

EXECUTIVE SESSION – February 19, 2019

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 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, February 19, 2019 at 3:05 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland. Councilmember Keller arrived after the vote 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, Interim City Administrator Michael Spiker, City Attorney Jason Morton, Jill Thompson, Director of Community and Economic Development, Michelle Hepburn, Director of Finance, Danelle Hayer, Business Development Specialist, and Donna K. Spickler, City Clerk.

The meeting was held to discuss three separate business proposals. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:50 p.m.

WORK SESSION – February 19, 2019

Mayor R. E. Bruchey, II called this Executive Session and Work Session of the Mayor and City Council to order at 4:11 p.m., Tuesday, February 19, 2019 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, Interim City Administrator Michael Spiker, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler.

Work Session – February 19, 2019

Proclamation: Neighborhoods First Month

Mayor Bruchey read a proclamation naming February, 2019 as Neighborhoods First Month. Neighborhoods 1st creates a venue for neighborhood based citizen groups to engage and collaborate with local government in community building and place making. February, 2019 marks the 22nd anniversary of the organization of Neighborhoods 1st.

Mark Meany, Evelyn Meany, Andy Smith, Helen Bowers, Deloris Bitner, Barb Lease, and Kathleen O'Connell accepted the proclamation on behalf of the City's Neighborhoods 1st groups.

Chief Paul J. Kifer, Judge Brett Wilson, and Jennifer Bricker, Drug Court Coordinator, were present to discuss the implementation of adult drug court for Washington County.

The mission of the Washington County Adult Drug Court is to enhance community safety, reduce criminal recidivism, and improve the lives of offenders who have been impacted by drug addiction. These goals are accomplished through judicially supervised, intensive treatment and case management services which assist participants in developing the skills necessary to sustain a healthy, independent life in recovery.

Judge Wilson stated they are seeking non-monetary City support for the drug court. Law enforcement support is essential to the success of the drug court. People in the middle of the crisis are the ones who end up in drug court. They are caught in an endless cycle of being used by other people and this may be their last chance out.

Ms. Bricker stated in addition to traditional court services, drug court assists participants to be participants in the community. They face a number of challenges as they work to improve their lives. Having a liaison between what is happening in court and in their neighborhood would be helpful. Some of the services provided by the police department could include curfew checks, highlighting where the struggles are, and Parole and Probation assistance for home visits.

Chief Kifer stated this falls in line with the Department's Community Policing Program and HPD's participation would benefit the community. Officers can follow through with checking on participants after their court appearance. HPD has been working with the Judicial System on a juvenile pre-court program that is an attempt to reach juveniles before their actions land them in court. The Community Resource Officers will be able to provide the police support for the adult drug court program.

Mayor Bruchey stated he thinks this is a good program and any attempt to counteract drug abuse is beneficial.

Judge Wilson stated adult drug court targets long-term addicted offenders who would have a chance to succeed with the right program.

Mayor Bruchey asked how adult drug court relates to the Good Samaritan Act. Judge Wilson stated it does not, unless there is a participant who is already in the program. They are looking at a person who has reinvented with charges and is already in the criminal system awaiting trial. They are trying to take them out of the system and move them forward. Felonious behavior will get them into drug court. The minimum amount is 21 months. The goal is to keep them in the program.

It was the general consensus to provide the requested support. A Memorandum of Understanding to participate in the Washington County Adult Drug Court will be scheduled for approval on February 26, 2019.

Preliminary Agenda Review

Consent Agenda

A. Department of Parks and Engineering:

1. 2013 John Deere 2500E Gas Triplex Mower – Finch Services, Inc.
(Westminster, MD) \$ 15,995.00

B. Utilities Department:

1. Electric – Voltage Regulators – Eaton Power Systems (Waukesha, WI)
\$ 53,599.00
2. Wastewater – 2020 Kenworth T370 Diesel Dump Truck with Godwin Body –
Truck Enterprises (Hagerstown, MD) \$ 120,750.08
3. Water – Vault and Swing Check Valve Installation – Carl Belt, Inc.
(Cumberland, MD) \$ 46,250.00
4. Water – 24” Insertion Valves – Carl Belt, Inc. (Cumberland, MD)
\$ 522,350.00

This completed the review. All items are scheduled for approval during the February 26, 2019 Regular Session, unless otherwise noted.

3rd Deputy Fire Marshal Position

Doug DeHaven, Fire Marshall, Mark Cleck, Battalion Chief, and Julie Statler, Administrative Coordinator, were present to discuss a third Deputy Fire Marshal position for the Hagerstown Fire Department (HFD).

