

54th SPECIAL SESSION, WORK SESSION, AND EXECUTIVE SESSION – October 9, 2018

EXECUTIVE SESSION – October 9, 2018

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 meet in closed session 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)), and 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)), on Tuesday, October 9, 2018 at 3:00 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland.

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, Jill Thompson, Director of Community and Economic Development, Michelle Hepburn, Director of Finance, and Danelle Hayer, Business Development Specialist. City Administrator Valerie Means and City Clerk D. K. Spickler were not present.

The meeting was held to discuss various personnel matters and two business proposals. Councilmember Heffernan took notes at the beginning of the closed meeting. Ms. Thompson took notes for the business proposal discussions. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:52 p.m.

54th SPECIAL SESSION AND WORK SESSION – October 9, 2018

Mayor R. E. Bruchey, II called this 54th Special Session and Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, October 9, 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, and City Administrator Valerie Means. City Clerk D. K. Spickler was no present.

54th Special Session – October 9, 2018

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 meet in Special Session at 4:00 p.m.

Approval of Open Container Exemption – Schmankerl Stube at Christkindl Markt

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

agreed by voice vote to approve an exemption from the City of Hagerstown's Open Containers regulations under Section 173-6 of the Code of the City of Hagerstown for the Schmankerl Stube at Christkindl Markt on December 1, 2018 at University Plaza. This replaces the approval made on March 27, 2018 for South Potomac Street.

Approval of Conversion of Two Part-time Staff to Full-time Police Records Specialist

Action: On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to approve the conversion of two part-time staff to full-time staff to support the police records function. These positions will increase the full-time position count by two and will begin 15 October, 2018. Both positions will be AFSCME 1540 members and annual salaries will be per the current contract.

FY19 funding will be from HPD's FY19 vacancy savings and will be added to future budgets to be approved.

Approval of Hagerstown Police Department Cadet Program

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 the HPD Cadet program. This program would entail the hiring of up to six cadets. These positions will be phased in and will not increase the full-time position count. The program will begin no sooner than 15 October, 2018. The anticipated annual salary will start at \$ 25,502.00 and be reevaluated annually.

FY19 funding will be from HPD's FY19 vacancy savings and will be added to future budgets to be approved.

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

Work Session – October 2, 2018

Maryland Theatre Announcement

Jessica Green, Executive Director of the Maryland Theatre, announced Phase 1 of the reconstruction of the Maryland Theatre is officially complete. They will be reopening for shows and events through June, 2019. There are 150 shows and events scheduled. She hopes the community continues to support the Theatre, as they always have. During Phase 2, the expansion building will be constructed. She thanked County and City staff for all they've done during the first phase of the project. She noted the City's Inspection and Code staff were on site twice each day. With their assistance, the project was

completed on schedule. She thanked the Mayor and City Council for their continued support of the project.

There is still a \$ 3 million gap in funding. A 4th quarter public fundraising campaign is planned to help close that gap. The Fletcher Foundation has made a \$ 500,000 matching grant pledge to the Theatre. Information for donating will be shared through a marketing campaign, including online posts and printed material. Individual contributions will be matched during this time. Prizes are available for contributors as well.

Utility Tax Discussion

Scott Nicewarner, Director of Technology, Communications, and Support Services, was present to discuss the possibility of implementing a utility tax rate in Hagerstown.

Mr. Nicewarner informed the Mayor and City Council, as a follow up from the discussion during last week's Work Session, he asked the State Department of Assessments and Taxation (SDAT) if there is a cap on a decrease in the assessment, similar to the cap for increases. The SDAT staff do not think there is a limit and they are not aware of any restrictions for implementing a cap. SDAT staff has submitted the question to the Attorney General's office for an opinion. More information will be provided when there is a response from the Attorney General's office.

There are three revenue opportunities related to municipal taxing authority in Maryland that can be charged. The most revenue generating tax charged by municipalities is the real property tax, or commonly known to citizens as real estate tax. This tax is based upon the State-assessed value of the parcel multiplied by the current tax rate.

The second tax charged to commercial entities within the municipality is the personal property tax. This is a voluntarily reported tax by the commercial entity based upon the business owned personal property owned by the entity. Personal property generally includes furniture, fixtures, office and industrial equipment, machinery, tools, supplies, inventory and any other property not classified as real property.

