

WORK SESSION – May 1, 2018

Mayor R. E. Bruchey, II called this 39th Special Session and Work Session of the Mayor and City Council to order at 4:04 p.m., Tuesday, May 1, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, S. McIntire, and L. C. Metzner, City Administrator Valerie Means, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler.

39th Special Session – May 1, 2018

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed to meet in Special Session at 4:05 p.m.

Introduction of an Ordinance: Amending Chapter 197, Rental Facilities, of the City Code

- Action:** Councilmember K. B. Aleshire made a motion to introduce an ordinance to amend the Code of the City of Hagerstown, Chapter 197, Rental Facilities. Specifically the amendments will:
1. Add dormitory and residential care facility to the definition of rental unit, and define each; establish license fees for dormitory and residential care facility of \$100 plus \$10 per unit.
 2. Revise inspection schedule for rooming houses from annual exterior inspection and interior inspection every 48 months to all conducted every 36 months; and add dormitory and residential care facility to the same schedule.
 3. Revise inspection schedule for dwelling units from annual exterior inspection and interior inspection at tenant turnover but never more frequently than every 48 months to all inspections every 36 months upon scheduling by the City.
 4. Add a right-of-entry provision for staff and landlords to gain access via administrative warrant if access is denied for inspections and repairs, and include provisions that such entry for inspection be included in the terms of the lease.
 5. Revise inspection for new construction from 48 months following issuance of U&O permit to 36 months; and add an exemption for existing units renovated to Partners in Economic Progress standards for 36 months following issuance of U&O permit.
 6. Revise provisions for what may lead to denial, suspension or revocation of a license to include providing false or misleading information in the application and denying access for inspections. This revision includes adding a reinstatement fee of \$500 for any suspended or revoked license.

7. Add provision requiring notification of transfer of license to new owners or new agents and a transfer fee of \$ 25 per license.

These amendments are consistent with the City's Vision and Commitment for Housing and Neighborhoods and the Community's City Center Plan.

Mayor and City Council direct staff to give first priority for the new inspection process to those units which have never been inspection in the program.

Councilmember L. C. Metzner seconded the motion.

Discussion: Councilmember Heffernan recommended discussing these amendments further before moving forward with any action. He does not see the benefit of inspections every 36 months. He is concerned about the possibility of staff obtaining a warrant to enter a property and the landlord not being present.

Councilmember Metzner noted this action is the introduction of the ordinance. The Mayor and City Council can discuss the amendments prior to approval of the ordinance. He agrees with Councilmember McIntire that the landlords who follow the regulations should be recognized. He is concerned that a large number of rental units have never been inspected since the beginning of rental licensing.

Councilmember McIntire has gathered examples of tiered inspection programs that are successful. One of these programs may work for the City.

Councilmember Keller stated a forum for landlords has been discussed. Possible dates for the forum are May 8, 2018 or May 15, 2018.

On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to postpone Introduction of the Ordinance.

Councilmember Keller still wants to schedule a forum to receive public input, especially from the people that the program affects. It is not working and they should have this opportunity to speak. After discussing different locations and formats, it was the general consensus to hold a public input session as part of the May 15, 2018 Work Session. Landlords and others will have the opportunity to offer suggestions of how to improve the rental licensing program.

Mayor Bruchey stated staff and landlords worked together to review the original legislation for rental licensing for approximately 6 months before it was implemented.

Approval of an Ordinance: Repeal of Eastern Boulevard Road Fee District Program

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance to repeal the Eastern Boulevard Road Fee District Program. Over the course of the 14 years the program has been in effect the City collected \$ 369,605 in road fees from new development in the district to help defray the costs of the \$ 5.2 million road widening project in FY 08-09. Property tax revenue from the new development at this point more than covers the annual debt service of the road widening project. The Mayor and City Council have determined that continuation of the road fee program is no longer in the best interest of the citizens of Hagerstown.

Approval of Grant Application: Maryland Criminal intelligence Network

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote to authorize staff to apply for the Maryland Criminal Intelligence Network grant, which replaces the former Safe Streets grant. The goal of this grant is to focus on high priority offenders within the community, with an emphasis on criminal networks and enforcement.

