Keller stated she was not opposed. She was appalled by the comments made at that meeting.

Councilmember Aleshire stated he understands the property originally designated for the McCleary Hill project has been sold.

Mayor Bruchey stated he discussed ideas for increasing homeownership with the proceeds of the sale with Sean Griffith, Hagerstown Housing Authority Director.

A pilot agreement with the HHA is still being discussed. It needs to be determined if the terms of the existing pilot are valid.

Councilmember E. Keller attended the University of Maryland at Hagerstown donor program last week. Many positive comments were made about Hagerstown.

Mayor R. E. Bruchey, II attended the economic summit at Fountainhead last week. The economist talked about the need to make Hagerstown exciting.

Mayor Bruchey read a letter of resignation from Councilmember Donald F. Munson, effective November 10, 2017. He wishes Councilmember Munson the best.

The Mayor and Council then discussed a process for filling the vacant Council seat. It was the general consensus to use the process established in 2006 for a vacant Council seat.

The process is as follows:

1. Qualifications: must have resided in the city limits of Hagerstown for one year prior to the appointment and be a current City resident. The applicant

must be 21 years of age prior to the appointment. Applicants must be qualified voters in the City of Hagerstown.

2. Application Process:
 - a. Applications due in the City Clerk's office by 4:30 p.m. on Monday, November 27, 2017
 - b. Names of applicants and their completed application will be made public via media venues following the November 27, 2017 deadline.
 - c. An Executive Session will be held on Tuesday, November 28, 2017 to review all applications and select individuals for an interview.
 - d. Interview of qualified applicants during the December 5, 2017 Work Session.
 - e. A second interview may be conducted in Executive Session on December 12, 2017
 - f. New Councilmember appointed at a Special Session on December 12, 2017 or at the Regular Session on December 19, 2017.

Applications will be available in the City Clerk's office on Wednesday, November 15, 2017. The application will also be available on the City's website.

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 5:30 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: December 19, 2017