

18TH SPECIAL SESSION – June 4, 2013

Mayor D. S. Gysberts called this 14th Special Session and Work Session of the Mayor and City Council to order at 4:07 p.m., Tuesday, June 4, 2013, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson and P. M. Nigh; City Administrator Bruce Zimmerman, City Attorney William Nairn, and City Clerk D. K. Spickler.

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 4:07 p.m.

Introduction of an Ordinance: City of Hagerstown Drinking Water Bond, Series 2013A, and City of Hagerstown Drinking Water Bond Series 2013B for R. C. Willson Plant Improvements

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance authorizing the City of Hagerstown to issue and sell upon its full faith and credit, general obligation bonds to the Maryland Water Quality Financing Administration in one or more series in an aggregate principal amount not to exceed \$ 10,708,400. Proceeds from the sale of the bonds will be used for the public purpose of financing the R. C. Willson Water Plant Improvements as more fully described in the ordinance together with related expenses and costs of issuance. Staff is hereby also directed to proceed with developing the necessary detailed resolutions and other documents to proceed with the sale of the bonds as directed by this ordinance. The detailed resolution will be presented to this body for approval at a future date prior to the issuance of the bonds as specified in the ordinance.

WORK SESSION – June 4, 2013

Consideration of Ordinance – Water and Wastewater Late Fee

Michael Spiker, Director of Utilities, and Scott Nicewarner, Director of IT and Support Services, were present to provide additional discussion time for a proposed Water and Wastewater Late Fee.

Mr. Spiker indicated the proposed ordinance language has been revised to reflect the discussions in May, 2013. Several local municipalities charge their customers a late fee, most are 10%. The fee, if approved, will not be compounding. The 10% would be

charged on the current amount not paid in full by the due date. The amount of the late fee was established at 10% so that the fees charged by local municipalities are consistent.

Councilmember Metzner reminded customers that budget plans and payment arrangements are available by contacting the billing office. If a customer will be out of town for an extended period of time, they should notify the billing office.

Councilmember Nigh stated the City has always been very helpful in trying to find assistance for customers who can't pay their bills.

Councilmember Brubaker urged staff to issue bills as soon as possible after reading the meters so that customers have ample time to pay the bill before the due date.

Councilmember Aleshire stated if a non-compounding approach is used, paying customers are carrying the costs for those that don't pay. He proposed a policy that would encourage the banks involved in foreclosed properties to take responsibility for the property. He suggested removing the meter, unless the bank assumes ownership and responsibility for the property. If the meter is removed, the bank would be required to pay the connection fee for restoring the service.

Mr. Spiker suggested reviewing the legality of Councilmember Aleshire's proposal and discuss it further at a work session. He reminded the Mayor and Council the original discussion of a late fee also included a late fee on the electric bill. Approval for a late fee on the electric bill would have to come from the Public Service Commission through a tariff change. The standard late fee rate on electric bills in Maryland is 1.5%. The City will file for a change to include a late fee on electric bills.

University System of Maryland at Hagerstown – Renaming the North Potomac Street Parking Deck

Eric Deike, Director of Public Works, stated a request was made by the University System of Maryland at Hagerstown (USMH) to rename the North Potomac Street Parking Deck. USHM desires the parking deck to reference the University of Maryland by name. Dr. Halsey, USMH, was also present.

USMH has expressed concerns regarding visitors and students finding parking close to the university campus. In particular, USMH wants drivers to find the North Potomac Street Parking Deck and utilize this facility as convenient parking adjacent to their campus. Drivers along Potomac Street unfamiliar with Hagerstown or the university campus may not realize the deck provides good access to the school.

Possible changes to the name could be University System of Maryland at Hagerstown Parking Deck, University System of Maryland Parking Deck, University Parking Deck or University District Parking Deck.

Should a new name for the parking deck be selected, any and all signs on the deck would need to be fitted out to the new name. References on literature including the website would also be changed. In addition, the City would install visible signs indicating “public parking” in the deck which would remain available to the general public for parking.

Councilmember Metzner suggested the name University Deck on North Potomac Street.

Councilmember Brubaker is concerned that renaming the deck will cause confusion for visitors who may think the parking is only available for the university. He wants to assist the university but he does not think it should be identified for just the university.

Councilmember Metzner stated way finding signs would assist people in locating public parking. He thinks renaming the deck would spark interest and increase support for a four year university.

Councilmember Munson stated granting the request is a way to show USMH the City is glad they are in Hagerstown.

