

70TH SPECIAL SESSION AND WORK SESSION – May 7, 2019

Mayor R. E. Bruchey, II called this 70th Special Session and Work Session of the Mayor and City Council to order at 4:00 p.m., Tuesday, May 7, 2019 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, S. McIntire, and L. C. Metzner, City Administrator Scott A. Nicewarner, Jennifer Keefer, City Attorney, Jason Morton, City Attorney, and City Clerk D. K. Spickler.

70th Special Session – May 7, 2019

On a motion duly made by Councilmember E. Keller and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 4:00 p.m.

Mayor Bruchey administered the Oath of Office to Scott A. Nicewarner, City Administrator.

Mayor Bruchey then administered the Oath of Office to Donald Francis, Director of Human Resources.

This portion of the Special Session was closed at 4:11 p.m.

Work Session – May 7, 2019

Proclamations

Bike Month – Mayor Bruchey read a proclamation naming May, 2019 as National Bike Month and May 17, 2019 as National Bike To Work Day in Hagerstown, Maryland. Mike Mittle, Bicycle Advisory Committee, accepted the proclamation.

Preeclampsia Awareness Month – Mayor Bruchey read a proclamation recognizing May, 2019 as Preeclampsia Awareness Month. Mary Taylor, accepted the proclamation.

Maryland Stadium Authority Release of Market Analysis and Site Assessment for Proposed New MiLB Ballpark – Stadium Authority Presentation

Al Tyler, Maryland Stadium Authority, and Susan Seiger, Crossroads Consulting, presented the findings of the Market and Site Assessment related to a proposed new Minor League Baseball Ballpark in Hagerstown. Driving forces of developing a new ballpark are to retain a MiLB team, accommodate diverse usage, and generate economic activity in the community as an urban core renewal project.

The proposed ballpark would replace Municipal Stadium which was originally constructed in 1930. Municipal Stadium is one of the oldest stadiums in Minor League

Baseball (MiLB) and is the current home to the Hagerstown Suns – the Class A affiliate to the MiLB Washington Nationals.

The primary market areas used for the analysis is the Hagerstown-Martinsburg Metropolitan Statistical Area (MSA), which consists of Washington County in Maryland and Berkeley and Morgan Counties in West Virginia. Primary highway access is provided by Interstate 81 and Interstate 70.

The population in the Hagerstown MSA is projected to increase at an annual rate of 1.29% which is higher than the projected growth rate for the other profiled geographic areas. The 2018 median age of the population within the MSA (40 years old) was relatively consistent with the other profiled geographic areas. Median household income in 2018 for the MSA was \$ 57,530, which was significantly lower than that for the State (\$ 79,833) and relatively comparable to the U.S. (\$ 58,100).

MiLB has proven to be a stable product over the long term. Many people consider it to be one of the most affordable forms of professional sports entertainment. Over the profiled 10-year period (2009-2018), total attendance at MiLB games averaged 41.58 million per year. Over the profiled 10-year period (2009-2018), total South Atlantic League (SAL) attendance averaged 3.11 million per year. The number of SAL teams decreased from 16 to 14 in 2010, which negatively impacted its total attendance. There are many opportunities to hold additional events at the stadium.

Municipal Stadium is one of the oldest stadiums in MiLB and the second oldest in the SAL. With a capacity of 4,600, Municipal Stadium ranks 11th out of 14 in the SAL. Excluding Hagerstown, average seating capacity for stadiums in the SAL is approximately 5,660. Six of the 14 SAL teams, including the Hagerstown Suns, play in stadiums built before 2000. Within the SAL, Hagerstown Suns attendance ranked in the lower quartile each year during the profiled 10-year period from 2009 through 2018.

Hagerstown is one of the smallest SAL markets, ranking 12th of 14. However, SAL teams in smaller and similar sized markets have recorded higher attendance than the Suns indicating that attendance is not solely attributable to market size.

