

Mayor R. E. Bruchey, II called this Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, September 15, 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.

General Budget and Status Update

Michelle Hepburn, Director of Finance, was present to provide a general budget and status update. She reported that since the last discussion regarding the FY21 budget, there has been no change in projections as staff is still waiting on information from external agencies. The trends as estimated in July are continuing as expected. The biggest unknown at this time remains the overall impact on the real estate tax market. As a reminder, the FY21 adopted budget was prepared and balanced prior to the start of the COVID-19 pandemic. As discussed over the past six months, the adoption of the FY21 budget did not mean business as usual for city staff and departments. City department leaders in conjunction with the City Administrator continue to evaluate priority items and projects before moving forward. This simply means that in the majority of departments across the city there should be initial budget savings in expenses to help offset a small portion of the projected deficit as included below. To date, the City has not implemented any staffing reductions or furloughs while continuing to provide salary enhancements and raises on individual's anniversary/hire date. On average across the City, these salary enhancements will average approximately 3% and by nature will depend on the salary table increments as approved and included in collective bargaining agreements and the tenure of employment.

The Maryland Public Service Commission (PSC) implemented a new moratorium on all services that fall under its jurisdiction and sent a press release on August 31, 2020. The City's Electric Fund falls under the jurisdiction of the Maryland PSC as a residential electric provider. The major changes and provisions that impact the City include the following:

1. Termination notices to residential electric customers may not start until October 1 and require a 45 day notification prior to disruption
2. Residential electric customers in arrears would have 45 days from receipt of termination notification to work out payment arrangements (payment plan to pay arrearage or apply for energy assistance program)
3. Residential electric customers must be offered a minimum payment plan duration of 12 months (or 24 months for those customers receiving energy assistance from the State's Office of Home Energy Programs)
4. Residential electric customers will not be required to provide a down payment or deposit as a condition of starting a payment plan for either current or new customers

As a reminder, the process for service termination is still applicable to all affidavit requirements from the period November 1 – March 31.

This PSC moratorium has far reaching impact on the City of Hagerstown's financial and cashflow position as customer arrearage continues to climb. The Electric Fund and Support Services Managers and staff strive to find ways to continue outreach and communication efforts to customers. New door hangers were recently created for customers with overdue bills. The door hangers are being circulated as Past Due Reminder notifications and include information regarding energy assistance programs available. The City's Water and Wastewater utilities are not governed by the PSC. Customers with past due amounts will be receiving a reminder notice.

The last time overall revenue estimates were presented was during the August 18, 2020 Work Session. Since that date, there continues to be increasing speculation regarding the stability of the tax base and the impact that will result from appeals, closures, and new triennial assessments during this pandemic. While initial billing of real estate taxes was slightly below FY21 budget levels, greater reductions are now anticipated in the winter and spring. It is anticipated that appeals of assessments will increase. In addition, it is likely that the City will see a reduction in revenue for School Resource Officers which represents a total of \$ 338,000 in General Fund revenue.

It now appears the FY20 Highway User Revenue will be higher than the State first reported. However; it will be less than the budgeted amount and some General Fund subsidizing will be necessary.

Some employees have been saying it is unfortunate there will be a surplus but salary increases aren't happening. Ms. Hepburn reminded everyone that the City did not layoff or furlough employees during the time buildings were closed to the public. Benefits (and employee costs for benefits) have not changed, even though revenue has decreased. There are four collective bargaining groups with agreements that include a step increase for full time employees on their anniversary date. The City is honoring and providing those step increases.

Mr. Nicewarner stated Hagerstown has gone further on the notification process than any other municipality he knows of. City staff testified at the recent PSC hearings, along with other utilities, as to how the moratorium has impacted operations. The City will be utilizing the affidavit process for terminations as of November 15, 2020. He noted some customer accounts are almost two years in arrears due to payment amounts and the pandemic. The City can't continue providing service when escalating costs are not being covered. He urged people to contact Customer Service to work out payment arrangements. Payment arrangements are extremely liberal. He stated tax revenue is being monitored daily and it will be significantly less than in past years. Staff met again today to discuss "out of the box" ideas to address the anticipated budget deficit.

