

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:01 p.m., Tuesday, July 21, 2020 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

Preliminary Agenda Review

Mayor Bruchey announced that Citizen Comments for the July 28, 2020 Regular Session will be welcome either in person, or by submitting comments by email to councilcomments@hagerstownmd.org. If by email, the submitters name, address, and a summary of the comments will be announced by the City Clerk. The email will not be read in its entirety but it will be included in the public record for the meeting and may be viewed by the public at any time.

Consent Agenda

- A. Human Resources Department:
 - 1. Liability and Property Insurance – Local Government Insurance Trust (Hanover, MD) \$ 421,841.00
 - 2. Employee Assistance Plan Annual Premium – ComPsych (Chicago, IL) \$ 9,936.00

- B. Department of Information Technology Support Services:
 - 1. Server Licenses – SHI International Corporation (Philadelphia, PA) \$ 20,080.68

- C. Department of Parks and Engineering:
 - 1. Reconstruction of Pangborn Park Lake and Restoration of Hamilton Run – C. William Hetzer, Inc. (Hagerstown, MD) \$ 700,000.00

- D. Police Department:
 - 1. Bullet Recovery System – CyberNational, Inc. (Murfreesboro, TN) \$ 49,780.00
 - 2. Monthly Speed Camera Charges – Rekor (Hanover, MD) \$ 506,400.00
 - 3. Monthly Red Light Camera Charges – American Traffic Solutions (Mesa, AZ) \$ 82,500.00
 - 4. Monthly Delinquent Citation Collections- Rekor (Hanover, MD) \$ 60,000.00
 - 5. NTF Reimbursement for FY21 – Washington County Treasurer (Hagerstown, MD) \$ 320,000.00

Councilmember Keller asked if the Pangborn Park Lake project can proceed since the Washington County Commissioners denied the City's request to accept the silt at the landfill, free of charge, as they did for the City Park Lake project.

Rodney Tissue, City Engineer, noted the landfill will accept the silt, at the weight rates currently charged. He stated there are at least three other options for disposal of the silt and the project should be able to move forward. If the options are not viable, he will discuss the next steps with the Mayor and City Council.

Councilmember Aleshire pointed out the material from the lake is not sludge – it is silt/sediment and there is indeed value associated with the material.

Councilmember Keller stated this is really about the non-payment of the 911 Center fees and really has nothing to do with the Pangborn Park Lake silt.

This completed the Preliminary Agenda Review. There were no additional questions about any items. All items, unless noted, are scheduled for approval on July 28, 2020.

Consolidated General Services Agreement and Edgemont Reservoir Project Status

Nancy Hausrath, Director of Utilities, was present to provide updates on the Consolidated General Services Agreement (CGSA) and the Edgemont Reservoir project.

Staff continues to work with Washington County to update the CGSA. Updates include the creation of a comprehensive map to identify approved service areas from previous amendments to the agreements. Work also includes “clean-up” along property boundaries to address those properties that are only partially in the CGSA. Additionally, staff is working to incorporate the Flow Transfer Agreement into the CGSA.

There are 10 amendments, but only a handful are still active. The most recent proposed amendment, for the Maugansville area, is currently in the design stage at the County.

Work on the Edgemont Reservoir Project has been halted as a result of the pandemic. Staff was previously working with MDE to try and resolve the design and funding issues. The Intended Use Plan (IUP) for State funding (loan and grant) did not rate/rank this project favorable. The State has indicated that the original appropriation of approximately \$ 4.7 million would still be available; however, the anticipated project cost is approximately \$ 12 million. When staff has direction from MDE, a subsequent presentation will be made to include funding needs and project overview (design, bidding, and construction).

Councilmember Heffernan asked how the service area would be affected if the Edgemont Reservoir project can't be done. Ms. Hausrath indicated the service area would not be affected. However, it would be prudent to look at the Willson plant transmission mains to ensure they are sufficient to meet the base demand. The mains

were installed in the 1930's and 1950's. She would recommend designing a system where one main line operated independently from another one. Staff has worked with the Department of the Interior to discuss the C & O Canal rewatering and the possibility of a water storage area in case there is an issue with the Potomac River. This could be an option for meeting the demand in case of an emergency.

Councilmember Aleshire stated, in his opinion, the rehabilitation and preservation of the Edgemont Reservoir is critical to the long term service stability of the Hagerstown water system. The reservoir is the source of cleaner water and is less susceptible to contamination. He is a proponent of ensuring maintaining service pressure across the system.

