

SPECIAL SESSION (34TH VOTING SESSION) AND WORK SESSION – March 1, 2022

STATE OF THE CITY – March 1, 2022

The State of the City was held on March 1, 2022 at the Maryland Theatre, 21 S. Potomac Street, Hagerstown, Maryland. All members of the Mayor and City Council attended the event, which was held at 7:00 a.m.

Hagerstown Skate Park Groundbreaking

Members of the Mayor and City Council attended the groundbreaking ceremony for the Skate Park at Fairgrounds Park, 341 North Cleveland Avenue, Hagerstown, Maryland at 2:00 p.m.

WORK SESSION AND SPECIAL SESSION (34TH VOTING SESSION) – March 1, 2022

WORK SESSION – March 1, 2022

Mayor E. Keller called this Special Session (34th voting session) and Work Session of the Mayor and City Council to order at 4:04 p.m., Tuesday, March 1, 2022 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, T. Martinez, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

FY21 Popular Annual Financial Report (PAFR) Presentation

Michelle Hepburn, Chief Financial Officer, and Brooke Garver, Accounting and Budget Manager, were present to review the FY21 Popular Annual Financial Report (PAFR). The PAFR is a summarized document that contains information and financial data from the Annual Comprehensive Financial Report (ACFR) on the operations of the City. The PAFR is a way to present data in a more user-friendly manner than other documents that have specific audit and independent requirements and is not intended to be Generally Accepted Accounting Principles (GAAP) compliant. The PAFR is available on the City's website under the Finance Department pages at www.hagerstownmd.org.

The City ended FY 2021 with an overall net position of \$ 218.7 million. FY 2021 revenues remained strong as a result of increases in federal grants, increases in total property tax reviews from the growth of assessed values related to existing properties, new commercial development, and new annexations. Citywide, expenditures increased slightly over prior year levels across most areas, most notably in Public Safety. However, the slight increases were not as great as the revenue growth. The City's General Fund reserve exceeded policy targets and is equal to 38.7% or 4.6 months of expenditures. The City's bond rating is AA/Aa3.

The PAFR includes a section about the American Rescue Plan Act (ARPA) funds this year. The City of Hagerstown has been allocated a total of \$ 20.4 million. \$ 10.2 million was received in May 2021, and the remaining \$ 10.2 million in funding is scheduled to be received approximately 12 months later. The funding must be spent or appropriated by December 2024.

The Mayor and City Council have had several work session discussions and three strategic planning sessions to determine how the funding should be allocated to best serve the City of Hagerstown. In addition, there is an internal committee that meets regularly. All projects funded with SLFRF funding must fall under one of the federal expenditure categories.

The PAFR includes information about how the tax dollars are spent and how property values are determined. Charts showing capital investments and City debt service are also included. The information for spending categories references how the expenditures relate to the Mayor and City Council's approved Strategic Plan.

The City of Hagerstown was awarded the Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year ended June 30, 2020. Ms. Hepburn thanked Ms. Garver for leading the PAFR project. Ms. Garver recognized and thanked Jeff Lear, Senior Financial Accountant, and Brooke Gue, Senior Financial Accountant, for their work on this project.

Request for Exception to City Water and Wastewater Policy for TC Mid Atlantic Development V, LLC

Doug Reaser, Business Development Specialist, and Nancy Hausrath, Director of Utilities, were present to review language changes to the draft motion of the Water and Wastewater request from Trammell Crow for the property on Maryland Route 63.

Ms. Hausrath noted the language from the first draft motion has been modified to indicate the anticipated usage is 2,400 gpd. This is consistent with the request from the Washington County Commissioners to the Mayor and City Council.

Mr. Reaser stated the reference to the pre-annexation agreement is being revised to align more closely to the anticipated timeline of the project.

Councilmember Aleshire is trying to envision what happens when 20 years from now, the business changes their anticipated usage. He does not want any language approved now to restrict flexibility for future projects.

Ms. Hausrath pointed out every property being developed that is seeking City water and wastewater service is required to identify the anticipated allocation, meaning every property has a set amount of allocation approved that must be adhered to. This will be a key component in managing capacity.

Councilmember Aleshire clarified that the bill is for the actual usage and not a pre-set amount. If a business is granted 2,400 gpd today, it doesn't mean they will be supplied with a different amount 20 years from now. Ms. Hausrath indicated that is correct.

Ms. Hausrath stated a discussion is needed on a process for a business requesting an amount different than the original ask.

Update to Agenda Process

Scott Nicewarner, City Administrator, stated changes are being made to the agenda process. The 2021-2024 Strategic Plan, including the Mayor and City Council's Vision and Mission for Hagerstown, was adopted on November 23, 2021.

"The City of Hagerstown shall be a community focused municipality" was adopted as the Mission Statement.

In order to provide confidence and transparency to the citizens of Hagerstown and to be community focused, staff has updated the existing Purchase/Consent Form. Beginning in March, 2022, expenditures requiring approval by the Mayor and City Council per the Purchasing Policy, will include a notation of which Focus Area and Goal Statement the purchase applies to. Citizens will be able to view the form and be aware of how the elected body and staff are meeting the City's established goals.

