

11TH SPECIAL SESSION – March 11, 2013

Mayor D. S. Gysberts called this 11th Special Session and Work Session of the Mayor and City Council to order at 4:07 p.m., Tuesday, March 19, 2013, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner and D. F. Munson; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember P. M. Nigh was not present.

On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 4:07 p.m.

Approval of an Ordinance: Acquisition of 43-53 W. Washington Street Pursuant to Chapter 235 of the City Code

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance authorizing the purchase of property located at 43-53 West Washington Street for the sum of \$ 320,000. The Ordinance stipulates four (4) findings. The findings are that: (1) the property has deteriorated to such an extent so as to constitute a serious and growing menace to public health, safety and welfare, (2) the structure is likely to continue to deteriorate unless corrected, (3) the continued deterioration will contribute to the blighting or deterioration of the area surrounding the structure and (4) the owner has failed to correct the deterioration.

The Option/Purchase Agreement is to be in accordance with all terms and conditions outlined in the Purchase Agreement. Funding for this acquisition is from the Community Development Block Grant Funds and Community Legacy Funds.

Discussion: Councilmember Aleshire pointed out there are many buildings downtown that match at least one of the findings. This building is one that needs to be taken care of.

Mayor Gysberts stated acquiring this building proves the City is moving forward with revitalization.

Councilmember Brubaker stated this is a good example of reclamation and revitalization.

Approval of a First Refusal Option – 43-53 W. Washington Street

This item was removed from the agenda

St. Baldrick's Foundation Day Proclamation

Mayor Gysberts presented a proclamation to Firefighter James Johns, recognizing St. Baldrick's Foundation Day. St. Baldrick's Foundation raises money to assist the families of children fighting cancer.

Preliminary Agenda Review

Consent Agenda

A. Department of Parks and Engineering:

1. Construction of Bike Path and Bike Lanes at Park Circle – Henson & Son, Hagerstown, MD) \$ 79,786.50

B. Department of Utilities:

1. ENR Sand Filter Cleaning Contract – Filter One USA, LLC (Deerfield Beach, FL) \$ 90,598.00
2. UV Disinfection O & M Contract – Ozonia North America, LLC (Leonia, NJ) \$ 33,034.00
3. Pump Station Upgrades – Shafer, Troxell & Howe, Inc. (Frederick, MD) \$ 16,950.00
4. Water Inventory – HD Supply (Martinsburg, WV) \$ 93,912.36
5. Water and Wastewater – Update Cost of Service Study – Municipal & Financial Services Group (Annapolis, MD) \$ 17,200.00

There were no questions for the items on the consent agenda.

Approval of R. C. Willson Phase IV Water Treatment Plant Improvements Construction Contract – Allan A. Myers, LP (Worcester, PA) \$ 11,110,000.00

Bruce Zimmerman, City Administrator, stated this improvement is part of the Disinfectant By-Product Rule 2 (DBPR2) Improvements and meets the requirements of the Maryland Department of the Environment.

Michael Spiker, Director of Utilities, and Nancy Hausrath, Water Operations Manager, stated the bid from Allan A. Myers, Inc. is the most cost effective proposal. The Bid meets all City and MDE programmatic requirements for construction and funding. The construction will occur in two phases. The first phase will result in chemical additions to maximize the current treatment process, removal of the filter backwash from the raw water treatment train, modifications to the residual lagoon, and removal of storm water from the raw water treatment train. The second phase will result in the addition of ammonia to convert secondary disinfection from Chlorine to Chloramines.

This project will be primarily funded through Maryland Department of the Environment State Revolving Loan Fund. MDE has approved \$ 9.16 million in funding with \$ 1.5 million in principal loan forgiveness and \$ 1.5 million in grant funding. The final funding amount will be determined based on the combined sum of the construction bid amount and the construction management services bid total.