Ms. Hepburn appreciates the Mayor and City Council's patience, as it is difficult to provide updates. Staff continually holds meetings to review where the City stands financially.

Mr., Nicewarner stated City Hall is now open five days per week, and the lobby is open 8:00 a.m. to 4:00 p.m. Customers can make payments in person, by phone, and online.

Councilmember Heffernan noted the projected deficit is at \$ 1.8 million currently and may be higher. He asked at what point is it necessary to look at freezing salaries in order to avoid layoffs.

Ms. Hepburn indicated a hiring freeze was implemented in July. All salaries are included in approved union agreements and can't be adjusted without opening the contracts. The union groups would not agree to reopen the contracts in order to have a discussion about salaries.

Councilmember Heffernan asked what options are available if the deficit is \$ 2 million. He asked if a bond issue was possible.

Ms. Hepburn noted a bond would not close the deficit. She stated there will likely be a deficit with the budget next year. Everyone needs to concentrate on operations in October November and December so there is a good plan in place for the next budget. It is not typical to feel a deficit impact in the enterprise funds. The City does have a healthy fund balance.

Mr. Nicewarner indicated Economic Development staff have been contacted many times by developers. He hopes this is a good indication of where the City will be in a few years. The Mayor and City Council has been aggressive with annexations and that is the best way to increase the tax base. He stated the housing market is still strong in Hagerstown. The City will have a difficult 12-18 months to get through.

Self-Contained Breathing Apparatus Award – Assistance to Firefighter's Grant

Fire Chief Steven Lohr was present and stated staff recommends that the bid for grant funded, self-contained breathing apparatus and accessories be awarded to Municipal Emergency Services, Inc. of Rockville, Maryland in the amount of \$ 672,765.04. After elimination of one of the three bids for failure to meet minimum requirements, MES representing Scott Aviation finished as the best qualified and most responsible bidder in the process.

In September, 2019, the Hagerstown Fire Department was notified by the Department of Homeland Security that they had successfully been awarded an Assistance to Firefighters Grant for replacement of the department's aging Self-Contained Breathing Apparatus (SCBA) as part of the 2018 Assistant to Firefighter's grant cycle. Mayor and Council accepted the award by motion on September 17, 2019. The total grant awarded

is up to \$ 673,730.00, of which the Federal share is \$ 612,510.00. The City match portion of \$ 61,250.00 is scheduled to be funded through a combination of CIP and General Funds. Acceptance of this grant negated a planned FY23 CIP project in the amount of \$ 800,000.00.

During the past nine months, a committee led by Captain Trayer Stoops and Captain Brian Henry evaluated the market place, received technical literature and aggressively field tested SCBA from three manufacturers well known to the industry. With the assistance of Procurement Officer Tyler French, staff prepared and issued an RFP on June 12, 2020. Evaluation of the bids followed during July and August culminating in final negotiations with two bidders that have resulted in this bid award recommendation. Julie Statler, Fire Department Administrator Coordinator, continually manages grant applications and follow up for the grants.

This grant will improve the safety of the City's firefighters, providing them with latest generation harness/backpacks/facepieces and cylinders. In addition, enhanced safety features including firefighter accountability, low air alarm enhancements, Bluetooth radio compatibility and bumper to bumper warranty. Assuming final approval at the September 29, 2020 Mayor and Council meeting, staff anticipate delivery by January 1, 2021, when training will be conducted.

Finally, and outside the scope of the grant, the Pioneer Hook and Ladder Company and the Western Enterprise Fire Company have funded equal 50% shares of an additional \$ 11,353.98, necessary to equip each of the three ladder trucks with fully fitted Rapid Intervention Team (RIT) packs with accessory fittings to be compatible with previous Scott models and other manufacturers models for regional compatibility.

In the near term, fire department staff will be approaching staff for approval to move forward with the planned CIP acquisition of Harris portable radios that have been deferred for two years. This will be necessary to utilize the Bluetooth radio compatibility of the new SCBAs.

Chief Lohr thanked the Mayor and City Council, on behalf of the entire fire department, for their continuous support to provide City firefighters with equipment and apparatus that meets industry standards and best practices.

It was the general consensus to include approval of the expenditure on the September 29, 2020 Regular Session agenda.

Review of Financial Incentive Agreement – Hagerstown Commerce Center, Inc.