There is a third tax that is charged by municipalities within Maryland called the Utility Tax. This is a tax that is charged to entities classified as public utilities, and are regulated as public service companies. Utility companies and railroads are assessed by the State using the unit method of valuation which most municipalities in Maryland calculate with the same rate as they charge personal property tax. This valuation includes all property used to operate the business, including real property and personal property.

The City of Hagerstown, for FY2019, has a real property tax rate of \$1.002 per \$ 100 of assessed value for all land use classifications except Apartments, which are charged \$1.032 per \$100 of assessed value. The personal property tax is 2 ½ times the real property rate, making the Personal Property rate \$2.505. The City uses the same \$2.505

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

as the rate charged to the 24 utility accounts taxed in FY18. The City is not required to maintain this rate structure for the Utility tax, and could make it different (either up or down) than the Personal Property rate. All Washington County municipalities maintain the 2 ½ times calculation. Councilmember Aleshire has discussed the utility tax with other municipalities and has found most are not aware they can change the rate from the 2 ½ times the assessment.

The Utility tax amount charged and collected in FY18 is \$ 941,888.77. There are two entities that make up 74.9% of the overall revenue collected (Verizon of Maryland and Columbia Gas). The vast majority of municipalities maintain the 2 ½ x Real Estate rate calculation. However, there are a few that go below that rate, and others that go above. At this time, there is no indication that there is any fast rule that there is a limit as to the rate that can be charged for a utility tax.

Councilmember Heffernan wonders how SDAT will assess the new 5g cell technology that will be placed in many locations, both public and private. Mr. Nicewarner indicated SDAT staff are reviewing how to tax this technology.

Staff is looking for direction from the elected body on whether to pursue a modified Utility tax rate for FY20 different than the 2 ½ times the predominant real property tax rate.

Councilmember Aleshire suggested setting the utility tax rate at 3 times the assessed real estate tax rate. This would create additional revenue to put toward the \$ 850,000 revenue from the amendments in the real estate tax rate, making the total amount from taxes for the Invest Hagerstown program at \$ 1 million. This will provide annual funding for this program. The utility entities will also benefit from the rehabilitation of the eligible properties. He also noted this is the only tax group that was not included specifically in the adjustments to the tax rate for July 1, 2018. There will be a return on the investment.

Councilmember McIntire asked how long the 2 ½ times the tax rate has been in place. Mr. Nicewarner indicated probably since the 1970s.

Mayor Bruchey noted a surplus in the budget usually is transferred to the reserve fund. He suggested any surplus be placed in the rehabilitation programs.

Ms. Means asked if there will specific public hearing requirements to amend this tax rate calculation. Mr. Nicewarner stated SDAT staff is reviewing this question as well.

Amendment to City Code – Chapter 173 – Peace and Good Order

Kitty Clark, Community Events Coordinator, and Jill Thompson, Director of Community and Economic Development, were present to provide information about a proposed event that would require passage of an amendment to §173-5 of the City Code. Addie Nardi, Executive Director of the Boys and Girls Club of Washington County, and

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

E. J. Fuller, Development Director of the Boys and Girls Club of Washington County, were also in attended and provided additional information about the “Over the Edge” fundraising event.

The Boys & Girls Club of Washington County recently approached the City with a request to hold a unique event called “Over the Edge.” This peer-to-peer fundraising event gives people who raise \$ 1,000 the opportunity of a lifetime: to rappel down a building under the aegis of a very thorough safety protocol. The Over the Edge Company (OTE) has offered rappelling fundraising events to non-profits in the U.S. and Canada since 2008, helping them to raise over \$ 80 million. OTE is holding 27 events in October alone in multiple states for organizations including Big Brothers Big Sisters, Habitat for Humanity, Boys & Girls Club, United Way, Special Olympics, and various health centers. OTE has an extensive list of safety protocol used at each event.

Once the Boys & Girls Club identified the Alexander House building (owned by NHP) as a venue, OTE technical staff visited the site and determined that the building is suitable for a safe rappelling event.

The City’s Logistics Team has reviewed OTE’s Site Inspection and Safety Plan and has met with the Boys & Girls Club to discuss the event. The Logistics team has made clear that the following requirements must be met in order for the event to take place in the City:

1. The event requires approval by the Mayor and City Council of an exception to Section 173-5 of the Code.
2. The event will be required to meet all fire and life safety code requirements for an event of this type.
3. An assembly permit will be required which will include the requirement to meet any additional safety requirements set forth by the fire department to assure safety of participants and rescuers, should they be called upon.
4. At least two overtime police officers will be required to be on duty (one on the rooftop and one on the ground) to monitor access to the roof, ensuring that only those vetted to get to the roof get there.
5. Closure of unit block of South Potomac for pedestrian observer safety.
6. Over the Edge must submit their liability insurance naming the City as an additional insured and as the Certificate Holder.
7. Participants must sign waivers.