It was the general consensus to rename the North Potomac Street Parking Deck to University District Deck. This consensus is the approval and a formal vote will be not be scheduled.

The agenda was revised to continue the discussions focusing on USMH while Dr. Halsey was present.

University System of Maryland Light Pole Banners

Rodney Tissue, City Engineer, stated staff received a request for banners from USMH for the first block of Washington Street and North Potomac Street that recognize the University and improve the overall image. This consists of two banners, a larger banner for the 30’ light poles that would replace the current “downtown” banners and smaller banners for the 15’ pedestrian lights.

For placement of banners, staff assumed the poles on West Washington Street from the former CVS to the Square (USMH) side only and on North Potomac Street from the parking deck to the Square (deck side only). Staff did not assume any banners for the poles in the northwest quadrant of the Square. Based on this assumption, 4 large banners and 10 small banners are needed. The estimated cost of all the banners and new hardware is about \$ 2,500. Dr. Halsey has committed the USMH to pay 50% of the materials cost in a partnership with the City. The City’s 50% share for materials would be taken from the FY 14 Downtown Beautification CIP fund.

Mayor Gysberts stated the vertical placement on the large banner is difficult to read.

It was the general consensus of the Mayor and City Council to fully support this endeavor.

“Smoke-Free” Designation for University Plaza

Rodney Tissue, City Engineer, reported staff received a request from USHM staff suggesting that the City make University Plaza a “smoke-free” environment. This is consistent with the University’s policy, passed by the Board of Regents on June 22, 2012 that states smoking is prohibited on all property whether leased or owned. This request is consistent with the City’s efforts to encourage healthy and smoke-free lifestyles for City residents.

None of the parks are currently smoke-free. All play apparatus have a sign that states “No Smoking” around the play equipment. The emphasis on enforcing the “Smoke-Free” park is through voluntary compliance:

1. Appropriate signs will be installed.
2. Parks Division staff will meet with activity organizers to discuss the policy as part of organizing their event.
3. City and USMH staff will make periodic observations to monitor compliance.

According to Mr. Nairn, violation could be a criminal offense but a municipal infraction with a maximum fine of \$ 1,000 may be more appropriate. The Mayor and Council can establish a specified fine, if they wish.

Councilmember Metzner thinks a \$ 20.00 fine would be appropriate to start with. He suggested considering banning smoking in all City parks.

It was the general consensus of the Mayor and City Council to include approval of an ordinance prohibiting smoking in University Plaza on the June 18, 2013 agenda.

New Street and Pedestrian Way-Finding Signs

Eric Deike, Director of Public Works, provided information for new way-finding signs for motorists to find public parking in the City lots and the decks.

One of the findings from the Rich & Associates Parking Study conducted in 2012 was that the Parking System’s street way-finding signs were incomplete and inconsistent. Many of the existing signs used a color coordination of green and white while others included a more historic look of brown and white.

Staff has been working on a new design for the signs and determining their best placement. The new street signs will be white lettering on blue background with a clear, consistent message to motorists to easily identify public parking. The signs should be installed by the end of June, 2013.

Staff is also working on creating and installing new pedestrian way-finding signs. These signs would be placed strategically throughout the downtown to guide pedestrians to a variety of points of interest. Staff is looking for input from the Mayor and Council in regard to what should be included on these signs.

Mayor Gysberts asked if the signs could be placed lower than 20 feet high. Mr. Deike will look into this.

Mayor Gysberts suggested including a historical loop, similar to Frederick.

Fiscal 2014 Worker's Compensation Insurance

Kevin DeHaven, Safety and Liability Insurance Coordinator, reported the Workers Compensation Insurance is up for renewal beginning July 1, 2013. The workers compensation rates turned out to be favorable for the City this year, which ultimately lowered the premium from the previous year.

Injured Workers Insurance Fund (IWIF) is the current carrier. They issued a premium quotation that totals \$ 955,622. The premium for Fiscal 2014 will fluctuate slightly due to changes to the base payroll figures throughout the year.

The City lowered the reported payroll, one of the critical factors, to closely reflect the audited payroll by the current workers' compensation carrier. The City also has an Experience MOD rate of 0.86 for this policy, which resulted in an additional \$ 272,000 in premium savings.

Approval of the coverage with IWIF will be included on the June 18, 2013 agenda and the brokerage services will remain the same.

Fiscal 2014 Liability/Property Insurance – LGIT

Kevin DeHaven, Safety and Liability Insurance Coordinator, was present to provide information regarding the City's liability and property insurance renewal with the Local Government Insurance Trust (LGIT).