Doug Reaser, Business Development Specialist, was present to review a Financial Incentive Agreement (FIA) with Hagerstown Commerce Center (HCC) for development of parcels along the Dual Highway. With the support of Mayor and City Council, staff seeks approval of the incentive at the September 29, 2020 Regular Session.

A summary of the FIA is as follows:

1. Recognizes HCC plans to construct a Fairfield Marriott by 06/30/2022
2. Recognizes HCC plans to construct a second hotel, restaurant and office building by 06/30/2023
3. Recognizes previous development of a roadway and water/wastewater infrastructure improvements dating to 2004 valued at approximately \$ 1.2 million
4. Recognizes site plan approvals before COVID-19 and the economic impacts of COVID-19
5. Provides waiver of building permit fees not to exceed \$ 30,000
6. Provides an Annual Grant equal to 40% of the change in assessed value of the amount paid in City real property tax payment
7. The Annual Grant is for a period of 5 years beginning with the first tax year following the date of the certificate of occupancy for the Fairfield Marriott. The Certificate of Occupancy for the Fairfield Marriott must be obtained by 06/30/2022. (Thus, likely first tax year is FY23 to FY27)
8. Lots with site approvals for a second hotel, a restaurant and an office building will also be eligible for the Annual Grant if completed by 06/30/2023 (remainder balance of years i.e.: FY24 to FY27 – 4 years)

Staff have worked with the City Attorney to review all aspects of the proposed Financial Incentive Agreement. A copy of the agreement and supporting exhibits is included with the meeting material.

It was the general consensus to include approval of the agreement on the agenda for the Regular Session on September 29, 2020.

Fuel Sales to Community Rescue Service

Eric Deike, Director of Public Works, was present to discuss a Fuel Cost Reimbursement Agreement with CRS (Community Rescue Service). This agreement would allow CRS to continue to purchase diesel fuel and gasoline from the City's fueling station located at 51 W. Memorial Boulevard under a cost-plus arrangement.

In October 2010, the City of Hagerstown and CRS entered into a formal agreement for the City to sell diesel fuel and gasoline to CRS for their ambulatory services. The five year agreement expired at the end of September 2015, a new five year agreement was approved in November, 2015 and that latest agreement will expire in November, 2020. This would be a new five year agreement between the City and CRS.

Conditions within the agreement would remain relatively the same as the previous agreement. The City purchases the diesel fuel and gasoline and dispenses them from the City facility located at 51 W. Memorial Boulevard. Access to this site would be available 24 hours per day, 7 days per week. Tracking of the dispensed fuel is done through a fuel management system known as Gasboy. Staff would provide the necessary authorization devices (key fobs) required by Gasboy to operate the fuel pumps.

The diesel fuel and gasoline sold to CRS would be at the same cost purchased by the City plus an administrative fee. The current administrative fee is 9.5%. Invoicing to CRS is provided monthly.

The term of the agreement would be for five years and can be terminated by either party at any time per the agreement.

Councilmember Heffernan asked what the benefits are for the City having its own fuel system. Mr. Deike indicated that this was the only place for fuel for City vehicles before other gas stations were open 24/7. There is also cost savings due to the City being tax exempt. An analysis could be completed showing the estimated savings, if the Mayor and City Council wish to have this information.

It was the general consensus of the Mayor and City Council to include approval of a new agreement with CRS on the September 29, 2020 agenda.

Holiday Parking Program

Eric Deike, Director of Public Works, was present to review the City's annual holiday parking program.

Staff is proposing that the holiday parking program include free parking each Friday evening through the weekend starting on Friday, December 4, 2020. Beginning at 5:00 p.m. on Fridays, the cost to park in the decks would be \$ 0. The gates would remain down but would automatically rise to allow entry as vehicles approach the deck.

The previous weekend is the Thanksgiving holiday. Parking will be free on the streets, parking lots and parking decks from Thursday, November 26, 2020 (Thanksgiving Day) through Sunday, November 29, 2020.

New Years Day is on Friday in 2021. Staff is proposing parking to remain free through the holiday weekend. Parking operations in the parking decks would return to normal on Monday, January 4, 2021.