This non-match grant has been offered and awarded annually for the last several years. It would provide salary support for a crime Analyst, Program Coordinator, law enforcement overtime, and overtime funding for the Washington County Sheriff's Office (for collaborative enforcement efforts).

Approval of Grant Application: Gun Violence Reduction Grant

Action: On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to authorize staff to apply for the Gun Violence Reduction Grant, known also as Ceasefire. The goal of this grant is to focus on reducing and preventing gun violence within the community, with an emphasis on removing illegal guns and arresting gun violence perpetrators.

This non-match grant has been offered and awarded annually for the last several years. It would provide law enforcement overtime for

investigations and proactive enforcement details addressing guns in the community.

Approval of Purchase: Hagerstown Police Department – Two Vehicles – Forrester Lincoln (Chambersburg, PA) \$ 53,500.00

Action: 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 to approve the purchase of two vehicles for police use. These vehicles will be purchased from Forrester Lincoln, Chambersburg, PA for a total \$ 53,500.00.

Funding will be from HPD's Vehicle CIP Account #C0129.

The Special Session was closed at 4:31 p.m.

Proclamation – National Bike Month and Bike to Work Week

Mayor Bruchey read a proclamation recognizing May as National Bike Month and Bike to Work Week in Hagerstown, Maryland. Ed Joynes, Chair of the Bicycle Advisory Committee, and Rodney Tissue, City Engineer, accepted the proclamation.

Proclamation – Building Safety Month – May 2018

Mayor Bruchey read a proclamation naming May, 2018 as Building Safety Month in Hagerstown. Kathleen Maher, Director of Planning and Code Administration, Blaine Mowen, Chief Code Official, Pam Harris, Building Inspector, and Jim Sprecher, Plumbing Inspector, accepted the proclamation. Code and Inspection staff will be rolling out safety information regarding buildings soon.

Proclamation – Washington County Teen Pregnancy Prevention Month

Mayor Bruchey read a proclamation naming May, 2018 as Washington County Teen Pregnancy Prevention Month. The following members of the Teen Pregnancy Prevention Coalition were present to accept the proclamation: Carrol Lourie, Community Advocate, Robin Roberson, Community Free Clinic, and Major Warren, Community Free Clinic Teen Liaison.

Loan Request for Softball Dugouts at Fairgrounds Park

Rodney Tissue, City Engineer, and Mike Kelbaugh, Hagerstown Fairgrounds Softball Association (HFSA), were present to discuss a loan request for softball dugouts at Fairgrounds Park.

The HFSA has a long term user agreement with the City to use and manage the three softball fields in Fairgrounds Park through December 31, 2020. The HFSA does all the

field maintenance and pays all the utility bills in exchange for no rent being charged by the City. The HFSA operates the concession stand and keeps any revenue related to that facility to facilitate their program and facility maintenance.

Over the years, the HFSA has invested over \$ 300,000 into the City's facility. In addition, they have successfully paid off two loans with the City, one was for field lights and one was for fencing.

Mr. Kelbaugh stated there are three fields at Fairground Park and the HFSA wants to place dugouts on two of the fields. They will fundraise for funds to place dugouts on the third field later in the season. These dugouts would protect players and give them shade during games. Final cost per dugout is \$ 4,000. They are requesting an interest free loan of \$ 16,000.

Councilmember Aleshire stated he supports providing the loan but he is concerned about people hiding in the dugouts after hours. Mr. Tissue indicated the dugouts will be see-through.

It was the general consensus of the Mayor and City Council to include approval of the loan on the May 22, 2018 Regular Session agenda.

FY2018/19 Budget Review

Michelle Hepburn, Director of Finance, and Rodney Tissue, City Engineer, were present to continue review of the FY 2018/19 Budget.

Mr. Tissue reported the RFP for the Urban Improvement Project (UIP) is ready to be released. The City needs to ensure there is adequate funding in place for the plaza. The Plaza will serve as a public multi-purpose public space and will be used for informal student gatherings, downtown events, and staging for buses and theater production vehicles. A final phase of the Cultural Trail will extend through the plaza. Replacement of overhead wires to underground is anticipated to cost \$ 843,000. Construction of the plaza is estimated to be \$ 1,200,000.