Review of Annexation Agreement for 14 Western Maryland Parkway

Kathleen Maher, Director of Planning and Code Administration, was present to review an annexation agreement for 14 Western Maryland Parkway.

The buyer of the vacant tract at 14 Western Maryland Parkway has plans to construct a 262,869 square foot warehouse and has requested City water and wastewater to serve the new development. As required by the City's Annexation Policy and Water and Wastewater Policy, the condition of City utility approval outside the city's boundaries is annexation or submittal of a pre-annexation agreement if the property is not contiguous. 14 Western Maryland parkway is contiguous to the City so annexation is required.

The City and the buyer have formulated an annexation agreement as condition of receipt of City utilities that spells out the timing of initiation of the annexation process and certain conditions of development for the project. The typical terms of annexation provided for in annexation resolutions and pre-annexation agreements are provided for in the agreement. The following are the unique terms for this particular annexation as prescribed in the agreement:

1. Within 15 days of receipt of a County building permit for the warehouse development, the owner shall submit a petition of annexation requesting the property be annexed with I-MU zoning. In the alternative, the City may introduce an Annexation Resolution once the terms of this building permit condition are met which will continue the owner's consent to annexation.

2. The site plan submitted for County approval will be modified to better conform to certain agreed upon City development standards which differ from County development standards as outlined and illustrated in Exhibit C to the agreement.
3. The building permit to the County will be modified to incorporate a two-way radio communications enhancement system compliant with the City's standards and requirements which is not a requirement of the County permit process.
4. All development or construction related plans or permits pending with or approved by Washington County as of the effective date of the Annexation Resolution shall remain subject to the jurisdiction of Washington County for the purpose of inspections, release of performance surety, posting of maintenance surety, issuance of final use and occupancy permit and the like until completed.

Staff recommends approval of the agreement as being consistent with prior direction provided by the Mayor and City Council.

It was the general consensus of the Mayor and City Council to include approval of the agreement on the agenda for a Special Session scheduled for March 8, 2022.

Placement of Helicopter at city Park Vietnam Monument

Scott Nicewarner, City Administrator, provided an update regarding the placement of a helicopter at the City Park Vietnam Veteran's Monument. Councilmember Martinez, City staff, and he met with representatives of the S. Prospect Street Neighborhoods 1st group and representatives supportive of the placement of a Huey helicopter at the Vietnam Veteran's Monument in City Park on Walnut Street on February 17, 2022 at City Hall. He thanked Councilmember Martinez for attending and keeping the discussion going. He also thanked Rodney Tissue, City Engineer, Eric Deike, Director of Public Works, and Jonathan Kerns, Community Development Manager, for participating.

Those in favor of the helicopter were able to express their plans and thoughts on the importance of the helicopter being at the site, as well as the story they are looking to tell. The residents of S. Prospect Street were, as well, able to express their concerns on having that structure visible from their properties, the possibility of vandalism of the helicopter, and the thought that it does not fit in with the overall style and beauty of the existing monument.

The groups were able to discuss some alternatives besides a full scale helicopter being placed there, and they feel left the meeting perhaps not with a mutual vision of the site but at least with a better understanding of each other's concerns. This would leave a couple of options for the Council to consider at a minimum:

1. A decision to not allow a full-scale Huey helicopter to be placed at the monument.
2. A decision to allow the placement of the full-scale helicopter to be placed at the monument.
3. Give the parties a set time to perhaps come to a common vision of what could go on the site that would allow the veteran's story to be told, while also maintaining the style of the site that fits the neighborhood. If no agreement can be made by that time, then options 1 and 2 would be brought forth as the final determination.

Mr. Nicewarner stated he believes this topic is now at a point for the Mayor and City Council to make a final decision on whether or not to allow the placement of a Huey helicopter at the Vietnam Monument. He realizes this will be a difficult decision. If the decision is to allow the helicopter, the Veteran group can move forward with what they need to do to procure it. If the answer is no, the group will know it won't be at that location and they may find an alternative. He noted it was eye opening to hear the stories from the veterans who attended the meeting. One thing he heard from the neighborhood group was that these stories are powerful.

Councilmember Martinez agreed the dialogue was necessary. She doesn't think everyone understood why the supporters of the helicopter are so passionate. It was emotional and impactful to hear their personal connection. Some community members had a different outlook after hearing the stories. The community members thought there may be a way to tell those stories that would have a greater impact.

Mayor Keller pointed out Mr. Nicewarner has offered the use of the City's video studio to create a documentary to tell these stories.

Councilmember Bruchey is in favor of allowing the helicopter to be placed at the site.

Councilmember Burnett is not in favor of locating a full scale helicopter there but she would like to see another form of representation.

