

JOINT MEETING WITH WASHINGTON COUNTY BOARD OF EDUCATION – May 3,
2005

A joint meeting with the Washington County Board of Education was held in the Council Chambers at the City Hall on Tuesday, May 3, 2005 at 10:30 a.m. The following Mayor and City Councilmembers were present: Mayor William M. Breichner, Councilmember N. Linn Hendershot, and Councilmember Carol N. Moller. Bruce Zimmerman, City Administrator, and Donna K. Spickler, City Clerk, were also present. The following members of the Board of Education were present: Paul Bailey, President, Jackie Fisher, Vice President, Bernadette Wagner, Roxanne Ober, Ed Forrest, Russell Williams and Dr. Elizabeth Morgan.

Mayor Breichner thanked the Board of Education members for attending this meeting. He stated he hopes the cooperation between the Board of Education and the Mayor and City Council continues with the next administration.

Dr. Patricia Abernathy stated they are pleased to have the opportunity to share a new intervention to help struggling students. This program helps students focus and pay attention. It helps them know what paying attention feels like. She stated being a student with an attention deficit disorder can be devastating. More students are being medicated for this condition than ever before. The program, called Play Attention, helps retrain the brain to help students be able to focus better. Play Attention can positively impact the following:

1. Ability to focus
2. Ability to distinguish social cues
3. Test scores
4. Reading Comprehension
5. Ability to complete tasks
6. Ability to follow multi-step directions
7. Self esteem

Play Attention uses game-like video exercises with the computer. The student wears a fun helmet, similar to the helmet used for skating and biking. The Play Attention helmet is lined with sensors that monitor brain waves. The student controls the video exercises with their mind. By maintaining an attentive state, the user can actually move and control the screen characters.

Councilmember Hendershot stated it will be interesting to see how this may help people with brain injuries and stroke victims.

A demonstration was planned but the equipment did not work properly. Mr. Bailey stated another demonstration would be scheduled.

The meeting ended at 11:45 a.m.

WORK SESSION – May 3, 2005

Mayor William M. Breichner called this Work Session and 87th Special Session of the Mayor and City Council to order at 4:02 p.m., Tuesday, May 3, 2005 in the Council Chambers at the City Hall. Present was Mayor Breichner; City Council Members K. B. Aleshire, N. L. Hendershot, L. C. Metzner, C. N. Moller, and P. M. Nigh, City Administrator Bruce Zimmerman, City Attorney John Urner and City Clerk D. K. Spickler.

Memorial Boulevard Monument

Rodney Tissue, City Engineer, presented information in response to the Mayor and Council's interest in the possibility of placing a permanent memorial to fallen war veterans along East Memorial Boulevard between Potomac Street and Frederick Street. The Council will need to provide direction on the style or type of monument.

Mr. Tissue recommended a location on East Memorial Boulevard where pedestrians could view the monument. The best location appears to be nearest Potomac Street. This location would be visible from the intersection and accessible by pedestrians.

Councilmember Metzner read the following statement:

“Approximately ten days ago I came up with an idea that I thought would solve the Willie Mays issue once and for all. I recognized that some of us made a critical error in judgment in suggesting the renaming of Memorial Boulevard. It is clear that by doing so we insulted our veterans and generated some degree of anger. For that I sincerely apologize.

I felt that a rededication of Memorial Boulevard would help to bring our community together and to honor our fallen heroes. I thought that the naming of an unnamed field at Municipal Stadium would be non-controversial and with one act we could address two issues plaguing our community. I brought this idea to each of my fellow Council Members and they were kind enough to support me. I and I alone then approached the Mayor shortly before our meeting and notified him that his council was unanimously in support of this idea. I did not want to take credit for what I believed to be a good idea.

I believed that the Mayor had bore the brunt of the criticism and therefore should share in the credit for my perceived solution. I was willing to share the credit, but in fairness if there is a person to blame for this idea it is clearly me and I accept that responsibility.

