

EXECUTIVE SESSION AND WORK SESSION – January 24, 2023

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Mayor Keller called the Executive Session to order at 2:06 p.m.

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 closed session to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, designation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; (#1) (Section 3-305(b)), on Tuesday, January 24, 2023 at 2:06 p.m. in the Council Chamber, 2<sup>nd</sup> 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, Councilmember S. McIntire, City Administrator Scott Nicewarner, Jason Morton, City Attorney, and Janet Lung, Executive Assistant. City Clerk D. K. Spickler was not present.

The meeting was held to discuss the Mayor vacancy. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:01 p.m.

WORK SESSION – January 24, 2023

Mayor E. Keller called this Work Session of the Mayor and City Council to order at 4:09 p.m., Tuesday, January 24, 2023 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 Janet Lung, Executive Assistant. City Clerk D. K. Spickler was not present.

Horizon Goodwill – Goodwill of the Valleys Project

Dave Shuster, Chief Executive Officer of Horizon Goodwill, presented information on the new fresh foods grocery store to be housed at the N. Prospect Street location. As the project develops over time it has turned into a catalyst for quality of life for citizens in Hagerstown. This project is similar to one in the City of Roanoke, with thanks to ARPA funding, their current building will be renovated to support a market, banking center, wellness center and school for adult education. Horizon Goodwill will own and operate the local grocery store, a dental practice, banking finance center as well as an excel center for adult education to obtain their GED.

Mr. Shuster noted the project will cost just over \$1 million and Goodwill has just over \$500,000. He has spoken with the Washington County government for two funding programs - support programs and capital – and will know in April if approved.

Adam Sewell, Director of Workforce and Human Services, explained the program by stating if a client came in today, they will have multiple health care options, a team to provide work force development training and certificates. One hundred individuals have gained employment thru programs of Goodwill. What's unique is they will also offer an adult solution center and adolescent clubhouse services for 11- to 16-year-olds. It's a place to work on their goals for what they want to achieve. They are trying to provide resources in one spot as much as possible. The new business will create 25 jobs and a grocery training platform for work experience/skills. The model includes working with Leslie Hart, Washington County Business Specialist Agriculture, for locally produced products to the project. A newer component of the project will be free medical/dental services with a partnership with Meritus. They will offer mental health resources with a licensed clinical social worker.

Mayor Keller stated this is a fantastic program and she appreciates everyone's work. Lots of good things are happening in the building and the community is better for it.

Councilmember Bruchey asked what does Horizon Goodwill ask of the City? Mr. Shuster stated they wanted to give an update on the project and any support or partnership with the City in any capacity is greatly appreciated.

#### Preliminary Agenda Review

Mayor Keller announced that Citizen Comments for the January 31, 2023 Regular Session will be welcome either in person or by submitting comments by email to [councilcomments@hagerstownmd.org](mailto:councilcomments@hagerstownmd.org) by 5:00 p.m. that day. If by email, the submitter's 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.

#### **Consent Agenda**

##### A. Engineering:

1. 2022 Pavement Preservation Program (Change Order) – Craig Paving, Inc. (Hagerstown, MD) \$ 280,000.00
2. Change Order for Additional Handicap Ramp Construction – D I R Construction, Inc. (Laurel, MD) \$ 50,000.00
3. Acquisition and Delivery of Trash Totes Phase I- Rehrig Pacific Co., (Erie, PA) \$ 71,721.00

##### B. Fire Department:

1. Hurst Tool Replacement – Municipal Emergency Services (Rockville, MD) \$ 78,492.82

##### C. Information Technology:

1. ESO Fire RMS-Incident Management Software Renewal – ESO Solutions, Inc. (Dallas, TX) \$ 24,705.60

D. Planning and Code Administration:

1. 2023 Ford Ranger – Keystone Ford (Chambersburg, PA) \$ 32,890.00

E. Public Works:

1. Pool Concessions Agreement – Nena’s Curbside Café (Hagerstown, MD)  
Paying \$ 1,200.00 to the City of Hagerstown
2. Repairs to the Fuel Dispenser Pumps – Darkhorse (Severna Park, MD)  
\$ 11,178.88
3. July 4<sup>th</sup> Fireworks Display at Fairgrounds Park - Starfire Corporation (St.  
Benedict, PA) \$ 28,000.00

F. Utilities:

1. Water: Emergency Purchase: Double Check Detector Assemblies – Ferguson  
Waterworks (Frederick, MD) \$ 50,818.20
2. Wastewater: Grinder Pump Replacement Program – Fluid Solutions, Inc.  
(Westminster, MD) \$ 64,280.00
3. Wastewater: Engineering Services – Industrial Pretreatment Program – Black  
and Veatch Corporation (Overland, KS) \$ 63,860.00

This completed the Preliminary Agenda Review. There were no additional questions about any items. All items, unless noted, are scheduled for approval on January 31, 2023.

