

40TH SPECIAL SESSION AND WORK SESSION – May 13, 2014

WORK SESSION – May 13, 2014

Mayor D. S. Gysberts called this 40th Special Session and Work Session of the Mayor and City Council to order at 3:10 p.m., Tuesday, May 13, 2014, at the Washington County Free Library, 100 S. Potomac Street, Hagerstown, Maryland. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, and P. M. Nigh; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember D. F. Munson was not present.

The meeting was held jointly with members of the Washington County Commissioners and Washington County Delegation to discuss with Senator Maggie McIntosh her successful endeavors in Baltimore to help revitalize downtown Baltimore. Delegate Serafini stated Baltimore faced some of the same issues as Hagerstown.

Delegate McIntosh stated many municipalities struggle with limited resources and declining downtowns. Baltimore has been able to stabilize residency levels. Baltimore will not be the same as it was but it will grow again. Officials in Baltimore have provided funding for the stabilization.

Mayor Gysberts has pride in Hagerstown and there is a lot to build on here. He is encouraged with some of the legislation Delegate McIntosh provided prior to this meeting.

Delegate McIntosh stated the younger generation is looking for different things in the places they live. They are looking for urban conveniences in a city setting. They want to be able to walk to church and to school. They are less reliant on cars. Making Hagerstown greener, more walkable and more bikable will attract young residents. Incentives for young families to get out and walk will help attract them to Hagerstown.

Mayor Gysberts stated communities across America are trying to do the same thing as Hagerstown. The core is affected by former industrial uses.

Delegate McIntosh asked if the City of Hagerstown qualifies for Brownfield credits. She suggested that the City provide additional incentives for contractors that restore older buildings. Value added programs, tax credits and payment in lieu of taxes (PILOT) programs should be considered.

Baltimore City residents are taxed higher than any other city in the State. Approximately 30% of residential units are rental property.

Delegate McIntosh challenged Hagerstown to lower the tax rate.

Councilmember Aleshire pointed out the number of non-profit organizations located within the City limits is about 500. This is a large number. Delegate McIntosh stated

this is a problem. It is difficult when a large part of the tax base is owned by non-profits. There are impacts that aren't considered.

Councilmember Metzner stated it is discouraging the hospital will not cooperate with the City.

Councilmember Aleshire stated residential retention is the link to keeping young, aspiring residents. The condition of neighboring properties makes an impact as well.

Delegate McIntosh noted the City of Hagerstown has a beautiful, historic City Center. She urged the City to not allow neon signs within the center. The City should hold on to certain standards that adhere to the history. People enjoy Falls Point and Canton. Canton has done a good job of keeping the center of the business area looking clean and historic.

She encouraged the City to determine which non-profits are legitimate. She reminded everyone that empty buildings are not tax exempt.

The population of Baltimore has decreased to 650,000. This is down from just under 1,000,000. Desegregation and riots caused people to flee from Baltimore. There was blight because there was more housing than residents. Some neighborhoods were empty. The most impacted service was the school system. Concentrations of poverty cause schools to fail.

The City of Baltimore is rebuilding 36 schools, using Stadium Authority funding, lottery revenue and casino revenue. She encouraged the City to discuss funding with the State, if they can determine 65% of the funding.

Mayor Gysberts informed the group that information about the incentives offered by the City of Hagerstown is available.

This portion of the meeting was adjourned at 4:20 p.m.

40th SPECIAL SESSION – May 13, 2014

Mayor D. S. Gysberts called this portion of the 40th Special Session and Work Session of the Mayor and City Council to order at 5:03 p.m., Tuesday, May 13, 2014, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson, and P. M. Nigh; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler.

On a motion duly made by Councilmember M. E. Brubaker and seconded by Councilmember D. F. Munson, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 5:04 p.m.

Approval of AFSCME 1540 Memorandum of Agreement

Action: On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve a Memorandum of Agreement between the City of Hagerstown and the American Federation of State, County, and Municipal Employees, Council 67, AFL_CIO Local Union 1540. This Agreement satisfies the wage and benefit reopener provision in the current collective bargaining agreement which expires on June 30, 2016. The terms of the agreement are outlined in the agreement.

Discussion: Bruce Zimmerman, City Administrator, stated the projected cost of the wage enhancement is across all the funds, not just the general fund.

Mayor Gysberts thanked staff and employees who continually worked together to complete this agreement.

On a motion duly made, seconded and passed, the Special Session was closed at 5:12 p.m.

WORK SESSION – May 13, 2014

Mayor Gysberts announced the Blues Fest Visual Artists will be present at the next Mayor and Council meeting.

