

41ST SPECIAL SESSION, WORK SESSION AND EXECUTIVE SESSION – MAY 20, 2014

EXECUTIVE SESSION – May 20, 2014

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 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 3:10 p.m. in Room 407, 4th Floor, City Hall, Hagerstown, Maryland. The following people were in attendance: Mayor D. S. Gysberts, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Bruce Zimmerman, City Attorney Mark Boyer, and Michael Spiker, Director of Utilities. Councilmember K. B. Aleshire was not present. The meeting was held to discuss potential members of the Bicycle Advisory Committee and the Circle of Achievement Inductee Review Commission, and the status of the MELP property. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 3:57 p.m.

41ST SPECIAL SESSION AND WORK SESSION – May 20, 2014

Mayor D. S. Gysberts called this 41st Special Session, Executive Session and Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, May 20, 2014, 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, and City Attorney William Nairn.

Blues Fest Visual Artists

Karen Giffin, Community Affairs Manager, reminded everyone that the annual Blues Fest will be held on May 29 – June 1, 2014.

Carl Disque, Chairman of Blues Fest, presented the winning art selection, Blues Town Boogie, created by Matt Long of Frederick, Maryland. Mary Ann Burke, Washington County Arts Council, stated Mr. Long will have an exhibit on display at the Arts Council during Blues Fest.

The children's t-shirt design contest winner is Delia Riss, a student at Rockland Woods Elementary School. Ms. Risk's design will be on display at the Washington County Arts Council also.

Preliminary Agenda Review

Consent Agenda

- A. Department of Community and Economic Development:
 - 1. Community Affairs: Approval of Application Permit and Open Container Exemption for MSO Sonoma Happy Hour Event – June 4, 2014, University Plaza
 - 2. Community Affairs: Approval of Application Permit and Open Container Exemption for Bike Night – July 18, 2014, City Center

- B. Department of Public Works: Gasboy Islander Plus Fuel Management System – Perry Petroleum Equipment, Ltd. (Ickesburg, PA) \$ 21,656.00

Approval of a Resolution: USMH MOU Maintenance Agreement and Rental Use Policy

Rodney Tissue, City Engineer, stated there are three existing Memorandums of Understanding (MOU) between the City and the University System of Maryland regarding the Plaza. They are: park operation, groundskeeping and policing. In November, the Policing MOU was revised at the request of USMH. The amendment to the Policing MOU caused an inconsistency with the Park Operation MOU in that the exhibit should be revised to show the “area reserved for University related activities only.” Therefore, an amendment is needed to the Park Operation MOU to reflect this change. Staff recommends that the Mayor and Council pass a resolution to approve this amendment. Staff is also recommending that a policy related to the use of the University Plaza be passed. That policy provides guidelines on the fees, alcohol, and other issues related to the use of the University Plaza. This policy is consistent with the MOU’s. The groundskeeping MOU has expired. Staff has met with USMN personnel on several occasions regarding this. Staff presented an MOU for groundskeeping to the Mayor and City Council for review. Staff suggests approving the MOU and forwarding it to USMH for their approval.

Approval of MOU with WCSCD for Use of EPA and MDE Grant Funds for Kiwanis Park

Rodney Tissue, City Engineer, stated staff continues to secure funding to complete the construction of Kiwanis Park. The following funds are in place to-date:

- 1. \$ 22,500 FY 14 Program Open Space funding of the overlook pavilion (plus \$ 2,500 City match)
- 2. \$ 90,000 FY 15 Program Open Space funding (approved by the County in May) for gravel parking lot, trail and boardwalk construction (plus \$ 10,000 City match)
- 3. \$ 20,000 Excise Tax

Staff reported the Washington County Soil Conservation District has assisted the City and obtained a \$ 208,330 grant for work in the floodplain at Kiwanis Park. The grant is to address newly documented stream bank erosion on the main stream of the Antietam Creek at the outer bend where Kiwanis Park will be located. However, the proposed stream work will serve a dual purpose of stabilizing 175' of stream bank, and providing watercraft access for recreational purposes. An information kiosk will be placed at the site to provide park users information about the Antietam Creek Watershed.

Approval of Speed Camera Contract Extension

Chief Mark Holtzman stated changes in Maryland law that take effect this year require municipalities that operate an automated speed enforcement camera system to make certain adjustments to their business contracts with vendors by June 1, 2017. These include changes to the contractor's fee which may no longer be contingent on a per-ticketed basis. Extending the current contract through January 3, 2015 will allow staff to develop a new contract that meets these requirements well within the allowable time frame.

This completed the preliminary agenda review.