Staff will continue to submit funding applications and will do their best to get the project moving. The project is still in the 25-30% design phase because the MDE has not reviewed the plan.

FY21 Budget Update

Michelle Hepburn, Director of Finance, was present to continue review of the FY21 budget. The budget impact of the pandemic is across all City funds. Revenue within the Utility Funds is lower than previous years due to Governor Hogan's moratorium on termination of service and charging of late fees. Many customers are simply not paying the utility bill. The City wants to work with customers who have outstanding utility bill balances. Notices often prompt customers to pay or make payment arrangements. That is not occurring during the pandemic. The moratorium on terminations and late fees is currently set to expire July 31, 2020. The reduced revenue impacts the City's cash flow, which in turn affects the City's ability to provide services.

Congressman David Trone reached out to Mr. Nicewarner and Ms. Hepburn recently to discuss COVID-19 funding issues. Mr. Nicewarner stated he is appreciative of the contact. Mr. Nicewarner and Ms. Hepburn expressed their concern about the moratorium and their desire that it be lifted. The longer the moratorium lasts, the more the outstanding balances increase. The City of Hagerstown has to continue paying bills, even if the cash flow is low. City staff and other organizations held a press conference today to provide information to customers where they can seek additional funds to assist in paying their utility bills.

Ms. Hepburn provided a chart of anticipated revenue per fund and category and the potential budget impact of each. She pointed out it is too early to determine the exact dollars and numbers. Property tax revenue is anticipated to be down by \$ 530,000. In addition to the decreased revenue, large assessment appeals are expected. Due to filing deadline extensions for income tax returns, a 15% (\$ 438,000) reduction is estimated. The State of Maryland has already announced that Highway User Funds (HUR) will be reduced for both FY20 and FY21. The Water and Wastewater funds are losing \$ 47,000 per month. The Parking Fund is losing \$ 114,000. Paid parking will begin again on August 3, 2020.

Mr. Nicewarner noted revenue and expenses are being monitored daily. This information is being provided to be as transparent as possible, both to the Mayor and City Council and City ratepayers (including taxpayers). The property tax rate has been set and cannot be changed. There will not be any mid-year property tax billing.

Ms. Hepburn noted that property tax bills are being paid.

Councilmember Heffernan stated there has been no stimulus relief for local governments. The only option to address the reduced revenue is to reduce expenses, which will include agency contributions, capital improvement projects, events, etc.

Mr. Nicewarner stated any line item in the budget is open for review. They also asked Congressman Trone about any possible funding from a stimulus type package. Economic Development is moving forward. The NorthPoint project is moving quickly. If the project was complete, the increase in tax revenue would place the City in a better position.

An update of the current standing will be scheduled for most future Work Sessions.

Donation of Municipal Airport Plaque to Hagerstown Aviation Museum

Stephen Bockmiller, Development Review Planner/Zoning Administrator, was present to discuss the possibility of donating the Municipal Airport Plaque to the Hagerstown Aviation Museum. He stated the metal plaque, constructed in 1934, has been stored in the attic of City Hall for an undetermined amount of time. As a staff member attuned to the potential for repurposing City resources for historic interpretive purposes, he cannot envision a use or display of the plaque by the City.

John Seburn, President of the Hagerstown Aviation Museum, stated the Museum would be happy to accept the plaque, if offered.

It was the general consensus to donate the plaque to the Hagerstown Aviation Museum. Formal approval will be scheduled for July 28, 2020.

Human Rights Campaign Report Update

Wes Decker, Communications Officer, was present to provide an update on the City of Hagerstown's Human Rights Campaign Report (HRC). The HRC rates 506 cities nationwide annually, including Hagerstown, based on criteria the foundation has determined goes toward achieving equality for lesbian, gay, bisexual, transgender, and queer (LGBTQ) people. The scores the HRC compiles are presented to the respective municipalities in September and then published in October of each year in an itemized document known as the Municipal Equality Index (MEI) scorecard.

At this point on this year's timeline, the City of Hagerstown has reviewed the 2020 draft scorecard which is showing the score to be the same as 2019: 54/100. While that number is certainly not where the City would like to be, 54 does reflect a 22-point

increase in the City's score over 2018. And with further improvement being the goal, Mr. Decker has contacted the HRC several times since June 2, 2020 asking for guidance and input in two specific areas where the City was treated as being the most deficient last year.

Mr., Decker is seeking the HRC's review of the City's new non-discrimination policy, which City HR Director Don Francis presented to the Mayor and City Council on July 7, 2020; and, particulars related to reporting hate crimes to the FBI by the Hagerstown Police Department. Representatives of HRC indicated the new non-discrimination policy is good and have requested a final version. The City has not received any points because no hate crimes have been reported since 2014.

