

Members of the Mayor and City Council and City staff attended the ceremonial groundbreaking at the Hagerstown multi-Use Sports and Events Facility at 100 Summit Avenue, Hagerstown, Maryland at 3:00 p.m. on Tuesday, October 18, 2022.

WORK SESSION, SPECIAL SESSION (52ND VOTING SESSION), AND
EXECUTIVE SESSION – OCTOBER 18, 2022

WORK SESSION – October 18, 2022

Mayor E. Keller called this Work Session, Special Session (52nd Voting Session) and Executive Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, October 18, 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, and City Administrator Scott A. Nicewarner. City Clerk D. K. Spickler was not present.

Proclamation: Economic Development Week

Mayor Keller read a proclamation naming October 24-28, 2022 as Economic Development Week in Hagerstown, Maryland. Jill Thompson, Director of Community and Economic Development, Doug Reaser, Business Development Specialist, Christopher Siemerling, Economic Development Specialist, Cassie Hershberger, Economic Development Coordinator, and Janet Lung, Administrative Coordinator, accepted the proclamation.

Preliminary Agenda Review

Mayor Keller announced that Citizen Comments for the October 25, 2022 Regular Session will be welcome either in person or by submitting comments by email to councilcomments@hagerstownmd.org by 5:00 p.m. that day. If by email, the submitters name, address, and a summary of the comments will be announced during the Citizen Comments portion of the meeting. 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.

A Work Session will be held at 6:00 p.m. on Tuesday, October 25, 2022 prior to the Regular Session.

Public Hearings

A Public Hearing will be held to receive testimony on the proposed annexation of 2 Western Maryland Parkway.

Consent Agenda

- A. Engineering:
 - 1. Fairgrounds Park Stable Roof Replacement Phase II – Advance Construction (Hagerstown, MD) \$ 86,000.00

- B. Fire:
 - 1. Generator Replacement – Station 3 – Ebenezer Electric LLC (Woodbridge, VA) \$ 132,533.00

- C. Information Technology:
 - 1. Storinator Back-Up Appliance Replacement – 45 Drives, Ltd. (Sydney, Nova Scotia, Canada) \$ 55,868.77

- D. Police Department:
 - 1. FY23 NTF Reimbursement (July, 2022 – June, 2023) Washington County Treasurer (Hagerstown, MD) \$ 500,000.00

- E. Public Works:
 - 1. Public Works: Bulk Road Salt – per Ton Price – Cargill, Inc. (North Olmsted, OH) \$ 85.61/ton
 - 2. Public Works: 2022 Ford F-550 Dump Truck, Salt Spreader, Plow Package – Keystone Ford (Chambersburg, PA) \$ 122,375.00
 - 3. Parks: 2022 Ford F-550 Dump Truck, Salt Spreader, Plow Package – Keystone Ford (Chambersburg, PA) \$ 122,375.00
 - 4. Parks: Open Container Law Exemption/Application Permit – Christkndl Markt

- F. Utilities:
 - 1. Water: Annual Generator Maintenance – Fidelity Power Systems (Sparks, MD) \$ 10,249.00
 - 2. Water: Automated Vehicular Entrance Gate – Long Fence Company, Inc. (Ijamsville, MD) \$ 132,635.00

Mr. Nicewarner stated the new brand reveal will be included on next week's agenda as well.

This completed the Preliminary Agenda Review. There were no additional questions about any items. All items, unless noted, are scheduled for approval on October 25, 2022.

United Way Pathways to Hire Follow-up Discussion

Kelli Tencer, United Way, informed the group they have rebranded the Pathways to Hire program and rebranded it as Live United @ Work, a financial wellness program focusing on ALICE families in Hagerstown.

ALICE is an acronym for Asset Limited, Income Constrained, Employed households who are earning above the Federal Poverty Level but are struggling to afford basic household expenses. They struggle to cover the bare-minimum expenses including childcare, food, transportation, health care, and taxes. ALICE is the office clerk, a childcare worker, a cashier, a home health aide, a medical assistant, etc. They are living paycheck-to-paycheck with no savings. They are one unexpected car repair or medical bill away from going over the cliff to financial ruin.

