

38th REGULAR SESSION AND WORK SESSION – APRIL 24, 2018

WORK SESSION- April 24, 2018

Mayor R. E. Bruchey, II, called this Work Session of the Mayor and City Council to order at 6:04 p.m. Tuesday, April 24, 2018, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, L. C. Metzner, and S. McIntire, City Administrator Valerie Means, and City Clerk D. K. Spickler. Councilmember E. Keller was not present at the Work Session

FY2018/19 Budget Review

Michelle Hepburn, Director of Finance, and Jennifer Peterson, Accounting/Budget Manager, were present to continue the budget review.

The revenue needed to balance the general fund at the current service levels is \$ 776,000. Several tiered tax scenarios have been discussed during recent Work Sessions. The Mayor and City Council need to determine the tax rate so the public notice can be published by the State of Maryland deadline.

Councilmember Metzner thought apartment buildings were appraised by the same method as owner occupied property. He has found out that the appraisal is income based. He supports a 3 cent overall tax rate increase and a 5 cent tax rate increase for apartments. The additional \$ 30,000 created by this scenario could be used as a lump sum payment to meet the funding request from the Washington County Museum of Fine Arts for the HVAC replacement. He would like more information about the appraisal process.

Ms. Hepburn stated it is her understanding that appraisals are completed on City properties on the same schedule. She suggested inviting the local State of Maryland tax representatives to a Work Session for further explanation.

Councilmember McIntire would like to consider a gradual reduction in the tax rate for owner occupied properties, perhaps over 15 years. The rate would be 3 cents for 5 years, then 2 cents for 5 years, and 1 cent for 5 years.

To offset the effect of decreasing assessments, the State of Maryland has advised the City that the Constant Yield Tax Rate is \$0.9418. This is higher than the current tax rate.

Councilmember Heffernan also would like information about the appraisal process for all properties. He currently supports a 3 cent and 5 cent tax rate increase. He suggested not committing the additional \$ 30,000 in revenue for a specific use at this time due to the potential liability of funding for the Maryland Theatre. Ms. Means stated it could be placed in the contingency fund.

Councilmember Heffernan noted the tax differential does not have a dramatic impact for owner occupied properties that are paying a disproportionate share of the use of City services.

Councilmember Aleshire thinks the difference between the two tax rates should be greater. Mayor Bruchey stated that is why he suggested a 2 cent and 10 cent rate increase respectively. That would send a message to the owner occupied property owners that the Mayor and Council understand that the inequity exists.

Councilmember Heffernan would support a 10 cent tax rate increase for apartments eventually. He thinks the first step is appropriate at 5 cents. The apartment owners would not be able to pass the increase to their tenants because of the leases. Increasing the rate over a number of years would give the owners the opportunity to build the increased costs into their lease agreements.

Councilmember Metzner has been contacted by landlords but not owners of owner-occupied properties. He is concerned that perception is discussed often and then raising taxes is discussed.

Mayor Bruchey understands landlords will likely appeal the assessments. He is concerned that appeals will be upheld and the tax revenue will remain the same, even though the tax rate was increased.

Councilmember Aleshire noted the overall 3 cent increase makes up \$ 706,000 of the revenue increase, while the apartment rate makes up \$ 70,000. He wondered how many apartments there are in this class. He noted entities under a PILOT agreement have an even greater discount. Approximately 60 % to 80 % of the tax revenue is used for basic services that all units in the City use equally.

Section 1 of the budget was then discussed. This section includes charts showing the General Fund revenue and a breakdown of expenses. If the additional \$ 776,000 in revenue is not realized, wages and benefits alone would be outpacing revenue. The operating budgets for police and fire represent 50% of overall expenses.

Contributions to Other Agencies includes the \$ 500,000 original amount committed to the Maryland Theatre. This is spread over a five year period, beginning with \$ 200,000 in the FY 2018/19 budget. The remaining \$ 300,000 is earmarked from agency contributions for the next four years. This line item also includes additional funding for the Museum toward the HVAC replacement.

Section 1 also includes revenue and expenses for amenities. This chart includes the golf course, ice rink, Municipal Stadium, Hager House, events, and many others. To provide these amenities, \$ 4.8 million in tax dollars is needed.

