

EXECUTIVE SESSION – May 8, 2018

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 of all members present at the time of the vote to meet in closed session to consult with counsel to obtain legal advice, #7, (Section 3-305(b)), to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State, #4, (Section 3-305(b)), and to discuss the appointment, employment, assignment, promotion, discipline, demotions, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction, #1, (Section 3-305(b)), on Tuesday, May 8, 2018 at 2:30 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland. Councilmember K. B. Aleshire and Councilmember E. Keller arrived at the meeting after the vote to meet in closed session was taken.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember K. B. Aleshire, Councilmember A. Heffernan, Councilmember E. Keller, Councilmember L. C. Metzner, Councilmember S. McIntire, City Administrator Valerie Means, City Attorney Jason Morton, Michelle Hepburn, Director of Finance, Jill Thompson, Director of Community and Economic Development, Eric Deike, Director of Public Works, Rodney Tissue, City Engineer, Danelle Hayer, Business Development Specialist, Jonathan Kerns, Community Development Manager, and Donna K. Spickler, City Clerk.

The meeting was held to consult with the City Attorney, to discuss business proposals for two City owned properties, two business proposals, and membership for the Board of Code Appeals, Historic District Commission, and the Planning Commission. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:24 p.m.

40TH SPECIAL SESSION WORK SESSION – May 8, 2018

Mayor R. E. Bruchey, II called this 40th Special Session and Work Session of the Mayor and City Council to order at 4:03 p.m., Tuesday, May 8, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, S. McIntire, and L. C. Metzner, City Administrator Valerie Means, and City Clerk D. K. Spickler.

40th Special Session – May 8, 2018

On a motion duly made by Councilmember S. McIntire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed to meet in Special Session at 4:04 p.m.

Approval of a Resolution: City of Hagerstown Taxable Public Improvement Bond of 2018 for Various Public Purposes

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 providing for the sale, issuance and delivery by City of Hagerstown to Capital One Public Funding, LLC of the City's Taxable Public Improvements Bond of 2018 (the "Bond") in the original principal amount of \$ 1,545,000 or such lesser amount as shall be determined by City officials is necessary prior to issuance.

The resolution provides that the Bond shall mature 15 years from the date of its issuance, shall bear interest at the rate of 4.30% per annum, and shall be subject to prepayment at the option of the City in whole or in part in accordance with the resolution, prepayments may only occur on semi-annual interest payment dates and are subject to certain specified limitations. The resolution pledges the City's full faith and credit and unlimited taxing power to payment of the Bond and provides that an allocable portion of debt service on the Bond shall be payable in the first instance from the Parking Fund. The resolution fixes or provides for other details relating to the Bond. Closing on the Bond shall take place no later than May 24, 2018 unless otherwise agreed to by Capital One Public Funding, LLC.

The Special Session was closed at 4:05 p.m.

Proclamation: Lupus Awareness Month

Mayor Bruchey read a proclamation recognizing May, 2018 as Lupus Awareness Month in Hagerstown, Maryland. Debi Nicholson, Volunteer Community Leader with the Lupus Foundation of America, and her daughter accepted the proclamation.

Citizen Police Academy Graduation Recognition

Mayor Bruchey, Chief Victor Brito, Officer Gerard Kendle, and Lt. John Chance (Auxiliary Police) presented Citizen Police Academy Graduation certificates to the following people: John Chance, Kathy Sue Embly, Steven Feld, Christine Graves, Rebecca Hagenberg, Harold Hall, Matthew McClennen, Lauren Metz, Kay Papeskov, Richard (Scott) Petty, Diane Rudisill, Daniel T. Shoop, Stephen Slavic, Ronald Spoonire, Marilyn Toms, and John Williamson.

Brooke's House Update

Kevin Simmers, Retired Hagerstown Police Officer and founder of Brooke's House, Inc., provided an update of the Brooke's House Project. His daughter, Brooke, passed

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away three years ago from a drug overdose. Through this ordeal, his family found that sober living facilities are extremely difficult to find, especially for women. After his daughter's passing, people in the community reached out to him and his family and talked about how they could make an impact on the number of drug overdoses by working together. He undertook the mission of creating a sober living house in memory of Brooke. Many people have offered money and services to build this facility. He noted the location is just outside the City limits. The first plan was to build it inside the City limits but they knew the Mayor and City Council did not want more of these facilities inside the City limits. The land where it will be located was donated to the effort by the Fulton family. The estimated funding needed to build an 8,000 sq. ft., 9 bedroom house is \$ 1.5 million. Earlier this year, they found out they would have to pay utility connection fees of nearly \$ 70,000.00. They requested waivers of the connection fees, permit fees, and excise tax fees from the County. They also requested a waiver from the City utility connection fees.