This program will focus on the ALICE families within Hagerstown. These families represent 50% of Hagerstown residents.

Millions of middle-class Americans are just one missed paycheck away from poverty, with 4 of 10 considered “liquid-asset poor”, or without enough money saved to cope with even a sudden disruption in income. More than 30% of households lack basic savings accounts and less than 60% have an emergency savings account.

A collaborative, known as Financial Education Partnership-Washington County, was established in 2015 between the United Way and REACH of Washington County. Funded agency partners include REACH, Community Action Council, Habitat for Humanity, Hagerstown Housing Authority, Horizon Goodwill Industries, Interfaith Series Coalition, and Lasting Change Recovery Solutions for Women. Classes include Basics of Banking, Budgeting, Credit, Taxes, Savings, Buying and Keeping a Vehicle on the Road, Identity Theft, Conquering Debt, Family Finances, and Housing (Landlord/Tenant issues). Washington County Free Library and Zoom options are also available.

REACH has typically addressed the poverty population but not the ALICE population. This program will meet people where they are, meeting with them one on one with them at their work. They will be referred to the community partner agencies if necessary. Assistance may be available through a payday lending alternative option. This is designed to help cover a personal financial crisis. It may help them build or repair credit. These families will also have access to free or low-cost tax preparation. There is also a Live United @ Work Urgent Needs Grant. This grant is an employer nominated, one-time grant for an identified employee needing assistance.

Funding will be available for the Cost of Working – Transportation, Childcare, Employment Documentation and Requirements, and Work Supplies.

A program coordinator will be hired and marketing will be significant to help as many people as possible.

The United Way is requesting \$ 425,000.00 of ARPA funding to implement this program.

There were no questions from the Mayor and City Council at this time.

Christopher Siemerling, Economic Development Specialist, presented a request from Marketplace LLC to consider an extension of payment due dates because of settlement delay. The owner believes they would have a longer fit-out period and further delay in becoming operational under the current payment schedule as a result of delay in settlement.

As settlement was delayed by 5 months, staff propose extending the date of the first \$ 100,000 payment from January 1, 2023 to June 1, 2023. Subsequent payments would be due on or before June 1, of each year through 2026. In addition to this payment schedule, \$ 1 would be due at closing.

It was the general consensus of the Mayor and City Council to grant the requested extension.

Light Department – Operational Status and Action Plan

Nathan Fridinger, Electric Operations Manager, and Nancy Hausrath, Director of Utilities, were present to discuss the City's Light Department operations. The Electric Utility is a unique operation within a municipal government. There are 157 municipalities within the State of Maryland, and five own an electric utility regulated by the Maryland Public Service Commission. The daily and long-term operations and financial stability of the Light Department is not solely, but heavily, influenced by revenue and staff retainage.

The last rate increase was implemented in 2006 and since that time staff has worked to maintain day-to-day operations and capital improvements to ensure the integrity of the infrastructure. In an effort to remain financially viable over the past several years, the Light Department has been forced to defer capital improvements. Deferring improvements does allow for short term cost reduction, however, no matter how prepared the department is for unexpected equipment failures, the untimeliness and expense of these occurrences delays planned system improvements needed for long term system sustainability. Continuing to defer system maintenance and improvements is not recommended and may potentially result in an increase to future capital expenditures that introduces risk to system reliability.

A deficit to the cash balance is projected during FY26 per the FY23/27 budget income statement. To prevent this loss, staff recommends an adjustment to the base operating rate. A Cost-of-Service Analysis is required in conjunction with a staff recommended Compensation Study to provide justifiable data for a case at the Maryland Public Service Commission for base operation rate adjustment.

The timeline for this process remains to be determined, however staff expects a minimum twelve-month window given the last rate case was opened at the Commission on June 10, 2005 using calendar year 2004 actual data to develop the exhibits for final settlement and approval was dated October 31, 2005.