Review of the budget will continue next week, including the Economic Redevelopment Fund, Parking Fund, and other Enterprise Funds. A sustainable revenue source is needed if business incentives are a priority for the Mayor and Council.

Mayor Bruchey asked what expenses are related directly to Municipal Stadium. Rodney Tissue, City Engineer, reported minor repairs, insurance, and pest control are

included in general expenses. These expenses are not part of the \$ 35,000 provided by the Hagerstown Suns as part of their agreement.

The tax rate was discussed again at this time. After reviewing the information and discussions, it is the general consensus of those present to increase the tax rate by 3 cents for all properties and by 5 cents for the apartment class of properties. These rates will be included in the required public notices.

Councilmember Heffernan asked if the Parking Fund is intended to be a break even enterprise. Ms. Hepburn indicated it is, however, with the failure of the old equipment and the necessity of leaving the gates open, the actual revenue figures will be less than the projections.

The Work Session was adjourned at 6:46 p.m.

38th REGULAR SESSION – April 24, 2018

Mayor R. E. Bruchey, II called this 38th Regular Session of the Mayor and City Council to order at 7:07 p.m. Tuesday, April 24, 2018, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Valerie Means, City Attorney Jason Morton, 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 1, 2018, Tuesday, May 8, 2018, and Tuesday, May 15, 2018, Public Hearings on the Tax Rate and Budget at 7:00 p.m. on Tuesday, May 15, 2018, and the Regular Session on Tuesday, May 22, 2018 at 7:00 p.m. No meeting is scheduled for Tuesday, May 29, 2018.

APPOINTMENTS

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 appoint Gregory Deck to the Board of Zoning Appeals, with a term to expire May 31, 2021.

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 to appoint the following people to the Stormwater Advisory Committee: Paul

Frey, Elmer Weibley, Sean Griffith, Margaret Yaukey, Mark Halsey, Keith Moore, Stan Steele, Rob Rollins, and Chris Howlett.

CITIZEN COMMENTS

Charles Burkett, 23 N. Locust Street, Hagerstown, Maryland, is concerned about the proposed mandated inspection of apartments and invasion of privacy for tenants. The concerns expressed at the start of the Rental Licensing program in 2002 are now being realized. He stated a tenant can request an inspection at any time. Mandatory inspections are not necessary. He wondered what the real purpose is behind the mandatory inspections. He believes it is a mission to rid the City of homeless people and landlords. Social elitism is morally wrong and should be stopped. Exterior inspections improve the face of Hagerstown but they have not changed the underlying issues. He believes the two recently appointed Councilmembers were hand picked because they support rental registration.

Lance Cahill, Prospect Street, Hagerstown, Maryland, appreciates Hagerstown. He has done things most people wouldn't and visited places most people wouldn't. There is a nationwide problem with homelessness. A better solution is needed. Everyone needs to operate for the greater good. He wondered what the agenda is for each Councilmember. He wondered if they live in the City limits or received money to be Councilmembers. People come to Hagerstown for a reason. If better downtown services and clientele are wanted, then home ownership has to be more affordable. He stated the homeless shouldn't be blamed for problems. Most people are one paycheck away from being homeless.

Donny Ravas, 161 Brynwood Street, Hagerstown, Maryland, is a Washington County Commissioner candidate. He believes there needs to be a County Commissioner who is a City resident, discussing issues with the Mayor and City Council. He wants to restore State funding to municipalities.

Greg Snook, President of CHIEF, offered to work with the City to develop a plan for acquiring tax sale properties and removing the blight through demolition of many of these properties. He noted CHIEF is eligible to receive State funds through the Strategic Demolition Fund. CHIEF and the City have been partners in many projects during the last 40 to 50 years. They are here to assist the City. CHIEF would like to assist the City in a study for a stadium and share in the expense of completing the study.

CITY ADMINISTRATOR COMMENTS

Valerie Means, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire stated there is a police recruitment event being held at the State Police Barracks on April 26, 2018. She mentioned to Mr. Cahill that the Mayor and City Councilmembers do live in the corporate limits of Hagerstown.

Councilmember L. C. Metzner had no additional comments.

