

WORK SESSION AND 21ST SPECIAL SESSION – May 11, 2010

Mayor R. E. Bruchey, II called this Work Session and 21st Special Session of the Mayor and City Council to order at 4:08 p.m., Tuesday, May 11, 2010, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers W. M. Breichner, M. E. Brubaker, F. W. Easton, A. C. Haywood, L. C. Metzner; City Administrator Bruce Zimmerman, City Attorney John Urner and D. K. Spickler, City Clerk.

Senate Bill 350/Split Boundary Parcels – Potential Annexations

Kathleen Maher, Planning Director, Stuart Bass, Comprehensive Planner, and Alex Rohrbaugh, Senior Planner, were present to discuss recent legislation adopted by the State of Maryland. The State recently adopted a law that will allow municipalities to annex split parcels; that is a property where the municipal boundary passes through and only a portion is within the City limits. This can be accomplished without having to receive the permission of the property owners or the registered voters on the properties. This law went into effect on October 1, 2009 and sunsets on September 30, 2011. The new legislation sets up a two year window of opportunity for municipalities to annex split-boundary properties. The law states that eligible properties are ones that are less than 5 acres and that the total area of such parcels to be annexed must not exceed 25 acres.

Staff researched what the impact of annexing split-boundary parcels would have on existing City operations and on the affected property owners. Eighty separate parcels were identified which would be eligible for partial parcel annexation. Information gathered included utilities, police and fire services, trash collection, and presence of curb and sidewalk.

City services are currently an assorted mix, with no real discernable logic as to the methodology. The exception is the Fire Department, which is already serving every parcel. Tax collections are also a mix. Some properties are being fully taxed, some partially, and some not at all. At the current tax rate, the new revenue generated if all 80 parcels were annexed would total an estimated \$ 54,176.78 per year. Such annexations could also better position the City for future annexations where these parcels could potentially create enclave blockades.

The survey work necessary to “correct” the boundary would require an outside company to undertake survey work to alter the corporate boundary. A local firm provided a “ballpark” estimate of \$ 125,000 for all 180 parcels.

This legislation presents the City of Hagerstown with an opportunity to “clean up” the municipal boundary, provide a more efficient delivery of services, capture additional tax revenue for the City, and position the City better for future annexations of outlying parcels.

Councilmember Metzner wondered how these property owners are treated with the tax differential. If they are receiving the differential, they should be annexed. Councilmember Brubaker stated it is not logical to have split properties. On general principles, they should be annexed.

Councilmember Haywood realizes the owner's consent is not needed to annex the property but it would be good to have a discussion with the property owners to explain the benefits of being annexed into the City. Councilmember Easton stated the discussion should include how their expenses will change.

Ms. Maher indicated there would be a public hearing prior to annexing the properties as well.

There was some discussion about the cost of providing services without receiving anything in return, i. e. tax revenue.

It was the general consensus to move forward with split boundary annexation.

Mr. Urner then left the meeting.

Historic District Commission Review of Replacement Windows

Kathleen Maher, Planning Director, provided additional information regarding guidelines for replacement windows.

On February 23, 2010, the Mayor and City Council adopted the Historic District Commission's (HDC) Design Review Guidelines with the following amendment affecting replacement windows:

Aluminum- and vinyl-clad products are generally not considered compatible, and should only be used if the cost of better windows prohibits or restricts an important rehabilitation project. Even then, these materials should only be considered on rear and other facades not visible from public ways. While it is preferred to retain or replace-in-kind historic windows on front and other facades visible from a public way, **aluminum- and vinyl-clad products** may be considered if the new window replicates the appearance of the original window in design and in the width and depth of individual window elements.

On April 22, 2010, the HDC re-reviewed Mr. Hammond's proposal to replace all the wood windows on the side and rear facades of his apartment building at 915 Hamilton Boulevard with new vinyl windows. In the parlance of the industry, a "vinyl" replacement window is one that is all vinyl and a "vinyl-clad" window is one that has vinyl on the exterior attached to a wood interior. Because Mr. Hammond was not proposing a "vinyl-clad" window, as allowed for in the Design Review Guidelines, his application was denied.