The financial impact will be minimal at the University District Deck (UD) as this is used infrequently on weekends. Th impact will be more substantial but still minimal at the Arts & Entertainment District Parking Deck (A&E) given the lack of events due to the pandemic.

It was the general consensus to move forward with approval of the holiday parking plan as described.

Public Input: A-2020-03 Annexation of Cole Road Properties

Megan Flick, Planner, was present to review the public input on Annexation Case No. A-2020-03, Cole Road Properties.

The City of Hagerstown has initiated Annexation Case No. A-2020-03 by activating pre-annexation agreement Case No. WS-2004-03. The property owners signed the pre-annexation agreement, which states that the City has the right to annex when the property becomes contiguous to the corporate boundary, in exchange for water service.

A public hearing was held on the proposed annexation on August 25, 2020. The proposed annexation was introduced on April 28, 2020. The Annexation Plan was also adopted at that time. An amended Annexation Plan with corrected addresses was adopted on July 28, 2020.

The properties proposed for annexation consist of properties fronting Cole Road including: Kohl's; Bob's Discount Furniture; the Christmas Tree Shop, DSW, Ross, the old US Cellular and remaining vacant storefronts in that strip totaling approximately 34.31 acres. Currently, the properties are zoned BG (Business General) in the County.

The properties zoned BG in the County are proposed to be zoned CR (Commercial Regional) in the City. The zoning classifications are consistent with one another. Furthermore, the property is designated as Commercial General on the City's Future Land Use Map which is also consistent with the proposed zoning.

As required by State Law, there were four published notices advertising the Hearing and the Annexation Plan was provided to the appropriate County, Regional, and State Planning Agencies at least 30 days prior to the Public Hearing.

Staff have received standard feedback from the Maryland Department of Planning, including the consensus that the proposed City zoning designation is consistent with the current County zoning designation. The record was held open for a period of 10 days after the Public Hearing and no additional public input was submitted.

Mayor Bruchey asked if the Washington County Commissioners have granted express approval for the proposed zoning on these properties. Ms. Flick indicated it was on their agenda last week and they tabled the discussion. The Commissioners have, however, granted express approval for the Thomas Bennett and Hunter property annexation.

Approval of the Cole Road Properties Annexation Resolution is scheduled for September 29, 2020.

Public Input: Landmark Overlay at Saylor House

Megan Flick, Planner, was present to review public input received at the public hearing for the proposed Landmark Overlay District at the City-owned Saylor House in Kiwanis Park.

The City of Hagerstown has applied for a Landmark Overlay District at the Saylor House. The Saylor House is the small stone house in Kiwanis Park that was built between 1790 and 1810. It was documented in the Maryland Inventory of Historic Places

in 1975. In 2015, the Washington County Historical Trust began to work with the City to stabilize and partially renovate the Saylor House.

The intent is to preserve the Saylor House as an important historic landmark in Hagerstown. This designation is necessary to qualify the building for certain grant funding and relaxation of floodplain regulations. Detailed history of the Saylor House was included with the memo, along with the official letter of request signed by the City Administrator and additional background materials.

The Historic District Commission (HDC) made a recommendation to the Planning Commission (PC) to approve this application for a Landmark Overlay District. HDC members were in favor of protecting the building through landmark designation. They observed that the house is in good shape considering its age and, it would be an appropriate addition to the city's historic inventory. PC members agreed with the HDC's sentiments.

The Planning Commission held a public hearing and welcomed public input. At the public hearing, two emails in support of the Landmark Overlay were entered into the record. In addition, Martin Brubaker spoke on behalf of the Washington County Historical Trust in support of the Landmark Overlay. He mentioned the benefits the rezoning would provide for rehabilitation of the Saylor House. Ann Aldrich submitted a letter of support within the 10 day public input period which was also attached. The Planning Commission forwarded a recommendation to the Mayor and Council supporting approval of the Landmark Overlay.

At the Mayor and Council's public hearing, both Ms. Aldrich and Mr. Brubaker testified on behalf of the Washington County Historical Trust. The letter read by Mr. Brubaker and signed by the board members at the Washington County Historical Trust was presented. The public record remained open for 10 days for public input. No additional public input was submitted after the hearing.

It was the general consensus to include approval of the Landmark Overlay on the September 29, 2020 agenda.