Ms. Hepburn stated the City's portion of the funding would be through a bond issue. In 2015, the City issued a tax exempt and a taxable bond. Funding for the MELP demolition project was included in these bond issues, with the understanding that any remaining funds would be used for the Synagro project at the wastewater treatment plant. Because all the MELP funding has not been needed, this funding could be reprogrammed and directed to be used for the Plaza project. Reprogramming these funds would require approval of an ordinance and a later date, a resolution. When the project is shovel ready, a new bond will be issued for the remaining amount.

Councilmember Heffernan asked if undergrounding the overhead lines had been part of the original project plan. Councilmember Metzner indicated it was so that the plaza area did not have overhead utility poles and lines throughout it.

Councilmember Heffernan asked if there will be additional funding requests throughout the project. Mr. Tissue stated there would not, as the Maryland Theatre construction bid was awarded last week, and the Barbara Ingram School for the Arts construction bid will be awarded soon. The City's budget is based on estimated costs.

Ms. Hepburn stated there was \$ 1,500,000 for downtown revitalization when the project was first discussed. The City committed \$ 500,000 to the Maryland Theatre and \$ 1,000,000 is included in the proposed budget for the City's portion of the UIP. Staff continually seeks grants. Some grants have already been awarded.

Councilmember Aleshire and Councilmember Metzner stated they would like to know what the total project cost is. Staff will provide the current funding/project matrix to the Mayor and City Council. Ms. Hepburn reminded the group that the matrix does not include a parking deck. However, a deck is included in future projections in the City's budget.

Councilmember Aleshire thinks not having a parking deck close to the UIP would be shortsighted. He doesn't think the project would be successful without it.

The Mayor and City Council agreed to begin the process of reprogramming the bond funding intended for the MELP project.

Ms. Hepburn reported the notices for the tax rate and budget public hearings were advertised last week using a \$ 0.03 (overall) and \$ 0.05 (apartments) tax rate increase. Councilmember Aleshire indicated he does not support this scenario.

Councilmember McIntire stated when she raises prices in her business, she reviews expenses. She asked if the City has done that.

Ms. Means stated staff has reviewed expenses and revenues. Department heads were told to use their FY 2017 numbers for the proposed budget, which they did. Expenses were decreased where possible. As long as services provided stay the same, there are no significant ways to reduce expenses.

Councilmember Metzner noted that services include employee costs (wages and benefits) which are approved by negotiated union contracts. A government is a service provider and is not run the same way as a business. To reduce expenses, the Mayor and City Council is faced with the question of whether or not to increase rates to keep the services the same, or do they eliminate services (which could include reducing staff, by layoff or furloughs).

Councilmember Aleshire stated they are not raising taxes, they are considering adjusting the tax rate in relation to the Constant Yield Tax Rate that is issued by the State of Maryland. Even with this adjustment, his taxes would be just \$ 36 more than they were 10 years ago. There are numerous contracts for wages and benefits that aren't

easily changed. The way to significantly reduces expenses is to actually layoff employees.

Ms. Hepburn stated when the budget process started, the deficit was almost \$ 3 million. Ms. Means stated staff worked hard to get to a balanced budget.

A 10 year wage history is included in the budget book. There are 4 union contracts, which impact the wages and health insurance costs. Wages and benefits are the largest portion of the general fund expenses. The proposed budget includes a one-step increase for non-union employees, a 2% cost of living adjustment (COLA) for IBEW 307 a 1% COLA and an additional step for AFSCME 1540, steps are unfrozen for AFSCME 3373, and the IAFF 1605 contract is currently under negotiation. A new minimum wage goes into effect on July 1, 2018. State mandated Sick and Safe Leave impacts all employee wages. Wages and benefits costs represent 67% of the General Fund.

Councilmember Metzner stated the police and fire union contracts make the City competitive in recruiting officers and firefighters.