LGIT's proposed premium of \$ 407,794 reflects discounts for rate stabilization and longevity credits. The City was awarded an additional discount from last year's premium for their Loss Control Credit Program. LGIT's legal department has represented the City in a number of successful cases, mitigating potential lawsuits and reducing the liability exposure.

Coverage includes auto and equipment liability, general liability, law enforcement liability, public officials' liability, and property coverage.

The Fiscal 2014 premium will fluctuate slightly due to the addition or removal of property, vehicles, and mobile equipment. The premium total is under the budgeted monies for the Fiscal 2014 operating budget.

Approval of the insurance renewal will be included on the June 18, 2013 agenda.

Hagerstown Youth Hockey Association (HYHA) Operating Agreement for the Ice Rink

Rodney Tissue, City Engineer, Travis Poole, Attorney for HYHA, and Kim Rodenberg, HYHA, were present to discuss an operating agreement for the ice rink.

Building on the successful operations of the last five years, a contractual agreement with the HYHA to continue to manage the Ice Rink located at 580 Security Road was presented. The HYHA is one entity of several who desire to have ice time. The HYHA manages these requests, as well as maintains the rink and daily operations. The City has no staff assigned to the rink. The City owns the rink “free and clear” as all long term debts are paid off.

Highlights of the agreement include:

1. HYHA will manage and operate the rink and be responsible for profits/loss.
2. HYHA will provide day-to-day maintenance, the City shall maintain the building and mechanical systems.
3. City pays all utilities.
4. As discussed in January, no rent payments will be made to the City by HYHA for the next two years. In lieu of rent, money must be invested in improvements at the rink.
5. \$ 3,000 monthly rent will be paid to the City starting July 1, 2015. Staff hopes this money can be placed in a designated fund that will be reinvested back in the rink, since it is almost 20 years old.
6. HYHA schedules all rink access. This is a large task as there is significant demand by the other six users, one being open skate time by the public.

Mr. Tissue stated a proposal for new lights over the ice will likely be presented to the Mayor and City Council next month. With new lights, energy costs should be reduced.

Councilmember Metzner stated the rink operates very well under the guidance of the HYHA. He suggested approving the contract renewal.

Councilmember Nigh asked if figure skating is still on the schedule. Ms. Rodenberg indicated it was.

Councilmember Brubaker stated he understands this agreement changes the composition of the advisory group. The advisory group previously was composed of representatives of all the user groups. Mr. Tissue indicated this proposed agreement includes more language about the user groups working together than previous agreements. Councilmember Brubaker asked which group schedules ice time.

Ms. Rodenberg stated HYHA schedules the ice time and they work within the State regulations and guidelines for the teams. HYHA pays for ice time. When the season is over, they release the ice time. Registration is made through HYHA.

Paul Sweeney, Hagerstown Adult Hockey League, stated when HYHA assumed the operation of the ice rink it was a daunting task. At that time, the City did not want one group dominating the ice time so a working user board was created. He expressed concern that meetings have been cancelled with little notice. During meetings, there is no discussion of how the rink is operated. The other groups are not given an opportunity to discuss issues. There is no recourse for the other user groups. He is concerned this agreement creates a situation where HYHA can operate the rink in whatever manner they choose to.

Councilmember Metzner stated the agreement with the City should allow the contracting party to schedule ice time as they see fit. He wondered why the Mayor and Council were not made aware of this issue until now. Mr. Sweeney stated the issue started about six months ago and the user groups asked for meetings with HYHA.

Staff was directed to work with the user groups to develop an agreement that addresses the concerns raised. Councilmember Aleshire stated he does not think the agreement needs to be changed if it has been working well for the last five years.

Mayor Gysberts pointed out there is an obvious demand for ice time and the amenity is beneficial to the community. He believes there is a way to mediate the conflict between the user groups.

The agreement will be discussed at a future work session.

Proposed Sale of 11, 12, 15, 16 Public Square

John Lestitian, Director of Community and Economic Development, and Andrew Sargent, Downtown Manager, were present to discuss proposals received for 11, 12, 15, 16 Public Square.

The Mayor and Council have established as a priority returning City-acquired property to the private sector, where feasible. Returning the property to the private sector allows for concentrated efforts to renovate the property, concentrated efforts to fully lease the property and it enables full taxation of the property. City staff, together with the City Attorney's office, has created the Negotiated Sale Process whereby property owned by the City of Hagerstown is sold. In this case, after a public notice period, advertising on the City's website and in a local newspaper, two proposals were accepted for the Public Square property. This property is no longer used for City offices and is 2/3 vacant.