The water connection fee and other associated fees are \$ 28,100.00. Michael Spiker, Director of Utilities, stated this amount includes an application fee, benefit allocation fee, vault costs, and a connection fee. The City Code does not provide an allowance for a waiver of any of these fees.

Councilmember Metzner stated it would not be appropriate to have the utility customers make a donation to this project. He supports making a donation to Brooke's House matching the amount of the water connection fees.

Councilmember Heffernan agreed.

It was the general consensus of the Mayor and City Council to donate a matching amount of the connection fees to Brooke's house.

FY2018/19 Budget Review

Michelle Hepburn, Director of Finance, and Jennifer Peterson, Accounting and Budget Manager, were present to continue review of the FY2018/19 budget.

Ms. Hepburn prepared a handout showing the General Fund Agency Contributions. There are eight core agencies listed with a total amount of \$ 205,000.00 available for contributions. The Mayor and City Council agreed to the amounts during the required annual review in October, 2017. Per the policy, a specified amount is set aside as undesignated for unanticipated funding requests during the year.

The tax rate that is being approved (\$0.03 cent and \$0.05 cent) will provide an additional \$ 50,000.00 in revenue. This could be included in the undesignated agency contribution list. The Maryland Theatre has requested a commitment from the City and the County for the previously discussed funding for construction. The Mayor and City Council had agreed to commit an additional \$ 500,000.00 toward the gap in construction funding. Staff included \$ 500,000.00 in the budget over the next four years as follows –

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\$ 200,000.00 in FY19 and \$ 100,000.00 in each of the following four years. The Washington County Museum of Fine Arts had also requested additional funding toward the HVAC replacement project. Staff proposes increasing the Museum's annual funding by \$ 10,000.00 over the next five years to cover this request. In order to provide confirmation of the commitment from the Mayor and City Council, both funding plans would be separate items for consideration.

Councilmember McIntire is concerned the funding was drastically reduced for CRS. Councilmember Metzner indicated they have a large reserve fund. The City started contributing to CRS when the company was near bankruptcy. They have since been able to reverse their financial situation.

Councilmember Keller pointed out they run 85% of their calls in the City limits. Given the current health situation, she doesn't think reducing their funding is wise. Councilmember McIntire suggested reducing the funding gradually. Ms. Means stated the funding remains the same for FY19 so there is time for CRS to adjust.

Mayor Bruchey suggested using bond financing to purchase police vehicles and cameras. Ms. Hepburn stated these purchases are not eligible for bond funding because of their anticipated life cycle. Bond capacity needs to be available for long term projects.

Councilmember Metzner is concerned about committing \$ 500,000.00 to the Maryland Theatre construction project. The City already provided \$ 200,000.00 for seating. The City has committed approximately 10% of the total project. He recommended stating an amount for FY19 but not committing to future years. He suggested a fundraiser with a guarantee match from the City. Committing funding in future years creates a challenge for the next tax year.

In summary, the Mayor and City Council agreed to include \$ 200,000.00 in FY19 for the Maryland Theatre project, with no guaranteed commitment in future years. They also agreed to a \$ 10,000.00 commitment for the Museum HVAC project for the next three budget years.

Parking rates were last increased on July 1, 2014. In FY2019/20 Parking Deck permits assumes a decrease to \$ 120,000 in revenue due to the Award Beauty School decrease in passes. Future revenues do include an estimate for increased usage and rates combined for an overall total of 1.5% annually beginning in FY2020/21 through FY2022/23. The Parking Fund is a business and should be self-sustaining. The charges for parking need to cover the expenses. Revenue is from a combination of parking lots, decks, and parking enforcement.