Since that announcement was made I have spent hours talking to citizens, voters and business persons. I was surprised by the amount of opposition to the naming of the field, but was

absolutely stunned at the lack of any support at all from anyone as it related to either the naming of the field or the rededication of Memorial Boulevard. No one single person that I have spoken to (outside of family and close friends) has expressed support for either of these endeavors. The silence from this community's tourism and business community has been deafening. After going 'nuclear' in the paper about the Sun's reaction I have had occasion to speak at length with Kurt Landes regarding this issue. We both understand each others concerns and I have expressed my sincere apologies to Kurt and the Suns for the inappropriate tenor of my public statements in the press.

It is clear that there is no public support for naming anything in honor of Willie Mays at this time and I therefore will no longer support this endeavor. I would suggest that this issue be set aside until such time as the community and its leaders support this idea.

The dedication of Memorial Boulevard is probably best put off for another year. That will give the City and veterans the time to put together an appropriate ceremony. Our veterans should not be made to feel that this dedication is a "make-up call." Neither should it be perceived to be a "rush job" lacking proper preparation. Our heroes should receive appropriate honors independent of, and time removed from the Willie Mays issue.

I sincerely hope that we can put this divisive issue to rest. It is with a sad heart that I acknowledge that some of my attempts to heal some very old and deep wounds in this community have indeed had the opposite effect."

Councilmember Nigh stated she wants to make sure that another Council does not say a monument on Memorial Boulevard was not placed in honor and in memory of veterans.

Mayor Breichner stated the action that took place to name Memorial Boulevard did not refer to veterans but to Memorial Boulevard. The minutes from 1935 do not indicate why the street was named Memorial Boulevard.

Councilmember Nigh stated the minutes do not indicate why it was named Memorial Boulevard so further research was necessary.

Mayor Breichner stated the road was Willow Avenue prior to being named Memorial Boulevard. He indicated he was researching the minutes for the reason the name was changed.

Councilmember Moller suggested that the Mayor and City Council listen to Mr. Tissue's recommendation.

Councilmember Metzner stated the current Councilmembers may not be here to see the project through to the end. It should be left up to the new administration. A monument could be placed in memory of veterans. There would be no question as to the intent of the monument in

the future.

Councilmember Hendershot and Councilmember Moller agreed with Councilmember Metzner.

Mr. Tissue recommended a location on East Memorial Boulevard where pedestrians could view the monument. The best location appears to be nearest Potomac Street. This location would be visible from the intersection and accessible by pedestrians. He stated there is not enough time to have the monument in place in time for Memorial Day. The most logical time for dedication of the monument, after Memorial Day, would be Veteran's Day.

Councilmember Nigh asked if the monument could be approved, with the understanding it would be in place by Veteran's Day. Councilmember Metzner pointed out that a new administration could change the approval.

It was the general consensus of the Mayor and City Council to have a monument in memory of veterans in place in time for Veteran's Day, November 11, 2005.

Mr. Tissue asked what design and type of monument the Mayor and City Council wished to have constructed.

Councilmember Metzner stated he would like to have more people involved in the decision than just the Mayor and City Council. The idea seems to implode every time the Mayor and City Council tries to make a decision. He wants to make sure there is public support for this monument.

Councilmember Nigh offered to contact the American Legion, the AMVETS and the Joint Veterans Council to set a meeting time to look at a design. Mayor Breichner stated the Disabled Veterans group should be included. Approval of the monument will be scheduled for the Regular Session on May 24, 2005.

Mayor Breichner indicated Doug Wright is present at this time and will not be able to stay for the Community Development Block Grant discussion to be held later in the meeting. Mr. Wright thanked the City for their continued support of Holly Place.

Rain Insurance 2005 Western Maryland Blues Fest

Karen Giffin, Public Information Manager, and Carl Disque, Chairman of the Western Maryland Blues Fest Committee, were present to discuss this year's event. This year will mark the 10th anniversary of the Western Maryland Blues Fest.

The Executive Committee of the Western Maryland Blues Fest would like authorization from the Mayor and City Council to purchase rain insurance for Friday, June 3, 2005 and Saturday,

June 4, 2005.