Based on feedback from team/facility management at peer facilities, some of the common success factors that enhance opportunities for maximizing baseball operations and non-MiLB activity are a climate-controlled, indoor event space that is flexible and high-quality outdoor space that can accommodate both baseball and non-baseball events, integration of the ballpark into community planning efforts, accessible and convenient parking, field layout designed to accommodate various event types with supporting infrastructure, team operation of the facility, strong partnership with the facility owner, and long-term, strategic approach to capital improvements and maintenance.

Strengths/Opportunities in the community are the stability of MiLB, a growing population base, potential downtown location, increased marketability of a new stadium,

long-standing asset in the community, popularity of baseball among local stakeholders, and support from the local corporate base.

Challenges include the potential lack of support from the community for a new stadium, relatively low median household income, ownership's ability to influence enough change to justify the purchase and target return on investment, supply of area facilities may impact ability to attract certain non-MiLB events, potential competition for discretionary dollars from the proposed new indoor sports complex, and potential changes in general macro-economic conditions.

Populous reviewed eight sites and narrowed the analysis to three potential sites – Baltimore Street Site, Market House Site, and Center Parking Lot Site. Multiple site locations were considered; however, downtown site locations were deemed most suitable in terms of the project objectives, which were to positively impact the community in terms of urban core renewal, economic activity, and community usage.

The Baltimore Street Site achieved the highest score based on the established criteria of physical site factors, site procurement, vehicular access and parking, and Urban Design issues. The Market House Site was second and the Central Parking Lot Site was third.

The Baltimore Street Site offers the most area for initial construction and potential expansion. The topography allows for a cost-effective bowl on-grade construction approach. It appears to have the fewest utilities conflicts. A relatively small number of properties would have to be acquired for land/site assembly. The site displaces the least amount of existing publicly-owned parking. It is closest to achieving the desired minimum number of parking spaces within a ½ mile radius. The Baltimore Street site presents the opportunity to integrate the footprint of the ballpark into the existing Arts Trail. The location, on the edge of the downtown core, avoids a “Super Block” condition for the City. This site encourages pedestrian traffic through the heart of downtown from parking locations on event days.

Potential next steps are as follows:

1. Securing a long-term agreement with an MiLB team/facility operator
2. Reaching consensus on the site location that best meets the City's stated goals and objectives
3. Acquiring rights to purchase the appropriate land parcels outlined in the analysis that can accommodate the recommended building program and related supporting infrastructure
4. Using this information, report and findings to establish a development strategy that can be used as a basis to further refine the building program and cost estimate
5. Identifying potential funding strategies and incentives
6. Working with other City agencies and business groups to attract private investment in the surrounding area for future restaurant and retail developments

Mayor Bruchey recommending meeting again in June, after the Mayor and City Council has time to review the information presented. He noted that funding for Phase 2 of the project has been secured by Delegate Paul Corderman. The funding will not be available until after July 1, 2019.

Councilmember Metzner asked what the cost of Phase 2 will be. Mayor Bruchey stated the cost is unknown at this time but information used in a 2012 study could be used.

Councilmember Keller wondered who made this study an urban core project. She thought it was to include the entire city.

Ms. Seiger indicated there were given the direction to review the eight sites with an urban core view. Some of the other sites were not suitable as an urban core project.

Councilmember Aleshire pointed out the Mayor and City Council do not have a copy of the material in this presentation, nor do they have a copy of the final report. He does have a copy of the MOU between the City and the Maryland Stadium Authority, a copy of the cost proposal from Crossroads, and a letter the City sent acknowledging the parameters of the study. These documents do not indicate the parameters of the analysis were to be completed with an urban core project in mind. He wonders when the direction was given limiting the analysis to an urban core project.

Mr. Tyler indicated there were asked to analyze eight sites and based on observation and study, some of those sites were unusable.

Councilmember Aleshire asked if anyone told them to not look at sites near the interstates. Mr. Tyler indicated no one did. He noted their mission in doing studies is to provide independent advice to local and state government. These sites were jointly agreed to. Their consultants feel these are the strongest of the sites.

