

WORK SESSION – February 4, 2020

Mayor R. E. Bruchey, II called this 93rd Special Session and Work Session of the Mayor and City Council to order at 4:03 p.m., Tuesday, February 4, 2020 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Scott A. Nicewarner, City Attorney Jason Morton, and City Clerk D. K. Spickler.

Proclamations

Black History Month

Mayor Bruchey presented a proclamation to Samuel Key, President of the Washington County Branch of the NAACP, recognizing February, 2020 as Black History Month in Hagerstown, Maryland.

Neighborhoods 1st Month

Mayor Bruchey read a proclamation naming February, 2020 as Neighborhoods First Month. Neighborhoods 1st creates a venue for neighborhood based citizen groups to engage and collaborate with local government in community building and place making.

The following Neighborhoods 1st representatives accepted proclamations: Mark Meany, North End, Amber Thomas, Oak Hill West, and Debbie Pitsnogle, South End.

Lauren Metz, Planning and Outreach Coordinator, stated City staff is appreciative of these groups who help improve Hagerstown.

Mayor Bruchey noted there has been success in neighborhoods as these groups have taken the initiative to make changes in their neighborhoods.

License Agreement with Point Broadband

Rodney Tissue, City Engineer, was present to discuss a proposal from Point Broadband of the Piedmont (Point). Clint Wiley, Point Broadband of the Piedmont, was also present. Point, in conjunction with local internet service provider New Frontiers is proposing to invest approximately \$ 48 million to build out a gigabit fiber-optic network capable of conveying high-speed broadband service to the residents of the City. The vast majority of this proposed installation will be completed aurally, attaching to existing utility poles. However, Point is requesting that a small portion of the installation (reportedly less than 5%) be installed using a relatively new technology known as microtrenching. Microtrenching is a less expensive way to lay fiber and involves digging a narrow slit trench $\frac{3}{4}$ to 1 $\frac{1}{2}$ inches wide and 6 to 12 inches deep. These trenches can then hold a conduit for the fiber.

To install these conduits within the actual pavement of the City streets (as compared to traditional conduits installed two or three feet deep), staff feels a license agreement with Point is appropriate to establish the basis of the City's requirements for them to use this technology in the streets, alleys, and sidewalks (to run the service into the properties). If the Mayor and City Council approve this agreement, Point will then complete the design of their fiber network and submit and pay for street cutting permits where microtrenching is needed. Staff will review their permit applications and details and issue permits.

Microtrenching is a new technology for this area. To learn more about the process, staff contacted numerous other jurisdictions that have allowed it in their streets.

The main positives are that it's much cheaper for the utility to install than conventional trenching and the installation is much quicker resulting in less disruption to the citizens and motorists.

There are certainly downsides as well. Staff could not find any municipality that has successful microtrenching installations more than two years old. They talked to two local governments where the installations in their streets failed in a short time. Then there is the higher likelihood that the fiber will be damaged by future street digging, milling, or freeze/thaw. Staff believes the agreement minimizes the downside of this type of installation by providing specific expectations of Point. Hopefully the advantage of this new high-speed network to Hagerstown citizens will far outweigh any unfavorable impact from allowing them to use a rather unproven technology.

Mr. Wiley reported they have been building out a fiber optic network (primarily for downtown Hagerstown) for three years. They now have an investment partner and are moving forward. They have been installing overhead lines. There are areas that require underground lines. The new microtrenching method has been popular in Europe and is gaining interest in the United States. Installing the lines will create an alternate broadband solution to local business and residents. He believes this will be a huge benefit for the community and it will make all providers more competitive.

Mayor Bruchey stated this method makes sense when overhead lines are not an option.

Mr. Wiley indicated the proposed license agreement is a framework for the work to be done. When the engineering is complete, they will apply for permits.

Councilmember Heffernan stated a key complaint from new residents is there is no choice for high speed internet providers. He hopes the time between permitting and execution is short.

Mr. Tissue stated this technology is new and staff has asked for detailed plans for the work.

Councilmember McIntire stated she is glad the City of Hagerstown is considering allowing this new technology to occur.

Mr. Tissue pointed out the agreement requires if work is to be done in the street by the City, Point will move the cable at their cost. The agreement is included for consideration at the Special Session later at this meeting.