Last week, Ms. Maher met with Dan Dopson at Hagerstown Paint and Glass to gain a better understanding of the non-wood replacement products on the market and the differences between the options. According to Mr. Dopson, the most accurate in terms of reproducing the historic character of old windows are “aluminum-clad” replacement windows. The “vinyl,” “vinyl-clad,” and “fiberglass” replacement windows are less realistic in their portrayal of the historic appearance. Typically, there is a 20 year warranty offered for aluminum-clad windows, vinyl-clad windows, and, when in an owner-occupied setting, vinyl windows; and a 10 year warranty for fiberglass windows and, when in a commercial setting (including multi-family), vinyl windows. Mr. Dopson stated that, from the exterior, “vinyl” and “vinyl-clad” replacement windows are identical in appearance.

Because there are various non-wood replacement window products on the market and likely to be more over time, staff would recommend that the HDC’s guidelines be amended again to more broadly identify “non-wood replacement products” rather than the narrower identification of “aluminum- and vinyl-clad products.” Also, have the last sentence end with “to a satisfactory degree given the visibility of the details of the windows from a public way.” This would allow the HDC to consider alternative replacement window products, while determining whether the proposed product replicates the appearance of the original window given the visibility of the windows in each application. If the Mayor and Council favor this proposal, the amended text could be adopted at the May 25, 2010 meeting.

The proposed revision would allow the HDC to reconsider Mr. Hammond’s “vinyl” window application, but the test of whether his product would replicate the appearance of the historic windows given the visibility of the setting would remain to be determined. An aspect of consideration with Mr. Hammond’s case would be visibility of details, since the existing historic windows are covered with storm windows and the first window on each side of the building is approximately 60 feet from the sidewalk.

Councilmember Haywood stated the language creates confusion about whether or not the windows on the front of the building can be replaced with vinyl-clad windows. She expressed her concern and frustration that Mr. Hammond has been battling this paragraph since she has been in office. She understands the return on investment for vinyl-clad windows is not good. She is concerned that these cases are reviewed subjectively. She suggested revising the language to be as simple and straight forward as possible, such as:

“Non-wood replace products should only be used if the cost of better windows hinders or restricts rehabilitation projects. “While it is preferred to retain or replace in kind historic windows on front and other facades visible from a public way, non-wood replacement products may be considered if the new window replicates the original window in design and width and depth of the original window.”

Ms. Maher indicated one of the concerns is that the window starts to degrade when you get into the muttons and in-between the glass.

Councilmember Metzner thought the guidelines would allow repairs to the building but retain the original look. The language should read “if it looks right on the front, it’s allowed.” He suggested a separate paragraph for what is allowed in the rear of the building.

Councilmember Brubaker stated windows are a recognized historic piece of the property. He stated there should be proof that the replacement is significantly better than the original.

Councilmember Easton stated he is in favor of whatever is the least restrictive for the property owner. He is supportive of replacement windows on the front of the building as well.

A draft of revised language will be presented for the Mayor and Council’s review prior to the May 25, 2010 voting session.

Revisions to Chapter 213 of the City Code Stormwater Management

Rodney Tissue, City Engineer, and Jim Bender, Assistant City Engineer, were present to provide additional information regarding State-mandated changes to the City’s Stormwater Management Ordinance. In March 2010, staff made a presentation to the Council regarding the changes and the Council introduced a new ordinance at that time. However, the Council indicated to Staff that they wanted to delay further action until the Maryland General Assembly session was completed to see if any bills or regulations were passed that would change the stormwater management requirements. On April 7, 2010, the General Assembly’s Administrative, Executive, and Legislative Review Committee approved Emergency Regulations that provided some relief from certain provisions of the new regulations. Staff incorporated these Emergency Regulation provisions in a revised draft ordinance, and submitted the revised draft to the Maryland Department of the Environment (MDE) for review. The draft was also posted on the City’s website to solicit comments from stakeholders. On May 3, 2010, MDE transmitted a letter to the City indicating that they had approved the City’s draft ordinance.