Councilmember E. Keller met with Paul Fulk, Neighborhood Services Manager, about holding a community town hall meeting regarding the proposed changes to the rental licensing ordinance, including an inspection schedule. She hopes this would be held outside City Hall. She does not have a personal agenda. Her goal is to reduce the Opioid epidemic. She is a homeowner. She ran for office because she loves her hometown. She is not a landlord but she is willing to listen to concerns about rental properties. There have been situations where the fire department has experienced difficulty entering homes on a fire call because of hoarding or overcrowding. These changes are being discussed to protect the citizens.

Councilmember A. Heffernan agreed with Councilmember Keller. If people want correct information, they should not get their news from the Facebook site "What's Going on in Hagerstown." None of the Mayor and Council members have personal agendas. There are a number of troubling things happening with rental units. In order to protect all the City's residents, scheduled inspections has been considered. Many rental units don't have the perfect tenant or the perfect landlord. The Mayor and Council are trying to determine how to protect renters and be fair to landlords. He encouraged people to support the annual Washington County Gives campaign that is being held on May 1, 2018.

Councilmember K. B. Aleshire noted that, at one time the average length of residency downtown was 7 months. The City is proposing an inspection every 36 months. Statements that indicate the scheduled inspections would mean more inspections is not accurate. The current system isn't working. A renter approached the Mayor and Council at a meeting recently to express her concerns about conditions in her home. Her landlord had not been responding to her complaints. Without rental registration, her issues would not have been resolved. The regulations are reviewed and tweaked regularly in an effort to improve conditions for residents. He cautioned people to not believe everything they see on Facebook. Someone asked how City staff determined when a turnover occurs. He stated this can be found by reviewing utility bills and whose name is on the bill. The notion that Councilmembers were handpicked is not accurate. All the potential appointees were asked if they supported rental registration and they all did.

Mayor R. E. Bruchey, II stated his agenda is to make Hagerstown the most robust and successful city in Maryland. The International Film Festival is being held in Hagerstown, beginning on April 27, 2018.

MINUTES

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, 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 6, 2018, March 13, 2018, and March 27, 2018.

CONSENT AGENDA

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

A. Parks and Engineering:

1. Final Engineering Design – Marsh Run Multi-Use Trail – KCI Technologies (Sparks, MD) \$ 216,547.47
2. City Park Play Equipment:
 - a. Playground Specialists, Inc. (Thurmont, MD) \$ 153,992.00
 - b. Taylor Sports and Recreation (Martinsburg, WV) \$ 42,576.00

B. Police Department:

1. Ammunition – The Gun Shop (Vincentown, NJ) \$ 24,860.84
2. Monthly Payment for Red Light Camera Charges – March, 2018 – June, 2019 – American Traffic Solutions, Inc. (Mesa, AZ) \$ 197,104.00

C. Utilities:

1. Water – Ford F-550 with Utility Body and Crane – Truck 205 Replacement – Keystone Ford (Chambersburg, PA) \$ 117,015.00
2. Water – Dodge Ram 2500 with Plow – Truck 212 Replacement – Hetrich Fleet Services, Inc. (Denton, MD) \$ 29,151.00
3. Water – Ford F-750 Truck with Dump Bed – Truck 215 Replacement – Keystone Ford (Chambersburg, PA) \$ 76,813.00
4. Water – Ford F-350 with Plow and Salt Box – Truck 232 Replacement – Keystone Ford (Chambersburg, PA) \$ 46,220.00
5. Water – Ford F-550 with Utility Bed – Truck 234 Replacement – Keystone Ford (Chambersburg, PA) \$ 82,965.00
6. Wastewater – Valves for Oxygen System – Freemire & Associates, Inc. (Harmans, MD) \$ 20,867.00
7. Wastewater – Grinder Pumps – Fluid Solutions, Inc. (Westminster, MD) \$ 48,580.00
8. Wastewater – Redundant MagOx System – Sherwood Logan & Associates (Annapolis, MD) \$ 37,391.00
9. Wastewater – Muffin Monster for Wastewater Pumping Station No. 3 – JWC Environmental (Santa Ana, CA) \$ 37,449.00
10. Wastewater – Manhole Risers – East Jordan Iron Works (Finksburg, MD) \$ 13,494.69

UNFINISHED BUSINESS

There are no Unfinished Business items.

