

JOINT WORK SESSION – May 1, 2012

Mayor R. E. Bruchey, II called this Joint Work Session of the Mayor and City Council to order at 3:11 p.m., Tuesday, May 1, 2012, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. W. Easton, A. C. Haywood, L. C. Metzner; City Administrator Bruce Zimmerman; Washington County Commissioners: Terry Baker, John Barr, Ruth Anne Callaham, Jeff Cline, William McKinley; County Administrator Greg Murray, Vicki Lumm, County Clerk and Donna K. Spickler, City Clerk.

Joint Meeting with Washington County Commissioners – Multi-Use Outdoor Sports and Events Center

Mayor Bruchey announced this session is being held to jointly discuss the Multi-Use Outdoor Sports and Events Center (MUSEC). The County Commissioners discussed the project during their meeting earlier in the day and agreed to provide \$ 400,000 annually toward downtown redevelopment.

Greg Murray, County Administrator, stated the Commissioners support revitalizations and will be giving back the payment currently made by the City for the combined 911 Center.

Bruce Zimmerman, City Administrator, stated this is the third time the Mayor and City Council and the County Commissioners have met in open session. He appreciates the time devoted to the discussion of this project and for the support of \$ 400,000 annually for the next 20 years to support downtown revitalization. The City could also match the funding commitment of \$ 400,000 annually, if approved by the Mayor and City Council.

Jill Estavillo, Economic Development Manager and Project Leader, stated the project is important to downtown. In terms of economic development, it gives the community the opportunity to maintain an existing business – the Hagerstown Suns. The Suns have contributed to the economy for many years. It is important to have development in the core of the City. This plan is consistent with plans from as far back as 2001 and is consistent with other plans for the City and the continuation of investment in the core. Both the Mayor and City Council and the County Commissioners have agreed to common goals for moving forward for downtown. The City is taking the lead on a plan and there is clear direction and good partnerships. To improve the condition of the City Center, all segments of the community have to be involved. If people feel connected to the site, there will be a greater impact to downtown revitalization. Other sites for the MUSEC would not have the same impact. There are site constraints at Municipal Stadium. Renovating the stadium would fall short of the needed impact in downtown and would lack amenities. The MUSEC would be an amenity that would contribute to the life of the community. This is a valuable asset.

The project committee consists of 20 members of the community. They have met many times. Ms. Estavillo thanked the members for their commitment.

The information in the report provided by the Ripken Group exceeded expectations of the amount of information included. City staff completed a traffic study that was presented in a press conference on April 27, 2012. Meetings have been held with private property owners, neighborhood groups and organizations in the area of the proposed site. City and County communication staff are working together to provide information to the community. The traffic study report and the Ripken Group report is being aired on Channel 6. Presentations are being made to community groups also. A subcommittee has been reviewing samples of leases from other communities.

Mr. Zimmerman stated the next steps, if the Mayor and City Council decide to move forward, would be to negotiate a long term lease with the Suns. The lease would likely detail facility management, which would include control of non-baseball events, revenue sharing and other aspects of operations. It is imperative to have a commitment from the Suns to remain in Hagerstown in order to protect the investment of the community. A lease has not been finalized with the team at this time and negotiations are continuing.

The Mayor and City Council are not being asked for a final decision on whether or not to construct the stadium. The focus at this point is on a funding plan for the project. Staff recommends that the City match the County's commitment of \$ 400,000 for 20 years. The amount could be incorporated into the City's operating budget, without a tax increase. The committee is focusing on the most conservative projections in the Ripken report, which include a local funding share of \$ 20 million. The annual debt service to cover \$ 9.1 million would be \$ 900,000. The County and City would both contribute \$ 400,000 annually. The remaining \$ 188,000 would be from private funding. Private funding and support is important for this project.

The Convention and Visitors Bureau (CVB) is willing to commit up to \$ 60,000 annually for six years when the MUSEC is built. Letters of support were submitted by the Maryland Theatre and the Chamber of Commerce, as well as the CVB.

Councilmember Easton asked for clarification of the County's \$ 400,000 commitment. Greg Murray, County Administrator, stated the County's commitment is to provide \$ 400,000 annually for downtown revitalization and to relocate the permits office. The \$ 400,000 is the amount the City provides to the County for the Combined 911 center.

Councilmember Easton asked if the cost of land acquisition is included in the proposal. Mr. Zimmerman indicated it is.

Councilmember Metzner thanked the County Commissioners for working with the Mayor and City Council on this project. Private investment is important for this project. An individual has approached him with a commitment of \$ 100,000 per month for ten years in exchange for naming rights. The owners of the Hagerstown Suns should realize the County and the City are committed to this project. An agreement to commit funding to the project is not the same as expending the money. It is a commitment that funding is available if things fall in place.

