

EXECUTIVE SESSION AND WORK SESSION – January 12, 2016

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On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in closed session to obtain legal advice, #7 (Section 3-305(b)) on Tuesday, January 12, 2016 at 4:04 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland. The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, City Administrator Valerie Means, City Attorney Mark Boyer, Paul Rose, Miles and Stockbridge, Michael Spiker, Director of Utilities, Michelle Hepburn, Director of Finance, Karen Paulson, Director of Human Resources, Scott Nicewarner, Director of Information Technology and Support Services, Kathleen Maher, Director of Planning, Fire Chief Steve Lohr, and D. K. Spickler, City Clerk.

Councilmember P. M. Nigh was not present.

The meeting was held to discuss the status of the MELP property, an update of the union lawsuit, and pending litigation. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the Executive Session was adjourned at 4:49 p.m.

WORK SESSION – January 12, 2016

Mayor D. S. Gysberts called this Work Session and Executive Session of the Mayor and Council to order at 5:05 p.m., Tuesday, January 12, 2016, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, and D. F. Munson, City Administrator Valerie Means, and City Clerk D. K. Spickler.

Councilmember P. M. Nigh was not present at the meeting.

State of Homelessness Report 2016 – Washington County Homeless Coalition

Jill Frick, Director, Department of Community and Economic Development, Jodie Ostoich, Executive Director of Reach of Washington County and Chair of the Homeless Coalition, and Geordie Newman, CEO of Washington County Community Action Council (CAC), were present to discuss the State of Homelessness Report for 2016. This first annual report represents an effort to foster data driven and strategic approaches, as well as to educate the broader community on issues related to homelessness in Washington County. The report provides baseline data on persons experiencing homelessness, information on resources available to address community needs, an assessment of gaps and barriers to housing and services, and identify possible solutions.

Ms. Ostoich stated it is difficult to determine an exact number of homeless persons because there are many different definitions of homelessness. The HUD definition includes the following factors: literally homeless, imminent risk of becoming homeless, persistent housing instability (moved 2 or more times in the last 60 days), and fleeing domestic violence. The McKinney-Vento definition is more liberal in terms of defining homelessness. The Youth Reach MD also defines a homeless person as someone ages 14 to 24, not living with a parent or guardian. Washington County has been selected as a pilot community for the Youth Reach MD efforts.

Councilmember Brubaker pointed out many 18 year olds can live independently.

A homeless count is taken once per year, and does not include families living in hotels unless it is paid for by a church or service organization. People utilizing the services of CASA, the Rescue Mission, and the Interfaith Service Coalition are not included in the count. Homeless service providers participating in the count are CAC, the Reach shelter, St. John's shelter, Salvation Army, Turning Point, Valor Ministries, the Mental Health Authority, Potomac Case Management, Department of Social Services, Way Station, and agencies collaboratively funded through the United Way.

Mr. Newman indicated a consultant has been hired to address program inconsistencies. The group is moving forward with data collection and the results will be extremely comprehensive.

Ms. Ostoich noted that a majority (60%) of those included in the count are Washington County residents. Residency is determined by the location of the last permanent address, according to HMIS residency records.

Councilmember Metzner does not think someone released from the Maryland Correctional Institute who stays in the area and claims his last residence was in Washington County should be considered a County resident. He would find it more interesting to have information regarding the length of residency in Washington County. Mr. Newman indicated the count does not include those people institutionalized, unless their last address was in Washington County.

Councilmember Aleshire stated he does not think someone who "graduates" from a social service facility, i.e. the Wells House, and stays in the community should be considered a Washington County resident.

Ms. Ostoich stated the point in time survey completed in 2013 shows Washington County had a lower rate of homeless population than the national and state average.

There are a variety of reasons people become homeless, including loss of income or insufficient income, disability or health condition, loss of housing or substandard housing, and domestic violence. A majority of clients at emergency shelters are between the ages of 31 to 50, white, and female adults. Demographic data indicates a higher

percentage of male children than female children in families who are clients at emergency shelters.

It was pointed out that this is a county wide problem, and that every school in the county will have one of these students at some point during the year. Mr. Newman stated some of the families are living at hotels. It is difficult for students to complete their homework and prepare for the next day when they don't know where they will be spending the night.