Main Street Hagerstown Program Update

Kaitlin Bell, Economic Development Specialist, was present to provide an update on the Main Street Hagerstown program. The City of Hagerstown was designated a Main Street Community October, 2014 and the City Department of Community and Economic Development (DCED) has been managing the program since the designation. Main Street Programs aim to revitalize their downtowns and commercial districts through preservation-based economic development and community revitalization.

Main Street Hagerstown currently models its program by the five-point approach supported by Maryland Department of Housing and Community Development. Using this approach Main Street committees gather into five groups: Organization, Promotion, Design, Business Relations, and Clean, Safe and Green.

Currently, there are over 3,600 followers on the Facebook page, and growing. In the past 12 months, these volunteers contributed 300+ hours through committee meetings, and many more through events and volunteer opportunities in the community.

Main Street 2019 Accomplishments include:

1. Adopt-A-Block participation with street signs highlighting the adopted sections
2. Business Relations Committee conducted student focus groups with the help of USMH and HCC Students. Various topics were discussed such as: Downtown Perception, Public Safety, Popular areas to visit, What they wish to see from Hagerstown in the future, List of social activities they wish to see, and How best to communicate with them.
3. Continued promotion of the Open for Business campaign to help market downtown businesses during the periods of construction.
4. Conducted 8 grant funded business seminars
5. Provided outreach through business visits with the goal of bolstering community relationships and offering Main Street assistance on a variety of topics.
6. Organized and promoted a Trivia Night series held in downtown restaurants

7. Supported the alignment of Main Street Hagerstown to the “Keep America Beautiful” program as required by the State of Maryland
8. Organizing downtown clean ups and spring flower plantings with help from City staff
9. Planning and executing two successful events: Christkindl Markt and Sweets on the Street

Main Street will hold an Open House on February 5, 2020 at the BuroBox at 60 W. Washington Street. This event will serve as a recruitment opportunity as well as an informational session about Main Street, its purpose, and its next steps as work continues to grow and evolve the program.

Councilmember Heffernan asked if the results of the student survey are available. Ms. Bell indicated they are and will be provided to the Mayor and City Council soon.

Councilmember McIntire asked if there is a focus on social media with the Main Street Program. Ms. Bell stated each focus group decides what they want to put on social media for their activities.

FY2020/2021 Budget Status Review

Michelle Hepburn, Director of Finance, was present to provide an overview and status report of the City’s FY2020/21 general fund budget progress. To date, Departments have completed initial operating and capital budget requests.

Throughout February and March, staff will work to balance the budget and prepare the budget book for the Mayor and City Council.

Ms. Hepburn reported that as of last week, the projected deficit was at \$ 3.78 million. Revenues are projected to increase 1.4% from the previous year and expenses are projected to increase by 11.8%. Revenue from real estate taxes is anticipated to increase by 4%. She noted that by March 31, 2020, a balanced budget will be presented to the Mayor and City Council.

In Maryland, the individual counties are allowed to set the local tax rates. Due to a recent increase, the rate is 3.2% in Washington County. Admissions and Amusement Tax revenue is trending down due to businesses that charge an entrance fee closing.

It is hoped there will be future offsetting revenue for road improvements on Wesel Boulevard. The initial proposed budget includes some type of salary enhancement for all full time employees. Due to the projected deficit, the amount of salary enhancement may not remain the same. The minimum wage rate increased beginning January 1, 2020 and will continue to increase for the next several years. There is no anticipated increase or

decrease in staffing. No increase is included for health insurance benefits. Health insurance related costs are approximately \$ 4.6 million, which includes retiree benefits.

As a result of new actuarial estimates, workers comp funding included at this time has been increased over current FY2019/2020 levels by a total of \$ 472 K.

Transfers from the general fund (pay-go funding) are approximately \$ 2.5 million. This request for \$ 2.5 million includes funding a variety of items such as: vehicles for various departments, public safety radios, cameras, and equipment for Police and/or Fire, police and fire building renovations, and matching funds for multiple grant projects across Parks and Engineering, IT related infrastructure and server upgrades, and other infrastructure related projects.

The assumptions include new bond issues in 2020. The bond funded projects at this time include: fire station renovated for current and/or anticipated new location, fire engines, fire radios, fire training facility, and other infrastructure and vehicle requests. In an effort to conserve fund, there is approximately \$ 500,000 in CIP project funding that will be carried over and/or deferred from the current fiscal year until FY2020/21.