Two First-Third City Center Grant Applications

Andrew Sargent, Downtown Manager, stated per the approved guidelines for the First-Third Grant Program, applications seeking funding greater than \$ 50,000 are to be reviewed by the Mayor and City Council. The First-Third Committee has met and considers the following business proposals worthy of consideration by the Mayor and City Council.

The First Third Grant program was developed to inspire significant investment in the City Center through building development and redevelopment. When an application arrives, the First Third Grant Committee evaluates the application for completeness and compliance with what is required. Next, a site visit is scheduled so the Committee can physically see and hear what the applicant proposes for the project. Finally, the Committee decides whether an application has enough merit to be presented to the Mayor and City Council for consideration of funding. A public work session will be scheduled to openly discuss the project. Next, a letter of commitment is given from the City to the developer, which obligates the requested funds to be paid upon completion of the project according to the established scope, timeline and proven expenditure of funds.

Summaries of the two projects are:

1. Michael Fitzgerald: The Grand Building, 20 West Washington Street
Renovate interior finishes and mechanical components to revive dilapidated office building and offer attractive, professional office space in the City Center. The first-floor restaurant space will be renovated to attract a new tenant. Total projected cost is \$ 460,074 and the grant request is \$ 150,000.

The Committee believes the upgrades proposed for the Grand Building could have significant impact on the downtown office space availability. Currently, there is little renovated office space available downtown and a renovated 34,000 sf Grand Building could offer an abundance of that product.

2. Doug and Kristy Carroll: Junior Fire Company, 105 N. Potomac Street
Renovate existing property into unique banquet hall/event center with first floor retail component. The exterior will be restored. The interior first floor will be a commercial kitchen with smaller conference space with warming kitchen. It is possible to also include a small retail component on the first floor. The second floor will be larger conference/event space. The third floor will be a dressing room and possibly an additional warming kitchen. The Fourth Floor and Belfry will be renovated into a deluxe bed and breakfast type suite to compliment the reception space below. The projected cost is \$ 677,880 and the grant request is \$ 225,960.

The Committee believes the proposed renovations for the Junior Fire Company could be very beneficial to the downtown and significantly impact that first block of North Potomac Street. There would be some job creation. However, a destination event space would draw people to the downtown in the evenings during a time when the foot traffic is otherwise sparse. The business plan and concept drawings are thorough.

Mayor Gysberts stated the grant funds are not disbursed until the projects are complete.

Councilmember Brubaker stated both these buildings are landmarks for the downtown and he supports both projects.

Councilmember Metzner hopes the buildings can be restored to the grandeur they once had.

Councilmember Nigh is supportive of both projects.

Councilmember Munson thanked both property owners for the chance they are taking for downtown.

Councilmember Aleshire stated he expressed his concerns during an executive session review of the financial information. One owner has experience with development and has secured bank financing for the intended work and is clearly further along in the process than the other. The other owners did not indicate they had development experience. He wonders if there is a market for another banquet facility in downtown.

Approval of the projects will be included on the May 27, 2014 Regular Session agenda.

Mayor and Council FY15 Budget Review

Mayor Gysberts stated the Council has reviewed the General Fund. The next discussion will be about the Parking Fund.

Michelle Hepburn, Director of Finance, and Eric Deike, Director of Public Works, were present. The proposed budget includes an increase of monthly parking fees for the decks and surface lots. The after hour rate at both decks is proposed to be \$ 2.00, with Sundays being free. It has been several years since monthly park rates have changed. The rate change will help strengthen the parking fund by increasing revenue and cash flow. Cash reserves can be increased to cover future parking infrastructure and maintenance.

It was the general consensus to include approval of the parking rate amendments on the July 22, 2014 Regular Session agenda. The new rates would take effect July 1, 2014.

Ms. Hepburn indicated the only major change in expenditures for the Parking Fund in FY 15 is in the salary benefit category, which shows the same increases as for the General Fund. The projections for Capital Improvements include a third parking deck, including land acquisition and construction costs and timing. Mr. Deike stated there will be work to be done on the elevator at the A & E Deck to close the chamber to keep water out of the elevator shaft.

Mayor Gysberts clarified that the third parking deck included in the CIP is the one that has been discussed on Antietam Street.

Councilmember Brubaker stated he sees the deck included in the CIP as a generic location. The parking study said two things – one is that a parking deck should be linked to a major project and two, it should not be built on speculation. A new parking deck will exhaust the parking fund for many years.

Mayor Gysberts stated the City will be seeking State of Maryland assistance for a deck on Antietam Street since there are two courthouses located there.

The Mayor and City Council then discussed the Golf Course. Ms. Hepburn stated the historical trends show the golf course has increased revenue slightly each year for several years. No rate changes are included in the budget for the golf course. The out-years show the amount subsidized from the General Fund being capped.