Special Recognition: Barbara Ingram School for the Arts

Mayor Gysberts presented a certificate to the Barbara Ingram School for the Arts in recognition of being named one of the top five schools in the State of Maryland. Principal Rob Hovermale was present to receive the award. Mr. Hovermale stated the school is successful because of the dedication of the teachers, staff, students and everyone downtown.

Councilmember Munson congratulated everyone at Barbara Ingram School for the Arts. This recognition takes many schools years to achieve.

Proclamation: Lupus Awareness Month

Mayor Gysberts read a proclamation recognizing May as Lupus Awareness Month. The proclamation was accepted by Debi Nicholson and Evangeline Nicholson.

Hagerstown Police Department – Take-Home Vehicles for Search Management Team and Crisis Negotiators

Chief Mark Holtzman was present to discuss the take-home car program. He is requesting approval to extend the program to on-call members of the department's Search Management Team and the Crisis Negotiator Team. The total request is for six vehicles to be assigned from the current patrol fleet. No additional police cars are needed. The annual estimated fuel/maintenance costs are \$ 6,000 from the police department budget.

Changes in the past year to State law places the primary responsibility for search and rescue of all missing/lost persons on local law enforcement. The police department has partnered with surrounding Washington County agencies and the Emergency Communications Division to create a Search and Rescue (SAR) team. The Search Managers assigned to this team are on-call for SAR's operations where they typically work in pairs to accomplish the task of locating lost/missing persons. The team completes about 12 searches each year.

In another partnership with the Sheriff's Department, HPD leads a Crisis Negotiator Team (CNT) comprised of members from each agency. The CNT members respond in emergency situations county-wide to support patrol and the Special Response Team (SRT).

No additional police cars will need to be purchased as part of this request. As estimated in the past, approximately \$ 1,000 per car would be needed for fuel and maintenance for a total of \$ 6,000. Costs would be taken from the department's vehicle maintenance/fuel budget.

It was the general consensus of the Mayor and City Council to extend the take-home vehicle program as requested.

Councilmember Brubaker stated the changes in the search requirements and who performs them is another example of an unfunded mandate from the State of Maryland.

Mayor Gysberts invited everyone to attend the ceremony recognizing Police Week at the HPD headquarters on May 14, 2014 at 4:00 p.m.

Community Development Block Grant (CDBG) Budget Overview

Jonathan Kerns, Community Development Manager, and Michelle Hepburn, Director of Finance, were present to review the FY 15 CDBG budget with the Mayor and City Council.

Ms. Hepburn reported the proposed budget anticipated \$ 600,000.00 in CDBG funding. The actual entitlement from Housing and Urban Development (HUD) is \$ 646,000.00.

Mr. Kerns stated most of the programs are mainstays that have been carried out for many years. The targeted areas for funding of public services are youth, elderly care, and healthcare for low to moderate income individuals. The funding for the groups is at the same level as last year.

Ms. Hepburn stated the cap for these types of services is approximately \$ 105,000.00. All requests for funding were reviewed by the Public Service Citizen Review committee. Funding for public facility improvement is included in the City's CIP budget and funded with CDBG funds. These include accessibility ramps and neighborhood parks.

Mr. Kerns pointed out the replacement of cellar doors on Franklin Street is part of the CDBG program.

Councilmember Aleshire asked if there is a cap on housing. Mr. Kerns stated there is not. Councilmember Aleshire asked if HNNDP's Fair Housing program could be included in the housing portion of the budget, instead of the public service portion. Mr. Kerns stated the program description for the fair housing program falls under public service activities per HUD regulations.

Councilmember Aleshire asked if \$ 50,000 allocated to other agencies could be allocated to HNNDP. Mr. Kerns stated the funding is for HNNDP's administration and would count against the administrative function cap.

Councilmember Aleshire wondered if HNNDP could qualify for the housing portion of the entitlement. Mr. Zimmerman indicated several years ago funding was allocated for "bricks and mortar" projects. Mr. Kerns stated housing activities are not the programs HNNDP applied for.

Final notifications will be provided to the organizations receiving funding after the budget is adopted by the Mayor and City Council.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner had no additional comments.

Councilmember K. B. Aleshire pointed out that three of the four bargaining units have approved contracts. He stated this reiterates to citizens that it is the Mayor and City Council's responsibility to review the budget and have contracts completed that fall within the budget restraints. The responsibility for negotiating contracts is not a third party arbitrator, who is not elected and has no input on the City's budget. Three completed contracts show the City's ability to complete contracts amicably and that a binding arbitrator is not needed. He urged citizens to be aware of the truth, as there is a

lot of misinformation being reported in the community.

