

**BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY
Hagerstown, Maryland**

May 9, 2017

INVOCATION AND PLEDGE OF ALLEGIANCE

Commissioner Barr offered the Invocation followed by the Pledge of Allegiance to the Flag by the full assemblage.

CALL TO ORDER

President Terry L. Baker called the regular meeting of the Board of County Commissioners of Washington County, Maryland, to order at 10:12 a.m. at 100 West Washington Street, Room 1113, with the following members present: Vice President Jeffrey A. Cline and Commissioners John F. Barr, Wayne K. Keefer and LeRoy E. Myers, Jr.

APPROVAL OF MINUTES – MAY 2, 2017

Commissioner Barr, seconded by Keefer, moved to approve the minutes of May 2, 2017. The motion passed unanimously.

CONVENE IN CLOSED SESSION

Commissioner Barr, seconded by Keefer, moved to convene in closed session at 10:12 a.m. to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals; and to consider a matter that concerns the proposal for a business or industrial organization to locate, expand or remain in the state, in accordance with Section 3-305(b) (1) and (4) of the General Provisions Article of the Annotated Code of Maryland. The motion passed unanimously.

In closed session, the Commissioners discussed the potential appointment of a number specific individuals to a local nominating commission over which the Commissioners have appointment authority; and considered/discussed a proposal submitted by a business entity desiring to locate, expand or remain in the County/State.

During closed session, the Commissioners agreed to further discuss the individuals being considered for appointment to a local nominating commission later in today's open session meeting; and provided direction to staff regarding a proposal by an entity desiring to locate, expand, or remain in the County/State and further instructed staff to place the proposal on a future open session meeting agenda at the appropriate time for further discussion and a potential vote.

Present during closed session were Commissioners Terry L. Baker, Jeffrey A. Cline, John F. Barr, Wayne K. Keefer and LeRoy Myers, Jr. Also present were Robert J. Slocum, County Administrator; Sarah Sprecher, Assistant County Administrator; Vicki C. Lumm,

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County Clerk; John M. Martirano, County Attorney; and at various times Kassie Lewis, Director, Business Development; and Jerry DeWolf.

RECONVENE IN OPEN SESSION

Commissioner Cline, seconded by Barr, moved to reconvene in open session at 10:45 a.m. The motion passed unanimously.

REPORTS FROM COUNTY STAFF

Budget and Finance

Chief Financial Officer Debra Murray stated that she would soon be reporting on the bond rating bids being held at 11:00 a.m. this morning.

County Clerk - Appointments to Boards/Commissions

Agricultural Education Center

Commissioner Cline, seconded by Barr, moved to reappoint Susan Hull to serve a second, three-year term through April 30, 2020; reappoint Dennis Reeder to serve a third, three-year term through April 30, 2020; appoint David Moore to serve a first, three-year term from August 1, 2017 through July 31, 2020, and appoint Jay Miller to fulfill an unexpired term through April 30, 2018. The motion passed unanimously.

County Administrator

County Administrator Rob Slocum stated that the postponed evening meeting with the Town of Hancock would soon be rescheduled.

CITIZENS' PARTICIPATION

No citizens attending the meeting wished to participate.

MODIFICATION OF WATER AND SEWER RATES FOR FISCAL YEAR 2018

Julie Pippel, Director, Environmental Management, requested approval of the proposed modification of water and sewer rates for the Fiscal Year 2018 General Fund Budget. The Water Fund of \$1,381,410 represents an overall increased percentage of 3.28% and the Sewer Fund of \$12,356,140 represents an overall increase of 4.03%, most of which is attributable to debt costs, electric costs and salaries and benefit increases. Ms. Pippel reviewed the proposed water and sewer rates for FY 2018 that include an increase per quarter for the average residential user of 3.5% (or \$5.80) for water and 3.5% (or \$5.35) for sewer. Similar increases are proposed for other user classes. The increases are needed to meet expenditure requirements for the two enterprise utility funds due to long-range financial plans.

Commissioner Barr, seconded by Keefer, moved to approve by resolution the water and sewer rate increases for Fiscal Year 2018 as presented. The motion passed unanimously. (Resolution No. RS-2017-09 is recorded among the Acts, Ordinances, and Resolutions of Washington County and the original is located in the County Commissioners' Office.)