Additionally, Planning and Code will require an evaluation by a Maryland State licensed engineer of the communications equipment platform structure on the Alexander House Roof that OTE intends to use as the anchor point. OTE has dealt with the equipment from other cities, and the Boys & Girls Club is gaining advice from a structural engineer who serves on its Board of Directors.

City Staff seek direction from the Mayor and Council on continuing to work with the Boys & Gils Club on coordination of the “Over the Edge” event, scheduled to take place on April 6, 2019. This event will require amending §173-5 of the City Code to allow for

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

exceptions, subject to restrictions and conditions. Should the Mayor and Council be in favor of the City moving forward with coordination of this event, staff ask that Council approve an amendment to ordinance to §173-5 of the City Code at the October 23, 2018 Regular Session. A copy of the proposed amended ordinance is included in the meeting packet materials.

Passing the ordinance with this amendment would allow the Mayor and City Council to separately approve an exception to the code in order for the Boys and Girls Club to hold a unique fundraising event that could potentially raise \$ 70,000 (and much publicity) for the Club.

Furthermore, passage of the ordinance with this amendment would make it possible for the Mayor and City Council to approve exceptions to the Code on a case-by-case basis in order to allow other events in the City which currently violate the City Code. These events include aerial dance, circus arts, theatrical productions in which actors “fly,” ziplines, rock-climbing walls, and rope courses. All events that would require an exception to the code would need to meet requirements determined and set forth by the City.

Ms. Nardi stated the Boys & Girls Club operates from four sites in Washington County. During the 2018 Summer and School Year, they served over 500 boys and girls. Most of the youth participate in the free and reduced meal program at their schools. They have instituted teen specific programs. About 13% of their budget comes from events. This event could be a game changer for them.

The potential funds raised is estimated to be between \$ 70,000.00 and \$ 100,000.00. This signature event consistently raises six fixtures in revenue, grabs front page headlines and provides an exciting experience for non-profits to give back to their donors.

The Boys and Girls Club is seeking sponsorship from community organizations to cover the event costs.

It was the general consensus to add the amendment of the ordinance to allow these types of events to be considered to the October 23, 2018 Regular Session agenda.

Recommended 2019 Event Programming and Outline for 2020 Signature Event

Kitty Clark, Community Events Coordinator, and Jill Thompson, Director of Community and Economic Development, presented recommendations for 2019 event programming that will serve as a transition year to a new music and arts “signature” event to debut in 2020. The recommendations set forth here are for 2019, and serve as a template upon which to build additional programming in 2020.

During the July 17, 2018 Work Session, the Mayor and City Council directed staff to work towards the production of a new signature music/arts/culture event to take place in 2020, and to present modified event programming for 2019.

In August, staff convened two brainstorming sessions with local stakeholders to discuss future music and arts programming in downtown Hagerstown. Invitations were extended to representatives from a wide range of community stakeholders. Many positive ideas came forward, including overarching goals of celebrating what is great here, improving the quality of life in the City in order to attract more people here, and acknowledging Hagerstown's diversity. People attending the brainstorming sessions generally agreed that new programming should:

1. Take place in multiple locations.
2. Represent different art forms and different styles and genres
3. Include local and non-local talent
4. Have a mix of free and ticketed events
5. Feature anchor or headliner event(s), while also having less formal/produced performances
6. Be inclusive of cultural diversity
7. Be walkable

With these ideas in mind, staff have sketched out two options for 2019 programming, both of which are potential templates for a larger event in 2020. With either option, staff will utilize committees comprising stakeholders and arts and culture experts to identify and secure talent. They are confident – especially with Option A – that once plans are announced, organizers will come forward and provide information about complementary events that can be co-marketed under the umbrella of a larger and inclusive arts and culture festival in Hagerstown.

The Options are:

1. Option A – Four Consecutive Weekends in June – Programming on Friday, Saturday, and Sunday
2. Option B- Six non-consecutive weekends in 6 months (May to October) – First Friday, Saturday Format – Programming on Friday and Saturday

Potential attendance is 300-500 people each night for Friday night concerts at University Plaza, 300-500 people each day for Saturday Cultural Trail happenings, 1,000+ people for a Maryland Theatre Headliner Concert, and 2,000 people for additional complementary programming (assuming Option A is chosen).