Councilmember Aleshire asked if a preference was indicated for the Baltimore Street site. Mr. Tyler stated the results are based on analysis, not preference.

Councilmember Aleshire stated the City invested approximately \$ 2.5 million in the Cultural Trail. He heard a comment the trail could be incorporated into this site. He assumes there is a map showing how that would be possible. Mr. Tyler stated this is included in the full report. Councilmember Aleshire pointed out the Council does not have the full report. Mr. Tyler stated the full report is now available on MSA's website. Mr. Nicewarner stated a link will be included on the City of Hagerstown's website as well.

Councilmember Heffernan asked where other parking would be located if the Central Parking Lot site is used. Ms. Seiger indicated there is not enough room to include parking at that site. All parking would have to be on private lots or satellite locations.

Councilmember McIntire asked when the cost for Phase 2 would be known. Mr. Tyler indicated a budget range has been identified. If they are engaged, the scope would be defined and the cost would be established. The process would be the same as for this initial report.

Mayor Bruchey announced this discussion will be continued during the Work Session on June 11, 2019.

FY20 Budget Review and Discussion

Michelle Hepburn, Director of Finance, and Jennifer Peterson, Accounting and Budget Manager, were present to continue the FY20 Budget Review.

To finalize the list of agency contributions, the Mayor and City Council had requested information about Community Rescue Service's fund balance. Staff reported submitted financial reports from CRS indicated the fund balance was \$ 4.65 million at the end of 2018. They reported a loss in operations in 2018. In 2018, the City of Hagerstown provided \$ 45,000.00 to CRS and Washington County provided \$ 788,000.00.

Councilmember Keller stated she submitted a funding request to the County Commissioners to provide funding for the City's fire department. The response was negative. She has heard the reason is because the City is reducing funding to CRS while they are trying to take it over and then the City is asking for additional money.

Councilmember Aleshire stated the request is simply for the City's fair share of what is provided to other fire stations throughout Washington County.

Based on the additional financial information for CRS, it was the consensus to reduce the contribution to \$ 25,100.00 for FY20.

Rodney Tissue, City Engineer, stated there is \$ 500,000.00 for Phase 2 of the Cultural Trail, which would continue it from Antietam Street to Washington Street. It would be incorporated as part of the UIP plaza. Funding is also included for the acquisition of 319 Summit Avenue. CDBG funding is included for a Splash Pad on the Trail as well.

Ms. Hepburn noted the Trail is being completed over multiple years. There have been a number of funding sources for the project, including grants.

Councilmember Heffernan asked if the Trail would be bulldozed for a ball park. Mayor Bruchey stated he is interested in incorporating the Trail into a ballpark, not bulldozing it.

Ms. Hepburn pointed out \$ 900,000.00 is included for moving the utilities underground in the UIP Plaza area. Mr. Tissue stated the plaza will be used for many purposes, including school bus drop off, public events, and trash pick-up. It is anticipated that construction will begin in October, 2019 and be completed by June, 2020.

Ms. Hepburn stated the Pangborn Lake Reconstruction project will be funded with the bond that will be closing soon. Mr. Tissue reported the main project is construction of the lake. A secondary project is reconstruction of Hamilton Run, which will provide points for Stormwater Management.

Fire Chief Steven Lohr discussed the fire department Training Center located on Bowman Avenue. Some repair has been done. He has requested \$ 1 million to complete other work to meet requirements. He distributed a concept drawing of a burn building constructed out of sea containers. They have been making improvements and would also like to add showers. They don't have a tactical village to practice in.

Councilmember Keller asked who currently uses the facility. Chief Lohr stated all fire companies do. If this facility was not here, people would have to travel out of the area to receive training. It would not be possible to send City career firefighters out of town and still provide coverage for the City.

Councilmember Keller asked if these companies contribute funds for using the facility. Chief Lohr indicated they do not but some do provide services.

Mayor Bruchey suggested this as a topic for the 2 + 2 Committee.

