

PROCLAMATION – PARKS AND RECREATION MONTH AND RIBBON
CUTTING FOR EXERCISE EQUIPMENT

Members of the Mayor and Council attended the ribbon cutting for exercise equipment at Fairgrounds Park, 351 N. Cleveland Avenue, Hagerstown, Maryland at 3:00 p.m. Mayor D. S. Gysberts read a proclamation recognizing July as Parks and Recreation Month.

WORK SESSION – July 8, 2014

Mayor D. S. Gysberts called this Work Session and Executive Session of the Mayor and City Council to order at 4:06 p.m., Tuesday, July 8, 2014, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, L. C. Metzner, D. F. Munson, and P. M. Nigh; City Administrator Bruce Zimmerman, and City Clerk D. K. Spickler. Councilmember M. E. Brubaker was not present.

Massey Property – FY05 to FY07 CDBG Activity

John Lestitian, Director of Community and Economic Development, and Jonathan Kerns, Community Development Manager, were present to discuss a required repayment of funds to the Community Development Block Grant (CDBG) program. The repayment of funds is necessary due to regulatory non-compliance associated with the use of CDBG funds for the East Baltimore Street/Massey property project.

From 2005 to 2008, a total of \$ 164,213 of Hagerstown's CDBG funding was utilized by a sub-recipient, Hagerstown Neighborhood Development Partnership (HNDP) for gap financing and costs related to the property acquisition for their project on East Baltimore Street (commonly referred to as the Massey property). The redevelopment plan for this property did not come to fruition.

In 2013, while working with representatives from the U. S. Department of Housing and Urban Development (HUD) to resolve various non-compliance concerns with old CDBG activities, staff discovered previously unnoted non-compliance concerns with the East Baltimore Street/Massey property project. HUD representatives were made aware of the findings and subsequent discussions occurred. HUD has confirmed staff's determination that the non-compliance issues in this circumstance require the repayment of funds to Hagerstown's CDBG Program from non-federal funds.

The City is in receipt of direction from HUD on how to resolve the non-compliance issues associated with this project. The City is required to pay \$ 164,213 in non-federal funds to Hagerstown's CDBG Program Income account and proof of this transfer must then be forwarded to HUD.

In addition to resolving the non-compliance issues, the repayment of the funds remove any CDBG related restrictions on the redevelopment and use of the property and provides funding for additional CDBG activities. Staff recommends that the funds paid into the CDBG Program Income account be allocated to further the City's

Homeownership Acquisition and Renovation program (a key recommendation in the Urban Partner's report).

Staff has worked with the Finance Department and recommends that general fund balance reserves be used as the source of funds for the repayment.

Councilmember Metzner supports the direction to resolve the issue. He understands the property is owned by Washington County. He asked if the County will then become involved after the transaction is complete.

Mr. Lestitian has discussed the property, which includes the houses, with the County and he believes there is a confidential proposal being prepared.

Mayor Gysberts reiterated that completing the transaction to clear the non-compliance issue removes restrictions and allows an opportunity for the property to be re-developed. He mentioned that the proposal for the property submitted to the Planning Commission several years ago was for housing. The Planning Commission did not approve the density that would have been required for a feasible return on the investment.

Councilmember Metzner stated the houses need to be demolished immediately. He believes there are multiple code violations at these buildings. He wondered why the violations have not been cited. There are nice properties around this location, including the library and the synagogue and the abysmal condition created by these buildings should be removed.

Councilmember Munson agreed that the buildings are terrible. The whole block is in bad condition. There is potential for improving the area and the County needs to act on it. He asked how the repayment will affect the Fund Balance.

Mr. Zimmerman stated this amount was part of the \$ 1.2 million amount the Mayor and Council discussed using for a variety of projects previously.

Mayor Gysberts stated even when the County proposed using the property as a parking lot for the library, the idea was always that it would be redeveloped. There are many opportunities for the County to work with others and do something for downtown.

Approval of the fund transfer and approval of an amendment to the Annual Action Plan will be included on the agenda for July 22, 2014.

Community's City Center Plan Implementation (Urban Partners) - #8 Neighborhood Support Strategies

John Lestitian, Director of Department of Community and Economic Development, Paul Fulk, Inspection Manager, and Gary Lambert, Program Manager, were present to seek authorization to initiate several steps towards accomplishing the neighborhood support strategies identified in the Community's City Center Plan. These initial steps

will be followed by additional recommendations in the coming weeks and months.