Hagerstown Field House Status Update

Rodney Tissue, City Engineer was present to provide a status update of the Hagerstown Field House.

Mr. Tissue introduced Mr. John Wack with Eastern Sports Management (ESM). He stated the City is making progress on the project. Sources of funding were reviewed as well as noting additional funds are being asked from the State during the upcoming session. The City has requested \$4 million from the Senator George Edwards Fund.

Mr. Tissue reviewed the site plan explaining management of flood waters when Town Run overflows. Frederick Seibert & Associates put together a 2d model to emulate when Town Run overflows during a storm. During a storm, the parking lot around the building to Memorial Blvd. water could rise six to eighteen inches but what’s important is the first floor is set one foot above these potential high water elevations.

Mr. Tissue stated the contract between ESM and the City is the lease to operate the facility. The lease will be for 20 years and the basic rent is \$1 annually. Additional rent is in the form of City property taxes, any sums paid as payment in lieu of taxes, admission and amusement taxes and profit sharing. Revenue sharing is equivalent to 50% of the net operating income for each quarter. In the event that the collective annual sum of rent, additional rent, admissions and amusement taxes and revenue sharing does not exceed \$500,000 annually, ESM will pay the difference. ESM shall create, fund and maintain a capital reserves account as a separate account that shall be used for capital expenses including roof repair and replacement and parking lot repaving. Tenant shall add at least

\$150,000 to the capital reserves annually. Mr. Wack added if there is negative cash flow, ESM will assume responsibility and is guaranteed for the \$150,000. The site permit has been applied for and the project is shovel ready. The building permit should be approved shortly. The project will be on the February 8, 2023 Planning Commission agenda.

CSX Railroad Crossing Upgrades at Park Circle and Proposed Closure of Summit Avenue at CSX Railroad

Rodney Tissue, City Engineer, was present to discuss railroad crossing upgrades at Park Circle and the proposed closure of Summit Avenue at the CSX Railroad.

Mr. Tissue gave a brief overview, regarding Conservit's attempt to start the process with CSX to upgrade surface crossings beginning in 2014. The requests didn't go anywhere. The Virginia Avenue crossing was a mess. City staff contacted the State Highway to fund crossing upgrades and was told the work would be done in 2017. Nothing happened.

In 2019, CSX started the design process and came back to the City with a recommendation for closing Summit Avenue because they do not like three crossings so close together. CSX wants the City to sign a maintenance agreement and pay a fee to maintain crossing and new signals. The cost to the City is \$7,000 per crossing annually, as well as assume all liability. Even if CSX is negligent, the City is responsible. The City attorney does not recommend signing such an agreement. Mr. Tissue noted that City roads were installed prior to the railroad tracks so there are prior rights at stake. Mr. Tissue is recommending telling the State the City is not interested and let CSX do what needs to be done to improve the crossings.

Councilmember Aleshire noted this is indirectly related to a topic for a closed session, but he understands there are federal protections for railroads and crossings when it comes to other transportation networks, especially in the urban jurisdictions. Given the number of incidents of pedestrian safety issues recently on train tracks, does the City have the ability to require better protection? Fences have been put up in other areas for safety. He wondered if the City has the ability to say CSX needs to fence the area or better protect areas from pedestrian concerns. Mr. Tissue was unsure but can research. It hasn't been the City's responsibility for safety gates. Now CSX has a crossing they can't maintain and they are looking at the City to help with the costs to maintain tracks. CSX will put up the safety measures if someone else pays for it. After additional discussion, it was decided Mr. Tissue will draft a letter to State Highway Administration that this recommendation is not acceptable to the City of Hagerstown.

Since the City Attorney recommends that the City not sign the proposed CSX Maintenance Agreements, the Federal funding will likely be programmed elsewhere by MDOT and the crossings will continue on as they have been for decades. This makes closing the Summit Avenue crossing a moot point and it will not be closed at this time.

Temporary Overfill of Fire Position

Battalion Chief Adams Hopkins was present to discuss a request for approval of fire fighter up-staffing.

Battalion Chief Hopkins stated Chief Steven Lohr has requested the Hagerstown Fire Department be authorized to immediately overfill one firefighter position above the authorized budgeted personnel. Offers have been extended to five well qualified candidates that are scheduled to begin a shortened recruit school in early February. There is a sixth candidate that meets training and experience that has accepted a conditional offer. The Fire Department would like to offer a position to that candidate to maximize the opportunity for training with the others. There is a total of six personnel, including the Fire Chief, who could potentially retire after July 1, 2023.