With direction from the Mayor and City Council, staff will begin to plan and implement 2019 programming by securing commitments from people who will work as a team to identify and secure artists/performers, seek out complementary events being organized by other people/organizations to begin to cooperate on marketing and scheduling, and develop a comprehensive marketing plan to adequately publicize the programming.

Staff will also work towards expanding the programming for 2020 to coincide with completion of UIP construction. Recommendations about 2020 programming will be based on a continuing conversation with stakeholders, jumping off ideas that were generated in initial brainstorming sessions, including multiple events happening

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

simultaneously, use of additional venues besides the Maryland Theatre, Cultural Trail, and University Plaza, interest in the idea of new, interest in the idea of progressive, including a dedicated art/craft show, similar to Fredrick Festival of the Arts, increased emphasis on food, especially local food, wine, and craft beer, and encouragement of collaborations between artists and arts organizations.

Councilmember Aleshire asked if Option A is only for 2019. Ms. Clark indicated it will be used as a template for 2019 and possibly expanded in 2020. Ms. Thompson stated the Mayor and City Council could decide how to proceed in 2020 after reviewing the success of the 2019 program.

Councilmember Heffernan would like to consider holding a City festival on weekends without competing with area festivals and activities. He likes that Option A ties many different types of events together.

Councilmember Aleshire inquired if a four weekend event would cause other downtown oriented activities and events to be reduced.

Councilmember Metzner pointed out festivals occur in conjunction with bike races in many locations. The participants and their families look for things to do before and after race events.

By consensus, the Mayor and City Council supported Option A for a 2019 event.

PEP Eligible Business Categories for Rent Relief

Danelle Hayer, Business Development Specialist, and Jill Thompson, Director of Community and Economic Development, were present to discuss a recommendation to expand the categories of eligible businesses for the Partners in Economic Progress (PEP) Program.

At the September 11, 2018 Work Session, the Mayor and City Council reviewed the list of eligible categories for the PEP Program and identified some areas where the categories could be expanded. The staff Review Committee further reviewed the list and reviewed expanding the categories of eligible businesses.

The PEP program and the Retail and Restaurant Grant Program have key differences, and the programs can be used separately or together. The PEP program was developed to help a developer lease Upper Floors after a full building renovation. The PEP program is specific to buildings that have gone through renovations. The Retail & Restaurant program was developed to assist with leasing first floor retail space. The Retail and Restaurant program is open to all new retail/restaurants in all taxable or city-owned buildings. The PEP program is budgeted at \$ 131,500 for FY19. The Retail and Restaurant program is budgeted at \$ 62,000 fro FY19.

Mayor Bruchey pointed out that the City is not marketing these programs to ineligible businesses.

Councilmember Keller asked why the Main Street downtown boundary is used for the program rather than the City Center boundary. Ms. Thompson noted the smaller boundary was a way to help balance the need against the budget. The Mayor and Council can change the boundary if they would like.

Mayor Bruchey pointed out some recipients of grants through the PEP program are outside the boundary line. Ms. Thompson stated that is correct. She noted an exception had been made for the Mulberry Lofts project.

Councilmember Aleshire stated expanding the boundary to match the City Center area would include more residential uses.

It was the general consensus to expand the eligible area to match the City Center boundary.

Ms. Hayer reported the Mayor and City Council's recommendations for adding additional businesses to the eligible list were reviewed by the Review Committee. The list will now include an expanded list of eligible businesses including banks, banquet services, movie theaters, retail and wholesale trades, etc. Mayor and City Council direction is requested for other businesses such as tanning, hair, and skin care stores, tattoo parlors and massage parlors, community centers, museum, and others listed in the packet material.

Councilmember Aleshire supports the addition of businesses if they are not prohibited by the State. Councilmember Keller agreed. It was the general consensus to increase the list of eligible businesses as detailed in the memo.

Ms. Thompson stated renovated, non-storefront commercial space is not currently eligible for the PEP program. It was the consensus to keep this restriction. Mayor Bruchey noted other incentive programs are available for this type of renovation.