NEW BUSINESS

A. Introduction of an Ordinance: Amending Chapter 89, Donation Bins, to Allow Liening of Unpaid License Fees

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 introduce an ordinance to amend the Code of the City of Hagerstown, Chapter 89, Donation Bins, to allow the liening of unpaid license fees.

B. Introduction of an Ordinance: Amending Chapter 185, Nuisance Abatement, to Enhance Support to Neighborhoods

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to amend the Code of the City of Hagerstown, Chapter 185, Nuisance Abatement. Specifically the amendments will revise the definition of nuisance as follows:

1. Add ‘public right-of-way’ as additional area to be free of weeds, trash, debris, garbage, weed cutting and other similar material.
2. Add ‘uncontrolled vines and overgrown shrubs and trees’ as condition to be abated on premises or within public rights-of-way.
3. Add leaves as a material to be abated in public right-of-ways.

These amendments are consistent with the City’s Vision and Commitment for Housing and Neighborhoods and the Community’s City Center Plan.

C. Introduction of an Ordinance: Repeal of Eastern Boulevard Road Fee District Program

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to repeal the Eastern Boulevard Road Fee District Program. Over the course of the 14 years the program has been in effect, the City collected \$ 369,605 in road fees from new development in the district to help defray the costs of the \$5.2 million road widening project in FY 08-09. Property tax revenue from the new development at this point more than covers the annual debt service for the road widening project. The Mayor and City Council have determined that continuation of the road fee program is no longer in the best interests of the citizens of Hagerstown.

D. Approval of a Resolution: Fifth Amendment to the Lease with Hagerstown Baseball, LLC

Action: Councilmember A. Heffernan made a motion to approve a resolution amending the lease for Municipal Stadium with Hagerstown Baseball, LLC to extend the term for the 2019, 2020, and 2021 baseball seasons. The terms are essentially the same as the current lease amendments. Councilmember S. McIntire seconded the motion.
Discussion: Councilmember Aleshire does not support a three year term, given the dynamics of other sports activities being considered. The lease indicates the Suns cover the full cost of operations, which is not accurate. There is not a termination clause available for the City in the lease.

Motion carried 4-1 with Councilmember K. B. Aleshire voting No.

E. Approval of an Agreement: San Mar Children's' Home for Installation of a Mural

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 agreement with San Mar Children's Home (DBA "Bester Community of Hope") that outlines the terms and conditions for the installation of a mural on the south wall of the Marsh Run aqueduct adjacent to West Memorial Boulevard. The City's share of the project is repairs to the concrete prior to the painting and traffic control.

Discussion: Councilmember Metzner stated this is a wonderful project and he would like to see more of them.

F. Approval of a Resolution: FY 2019 Community Legacy Application

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve a resolution indicating approval of the City's FY 2019 Community Legacy application to the Maryland Department of Housing and Community Development. The application requests a \$ 400,000 grant to assist with the construction cost of the Urban Improvement Project.

G. Approval of a Resolution: FY 2019 Strategic Demolition Fund Application

Action: On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve a resolution indicating approval of the City's FY 2019 Strategic Demolition Fund application to the Maryland Department of Housing and Community Development. The application

requests funding to assist with two capital projects: 1) a \$ 500,000 grant for pre-construction costs for the Urban Improvement Project; and 2) a \$ 250,000 grant for pre-construction costs for the Doleman Black Heritage Museum.

H. Approval of Mutual Aid Agreement: Hagerstown Police Department and Washington County Sheriff's Department

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve a mutual aid agreement with the Washington County Sheriff's Office to provide, in cases of emergencies, assistance consistent with resources, specialized units, equipment and/or law enforcement personnel.

The only potential cost to the City of Hagerstown would be personnel costs during the deployment incident.

I. Approval of Mutual Aid Agreement: Hagerstown Police Department and Allegany County Sheriff's Department

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to approve a mutual aid agreement with the Washington County Sheriff's Office and Allegany County to provide, in cases of emergencies, assistance consistent with resources, specialized units, equipment and/or law enforcement personnel.