Catalyst Project #8 of the Community's City Center Plan lists, among other initiatives, additional neighborhood support and in particular cites the rental inspection program and code enforcement. Urban Partners heard loud and clear in the public meetings, as staff have heard in the Council Chambers from both residents and from the Mayor and City Council, that blight and deterioration is growing; the City is in fact losing the battle as residents, both longtime and new, tire of the conditions in their neighborhoods.

This issue of blight, neglected or mismanaged properties is now pervasive throughout the City. The following is from the Urban Partner's report: "the stakeholder and focus group interviews and the broader public engagement elements of the process have all identified negative homeownership experience caused by the introduction of problem rental properties onto blocks where homebuyers have been attempting to build strong community nodes. Poor tenant management and property maintenance by these problem landlords have brought down values around them and discouraged expansion of market-rate homeownership." Staff believe the recent additions of the Crime Free Program and adjustments within the Excessive Use of City Services ordinance are good steps, but without additional measures, they are insufficient to provide the necessary support for the City's neighborhoods.

Both the Mayor and City Council and staff have heard consistently from residents during citizen comments at the Regular Session meetings appealing to the City for assistance in the neighborhoods. In response to their appeal, staff have researched the City's history and best practices. In line with the Mayor and City Council's vision for Neighborhoods and Housing, in line with the recommendations from Urban Partners and in line with what residents seek for the neighborhoods, staff make the following recommendations:

1. Amend the Exterior Inspection Schedule to require Annual Inspections – The Rental Licensing Program initially required Annual Exterior Inspections. History shows that annual inspections produced results. It was quite common to observe active maintenance projects throughout the City on a continual basis; curb appeal improved as did the sense that neighborhoods were getting better. This inspection schedule postured the City's efforts as proactive neighborhood support. The current exterior inspection schedule is every two years, and if there are no significant deficiencies on an exterior inspection, the next exterior inspection is at the four year mark. This current exterior inspection schedule is not sufficient to support the neighborhoods.
2. Amend the Interior Inspection Schedule – The Rental Licensing Program initially required interior inspections at a tenant-turnover but no more often than three years. Currently, an interior inspection is required at a tenant-turnover but not more often than every four years. Neither inspection schedule has worked well. The program has been in existence for eleven years, and a large number of units have never been

inspected. The thought process behind the tenant-turnover concept was to protect the rights and privacy of tenants. Staff recognize this is an important objective and believe that a balance can be achieved. Staff recommend that the Interior Inspection Schedule be amended to require such inspections at tenant-turnover, not more often than every four years or if no tenant-turnover has occurred, the inspection would occur at the four year mark regardless of occupancy status.

3. Restore Staffing to 2003 Levels – In 2002, the initial recommendation for staffing code/neighborhood support operations was 8 inspectors. A compromised position was reached following pushback from the landlords, and in 2003 a total of 6 inspectors were assigned to code/neighborhood support positions. Based on priorities in 2010 and 2011, the City eliminated 50% (3 positions) of these positions.

The reality is that despite the hard work and dedication of the remaining team members, the neighborhoods are continuing to deteriorate. The workload is such that staff simply cannot keep up as the needs of the community grow and the building stock deteriorates. The number of rental properties has also swelled from approximately 8,000 in 2003 to 9,000 in 2014.

Objectively, solid progress was being made in the first six and a half years of the enhanced code/neighborhood support operations. Buildings were being repaired; new paint, new windows, new roofs and neighborhoods were starting to look clean. Since the reduction in staff, efforts have gone from proactive to reactive, from being able to dedicate time to more complicated cases to simply running from complaint to complaint, from scheduled inspection to scheduled inspection.

While staff believes that an argument could be made to increase staffing to the 8 inspectors originally recommended in 2002, staff strongly recommend that staffing be returned to the 2003 levels. This means that the 3 positions eliminated in 2010 would be reinstated in an effort to turn the tide.

4. Funding – The above recommendations are made in order to provide the requested support for residents and neighborhoods. In order to accomplish this, appropriate funding is required. Staff have analyzed rental licensing fees and recommend that the current fee be adjusted as suggested in the Urban Partners report to fund the necessary increase in neighborhood support. The recommendation is to adjust the annual fee by \$ 25 per residential rental dwelling unit – the new annual fee would be \$ 75 per unit per year. While some jurisdictions have lower fees, others are considerably higher. This fee will fund the necessary

resources. Staff believe that this fee is reasonable, necessary and prudent.

The additional cost per month per apartment will be \$ 2.08. This adjustment will supply the necessary revenue stream to accomplish the above recommendations.