Approval of an Emergency Ratification – Partial Demolition of 21 West Antietam Street

The structure at 21 West Antietam Street was the site of a significant fire. Structural members and systems were compromised to the point of creating an imminent hazard. A structural engineer's report indicated that the top level was unstable and imminent collapse would remain a threat until abatement work was complete. Additionally, it was determined that West Antietam Street, a public alley and an area on neighboring private property had to be closed until the top level of this five story building and related debris were removed. City Code allows staff to take whatever action deemed necessary to meet such an emergency and to employ the necessary labor to carry out such a task.

The parties listed as owners of the building were unresponsive and investigation showed a related bankruptcy filing and foreclosure proceedings. The City was then placed in a position of needing to take immediate action to protect the public from this now imminent danger. The City's Purchasing Policy allows for Emergency Procurements in such situations provided that the procurement is subsequently ratified by a motion of the Mayor and Council. Staff contacted three area companies who specialize in demolition. The only company to respond was Allegany Wrecking and Salvage. A staff team reviewed the situation and negotiated a price for a limited scope of work.

The company began work the following morning and took more than two weeks to complete. The total cost to the City, not including staff time is \$ 90,417.35. The cost of the demolition has been paid out of the Property Abatement Account. The charges will then be invoiced to the property owner and a lien will be placed on the property to recover the costs.

Councilmember Aleshire stated he assumes the City will not be constructing a roof on the top level of this building. Mr. Lestitian stated the holding bank is being notified that the roof must be replaced. Councilmember Aleshire asked what happens to the building if the decay continues. Mr. Lestitian indicated damage to the building is significant (previous water damage and fire damage) and probably not salvageable. Councilmember Aleshire stated the amount spent on this building so far just to secure it has been significant.

Hager House: Presentation by the Washington County Historical Society

Roger Fairborn, President of the Washington County Historical Society and Tom Riford, Hagerstown Convention and Visitors Bureau, were present to discuss the historic Jonathan Hager House and Museum in City Park. The Washington County Historical

Society was founded 101 years ago. They are charged with preserving the history and artifacts of Washington County.

In November, a task force was formed to discuss concerns of the Hager House. The concerns were discussed with the Mayor and Council and City staff has been responsive to addressing the concerns.

The old structures need to be used to remain viable. The Society is developing a docent program for all the museum sites they oversee. The Hager House will be part of the Museum Ramble and Historic Places of Worship tour.

Mr. Riford stated the Hager House will celebrate its 275th birthday in 2014. The house was presented to the City in 1954 and was first opened as a museum in 1962. Heritage attracts travelers, creating economic benefits. The Society is suggesting regular staff (volunteer docents) and a curator. The CVB will participate in marketing. Volunteers could assist in programming tours. Multiple docents would ensure that parts of the house are not left unattended. He urged the City to continue their efforts in caring for the collection in the house. He expects attendance to double during the birthday year.

Mr. Fairbourn stated the docents could be part of a "Friends of the Hager House" organization.

Mayor Gysberts asked if the Society is more comfortable with the security of the artifacts since a security system has been installed. Mr. Fairbourn stated they are pleased with the changes.

Councilmember Brubaker inquired how volunteers would be coordinated. Councilmember Metzner mentioned the City has a volunteer coordinator on staff. Mr. Fairbourn stated it may be difficult to have volunteers take on the responsibility of protecting the valuable items. He pointed out there are living quarters on the second floor of the Hager House, which may make it attractive to a live in curator or police officer.

In order to maintain membership in the AAA Museum association, the Hager House must be open 12 hours per week. The house is currently open on Saturdays, from 10:00 a.m. to 4:00 p.m., other days by appointment. Staff goals include having the house open on Fridays, if volunteers are available.

Councilmember Metzner suggested including funding in the budget for amenities at the Hager House.

Councilmember Munson asked if State grants are available. Mr. Riford stated operations grants are uncommon. Funding through the Gaming Commission may be an option. A minimum estimate for a curator, salary and benefits, is \$ 40,000.00.