Hagerstown Fire Department staff believe the best course of action is to temporarily up-staff the fire department by one firefighter position to save training costs. This practice has been approved in the past and proved to be successful for both the city and fire department.

It was the general consensus to include approval of the request on the January 31, 2023 Regular Session agenda.

Gatekeepers

Bill Gaertner, Founder of Gatekeepers, thanked the Mayor and Council for their time and passed out a recap of the 2022 re-entry plan documents. He also presented a video with Speaker of the House Paul Ryan – Helping Turn Lives Around.

Gatekeepers is a grassroots group to help as people are released from prison. They received a \$135,000 grant from Leo Foundation for 2 to 3-year program. Paul Ryan is on the board of directors of LEO Foundation.

Mr. Gaertner shared that he spent eight years in prison. He wrote a book to create a re-entry plan for individuals released from prison. The book is available across the country. Homelessness and poverty are the worst form of violence and it creates violence – its where we are in our city. If we can get inside the prison, we can begin the healing process before the individual is released. He feels we need more resources in Hagerstown to help these individuals. There are not enough correction officers or counselors. Gatekeepers will be in the prison system one day per week to help these individuals. Prisons are now getting tablets and Gatekeeper's re-entry book will be included in the tablets in the State of Maryland.

Councilmember McIntire asked if Gatekeepers has a specific need. Mr. Nicewarner stated they've had several conversations regarding this program. One option is through the blight reduction program. Housing issues for ex-offenders is critical. There may be a mechanism with blighted housing to provide housing. City staff is working with Gatekeepers and other agencies for rapid housing.

Councilmember McIntire stated the City should do whatever possible to help the program and the individuals that need assistance.

Mr. Nicewarner will continue to work with the group on refining the program because it's not a story most people know about it.

#### Current Rental Market/Rent Assistance Availability in Hagerstown

Scott Nicewarner, City Administrator, stated the City Council made a request in November to have members of the rental ownership/management community and rental assistance providers present to Council in work session to discuss the current rental market, the eviction crisis, and the availability of funds to keep renters in their homes.

Geordie Newman, President/CEO of Community Action Council (CAC), and Allan Johnson and Mike Stanford, Washington County Landlords Association, were present to discuss this issue.

Mr. Newman thanked Council for the opportunity to present this important information. Several factors indicate a significant issue with low to moderate rental housing - Emergency Rental Assistance Program (ERAP) funding is coming to an end this summer, rental rates are not sustainable for the local economy, evictions are permitted to occur and no human services agency has funding remotely close to what was received as a result of COVID. He added the City of Hagerstown will see a housing crisis if rental rates are not adjusted to support the local economy.

CAC received a total of \$22 million for 18 months rental and utility assistance for individuals in arrears and 3 months of rental payments at a time. They also received grants to keep people housed and to help landlords as well. Councilmember Aleshire asked if are there more people asking for additional funding or is it staying the same. Mr. Newman said it's staying the same. There was no limit on the rental amount CAC would pay. It will get to a point that it's not sustainable. When the grant is fully expended in June the real problem will be seen at that point. They have encouraged clients to get employment and not assume additional funding will come along. A discussion was held regarding the high rental rates increasing in our community. Councilmember Bruchey stated once the funding runs out, it's not the landlord's fault if the tenants have lived above their means while receiving the ERAP dollars. Mr. Johnson noted some tenants aren't using the grant money responsibly. He added there is a scarcity of rental units. They have experienced a 400% cost increase to replace HVAC and the price of natural gas increased 270%. There are units tenant pays electric only and the landlord covers the rest. Costs are increasing. If a tenant is evicted, it also causes a turnover/down time when an apartment is vacant. Landlords were not permitted to evict during COVID. Tenants went to CAC for assistance but landlords did not have recourse for unpaid rent. Questions were raised on the number of people that could be homeless as a result of the funding ending and housing shortages.

Mr. Johnson stated given the increase in costs related to the rise of inflation and other mitigating factors, it is difficult to try to keep rent reasonable. The market has started to cool off and landlords are seeing they will need to lower rental costs. A question was

raised if the landlord association is seeing an escalation of folks from outside the area purchasing 2 to 3 units and renovating them into one unit. Mr. Stanford said on the investment side going from multi to single family is not feasible. Units with upgraded kitchens/bathrooms warrant an increase in monthly rent and would be why rents are escalating. Because of the time allotted for discussion it was decided that group will return at a later date for any suggestions regarding the current rental housing situation. It was suggested that Sean Griffith, Executive Director with the Hagerstown Housing Authority be included in the discussion.