The HFD’s first line of defense necessary to prevent the 911 call, and minimize the results of a fire in the community are the fire marshal and the deputy fire marshals. The HFD has dedicated and maintained resources necessary to prevent serious events related to fires and building safety through the Offices of the City Fire Marshal (FM). Currently, the office is staffed with one Fire Marshal/Manager who is assigned to a forty-hour work-week and two represented deputy fire marshals who are assigned to the office on a forty-hour work week. Employees in these three positions maintain 24/7 coverage of the City through a complex work schedule, including call backs when off duty. For over five years, this staffing model has existed in an attempt to maintain services. Fire Chief Steve Lohr has declared the situation unacceptable by any reasonable measure.

The exempt fire marshal position manages the various programs necessary to prevent the 911 emergency and minimize the impact of emergencies when they do occur. Collectively, the FM staff is also directly responsible for investigating and prosecuting acts of arson and other criminal acts within the municipal boundary. Finally, the exempt

fire marshal position currently conducts all plan review work for new and existing construction. Individually, this is an unacceptable workload that is not sustainable. A one-quarter work year contract position had been funded beginning in the FY18 budget to perform the plan review function under contract at the fire marshal's direction. It is simply unacceptable to continue the practice of having the exempt fire marshal perform one-third of the on-call duties. A solution was implemented in 2018 term negotiations that requires a third bargaining unit position to provide adequate call-back coverage and increase the ability of the FM's office to manage and inspect deficient properties, perform plan review, implement an in-service inspection program utilizing on-duty firefighters, and in cooperation with the water department, perform flow testing of hydrants on a regular schedule. All of these functions will provide enhanced ISA ratings for the City. Combined with increased fee revenues, the cost to fund the third DFM is about 50-60 percent funded.

All three of the current employees are sworn law-enforcement officers, authorized to carry weapons with full arrest powers in the State of Maryland. Over time and by demonstrated need, the duties of the firefighters trained and certified as inspector/investigators or Deputy Fire Marshalls (DFM's) were isolated to daily building/life safety inspections, and the immediate needs of civilian occupants involved in fire incidents while simultaneously initiating origin/cause determination with or without criminal activity. As the City continues to see new construction increase and legacy buildings issues stagnate or further deteriorate, the workload for the FM's has increased proportionately.

One of the deputies is issued a bomb canine and is on call for regional agencies to identify and mitigate explosive incidents in addition to all other regularly assigned duties. The dog and his handler are frequently used locally to sweep planned events where large numbers of civilians are expected to identify potential hazards.

Therefore, the first and highest staffing need is to create a third deputy fire marshal position that will solidify the on-duty and on-call coverage to meet the workload of the unit while returning the exempt employee to their designated 40-hour work week status as a manager/supervisor and plan reviewer. This solution was accepted in the 2018 term negotiation cycle with Local 1605. Funding for this additional position can be accomplished using part-time plan reviewer funds, additional revenue from permitting, and the contract negotiations budgeted expenses.

The Mayor and City Council agreed to move forward with adding a third Deputy Fire Marshall position for the Hagerstown Fire Department.

Annexation Public Hearings Follow-Up Discussion

Stephen Bockmiller, Development Review Planner/Zoning Administrator, was present to follow up on the public hearings for two annexations - Foggy Bottom Farm and Other Lands, and Antietam Creek Creek Bed. The public hearings for these annexations were held on January 29, 2019. Appearing at the hearing for Foggy Bottom Farm and Other

Lands, in varying degrees of opposition, were Andrew Eshelman, Director of Public Works for Washington County representing the Board of County Commissioners, Jason Divelbiss, Esquire, representing Meritus, and Patrick Prudhomme, City resident. Mr. Divelbiss testified in favor of the Antietam Creek Creek Bed annexation.

The record was left open until the end of the day on February 15, 2019 in order to allow the Board of County Commissioners to meet on February 12, 2019 and formulate an additional response. A correspondence from Stephen Goodrich, Director of the Washington County Department of Planning and Zoning, was presented during this Work Session. Mr. Goodrich indicated the Board of County Commissioners continued to air concern with the Annexation Plan's statements that the City would not take ownership or responsibility for County infrastructure in the area to be annexed. At their February 12, 2019 meeting, the Commissioners deferred action on the matter of express approval of the zoning districts proposed to be assigned to the annexed property. Also, by consensus, the County Commissioners requested that County Administrator Robert Slocum work in cooperation with Interim City Administrator Michael Spiker to further discuss and reach an understanding and agreement on the subject of ownership and future maintenance of that portion of the proposed Professional Boulevard extension, the related bridge over Antietam Creek and the affected storm water management pond that will be included within the municipal boundary if the annexation is consummated.