Councilmember Aleshire stated increased staffing at the Hager House is worth looking into.

Rodney Tissue, City Engineer, previously provided the following staff goals for 2013:

1. Endeavor to develop more volunteer support or a “Friends of the Hager House.”
2. Add additional hours
3. Provide additional security measures in the Hager House
4. Develop the relationship with other museums in the area so the City can be part of any events, such as the Tour of Historic Homes.
5. Photograph artifacts in the House, provided volunteers are available.
6. Ensure the House is open for BluesFest, the Wagon Train, the Museum Ramble, etc.

Mayor Gysberts thanked Mr. Fairbourn and Mr. Riford for attending this meeting.

Bicycle Advisory Committee Update

Rodney Tissue, City Engineer, reported in an effort to become a more “bicycle friendly” community, the Mayor and Council adopted a Bicycle Master Plan in March, 2010. This plan called for the establishment of a Bicycle Advisory Committee that was subsequently appointed by the Mayor and Council in June, 2010. The purpose of the Bicycle Advisory Committee shall include:

1. Implementation of the Bicycle Master Plan
2. Seek funding of bicycle related programs
3. Increase public education and awareness of bicycling related safety activities
4. Be involved with any issue directly related to bicycling

Mike Mittel stated the committee consists of six citizens who represent interest in bicycling. Members are Chairman Mark Neubauer, Dick Ebersole, Dick Cushwa, Winslow Wheeler, Mike Mittel and Joyce Martin. Councilmember Lewis Metzner is the ex-officio member, and Rodney Tissue and Alex Rohrbaugh provide non-voting staff support to the monthly meetings. The group has met 34 times and has completed many things including sponsoring rides, developing lists of events, developing a Bike Route Map, staffing the downtown criterium, search for grant opportunities, applied for designation as a “Bicycle Friendly Community” in 2011 and 2012, assisting in development of the mural “Biking Through Hagerstown”, and advocating for bike racks around the City.

Mayor Gysberts asked if the committee has discussed the possibility of increasing the number of bicycle racks around Hagerstown. Mr. Mittel stated additional racks would be a nice amenity.

Dick Cushwa has been working on the trail US Bicycle Route 11, which starts in North Carolina and goes through Washington County. They will be asked for the City’s support of the trail when it is finalized. The application is due to the State by April 1, 2013. There are no requirements for this designated route; however it would be nice to have signage in place.

May is Bicycle Month. The Committee is developing a list of activities to recognize Bicycle Month.

Pool Operations fro the 2013 Season

Rodney Tissue, City Engineer, and Michael Flicek, YMCA, were present to discuss the 2013 pool season.

Similar to the last four seasons, staff would like to enter into a contractual agreement with the YMCA to manage the Claude M. Potterfield Pool for the 2013 season. Teddy Newman will serve as the primary contact and pool manager. Amy Riley, Recreation Promotion and Services Coordinator, will be promoting all the City's facilities and developing additional programs.

In 2012, the City paid the YMCA \$ 18,908.00 to manage the pool, lifeguards, and conduct lessons. However, this saves the City by not hiring and paying a manager and assistant manager. The City controls the fee schedule for pool patrons and would continue to market the pool. In 2012, revenues were down about 6% from 2011. Family Swim nights did not develop as hoped and decreased rental income. This plan will be revised for 2013.

Highlights of the agreement with the YMCA include:

1. The YMCA provides the Manager and Assistant Manager for the pool.
2. The YMCA manages, schedules and supervises lifeguards and attendants.
3. The YMCA conducts swim lessons and provides lifeguard training and certification

A new pavilion is complete near the concession stand and will provide shade for patrons to eat. Shade canopies will be installed on the deck with CDBG funds to provide more shade for patrons. To save costs, staff continues to recommend the pool be closed on non-holiday Mondays. The pool will open May 27, 2013 and close on August 18, 2013. The concessionaire from last year is returning and will offer a wide variety of food and snacks. There are no anticipated rate changes, since all were increased in 2011. A Program Open Space request has been submitted for new water works at the wading pool. It is hoped this will be installed prior to the 2014 season.