Invest Hagerstown City Center Redevelopment Grant Application – Market House Building Located at 25-31 W. Church Street

Christopher Siemerling, Economic Development Specialist, stated an application has been received by MarketPlace LLC for the property located at 25-31 W. Church Street; Market House building. The applicant has requested a \$150,000 grant to renovate the building for a working brewery, distillery, winery and taproom with two food vendors. The developer is seeking to making Hagerstown a “hub” for the craft brewing industry and create additional nightlife opportunities for residents and tourists. The estimated total project costs are \$ 450,00 with the creation of 25 new jobs within 2 years.

It was the general consensus to include approval of the Redevelopment Grant on the January 31, 2023 Regular Session agenda.

Invest Hagerstown City Center Development Grant Application – The Franklin – 34 W. Franklin Street

Christopher Siemerling, Economic Development Specialist, presented an application by Cosner Business Services for property located at 34 W. Franklin Street; The Franklin. The applicant is proposing the conversion of currently vacant office property into five market-rate apartments and two commercial office spaces along the Cultural Trail. This project is anticipated to assist with the revitalization of the Franklin Street area. Estimated projects costs is \$828,000 project and the applicant’s request is for a \$250,000 grant. This project will help revitalize the area as well as create more foot traffic to the Cultural Trail. The “We-Share” office concept is a multi-purpose area suited for both residential and commercial users that will enable tenants to conduct public visits outside of their private living spaces.

It was the general consensus to include approval of the Redevelopment Grant on the January 31, 2023 Regular Session agenda.

Review of Lease Holdover – Department of Labor, Licensing, and Regulation, Division of Occupational Health

Doug Reaser, Business Development Specialist, stated the Maryland Department of Labor, Licensing and Regulation (DLLR) currently leases approximately 11,140 square feet in the Elizabeth Hager Center at 14 N. Potomac Street with. The annual lease amount is \$167,100 or \$15 per square foot. The current lease expires January 31, 2023. The City

is working with DLLR to extend the lease for 10 years through a letter of intent. The Department of General Services has requested an extension of the holdover request of the lease from January 2007 for an additional six month to finalize lease terms.

It was the general consensus to include approval of the Lease Holdover on the January 31, 2023 Regular Session agenda.

#### MDE and Rural Maryland Funding – Water Division

Nancy Hausrath, Director of Utilities, and Michelle Hepburn, Chief Financial Officer, were present to update Council on the Maryland Department of the Environment (MDE) and Rural Maryland Funding as it relates to the Water Division.

Staff submitted funding applications to MDE in January 2022 for numerous water and wastewater projects including Phase 1C Collection System Lining, Reconstruction of Pump Station 13, Pump station 33 and the Wastewater Treatment Plant Improvement Project within the Wastewater Division. Water Division projects included Edgemont Reservoir Rehabilitation, RCW Water Transmission Main Replacement and Mack Tank Replacement. Staff also submitted a Rural Maryland Economic Development Grant proposal as a result of a request from Meritus Medical Center.

If all projects move forward a large bond issue totaling a minimum of \$22,750,000 will be required. Ms. Hausrath stated this is first time she has seen this size of funding potential all at once.

- Edgemont Reserve – Waiting for MDE to work on study to complete design.
- Wilson Main project – Application submitted in January but hasn't started
- Mack Tank – not started – funding application before January 31 deadline
- Rural MD – half million need to show half million match
- Pump station 33 and 13 – design is underway

Ms. Hepburn said any information from MDE for either a loan or principal forgiveness will need to go through complete a bond issue. Staff will be working with bond counsel. MDE will use tax exempt bonding first. When the City applies it means anything in the next 12 months must be taxable or it will need to go through another process to do tax exempt bond. Realistically, these are large projects and several things have to be considered. Are resources available for both reservoir/transmission projects? If the City looks at bonding these two projects it would mean a rate increase. Staff needs guidance on what projects are a priority. What is picked could impact debt capacity across the city.

Following a lengthy discussion on establishing project priority, it was decided to focus on a single source, although there is funding available for infrastructure issues.

#### **CITY ADMINISTRATOR'S COMMENTS**

*Scott A. Nicewarner, City Administrator, had no additional comments.*

**MAYOR AND COUNCIL COMMENTS**

*Councilmember R. E. Bruchey, II* appreciated the opportunity to borrow the American flag from USMH for the MML Dinner.

*Councilmember S. McIntire* had no additional comments.

*Councilmember T. Burnett* thanked the Mayor, Council members and City staff for representing the City in Annapolis.

*Councilmember K. B. Aleshire* had no additional comments.

*Councilmember T. Martinez* announced the Speak Ur Peace: Poetry/Open Mic Night at the ACT Black Box Theatre is at 6:00 p.m.

*Mayor E. Keller* is looking forward to seeing everyone in Annapolis. She will be attending meetings about funding for the Field House.

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 6:49 p.m.

Respectfully submitted,

*Original signed by J. Lung*

Janet Lung  
Executive Assistant

Approved: February 28, 2023