The Maryland Department of Planning evaluated these annexations, and concluded in a letter dated January 24, 2019 that the proposed City zoning districts planned to be applied to these properties "appears to be consistent with the current County zoning from a use and/or density perspective, as the proposed city zoning offers several uses which are similar to the permitted uses of the existing County zoning."

Should the City decide to change its position on the infrastructure, a revised Annexation Plan would have to be adopted.

Councilmember Aleshire noted this process (the annexation process) is not about the parties coming to an agreement in order for the County to provide express approval on the zoning classification of the proposed annexed properties. This is merely a change in jurisdictional authority. The County may reach a decision about zoning but that is a small part of the process. The argument of zoning consistency is somewhat moot as no development is pending. He feels as though the County appears to be exerting some position that the City needs to agree to these unrelated items in order to change the jurisdictional boundary. The parties can come to terms on the other items when the infrastructure is actually built and when the merits of the storm water management pond and infrastructure is understood. He doesn't understand why the City would consider these items at the time of the annexation when it is not required.

Mr. Bockmiller stated he agrees and expressed that during the County Commissioners meeting last week.

Mr. Spiker stated initially, the topic of sharing responsibility of Professional Boulevard was on the list of pending discussions with a plan to work on as the City and County moved toward a good working relationship. This has been expedited but it is not required as part of the annexation.

Councilmember Aleshire wonders what is the purpose of combining the zoning issue with responsibility of Professional Boulevard.

Mr. Bockmiller noted that Mr. Divelbiss, representative for Meritus, would like to discuss the proposed annexation with the Mayor and City Council. Councilmember Aleshire stated he is always open to those types of discussions.

Mayor Bruchey asked if there are any legal ramifications to delaying the approval by perhaps two weeks.

Ms. Keefer stated there is not for a short time.

Currently, approval of both annexations is scheduled for March 26, 2019.

Water and Wastewater Five Year Rate Plan

Nancy Hausrath, Director of Utilities, and Nelia Tidler, Utilities Financial Manager, were present to discuss a water and wastewater five year rate plan. The Utilities Department Financial/Administrative staff have been working with Municipal Financial Services Group (MFSG) to update the existing Water and Wastewater Rate Model to develop a Water and Wastewater five year rate plan that would be in effect from Fiscal Year 2020 through the end of Fiscal year 2024. MFSG utilized updated financial operational requirements and capital needs for each operation. Assumptions were developed utilizing historical data, current trends, and economic projections including but not limited to the following:

1. Fees and charges collected will continue to self-support the Department's financial needs
2. Fees and Charges collected will allow for continued reinvestment of the systems
3. Contingency and Unplanned Expense fund reserves should be maintained
4. 1.5% Inflation rate
5. 0.4% Customer growth rate
6. 0.6% Consumption growth rate

The revenue requirements developed in the rate model utilized the criteria listed below. This criterion was also used to develop/update the current proposed rate plan and is included in the five year capital and budget projections for the approved FY19 Budget and proposed FY20 Budget:

1. Operating and maintenance costs
2. Capital improvements
3. Existing debt service

4. Contributions to reserves

The previously adopted five year rate plan contained the following for consideration (with the exception of Benefit Fees). The current Rate Plan builds on the work previously completed and includes a Benefit Fee increase of 3% for Water and Wastewater:

1. Institute an approved 5 year rate structure which will eliminate the need for annual approvals and will diminish the City's dependence of the use of benefit charges to fund outstanding debt and allow the utilities to continue to perform financially independent from the General Fund while maintaining the ability to meet the environmental requirements and regulations mandated by the regulatory agencies
2. Adopt an inclining block rate structure to promote conservation for residential customers
3. Increase the fixed charges to capture the true cost of the billing and revenue collection process
4. Maintain a utility rate basis for setting Outside City rates
5. Establish a Repair, Renewal, and Replacement (3R) Reserve Fund for aging infrastructure expenditures that are growth related
6. Increase Fire Line Charges (3% per year)
7. Increase Benefit Fee Charges (3% per year)

In order to achieve and maintain the financial health of the Water and Wastewater Divisions, staff proposes moderate increases to the Water and Wastewater Division rate structure through FY2024. Staff will continue to work with MFSG to maintain the model annually to ensure the required revenue is collected for each fund.

The study concludes that the City needs to increase water and wastewater rates over the first five years of the planning period to keep revenues in line with expenses, to fund the required operating and capital costs identified and to meet the minimum cash balance requirement.

The City should implement required rate increases through a multi-year financial plan. This will allow the City to smooth rate increases over the planning period and mitigate customer rate shock while meeting its cash requirements.

Based on capacity of the City's water and wastewater systems and projected capital expenses, benefit charges can be increased from their current levels.

Based on the water system population served and the estimated peak hour system demand, fireline fees can be increased from their current levels.