Councilmember Breichner stated there has to be a strong agreement with the Suns. Another issue is securing funding from the State. Councilmember Metzner stated the

private funding has to be committed to secure the State funding. Councilmember Breichner stated the County's commitment is a big step.

Councilmember Brubaker thanked the Commissioners for their work on this project. The public should understand this stadium needs to be a catalyst for downtown and the surrounding neighborhood. The payback from redevelopment is a critical component of the funding plan. This is truly a community project. He pointed out that, under minor league baseball territorial rights rules, if the Suns leave Hagerstown another minor league team could not locate here.

Councilmember Haywood suggested sending a joint statement of support for the MUSEC to the State. She asked how this request would fit in the State's time frame.

Councilmember Brubaker indicated the State should be contacted now. There has to be a commitment from the State during the next session. He wondered if the Washington County Coalition would include the MUSEC on their agenda.

Councilmember Breichner stated he thinks a separate group should contact the State regarding the funding. The project is important enough that it should be a priority for a special group. The City would appreciate the Coalition's support.

Councilmember Brubaker indicated the Maryland Stadium Authority (MSA) is a potential source for capital funding. Mayor Bruchey stated the MSA is aware of the City's project.

Councilmember Metzner believes the State would be appreciative of a large amount of private investment for this project. He hopes there will be a donation program for anyone who wants to be a part of the investment.

Councilmember Brubaker stated the City will get \$ 5 back for every dollar that is invested, if the project proceeds as outlined. They are leveraging the City's money in order to allow for a major investment that will benefit the community. The return is high for the City's investment of the taxpayer dollars.

Councilmember Easton stated the decision to commit \$ 400,000 is a difficult one. He believes in the project as a whole. The leadership and vision from the Mayor has been outstanding. He has questions about the funding split. He wondered if one-third of the investment has to be from the private sector for the State funding to be approved. He believes the Ripken Group has a lot to gain if the project moves forward. They could be involved in the next several phases of the project. In order to move forward he stated honesty, integrity and truthfulness has to be a priority.

Mayor Bruchey stated any design work for the next phases would be competitively bid and would not automatically be completed by the Ripken Group.

Councilmember Easton asked when a public hearing will be held to discuss this project. He wondered why this project is not being treated like other large projects such as the library and the Barbara Ingram School for the Arts. He stated he is concerned that

revenue for non-baseball events at a multi-use facility is not being anticipated at higher than \$ 5,000. He will not support moving forward and building a new stadium under the current management.

It was the general consensus of the Mayor and City Council to include \$ 400,000 annually in funding for the MUSEC for the next 20 years. This commitment matches the commitment made earlier today by the Washington County Commissioners.

Commissioner Callahan wondered what the management team for the new facility will look like. She stated this should be worked out soon. Mayor Bruchey indicated the details depend on the outcome of the lease negotiations. The structure (of a board) from other stadiums and venues could be used as samples.

Commissioner Cline stated it is not always easy to have a difference of opinion. He will work with the group to make the project work.

Commissioner McKinley predicted a unanimous vote for the funding support from the Mayor and City Council. The project needs to continue.

Commissioner Baker has thought about this project. Even though he is not in favor of committing funding, he will be supportive. He is concerned that County employees won't be receiving raises and millions of dollars will be spent on a stadium.

Mr. Murray indicated the Commissioners will support the City in their actions with the stadium. Their funding commitment is a subsidiary of the City's support.

Mayor Bruchey thanked everyone for their support and for their comments. He stated he would anticipate that everyone would work together when and if the project is started. He knows there will be challenges and questions along the way. The project could be a two year process. He is concerned about losing the battle of decay downtown. This joint effort will create something with excitement that people will want to come to.

A motion approving the commitment of \$ 400,000 annually for 20 years (which matches the County's commitment) will be scheduled for a special meeting on May 8, 2012.

Proclamation

Mayor Bruchey read a proclamation recognizing May as National Bicycle Month. Winslow Wheeler was present to receive the proclamation.

Citizens Police Academy Certificates

The following people completed the recent Citizens Police Academy: Rebecca Brill, Thomas Brzezanski, Kimberly Buchanan, John Chance, Joseph Cordell, Charles Eichelberger, Megan Gossard, Tamra Gossard, Alexandra Henry, Kristen Henry, Kimberly Mose, Darnell Shaffer, Suzanne Short, Jonathan Stahley, Deborah Steenburg, Mary Stevic, Fred Vestal, Mary Walling, Lawrence Weber, Winslow Wheeler, and Erin

Wolfe. Each participant was presented with a certificate by Mayor Bruchey, Chief Arthur Smith, Officer Gerard Kendle and Verna Brown, Washington County Emergency Management Coordinator.