Ms. Ostoich stated some homeless persons are not eligible for services because they are too young. These unaccompanied youth are vulnerable to exploitation.

Diana Fulchiron, Grants Manager of CAC, stated youth over 14 and under 24 who don't have a fixed night time address are considered homeless. If this group maintains homelessness, it can develop into a lifetime of homelessness. Delegate Washington has asked Washington County to participate in the count for this age group as a pilot. When the full information is available, it will be provided to the Governor's office. The Governor's office is looking at ways to target and assist this particular population. In order to determine the number of homeless in this group, surveys and flyers were distributed to students who were already identified in the school system as being homeless.

In 2015, there were only 29 permanent supportive housing locations for families, which is not enough. There are not enough emergency shelters for families. Housing authorities have closed their waiting lists. Ms. Ostoich noted that the number of individuals served has decreased, but the number of bed nights has increased.

Permanent Supportive Housing has been provided by the CAC, the Washington County Mental Health Authority, and the Washington County Department of Social Services. The housing provided through CAC for this program was formerly located at the Dagmar Hotel. Housing provided by the Washington County Mental Health Authority, and the Washington County Department of Social Services is at scattered locations throughout Washington County.

Councilmember Aleshire inquired if people with addictions are eligible for this program. Mr. Newman indicated they are. Ms. Ostoich is looking forward to addressing the lack of housing for these people during and is looking forward to the housing summit that is being planned. Instead of making people prove they are worthy of housing, these programs place people in housing first and then provide them with assistance to not be homeless. This effort needs a champion and many people to make it successful.

Mayor Gysberts thinks eventually the costs of homelessness will decrease by reducing the number of people needing assistance.

Ms. Ostoich stated the Coalition is looking for collaboration with the City of Hagerstown and they are inviting the City to participate in the point in time survey.

There is a clear pathway to housing, and it begins with quality affordable housing. This can be accomplished with economic and job development, collaborative partnerships between government and nonprofits, and transportation oriented development. The Washington County Homeless Coalition is developing a strategic plan to address the next steps.

Mayor Gysberts noted that Sarah Nelson, Planning/Outreach Coordinator, and Acting Police Chief Kifer have participated in the Coalition's meetings. The City is an active partner in attempting to address this issue. He thinks the planned housing summit will provide information about the availability of viable housing.

Councilmember Aleshire stated the Mayor and City Council have a significant duty to stakeholders, including businesses, homeowners, and residents, to maintain economic and neighborhood stability. He believes people feel a degree of overwhelming decline in their neighborhoods. As he's said before, these service providers provide assistance to people in the core of downtown, which creates an imbalance that is leading to the City's decline. A balance is needed to care for and sustain residents.

Mayor Gysberts wondered if statistical information is available for neighboring jurisdictions. Ms. Ostoich indicated that the data is not exactly the same.

Councilmember Brubaker noted that no other jurisdiction has the same level of concentration of assisted housing as Hagerstown does. The place of residence must be distributed more evenly.

Mayor Gysberts is looking forward to working with the Coalition as the housing summit is organized.

Insurance Services Office (ISO) Report

Chief Steve Lohr was present to provide information on the Insurance Services Office (ISO) rating for the City of Hagerstown. The ISO assign a Public Protection Classification (PPC) (ranked 1 to 10, with 1 being the best) based on needed fire flows, receiving and handling fire alarms, fire department, and water supply. The last ISO PPC rating for Hagerstown was completed in 2005 and was rated as a Class 3. The current evaluation remains a Class 3. A representative example of moving from a 3 to a 2 or 2 to a 1 could mean a 3.5% commercial insurance reduction, or a 1% residential reduction in the fire protection portion of a consumer's insurance premium.

Chief Lohr is recommending a series of improvements to stabilize the Class 3 PPC rating with a near term goal of improving to a solid Class 2 rating. This would require an approximate overall improvement of 10 points. When those tasks are accomplished, a re-

evaluation will be requested in order to return value to the taxpayers. All improvements will be institutionalized as a progressive movement towards the more rigorous CFAI Accreditation model.