The purpose of the new stormwater regulations is to achieve the goals of the Stormwater Management Act of 2007. Even though the stormwater regulations that have been in place since the year 2000 have helped to improve water quality of the State’s waterways, it was determined that they haven’t done enough to protect our waterways and the Chesapeake Bay. Staff also believes that the new regulations are the State’s first step toward compliance with upcoming Federal (EPA) limits on allowable pollutant loadings in streams and rivers. If successful, the new regulations will help to minimize the impact of new development on water resources through the state.

The discussions during the General Assembly session, and the approved Emergency Regulations, did not change any of the technical requirements of the ordinance that the Council reviewed in March. However, they did include provisions in two key areas:

1. Grandfathers: the original MDE regulations stated that any project that did not have final approval of their stormwater plan and their erosion & sediment control plan by May 4, 2010 would have to be redesigned to meet the new regulations. This meant that future phases of larger, multi-phase development projects might have to be redesigned. The Emergency Regulations now allow the City to “grandfather” these types of projects under the old stormwater regulations, as long as they have received at least conceptual approval from the City, and they obtain final approval by May 4, 2013. Staff is establishing an “Administrative Waiver” process to track projects eligible for grandfathering.
2. Redevelopment: the original MDE regulations required projects seeking “redevelopment” status to reduce the amount of impervious surface on their property by 50% or to provide facilities that would provide stormwater management equivalent to a 50% reduction. This was a significant increase over the 20% impervious surface reduction required by the current regulations. While the Emergency Regulations did not change the 50% requirements, they did identify some programs or policies that the City can develop that will allow more flexibility in applying stormwater requirements on redevelopment projects. Staff plans to investigate these programs and policies, and will bring any such proposed policies to the Council for their consideration.

As staff pointed out in March, compliance with the new regulations will place a greater financial burden on developers. Projects will have to be designed more carefully to incorporate the “Environmental Site Design” (ESD) criteria in the new regulations, and a greater emphasis will be placed on identifying and preserving natural features on sites that provide environmental/water quality benefits. In most cases, the regulations will also require developers to go through an additional step in the process of obtaining approval for their projects; these additional reviews will subject developers to additional costs, and will likely delay the approval process.

Staff still feels that the increase requirements for stormwater management on redevelopment projects will be one of the biggest challenges presented by the new regulations. Unless the City actively develops policies mentioned in Item #2 above, the regulations may conflict with established Smart Growth practices in the State. Staff will work to develop policies that mitigate the impact of the regulations on redevelopment projects, it will still be a challenge to realize economic development goals and comply with ESD requirements at the same time.

The new regulations will also place a greater burden on Staff. The additional plan review/approval cycles will require additional time and resources. Implementation of ESD will result in a significant increase in the number of stormwater facilities that must

be inspected and tracked by city staff; based upon the track record of private developers maintaining their stormwater facilities, staff anticipates that additional facilities will mean additional violations that must be resolved.

The Washington County Commissioners have held a public hearing on the ordinance, which includes a grading policy. Testimony was presented about the grading portion (required for the County, not the City) .

Mr. Bender indicated the Engineering Staff has provided this information to engineers and contractors they deal with on a regular basis. There has been minimal feedback presented. He indicated there is some flexibility in the ordinance for small diversions (for example a parking space on a lot).

With the new ordinance, there will be fewer stormwater ponds and more rain barrels and rain gardens. The State will approve stormwater draining designs. The State manual will be the guidelines. It will be the responsibility of the locality to provide inspections of the system. Staff is working on ideas for implementing this segment of the ordinance.

It was the general consensus to include introduction of the stormwater management ordinance on the May 25, 2010 agenda.