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APPROVAL OF FISCAL YEAR 2018 OPERATING BUDGET

Chief Financial Officer Debra Murray discussed several adjustments made to the proposed FY 2018 Operating Budget since the public hearing held May 2, 2017. The semi-annual interest reduction line item was increased by \$95,000, a rent reduction was increased by \$16,000 due to a tenant's departure, a Board of Education State mandate adjustment for disparity grant was increased by \$53,000, \$26,100 was restored to the Commission on Aging's budget for programs and services, a reduction of \$72,810 was made to the budget for Engineering and Construction Management due to the recent reorganization, \$603,000 was added due to the insurance shift and retiree insurance (not being passed on to employees as originally proposed), and the budget for a proposed reorganization of the Departments of Business Development and Public Relations was increased by \$156,010. The net increase in cost equals \$876,300.

The Commissioners discussed several budget items. Commissioner Baker questioned the absence of \$5,000 in funding for the Historical Advisory Committee. The Commissioners agreed to discuss such funding in the future. Commissioner Cline supported the budget as presented but commented that funds from the use of speed cameras should only be used for specific projects, not as long-term funding. The Commissioners discussed the remaining wage reserve amount of \$3,053,350 affected by the \$876,300 net increase, which now amounts to \$2,177,050. Funding for potential County employee raises is included in that amount. A salary study to be conducted this year will be considered for salary adjustments. Commissioner Baker spoke against the use of speed cameras but supported the budget as presented. Commissioner Cline confirmed that County employees would receive a 5% raise and County retirees a 3% raise in July 2017.

Commissioner Barr, seconded by Myers, moved to approve the Fiscal Year 2018 Operating Budget including the discussed and agreed upon amendments and the specified FY 2018 tax rates as presented and discussed. The motion passed unanimously.

APPROVAL OF FISCAL YEAR 2018 CAPITAL IMPROVEMENT PROJECT BUDGET

Debra Murray stated that no changes have been made to the proposed FY 2018 Capital Improvement Project (CIP) budget since last week's public hearing. The budget as presented contains a borrowing amount of \$12 million.

Commissioner Myers, seconded by Barr, moved to approve the Fiscal Year 2018 Capital Improvement Project Budget as presented. Commissioner Keefer discussed the funding for the new Public Safety Training Center facility and the sustainability of speed camera revenue used to support public safety. The motion passed unanimously.

Ms. Murray stated that she has been notified of the results of the County's sale of 2018 Public Improvement Bonds of \$13,780,000. M&T Securities is the low bidder at 2.85%.

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PROCLAMATION - TEEN PREGNANCY PREVENTION COALITION

James Kercheval, Executive Director, Greater Hagerstown Committee, appeared with representatives of The Family Center, Washington County Health Department, and Community Free Clinic to bring attention to the consequences of teen pregnancy. Coalition member Carol Lourie discussed the issue of teen pregnancy and its effect on the community. Commissioner Keefer presented a proclamation to the representatives in recognition of Teen Pregnancy Prevention Month observed in May 2017.

EXTENSION OF CONDITIONAL LOAN FOR CYCLE AVIATION, INC.

Kassie Lewis, Director, Business Development, requested approval of the modification of a conditional loan agreement with Cycle Aviation, LLC (Cycle) of Leesburg, Virginia. The original loan agreement agreed to in September 2016 provided for a \$100,000 conditional loan under certain employment terms and conditions. The current proposal requests a one-year extension to the existing loan agreement extending the job creation requirement through December 31, 2017 and extending the job creation and retention requirement through December 31, 2027. The company now employs eight permanent full-time positions, one less than required. Cycle employed eleven permanent, full-time employees in December 2016 but the number dropped to eight after three employees chose to leave the company. The current salaries range from \$38,000 to \$95,000 per year. Cycle fully expects to meet the remaining terms of the agreement. The Commissioners discussed the company which is a good tenant and employs highly skilled workers.

Commissioner Barr, seconded by Keefer, moved to approve the modification of terms for the conditional loan agreement with Cycle Aviation, LLC as presented. The motion passed unanimously.

**WASHINGTON COUNTY JOB CREATION AND CAPITAL INVESTMENT
REAL PROPERTY TAX CREDITS ORDINANCE**

Kassie Lewis discussed a proposed modification to the resolution (Resolution No. RS-2016-21) adopted on December 13, 2016 pursuant to the Washington County, Maryland Job Creation and Capital Investment Real Property Tax Credits Ordinance (Ordinance No. ORD-2016-10) (Ordinance) concerning the wage eligibility requirement. Resolution No. RS-2016-21 contained certain eligibility requirements that business entities must meet to receive a real property tax credit under the Ordinance. One such requirement set the wage amount the business entity would be required to pay the new permanent Full-Time Position(s) created under the Ordinance at 90% of the Average Weekly Salary for a Washington County Worker (\$17.53). The Department of Business Development reviewed the findings and staff believes the current wage requirement is excessive based on the review of the State's and other counties' programs. The State's requirement of 150% of the prevailing federal minimum wage is recommended to assist a small business looking to expand. The recommendation is to replace the current wage requirement of 90% of the Average Weekly Wage per Washington County Worker (\$17.53) with the requirement to pay at least 150% of the prevailing federal minimum wage (\$10.88) per hour. The Commissioners discussed the proposal.