The current FY2020/21 deficit does not include any reductions or changes to City services. At this point, all Stormwater related operating expenses are reflected within the total General Fund totals with no offsetting revenues. There is currently \$ 1.2 million in total direct Stormwater expenses. If a Stormwater Management Project is not implemented, funding will need to be identified to cover all remaining operating costs, plus \$ 2.0 million in capital projects that are proposed to be funded with Stormwater Revenue and/or Stormwater Bond issue.

Agency contributions are a total of \$ 285,000 in preliminary numbers. It is anticipated that a reduction in some amount will be needed in order to balance by 3/31/20. The current numbers include annual allocations at the same rate as the current fiscal year plus additional contributions to The Maryland Theatre, Washington County Art Museum, and The Discovery Station.

There has been some discussion surrounding the need for a second sheet of ice at the ice rink, which would require an expansion of the current city-owned facility/building. At this time, there is money included in FY2024/2025 for this possibility, to be funded primarily by others.

There are no dollar amounts nor a project included in the preliminary FY2020/21 budget for a multi-use facility. The only amounts included at this time are the annual \$ 35,000 in existing stadium repairs and minimal operation expenses through the current contract/lease period ending in FY2020/21.

There is a reduction of approximately \$ 150,000 in general fund revenue dollars for the cable franchise revenue due to uncertainty with new FCC legislation. The general fund numbers continue to include \$ 400,000 in 911 funding expenses from the City.

At this time there is a total transfer of \$ 1.2 million from the General Fund to the Economic Redevelopment Fund for general incentives and Invest Hagerstown Grant Program incentives.

The City will be in the second year of the approved rate schedule for Water and Wastewater, which drives the revenues, for five years, FY202-FY2024. The projection from FY2020/21 and future period include a 3.0% annual rate increase for water services provided in and outside the city and a 2.0% annual rate increase for metered city and county sewer categories based on the rate schedule. The electric contract for purchased power is in place until FY2024. It establishes a flat rate for customers through May 31, 2022 followed by a decrease through May 31, 2024.

Ms. Hepburn asked if the Mayor and City Council members had any items they absolutely want to include in the budget or items that they do not want reduced.

Councilmember Aleshire noted this is the first time in a while that the proposed budget is more positive than expected. He would like to see work move forward on the stormwater management fee structure. He asked for consideration of a utility tax and possibly a reduction in the business tax to create more incentive for businesses to locate in Hagerstown. Nothing is out of bounds for him. He doesn't focus on the stadium because he doesn't think it will happen and no funding needs to be included in the proposed budget. A wage and benefit discussion has significant importance due to contract wage re-openers and the study that was recently completed. As these talks occur, everyone needs to keep in mind the affordability level of Hagerstown's citizens. It is unfortunate that the City continues to struggle to find common ground for services with the County fire system and the lack of recognition for the City's voluntary contributions. Budget stability is needed.

Councilmember Metzner noted he would be concerned about reducing property taxes, given the number of potential projects pending.

Councilmember McIntire is willing to look at the possibility of a utility tax.

Councilmember Aleshire noted additional investment incentives (from \$ 800,000 to \$ 1 million) would also increase utility use.

Councilmember Heffernan wants to discuss Payment in Lieu of Taxes (PILOT) agreements for non-profit organizations that utilize city services. Everyone should pay their fair share of the costs of services.

Amendments to City Code Chapter 173, Peace and Good Order

Mayor Bruchey started a conversation about enforcement of specific sections of City Code Chapter 173, Peace and Good Order. Some of the sections are outdated and the Code should be amended to reflect this.

Citizens consistently complain about soliciting in certain areas and how they are uncomfortable when someone approaches them. This typically happens at shopping centers. There are regulations for aggressive soliciting but not general panhandling.

Jason Morton, City Attorney, suggested that a discussion about revisions to the Code and legality of those revisions would be more appropriate in a closed session. It would be beneficial to have representatives from the Hagerstown Police Department and the State's Attorney's office attend as well. He noted many of these sections are covered by State Code.

Councilmember Metzner pointed out most are covered by State Code and the City is superseded by State Code. He suggested revising Section 173 to only include the prohibitions for smoking in parks and laws that aren't superseded by State law.

Councilmember Heffernan wondered why flying a kite in City Park is not allowed.