Based on an economic study by Urban Partners in 2014, a future need for a third parking deck may occur through the development of new retail office space in the downtown. The projects include the assumption that this third parking deck would be completed and operational for half of FY2020/21. The revenue calculation is based on 50% utilization of 180 available spaces in the new deck for a portion of the year in

FY2020/21. Additionally, new parking deck expenses and fees are included in the projections and are based on average expenditures trends reflected in the existing two decks.

Parking is managed by one full time and several part time employees.

A slightly different rate structure is being proposed to increase revenue by 1 ½% in order to provide funding for growth (third parking deck) and cover increasing operating expenses. An increase in all parking fees, except the deck fees, is proposed. In 1996, the Mayor and City Council approved a temporary discount which was intended to promote more parking. The discount did not have the desired impact on parking use. Phasing out the discounts by July 1, 2019 is being proposed. Existing users will have a full year to adjust to the phase out. The goal is to have everyone pay the same rate. User information will be more accurate if everyone pays the same rate. This information will be needed to determine when a third parking deck is needed.

To promote turnover at the meters, staff proposes a limit of 1 ½ hours. If someone wants to park longer, the parking lots are available. Surface lot fees would remain the same.

Staff researched an automated meter pay system and determined, at the current parking rates, it would cost the City money to use a pay by phone system.

Councilmember McIntire surveyed several downtown businesses and they agreed the rates are low. However, they suggested modernizing the pay system so people don't have to keep going to the meter to add more time.

Mr. Deike stated the decks are as modern as they can be. No cash is collected at the gate. Patrons are able to pre-pay at foot stations at locations in the decks.

Councilmember Aleshire remembers that Ron Young, former Mayor of Frederick, talked to the Mayor and City Council years ago and told them that parking has to pay for itself and people have to pay for parking. Frederick was able to build multiple decks and revitalize Frederick. In his opinion, parking has to pay for itself and decks have to be built to accommodate the additional need for parking.

Councilmember McIntire suggested increasing the parking fees to \$ 1.50 per hour in prime areas, like near the court house. Councilmember Keller is concerned when construction begins for the Urban Improvement Project (UIP) it will be even more difficult to get people to come downtown.

Mr. Deike stated when he took over the parking fund, he realized the rates don't necessarily change the amount of participation. When the Theatre is open it is used by many people. There was plenty of free parking and people still didn't come.

Councilmember Aleshire stated the lack of parking available would be a detriment to downtown.

Councilmember Metzner asked what the cost would be to use a pay by phone system. Mr. Deike stated it would be difficult to determine since the company charges by the transaction. Ms. Hepburn stated, as Director of Finance, she would not recommend using a system that costs money. Councilmember Metzner asked what other options are available for a more modern pay system.

Mr. Deike stated a validated parking stub program is available but not many businesses take advantage of the program. He stated the pay by phone program could be on board before the rates are increased. This way, people would not have to carry quarters for the meters.

Councilmember Metzner thinks the parking meter rates at District Court and the Department of Social Services should be increased immediately. He believes these meters would be full all the time. He asked that someone look into the reason there are red curbs at the old YMCA on N. Potomac Street. If District Court expands, the need for parking at that location will increase significantly. Mr. Deike stated there are some spaces available near the District Court spaces that could be sold to District Court.

Ms. Hepburn clarified that the Council are authorizing staff to move forward with eliminating the discounts and pursue increasing the meter rates. They also are authorizing staff to review the pay by phone program. A motion approving this action will be required.

Capital improvement projects for the Parking Fund are available in Section 8 of the proposed budget.

Councilmember Aleshire noted other parties will likely encourage the City to build a larger deck than what is proposed. Frederick was successful with determining locations and having development occur around those decks, rather than one large deck.

Public hearings for the tax rate and budget and introduction of both ordinances are scheduled for May 15, 2018.

City Farmer's Market – Recommended Changes

Jill Thompson, Director of Community and Economic Development, Kitty Clark, Events Coordinator, and Emma Lewis, Events and Program Assistant, were present to discuss recommendations for the City Farmer's Market.

Staff is seeking direction on establishing new hours for the market. The current hours are 5:00 a.m. to 12:00 p.m. There have been concerns and varied discussions about the early start of the market for some time. Vendors were asked for input and the following was received:

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1. Many of the current vendors would like to start later (6:00, 6:30, or 7:00 a.m.) and some of them are willing to stay past noon.
2. Several asked about the possibility of being open another day in addition to Saturday, perhaps Friday or Sunday.
3. Several of the current vendors said they will not stay open past noon.