Councilmember Aleshire and his family attended events downtown recently and enjoyed good meals at downtown restaurants. The price was less expensive than other locations, such as the Valley Mall or Premium Outlets. He believes the key for downtown revitalization is an educational component.

Councilmember Aleshire is concerned that the voting membership of the Washington County Economic Development Commission discusses an item with no input from the City elected officials or staff. It is difficult to serve as a liaison for the City if that person is not included in the discussions. The EDC recommended that the Main Street program should be a tax exempt organization (IRS 501c3 status). The liaisons were not included in the discussion of this recommendation and they did not receive a copy of the report. Staff did not receive a copy of the report either.

Councilmember L. C. Metzner had no additional comments.

Councilmember P. M. Nigh stated the 200 block of North Locust Street neighborhood is struggling. Another home owner has moved out. The demise of homes continues. Problems exist on Randolph Avenue as well. Vandalism and theft is increasing. Concerns were raised at a Neighborhoods 1st meeting about limited staffing of the police department lobby and problems with the 911 system.

Councilmember M. E. Brubaker thanked the citizens for attending today's meeting and public hearing. He has been working with staff on a three year plan for the City's budget. Property assessments are declining and the only revenue available is from additional fees. There will be struggles, but the City will get through it. He hopes assessments will begin rising. He is looking for suggestions about services to cut or sources of additional income. He commended Councilmember Aleshire for his recent letter to the editor providing information to the citizens about the potential effects of binding arbitration. The City has made an offer to the members of the firefighters union that are within the same boundaries as offers made to the other three unions. No response has been received at this point in time.

Councilmember D. F. Munson agreed that the 200 block of North Locust Street needs intensive help. He congratulated Senator Thomas Michael Miller, Jr. for being awarded the Maryland Municipal League award. Senator Miller has helped Hagerstown and Washington County during the last 20 years.

Councilmember Munson asked Nancy Smith and Matt Thomson, Maryland Food Bank, to provide an update of the Food Bank's program to the Mayor and City Council.

Ms. Smith stated they have been able to assist more families with the help of the City's funding support last year. Mr. Thomson indicated there are people seeking assistance who have never needed help before. The food bank provides food through schools and senior centers, as well as to individuals. They purchase food from local

farmers and use local contractors.

Ms. Smith hopes the City of Hagerstown can support the food bank again this year.

Mayor D. S. Gysberts congratulated the Hagerstown Suns, who are in first place in the South Atlantic League. There is still great professional baseball in Hagerstown. He thanked Delegate McIntosh for discussing ideas with the City. Some of the events being held this weekend include: Day of Hope - Wheaton Park; Hagerstown Hopes - Doubs Woods Park; Bear Necessities fundraising event - Museum of Fine Arts; Railroad Heritage Weekend – City Park and Roundhouse Museum.

The Work Session was adjourned at 6:14 p.m.

40TH SPECIAL SESSION – (continued)

Mayor D. S. Gysberts called this portion of the 40th Special Session and Work Session of the Mayor and City Council to order at 7:04 p.m., Tuesday, May 13, 2014, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers M. E. Brubaker, L. C. Metzner, D. F. Munson, and P. M. Nigh; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember K. B. Aleshire was not present.

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember M. E. Brubaker, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 7:04 p.m.

Public Hearing – FY15 Tax Rate

Michelle Hepburn, Director of Finance, stated the Mayor and City Council of the City of Hagerstown, Maryland proposes to increase real property taxes. For the tax year beginning July 1, 2014, the estimated real property assessable base will decrease by 0.788%, from \$ 2,596,523,848 to \$ 2,391,834,478. If the City of Hagerstown maintains the current tax rate of \$ 0.788 per \$ 100 of assessment, real property tax revenues will decrease by 0.788% resulting in a loss of \$ 1,612,952 of real property tax revenues. In order to fully offset the effect of decreasing assessments, the real property tax rate should be increased to \$0.8554, the constant yield tax rate. The City of Hagerstown is considering an \$0.11 rate increase, which is slightly less than the \$0.125 reduction taxpayers received in FY11. The City of Hagerstown is considering a real property tax rate of \$0.898 per \$ 100 of assessment. This tax rate is 4.98% higher than the constant yield tax rate and will generate \$ 1,018,066 in additional property tax revenues above the constant yield tax rate of \$0.8554.

Ms. Hepburn reported the notice of this public hearing was published on April 29, 2014.