Councilmember Aleshire suggested having adult swim time during the final two weeks of August. Mr. Tissue stated pool rental times will be available during that time frame.

Approval of the agreement will be scheduled for Mary 26, 2013.

Kevin DeHaven, Safety & Liability Insurance Coordinator, provided information regarding the City's liability, property, and ancillary insurance coverages in place to limit claim liabilities.

The Local Government Insurance Trust (LGIT) is wholly owned and managed by its local government members. LGIT was founded by the Maryland Association of Counties and the Maryland Municipal League. Fiscal 2013's premium from LGIT totaled \$ 373,390.00, and is renewed each year in July. Coverage includes Auto and Equipment Liability, General Liability, Law Enforcement Liability, Public Officials Liability and Property Coverage.

Other insurance policies not held by LGIT are:

1. Boiler & Machinery Damage
2. Crime Policy
3. Treasurer's Bond
4. Excess Liability
5. Victim's Witness Policy
6. Citizens on Patrol – Auto Insurance
7. Fire Police Policy
8. Pollution Legal Liability Insurance

By having most policies through LGIT, the City has experienced cost savings of the premium.

A recess was taken.

Discussion of Duvinage Incentive Package

Jill Estavillo, Economic Development Manager, and John Lestitian, Director of Community and Economic Development, were present to discuss the current business expansion status of Duvinage, LLC. The Tri-County Council (TCC) approved Duvinage's application for a \$ 100,000 loan with stringent personal collateral requirements. Bob Maruszewski (Duvinage) contacted the City to seek possible alternatives to the TCC loan, as he found the personal guarantee too stringent for the business.

Staff seeks Mayor and City Council's approval to make a budget transfer of \$ 50,000 from the Upper Floors Redevelopment Fund into the City's Hagerstown Revolving Loan Fund (HRLF). This will allow for a 2:1 match from the State of Maryland providing \$ 100,000 in State funding into the HRLF. The City would then administer a loan of \$ 100,000 to Duvinage according to the application process and guidelines of the HRLF.

No additional City dollars are being provided to Duvinage. The State will allow repayments of the loan to the City to remain and revolve in the HRLF to assist other

businesses in the future. The City would administer the loan to Duvinage through the HRLF under the current guidelines of the program. The City's previously approved loan to grant incentive to Duvinage of \$ 17,875 would continue separately and unchanged. This incentive's contingencies include the creation of 25 new jobs in 2 years.

Mr. Lestitian stated they would like to explore future options with the State for additional 2:1 matches. Staff is seeing the need to have flexibility in the revolving loan funds and perhaps combining the revolving loan funds. The business revolving loan fund is open to applications throughout the City. The Upper Floor Revolving Loan fund has tighter restriction.

Approval of this recommendation will be included on the March 26, 2013 agenda.

Economic Development Commission's Strategic Plan City Input – Top 5 Priorities

Mayor Gysberts opened the discussion for the City's five economic development priorities for the Economic Development Commission's Economic Development Strategic Plan.

Jill Estavillo, Economic Development Manager, reviewed a list of staff recommendations for the Top 5 Priorities for action by the EDC. They are as follows:

1. Strengthen the City Center and develop an EDC work plan that actively supports the City of Hagerstown's efforts to revitalize downtown as a business, arts & entertainment, education and residential hub.
2. Develop an EDC work plan that actively supports the City of Hagerstown's efforts to become the regional urban center for the arts, culture and ethnic-owned businesses as well as to be recognized as a community supportive of diversity and attractive to the creative class.
3. Develop an EDC work plan that actively supports the City of Hagerstown's efforts to strengthen the City as an employment center through marketing and business attraction.
4. Develop an EDC work plan that actively supports the City of Hagerstown's efforts to retain employment in the City of Hagerstown through outreach to and collection of information from existing businesses.
5. Develop an EDC work plan that works to change the level of educational attainment in the City of Hagerstown resulting in an increase in the employable base.