Staff is proposing the following two options, either of which could begin July 1, 2018:

1. Option A: 6:00 a.m. to 1:00 p.m. As the goal for Catalyst Project #7 is to increase the operational hours of the market, then eventually staff will need to identify and recruit vendors who are interested in vending more hours and more days. If the goal is to effect change, then this could be a step forward in doing so. Some current vendors will likely not be supportive of this option.
2. Option B: 6:00 a.m. to 12:00 p.m. Shorter hours are not consistent with the goal of expanding the market. Some current vendors in the market desire shorter hours.

In order to recruit new vendors to the market, staff proposes an introductory promotion rate of three months for the price of one in the first billing cycle. Additionally, past policies provided a discounted rate after a vendor had completed a year in the market. The rate structure in the FY19 Budget provides only a single rate for all vendors and eliminates the discount after one year. These changes will be approved with the adoption of the budget.

Ideas related to the future of the City Farmers' Market include opening for several hours on either Friday or Sunday, in addition to Saturday, re-arrange the vendors to group similar products in one area, program regular complementary events to encourage visitor attendance, additional promotion by the City, and marketing and merchandising workshops for the vendors.

Mayor Bruchey suggested extended hours from 6:00 a.m. to 12:00 p.m. on Saturday and adding three hours on Friday.

Councilmember McIntire supports Saturday hours from 6:00 a.m. to 12:00 p.m., with no Friday hours to try to increase attendance and interest in the market. With the condensed hours, the City could focus on making the market fantastic.

Councilmember Keller stated the three month free offer is good but if no new vendors take advantage of the offer, it needs to be discussed. She has heard that vendors and potential vendors are not sure who to call with questions. She asked that information be updated and provided to vendors.

Councilmember Aleshire agreed with Councilmember Keller. The City needs to see if they can attract vendors to the market. If they can't, no matter what the hours are, serious consideration needs to be given to the future of the market. The City provides a subsidy just to keep the market open. Vendors leave their products at the market. If all vendors

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don't participate in additional hours, he wondered who would be responsible for the left items. The City is competing with a dwindling number of types of vendors because there is an increasing number of produce stands/markets in the area. The City can't compete with the business model of the Dutch Farmer's Market.

Councilmember Metzner thinks the problem is the increasing competition. There are farmer's markets everywhere. The City's market is not convenient in comparison to its competition.

Councilmember Aleshire noted that some markets are held in parking lots, without any cost to the municipality.

Councilmember McIntire asked how long it has been since the market has been focused on. She suggested focusing on making the market unique.

Councilmember Keller stated the City's market is not working with its current format. She suggested accepting other types of vendors. She thinks the rules need to be expanded in order to attract more vendors.

Councilmember Heffernan stated a deadline should be established for trying things at the market.

Councilmember Aleshire stated the decline of the market is due to a change in the consumer wants.

Councilmember McIntire recommended setting the deadline to at least through a full range of seasons.

Mayor Bruchey suggested trying the hours at 6:00 a.m. to 12:00 p.m. and offering three months free to new vendors. The time will be changed immediately. After this period, the market will be reviewed.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, had no additional comments.

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Councilmember S. McIntire and Councilmember Heffernan will be riding in the Ride with an Elected Official on May 12, 2018.

Councilmember L. C. Metzner had no additional comments.

Councilmember A. Heffernan attended a conference of women educators recently. The group is looking for a place to stay with breakout rooms for this conference. He realized during the conference how much a downtown conference center is needed.

Councilmember Metzner stated a successful developer has a desire to turn the Dagmar into a true hotel. If groups would use the Maryland Theatre for meeting space, it would meet that need.

Councilmember K. B. Aleshire stated as the budget is discussed and agency contributions of \$ 190,000 amounts to about \$ 12.00 per tax payer.

Councilmember E. Keller reminded everyone that May 11 and 12, 2018 is the Bonanza Extravaganza.

Mayor R. E. Bruchey, II talked to someone who wants to make an investment in Hagerstown with a Clarion flagship hotel in town. He mentioned the original location of the Clarion.

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 6:14 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: June 26, 2018