

WORK SESSION AND EXECUTIVE SESSION – FEBRUARY 5, 2008

WORK SESSION – February 5, 2008

Mayor R. E. Bruchey, II called this Work Session and Executive Session of the Mayor and City Council to order at 4:06 p.m., Tuesday, February 5, 2008, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers M. E. Brubaker, K. S. Cromer, L. C. Metzner and A. Parson-McBean; City Administrator Bruce Zimmerman, and D. K. Spickler, City Clerk. Councilmember P. M. Nigh was not present.

Proclamation: Neighborhoods 1st Month

Mayor R. E. Bruchey, II presented a proclamation naming February, 2008 as Neighborhoods 1st Month to members of the Neighborhoods 1st groups. This marks the eleventh year of the Neighborhoods 1st program.

Downtown Residency Initiative

Larry Bayer, Manager of Community Development, was present to discuss modifications to the Downtown Residency Initiative program. The Downtown Residency Initiative was developed to assist with the revitalization of the downtown by attracting a higher income population to the central part of the City. Currently the program provides assistance in the form of subsidies to those who rent and down payment assistance to those purchasing a home in an area bordered by Cannon Avenue, East Avenue, Prospect Street and Baltimore Street. The amount of this assistance is \$100 per month for one year for renters and a deferred 0% loan of \$1,500 to those purchasing a home. If the purchaser lives in the unit for two years the loan is forgiven.

Staff is recommending some changes be incorporated into the program. These changes are:

1. Downtown Residency Initiative Area – expanding the area to the north to include both sides of Randolph Avenue. Along Randolph, N. Locust Street and N. Mulberry Street are a great number of single family homes. Assisting persons wanting to purchase homes in this area will serve a great number of single family homes.
2. Amount of Assistance
Purchasers: Staff recommends the amount of assistance be increased to \$2,500 for purchasers buying homes selling at \$150,000 or less, and to \$5,000 for those buying homes selling from \$150,001 to \$250,000. This would assure that the level of assistance is in line with the need and allow for a greater number of participants.

Renters: Increase the rental assistance from \$100 per month to \$150 per month. A greater number of purchasers than renters take advantage of the program. Additionally, those using both programs have tended to be in their late 20's and early 30's, rather than the younger professionals staff had hoped to see take advantage of the program. It is anticipated that increasing the subsidy will entice more people to look at the downtown for their rental housing needs.

3. Residency Requirement

Purchasers: The current program guidelines require a homeowner to remain in the unit for two years for the loan to be forgiven. Staff recommends that the loans for those borrowing \$2,500 be forgiven after three years and that the \$5,000 loans be forgiven at the end of five years.

Renters: The current program guidelines require participants to live in the area for one year after the end of the rental assistance. No changes are recommended.

4. Other Recommendations – add the following definitions to eligible participants, add an additional class of eligible participants, and delineate when applications may be made:

Definitions: local, county, state or federal employee – one who is employed full-time and who receives benefits and credit towards retirement, and is not considered a contractual employee.

Professional – one, who as a condition of employment, must possess certification, registration or post high school education or training.

Health Care Professional – examples would include, but not be limited to, registered and licensed practical nurses; respiratory and physical therapists; licensed clinical social workers; x-ray and laboratory technician, etc.

Class to be added – Those whose gross income is greater than 80% of the area median.

Application period – applicants must apply no later than 60 days after taking residency.

Funding for this activity will consist of carryover of approximately \$45,000 from FY 08 and an additional \$5,000 in FY 09 money.

Councilmember Brubaker asked if someone who takes one semester of classes would be eligible for the program. Mr. Bayer stated if the classes pertain to their job they would be but the definition can be changed.

Councilmember Parson-McBean pointed out a Human Resources (HR) specialist doesn't receive a certificate but must take classes. An HR specialist is a professional.

Mayor Bruchey thinks the statement "as a requirement of their employment receives additional training" covers these situations.

Councilmember Cromer asked if funding has to come from the General Fund. Mr. Bayer stated if funding is through the Community Development Block Grant (CDBG) participants would have to meet CDBG guidelines.

It was the general consensus of the Mayor and City Council to approve the recommended revisions to the program.

Single Family Homeownership Program Modifications

Larry Bayer, Manager of Community Development, discussed the Single Family Homeownership Program (SFHOP). The City of Hagerstown created the SFHOP in 1991. Under this program, the City, using CDBG funds, purchases homes which are in poor condition, rehabilitates them and then resells them to income qualified persons. Since the program's inception, over 90 families have purchased a home.