Staff believe the above recommendations are responsive to the appeals of the residents, and will improve the conditions in the neighborhoods. Protecting property values is a top priority. Curb appeal, quality of life, and improved conditions on the ground all work towards making a neighborhood desirable. When individuals have choices about where to call home, desirability is hugely important and has a direct effect on the value of properties. Other benefits of implementing these recommendations also include growing shared efforts with the Police Department and improving the safety of structures for first responders.

Staff recognize that balance is critical in the efforts and use experience to find balance and prioritize working with customers. Staff also recognizes that some choose to use the word “Code” as a pejorative. It is not; the “Code” of the City of Hagerstown establishes Community Standards for Neighborhoods. The City’s Community Standards for Neighborhoods and the programs to apply the standards are a source of pride for City residents.

Councilmember Aleshire asked if shelters will be included in the inspection process. Mr. Lestitian stated these facilities are not subject to the rental licensing requirements but including them in the inspection process can be discussed.

Mr. Zimmerman pointed out none of the categories established in 2003 have been eliminated.

Mr. Lestitian envisions an inspection plan for non-profit housing units as a stand alone program.

Councilmember Aleshire thinks shelters should be inspected. He would not support an inspection of a home occupied by a long time tenant. He does agree that other inspections need to occur more frequently. When rental licensing was implemented, the housing market was booming. Now there is a larger base of vacant housing.

Mr. Lestitian stated there is no doubt vacant properties have a negative impact on neighborhoods. Staff will return in the fall to discuss recommendations for addressing vacant properties.

Councilmember Aleshire wondered if the Economic Development Commission would be willing to provide some funding to address vacant buildings from transfer taxes.

Councilmember Metzner agrees with the initiatives except for an amended interior inspection schedule. He would not support a mandate that requires a tenant to allow an inspection. He would support the initiative if it stated an inspection would be completed, if the resident grants permission. There also needs to be a guarantee that people will not be evicted because of a complaint.

Councilmember Munson stated there is no question more staff is needed. He was appalled by some of the conditions he saw while visiting homes during the campaign. People should not have to live in poor conditions.

Mr. Lestitian noted Section 8 residences will be inspected. There is an exemption that inspections made by the Hagerstown Housing Authority for their facilities would be accepted.

Councilmember Munson noted that poor living conditions are not limited to renters. Some owner occupied homes are in poor condition. Mr. Lestitian stated this initiative will not address owner occupied homes. The vacant structure discussion will include some additional thoughts for owner occupied residences.

Councilmember Munson indicated he supports these amendments as a starting point. He hopes this keeps the ghettoization in Hagerstown from increasing.

Councilmember Nigh does not support inspections of residences of long time tenants.

Councilmember Metzner stated he suspects staff will be very busy with the backlog of inspections.

Councilmember Aleshire asked where the revenue from the rental licensing program was used when staffing levels were decreased. Mr. Lestitian stated a general fund contribution was supplementing the program. When staffing levels were decreased there was no longer a need for the general fund subsidy. The current fees cover the current operations.

Mayor Gysberts wants to encourage volunteer participation of owners for improving their properties. Mr. Lestitian suggested a community outreach approach.

It was the general consensus of the Mayor and City Council to include approval of the amendment for exterior inspections, staffing levels and increase in the annual fee for rental licensing on the July 22, 2014 agenda.

Non-Profit Housing Discussion

Mayor Gysberts stated this is a general discussion regarding non-profit housing facilities.

Mr. Lestitian pointed out the residential non-profit facilities are not governed by the rental licensing program. In order to ensure standards to eliminate blight conditions, a separate program should be developed.

Councilmember Aleshire stated community partners need to be engaged so they understand the delicate balance necessary to keep neighborhoods healthy. The fact that prisoners are remanded to Hagerstown and then relocate here to utilize the social services offered is not helping Hagerstown. He stated the downtown is on a course to become a large non-profit service center. It has the potential to be a community driven successful business district. He stated it doesn't seem the State cares what happens in Hagerstown. There are more registered sex offenders in Hagerstown than there are in Frederick. These facts are impacting the City's budget, as there is a continued struggle with assessments and home ownership.

Mayor Gysberts noted the critical mass is tipped to the side of poverty. This is a struggle because it is not right to displace poor people and move them away from the services they need. He recently toured the Dagmar building and stated the condition is deplorable. There are many ex-prisoners living at the Dagmar. He stated a real problem is owners who benefit from the social services, while expecting the City to do something about the condition of downtown and other neighborhoods.

Councilmember Metzner suggested immediately enacting legislation similar to rental licensing, for non-profit housing. He supports interior inspections for this class of housing. The fee should cover the number of staff needed to complete inspections for the non-profit housing. He is also supportive of an emergency moratorium for limiting the expansion of service providers, as long as one group is not being singled out.