In 2004, a policy for ¼ inch of rain or more was purchased at a \$ 40,000 limit for a premium of \$ 4,640. The rain insurance policy for Friday, June 3, 2005 is for \$ 7,000 and will cost \$ 910. The policy will cover the hours of 3:00 p.m. to 8:00 p.m. and it must rain ¼ inch or more in order to collect on the policy. Five percent of the \$ 7,000 will go the Washington County Arts Council for their risk of the beer and wine sales.

The rain insurance policy for Saturday, June 4, 2005 is for \$ 50,000 and will cost \$ 6,850. The policy will cover the hours of 8:00 a.m. to 4:00 p.m. and it must rain ¼ inch or more in order to collect on the policy. Five percent of the \$ 50,000 will go the Washington County Arts Council for their risk of the beer and wine sales.

The Blues Fest had budgeted \$ 7,000 for insurance so they are asking that the remainder of the cost of \$ 760 be taken from the Blues Fest Public Functions Account.

Mr. Disque indicated the budget is higher this year because there is more at risk with the national quality groups.

It was the general consensus to approve the rain insurance for Friday, June 3, 2005 and Saturday, June 4, 2005.

Haven Road Annexation Discussion

Stuart Bass, Comprehensive Planner, provided a revised petition for annexation from the applicant of the Haven Road Annexation request.

He stated the applicant is proposing a residential development project of no more than 450 dwelling units of single family detached, two-family dwellings, and/or townhouse units. This equates to a density of 8.6 dwelling units per acre. He stated the applicant has contacted the Boy Scouts regarding the use of Crestwood Drive for vehicular access to the development.

Councilmember Aleshire stated the petition for annexation should state the development will be mixed use, single family dwellings. He stated information is provided that 831 units would be allowed under the current County zoning. The contract purchaser presented a compatible type of land use development and this should be included in the document. He asked that a statement be included as to how the development would affect the schools in the area. He stated this development will most likely double the amount of traffic on Haven Road and it is not appropriate to say they are going to use Crestwood Drive without having confirmation of that. He asked if any information has been received from Hagerstown Business College.

Mr. Bass indicated Crestwood Drive is owned and maintained by the County, including the part owned by the Boy Scouts.

Mayor Breichner asked if the Council was in favor of accepting the petition for annexation.

Councilmember Aleshire asked if the Council had the ability to include the items they want in the annexation resolution. John Urner, City Attorney, stated if those things are not agreeable to the applicant, they can withdraw their petition.

Kathleen Maher, Planning Director, stated there is a reference to having similar housing to what is in the neighborhood. She stated there are two areas that are not single family developments. She asked if the Council is saying they only want single family homes.

Councilmember Metzner stated he supports the annexation but he wants Councilmember Aleshire's concerns addressed.

Mr. Urner and Councilmember Aleshire will meet to discuss the concerns and to revise the petition for annexation. The applicant will then have to review the revised petition.

Approval of the annexation will be included on the agenda for May 24, 2005.

AFSCME Contract Negotiations

Both the AFSCME 1540 and 3373 Collective Bargaining Contracts have terms ending July 3, 2005. The City has been advised by Jim Bestpitch of their desire to negotiate new labor contracts.

Bruce Zimmerman, City Administrator, stated the Mayor and City Council held a brief discussion regarding these labor contracts on March 1, 2005. The staff is prepared to implement whatever process the Mayor and City Council wish to utilize for collective bargaining with AFSCME.

Councilmember Metzner stated the memo from Jim Bestpitch indicates there is an ordinance in place that prohibits the elected officials from engaging in the negotiation process. He suggested determining if there is such an ordinance. He stated the Mayor and City Council obviously cannot start any type of collective bargaining due to the election. He suggested that now would be the time for Staff to start preparing to begin negotiations. He stated the next administration should meeting with each bargaining unit to discuss issues. He stated all groups have to be informed similarly.