Even when the housing market in Hagerstown was flat in the mid-to-late 1990's and early 2000's, 4 to 6 units were sold per year. Last fiscal year, two homes were sold and none have been sold this year. Staff feels that there are several reasons for this lack of activity. Principle among them is the softness of the real estate market as a whole. Another is the asking price of the homes. Units under the program are sold at their appraised value. As the market rises, so does the value of the units. This has resulted in a lessening of the pool of potential purchasers. In order to expand the potential pool of purchasers, the program has been advertised on Channel 6 and in local newspapers, not only in Hagerstown, but also Waynesboro, Chambersburg, Frederick and Martinsburg, without a lot of success. Of those who do apply, staff is finding a significant number can't afford the monthly payments.

The annual Community Development budget is approximately \$2.7 million. About one third of this comes from the annual CDBG entitlement and the remainder is a combination of program income and unexpended funds. Program income accounts for better than 50% of the available funds and is made up of loan repayments, administrative fees and the proceeds from house sales. Approximately 12 years ago, the department changed its primary focus from residential and commercial rehabilitation loans to single family homeownership which resulted in a much quicker return on the investment.

Program income is not only needed as a source of project funding, but, by federal regulation, it is used to calculate the capacity, or how much may be expended, on public services and program administrative activities. Public services are projects such as Senior Living Alternatives, Children in Need, CAC's Crisis Intervention Program and Community Free Clinic, etc. The amount of CDBG funds which may be expended on

these programs is 15% of the sum of the current year's entitlement plus last fiscal year's program income. The entitlement for this fiscal year is \$962,490 and last year's program income was \$950,187, making the public service capacity for this fiscal year \$286,900. House sales accounted for \$317,538 or 33% of the total program income. Without house sales, the City will see a sizable reduction in the public services capacity for the upcoming fiscal year.

There is a similar regulatory restriction on administrative expenditures. The cap limit is 20% of the current year's entitlement plus the current year's program income.

In order to stimulate sales, staff would recommend that the following steps be implemented:

1. Reduce the sales price of each unit by 25%. This lowering of sales price, coupled with the use of HOME and CDBG funds for down payment assistance would result in monthly mortgage payments affordable to many more residents of the City.
2. Offer a commission of 1.5% to 2% to Realtors if their client buys a home.
3. If staff is unable to get a purchaser for either 212 or 214 North Jonathan Street by the end of April, they may attempt to sell the unit to a non-profit housing provider for use as a rental unit.

At this time, staff is not recommending a permanent change to the program guidelines, but temporary steps to get through the current situation.

Councilmember Parson-McBean does not want all subsidized housing in one area. She asked if there has been any discussion about moving the gas meters from the front of the house. A gas meter in front of a home is a deterrent to home ownership. Mr. Bayer stated this is an eyesore.

It was the general consensus to allow the homes to be sold at 75% of the appraised value.

A recess was taken.

Washington County Board of Education

Mike Markoe, Assistant Superintendent for Elementary Instruction, provided information about Anti-bullying and Behavior Intervention Programs in the Washington County Public School System (WCPS).

Incidences of bullying are increasing nationally. The WCPS has taken steps to address the problem. Students are entitled to a peaceful, respectful, safe, structured and supportive learning environment. Schools need to be safe, promote optimal academic achievement and be free from any form of harassment. Intimidation and harassment impacts the school climate by interfering with student learning and creating a climate of fear and disrespect. Students perceive a lack of control and caring.

A student is being bullied when:

1. he or she is exposed, repeatedly and over time, to intentional negative actions on the part of one or more students
2. his or her ability to participate in or benefit from the school's educational programs or activities is adversely affected
3. he or she perceives or actually experiences discomfort with identity issues in regard to race, color, national origin, gender, disability, sexual orientation, religion or other identifying characteristics
- 4.. his or her ability to participate in or benefit from the school's education programs or activities is adversely affected

Intimidation and harassment are not tolerated in WCPS. Students who intimidate or harass others will receive disciplinary action, up to and including suspension or expulsion from school.

WCPS has implemented the P.E.A.C.E. Initiative, providing everyone acceptance and cooperation everywhere. Bullying intervention teams have been formed to educate staff and students, create awareness, provide interventions and maintain a school culture in which bullying is unacceptable.

Students are empowered through the E.S.P.I. Kids program – empowering students peace initiative. ESPI Kid interventions include classroom lessons, essay contests, morning announcements, poster contests, school-wide activities and student support groups. All bully-proofing skills are more effective if a school has first established a set of school-wide behavioral expectations.