Commissioner Keefer, seconded by Myers, moved to repeal Resolution No. RS-2016-21 and adopt a resolution modifying the current wage requirement of 90% of the Average Weekly Wage per Washington County Worker (\$17.53) with the requirement to pay at least 150% of the prevailing federal minimum wage (\$10.88) per hour. Commissioner Keefer commented on the initial 90% rate and the reasoning/data behind the suggested change. Ms. Lewis stated that staff had reviewed the information, looking at large companies, and decided that it was not an accurate picture of smaller companies. The motion passed unanimously. (Resolution No. RS-2017-10 is recorded among the Acts, Ordinances, and Resolutions of Washington County and the original is located in the County Commissioners' Office.)

2018 PUBLIC IMPROVEMENT BONDS SALE

Lester Guthorn, Financial Advisor, Public Advisory Consultants, announced that the County received ten bids for its 2018 Public Improvement Bonds of \$13,780,000, which is a large number of bidders. M&T Securities was the successful bidder at 2.852%; the next bidder was 2.857%, a nominal difference. Mr. Guthorn discussed the County's continued strong rankings by ratings agencies and its excellent financial management. He complimented County staff and officials for being able to manage finances during past financial constraints and for its continued due diligence.

BID AWARD – FIRE SERVICE PERFORMANCE TESTING/INSPECTION SERVICES

Karen Luther, Purchasing Director; Jonathan Hart, Assistant Director, Fire Services; and Samuel Anderson, Emergency Planner, Fire Services, recommended award of the contract(s) for Fire Service Performance Testing/Inspection of Fire Hoses, Fire Pumps, Ground Ladders and Aerial Devices to the responsive, responsible bidders based on Option No. 2 totaling \$46,193.90 for the Total Sum Bid Price for Group as follows:

- Option No. 2A to Fail Safe Testing of Manalapan, New Jersey for \$10,800
- Option 2B and 2C to Waterways of Southwest, Pennsylvania for \$28,440 (2B), \$3,778.90 (2C)
- Option 2D to Diversified Inspections/ITL, Inc. of Phoenix, Arizona for \$3,175

Ms. Luther stated that the bid for the service contained two award options, Option No. 1, the lowest Total Sum Bid for all services or Option No. 2, to award multiple contracts to the responsive, responsible Bidder(s) who submit(s) the lowest Total Sum Bid Price for each service group. The County will issue a purchase order, which will serve as the Notice to Proceed, for any awarded contract(s) on July 1, 2017 based on which option was the most advantageous to the County. If Option No. 1 is awarded, it will be an "all or nothing" award for each group. The contract period tentatively begins July 1, 2017 with an option by the County to renew for two consecutive one-year periods.

Commissioner Myers, seconded by Barr, moved to award the contract for Fire Service Performance Testing/Inspection of Fire Hoses, Fire Pumps, Ground Ladders and Aerial

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Devices to the responsive, responsible bidders as proposed using Option No. 2 totaling \$46,193.90 for the Total Sum Bid Price for Group. The motion passed unanimously.

APPALACHIAN REGIONAL COMMISSION PRELIMINARY PROJECT DESCRIPTION REVIEW AND RANKING

Jim Hovis, Director, and Susan Buchanan, Senior Grant Manager, Office of Community Grant Management, introduced Bill Atkinson, ARC Program Manager, Maryland Department of Planning, and Amy Jacobs, Economic Development Planner, Tri-County Council of Western Maryland. Mr. Hovis and Ms. Buchanan described the process taken to compile the preliminary project description prioritizations as determined and forwarded to the Tri-County Council of Western Maryland (TCC) for funding consideration. Area development projects require a cost match of 50% of total project costs, whereas access road projects are 100% Appalachian Regional Commission (ARC) funded. This year's ARC funding for Allegany, Garrett, and Washington counties totals \$1,500,000 for Area Development Projects and \$2,500,000 for Local Access Road Projects. Funding for Washington County's Area Development Projects includes six proposed projects requesting \$1,010,000 in ARC funds. Funding from the Transportation Equity Act for the 21st Century (TEA-21) Access Road category includes five projects requesting \$4,100,000 in funding. Total requested ARC funding for all nine projects is \$5,110,000. There is no required match for TEA-21 funds. The overall goal of ARC funding is to improve the quality of life and economy through jobs creation.