Availability of raw materials, shipping bottlenecks, labor shortages, and distributor's risk factors are contributing to inflation of unit cost for stock material. Raw materials are in high demand across many industries. The inability to provide the buyer with firm costs and the unpredictability of freight charges contributes to the risk that is passed down to the end user, ultimately affecting cash reserves.

Acquisition of utility fleet such as bucket trucks and digger derricks, is also affected by the low availability of raw materials. Expected delivery for this specialized equipment is now over ninety weeks.

The seven substations on the distribution system are on a three to four year inspection rotation. This is a contracted service to identify any maintenance items in need of repair and/or upgrade to prevent failure. Inspections typically find degradation of the mechanical parts within the fault protection devices and complete failure of the solid-state control devices, which are, in most cases, in need of full replacement due to the obsolescence of the equipment. Maintaining a replacement program for this legacy equipment and fault control devices improves the reliability of the system, reduces outage durations, minimizes equipment damage, and maintains the safety of employees and the public.

Most recently, Dissolved Gas Analysis (DGA) tests indicated an extreme level of Hydrogen, Methane, and Ethane within the insulating oil of one of the 12 Power Transformers. This caused the unit to be removed from operation before potential catastrophic failure could occur. Further electrical testing of this unit indicated the winding insulation on the high side had failed. This unit was replaced with a spare and will most likely be scrapped. Staff will be seeking proposals for replacement of the spare unit.

The distribution network consisting of overhead and underground conductors, poles, transformers, etc. is on a six year inspection rotation by staff. In-house wood pole inspections are limited to sounding and visual inspections, while effective for identifying some issues is not comprehensive. Staff is recommending a large-scale technical pole inspection program be contracted and performed to identify poles in need of replacement in an effort to lengthen the life of the infrastructure and improve system reliability.

Vegetation is one of the primary causes for disruption during an extreme weather event. Maintaining clearances from overhead facilities will continue throughout the service territory by the City's contractors in an effort to reduce outage instances and duration.

Staff is working with communication companies to provide appropriate clearance space on poles for the installation of end-use communication networks throughout the entire service territory. This includes pole replacements, service conductor replacement, relocating streetlights, extending underground conduit risers, etc. For this work, the communication provider requesting the work refunds all contract assistance billed to the HLD. Staff also anticipates and is preparing for several new projects and developments

that are in the beginning stages of planning and/or construction. Materials and equipment will continue to be recycled and conservatively used until supply constraints are resolved.

The majority of the existing street lighting infrastructure is becoming obsolete and repair parts are becoming more difficult and more expensive to acquire. The HID (High Intensity Discharge) fixtures are being replaced with LED fixtures on an as needed basis and energy efficiency grant programs have been applied for and accepted to offset upgrade cost.

The PSC requires statistical testing of the HLD's meter inventory on an annual basis. This requirement monitors the accuracy and failure rate of revenue meters by type. As each meter type's failure rate increases, the inspection population increases until utilities are required to either replace all, test all, or replace a series of that specific type. The HLD system has a large quantity of mechanical meters, with moving parts that tend to slow down the accuracy, therefore failure rates are increasing. A large number of mechanical meters are anticipated to be in need of replacement in the coming years and staff recommends replacement of all meters with an automated metering infrastructure. Several advantages to an automated metering infrastructure include: Real Time Meter Reading, Automatic Disconnection/Reconnection, and Real Time Voltage/Outage Reporting. Not only are there advantages for billing and operations, but usage trends may be made available to customers.

A two-year extension to the Power Services Agreement with Energy Harbor began June 1, 2022 to include a reduction to the wholesale power rate by \$ 7.48 per Megawatt-Hour. In comparison to today's purchase rate, this equates to a savings of approximately \$ 1.2 million annually based on projected sales of 309,000 MWh. Any cost savings realized is passed along to the ratepayers through the monthly Purchase Power Cost Adjustment calculation.

An increase to the purchase power rate is anticipated based on forward market pricing. Working with the contracted consulting firm, staff is planning to advertise an RFP for pricing to provide for a new contract or an extension to the exiting contract beyond May 31, 2024.

The City is in the process of implementing more efficient billing, collections, and work management software platforms. The payment portal implemented earlier this calendar year has had a positive impact on the public and has improved the City's revenue collection.