The proposals were reviewed by a staff committee, the same committee that reviews the PEP proposals. Best and final offers were requested and the results were reviewed. One applicant has requested, on an appropriate form, that they remain confidential while

the other has not, necessitating the labeling of the proposals as A and B.

Both proposals are from reputable business people who own property in the City of Hagerstown. Both proposals come with commercial development experience. Both proposals contain a vision that would be beneficial to downtown Hagerstown. Due to the higher offer price with no contingencies and also the excellent collaborative vision, the staff committee recommends to the Mayor and Council that Proposal A be approved to move towards a purchase agreement.

The “net” offer price for Proposal A is \$ 240,000.00 while Proposal B is \$ 236,000.00.

Councilmember Metzner is in favor of accepting Proposal A. He asked if this is the same proposal that was made earlier this year. Mr. Lestitian indicated Proposal B is from the same group; however, the offered price was lower and some contingencies were removed.

Councilmember Munson supports the staff recommendation. He is pleased two developers were interested in this property. He wants to make sure the person who submitted Proposal B remains interested in downtown.

Mayor Gysberts stated if the developer has a vision for downtown he wants to make sure the City finds them space to help them accomplish it.

Proposer A anticipates the property will be fully occupied in about six month.

Councilmember Nigh stated she thinks the City could receive a higher offer since the market is improving and now may not be the best time to sell the property.

Mr. Lestitian stated the assessed value of the property is \$ 1.2 million and it has an appraised value of \$ 500,000.00. Using an income approach appraisal shows a value of \$ 180,000.00 to \$ 200,000.00. It is difficult to speculate the income with the space being empty.

Councilmember Brubaker pointed out the property will be on the tax roll and an entrepreneur will be making an investment downtown.

It was the general consensus of the Mayor and City Council to move forward with the sale of the property and to keeping the proceeds in a separate fund for other projects which return properties to the tax roll.

Update on Invest Hagerstown

Andrew Sargent, Downtown Manager, Jonathan Kerns, Community Development Manager, and John Lestitian, Director of Community and Economic Development, were present to discuss the Invest Hagerstown program.

Staff are seeking direction for the Mayor and Council on determining the source of funding for the Invest Hagerstown initiatives in order to begin their implementation in Fiscal Year 2014. As previously discussed, the Fiscal Year 2014 budget includes \$ 1.5 million with an additional \$ 1.5 million anticipated for the Fiscal Year 2015 budget. The current allocations in FY 14 for the initiatives are:

First 3 rd Grants for City Center Projects:	\$ 1,000,000
First 3 rd Grants for City-Wide Projects:	\$ 200,000
Owner Occupied Grants City-Wide:	\$ 300,000

Mr. Zimmerman stated this one time expenditure, which could increase the tax base, would be an appropriate use of reserve funding.

The Invest Hagerstown initiatives listed above were discussed during the May 7, 2013 work session. Based on direction from the Mayor and Council during the session, staff made the requested edits to the framework of the Invest Hagerstown initiatives and also reached out to private developers to obtain input on these initiatives.

First 3rd Grants: The City will partner with private developers and become the first-third of their investment in major renovation projects. There will be two types of First 3rd Grants: Building Renovation Grants for projects located in the City Center and Building Renovation Grants for projects City-wide. Feedback from developers was obtained in order to gauge if such a program would stimulate interest in downtown redevelopment and development City-wide. Four developers were contacted to discuss the First 3rd Grant concept. All feedback indicated that such a program would help to initiate significant bricks and mortar projects and make these projects more economically feasible.

Per the direction of the Mayor and Council, the range of the grants has been expanded and the approval process has been refined. The initial concept of \$ 150,000 grants for City Center projects has been modified to include potential grants ranging from \$ 150,000 to \$ 250,000. Upon review and recommendation from the staff committee, all First 3rd City Center grants will require final approval by the Mayor and Council.

The initial concept of \$ 50,000 grants for City-wide projects has been modified to include potential grants ranging from \$ 25,000 up to \$ 50,000. All First 3rd Grants for City-wide projects will be reviewed and approved by the staff committee.