Chief Lohr believes the rating can be improved with deployment analysis, company personnel, and training. Personnel is not a new topic and should be considered.

An improvement in the overall rating for the fire department will proportionately lower the divergence calculation and therefore increase the overall rating.

Short term opportunities include correcting minor inventory issues, correcting all recordation deficiencies, expanding building inspections programs using on-duty companies, and restoring the full time Community Risk Reduction position. Other opportunities to improve the rating include flow testing hydrants and developing emergency procedures for all pumping stations, ensuring redundant communications circuits, and restoring the training position at the Hagerstown Fire Department to institutionalize improved training initiatives.

Other improvements can be made; however, they are funding driven and will be more challenging to implement. Establishing a minimum staffing/company of 3 (4 would be desired with an EMS ALS provider) would be an improvement. The focus has to be on basic coverage and effective response force. There are opportunities for revenue through billing to Community Rescue Service and other groups that the fire department assists. Companies could be redeployed to maximize available resources per NFPA-1710 standards. An increase in automatic aide capabilities, which will require written agreements and participation from four county companies, CRS, SOPs 20, and SOG's, will also improve efficiency.

To achieve full credit in the rating, each company will require 6 personnel, and 3 volunteers, or proper recordation of participation. Automatic aide must be available city wide, with 24/7 cooperation.

Chief Lohr is requesting that the Hagerstown 1914 boundary be revised. This boundary was based on the 8 blocks a horse could run. The department is in need of automatic aid companies around the City. City resources are needed to guarantee staffing, which will provide opportunities to provide better coverage and fill gaps. Chief Lohr pointed out some areas in the boundary are obviously closer to Funkstown. Funkstown does not cover the Hagerstown boundary often.

Mayor Gysberts wondered if reducing the number of stations to 4 would reduce the need for additional firefighters.

Chief Lohr reported there were no fire deaths in 2015. There was a serious injury to a fire fighter on December 24, 2015.

Councilmember Brubaker noted it would be helpful to apply efficiencies to firefighter responsibilities. Chief Lohr stated there are people here willing to advance new initiatives.

Mayor Gysberts stated it is a great asset that firefighters visit the neighborhood after a fire to help the community deal with the event.

Councilmember Aleshire left the meeting.

Potential City Revitalization Improvement Zone (CRIZ) Legislation

Mayor Gysberts stated the City of Hagerstown has been working with Delegate Brett Wilson to draft a bill that would establish a City Revitalization Improvement Zone (CRIZ). A CRIZ is similar to Tax Increment Financing (TIF), and may be likened to a "Super TIF." It is a more powerful financing tool because it utilizes a broad array of taxes. As the funding source for the CRIZ is new tax revenue as a result of business attraction, the program is cost neutral to the State budget. The local economy and local jurisdiction would reap the benefits of the improvements.

Jill Frick, Director of Department of Community and Economic Development, clarified this initiative is not a tax credit but an economic development tool. It redirects new taxes to assist the developers with their improvement plans.

The proposed legislation is patterned after a similar program in Allentown, Pennsylvania. In 2011, Allentown became the first city in the State of Pennsylvania to pilot Neighborhood Improvement Zone (NIZ) legislation. In 2013, state-wide legislation was enacted enabling City Revitalization Improvement Zones for cities with populations greater than 30,000. In Pennsylvania, the state-wide CRIZ legislation only allows eligibility to new businesses attracted from outside the State of Pennsylvania. The original Allentown NIZ allowed for business relocation within the region and the state. Developers have a non-poaching policy, and attract through value proposition.

The following provides detail on the possible mechanics of a similar program in the State of Maryland based on the Pennsylvania NIZ and CRIZ models.

1. Eligible applicants: For Profit; Non Profit; Individuals; Joint Ventures
2. Taxes eligible to be pledged to fund development (under CRIZ) include: corporate net income tax; capital stock franchise tax; sales and use tax; personal and earned income tax; business privilege tax; amusement tax; liquor tax; bank share tax
3. Real property taxes are not eligible to be pledged to fund development costs (under CRIZ), but a potential development could potentially seek both CRIZ and TIF financing.