The only potential cost to the City of Hagerstown would be personnel costs during the deployment incident.

J. Approval of City Funding Support for The Maryland Theatre Expansion: Construction Administration

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve of a maximum of \$ 70,000 in City funding to support the continuation of The Maryland Theatre Expansion toward its Construction Administration as requested in the presentation to the Mayor and Council on April 3, 2018. The Maryland Theatre provided an updated cost for its expansion project. This \$ 70,000 in funding would be utilized from remaining unspent dollars previously committed on June 21, 2016 (maximum of \$ 500,000). The source of the City's funding will be from the approved FY18 Capital Improvement budget in project C0854 Downtown Redevelopment and the funding source will be remaining 2017 bond issue proceeds.

K. Approval Memorandum of Understanding with Maryland Stadium Authority and Funding Support for Minor League Baseball Stadium Study

Action: Councilmember S. McIntire made a motion to approve a Memorandum of Understanding (MOU) with the Maryland Stadium Authority and approval of a maximum of \$ 12,000 in City funding to support a Minor League Baseball Stadium Study as requested during the Mayor and Council Work Session on April 17, 2018. City staff has approval to generate a purchase order for this study to be completed by The Maryland Stadium Authority and its designated consultant without securing through the City's RFP process. The focus and details of the study are outlined separately in the attached MOU.

The total cost of the study will not exceed \$ 36,000 and the cost is to be split in equal thirds between: City of Hagerstown, Hagerstown-Washington County Industrial Foundation, Inc. (CHIEF), and the Convention and Visitors Bureau (CVB) The source of the City's funding will be from the approved FY18 General Fund contingency budget.

Councilmember A. Heffernan seconded the motion.

Discussion: Councilmember Aleshire questioned the date of the engagement letter attached to the MOU. It is dated October 10, 2017 and he does not recall discussing the letter before. The document specifies this study will be for a new minor league ballpark in Hagerstown. It indicates three sites will be considered. He asked if those sites have already been selected, given the engagement letter is 7 months old. If so, he asked who made the determination of the potential sites.

Mayor Bruchey indicated the sites have not been identified. The letter Councilmember Aleshire is referring to was not presented to the City until last week.

Councilmember Aleshire stated a comment was made last week that at least one of the sites will be downtown and if necessary, the Cultural Trail could be moved. After talking to City staff, it does not appear to be the case. The Cultural Trail may be lost in the process if a particular downtown site is selected. He asked at what point is a determination made if any of the three sites are acceptable. It has been reiterated that this study is the first step with the Maryland Stadium Authority. He wondered about why the 2013 Ripken report would not be usable. The MSA was engaged with the City when the Ripken report was completed.

Mayor Bruchey noted the City did not pay the consultant or the MSA when the Ripken report was completed.

Councilmember Heffernan stated he understands the study is the first essential step to get the MSA involved for the path to State funding.

Councilmember Aleshire asked that Mayor and Council consider Concept B from the Ripken report if they continue with this study.

Councilmember Keller asked who decides on the location. Mayor Bruchey indicated the consultant (Crossroads) will analyze three locations and determine the impact on the economy. The Mayor and City Council will then review the selections and choose one, if they wish to. Councilmember Aleshire pointed out the MOU indicates the City and MSA will pick the location.

Dan Spedden, Executive Director of the Convention and Visitor's Bureau (CVB), re-established the effort to study locations for a stadium. A delegate told him the proper way to get the process started. After he was confident he had 2/3 of the funding for a study, he approached the City.

Councilmember Aleshire stated various Councilmembers attended a presentation made by Mr. Spedden two years ago. Two things that continually put off the public are indicating there is a pre-determined location and not being completely transparent throughout the process. He has difficult reconciling that it has happened against.

Councilmember Keller stated she will vote Yes to approve the study because she believes in the Hagerstown Suns and thinks they are an asset to the City. She hopes the next steps will be completed, instead of stopping the process after the first step is completed.

Motion carried 3-2 with Councilmember K. B. Aleshire and Councilmember L. C. Metzner voting No.

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 8:09 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: May 22, 2018