Mayor Gysberts asked if any of the non-profit housing groups pay a PILOT. Mr. Lestitian indicated the Housing Authority is the only one that does.

Councilmember Metzner stated people who have high service requirements should be expected to cover the costs for the services. He asked that the City attorney look into the possibility of charging for services. An example would be an ambulance company providing taxi service to the hospital for the REACH shelter. These organizations are located in Hagerstown because housing is inexpensive, there aren't high standards and the services are free.

Mayor Gysberts thinks they should be subject to the excessive calls for service regulations.

Councilmember Aleshire stated Delegate McIntosh explained a simple, direct approach to restore some the balance with the subsidy for services provided. Hagerstown is second only to Baltimore City in the level of subsidy services.

Councilmember Nigh stated the Dagmar provides housing for released prisoners and the public should know who is living there. The City has to be able to control what

happens in the City. She understands Soul Haven (W. Franklin Street) is planning to expand their operations. She noted many poor people have respect for the assistance they receive and try to help themselves. There are many people coming to Hagerstown for services that don't need this type of assistance.

Councilmember Aleshire stated there is an impact to the community from the patrons of these services. People assume all the services belong in downtown Hagerstown. This is not an appropriate assumption.

Mayor Gysberts suggested that the Washington County Housing Authority start offering services and housing in other municipalities.

Councilmember Metzner stated until the City's funding is no longer provided, the non-profit organizations will continue to make requests to Hagerstown. The City of Hagerstown is not a miniature county. The non-profit organizations should make funding requests to all the other municipalities in Washington County.

Councilmember Munson stated many of the organizations receive State and Federal funding, but the City is never informed the funding supports social and medical programs, etc.

In summary, the following is a listing of items for future discussion:

1. Moratorium on expansion of public services
2. Implementation of fees for service calls or PILOT agreements
3. Licensing regulations
4. The number of service entities and the number of clients served by each
5. Partnerships between the City and the community are balanced

Mr. Zimmerman suggested staff develop an outline to address the issues raised during the discussion and schedule time during the August 12, 2014 Work Session for further discussion.

Mr. Lestitian noted that the rental licensing fee increase would be implemented for the next license year and to any new units beginning in January, 2015.

Request from Jamison Door

Rodney Tissue, City Engineer, received a request from Jamison Door requesting that the parking area adjacent to their building be repaved. This is an unusual situation where motorists on Alley 1-144 use the public alley until it reaches the JV Jamison property where they cross JV Jamison's private property to get to JV Jamison Drive.

Staff completed traffic counts and approximately 20 to 30 vehicles use the alley/Jamison parking lot each day. The estimated cost to pave the area is \$ 6,000.

Staff is requesting Mayor and Council's direction on this since this would be the use of public funds to pave the private driveway; however, this is an unusual situation where a public alley directs vehicles into the private property. Staff could either arrange that funding be given to Jamison directly as a reimbursement of paving work they do, or it could add this to the 2015 paving list at the Council's direction.

It was the general consensus to provide funding of \$ 5,000 to Jamison Door toward the paving of this area, as was subsequently requested by Jamison Door Company.

Gateway Signs on Route 40

Rodney Tissue, City Engineer, and Jonathan Kerns, Community Development Manager, were present to discuss gateway signs on Route 40. One is located on the Greens at Hamilton Run, while the other smaller sign is located in Hellane Park in the west end of Hagerstown. The sign at Hellane Park is in poor condition and needs to be replaced. The sign has never been "monumental" and staff is suggesting that if the sign is replaced, the overall statement that the sign makes as people enter Hagerstown should be improved.

In addition, there are no signs welcoming people to the downtown area of the City and a lot of municipalities have additional signage at the gateways to their downtowns.

A rendering of a large monument sign to replace the existing one in Hellane Park was reviewed. The proposed sign is approximately 12' high and almost 35' long. The sign would continue to have the interservice club emblems at the bottom and the sister City information and corporate seal should be added. This sign could be constructed in-house by Parks Division staff since this sign is in Hellane Park.

Two signs would be proposed as a gateway to the downtown, one on West Washington Street (somewhere in the vicinity of the Police Station or St. Mary's parking lot); and a second sign on East Franklin Street in the southwest corner with Cannon Avenue. A rendering of a downtown gateway sign concept that could be placed at both locations was reviewed. The Franklin Street sign is a continuation of the Franklin Street enhancements that the Department of Community and Economic Development discussed with the Mayor and Council earlier this year.