Mayor Breichner stated he thinks the request was to meet to establish ground rules and start the process. Councilmember Metzner agreed.

Mr. Zimmerman asked if the consensus of the Mayor and City Council is to have staff meet

with both unions to establish the ground rules and start the negotiation process. This is correct.
Hagerstown Heat Allstars

This discussion has been tabled until more information is obtained about the group.

Hagerstown Light Department Rate Study Information

Michael Spiker, Hagerstown Light Department Manager, Karl Kohler, Hagerstown Light Department Assistant Manager, Al Clark, Fred Saffer and Associates, and Tanja Shonkwiler, Duncan, Weinberg, Genzer and Pembroke, were present to provide information in reference to the ongoing compilation of information in the base rate study and future Rate Case that will be presented to the Maryland Public Service Commission (PSC).

Mr. Spiker reported there was a total net income of \$ 360,000 last year. Rate studies have been completed periodically by the Light Department.

Mr. Kohler indicated there was a rate realignment in 1996. The Light Department will be seeking a hearing before the PSC in the near future. The base rates currently include a factor of \$0.03283/kWh for purchased power costs. The remainder of the costs are recovered in the PPA and the ACA (Actual Cost Adjustment). The changes in the rates are being proposed to more accurately reflect the amount that the City actually pays.

There are three options available relative to this inclusion:

1. The rate could be “unbundled.” This option is not being considered.
2. The base rate factor could be raised to the current level of purchased power costs in an attempt to “zero out” the PPA and ACA temporarily. The higher base rate will allow for a decrease in the PPA that occurs each month, which lessens the fluctuation in the cost of the customer’s bill.
3. The base rate could be left at its current level in an attempt to recoup as much revenue as possible through the PPA and ACA. The Hagerstown Light Department has reduced capital expenditures by eliminating overhead to underground relocations, street light projects, Community Betterment Fund dividends, etc. in fiscal year 2005/2006.

The Hagerstown Light Department is considering the elimination of Rate Code 09, Light Industrial, or freezing it from future use except for any current Rate 09 customers that would remain after an updated analysis to determine which rate is better for each of them. The last rate realignment was completed in 1996. This process allows for the correct collection of revenue from each user rate class. The switching of these customers would cause the revenues from Rate Code 09 customers to decrease. The shortfall would not be absorbed by the City, but rather would be a component of the requested revenue increase to be recovered from all customers, by

spreading it equally between the rate classes.

The Light Department is examining all the non-purchased power costs currently being incurred by the Light Department and provide for recovery of these costs in prospective rates and if there are other rate design and/or tariff rules and regulations that need to be examined, this would be opportunity to do so. Staff has recently completed a cleanup of the existing tariff and will be filing this with the PSC in the near future. Any changes required by this study would be submitted at a later date.

In cases of this magnitude, time is of the essence. The Hagerstown Light Department test year will be calendar year 2004. The PSC may consider the test year information “stale” if we do not proceed in a timely manner.

Ms. Shonkwiler stated it is their hope to proceed with the hearing before the PSC, with the Office of Peoples Counsel involved, and to receive approval in September, 2005.

Mr. Spiker indicated a public hearing by the Mayor and City Council would be required also.

It was the general consensus of the Mayor and City Council to proceed with the rate study and hearings.

Direct Mail Processors – Request for Reduction in the Eastern Boulevard Assessment Fee

Mayor Breichner indicated Michael Murray, President of Direct Mail Processors, Inc., would like to discuss the Eastern Boulevard Assessment Fee with the Mayor and City Council in person. This discussion will be held at the work session on May 10, 2005.

City Garbage and Recycling Program Customer Survey

Rodney Tissue, City Engineer, stated the refuse collection contract with BFI expires at the end of 2005. Prior to deciding to extend the contract or to make changes in the contract, Staff feels input should be obtained from the customers, the citizens of Hagerstown.

A sample survey was presented. The survey includes questions that would provide helpful feedback. Staff is asking for the Mayor and City Council’s approval of the survey and to send this questionnaire out as an insert with the utility bills. The survey would be sent out in late May and be returned in June. Staff would return to the City Council at that time to present the findings and to make recommendations on the future refuse collection program.