Ms. Hepburn stated the facility is to the point it absolutely has to be taken care of. Funding for upgrades will be included in a late 2019, early 2020 bond issue.

The Edgemont Reservoir was then discussed. William Luhn, Water Operations Manager, stated this project has been delayed because of differences of opinion between the Maryland Department of the Environments and the Department of Natural Resources. The most recent engineering estimate placed the cost to repair the reservoir at \$ 12 million.

Eric Deike, Director of Public Works, reported the Parking Fund proposed budget has included funding for a third parking deck for the last few years as a place holder. There is \$ 700,000.00 included in the FY20 Proposed Budget for acquisition of land for the deck. The project cost is \$ 8 million, and it is anticipated it would start in 2020 and finish in 2021.

Review of the proposed budget will continue on May 14, 2019.

Approval of the FY20 Community Development Block Grant Annual Action Plan

Jonathan Kerns, Community Development Manager, was present to discuss the City's CDBG Annual Action Plan.

The City of Hagerstown is an entitlement recipient of Federal CDBG funds from the United States Department of Housing and Urban Development (HUD). Each year, the City of Hagerstown is required to submit an Annual Action Plan to HUD and this plan

serves as the City's application for CDBG funds. CDBG allocations were recently announced by HUD and Hagerstown's FY20 CDBG entitlement will be \$ 771,221.00. This will be the City's largest entitlement amount since FY12.

Consistent with CDBG National objectives and Hagerstown's Five year CDBG Consolidated Plan, the FY20 CDBG Annual Action Plan concentrates funds on neighborhood based projects and programs. CDBG funded grant and loan programs for home repairs will be provided by DCED and community partners. Proposed Public Facility projects will be carried out in cooperation with the Department of Parks and Engineering. These projects include park accessibility improvements and various park enhancements, downtown splash pad construction, and sidewalk accessibility ramp construction. The FY20 Annual Action Plan also proposes support for local public service providers.

An excerpt from the CDBG Annual Action Plan listing all FY20 CDBG Action Plan activities was provided. When compared to the budget book, projected expenditures for activities listed in the excerpt will have some variations since the budget book was printed prior to HUD announcing the City's entitlement amount.

In order to foster transparency and strengthen Community Development programming, the CDBG Public Service Citizen Review Committee was created in 2013. Public Service agencies submit applications for CDBG funding and after application review by the committee and City staff, application rankings are presented to the Mayor and City Council for final approval.

The Public Service Citizen Review Committee has met and provided insight on all CDBG Public Service funding requests for FY20. The Committee ranked the requests and the following are the organizations recommended for funding:

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| 1. Community Free Clinic | \$ 48,000.00 |
| 2. REACH Bridge to Change | \$ 20,000.00 |
| 3. Girl's Inc. Supper Program | \$ 10,000.00 |
| 4. Together with Families: Family Center
Education Program | \$ 7,000.00 |
| 5. Senior Living Alternatives | \$ 52,000.00 |
| 6. Community Action Council | \$ 5,500.00 |

A resolution for adoption of the FY20 Annual Action Plan is scheduled for approval during the May 28, 2019 Regular Session.

335 N. Jonathan Street Discussion

Reggie Turner, Commissioner of the Maryland Commission on African American History and Culture, was present to discuss the future of the building at 335 N. Jonathan Street, Hagerstown, Maryland. He began with a statement from the community about preserving and restoring the history of the Jonathan Street area. The ill repair that has

fallen on the Jonathan Street area cannot be blamed on one person, it is a community failure. He is here to discuss how to preserve and celebrate the rich history of the Jonathan Street Community.

The neglect by the City of Hagerstown of the Jonathan Street area must be discussed and rectified. More than 30 years ago, the City named three historic districts and did not include Jonathan Street. In 1992 another district was added. A local historian nominated Hagerstown for inclusion on the National Register of Historic Places in 1993. No Jonathan Street landmarks were identified in the application. The only mention of the Jonathan Street community was a small, incorrect paragraph.