Essential characteristics of a school-wide anti-bullying program include:

1. Establishes a clear definition of bullying
2. Recognizes the developmental origin of bullying and that bullying is often intergenerational and that the bully is often a victim at home
3. Is developmentally appropriate, flexible, and adaptable for a student's language level, maturation level, and needs
4. includes school-wide training that addresses the bullies, their victims, and the bystanders
5. Involves the parent community in education and training
6. Addresses student behaviors in unstructured settings

Reports of harassment/bullying are investigated. If the allegation is determined to be valid, the appropriate consequence is administered. Both the victim's parent/guardian and the offender's parent/guardian are notified. A copy of the investigation form is placed in both victim's and offender's cumulative folder. A copy is also forwarded to Student Services. Specific consequences are associated with repeat offenses. It is difficult to compare statewide statistics because other school systems do not uniformly report incidents.

Ms. Callaham stated if a child is bullied, comparison to other statistics is not the most important information. The positive behavior interventions and supports (PBIS) implemented are important. She stated this presentation was initiated through a conversation with Councilmember Penny Nigh about bullying incidents. She suggested that rewards work well to curb bullying. One of the rewards could be "Mayor Bucks." These would be monetary rewards given out by the Mayor in the schools.

Councilmember Parson-McBean stated focus has been placed on students living below the poverty level. She asked if consideration has been to students living with cultural differences. Ms. Callaham indicated they have, and they have also considered challenges with the meaning of words.

An update was provided on the Pangborn Elementary School construction by Boyd Michael, Assistant Superintendent for School Operations.

Pangborn Elementary School is scheduled to open in August, 2008. The school will be 88,910 square feet and will have room for 745 students. No redistricting of student will occur.

The total project budget is \$ 23,000,000. The school will have a large media center, a science lab, an instrumental music room, a general/vocal music room, a computer lab, an art room and numerous resource spaces. Pangborn Elementary school will be a community school with an expanded gymnasium, playgrounds and fields and an adjoined cafeteria/gym for assemblies. The latest technology and security will be a part of the school.

A recess was taken.

Playcamp Operations for the 2008 Season

Karen Giffin, Director of Community Affairs, and Lewie Thomas, Recreation Facilities Coordinator, were present to discuss Playcamp Operations. Dan Prescott, YMCA, and Robert Petties, Memorial Recreation, were also present. Staff would like to continue with the Hagerstown YMCA, Memorial Recreation Center, Inc. and Girls Incorporated of Washington County for the 2008 Summer Camp Program. They met all of last year's requirements and did a great job.

Girls Inc. is requesting \$ 15,000 from the City. The same amount as previous years would serve an additional 45 youth. Girls Inc. will raise \$ 3,500 through fund-raisers and donations to apply to their camp budget.

Memorial Recreation is requesting \$ 18,980. This is an increase of \$ 2,910 from the previous year. The additional funds are for admission and transportation to the Baltimore Aquarium.

The YMCA is requesting \$ 33,332 from the City. This is an increase of \$ 256.00 from last year. The additional funds are based upon \$ 2.00 per participant in supplies and an increase in the last day meal.

If Mayor and Council would approve the Summer Camps as outlined, City staff will draft contracts which are standard and have no substantive change from last year. The contracts would be approved through resolution on February 26, 2008.

Councilmember Cromer asked why the program costs are higher for the Memorial Recreation Center. Mr. Thomas stated there is a cost for admission at Potterfield Pool for the participants. A field trip to the Baltimore Aquarium is also planned. Councilmember Cromer asked if Memorial Recreation could do fund raising to get the additional money. Mr. Thomas stated the Mayor and Council had indicated they would be willing to provide funds for educational field trips and the trip to Baltimore is their response. He also stated Memorial Recreation has struggled in the last few years and any fund raising efforts would be to provide funding for their existence.

Councilmember Parson-McBean stated she had asked that increases in the funding from the City only go towards programs. She knows organizations like Memorial Recreation make a difference in a child's life. She thanked Mr. Petties for his efforts with Memorial Recreation. She supports the request for additional funding. Mr. Petties stated his dream is that one day Memorial Recreation will ask for funding from the City as a secondary source.

A portion of the funding, \$ 10,000, will be provided from the Community Development Block Grant. The demographics of the participants in the Memorial Recreation Center program permit funding from CDBG.

It was the general consensus of the Mayor and Council to approve the contracts with all three groups.

Cosmetic Restoration of Steam Locomotive 202 and Tender

Karen Giffin, Director of Community Affairs, and Lewie Thomas, Recreation Facilities Coordinator, stated staff would like to have The Steam Locomotive 202 and Tender cosmetically restored at a cost of \$ 12,000, drawn entirely from designated and contributed funds.