4. Eligible tax amount is limited to the excess of tax collected in future years (increment) over the baseline tax paid in the year in which the CRIZ is created.
5. Only qualified taxes for all of the NIZ projects are forwarded from the State to the Authority in a single payment once per year. It is then up to the Authority to identify which projects receive what portion of the returned taxes. This is not all taxes from all properties located in the NIZ, but just qualified taxes for NIZ projects.
6. The maximum duration is proposed in Maryland to be 20 years.
7. The financing tool is not risk-free to the developer. If tenant tax revenues fall short, the developer is responsible for paying the difference to the lender.
8. Business owners located in the NIZ area do not incur any additional taxes because of the NIZ, but are required to complete NIZ reporting forms annually.

Momentum is underway in the redevelopment of Downtown Hagerstown. Investor confidence is strong, and Hagerstown is at an opportune time with demonstrated readiness to support new growth. In July 2014, the City of Hagerstown released the Community's City Center Plan. The Plan is a roadmap for eight catalyst projects that will spur development in Hagerstown's City Center.

The City has requested the drafting and passage of enabling legislation in the State of Maryland to allow the City of Hagerstown to serve as a pilot city for a CRIZ.

Councilmember Munson pointed out support from all members of the Washington County Delegation will be important. He recommended cross filing the bill in the Senate.

Councilmember Brubaker is familiar with the CRIZ concept. If the legislation passes, there will be more work to do in refining the details. A number of items are deliberately left to local jurisdictions. There may be limits with a pilot plan. The City should be prepared to provide statistical data as the legislation is considered.

It is anticipated draft legislation will be presented during the 2016 Legislative Session, which begins on January 13, 2016.

Commemorative Partner Program – 50th Anniversary of the Vietnam War

Mayor Gysberts received an invitation for the City of Hagerstown to join more than 8,000 states, communities, businesses, and organizations who have become a commemorative Partner for the 50th Anniversary of the Vietnam War. The Commemorative Partner Program assists in thanking Vietnam Veterans and their families in their hometowns.

The only requirement for a Commemorative Partner is to conduct at least two events per year through 2018, during which the Partner takes the opportunity to distinctly thank and honor Vietnam Veterans and their families.

Councilmember Metzner stated there are a number of people in this community that should be recognized and he supports being a partner in this program.

Councilmember Brubaker noted Vietnam Veterans are not recognized enough. Councilmember Munson stated Vietnam Veterans were not treated very well and it is time to apologize to them.

It was the general consensus to join the Commemorative Partner Program.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator and *Michelle Hepburn, Director of Finance*, have been working on the FY17 budget. They have been reviewing requests for capital and operating funds. There will be a budget work session on January 26, 2016, which will include a broad view of anticipated revenues and expenditures. Direction will be requested from the Council following the discussion.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner mentioned Councilmember Nigh would have liked to be present for the discussion today but family issues require her to be home. He suggested organizing a trip to for Vietnam Veterans to visit the memorial in Washington, D. C.

Councilmember M. E. Brubaker thanked everyone who participated in the A & E Trail discussion recently. Many interesting concepts for the "Link" were presented.

Councilmember D. F. Munson thanked Eric Deike, Director of Public Works, and Public Works employees who repaired the clock tower at City Hall. He also thanked the contractors who repaired the clocks and painted the tower. He is optimistic that the trail will move forward with agreements being completed with the Hagerstown Housing Authority.

Councilmember Munson had asked for a report of the number of jobs that have been created or retained during this administration. The listing shows job initiatives have been successful. The City Center Plan's catalyst projects are anticipated to create approximately 875 jobs. He thanked Jill Frick, Director of Department of Community and Economic Development, for her continued efforts to attract Pinnacle to Hagerstown. He hopes people recognize the serious efforts being put forth by the City of Hagerstown to attract jobs.

Mayor D. S. Gysberts agreed the meeting about the trail was productive. He thanked Rodney Tissue, City Engineer, Kathy Maher, Director of Planning, Jill Frick, Director of Department of Community and Economic Development, and the art consultant for providing information to the community. It is inspiring to realize what can be along this link. It has the potential to be a destination and attract more people to downtown.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 6:52 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: February 23, 2016