The following testimony was presented:

Brett Wilson, 1435 Potomac Avenue, Hagerstown, Maryland, expressed his concern

that increasing taxes will make the City and the region less competitive. He asked for further clarification for the necessity to raise the tax rate above the constant yield tax rate. The fact sheet provided by the City indicates a \$ 1.5 million bond issue is anticipated for a downtown project from the Urban Partners report. He asked if the project has been identified.

Mayor Gysberts indicated additional funding is needed to cover unexpected workers compensation insurance rates due to a change in State regulations, to enhance employee wages and benefits, for a downtown project that has not been determined, for support of the Maryland Theatre and support of the Barbara Ingram Schools for the Arts.

Councilmember Metzner stated the bond would not be issued without an identified project.

Michael Heyser, 1043 Haven Road, Hagerstown, Maryland, asked the Mayor and Council to consider passing a budget without a tax increase, or at least a lower tax increase. He stated it is evident the City is in a difficult financial situation. He believes the only hope is to attract outside investors, which will be difficult due to the high tax rate. It is difficult to cut expenses, but the City may have to do this. Employees deserve to be paid good wages and he wants good employees but it may not be affordable.

Vicki Sadehvandi, CASA. 116 N. Baltimore Street, Hagerstown, Maryland, stated the support from the CDBG Program makes the CASA shelter possible. CASA has 16 beds available for those in critical need of a safe place to stay. She thanked the Mayor and City Council for the City's continued support.

Robin Roberson, Community Free Clinic, 249 Mill Street, Hagerstown, Maryland, thanked the Mayor and City Council for the continued support of the Clinic. The funding from the CDBG Program provides additional resources to the Clinic's library.

Matt Thompson, Food Resources, 220 McRand Court, Hagerstown, Maryland, shares the appreciation expressed by Ms. Roberson of the City of Hagerstown's support. He stated the Clinic and Food Resources work closely serving the needs of residents in the community. He wants the Mayor and City Council to be aware Food Resources is providing food to more middle class family now. The face of poverty is changing.

No further testimony was presented.

Public Hearing – FY15 Budget

A public hearing was held to discuss the proposed budget for the fiscal year 2014-2015. The total of the proposed budget is \$ 121,227,222. Michelle Hepburn, Director of Finance, 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.

Ms. Hepburn reported the notice of this public hearing was published on April 29, 2014.

No additional testimony was presented.

Public Hearing - Community Development Block Grant (CDBG) Program Annual Action Plan for FY 2014-2015

Jonathan Kerns, Community Development Manager, stated the City of Hagerstown has prepared a draft copy of the proposed Annual Action Plan (AAP) and will be applying for a FY 2014/15 CDBG Entitlement Grant from the U. S. Department of Housing and Urban Development (HUD). The City anticipates a total FY 14/15 CDBG Budget of \$ 1,077,794, which includes a Federal B14 Entitlement Grant of \$ 646,183. In addition to the B14 Entitlement Grant, the City expects to have \$ 431,611 available from program income (CDBG loan repayments) and unspent entitlement funds.

In order to address the City's identified needs, the proposed AAP for FY 2014/15 includes the following activities: public services, public facility improvement, revitalization of City Center, housing, and administration.

The following testimony was presented:

Doug Wright, 511 Potomac Avenue, Hagerstown, Maryland, was present representing Holly Place. He thanked the Mayor and City Council for their continued support of Holly Place. The City's support is critical to the operation of Holly Place, which provides care for elderly individuals who need care and are not eligible for other programs.

Diane Eves, Hagerstown, Maryland, mentioned one newspaper article indicated next year's property tax rate is expected to increase as well. She is concerned about the burden tax increases places on taxpayers.

Janet Bartels, 139 S. Mulberry Street, Hagerstown, Maryland, has lived in Hagerstown for 10 years and has spoken during tax rate hearings. She has spoken in support of the CSafe program and a community garden program. She asked the Mayor and Council to place their focus on neighborhoods, some of which are in crisis. If neighborhoods are developed, with assistance from the County Commissioners and the Board of Education, development of downtown will follow. Downtown businesses can't be developed if residents cannot afford to support them. She suggested reinstating a full time Neighborhoods 1st Coordinator, increasing the number of Code Compliance inspectors, redeveloping the library parking lot, the Bester Elementary School property and bringing back urban agriculture by renewing the community garden. More investment should be made in the residents of Hagerstown. She is concerned it appears there is a proposal for revitalizing downtown without considering the needs of the neighborhoods.

There was no further testimony presented. The record will remain open until June 3, 2014 for further comment.

There being no further to come before the Mayor and City Council, on a motion duly made, seconded and passed, the Special Session was adjourned at 7:35 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: June 24, 2014