Heritage will be added to the second priority.

Mayor Gysberts stated he does not think these priorities are arguable. He has heard discussion of consolidation of staff and operations. It is important to keep the City's economic development division. However, he thinks collaboration is important. City staff could offer space to the EDC as part of that collaboration. When growth starts again, the City won't have enough staff to keep up. Some examples of collaboration are small business incubators, partnerships with other community partners and educational

facilities. More opportunities for business have to be developed.

Councilmember Munson stated the first priority should include government as well. Hagerstown's success will benefit the County and the community also.

Councilmember Metzner stated he appreciates staff's work on the recommendations. It is time to stop providing input to the EDC and start doing things. His top priority is to convince the Board of Education to locate their central offices downtown. He wondered what the EDC is doing to help revitalize downtown and what they have done to help with the efforts with the Board of Education. He is not interested in formulating plans, he is interested in adding employment.

Councilmember Brubaker agreed. He is frustrated with the efforts for downtown. This is the heart of the community and a lively downtown is crucial to having the area, as a whole, continue. He suggested the following priorities:

1. Central Business District (CBD) – promote the unique selling points of Hagerstown to entrepreneurial enterprises
2. CBD – To attract a core of daytime activity and people downtown.
3. Retail and service sector – This is always important and essential. Completing the first two priorities will solve the problems within this sector.
4. East End – focus on this area, which includes Urban Fiber, Municipal Stadium and the former hospital site
5. Revenue and obligation sharing within the whole Urban Growth Area (UGA) where the city benefits from development in the UGA – Mt. Aetna, Hopewell Valley. The question will be raised if the City is going to provide utilities and other things to these areas. The City takes on the hardest burdens in the County and these burdens should be shared by all, as well as the general prosperity of development.

Mayor Gysberts stated he believes the City's waterways are under-utilized, i.e. Town Run. The water ways could be used to create public amenities and attract economic development.

Councilmember Aleshire stated there are things in the report that are based on perception. He doesn't think any progress will be realized if efforts are focused on rehashing utilities, annexation and consolidation of government services. The report deals more with consolidation of eight staff positions than any other issue. A joint approach to infrastructure services is needed. The City must be involved in discussions about prospective businesses, including their service needs. A theme needs to be developed for downtown. His priority is education and improving the educational attainment area. Fourth on his list is the need for balance and modernization of the urban core. Fifth is technology and the necessity of modernizing services.

Mayor Gysberts stated making downtown a "hot spot" would enable the City to attract high tech businesses. Councilmember Aleshire has mentioned a report completed in Frederick County regarding pooling resources of the governments and creating joint

ventures. Mayor Gysberts stated some pooling of resources is already being accomplished. It is essential that way finding be easy for visitors and prospective businesses.

Councilmember Metzner stated it appears there is a consensus that a theme is needed for downtown. He thinks there should be a work session to discuss and plan a theme. Other successful cities have themes, such as tourism or four year universities. He would like to see a specific plan for a four year university downtown. Mayor Gysberts has suggested art schools or culinary schools, as well as traditional educational facilities. He looks to the EDC to say they are bringing a business with jobs to the City and they need assistance with permitting. This community has developed many plans that have not come to fruition. The EDC should help the municipalities find a way to bring business to them. He is concerned that a prospective business would be hesitant to locate downtown if a local government entity chose not to relocate downtown.

Councilmember Munson agreed that fiber service would be a good amenity. He stated education is likely to be the biggest asset downtown. Hagerstown can be a key component of the EDC's plan. He thinks the key for Hagerstown is jobs and education.