This specialized project will require an experienced firm to steam-clean the engine. Employing Soda Blasting to prepare the surface, apply proper, historically accurate Industrial Railroad-grade paint job and correct Western Maryland Railroad markings will meet the specialized nature of the work. It will be a complete clean-up in keeping with EPA standards. The project will be directed in a consulting capacity, employing volunteer labor except for the most sensitive parts of the project. The restoration project and site clean-up will be satisfactorily completed by the facility, which opens on May 3, 2008.

The funding source for this project will be taken entirely from designated and contributed funds. There will be no General Fund outlay. The cost of this project will be approximately \$ 12,000. The funding sources for this project will be \$ 10,000 from designated funds consisting of contributions given by the estate of John Long for upkeep of the Railroad Museum at City Park Facility. The additional required \$ 2,000 will come from a sponsorship offer from The Hagerstown-Washington County Convention and Visitors Bureau.

Aside from the previously mentioned specialized nature of the project and the desire to use designated and contributed funds for the completion of the restoration, other factors weigh in favor of the granting of a bidding exception. Due to the specific requirements of this project and the call for experience in similar projects, as well as a requirement for strict attention to historical accuracy in regards to duplication of Western Maryland paint schemes and reporting marks, it has been quite difficult to locate any firms within the tri-state area that would be deemed qualified. An extensive survey yielded only one qualified local firm based in Chambersburg, Pennsylvania that met the requirements. This firm has impeccable credentials and has recently performed similar restoration projects of the Hagerstown Railroad Museum.

It was the general consensus of the Mayor and City Council to approve a contract with a specialized contractor for restoration of the Steam Locomotive 202 and Tender.

Hagerstown, A Great Town – Getting Even Better – Downtown Investment

Deborah Everhart, Economic Development Director, presented updated information on public/private development in the downtown as the third presentation in a series called “Hagerstown, A Great Town Getting Even Better” which highlights important impact projects in the community.

This segment is a look at the investment either underway at this time or planned in the near future by the City, Hagerstown Neighborhood Partnership Development (HNPD) and the private sector.

The private sector investment has changed and the impact on downtown is evident. The University System of Maryland was the catalyst that started to attract the attention of private investors. Property values have increased. Demcore, Inc., Bowman Development, Jason Goldberg, Carrie Silva and Juanita Gray are a few of the private investors. Skip Tovornik, another private investor, grew up in the Clear Spring area. He opened a business in the Frederick area and is interested in Hagerstown because he sees the potential of downtown. He purchased the Holiday Hotel and is going to be developing a renaissance center, which will be a commercial building that allows condo ownership without having to purchase a large building. Paul Crampton purchased the building where the Discovery Station is located. Don Bowman is redeveloping three properties in the first block of South Potomac Street. Dave Lyles has purchased buildings in the 100 W. Washington Street area. Tim Gordon is developing property in

the 100 block of N. Potomac Street. Milton Stamper purchased the Tusing Warehouse and is developing a theater and meeting center.

There is interest from the younger generation in downtown. They are opening new businesses. These business people include Ally Buchman, Potomac Bead Company, Ashley Haywood, Skyline Coffee and Kate Trent, Alter Ego. Rich Daughtridge, High Rock Internet, has now purchased the building where his business is located. The enthusiasm of these people is contagious.

The Barbara Ingram School for the Arts and the expansion of the library has sparked interest from artists outside the community.

The owners of The Gourmet Goat purchased a building in need of renovations. They expanded their restaurant and located their residence on the upper floor.

Ms. Everhart stated there is excitement about the diversity occurring by minority owned businesses, such as Laila's Kitchen. Laila's is a kabob restaurant on E. Franklin Street.

Public investment in downtown includes sidewalks, utility work and enhanced lighting. Many of the projects are jointly supported from the State and sometimes the County.

A substantial amount of money has been invested in downtown. Since 1990, public investment tops \$ 42 million. Private investment has contributed \$ 21 million. More than \$ 35 million is planned in the near future.

Councilmember Parson-McBean asked if any projects have been a partnership between public and private investment. Ms. Everhart stated there have been programs initiated, such as the sign and façade grant program. Staff will be discussing other initiatives with the Mayor and City Council.

Councilmember Parson-McBean would like to see additional projects. She stated investors should be sought for revitalization. An anchor is needed to bring the investors to the City.

Councilmember Brubaker stated the School for the Arts and The University System are good examples of anchors. Councilmember Parson-McBean stated these activities will bring some investors in but they won't be utilized everyday.