Hamilton Hotel APFO Waiver Request

Kathleen Maher, Planning Director, was present to discuss a waiver from the Adequate Public Facilities Ordinance (APFO) for a project at the old Hamilton Hotel, 90-96 W. Washington Street. On April 27, 2010, the Mayor and City Council tabled action on this request. The motion was tabled when it became clear the vote would stalemate at 2-2. The action was tabled until all Council members could be present and to allow for another discussion, if so desired, by the Mayor and City Council.

As stated in the past, if the APFO waiver is granted, the project will be built to comply with the proposal presented in their APFO waiver request:

1. The residential units will be built to comply with the PEP standards for amenities and minimum square footages; and
2. The project will be subdivided into individual condominium units to allow for sale and to create additional tax revenue for the City.

Councilmember Metzner suspects the decision of the Mayor and Council would be the same if the request was for creating apartments rather than condos.

Councilmember Breichner stated there are a number of large buildings with no parking available. He stated in order to rehabilitate these buildings, parking will have to be considered. He suggested looking at the possibility of building another parking deck.

Ms. Maher stated a comparable comparison to this project would be the rehabilitation of the Darby building on East Antietam Street.

Councilmember Metzner is concerned that this may turn into another use like the Dagmar.

Councilmember Haywood stated she, as a young professional, would be willing to walk a block to her residence. The City needs to do anything it can to be positive and encouraging and to support downtown activity. This request is a good match for the PEP program.

Councilmember Brubaker pointed out this developer has met the requirements of parking and other items. He stated the City asked the Washington County Commissioners to exempt this project from the APFO, which they did.

Councilmember Breichner stated this property owner has a number of properties downtown for which nothing is happening. He would like to see what the owner can do to complete the projects.

Councilmember Haywood asked why the City would consider discouraging any development downtown.

Councilmember Easton recognizes the concerns of Councilmember Breichner and Councilmember Metzner. He asked what happens if no decision is made regarding the project. He believes the Mayor and Council have to take a chance on this project.

Mayor Bruchey stated a vote will be scheduled for the May 25, 2010 meeting.

Mayor and Council Review of the 2010/11 Proposed Budget

Alfred Martin, Finance Director, was present to discuss budget modifications that have been agreed to as of the budget review session on Saturday, May 1, 2010. The expenditure numbers by fund in the column titled "Revised to Date by Mayor and Council" reflect the modifications that have been agreed upon. The modifications cover the next budget year and show the fiscal impact (if any) on the following year.

Mr. Martin then reviewed Section 9, User Fee Schedules with the Mayor and City Council. There are only minor changes in a few of the fees for the City Clerk, Engineering and Code, Parking and Water and Wastewater. The water and wastewater rates simply reflect the previously approved rate increases from last September. For parking, there will be a few minor adjustments in rates which will simplify the rate structure. The amendments will be scheduled for approval at the May 25, 2010 regular meeting. Other items are either set by administrative order or will be brought to the Mayor and Council for consideration at a future date.

Larry Bayer, Director of Community Development, distributed information that was being circulated by email earlier today regarding the Home Store funding. The flyer indicated that City funding for the Home Store in the coming year is being reduced to an unacceptable level.

Mr. Bayer provided a memo that responded to the points made in the flyer. He stated it is correct that CDBG proposed funding is less than last year, by a total of \$ 35,000. The proposed use of CDBG funds does not include any funding for Fair Housing and the amount budgeted for their down payment program was reduced by \$ 10,000 over the amount they are budgeted for this year, but only \$ 5,000 less than their request for the upcoming fiscal year. For the coming fiscal year, the proposed total funding, as modified by the Mayor and Council, is \$ 50,000 for Home Store administration and \$ 35,000 for down payment assistance. This is \$ 35,000 less than this year, but \$ 70,000 less than applied for.

For many years, the City has met its need to provide Fair Housing services by providing funding to the Home Store. Mr. Bayer informed the Mayor and Council they may hear that other block grant departments work with a smaller staff. These departments generally utilize the funding for administration. The City's program funds 36 activities, with a focus on rehabilitation.