Councilmember Aleshire reported a rate study was completed in the municipality he works for and in comparison, Hagerstown's water and wastewater fees are by far the lowest cost.

It was the general consensus to begin the process to implement the rates as proposed for the next five years. A public hearing to receive testimony on the proposed rates will be scheduled.

Invest Hagerstown Incentive Program

Jill Thompson, Community and Economic Development Director, and Danelle Hayer, Business Development Specialist, were present to provide an update on the Invest Hagerstown Incentive Program.

In August, 2018, the Mayor and City Council approved a total of \$ 804,000 for incentives. After current year commitments of \$ 250,000, the balance of \$ 550,000 in funding was allocated to support four components of the Invest Hagerstown Program.

The following is a list of the programs under the Invest Hagerstown Incentive Program:

1. City Center Redevelopment Grant Program – Grants from a minimum of \$ 150,000 to a maximum of \$ 250,000 and requiring a minimum 2:1 match from the developer. Projects ranging from \$ 450,000 to \$ 750,000+
2. City Wide Redevelopment Grant Program – Grants from a minimum of \$ 5,000 to a maximum of \$ 25,000 and requiring a minimum 2:1 match from the developer. Projects ranging from \$ 15,000 to \$ 75,000+
3. Homeownership Grant Program – Additional funding to existing program that provides down payment/rehab grants of \$ 7,500 City Wide. Property must be built prior to 1960 and be vacant for 12 months. Or the property may be a conversion of a rental of 2 or more units to a single unit, owner-occupied home.
4. Rental Property Rehabilitation Grant Program – Grants of \$ 7,500 for rental property rehabilitation to market rate rental and requiring 2:1 match. (Grant \$ 7,500 + Match \$ 15,000 = \$ 22,500 Project).

There has been strong interest in the program. The report shows that of the total \$ 550,000 in funding, \$ 455,000 has been committed to projects. The City's commitments are leveraging nearly \$ 5.4 million in additional private investment for a total of more than \$ 5.8 million in new investment. Supported commercial projects of the program have been fully committed, and staff continue to receive interest in the program.

This discussion is an opportunity to discuss any ways to reconfigure the funding components to meet the current requests until FY 20 funding becomes available.

Councilmember Heffernan clarified that staff is interested in adding more funding to the program until FY20. Ms. Thompson indicated that is correct, or reallocation of the remaining \$ 95,000.

Councilmember Aleshire stated it would be difficult to discuss additional funding without budget information and several options to consider. He is disappointed with the

interest in the rental program. Ms. Hayer indicated the current guidelines require significant improvements in order to be eligible.

Ms. Thompson agreed revising the guidelines is a good idea; however the renovations should be more than paint and new carpet.

Councilmember Aleshire stated his vision is to provide assistance to improve a half double residence.

Councilmember McIntire wondered if the incentive programs are being marketed appropriately. She also wondered how long it takes for an application to be processed.

If the remaining \$ 95,000 is made available for any of the four programs, it will be distributed by the end of June.

Ms. Hayer asked if funding could be under one umbrella for FY 20, without the individual programs.

Councilmember Aleshire does not support this idea because there should be a level of return on an investment of homeowners in their neighborhoods. There needs to be a mechanism so that all parts get some portion of the investment. That was his thought when the tiered tax rate was implemented to provide investment funding.

Councilmember Keller wants to make sure there are funded programs for the smaller projects.

Mayor Bruchey suggested keeping the four categories and re-evaluating them after six months, with the potential to use a portion of fund balance reserves to boost the programs.

It was the general consensus to revisit the rental property rehabilitation guidelines.

Councilmember Aleshire noted buyers may be looking in the spring and there should be some rental rehab funding available.

Ms. Hepburn noted this chart relates specifically to the Invest Hagerstown Incentive program and does not include other incentive programs.

Ms. Thompson stated it is important to look at projects that need the grant money to give it a push.

Mayor Bruchey suggested using the \$ 95,000 currently available for projects that come in that are moving ahead at this point in time.

CITY ADMINISTRATOR'S COMMENTS

Michael Spiker, Interim City Administrator, announced that the Liberal Leave Policy will be in effect for the predicted inclement weather tomorrow. City Hall will be open and all essential and continuous operations will be fully staffed. He and his family visited downtown recently on a non-event night and three establishments were nearly full. He thanked the businesses for making downtown Hagerstown a destination.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Councilmember A. Heffernan had no additional comments.

Councilmember K. B. Aleshire had no additional comments.

Councilmember E. Keller had no additional comments.

Mayor R. E. Bruchey, II noted the new Wendy's on the Dual Highway is open for business.

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 5:11 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: March 26, 2019