It was the general consensus to approve the survey and the process presented.

Draft Sewer Capacity Allocation Program

Bruce Zimmerman, City Administrator, Kathleen Maher, Planning Director, and David Shindle, Water and Sewer Department Manager, presented a draft Sewer Capacity Allocation Program (SCAP) for the Mayor and City Council's review.

Per the Consent Judgment, the City must submit a final Sewer Capacity Allocation Program by July 11, 2005 to the Maryland Department of the Environment for their review and approval. It is Staff's recommendation that the Mayor and City Council vote to submit the draft Sewer Capacity Allocation Program to MDE, or a revised version, at the May 24, 2005 meeting.

The major policy issues contained in the Draft SCAP are:

1. Allocation for Existing Residential Development within the City – set aside up to 180,000 gpd per year for existing development with 40% going to County projects, 48% going to City residential projects, and 11% going to City non-residential projects.
2. Allocation for New Residential development within the City – set aside 60,000 gpd per year for new residential development. Substantial percentage of allocation set aside for two residential development projects in the City's pipeline prior to January 12, 2005: Hager's Crossing and Collegiate Acres. Remaining balance would be distributed on a one time annual basis through prioritization system as outlined in the draft SCAP.
3. Discretionary Reserve – set aside 20,000 gpd of 120,000 gpd for new development for a one time per year distribution by the Mayor and City Council for projects inside or outside the City based on a prioritization system as outlined in the draft SCAP.
4. Policy of Use of Remaining Allocation from Development Projects – any unused allocation from ISCAP will be distributed amongst "new development" categories upon adoption of SCAP by MDE and the City. Any unused allocation by existing development projects at the end of the year shall be reserved for future allocation to development project as annual allocation caps permit. Any unused allocation by new development projects at end of the year shall be distributed amongst "new development" categories for the following year.
5. Policy of Allocation Gains from I&I Projects – any allocation which is gained from a developer-funded project on City lines shall be reserved for that developer's development project within the City.
6. Policy for Allocation Gains from Flow Transfer – any allocation gained from Flow Transfer shall be proportionately distributed between "new development" categories for the following year.
7. Policy for Regaining Customers' Unused Allocation – based on analysis of average daily flows for the year, if the amount allocated exceeded the amount

used, the unused allocation will be proportionately distributed between “new development” categories for the coming year.

8. Policy for Increased Usage by Existing Customers – because non-residential customers have a potential to use more allocation than allocated, staff recommends adoption of an ordinance to cap non-residential usage increases at 10% per year and to set up a system to establish a Flow Reserve for allocations to accommodate potential increased usage by existing customers.

Councilmember Aleshire asked what the composition of homes will be in Collegiate Acres. Ms. Maher indicated it is a mix of single family homes.

The allocation set aside for Hager’s Crossing and for Collegiate Estates would be 100 units each. The remaining projects would have allocation of 100 units in total.

John Urner, City Attorney, has reviewed the draft SCAP. He stated he reviewed the SCAP. Once to determine if it will be acceptable to MDE and again to see if it meets the rules the City has been following. He stated he believes it will pass the process with MDE in relation to the consent order. He stated he is uncomfortable with the City locking the amounts in through 2011 that certain developments will be given specific amounts.

Councilmember Metzner stated there are a number of developers who are concerned about the policy. He stated he would like to see a presentation that has been approved by Mr. Urner. He stated he would personally have trouble trying to pick which development receives allocation. He stated he is concerned about the first time home buyer whose annual income is \$ 40,000 to \$ 45,000 per year who is facing the purchase of a home that costs \$ 400,000. He asked if the standards for a \$ 450,000 home would be the same for a \$ 100,000 home.

Ms. Maher stated the policy indicates if developers are willing to provide workforce housing (affordable housing) they will have an advantage under the allocation policy.