In 2002, the Department of Planning and Economic Development conducted the Jonathan Street preservation study. The findings of the study were:

1. Nominate the Jonathan Street historic district to the National Register of Historic Places
2. Nominate the Jonathan Street Historic District and appropriate sites to the National Park Services to the Gateway to Freedom Program
3. Develop ongoing educational program of heritage of Jonathan Street and the African American community in Hagerstown
4. Support local efforts for an annual black history month celebration
5. Encourage preservation of Doleman collection of African American history
6. Establish as municipal historic district or a conservation district

In the 17 years since the study, none of these things have been done.

Mr. Turner noted he is Washington County's first representative on the Maryland Commission on African American History and Culture in 50 years. The Commission's mission is discovering, documenting, preserving, collecting and promoting Maryland's African American heritage. As plans are discussed for 335 Jonathan, he pointed out that after 30 years of disinvestment and dissolution this body has only given them three weeks to develop a plan.

Councilmember Metzner stated the property was scheduled for demolition in 2008. This decision was not made three weeks ago.

Ron Lytle stated the community was not aware the building was scheduled for demolition in April.

Councilmember Metzner indicated a notification is not sent out about any blighted building that is scheduled for demolition. He rejects the idea that the City has ignored the Jonathan Street community. He doesn't feel as though the community has notified the City of the historic buildings. Senator Benson has been at City Mayor and Council meetings three times asking the City to remove a blighted building.

Mr. Turner stated Hagerstown is closer to resources in Annapolis than at any time in the past. He stated during the last 25 years, the history of Jonathan Street has been destroyed. He is asking the City to partner with the community to preserve the many historical sites.

Mayor Bruchey pointed out this property was on a demolition list in 2008. This building was falling in on itself. Now, 10 years later, the defunct LLC has walked away from the property, has not paid City or County taxes, owes the City \$ 33,000.00 in taxes, fines, and fees, and the property is dangerous. He asked if Mr. Turner is ready to come to the City with money and plan to save the building. If not, the City will abide by the Court Order.

Mr. Turner understands if they are able to purchase the property at a tax sale, they would have to wait six months to gain ownership. He understands they would not be able to do anything during that period. Since the City of Hagerstown can demolish a building, he asked if the City could also stabilize a building.

Pete Callas stated he has a strong affiliation with the community and he strongly supports this mission. This is a fine project.

Mayor Bruchey asked Paul Fulk, Neighborhood Services Manager, to provide an update about the condition of the building. Mr. Fulk indicated the roof is missing in sections, the second floor has collapsed, and the foundation is crumbling in on itself. A structural engineer inspected the property and recommended demolition.

Mr. Turner pointed out there are properties that were in worse condition that were saved. He is willing to use personal funds to save this building. Someone from Cumberland, Maryland is identifying buildings in the Jonathan Street Community that are worth saving. This is not a last minute effort, the fact is history has been ignored and not cataloged. The Jonathan Street community is desolate. It used to be thriving. They are asking the City to partner with them to save the Jonathan Street history.

Councilmember Keller stated she understands the past and the buildings and appreciates Mr. Turner wanting to partner with the City. She asked how to move forward from this point.

Mr. Turner suggested establishing a community coalition that would identify the historical properties. Senator Lynne Bowman is reviewing the history of Jonathan Street. Another way to move forward is to address the five points he mentioned earlier that haven't been addressed. There are resources available to help with this endeavor. The vibrancy of Jonathan Street can be brought back by encouraging businesses to locate in the community.