Neighborhood Owner-Occupied Grants: Owner-occupied grants for specific renovations for homes built prior to 1960. Staff received feedback from multiple City homeowners on the City-Wide Residential Enhancement Grant concept and all responses were positive. Staff also discussed what types of renovations can positively impact a residential property's value with the Acting Supervisor of Assessments for Washington County. Based upon the feedback received, the types of renovations that can help achieve improved property values and/or positively impact neighborhood curb appeal are: window replacement, roof replacement, kitchen updates, electrical updates, HVAC updates/replacement, bathroom additions, room additions, etc. All Neighborhood Owner

-occupied grants will be reviewed and approved by the staff committee.

Staff have conducted online research and have not found other programs of this magnitude. This type of commitment from the City to the community has the potential to attract developers on a regional and national level, improve the assessable base, enhance City neighborhoods, and improve the quality of life for Hagerstown residents.

Councilmember Metzner stated he is not sure this is the best use of \$ 300,000.00. There are many nice apartments vacant. He thinks the rental assistance should be higher than \$ 150.00.

Councilmember Aleshire stated he does not have a big interest in a program that helps a current homeowner upgrade their home. He is more interested in providing assistance for neighborhood stabilization, which includes dealing with vacant and foreclosed properties.

Councilmember Brubaker would support this, if there is some assurance the assistance would contribute to solving the problem.

Mr. Zimmerman asked if the Mayor and City Council supported the commercial part of the program. Is so, staff could implement this portion and continue working on the residential side.

Councilmember Brubaker stated funding for projects such as MELP and the stadium has to be kept in mind for the reserve funds.

Councilmember Aleshire does not support funding this program with bond financing.

Staff will provide further recommendations for the residential portion of the program.

Councilmember Munson stated the commercial portion of this program is essential for the future of downtown. This program may energize some developers to invest in Hagerstown to help lift the curtain of bleakness he sees. He mentioned a property on Locust Street where there are vacant homes in need of repair on either side of a homeowner.

Approval of the commercial portion of the program will be included on the June 18, 2013 Regular Session agenda.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember D. F. Munson thanked everyone who made Blues Fest possible. He thanked the 200+ volunteers. He thanked Carl Disque for his vision for the event and for keeping it going.

Councilmember K. B. Aleshire mentioned he has received emails regarding an issue on Hager Street. He assumed progress is being made there. Some time ago, the Mayor and Council had discussions with the Sora group regarding a stadium project. During the discussions, it was referenced that there would be some money from the State. He wondered what the funding model would look like. It is likely the City of Fredericksburg, Virginia is negotiating with the Hagerstown Suns. He doesn't know where the consideration of alternate sites in Hagerstown stands. From his perspective Fredericksburg has the ability to out-market the Hagerstown community. If there is interest by this elected body to select a location, it should be discussed soon. He has developed a list of five properties and the stadium is not in this list. The stadium is number six on his list. There needs to be a strategy to reinvest in traditional owner occupied residences. The City needs to market core strategies and asses the City, block by block. There needs to be a strategy for development.

Councilmember P. M. Nigh mentioned there are still problems with noise at the Hub Scrap facility, sometimes starting at 4:30 a.m. She wondered where this issue stands. She thanked Chief Holtzman for addressing the nuisance abatement issue. She does not know how a petition was started when there was no interaction with the Council. Someone should have addressed the Council first.

Councilmember M. E. Brubaker hopes progress can be made on the issues on Hager Street. He thanked everyone involved with the Blues Fest for a great event.

Councilmember L. C. Metzner also thanked everyone involved with the Blues Fest event. The next event is the bicycle criterium on June 14, 2013. He encouraged citizens to attend this event in downtown.

Mayor D. S. Gysberts praised the Blues Fest boards and volunteers. There were over 90 sponsors and the event raised more than \$ 100,000.00.

EXECUTIVE SESSION – June 4, 2013

Councilmember L. C. Metzner made a motion 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 10-508(a)) and to consult with counsel to obtain legal advice, #7 (Section 10-508(a)) at 6:41 p.m. in the Council Chamber, 2nd Floor, City Hall, Hagerstown, Maryland. Councilmember M. E. Brubaker seconded the motion.

Motion carried with Councilmember K. B. Aleshire voting No.

18^H SPECIAL SESSION AND WORK SESSION
2013

JUNE 4,

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Bruce Zimmerman, William Nairn, City Attorney, John Lestitian, Director of Community and Economic Development, Andrew Sargent, Downtown Manager, Jonathan Kerns, Community Development Manager, and Donna K. Spickler, City Clerk. The meeting was held to discuss potential members of the Planning Commission and the status of a City building tenant agreement. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: July 23, 2013