Councilmember Haywood expressed her disappointment with the flyer that is being circulated. The Mayor and Council have a responsibility to the taxpayers to be honest and this flyer does not properly communicate the facts.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember M. E. Brubaker had no additional comments.

Councilmember W. M. Breichner had no additional comments.

Councilmember L. C. Metzner congratulated everyone who was recognized during the Police Awards ceremony.

Councilmember A. C. Haywood thanked the Town of Boonsboro for hosting Green Fest. She thanked the students from Bester Elementary who helped with the Community Garden planting. She announced that Keller Williams Realty has raised \$ 500.00 toward support of the garden.

Councilmember F. Easton had no additional comments.

Mayor R. E. Bruchey, II expressed condolences to the family of Charles Flook, retired fire department employee. He thanked everyone involved with the grand opening celebration of the Community Garden. The students from Bester Elementary were a nice addition to the festivities. He also thanked everyone for their help with Arbor Day. He urged everyone to make plans to attend the first Taste of the Arts, scheduled for May 13, 2010.

This portion of the meeting was adjourned at 5:58 p.m.

21ST SPECIAL SESSION – May 11, 2010

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed to hold a special session on Tuesday, May 11, 2010 at 7:04 p.m.

Public Hearings

Community Development Block Grant Proposed Consolidation Plan for FY 2010-2015 and Proposed Annual Action Plan for FY 2010-2011

The City of Hagerstown has prepared a Proposed Consolidated Plan and Proposed Annual Action Plan (AAP) and will be applying for a FY 2010/11 CDBG Entitlement Grant from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$ 1,004,945. In addition to the CDBG grant, the City anticipates reviewing \$ 376,056 in unspent funds to be carried over from FY 09/10 for a total FY 10/11 budget of \$ 1,890,970.

The Proposed Consolidated plan and AAP were on display for a least 30 days beginning on April 29, 2010 at the Community Development Department in City Hall and at the Washington County Free Library.

The following testimony was presented:

Sharon Disque, 21 E. Franklin Street, Hagerstown, Maryland, Executive Director of Hagerstown Neighborhood Development Partnership (HNDP), suggested that, in the future, the plan also be posted on the City's website. She stated the budget should reflect the priorities in the Comprehensive Plan, such as the Home Store. She stated all HUD activities should be examined in the coming year. HUD allocations make a bigger difference now than ever before.

Rev. Michael Hydes, 40 W. Church Street, Hagerstown, Maryland, Food and Friends, asked the Mayor and Council to consider funding a portion of their program. They provide food for families dealing with the effects of HIV and Aids.

The following testimony was presented concerning the Community Development Block Grant budget:

John Menard, 21 E. Franklin Street, Hagerstown, Maryland, is a member of the HNBP board and a former member of the Home Store board. He thanked the Mayor and Council for their past support of \$ 50,000.00. He stated fair housing counseling is important to the community and should not be eliminated, especially for first time buyers. During the last three years, the Home Store has counseled more than 2,400 clients, about 85% of those were purchasing homes in the City limits or were City residents. He asked the Mayor and Council to consider restoring full funding to the Home Store.

Councilmember Metzner stated fair housing counseling is not being eliminated. This service will be provided by Community Development staff.

Councilmember Haywood stated a large portion of the requested funding for the Home Store is included in the budget.

Sharon Disque stated that for every \$ 1 from the City, the Home Store receives \$ 2 from other sources. HNBP is a HUD approved housing counseling agency. The training requirements are extensive. She doesn't understand how the City can develop its own program with the extensive requirements. It does not make sense for the City to do this.

Councilmember Haywood clarified that fair housing is classified as public service activities. Other activities that are being funded are senior living alternatives, community free clinic, Girls, Inc., Children in Need summer camp, and Neighborhoods 1st. No one can argue that these are not worthy of the funding.

Ms. Disque stated she would not argue that point, but these services could be funded by health and well being funds. They don't need to be funded with housing and urban development money. She stated the City's administration costs have increased. If more money is spent on administration, revenue from other sources will decrease.