During the 2005 rate case, the department employed 40 full-time staff members. The FY23 budget includes 28.85 full-time staff positions funded, presently with three vacancies.

Employee recruitment and retainage for certain positions has become increasingly difficult primarily because of HLD's inability to compete with the private sector. Since March of 2021, 4 journey line workers and 3 apprentice line workers voluntarily resigned. The Light Department funds 10 full-time Line workers each fiscal year. Prior

to March 2021, 3 of the 10 were apprentices and today there are 3 apprentices on staff with 2 vacancies. An apprentice requires a minimum of 4 years of hands-on training and education to elevate to journeyperson status.

Between 2002 and 2011, the maximum hourly rate for an HLD Lead Line worker was comparable to Lead line worker wages at another local utility company. Over time, these rates have dropped considerably lower and the increase of apprentice workers reflects this. Prior to 2017, finding interest from experienced Line workers was not as difficult as it has become today.

In summary, the Hagerstown Light Department plan of action includes:

1. The development of and solicitation for professional services in conducting a thorough classification and compensation review and analysis to develop and implement financially responsible and competitive independent salary tables for non-union light department staff and the IBEW group
2. The development of and solicitation for professional services in conducting a cost of service analysis and retail rate design
3. The solicitation of a new wholesale power contract or an amendment to the current contract beyond May 31, 2024
4. Continuing efforts in the development and implementation of efficient, user friendly, and customer convenient software platforms
5. Proactively maintaining and upgrading infrastructure, such as
 - a. Soliciting of Substation Power Transformer(s)
 - b. Replacing revenue meters with advanced metering infrastructure
 - c. Developing and soliciting for a pole inspection and replacement program
 - d. Continuing the vegetation management program
 - e. Taking advantage of grant funding for LED streetlight replacement
 - f. Maintaining inventory and fleet while accounting for extended lead times
 - g. Actively replacing obsolete fault protection devices in substations

Councilmember Aleshire stated it is important for citizens to understand Hagerstown is one of five electric utilities across Maryland. This utility provides the City the ability to purchase electricity at a lower cost. If the City does not properly maintain and manage this necessary enterprise infrastructure to the degree that allows cheaper and faster service then the City might as well sell it to the private entity that everyone else is beholden to. This is a huge advantage for customers. These marginal rate adjustments have to happen to maintain the system.

Councilmember Bruchey agreed that the City has to maintain the electric system in order to continue to provide the cost savings to the customers. If the City cannot keep up with the salary of the private section, the system cannot operate.

Councilmember Aleshire stated the City cannot have a system where the lights turn off. The procurement and delivery time has changed significantly recently.

Ms. Hausrath stated they pride themselves on their ability to restore service to customers during an outage much quicker than other utilities.

Ms. Hausrath indicated the water and wastewater utilities have experienced the same situation. A number of employees are nearing retirement.

Councilmember Bruchey asked that the street lights be checked along the Alsatia Mummer's parade route before next weekend.

The Mayor and Council support Mr. Fridinger's plan for addressing the challenges the Electric Division is facing.

FY22 Axon Air Contract for Hagerstown Police Department

Chief Paul "Joey" Kifer and Detective Nick Varner were present to discuss the purchase of drones. The Hagerstown Police Department is seeking approval of a proposal to enter into a 60-month contract agreement for 14 drones, hardware, and software licenses.

The total contract price is \$ 196,107.20. The annual costs are as follows:

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|------------|---------------|
| 1. FY 2023 | \$ 138,503.04 |
| 2. FY 2024 | \$ 39,401.04 |
| 3. FY 2025 | \$ 39,401.04 |
| 4. FY 2026 | \$ 39,401.04 |
| 5. FY 2027 | \$ 39,401.04 |

Staff is proposing the purchase be made with ARPA funds in FY 2023. Out year costs would be included in the department's operating budget. The solicitation will occur under competitively awarded Minnesota Government Agency Solicitation.