Funding for the three signs would be \$ 9,000 from the Economic Development Fund – Franklin Street Plan and \$ 35,000 from CIP 579. Staff believes these three signs could be installed within this budget if no lights, irrigation, or significant landscaping is included. Landscaping of the Franklin Street at Cannon Avenue project would be completed as part of the ongoing effort of the Department of Community & Economic Development's efforts on East Franklin Street.

The gateway sign areas are maintained by the Parks Division while the downtown gateway signs are maintained by the Department of Public Works.

It was the general consensus to approve the concept and move forward with this sign project.

Council Chamber Improvements

Mayor Gysberts informed the Council that requests for proposals have been made for new video and audio broadcast equipment for the Council Chamber. The equipment will enhance the experience for viewers on Channel 25 as well as guests who attend meetings in the Council Chamber.

The Council Chamber was updated in 1987, well before the Mayor and City Council meetings were televised. Improvements are planned, including wall color, carpeting and audience seating, that will also improve the quality of the broadcast.

Erin Wolfe, Communications Manager, and Donna Spickler, City Clerk, discussed the color scheme. The tapestry on the south wall will be preserved. This was a gift to the City of Hagerstown from the Hebrew Ladies Auxiliary for the new Council Chamber in 1940.

Mr. Zimmerman noted the ramp will remain in the Council Chamber, keeping accessibility in tact.

Funding of up to \$ 10,000, is available in the funded CIP projects for City Hall and for Public Works.

Mayor Gysberts suggested looking at creating an archive room on the 5th floor at City Hall.

The color scheme and plans were accepted by the Mayor and City Council.

CITY ADMINISTRATOR'S COMMENTS

Bruce Zimmerman, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember D. F. Munson thanked everyone involved with making the July 4th fireworks event spectacular. It was a fairly trouble free night.

Councilmember K. B. Aleshire had no additional comments.

Councilmember L. C. Metzner agreed the fireworks event was great. He thanked everyone for their expressions of sympathy following the passing of his mother.

Councilmember P. M. Nigh stated several storm drains need to be cleared. She wondered if the City has the necessary equipment. She asked that mowing contractors not blow grass clippings into the street.

Councilmember Aleshire stated it is important for citizens to understand that the drainage system was designed to handle runoff from the City of Hagerstown and not to collect other development run-off.

Councilmember Nigh commended the Planning Commission for denying a request for more apartments at Cortland Manor.

Councilmember Munson thanked Rodney Tissue, City Engineer, for working with residents who experienced flooding.

Mayor D. S. Gysberts thanked the Fire Department employees who also assisted residents who experienced flooding conditions. The fireworks event was very well organized and well attended. He thanked Linda Irvin-Craig and Stephen Bockmiller for their work in having the Civil War display at Fairgrounds Park. He also thanked Ted Bodner for his work with planning and organizing the fireworks event each year. The 100th anniversary concert of the Hagerstown Municipal Band will be held on July 13, 2014. The next Wind Down event will be held on July 11, 2014 and the theme is Ag Ventures. He encouraged everyone to visit Fairgrounds Park and use the new exercise equipment. There will be a Work Session on July 17, 2014 at 4:00 p.m. The Board of Education will join the Mayor and City Council to discuss the BISFA expansion. Other topics for the meeting are a follow up to the Urban Partners report and MML Legislative Priorities. There will be a public stakeholder meeting at the Washington County Free Library at 7:00 p.m.

EXECUTIVE SESSION – July 8, 2014

Councilmember D. F. Munson made a motion to meet in closed session to consult with counsel to obtain legal advice, #7 (Section 10-508(a)), before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process, # 14 (Section 10-508(a)), and to consider the acquisition of real property for a public purpose and matters directly related thereto, #3 (Section 10-508(a)) at 6:06 p.m. in Room 407, 4th Floor, City Hall, Hagerstown, Maryland. Councilmember L. C. Metzner seconded the motion.

Motion carried, 3-1 with Councilmember K. B. Aleshire voting No, specifically for the discussion about MELP and the petition.

The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Bruce Zimmerman, City Attorney William Nairn,

Rodney Tissue, City Engineer, Karen Giffin, Community Affairs Manager, Scott Nicewarner, Director of Information Technology and Support Services, and Donna K. Spickler, City Clerk. The meeting was held to discuss the binding arbitration petition, the MELP property, a cable franchise agreement and the offer of sale of private property to the City. No formal action was taken at the meeting. On a motion duly made, seconded and passed, the meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Donna K. Spickler
City Clerk

Approved: August 26, 2014