Joe Marschner, 522 Summit Avenue, Hagerstown, Maryland, has been a City resident for 35 years and is a charter member of the Neighborhoods 1st group Historic City Park. He is serving on the HNBP board. He spoke in support of restoring fair housing dollars to the Home Store budget. Hagerstown is losing value and the housing counseling is vital to turn this around. Counseling helps to mitigate foreclosures. He thanked the Mayor and Council for restoring the proposed \$ 50,000.00 to the Home Store. He asked them to restore funding for HNBP's fair housing activities.

Kathleen Rylander, 621 Palm Beach Drive, Hagerstown, Maryland, asked the Mayor and Council to reinstate the Home Store's request for additional funding. This would keep investment in the City.

Joe Kuhna, 191 Brynwood Street, Hagerstown, Maryland, supports the funding for the Home Store. The results of the Home Store show successful homeownership activities.

HNDP's counseling and down payment counseling program has helped many homeowners. He mentioned that the only public service agency that was not funded is HNDP.

Nancy Allen, 924 Oak Hill Avenue, Hagerstown, Maryland, spoke on behalf of Pen Mar Regional Association of Realtors. The Association requests that the \$ 65,000 for the Home Store be restored in the budget. The Home Store provides a foreclosure prevention program. They have worked with many homebuyers who have benefited from the one-on-one counseling. She is concerned that the City anticipates maintaining this type of educational program in-house. The Home Store program has been developed with FHA guidelines specific to real problems that are facing homeowners. She stated restoring the funding would not cost the City anything because the money is from HUD. She urged the Mayor and Council to leave housing counseling to the professionals who have fine tuned the program. The way to prevent foreclosure is through education.

Janet Bartels, 139 S. Mulberry Street, Hagerstown, Maryland, thanked the Mayor and Council for restoring funding for the CSafe program. She urged the Mayor and Council to keep the housing counseling in place by funding the program through the Home Store. Residents of the City need this service more than ever. The City should not add more responsibilities for staff by taking on the counseling program. There is already a program in place and it should remain intact.

Councilmember Haywood clarified that the City would not be creating its own fair housing program. CDBG entitlements require allocations toward fair housing activities and the remaining funding for the Home Store satisfies those requirements.

Pastor Stephen Robison, 867 Dewey Avenue, Hagerstown, Maryland, is the pastor at Otterbein United Methodist Church and is a board member of HNDP. He understands the fair housing line item for the Home Store is not being funded. This is where the counseling and similar activities originate. He was born in and grew up in Hagerstown. He is proud to be a part of the community. It was through wise counseling that he was able to secure a mortgage for his own home. Being a homeowner builds pride for people. He asked that full funding be restored.

Joe Marschner questioned the amount of general fund money proposed for activities that could be funded through Community Development monies. Mayor Bruchey pointed out there is \$ 50,000 in general fund money.

Mr. Bayer indicated it is not staff's intention to start a City counseling program. What is being proposed is to assume the responsibilities for meeting the fair housing requirements.

Councilmember Metzner stated it is true that Community Development does not directly cost City taxpayers. However, six groups were funded with the CDBG money. If the funding is restored to the Home Store, another agency would have to be removed from the budget. There is only so much money to go around. He asked his fellow

Councilmembers to reinstate the \$ 5,000 to Food and Friends, which provides food for people. He stated the Home Store does good work but full funding isn't possible this year.

Sharon Disque stated the Home Store has never received the full amount of their funding request. Funding for several activities was increased from last year's proposal. HUD is stated as a priority in the City's consolidated plan. The Home Store is not eligible to apply for grants from the Health and Human Services but some of the other agencies are. She suggested reducing funding to some of the other agencies who would be eligible to apply for other grants. The money from HUD should be used for the priorities established in the Consolidated Plan. She stated an audit showed that the Home Store was owed \$ 50,000 from the City from the last budget year.