Councilmember Aleshire stated the Mayor and City Council have heard for many years about the issues of vacant, abandoned, and blighted properties throughout Hagerstown. Within the constraints of limited resources, they have tried to save the

MAYOR AND CITY COUNCIL

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properties that are savable. This has exhausted resources and it seems all that gets accomplished is addressing the blight. He is interested in moving in a different direction. He would like to review the City by blocks to identify what is savable and viable and what is not. The recent demolition of the building on Summit Avenue was completed due to a court order. He developed a matrix of properties that he identified as not savable. He has never asked about the history of the buildings because they are blighted. He has not changed his position of demolishing the building at 335 Jonathan Street. He does not want another Alms House situation. He believes there is also a two year waiting period in which the owner could reclaim property sold at tax sale. He doesn't think the residents near 335 Jonathan Street would want 2 ½ years more of watching the property decline. Demolition is the appropriate action from the Mayor and City Council. He does not think a structure needs to be present to preserve history.

Ron Lytle asked why the public isn't made aware of properties on Jonathan Street that are scheduled for demolition.

An audience member talked about the Tuskegee Airmen and Buffalo Soldiers who have history in Hagerstown. People would travel to Hagerstown to hear about these groups.

Councilmember Heffernan thinks historical research is a good start for working together. He noted that Stephen Bockmiller, Development Planner/Zoning Administrator, has completed some research on other buildings that have significant history. He is concerned about someone getting hurt in the building at 335 Jonathan Street and the City knows it is a safety hazard. The Jonathan Street community has been negatively impacted by owners who bought properties and let them deteriorate.

Councilmember Metzner stated talking about yesterday does not help with moving forward. He would be willing to use the demolition funds somewhere else. The City cannot stabilize the building. A fence could be put up. In two years, there will be significant rehabilitation or it will be demolished.

Mayor Bruchey asked if that means the sidewalk will be blocked for two years.

Councilmember McIntire asked what other properties were saved.

Mr. Turner stated 417 Jonathan Street needs to be saved. Mayor Bruchey stated the owner of the building wants it demolished.

Mr. Turner indicated he is not sure the funds for stabilization of dilapidated buildings are still available. The guiding of drugs to the Jonathan Street community has been devastating.

Mr. Turner stated the Moxley Brothers formed a band here and performed in Maryland and Virginia. They are talking to museums to find out the value of the

instruments. There is not a full history of the Moxley band. An investment needs to be made to the Jonathan Street community that will help the community succeed.

Mayor Bruchey stated the consensus of the Council is to secure the property with a fence, wait for a structural engineer of Mr. Turner's choice to inspect the building, and then have another conversation.

Strategy for Sale of City-Owned Property at 117 S. Locust Street

Jonathan Kerns, Community Development Manager, was present to discuss next steps for the sale of City-owned property located at 117 S. Locust Street.

As part of the Community Development Block Grant (CDBG) Homeownership program, the City utilizes CDBG funding to purchase and rehabilitate vacant residential structures. Homeownership properties are marketed for resale directly to homebuyers for owner occupancy. Although current practice requires homebuyers to seek private financing for purchase of a homeownership home, past practice allowed buyers to finance the purchase with the City.

In the case of 117 S. Locust Street, the City acquired the property through the CDBG Homeownership programing acted as the primary lender for the homebuyer. The home was sold to Betty Spence in 1993 and after vacating the property in 2016, she requested the City accept the property via deed in lieu of foreclosure. Per the recommendation of the City Attorney, the Mayor and City Council authorized moving forward with the deed in lieu of foreclosure process and the property is now under City ownership.

The property is not habitable at this time due to minor damage from vandalism that occurred prior to finalizing the deed in lieu of foreclose. In order to make the property habitable, some plumbing repairs and cosmetic repairs are needed.

Per CDBG regulations, the property at 117 S. Locust Street remains a "CDBG asset" and future resale of the property will require all sale proceeds to be designated as CDBG program income. CDBG program income remains under City control but it must be used within the CDBG program and all CDBG requirements are applicable.

Although CDBG regulations related to program income are still applicable, CDBG income restrictions tied to occupancy of the property have already been satisfied with the occupancy of the previous homeowner. The next occupant would not be restricted due to income.