Mr. Morton indicated these types of actions can be regulated by incorporating them into the State code. Councilmember Metzner noted the police officers would be able to charge someone using the State law, which would likely result in higher penalties.

Mayor Bruchey asked Mr. Morton to review this section of the Code and determine which items are outdated and which are covered by State law.

Councilmember Aleshire noted it is also important to determine what issues can be addressed in this section of the Code. He asked how the City can address what citizens find aggressive when approached by someone asking for money.

Mayor Bruchey asked if there a state law against loitering.

Councilmember Aleshire mentioned a situation outside a tavern on South Potomac Street where there is always a group of people standing in front of the entrance and on the sidewalk. He would not like living close to this as it happens most every day.

Mayor Bruchey stated he wants to make sure the conversations about this are addressing the concerns of the citizen. He does not think the discussions should be held in closed sessions.

The City Attorney and staff will review the code and return with further information for discussion.

91ST SPEICAL SESSION – January 21, 2020

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote to meet in Special Sesion at 5:23 p.m.

Approval of a Resolution: License Agreement for Use of Public Right of Way by Point Broadband of the Piedmont (Point)

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote to approve a resolution approving a license agreement for access to and use of the public right-of-way for installation of communication infrastructure. This agreement enables Point to install a fiber optic network within the City and allows Point to utilize microtrenching in the public streets under limited, specific conditions.

Discussion: Rodney Tissue, City Engineer, noted there was a last minute change agreed to by all parties regarding the warranty for the work to be done. The work has a warranty of two years. Any costs of moving this infrastructure, if necessary, will be the responsibility of Point and there is no ending date for this.

Mr. Nicewarner thanked Mr. Tissue for his diligence in making sure the City is protected in this contract. Mr. Nicewarner urged the City to look into this seven years ago and he is excited for this to be an option for Hagerstown's citizens.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, stated the annual Day in Annapolis was last week. The City was well represented by Jill Thompson, Director of Community and Economic Development, Kaitlin Bell, Economic Development Specialist, and Doug Reaser, Business Development Specialist. They talked to a lot of people throughout the day. It is good to see the momentum of State support move toward Washington County and western Maryland. He appreciated the comments from the County for staff's efforts to work together. There are still major issues to be discussed and these will be discussed with the elected body for final decisions.

The State of the City will be held on Tuesday, March 3, 2020 at the Maryland Theatre. He thanked everyone that is putting together the presentation.

An open house for Main Street will be held at the Buro Box at 60 W. Washington Street. Staff and volunteers hope the open house will increase interest in Main Street and support for moving it to a non-profit organization.

For 15 years, Mr. Nicewarner worked through the budget as a Department Director. He noted the process is very involved and he is now starting to see the positive aspects of the process. He stated the Mayor and City Council and staff have to look at how the budget is structured. A better way of doing things and spending taxpayers' dollars wiser is needed. His goal will be to not report a deficit of \$ 3 million year after year. This may

require some unpopular changes but they would be done in the best interest of citizens and employees. He thanked Michelle Hepburn, Director of Finance, and other employees for the work on the budget.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire suggested having two presentations of the State of the City this year, one in the morning and one in the evening. It was the general consensus to hold two State of the City events.

Councilmember L. C. Metzner had no additional comments.

Councilmember A. Heffernan had no additional comments.

Councilmember K. B. Aleshire stated during Citizen Comments at Regular Sessions, possible legislation to regulate clinics within the City limits was provided to the Mayor and City Council. If a request is continually made to specifically enact an ordinance or take some other action that would apply to a specific property, he has no interest in granting the request. He would be in favor of reviewing the legislation provided and then acting on it as a body. With the speaker's request being granted, there should be no further opportunity to make the same request.

Councilmember L. C. Metzner agrees with Councilmember Aleshire's suggestion. During a Work Session, the discussion would center on the topic and not invite further rebuttal. He has no negative comments about the speakers and he realizes they have different beliefs than his.

Councilmember E. Keller had no additional comments.

Mayor R. E. Bruchey, II agreed the relationship with the County has been positive recently. The two jurisdictions disagree on some issues, such as fire and rescue and tax differential. He hopes these issues can be discussed calmly. The City is one of nine municipalities in Washington County and all are treated the same, no matter their size or services provided to citizens. He hopes a fair distribution amount can be agreed to.

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 5:39 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: April 28, 2020