Ms. Buchanan presented the requests developed from submittals by various municipalities and organizations for funding through the ARC as follows: 1) Hagerstown Community College (Electronic Health Records Management) - \$50,000; 2) The Maryland Theatre (Expansion-Equipment & Furnishings Phase I) - \$250,000; 3) Brook Lane (New Well and Water System) - \$200,000; 4) Town of Boonsboro (Sludge Dewatering Facility) - \$250,000; 5) Hagerstown Neighborhood Development Partnership (Down Payment Assistance and Community Outreach) - \$10,000; and 6) Washington County Museum of Fine Arts (HVAC Replacement) - \$250,000.

Requests for TEA-21 Funds for Local Access Road Projects (100% ARC-funded) were submitted by 1) Washington County (Halfway Boulevard Phase II) - \$1,000,000; 2) Washington County (Halfway Boulevard Phase III) - \$1,000,000; 3) Washington County (Crayton Boulevard Phase II) - \$1,000,000; 4) Washington County (Eastern Boulevard Phase I) - \$1,000,000; and 5) Town of Smithsburg (East School Lane) - \$100,000.

Commissioner Cline, seconded by Myers, moved to accept the Appalachian Regional Commission Preliminary Project Description prioritizations as prioritized by the County Commissioners and to forward the ranking to the Tri-County Council of Western Maryland for funding consideration; to allow applicants to proceed with application submission to the Appalachian Regional Commission for those projects that receive Tri-County Council's funding recommendation from the Tri-County Council; and to accept grant funding approved and provided by the Appalachian Regional Commission as presented. The motion passed unanimously.

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CONTRACT RENEWAL - ELECTRICIAN SERVICES AT COUNTY FACILITIES

Rick Curry, Buyer, Purchasing, and Jim Sterling, Director, Public Works, recommended the renewal of the contract for Electrician Services at County Facilities (PUR-1251) with Kube Electric Company, Inc. (KECI) of Williamsport, Maryland, per the rates included in its letter dated March 27, 2017. KECI is requesting an approximate 2% increase above the current hourly rates for work performed by an Electrician and an apprentice during regular hours, evening, weekends and holidays as well as the rate for consulting and design services. Funds are budgeted in various department line item accounts for these services. KECI's rates are lower than the other two bidder's original Total Base Bid. This is the last year of the contract and new pricing will be solicited next year.

Commissioner Keefer, seconded by Myers, moved to approve the contract renewal for Electrician Services at County Facilities with Kube Electric Company, Inc. at the rates and terms as presented. The motion passed with Commissioners Keefer, Myers, Cline and Baker voting "AYE" and Commissioner Barr "ABSTAIN".

**BID AWARD - HEATING, VENTILATION AND AIR CONDITIONING
EQUIPMENT UPGRADE AT DEPARTMENT OF WATER QUALITY
ADMINISTRATION BUILDING**

Rick Curry and Rocky Bishop, Chief of Maintenance, Water Quality, recommended awarding the bid for the purchase of the equipment, accessories and components to upgrade the HVAC system at the Department of Water Quality (PUR-1340) to the responsible, responsible bidder, Aircon Engineering, Inc. of Columbia, Maryland, which submitted the total sum bid of \$79,430.88. The project involves replacing the existing HVAC system installed in the facility in 1989. Funds are available in the departmental budget line item accounts for these services.

Commissioner Myers, seconded by Keefer, moved to award the bid for the purchase of the equipment, accessories and components to upgrade the HVAC system at the Department of Water Quality (PUR-1340) to the responsive, responsible bidder, Aircon Engineering, Inc. of Columbia, Maryland, which submitted the total sum bid of \$79,430.88 as presented. The motion passed unanimously.

**CONTRACT RENEWAL - HEATING, VENTILATING, AIR CONDITIONING
AND AUTOMATIC TEMPERATURE CONTROLS MAINTENANCE SERVICE**

Rick Curry and Jim Sterling requested renewal of the contract for the Heating, Ventilating, Air Conditioning and Automatic Temperature Controls Maintenance Services (PUR-1250) with Miller & Anderson, Inc. of Clear Brook, Virginia, as requested in its letter dated March 24, 2017. Miller & Anderson last year requested a 9.03% increase to the original contract. It is not requesting any increase to the hourly labor rates for additional services as needed, but is requesting an approximate 11.8 % increase for specific services for FY 2018. The contract is for a one-year period that commenced on July 1, 2014 with an option by the County to renew for up to four additional one-year periods. The Washington County

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Health Department, Washington County Free Library and the Washington County Museum of Fine Arts are also included in this contract. Funds are available in various departmental budget line item accounts for these services.