Ms. Everhart presented a map showing the amount and location of private and public investment in downtown.

Discussion of Draft 2008 Comprehensive Plan

Kathleen Maher, Planning Director, stated staff concluded their presentation on the draft 2008 Comprehensive Plan at the Mayor and City Council's meeting on January 22, 2008. A public hearing is scheduled for February 26, 2008 during the regular meeting of the Mayor and City Council.

During the work sessions when staff presented the draft Plan, some members of the Mayor and City Council indicated there might be areas they would like to amend in the Planning Commission's recommended draft. If these areas are significant, it is suggested that the Mayor and City Council discuss the potential amendments at the work sessions in February as a means of giving the public notice in advance of the public hearing of any potential substantive changes to the draft Comp Plan which the Mayor and City Council may be contemplating.

Since the adequacy or appropriateness of the proposed boundary for the Medium Range Growth Area (MRGA) has been raised, Councilmember Brubaker had asked staff to provide a map of the Hopewell Valley and other industrial areas to include in the MRGA. He stated parts can be taken out. It would be easier to do this than to add parts later. The comprehensive plan supports R. Paul Smith Boulevard going around Funkstown. It also supports Southern Boulevard, but it needs to be developed as a mixed R2 area. These are projects that are likely to draw attention. An additional crossing of Antietam Creek has been in the City's Capital Improvement Program for some time. This can't be done with City funds but it needs to be on a map so the City can ask for funding, when and if it is needed. He is still working to try to find ways to get the development community in the County involved. A northwest bypass project is needed to channel some of the traffic from the north end to Interstate 81. This would route traffic around the northwest part of the City, through the Haven Road Development and through vacant tracts to Salem Avenue. Right of ways will be needed to pass over the CSX railroad near Interstate 81.

Councilmember Brubaker stated the Mayor and City Council will need to look at the facility plan recommendations as the plan is implemented. The Comp Plan allows the City to control its water and sewer density with the MRGA concept. There may be areas that are within the Urban Growth Area in which the City may want to review in order to provide maximum expansion. Holes should not be left in the Urban Growth Area.

The Comp Plan states it is a good idea to find existing developed areas who want to annex into the City. There is no mechanism identified to accomplish this.

The Mayor and City Council should identify desirable areas for school locations.

The general consensus of the Mayor and City Council is to include Hopewell Valley in the MRGA.

Ms. Maher indicated the plan suggests the City is deficient in parks in the west and south end and this should be addressed. She expects to hear from people about the land use recommendations. The Mayor and City Council can decide after the public hearing if they want to make any changes. From that point, a revised plan would be presented to the Mayor and City Council for their approval.

Councilmember Parson-McBean stated there may be some economic development revisions after Ms. Everhart returns from an economic summit in April.

City Administrator's Comments

Bruce Zimmerman, City Administrator, indicated a memo outlining impact projects has been placed in the Mayor and Council's mailboxes.

Mayor and Council Comments

Councilmember L. C. Metzner has been informed the Humane Society records are not public information. The County has established an animal control law but they are not dealing with it. He asked that the City Attorney determine if the Humane Society is working as a quasi-government and whether or not they are subject to the public information act. He asked that the dangerous animal issue be discussed again. The designation in place is not working.

Councilmember K. S. Cromer stated dangerous animals are a problem. Owners are not being given due process rights. The most practical way to deal with the dangerous animal designation would be to have the Humane Society under the County Commissioners control. She mentioned a memo that had been prepared regarding the budget for Council members. The amount for each member was increased to \$ 4,000 in 2006. She stated they may want to look at a different way of administering these accounts so that some members are not going over the budgeted amount. Any left over funding is not carried over to the next year. She is also concerned expenditures are attributed to the council budget that they are not aware of.

Councilmember M. E. Brubaker had no additional comments.

Councilmember A. Parson-McBean thanked Karen Giffin, Director of Community Affairs, Eric Hastings, Video Graphics, and Abigail Elliott, Recreation Assistant, for putting together the Black History Month video on Channel 6.

Mayor R. E. Bruchey, II and Councilmember Brubaker attended the State of the County earlier today. There were some interesting facts and some very vague statements. It was announced the County Commissioners are reviewing the distribution of the hotel/motel tax. He is anxious to find out what formula they develop. The City could utilize hotel/motel tax for things funded through the General Fund, such as Blues Fest, Augustoberfest and the Alsatia Mummers Parade.

EXECUTIVE SESSION – February 5, 2008

On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session at 6:33 p.m. to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State, #4. No formal action was taken. The meeting ended at 7:07 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: March 25, 2008