EXECUTIVE SESSION – May 1, 2012

On a motion duly made by Councilmember A. C. Haywood and seconded by Councilmember W. M. Breichner, 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, Section 10-508(a)(1)(i), and to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remaining the State, Section 10-508(a)(4) (2 items) at 4:44 p.m. in the Council Chamber, 2nd Floor, City Hall, Hagerstown, Maryland. The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember W. M. Breichner, Councilmember M. E. Brubaker, Councilmember F. W. Easton, Councilmember A. C. Haywood, Councilmember L. C. Metzner, City Administrator Bruce Zimmerman, John Lestitian, Director of Department of Community and Economic Development, Christy Blake, Downtown Business Recruitment and Retention Manger, Jonathan Kerns, Community Development Manager and Donna K. Spickler, City Clerk. The meeting was held to discuss various personnel issues and proposals with two downtown businesses. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the executive session meeting was adjourned at 5:33 p.m.

A recess was taken until 5:50 p.m.

WORK SESSION continued

Mayor Bruchey reported the topics discussed in the executive session were personnel, transforming property into condos and lease amendments.

Budget Work Session

Parks Capital Improvement Projects – Section 9, page 16

Rodney Tissue, City Engineer, stated several new parks (East Avenue Park and Memorial Park) are being established in an effort to make the City more livable and to provide more recreation. Other projects include improving existing parks. Kiwanis Park could be a nice area with access to Antietam Creek. Permanent seating at the City Band Shell will be considered by the Mayor and City Council. Phase II of the Mills Park Plan, which is the hiker/biker trail, is included in the proposed budget. A grant has been awarded to the City for that portion of the project. Other improvements include some irrigation systems in Oswald Park and City Park, redesigning of Hellane Park and adding shade at Potterfield Pool next year. Funding for these projects is from a variety of sources.

Councilmember Haywood stated she has received complaints about the use of the band shell. She is concerned about the use of the band shell for an obvious religious purpose. This affects the surrounding neighborhood and park visitors. Mr. Tissue stated the park use policies will be reviewed with the Mayor and City Council later in the year.

Mr. Tissue reminded everyone that the grand re-opening of the Club House at the Golf Course will be held on Saturday, May 5, 2012. He congratulated Junior Mason and the parks staff for the excellent work in the renovation.

Mr. Zimmerman stated the Parks Department staff and Community Development staff have partnered on many of the parks projects. Nice enhancements completed this year include the Digby parking lot and improved access at Fairgrounds Park.

Pension and Health Insurance Programs – Section 7, page 9
Workers Compensation Fund – Section 6, page 3
Healthcare Fund – Section 6, page 4
Dental Care Fund – Section 6, page 5

Karen Paulson, Acting Director of Human Resources, stated there are dramatic changes to the State retirement plan. Currently, there are no significant changes to the City's health care insurance. The employer share of the State contribution is showing a slight decrease.

Ms. Hepburn stated the union contracts will be renegotiated in the FY 2013/2014 budget.

Ms. Paulson mentioned open enrollment is being held throughout the month of May. Employees can choose between two different health care plans.

Mayor Bruchey asked if the \$ 900,000 budgeted for overtime is for all departments. Mr. Zimmerman indicated it is for the general fund.

Councilmember Haywood suggested discussing strategies to reduce overtime pay. This Council made a commitment to reduce overtime in 2009/2010 but it is still included in the budget. Mr. Zimmerman stated some overtime is contract driven, some is weather driven and some is event driven. Much of the overtime is beyond the City's control. Councilmember Brubaker pointed out there is also an impact from carrying a large number of vacancies.

Ms. Paulson stated the Worker's Compensation premium is based on payroll. The projections used in the budget were received in January. When the premium is brought to the Mayor and City Council, it will be a firm proposal.

The health care fund includes funding for OPEB. Councilmember Brubaker stated Hagerstown is ahead of many municipalities in the funding for OPEB. Mr. Zimmerman stated significant changes were made in the program that allowed the City to meet the requirements.

A slight increase in premiums for health care insurance is expected due to increases on claims. The Healthcare Committee met recently and is formulating some modifications to the plan.

Community Development Block Grant Program – Section 5, pages 3-9

Mr. Zimmerman suggested the Mayor and City Council review the agency contributions.

Jonathan Kerns, Community Development Manager, stated there was a 21% reduction in the annual entitlement from HUD and there may be an additional 17% reduction. This is approximately \$ 661,000.