Mr. Decker stated people in the LGBTQ community in Hagerstown consider the City to be a partner. The perception of the report does not reflect that feeling of partnership.

Councilmember Keller is the liaison to the LGBTQ community. She presented a City proclamation to Hagerstown Hopes at their virtual Pride Event on July 18, 2020. Hagerstown Hopes is appreciative of the City's efforts. Members of Hagerstown Hopes are willing to teach the Mayor and City Council and City staff about the LGBTQ community.

Scott Nicewarner, City Administrator, reported the first City Diversity and Inclusion Staff Advisory Committee meeting is scheduled for this week. Staff representatives are members of minority communities. His hope for this group is more education and practices of inclusion for City staff.

The final MEI report will be released in October, 2020.

Invest Hagerstown Redevelopment Incentive Fund

Katlin Bell, Economic Development Specialist, and Jill Thompson, Director of Community and Economic Development, were present to review a draft outline of the components of the Invest Hagerstown Economic Redevelopment Incentive Fund for Fiscal Year 2020. A total of \$ 804,000 is available in Fiscal year 2021.

The Review Committee would like to determine the level of funding for each of the program components, and staff is presenting the following recommendations based on past years:

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|---|------------|
| 1. City-Wide Redevelopment Grant | \$ 500,000 |
| 2. City-Center Redevelopment Grant | \$ 114,000 |
| 3. Homeownership Grant | \$ 110,000 |
| 4. Rental Property Rehabilitation Grant | \$ 55,000 |
| 5. Façade Grant | \$ 25,000 |

The proposed FY21 Invest Hagerstown Guidelines and Application Forms for all components were provided.

Councilmember Keller asked if last year's funds are exhausted. Ms. Bell indicated there was \$ 195,500 left in several categories at the end of the budget year. The Mayor and City Council previously approved placing the full amount into a lump sum category which will be carried forward.

Councilmember Metzner asked if the City can afford to do this with the anticipated deficit due to the pandemic. He wondered how spending \$ 804,000 can be justified at this time.

Mayor Bruchey stated the City can't afford to not continue the incentive programs. He would rather move funding from the CIP budget than from Economic Development. He pointed out the Mayor and City Council can review each application before funding is committed. He asked if there are any pending applications.

Ms. Bell indicated three applications are currently under review.

Councilmember Aleshire stated he recommended the increase in the tax rate for apartments properties to provide funding for economic development incentive programs. He appreciates the presentations and discussion about budget constraints but he would not support using this funding for anything other than its intended use. He would have liked to have a discussion on revenue and made an adjustment prior to approving the budget.

Councilmember McIntire stated people are expressing interest in the incentives and she agrees the funding needs to continue.

Councilmember Heffernan thinks the Invest Hagerstown grants should be parceled out slowly throughout the year because of the uncertainty of the City's financial position in the future.

Ms. Bell then reviewed the proposed FY21 Invest Hagerstown Guidelines and Application Forms.

The proposed guidelines include the requirement of a bank letter of pre-approval and a process change in that applications will be accepted on a continual basis. The Land Management Code size requirements have changed and the program guidelines will be aligned with those changes.

The grant funds may not be used twice for the same project or property and only one City-Center Redevelopment grant is allowed per property. Grant funds can be used for the same property for separate projects or separate scopes of work. The applicant must be the responsible party for the costs of the improvements.

Councilmember Aleshire asked if the new language will apply for the entire current year. Ms. Thompson indicated it will and the revisions are intended to be permanent.

Councilmember Aleshire noted the goal is to distribute funding to the investment community and the parameters shouldn't be too cumbersome. He wants to be sure investors don't feel there are too many conditions to deal with.

Ms. Thompson stated she understands and she believes these revisions will be encouraging because they allow multi-unit projects and will be favorable rather than restricting.

Ms. Bell noted property owners and tenants are still able to layer incentives. She asked if any changes are recommended to this guideline.

It was the general consensus of the Mayor and City Council to approve the funding levels and revised guidelines as proposed. No changes were recommended for the ability to layer incentives.

Acquisition and Demolition of 216 S. Prospect Street

Paul Fulk, Neighborhood Services Manager, and Kathleen Maher, Director of Planning and Code Administration, were present to discuss a plan of action regarding the fire damage to the property located at 216 S. Prospect Street.