The Enterprise Funds are funded by the users of those services, such as utilities and parking. The only way to increase revenue within the general fund is to increase the tax rates. Annexation would boost the tax base and provide additional tax revenue. The General Fund includes licensing and permit revenue, grant funding, fines and forfeitures, Safe Routes to Schools and Red Light camera income, and an administrative transfer from utilities.

Councilmember Aleshire asked that application of a utility tax be considered. Taxes for utilities are currently based on the valuation of the utility. He suggested applying a different tax structure to utilities.

Councilmember McIntire asked if the City has asked the non-profit organizations for donations. Ms. Means stated PILOT agreements have been considered.

Councilmember Aleshire noted that stormwater fees will be applied to all properties.

Ms. Hepburn reported that Hagerstown plans its capital improvement projects over a five year period. The City's Capital Improvement Program (CIP) budget for FY19, at \$ 29.8 million, is 30% higher than the \$22.9 million in the FY18 revised budget. A listing of all projects is included in Section 8 of the budget book.

Councilmember Aleshire clarified that CIP projects are one-time expenses. If projects are deferred until absolutely necessary, the City could become an organization that is reactionary. The amount included for CIP projects is \$ 1 million more than the tax revenue. There needs to be a change in the way fire service is funding in Washington County. City residents make up 26% of the population of Washington County and they should receive an appropriate proportion of the County funding for the fire service within the City. Not every company is treated the same.

Councilmember Heffernan stated a conversation should be held with the County Commissioners to find out why the six companies within the City limits are not treated the same as companies in the County.

Councilmember Metzner and Councilmember Keller indicated there are Commissioners and staff that are willing to have a conversation about mutual aid.

Ms. Means stated she has been wanting that conversation since she started with the City. She stated there should be a separate differential for Hagerstown because of the number of services provided.

Mayor Bruchey stated he will ask each Commissioner candidate where they stand on a fair and equitable differential for all citizens.

A joint meeting with the Washington County Commissioners is being scheduled.

Councilmember Metzner stated the fire service funding should be on the agenda for the joint meeting.

Ms. Hepburn asked if the Council has reached a consensus on the tax rate so that staff can prepare for the Tax Rate Public Hearing and provide complete information to the citizens.

Councilmember Keller understands Councilmember Aleshire's thought for a \$0.02 and \$0.10 tax rate, but that is a large increase.

Councilmember McIntire suggested a \$0.025 and \$ 0.065 tax rate.

Other possible combinations of tax rate increases were discussed. Staff will provide a chart showing the amount of revenue the different rates will generate.

Mayor Bruchey asked what an increase in the business personal property would generate. Ms. Hepburn informed the group those assessments for personal property taxes are based on self-reporting from the business.

The Council would like to have more information about a utility tax rate. Councilmember Metzner stated it is too late to implement a utility tax rate by July 1. He suggested reviewing this throughout the year.

Mayor Bruchey stated he would veto an ordinance on the tax rate that does not receive a 4-1 vote by the Council.

It was the general consensus to support the tax rate increases of \$0.03 (overall) and \$ 0.05 (apartments).

Valerie Means, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire suggested holding a fundraiser golf tournament for the City's portion (\$ 12,000.00) of the stadium study. Councilmember Metzner stated it would be interesting to see how well that would be received.

Councilmember L. C. Metzner congratulated the City's Finance Staff for receiving the Award of Excellence.

Councilmember A. Heffernan had the honor and privilege of attending the Brooke's House groundbreaking ceremony. He is amazed and pleased with the amount of support from the community.

Councilmember K. B. Aleshire stated he continues to hear how well the police department is doing. He thanked Chief Brito for that.

Councilmember E. Keller toured Kind Therapeutic last week. This company has brought 25 jobs to the community and invested \$ 20 million in renovating a vacant building. They are planning to expand.

Mayor R. E. Bruchey, II thanked the Council for coming to a consensus on the tax rate increase. He also attended the ground breaking ceremony at Brooke's House. He urged the Council and staff to figure out a way to help this project. This is a non-profit organization locating outside the City limits but it will serve the people of Hagerstown.

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 6:23 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: June 26, 2018