The department has looked at partnerships with neighborhood based projects, renewed the focus on housing, and maintaining some funding level for public service programs.

Councilmember Brubaker asked if the City is in danger of losing grant funding. Mr. Kerns stated they are looking at ways to make sure the grant funding is secure.

Improving housing and neighborhoods is a priority. The loan programs are a key component for the improvement.

Councilmember Brubaker asked if there is a way to make sure the funding is not back logged. Mr. Kerns stated they need someone who could review and work with the loan programs to ensure the City is reaching the people who need the assistance and are eligible for the programs.

Mayor Bruchey asked if the Community Free Clinic could be increased to \$ 60,000. Mr. Kerns indicated the funding is close to the cap.

Councilmember Haywood asked what the contribution to the Commission on Aging is for. Mr. Kerns indicated it is for a home repair grant program for senior citizens. This funding is for the entire program.

Councilmember Haywood stated it doesn't seem right that local governments have to be funding federal programs. She asked about the status of the House Keys for Employees. Mr. Kerns stated the program has been adjusted because there are few houses available at this time. She asked that all new staff members be informed of the program.

Councilmember Easton does not understand why the agencies listed were chosen over other non-profit organizations in the community. He asked if these agencies apply for funding each year.

Mr. Lestitian stated historically, CDBG funds have been allocated for several non-profits for many years. HUD encourages entitlement communities to develop policies for awarding grants. Staff has begun initial work on the development of guidelines.

Councilmember Metzner pointed out that many of the agencies funded provide services to children. He assumes most of these groups do not have fundraising capabilities. Summer camp programs provide recreation opportunities and meals for participants.

Councilmember Easton stated it might be possible to serve more people if programs/services were combined.

Councilmember Breichner stated Senior Living Alternatives (Holly Place) is always struggling to make ends meet. He would like to have a presentation to the Mayor and City Council from Holly Place stating their needs and services.

Councilmember Easton suggested all groups receiving money make presentations to the Mayor and City Council. He is concerned about the process used to determine funding for the agencies. Mr. Zimmerman stated the concerns can be addressed in a policy that staff is developing.

Councilmember Metzner suggested funding always be provided for the Community Free Clinic and Senior Living Alternatives. The next criteria for funding should then be services for children and the hungry.

Councilmember Brubaker pointed out the federal funding is designed to assist those that need the most assistance in the community. The allocations presented address these needs.

Mr. Lestitian stated they received 10 applications for \$ 260,000. Requests that were not for direct services were not considered for funding, i. e. computer equipment and salaries.

Mr. Zimmerman stated the proposed funding is only for agencies currently funded. No new programs were funded.

Councilmember Easton suggested that the policy include a time limitation (such as no more than three consecutive years) on funding. Councilmember Haywood suggested the programs also be evaluated each year.

Economic Development, Business Revolving and Upper Floors Redevelopment
Funds, Section 5, pages 11-13

Ms. Hepburn reported there are no major changes proposed for these funds. The Downtown Residency Program and Partners in Economic Progress (PEP) Program are two specific expenditures in this portion of the budget. The funding source for these programs is a transfer from the general fund. The proposed transfer is \$ 200,000.

Councilmember Brubaker wants to make sure people know these programs are available. These programs will generate revenue.

Staff is recommending that the business revolving loan fund and upper floors redevelopment revolving loan funds be combined into one program. The guidelines will be revised and presented to the Mayor and City Council for consideration at a future work session. This revision could provide an opportunity for the City to apply for other funding sources.

Budget discussions will continue during the May work sessions.

Mayor Bruchey left the meeting.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember F. W. Easton thanked the County Commissioners for their support of the discussions of the stadium proposal and for their funding commitment.

Councilmember A. C. Haywood mentioned the recycling program is working. Recycling tonnage has increased from 11 tons to 22 tons. The program makes it easy for residents to participate.

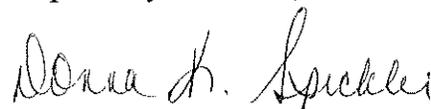
Councilmember L. C. Metzner remembers citizens concerns about wasting money for trash and recycling programs. This program saves money and provides participants with benefits. He thanked the County for their support of the stadium project.

Councilmember W. M. Breichner stated it is very easy to recycle. Items do not have to be separated.

Councilmember M. E. Brubaker thanked the third and fourth grade students at Bester Elementary School for their participation in the Arbor Day program. The Discovery Station opened the Moller exhibit last week. This exhibit highlights the Moller Pipe Organ Company in 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 6:55 p.m.

Respectfully submitted,


Donna K. Spickler, City Clerk

Approved: June 19, 2012