The residential structure at 216 S. Prospect St. is a continuing resource in the S. Prospect St. historic district. According to the State Department of Assessment and Taxation (SDAT), the structure was built in 1895. The Planning and Code Administration Department identified the property as vacant in 2016. On June 18, 2018, the Department stated the property had lost its permitted nonconformity status and could no longer be used as a 7 unit apartment building. The maximum number of units for the structure to meet Land Management Code standards is 2 units.

The property owner had sold the building in 2017 through an owner financed mortgage. The purchaser did not make payments leaving the owner to foreclose. When the owner lost the nonconformity, they indicated the structure no longer had any value to them.

On May 10, 2020, the property had a fire that caused significant damage to the structure. Matonak and Associates, Structural Engineers, assessed the structural condition of the remaining portions of the building after the fire. The report recommends removal of multiple portions of the structure be removed. The property owner had no insurance on the property and is walking away from any maintenance responsibility. The property owner would like to donate the property to the City.

The Planning and Code Administration inspection staff sought two bid options based on the structural engineer's report and they are as follows:

1. Option 1 – Partial demolition of the rear portion and perform stabilization of select areas for future rebuild of portions of the structure renovations - \$ 34,000

2. Option 2 – Demolish entire structure, grade and seed the lot - \$ 28,200

Staff also sought input from the Neighborhood 1st group for that community. The neighborhood does not want to see the historic character and unique architecture of the structure removed from their streetscape; however, they understand the significant investment required to make the property viable to the community again. A letter from Judy and Winslow Wheeler (213 South Prospect), and Alece and Paul Drnec (208 South Prospect) was submitted noting their support of the City's efforts to accept the donation.

Councilmember Aleshire asked what options the City has for this property, outside of accepting the donation. Mr. Fulk stated the City could cite the property for violations and require the repairs. If the repairs are not made it could be filed in court, which would take approximately 1 ½ years to be resolved.

Councilmember Keller stated she and others received an email from someone interested in the land.

Ms. Maher and Mr. Fulk stated the property could be added to the Competitive Negotiated Sale (CNS) list.

It was the general consensus to accept the property, demolish the buildings, and sell it to the adjacent property owner.

The ordinance to acquire the property will be scheduled for introduction at the July 28, 2020 Regular Session, along with the contract approval for the demolition of the buildings.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, stated it was a nice weekend at City Park with a movie and music. Those attending both events were socially distanced from each other. Imagine Hagerstown will be held in University Plaza on July 24, 2020 from 5:00 p.m. to 8:00 p.m.. There will be live music but no food or drink vendors. He thanked Amy Riley, Recreation Promotion and Services Coordinator, and the Parks and Recreation Division for taking on the responsibility of this particular event. He noted the Washington County Museum of Fine Arts will be reopening next week.

MAYOR AND COUNCIL COMMENTS

Councilmember K. B. Aleshire clarified some discussion from the Washington County Commissioners meeting earlier today. The Commissioners were discussing the City's request to dispose of the dredging material from Pangborn Park at the County landfill, as was done with the City Park Lake dredging material. The Commissioners indicated accepting that material saved the City \$ 1.5 million in disposal costs. He pointed out the County accepted the material at no cost because it was used as cover for portions of the landfill. The City did not request that the material be used in that manner. The City

could have found other disposal areas for the silt. The landfill clearly benefitted from the acceptance of the material. To imply the City received a special deal from County taxpayers is disconcerting. He also watched the County Commissioners meeting when Sheriff Mullendore and Chief David Hays discussed the 911 Center. During that meeting, it was made to seem that City residents are a burden on this County service. In defense of City residents, he noted that all City residents are indeed County residents and he takes offense at the statement. City taxpayers pay more for services than others do for the same services (as dual taxpayers). Until records prove that City residents are a burden on the mandated/required 911 service, the statements are not appropriate. The City is providing police and fire service that is not taken into consideration in the tax set off calculations.

Councilmember A. Heffernan congratulated Potomac Dental Centre on the good project of repurposing the building at the corner of Potomac Avenue and Magnolia Avenue.

Councilmember E. Keller stated people have contacted her about people needing a place to cool down during the excessive heat. She asked if a cooling center could be located at a fire station. Mr. Nicewarner stated he talked with Horizon Goodwill today regarding this and Chief Kifer has been looking into this as well.

Councilmember L. C. Metzner had no additional comments.

Councilmember S. McIntire had no additional comments.

Mayor R. E. Bruchey, II suggested reaching out to NorthPoint Developers to see if they have any use for the silt from Pangborn Park. Ms. Thompson will contact them.

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 5:36 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: August 25, 2020