Chief Kifer intends to have 12 certified operators within the department. This can be used as a recruitment and retention incentive as well. The larger drones can be used to combat the dirt bike and 4 wheeler problems. It can also be used to search for missing persons in wooded or difficult to reach areas. The use of drones will enhance safety for police officers.

Demonstrations of the capabilities of the Axon Air drones were provided during the meeting.

Approval of the purchase of these drones will be scheduled for October 25, 2022.

Councilmember S. McIntire left the meeting.

SPECIAL SESSION (52ND VOTING SESSION) – October 18, 2022

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember T. Martinez, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 4:50 p.m. on Tuesday, October 18, 2022 in the Council Chamber, City Hall, Hagerstown, Maryland.

**Approval of a Resolution: Accepting an Amended Sales Agreement for 441
South Potomac Street with Columbia Gas of Maryland**

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote of all members present to approve a resolution approving the Amended and Restated Real Estate Purchase and Sales Agreement with Columbia Gas for the acquisition of 1.08 acres of their property at 441 South Potomac Street for the future construction of a station and offices for Hagerstown Fire Department.

The Special Session was closed at 4:55 p.m.

CITY ADMINISTRATOR’S COMMENTS

Scott A. Nicewarner, City Administrator, attended the MML Fall Conference. The use of the ARPA funds was discussed during several sessions. Many municipalities are looking to Hagerstown to see how the funding is being utilized and tracked.

As the Mayor mentioned as part of the Economic Development Week Proclamation, over \$ 400 million in projects is occurring. That also means more than 3,500 jobs. He thanked the Economic Development Department for their extra efforts to bring more development to Hagerstown.

The drones will be a game changer in law enforcement. It will get the job done as well as provide safety for the officers.

MAYOR AND COUNCIL COMMENTS

Councilmember T. Martinez congratulated the Doleman Family and Alesia Parson-McBean for the amazing event held at the site on Pennsylvania Avenue yesterday.

Councilmember K. B. Aleshire noted that many projects that have been discussed for a long time are finally happening.

Councilmember T. Burnett congratulated the Department of Community and Economic Development for their work with scheduling business meetings. The “Meet the Team” page and the Linked In promotions are very good.

Councilmember R. E. Bruchey, II attended several ground breakings and events that have been on Mayor and Council agendas for what seems like forever.

Mayor E. Keller stated it was a great experience to meet President Joe Biden several weeks ago. She appreciated the opportunity to sit and talk with the President about Hagerstown.

There was an outdoor roller skating event last weekend and it was exciting.

At the Currwood Logistic Center ground breaking one of the representatives told her they have had a great experience working with Hagerstown. She thanked Governor Hogan for being in Washington County.

There will be several visitors from Wesel, Germany for a Sister City visit next week. Hagerstown deserves all the good things are happening and on the way.

EXECUTIVE SESSION – October 18, 2022

Mayor Keller called the Executive Session to order at 5:00 p.m.

On a motion duly made, seconded, and passed, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session to consult with counsel to obtain legal advice; (#7) (Section 3-305(b)), to consider the acquisition of real property for a public purpose and matters directly related thereto; (#3) (Section 3-305(b)), and to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; (#4) (Section 3-305(b)), on Tuesday, October 18, 2022 at 5:00 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor E. Keller, Councilmember K. B. Aleshire, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember T. Martinez, City Administrator Scott Nicewarner, City Attorney Jason Morton, Rodney Tissue, City Engineer, Kathleen Maher, Director of Planning and Code Administration, Jill Thompson, Director of Community and Economic Development, Stephen Bockmiller, Development Planner/Zoning Administrator, Doug Reaser, Business Development Specialist, Christopher Siemerling, Economic Development Specialist, Paul Fulk, Neighborhood Services Manager, Bob Duchon (remotely), River Oaks Communications Corp., and Tom Robinson (remotely), CBG Communications, Inc., and James Stones, Attorney. Councilmember S. McIntire and City Clerk Donna K. Spickler were not present.

The meeting was held to discuss acquisition of property for a public use, to consult with the City Attorney on two topics, information to update a previous business proposal, and to review three new business proposals. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk
(From the video recording)

Approved: November 22, 2022