Councilmember Aleshire stated the policy needs to be based on what is best for the sewer system. He stated it is difficult to define a system when there is not specific information. He is concerned that the City is front loading a system that is in poor shape.

Councilmember Metzner indicated the reports for sewer treatment amounts show higher numbers again.

Councilmember Aleshire stated a study indicated the City is in a vacuum with the amount of growth that is occurring.

Ms. Maher stated one question that has been raised is whether or not developers will be able to carry financing for the extended time periods. She asked if the Mayor and City Council are

saying they want to lower the allocation amounts. She stated it doesn't seem feasible to lower the allocation by a large amount.

Mr. Urner stated he doesn't expect MDE to say this document exceeds their requirements. He asked if the Mayor and City Council want to use the numbers presented in the matrix or not.

Councilmember Metzner indicated he is comfortable with the gross numbers.

Mr. Zimmerman stated the policy must be submitted to MDE by July 12, 2005. He asked if the Mayor and City Council are comfortable with the policy as presented.

Mayor Breichner asked if I&I and Flow Transfer issues were going to be discussed with MDE. Mr. Urner and Mr. Zimmerman indicated MDE is aware of the issues.

Mr. Zimmerman asked if the Mayor and City Council want to schedule the draft SCAP for approval at the May 24, 2005 meeting or to defer the approval to the next administration.

The Mayor and City Council indicated the next administration should review the policy before being submitted.

City Administrator's Comments

Bruce Zimmerman, City Administrator, had no further comments.

Mayor and Council Comments

Councilmember L. C. Metzner stated he read the inaugural issue of the Chamber Connect. He stated it appears the Chamber of Commerce's idea to deal with elected officials is through fear and intimidation. He stated this approach will not work. He stated he, as an elected official, will not deal with someone in this manner.

Councilmember Metzner stated he has referred to fellow Council candidates as his esteemed colleagues. He stated if he didn't feel that way, he would not have referred to them as esteemed colleagues. The words were not meant to be detrimental, they were meant as a respectful remark.

Councilmember P. M. Nigh thanked Karen Giffin and the Public Information Staff for making the fundraiser at the University of Maryland a success.

Councilmember N. L. Hendershot had no further comments.

Councilmember K. B. Aleshire stated the minutes of a recent Planning Commission meeting indicated the Zoning Administrator has asked the Commission to eliminate the requirement to

send notices to adjacent property owners for Board of Zoning Appeals hearings. He stated he believes this is a State requirement and cannot be changed.

Councilmember Aleshire stated the members of the Mayor and City Council received a correspondence from Mr. Pembroke (parent of a student at the Ice Rink) regarding the issues at the ice rink. He stated if the group is not able to get answers from the Board, the Mayor and City Council should make sure they receive due process.

Councilmember C. N. Moller stated the library will be opening a teen loft on May 10, 2005.

Mayor W. M. Breichner stated Discovery Station is now open. The Discovery Station is asking for support from the City in the amount of \$ 10,000.

Mayor Breichner congratulated Councilmember Carol Moller for being honored by Women at the Table for her contributions to the community.

Mayor Breichner stated the University of Maryland raised \$ 25,000 for scholarships at the Gala. Councilmember Nigh stated the City needs to take a lot of credit for the University of Maryland location. She stated the present and past Mayors and Councilmembers worked to have the University located in Hagerstown. The Greater Hagerstown Committee did not establish the discussions about the location.

Mayor Breichner stated the Chamber of Commerce pamphlet reflects the treatment the City received at the annual State of the City. He found it to be insulting and degrading. He suggested not participating in the State of the City, unless the format changes.

Councilmember Aleshire stated he will not be able to attend the Public Hearings that will be held later this evening. He has reviewed the budget with Staff. He has said he would like to lower the tax rate and to ensure the water and sewer process continues.

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember N. L. Hendershot, the meeting was adjourned until 7:00 p.m.