2020 Trick or Treat

Scott Nicewarner, City Administrator, stated staff provided the Mayor and Council a plan for Trick-or-Treat in the Spring, designating Friday, October 30, 2020 as the date for Trick-or-Treat in City neighborhoods. This date was chosen due to the Mummer's Parade being held on Saturday, October 31, 2020 to avoid conflict.

Since the COVID-19 pandemic is still present, the Alsatia Club has cancelled the Mummer's Parade for 2020. This cancellation, in conjunction with the fact that last year there was confusion due to the threat of serious adverse weather conditions and whether the City should cancel or postpone Trick-or-Treating for that date, has led to the request

to publish the following statement to City residents on Halloween 2020 and neighborhood participation in Trick-or-Treat:

“It is suggested that families Trick-or-Treat each year on October 31 from 6:00 p.m. to 8:00 p.m. in order to give your friends, motorists and police an idea when to expect pedestrians and visitors at their door. Participation and scheduling is entirely up to each family. Since trick-or-Treat will not be scheduled by the City, the City would not re-schedule or suggest a “rain date” in the event of inclement weather or because of this year’s health crisis. Moreover, it is perfectly acceptable for folks to opt-out and not participate. We ask that each family determine what is best for them.”

This statement places the desire to participate, or not to participate, in this activity on October 31st entirely with the family. The understanding is the City departments will be more aware that the date/time may be used for neighborhood participation in Trick-or-Treat in the City.

Mr. Nicewarner mentioned the Borough of Chambersburg, Pennsylvania uses this same process and it works well. The municipality does not set a Trick-or-Treat date and residents can participate as they see fit.

Councilmember McIntire thinks this is a good solution to confusion about the date each year. The Hagerstown Youth Advisory Council members are willing help get the word to residents about this change.

Mayor Bruchey supports the date of October 31 as Trick-or-Treat night, except on the years it falls on the same night as the Mummer’s Parade.

CITY ADMINISTRATOR’S COMMENTS

Scott A. Nicewarner, City Administrator, stated a development came up late last week with the Wesel Boulevard improvement project. NorthPoint is moving forward with their project very quickly, which has accelerated the need to get the road up to par. Rodney Tissue, City Engineer, stated the bid was awarded to C. William Hetzer, Inc. two weeks ago and they have started mobilizing equipment. In order to complete the work as soon as possible, C. William Hetzer has asked the City to consider allowing them to completely close a portion of Wesel Boulevard. Mr. Tissue stated they have a plan to get trucks into the Lowe’s Distribution Center if the closure is permitted. Closing the portion of Wesel Boulevard from Burhans Boulevard to Rhine Drive, would reduce the project by almost 30 days and reduce the cost by approximately \$ 300,000. Businesses that responded to a survey of this possibility said they don’t like the road being closed but to get it completed as quickly as possible.

Councilmember Aleshire stated this seems to be a significant difference between what was in the RFP and the current action. He would have preferred that all bidders have the opportunity to bid on the project with the full road closure.

Mr. Tissue stated he doesn't disagree, but essentially it was speeded out in the contract. C. William Hetzer was the lowest bidder and still would have been with the closure specs.

Mr. Nicewarner reported the street closure for outdoor dining on S. Potomac Street will continue this weekend and next on Sunday, from 11:00 a.m. to 3:00 p.m. He noted there was a great crowd downtown last Saturday night during the street closure. He welcomed Prohibition Hub, a new restaurant, to downtown Hagerstown. This week's movie in City Park will be Goonies. He thanked everyone for continuing to do the responsible thing when attending events.

MAYOR AND COUNCIL COMMENTS

Councilmember K. B. Aleshire had no additional comments.

Councilmember A. Heffernan had no additional comments.

Councilmember E. Keller thanked everyone who helped make the Washington Goes Purple recovery walk on Saturday a success. Guest speaker for the event was Brandon Novak, professional skateboarder and star on Jackass. He was impressed with downtown Hagerstown and thought the Cultural Trail was the best thing he's seen.

Councilmember L. C. Metzner had no additional comments.

Councilmember S. McIntire had no additional comments.

Mayor R. E. Bruchey had no additional comments.

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 5:08 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: October 27, 2020