Rodney Tissue, City Engineer, stated expenditures have been reduced as much as possible with staffing. The largest cost is water for the course. The number of players has been decreasing.

Councilmember Aleshire noted the course is fairly static and has aesthetic issues. The course is not challenging enough for some golfers.

Councilmember Metzner stated the Municipal Golf Course has always been promoted as being inexpensive to play. He understands the cost is close to that of Black Rock Golf Course now. He thinks it is time to seek citizen comments on whether the golf course is an amenity they want.

Councilmember Brubaker asked if there are things the City could be doing to increase interest in the golf course. Mr. Tissue stated they have tried different activities, such as disc golf, to increase participation. Councilmember Aleshire stated the golf course needs to address two things – the level of challenge and convenience of play.

Councilmember Nigh stated the golf course has not been promoted heavily in the past. Mr. Tissue stated staff is trying new things to market the course.

Councilmember Munson stated the green space provided by the golf course is important for citizens.

Ms. Hepburn and Michael Spiker, Director of Utilities, reviewed the Utility funds. Mr. Spiker stated a new wholesale contract begins on June 1, 2014 that lowers electric rates. There are two contract extensions (through May, 2017) that will continue the lower rate cost. Water and Wastewater Rates for five years were established in 2013.

Mr. Spiker stated staff will discuss upgrades and seek guidance for improvements at the Breichner Plant with the Mayor and Council in several months.

Mr. Spiker thanked the Mayor and Council for their support with the struggles experienced with the Wastewater Treatment Plant. He is pleased to report there has been no permit violation for five years, even with the recent heavy rainfall.

Ms. Hepburn pointed out a large expenditure is for the Synagro project, which has been discussed with the Mayor and City Council.

Councilmember Munson thanked the utilities department staff for their efforts during recent rain storms.

Ms. Hepburn pointed out funding is included in the Economic Redevelopment fund for the Franklin Street streetscape program.

Mr. Zimmerman suggested scheduling a general discussion about the Property Management program.

41st Special Session – May 20, 2014

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 5:40 p.m.

Introduction of an Ordinance: Tax Rates Beginning July 1, 2014

Action: Councilmember M. E. Brubaker made a motion to introduce an ordinance dated May 20, 2014, to establish the City's tax rates for the fiscal year July 1, 2014 through June 30, 2015 on the basis of \$0.898 per \$100 of assessed value of all real property and \$2.245 per \$100 of assessed value of all business personal property within the City of Hagerstown. These rates reflect an increase of \$0.11 per \$100 for real property and \$0.275 per \$100 for business personal property over the current year. Councilmember L. C. Metzner seconded the motion.

Motion carried 4-1, with Councilmember K. B. Aleshire voting No.

Introduction of an Ordinance: Budget FY 2014-2015

Action: Councilmember M. E. Brubaker made a motion to introduce an ordinance, dated May 20, 2014, to adopt the City's budget for fiscal year July 1, 2014 through June 30, 2015 in the total amount of \$121,227,222. Councilmember D. F. Munson seconded the motion.

Discussion: Councilmember Metzner asked that the Council agree to not expend funds to the non-profit agencies until they have discussed the contributions further.

Motion carried, 4-1 with Councilmember K. B. Aleshire voting No.

The Special Session was then closed.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember M. E. Brubaker congratulated the winners of the Historical Society Preservation Awards that were announced earlier today.

Councilmember K. B. Aleshire stated he indicated during the May 19, 2014 budget discussion that he had compiled a three year analysis of expenses. He is concerned with the immediate and projected issues with the budget. He handed out copies of his analysis again. He stated residents have contacted him about the expansion of the Daniel B. Schuster Concrete plant at the corner of Wilson Boulevard and Virginia Avenue. They have requested permission to have a rock crushing operation at the location.

Councilmember D. F. Munson attended the Straight No Chaser concert at the Maryland Theatre on May 19, 2014. The show was good. He was surprised most of the downtown restaurants were closed.

Councilmember P. M. Nigh is glad the fire union has accepted the contract. She hopes staff reviews the ideas that Delegate Maggie McIntosh discussed regarding the condition of properties and non-profit organizations.

Councilmember L. C. Metzner agreed the Straight No Chaser show was excellent.

Mayor D. S. Gysberts thanked Chief Holtzman for the ceremony for National Police Week that was held last week. The bicycle Ride of Silence will be held on May 21, 2014.

Councilmember Metzner reminded everyone that wreath laying ceremonies in honor of Memorial Day will be held on Sunday, May 25, 2014 at 2:00 p.m. at the Court House, and at 6:00 p.m. at the Medal of Honor Triangle.

There being no further to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned.

Respectfully submitted,

Donna K. Spickler, City Clerk
(from video)

Approved: August 26, 2014