Since CDBG income restrictions are no longer required, potential options to return the property to the private sector include the following:

1. Sell the home as is through the City's Competitive Negotiated Sale program with no CDBG income restrictions and require owner occupancy
2. Sell the home as is through the City's Competitive Negotiated Salle program

with no CDBG income restrictions with no owner occupancy restrictions
(investment property or owner occupied property)

3. Use CDBG funding to complete repairs and sell the home through the CDBG Homeownership program per the standard Homeownership Program guidelines

It was the general consensus of the Mayor and City Council to sell the home as is though the CNS program with no income restrictions and require owner occupancy.

Action Report: Update on Implementation of the Community's City Center Plan

This item was postponed until May 14, 2019.

CITY ADMINISTRATOR'S COMMENTS

Scott A. Nicewarner, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner had no additional comments.

Councilmember A. Heffernan hopes today's meeting shows how difficult it is to be accused of doing something you had no control over.

Councilmember K. B. Aleshire pointed out there was no information provided to the Mayor and City Council prior to the meeting today regarding the Maryland Stadium Authority's report. He feels sure there were additional communications about the report. He isn't familiar with the MSA process, but it feels like the City has no control or participation in the process.

Councilmember E. Keller had no additional comments.

Councilmember S. McIntire stepped out of the meeting prior to Council comments.

Mayor R. E. Bruchey, II had no additional comments.

A break was taken at 6:29 p.m. The meeting resumed at 7:03 p.m.

70th Special Session – May 7, 2019 (continued)

On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to resume the Special Session at 7:03 p.m.

A public hearing was held to discuss the proposed tax rate for FY 2019/20. Michelle Hepburn, Director of Finance, was present for both hearings.

Ms. Hepburn stated the Mayor and City Council of the City of Hagerstown, Maryland advertised the notice for this public hearing as follows:

The Mayor and City Council of the City of Hagerstown, Maryland proposes to increase real property taxes. For the tax year beginning July 1, 2019, the estimated real property assessable base will increase by 0.5%, from \$2,393,294,622 to \$ 2,405,218,601. If the City of Hagerstown maintains the current tax rate of \$1.0020 per \$100 of assessment, real property tax revenues will increase by 0.5% resulting in \$ 119,478 of new real property tax revenues. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.9970, the constant yield tax rate. 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 \$1.0020 per \$100 of assessment. This tax rate is 0.5% higher than the constant yield tax rate and will generate \$ 119,478 in additional property tax revenues.

The City of Hagerstown has a different rate for Apartment's real properties. A chart showing the corresponding information for tax rates for those properties is included in the published notice.

The total increase in revenue across all categories of real estate tax is approximately \$ 135,000.00.

There was no testimony presented, either in favor of, or against the proposed tax rates.

Ms. Hepburn reported the notice of this public hearing was published on April 22, 2019.

The hearing was then closed. The record will remain open for 10 days for additional comments.

Introduction of the Ordinance for the tax rates is scheduled for May 14, 2019, followed by approval on May 21, 2019.

Public Hearing – FY 2019/20 Budget

A public hearing was held to discuss the proposed budget for Fiscal Year 2019/20. The proposed budget is \$ 143,162,625. The General Fund total is \$ 65,352,649. Ms. Hepburn 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 Capital Improvements, maintenance and repairs, and material/supplies/utilities.

The Capital Improvement budget is \$ 14,417,416. The majority of the projects are funded with grants and bond proceeds. These funds are strictly restricted and cannot be used for other purposes.

There was no testimony presented, either in favor of, or against the proposed budget.

The hearing was then closed. The record will remain open for 10 days for additional comments.

Introduction of the Ordinance for the proposed budget is scheduled for May 14, 2019, followed by approval on May 21, 2019.

Approval of a Resolution: Construction Escrow Agreement with Hagerstown Antietam 453 West Trust

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote to approve a resolution approving a Construction Escrow Agreement with Hagerstown Antietam 453 West Trust. This agreement establishes a construction escrow account in the amount of \$ 20,000.00, which satisfies a condition of a Settlement Agreement and Mutual Release that was approved on March 25, 2019.

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 7:09 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: June 18, 2019