Mayor Bruchey pointed out that when a house is purchased, it benefits all of Washington County, through County taxes and recordation taxes. If the house is in the City, the only revenue received by the City is taxes. He suggested that the Home Store approach the County Commissioners and request additional funding. Ms. Disque stated the City receives more funding because of its demographics. The County only receives \$ 1,000,000. Mayor Bruchey stated if the City received a portion of the transfer tax and recordation tax, he would be supportive of considering additional funding for the housing counseling.

Ms. Disque stated reports of activities for the Home Store are reported to HUD and the City each month. They are serving the community.

Ms. Allen stated the Home Store is a vital part of services to homebuyers. This is a cost effective program that benefits the City. If property values decline, it hurts everyone. Anything that helps potential homeowners make good choices is beneficial to the whole City.

There was no further testimony presented. The hearing was closed at 8:06 p.m. The record will remain open until May 31, 2010 for additional comments.

FY 2010/2011 Proposed Real Property Tax Rate

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 \$0.788 per \$100 of assessment. This tax rate is 6.3% higher than the constant yield tax rate and will generate \$ 1,337,002 in additional property tax revenues. The Constant Yield Tax Rate is \$0.7412 per \$100 of assessment. Alfred Martin, Finance Director, indicated overall revenue is down, due to the effects of the economy and decreases in state revenues. The overall tax rate is proposed to remain the same.

There was no testimony presented.

The hearing was closed at 8:11 p.m. The record will remain open for 10 days for additional comment.

FY 2010/2011 Proposed Budget

A Public Hearing was held to discuss the proposed budget for the fiscal year 2010-2011. The total of the proposed budget is \$ 134,865,860.

Alfred Martin, Finance Director, stated money in the general fund budget is received 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 following testimony was presented:

Gordon Bartels, 139 S. Mulberry Street, Hagerstown, Maryland thanked the Mayor and Council for restoring most of the funding request for the CSafe program. The after school program operated through CSafe is one of the best he has seen. A garden was started with the participants in the program, which has been successful. Gardens are now in place at Memorial Recreation and at Girls, Inc.

Joe Marschner, 522 Summit Avenue, Hagerstown, Maryland, again thanked the Mayor and Council for the \$ 50,000 that is in the proposed budget for the Home Store. He asked them to consider providing the additional funding, as was requested earlier.

Sharon Disque, 21 E. Franklin Street, Hagerstown, Maryland, Executive Director of HNBP, agreed with Mr. Marschner. She asked the Mayor and Council to reconsider their decision to reduce funding to the Home Store.

There was no further testimony presented. The hearing was closed at 8:19 p.m. The record will remain open until May 25, 2010 for additional comments.

Introduction of an Ordinance: Tax Rates Beginning July 1, 2010

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember W. M. Breichner, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to consider establishing the City's tax rates for the levy year July 1, 2010 through June 30, 2011 on the basis of \$0.788 per \$ 100 of assessed value of all real property and \$ 1.97 per \$ 100 of assessed value of all business personal property within the City of Hagerstown. These rates are the same as the current year.

The County is proposing a tax rate differential of \$0.125 per \$ 100 of assessed value for County real estate taxes within the City in lieu of a

payment in lieu of services to the City. The City is electing not to increase the City tax rate to make up for this lost revenue.

As a result, City taxpayers will see their overall real estate tax rates for City, County and State taxes reduced by 6.8% for the next fiscal year.

Discussion: Councilmember Easton is glad this Council and City staff did not increase taxes to offset the change in the tax differential. He thanked the County Commissioners for changing the tax differential and giving it back to the taxpayers.

Introduction of an Ordinance: Budget FY 2010-2011

Action: On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember W. M. Breichner, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to adopt the budget for fiscal year July 1, 2010 through June 30, 2011 in the total amount of \$ 134,800,360.

There being no further business to come before the Mayor and Council, on a motion duly made, seconded and passed, the meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Donna K. Spickler, City Clerk

Approved: June 22, 2010