Councilmember Keller stated she supports anything that will help fill the empty storefronts. Ms. Thompson asked if the Council wanted to consider raising the grant amount available for the Retail and Restaurant Grant program. All agreed this would be a good idea

Mayor Bruchey recommended also providing for an exception to the established grant amount.

Staff will make the changes discussed for the PEP and Retail and Restaurant grant programs.

Re-designed Street Pole Banners

Amanda Whitmore, Downtown Coordinator, and Aaron Peteranecz, Chair of the Main Street Design Work Group, were present to discuss redesigned street pole banners. The group sought designs that were bold and unique designs, not typically found in other downtowns, for holiday banners and for nine-month banners. With support of the Mayor and Council of the recommended designs, they will be printed using the Operating Assistance Grant recently awarded by the Maryland Department of Housing and Community Development for printing of new street pole banners.

The nine-month banners would be four different designs around one theme. The banners would have bright colors and the text would vary with the following:

1. We have fun this side of the mountain
2. Just absolutely amazing
3. Event better than you remember
4. Smart and a good personality

Descriptive words – community, culture, heritage, A&E, and Education - about the downtown would be incorporated at the bottom of each banner.

The holiday banners also would have four different designs with bright and bold colors. The four images are reindeer, snowman, decorated tree, and a present.

The current banners were purchased almost five years ago and are worn and aging and are in need of replacement. The current holiday banners were stock banners selected out of a catalog and are also showing their age.

Councilmember Aleshire and Councilmember Keller do not care for the nine month banners.

Councilmember Keller stated one of the goals they discussed is that the City and the community needs a marketing plan. These banners are not what she envisioned for a marketing plan.

Councilmember Aleshire stated there are a number of different messages and images throughout Hagerstown right now. There should be a single visual theme for every associated element of the message. He doesn't understand what relationship the four different sayings on the proposed banners have to do with the other image efforts.

Mr. Peteranecz pointed out the Main Street work groups work together on the common theme and goal for Main Street. All of their efforts are cohesive messaged and branded with a common goal. These banners were designed in connection with all the new art and murals that have been placed in Hagerstown. There is a thoughtful plan behind everything Main Street has done so far. He stated there has to be a chain of command for the marketing design. He was not aware the Mayor and City Council were discussing goals, including a common message.

Councilmember McIntire understands Main Street wouldn't have known about a marketing plan or the goals they discussed on September 13, 2018. The Mayor and City Council will be reviewing the goals soon. It would be good if all the groups promoted the same positive image.

Ms. Means stated the review and discussion of the goals from September 13, 2018 will begin next week. The idea of a unified image is one of the many goals discussed. When the goals and priorities document is formally approved by the Mayor and City Council, staff will start to implement the goals. Meetings will be held as the Mayor and City Council see fit.

Mayor Bruchey wondered where the communication disconnect is with the community groups, such as Main Street. Ms. Whitmore noted there are many groups trying to revitalize downtown and not all groups have been contacted. Ms. Means noted timing of the discussions is part of the communication challenge.

Councilmember Metzner pointed out the design for the banners was likely started some time ago, well before the Mayor and City Council's goal setting session.

Ms. Means noted Main Street has had their own logos for a long time. The Mayor and City Council will have to decide if they want to have all the groups use the same logos and wording.

Councilmember Keller doesn't think all the organizations should have the exact same thing but there should be some common theme, perhaps using the same colors.

Councilmember McIntire stated it is important that the materials use similar words so the message is cohesive. It is important to discuss this with all the groups.

Mr. Peteranecz suggested using Main Street as the umbrella organization to complete this. Councilmember Aleshire noted the Mayor and City Council have the final decision to guide the message for Hagerstown.

It was the general consensus to move forward with the holiday banners and have more discussion about the nine month banners.

Councilmember Keller would like to have a group conversation to brainstorm what the image for Hagerstown should be.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember A. Heffernan congratulated everyone who worked on the mural at Memorial Boulevard. He wondered what can be done if someone spray paints on the murals.

Councilmember L. C. Metzner agreed with Councilmember Heffernan. He is excited to see the mural being completed at University Plaza. He thinks it's wonderful that so much art is being incorporated into multiple areas in Hagerstown.

Councilmember S. McIntire attended the Korean War Memorial recognition on October 6, 2018. It was a reverent ceremony. Mrs. Umi Hogan also attended and she enjoys visiting Hagerstown.

Councilmember K. B. Aleshire had no additional comments.

Councilmember E. Keller 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 5:57 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk
(from the video)

Approved: November 27, 2018