The priority list will be revised to include the points from this discussion and reviewed with the Mayor prior to submitting it to the EDC.

Speed Camera Violations – Unpaid Tickets Contract Amendment

Michelle Burkner, Director of Finance, and Chief Mark Holtzman were present to discuss an amendment to the Speed Camera Enforcement Contract. Brad Shafer and Ron Gibbons from Brekford Corporation were also present. The contract amendment provides the mailing of up to three additional notices, increasing the total number of notices to be mailed from three to six. In addition to the original compensation of 38% of monthly payments collected, the amendment indicates that the City will pay for the cost of postage only for the added collections of three mailings, at an estimated cost of \$ 1,000 to \$ 2,000 per month. All costs associated with this amendment are paid for by revenues received from this program.

The average collection rate on issued violations is about 73%. Approximately 7-10% of all citations issued are for out of state vehicle registrations. Of those, only about 57% actually pay the violation.

Councilmember Metzner supports this amendment, as long as the additional revenue covers the cost of the additional postage.

Chief Holtzman stated Mr. Shafer is tracking speed camera legislation. The biggest issue is who operates the system. The Hagerstown Police Department operates the City system. This is consistent with the existing law.

CIP Projects/Debt Affordability

Michelle Burkner, Director of Finance, was present to review the affordability of projects that have been discussed. Projects that are included in the CIP budget are:

1.. MELP – Purchase and demolition	\$ 1,000,000
2. Stadium	\$ 33,850,000
3. Third Parking Deck	\$ 9,900,000
4. 43/53 W. Washington Street	\$ 635,000
5. Mid-town Motel acquisition and demolition	\$ 100,000
6. Downtown Redevelopment	\$ 1,500,000

The following projects are not included in the CIP but have an identified funding source: SORA Planning, Board of Education property acquisition and demolition, relocation of substation, widening of Antietam Street and recreation center on Municipal Stadium site.

Councilmember Aleshire reiterated he would not support City funding above \$ 3 million for a stadium project.

The Downtown Redevelopment line item is in response to the Mayor and Council's expression of interest in a major downtown project. This funding is not for a specific plan at this time.

Councilmember Aleshire would restructure a portion of the downtown redevelopment CIP to cover a portion of the costs to relocate the Board of Education downtown. He believes there are entities that would be able to provide grant funding on the MELP site for redevelopment.

Councilmember Aleshire asked for information about the cost of relocating the substation, at \$ 9,000,000. Ms. Burkner stated there are three substations at the MELP site that would have to be relocated.

Councilmember Aleshire asked if Antietam Street would have to be widened if the Board of Education does not relocate downtown.

Ms. Burkner indicated this list is in response to requests from the Mayor and Council to include widening Antietam Street.

This list is a summary of the projects, with estimated costs, that Mayor and Council members have mentioned in discussions since they took office in November.

Mayor Gysberts suggested looking for private/public partnerships to complete some of these projects.

Ms. Burkner stated projections for FY 14 – FY 18 (assuming the assessable tax base remains flat) show an increase in the per capita debt. Rating Agencies use this ratio in their ratings. This projected ratio would not be in compliance with their standards for per

Mr. Zimmerman stated this is an unfortunate dynamic – increasing obligations with decreasing assessable base – that staff will keep a close watch on.

CITY ADMINISTRATOR’S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember D. F. Munson had no additional comments.

Councilmember L. C. Metzner had no additional comments.

Councilmember M. E. Brubaker thanked staff for efforts with developing partnerships within the community, i.e. pool operations with YMCA, Duvinage, Bicycle Advisory Committee. He commended staff for attempting to find practical solutions for the issues at the Hager House.

Councilmember K. B. Aleshire had no additional comments.

Mayor D. S. Gysberts thanked City staff, Washington County Recreation and the Community Free Clinic for planning the 5K Run for Your Luck event on March 16, 2013.

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 7:09 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: April 23, 2013