Commissioner Barr, seconded by Myers, moved to renew the contract for the Heating, Ventilating, Air Conditioning and Automatic Temperature Controls Maintenance Services (PUR-1250) with Miller & Anderson, Inc. of Clear Brook, Virginia, as requested in its letter dated March 24, 2017 and as presented. The motion passed unanimously.

BID RENEWAL - JANITORIAL SERVICES FOR WASHINGTON COUNTY OFFICE BUILDINGS

Rick Curry and Jim Sterling recommended the renewal of the contract for Janitorial Services for Washington County Office Buildings (PUR-1217) using Option No. 1 with Stockwell Maintenance Systems, Inc. of Williamsport, Maryland, based on its letter dated March 16, 2017. The letter requests a five percent increase for Fiscal Year 2018 for an annual total price of \$195,777.96 and \$2,328 for the annual cost of stripping/waxing and buffing floors and window cleaning. The original contract was awarded June 18, 2013.

Commissioner Myers, seconded by Barr, moved to renew the contract for Janitorial Services with Stockwell Maintenance Systems, Inc. of Williamsport, Maryland, including a five percent increase for FY 2018 as presented. The motion passed unanimously.

REQUEST TO DECLARE CERTAIN REAL PROPERTY AS SURPLUS PROPERTY

Susan Small, Real Property Administrator, recommended declaring a portion of real property, consisting of approximately 63± acres located within the former Fort Ritchie Military Reservation premises, as surplus property and to authorize the advertising of the County's intent to convey said property. On January 24, 2017, the Board of County Commissioners established the "Cascade Development District" at Fort Ritchie to encourage mixed uses of redevelopment on the site. In November 2016, the County entered into an agreement with JG Business Link International (JGBLI) to serve as an agent in brokering redevelopment of the 600 ± acre property. The conveyance of 63± acres along the north side of the property will assist with the redevelopment efforts for areas of commercial, residential and retail use. There is no monetary consideration relating to the conveyance of the property.

County Administrator Rob Slocum discussed the acreage that will be conveyed and developed using a two-phased approach. Forty-three acres would initially go through the conveyance process with the remaining lands to be subdivided and conveyed at a later time. Two acres in a remote area containing a cell tower that provides rental income to the County would be retained by the County.

Commissioner Barr, seconded by Cline, moved to declare a portion of real property, consisting of approximately 63± acres located within the former Fort Ritchie Military Reservation premises, as surplus property and to authorize the advertising of the County's

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intent to convey said property as presented. Commissioner Keefer commented that he supports the redevelopment efforts but would be voting against the conveyance due to his not knowing the property would be given away. He would have preferred an initial conveyance of a smaller portion and that this opportunity would have been offered to other developers. The motion passed with Commissioners Barr, Cline, Myers, and Baker voting "AYE" and Commissioner Keefer "NO".

**WASHINGTON COUNTY SCHOOL BOARD NOMINATING COMMISSION
APPOINTMENTS**

County Attorney John Martirano briefly discussed the Washington County School Board Nominating Commission to be convened according to State law due to the recent dismissal of Board of Education member Karen Harshman. The Commission is to be comprised of six voting members and a non-voting chair. Four members are to be appointed by the County Commissioners including the chair. Mr. Martirano stated that the other members of the Commission that have been appointed by others are Tom Berry (Washington County Delegates appointment), Tom Newcomer (Washington County Senators appointment), and Pieter Bickford (Washington County Board of Education appointment). President Baker listed the proposed Commissioners' appointees as Rudy Krumpe (Business Community), Jennifer Ashbaugh (Citizens Advisory Council), Hal Spielman (Educational Community), and Jerry DeWolf (Member of the Public-Chair).

Commissioner Myers, seconded by Barr, moved to appoint Rudy Krumpe as the Business Community representative, Jennifer Ashbaugh as the Citizens Advisory Council representative, Hal Spielman as the Educational Community representative, and Jerry DeWolf as the public member appointed as Chair. The motion passed unanimously.

ADJOURNMENT

Commissioner Myers, seconded by Keefer, moved to adjourn the meeting at 12:11 p.m.



Robert J. Slocum, County Administrator



John M. Martirano, County Attorney



Vicki C. Lumm, County Clerk