87th Special Session – May 3, 2005

Mayor W. M. Breichner called this 87th Session of the Mayor and City Council to order at 7:00 p.m., Tuesday, May 3, 2005, in the Council Chamber at City Hall. Present with the Mayor

were Councilmembers N. L. Hendershot, L. C. Metzner, C. N. Moller, and P. M. Nigh; City Administrator Bruce J. Zimmerman, City Attorney John Urner and City Clerk D. K. Spickler.

Amendment to Interim Sewer Capacity Allocation Program

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember C. N. Moller, the Mayor and City Council unanimously agreed by voice vote of all members present to adopt a resolution to amend the Interim Sewer Capacity Allocation Program to allow the City to exempt any existing project from the limitations set in the ISCAP where the City has undertaken financial and/or contractual arrangements that necessitate or require, in the City's judgment, approvals over the cap set forth in the ISCAP.

Approval for Sewer Allocation for Gateway Crossing

Action: On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember C. N. Moller, the Mayor and City Council unanimously agreed by voice vote of all members present to, as permitted by the amended Interim Sewer Capacity Allocation Program, to authorize staff to grant sewer allocation above the 40 unit per year cap for Gateway Crossing since the City of Hagerstown has demonstrated financial and/or contractual arrangements with the Hagerstown Housing Authority on this project as evidenced by the Mayor and City Council's May 22, 2001 resolution to provide \$ 1,500,000 of CDBG funding for the project, to donate Elgin Park to the project, and to waive building permit fees for the project.

Community Development Block Grant FY 2005-2009 Consolidated Plan

Lauren Bayer, Community Development Department Manager, stated a proposed Five Year Consolidated Plan for the period of FY 2005-2009 and the Annual Action Plan for the FY 2005 program has been prepared. The Five Year Plan outlines housing and non-housing needs and priorities over the next five years. The Annual Plan for FY 2005 outlines how the City intends to expend \$ 2,945,665 in federal Community Development Block Grant (CDBG) funds. In accordance with Federal regulations at 24 CFR, Part 91, the City of Hagerstown is required to prepare and submit a Five Year Consolidated Plan and an Annual Action Plan for its Housing and Community Development Programs.

The Consolidated Plan contains the following major components:

1. Identification of housing and non-housing community development needs and

- priorities over the next five years within the City.
2. Identification of Federal and non-federal resources reasonably expected to be made available during the program year to undertake activities identified in the proposed Five Year Consolidated Plan.
 3. A list of activities to be undertaken during the program year to address community development and housing needs including the geographic distribution of activities to be completed.
 4. Identification of homeless and special needs priorities over the next five years as well as activities to be undertaken during the 2005 annual program period to address those needs.

Testimony:

There was no public comment presented.

The hearing was closed at 7:11 p.m. The Plan is open for public inspection and comments will be received until May 27, 2005.

Community Development Block Grant Program - Proposed Annual Action Plan for FY 2005/2006

Mr. Bayer indicated total funding requests were submitted in the amount of \$ 4,305,789. The amount available is \$ 2,945,665. Sixty requests for assistance were received. Only forty were funded. He indicated a significant reduction in grant entitlement amounts is expected. Support will continue to be provided to non-profit organizations that provide assistance to low and moderate income people. Workforce Housing and Neighborhood Revitalization is included in this year's plan.

The Plan is open for public inspection and comments will be received until May 27, 2005.

Testimony:

It was noted Doug Wright presented his comments earlier supporting funding for Holly Place.

David Jordan, Community Action Council, 101 Summit Avenue, Hagerstown, Maryland, thanked the Mayor and City Council for their continued support. The funding provided has allowed CAC to provide housing counseling, crisis intervention programs, and food for children in summer park programs.

Robin Roberson, Community Free Clinic, Mill Street, Hagerstown, Maryland, stated the funding provided by the City of Hagerstown has supported the laboratory. She indicated the Clinic has increased the number of people they serve since they moved to the new location.

There was no further testimony. The hearing was closed at 7:19 p.m.

FY 2005/2006 Proposed Budget

A Public Hearing was held to discuss the proposed budget for the fiscal year 2005-2006. The total of the proposed budget is \$ 107,719,068.