Councilmember Martinez heard both sides of the issue. People purchased homes in that area because of the park and the trees. She doesn't want to be the one to say yes or no when she doesn't have a personal connection but if she owned a home there, she would want the City to respect her concerns.

Councilmember McIntire knows what it's like to have a monument close to her home. The Korean War Memorial is across the street from her home. She is not against having the stories told but she is not in favor of placing a helicopter at the site.

Councilmember Aleshire noted this is not a City effort to construct or place something on City property. This is a request from a third party asking permission to place something on City property. As a property owner he would want the City to respect the impact on neighboring properties. He looks at this issue and considers how his decision will directly impact the neighboring properties. He won't pick the winner or loser in this situation, but he respects the input of the citizens who live there. The Mayor and City Council have heard from many people, both in favor of the helicopter and against it. A number of the emails and communications he received were from outside the City and the area.

Mayor Keller confirmed the consensus is to not allow placing a full size helicopter at the site on Walnut Street.

Indoor Turf/Field House Advocacy Discussion

Mayor Keller discussed the possibility of entering an agreement with Compass Government Relations Partners, LLC (Compass GR Partners). The City of Hagerstown is seeking State funding assistance for the planned field house on the Municipal Stadium site. She is concerned the City's request will not be viewed as urgent as the Legislative Session is moving toward the closing date and the Governor issues supplemental budgets. She feels having a lobbyist focused specifically on the field house project request from the City, rather than grouped with other requests from Washington County, will enhance the City's chances of receiving the funding. She believes entering a contract with Compass GR Partners will help the City secure the funding.

It was the general consensus to move forward with approving the contract. A Special Session is scheduled immediately following this discussion for the consideration of the contract.

SPECIAL SESSION (34TH VOTING SESSION) – March 1, 2022

On a motion duly made by Councilmember S. McIntire and seconded by Councilmember T. Martinez, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 4:42 p.m.

Approval of Government Relations Engagement Agreement with Compass GR Partners

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote to approve a Government Relations Engagement Agreement with Compass GR Partners. As stated in the scope of work, Compass Government Relations Partners, LLC, will represent the City of Hagerstown to obtain capital funding for an indoor sports facility. The City of Hagerstown is pursuing state capital funding for a \$ 22 million indoor sports facility project.

The term of the agreement is through April 30, 2022, with fees of \$ 20,000.00. There is sufficient funding in the General Fund Legal Counsel's FY22 operating budget to cover these costs.

The Special Session was closed at 4:43 p.m.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, thanked everyone involved with the State of the City this morning. He appreciated the frankness and straight forwardness the Mayor and City Council members answered some pointed questions. This body provides true service to the City's residents.

MAYOR AND COUNCIL COMMENTS

Councilmember T. Martinez stated the 5th quarter event hosted by ENVY was amazing. Children and youth were really excited. They had fun with the games and the donuts and candy. She thanked Councilmember McIntire for her leadership with this event. Fresh Academicz held an event at Hub City Vinyl and the smell of records brought back good memories. She wished Councilmember Burnett a happy birthday.

Councilmember K. B. Aleshire thanked staff for putting the video together for the State of the City. He thought the Mayor's energy during the event was welcoming. Gone are the years when budget numbers and water and sewer services were the main topics. There is teamwork within this elected body and he thinks the video highlights how each of them have filled in with their various strengths and roles. His is not public events but more analysis of information. The women of this administration bring energies he and Councilmember Bruchey don't deliver. There are no uncomfortable questions at this table.

Councilmember T. Burnett thought the State of the City was excellent. She wanted to snap her fingers and say Yes many times. She attended an enjoyable Black Box event on Saturday with Mayor Keller. There were lots of things going on in Hagerstown that evening. She presented a proclamation to Sam Keys on Sunday at Impact Church. She thanked everyone for the birthday wishes.

Councilmember R. E. Bruchey, II echoed everyone's comments about the great State of the City. He agreed there are no hard questions. If people are uncomfortable with coming to the table and uncomfortable with the truth at this table, they are in the wrong place. A lot of information was covered during the presentation this morning. This is an exciting time in Hagerstown.

Councilmember S. McIntire thinks it is impossible to not feel excited about what is happening in Hagerstown. She is encouraged every day. There was a lot of positive energy in the room at the State of the City. Negative and incorrect statements were refuted before questions were asked. More than 250 youth attended the ENVY 5th Quarter event. The event kept youth a little safer for that night. She thanked everyone who helped with the event.

Mayor E. Keller thanked Councilmember McIntire for inviting her and other Councilmembers to participate in the ENVY event. Everyone had an enjoyable evening. Mayor Keller was a judge at the "So You Think You Can Drag" contest on Saturday. Downtown restaurants were full that night. A groundbreaking ceremony was held at the Skatepark earlier today. This is an exciting project.

She thanked everyone for their part in the State of the City. She thanked staff who put it all together. The Mayor and City Council do things every day to improve the City and make progress. If you can stop the negative comments and pay attention to the reality that positive things are happening, just imagine what can happen.

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 4:57 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: April 26, 2022