Alfred Martin, Finance Director, stated new money in the general fund budget is coming from property tax revenues, State Highway User Revenues, State Income Taxes, Licenses and Permits, Refuse Collection Fees and other revenues. Expenditures include wages and benefits, economic incentives, debt service, capital expenditures, maintenance and repairs and material/supplies/utilities. The Constant Yield Tax Rate has been established at \$.742 as the rate to keep the income amount level. Each penny on the tax rate equals \$ 217,935.

People have expressed concern about affordability for property in the City. Mr. Martin stated there are tax credit programs available for homeowners. Copies of the forms are available at City Hall. There is also a program for a renter's tax credit. These forms are also available at City Hall.

Councilmember Hendershot asked if the City could prepare a brochure to help citizens understand the tax credit program. People are afraid they will lose their homes as assessments increase. Mr. Martin stated a credit on City taxes is included in the credit that is given on the State and County tax bill. He stated he is willing to help people if they have trouble with the forms.

Testimony:

Terry Trovinger, Community Rescue Service (CRS), 110 Eastern Boulevard, Hagerstown, Maryland, stated CRS operates on a \$ 2.1 million dollar budget of which the City of Hagerstown contributes 3%. It is now the norm to pay medics. CRS operates 3 medic units, staffed by 2 paid medics each, 24 hours per day. CRS bills Medicaid, Medicare, private insurance companies and patients for transports to the hospital. An average bill from CRS is \$ 520, but reimbursements received amount to an average of \$ 225. Only 16% of residents respond to the Fund Raising Subscription Drive and only 8% respond from businesses. CRS averages 23 emergency calls every day, about one every hour 365 days a year. Approximately 60% of emergency calls are within City limits. Conservatively, 30% of calls within City limits are not reimbursed to CRS. This means that every day of the year CRS runs approximately 13 calls within the City and they receive no compensation for three of those calls. Annualized, this results in CRS not receiving payment of \$ 246,375 for 911 calls within the City of Hagerstown. CRS's territory is growing,

but the number of volunteers isn't. New funding sources must be found. Every afternoon, they provide assistance with placing of child safety seats. Mr. Trovinger asked the Mayor and City Council to please consider increasing the annual donation to CRS.

Councilmember Hendershot stated when calls are not reimbursed, it is a tremendous strain on CRS. He stated he can't tell you how critical this is to Washington County. He hopes that there will some kind of fire and rescue tax/fee implemented soon. He urged his fellow Councilmembers to consider increasing the donation to CRS.

There was no further testimony.

The hearing was closed at 7:55 p.m.

FY 2005/2006 Proposed Real Property Tax Increase

A Public Hearing was held on the proposed real property tax rate increase. The City of Hagerstown is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Hagerstown proposes to adopt a real property tax rate of \$0.798 per \$100 of assessment. This tax rate is 7.5% higher than the constant yield tax rate and will generate \$ 911,660 in additional property tax revenues. The Constant Yield Tax Rate is \$0.742 per \$100 of assessment.

Testimony:

Howard Mendlesohn, 961 View Street, Hagerstown, Maryland, stated the recent increase in property assessments is staggering. The average increase is 36% over the next three years. He stated with increases in taxes and gasoline costs, people on fixed incomes will suffer. He suggested spreading the need for additional revenues over other areas as well as property taxes. He asked the Mayor and City Council to consider adopting a tax rate closer to the Constant Yield Tax Rate.

Edward Kendle, 315 Key Avenue, Hagerstown, Maryland, stated he has been in his present home since 1960. He agreed with Mr. Mendlesohn's comments. He asked the Mayor and City Council to try to balance the budget without the tax rate increase above the Constant Yield Tax Rate. His income is not increasing at the same rate that prices are increasing. He is concerned that people will not be able to afford living in Hagerstown.

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There was no further testimony. The hearing was closed at 8:03 p.m.

There being no further business to come before the Mayor and City Council, on a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember C. N. Moller, the meeting was adjourned at 8:04 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: May 24, 2005