Mayor D. S. Gysberts called this Work Session to order at 4:05 p.m., Tuesday, October 14, 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.

Proclamation: Fire Prevention Month

Mayor Gysberts read a proclamation recognizing October, 2014 as Fire Prevention Month. Chief Kyd Dieterich and Doug DeHaven, Fire Marshall, accepted the proclamation.

Proclamation: Character Counts! Week

Mayor Gysberts read a proclamation recognizing October 19-25, 2014 as Character Counts! Week. Carolyn Brooks, Sarah Johnson, Erin Wolfe and Tom Kline were present to receive the proclamation.

Proclamation: National Community Planning Month

Mayor Gysberts presented a proclamation to Doug Wright, Planning Commission Chairman, in recognition of National Community Planning Month. Members of the Planning Commission and the City’s Planning Staff were also present.

Proclamation: Conflict Resolution Day

Mayor Gysberts read a proclamation recognizing October 16, 2014 As Conflict Resolution Day. Members of the Washington County Mediation Center accepted the proclamation.

Mayor Gysberts stated Councilmember Aleshire will be arriving late and had asked that the McCleary Hill project be discussed later in the agenda. The Council agreed to amend the agenda to accommodate the request.

2014 Hagerstown Ice & Sports Complex Annual Report

Rodney Tissue, City Engineer, reported the Hagerstown Ice Amateur Athletic Association (HIAAA) have managed the facility for the City since April. Operations have been good and the group is trying to improve the customer experience.

Paul Sweeney, Board Chair, and Pete Lowe, Board Member, were present to provide the annual update, which is required by the User Agreement.
Mr. Sweeney stated the HIAAA is a representation of all the major users groups with each having a voting member on the Board. There are more than 250 hockey players (adult and youth) and more than 100 figure skaters using the facility on a regular basis.

A detailed analysis of the separate rink functions was completed by the HIAAA board members, including registrations, ice usage, concessions, advertising, and maintenance. Recommendations for improvements are made at monthly board meetings. There were few standard operating procedures in place before HIAAA took over the operations. New implementations are increasing productivity.

The physical state of the ice and the boards were in critical condition at the time of the HIAAA take over. Major repairs to the facility were undertaken in June and July, including replacement of the ice.

All bills are current. The cost to replace the ice was $30,000 and the bill has been paid in full.

Mr. Lowe stated HIAAA is requesting the City’s continued support as they move forward with seeking grant funding.

It was the general consensus to support HIAAA in their efforts for grant funding.

Mayor Gysberts stated the HIAAA has been successful in improving operations at the ice rink.

A rededication and grand reopening celebration will take place on Saturday, October 18, 2014 at the Complex. There will be free skating, raffles, and demonstrations.

**Unattended Donation Drop Off Boxes**

Kathleen Maher, Planning Director, was present to discuss concerns related to unattended donation bins and options available to the City to address this issue.

Two options to consider are:

1. Amend Chapter 200, Sanitation, to add a provision for treating materials scattered around the outside of unattended donation containers as refuse and therefore subject to a code violation and the requisite remedies to correct the situation.

2. Amend Chapter 185, Nuisance Abatement, to add “unattended donation container” to the definitions and to the list of prohibitions. As Councilmember Aleshire pointed out, the Town of Myersville handles unattended donation containers in this manner.

The first option would allow unattended donation containers, but provide penalties if the containers are not monitored properly and allowed to overflow and attract...
uncontained material. The second option would prohibit placement of unattended
donation containers in the City.

Councilmember Brubaker would like to try the first option, as they are a form of
recycling. He suggested adding language prohibiting collection boxes in inappropriate
locations.

Councilmember Nigh asked if anyone knows who sets the boxes in the locations. She
would prefer the second option, prohibiting the collection boxes.

Councilmember Brubaker stated he thinks the property owner should be held
responsible.

Councilmember Munson does not think the boxes are needed since there are many
places in Hagerstown that people can take donated items. The sites often become trash
drop offs. He supports prohibiting the donation containers.

Councilmember Nigh pointed out that some people search through the items left at the
sites and create more trash.

Councilmember Metzner supports prohibiting the containers. He would reconsider his
thoughts if the people who are the beneficiaries of the collections contact the City to
promote the merits of the programs.

Councilmember Aleshire stated the Towns of Myersville and Middletown found that
the donations used from the containers located there were used as an international service
and not necessarily for charitable causes. He supports prohibiting donation containers.

Staff will prepare an ordinance to prohibit the location of donation containers within
the City limits.

**Hagerstown Housing Authority’s McCleary Hill Project**

Ted Shankle, Executive Director, and David Kump, Director of Special Projects, for
the Hagerstown Housing Authority (HHA) were present to discuss the McCleary Hill
project.

The HHA has submitted an application to the Maryland Department of Housing and
Community Development for financing of the project thought the federal Low Income
Housing Tax Credit program, Multifamily Housing Revenue Bond program and/or other
programs of DHCD for approval of the project. McCleary Hill will replace the Noland
Village development. Noland Village was built in 1969 as a turnkey operation. Reasons
for replacing Noland Village include obsolete barrack-style public housing, poor urban
design, obsolete architecture, and a high concentration of large family households. Major
capital improvements are also needed – approximately $7.5 million in rehab in the next
10 years and approximately $12.5 million in rehab required in the next 20 years.
McCleary Hill is planned to be a project similar to Gateway Crossing. The proposal is a four phased demolition and redevelopment of the exiting Noland Village. Infrastructure, including streets, sidewalks, utilities, storm water facilities, parks, playgrounds, street trees, landscaping, etc., will be replaced. New construction will replace 250 public housing units with superior, high quality design and construction. The replacement will be totally indistinguishable from market rate development. Construction includes 75 new Mixed-Income rental units and a new Community Center similar to Elgin Station. There is potential for Phases 5 and 6 of residential and/or light industrial development. The total development cost is anticipated to be more than $70 million.

Mr. Shankle reported the benefits to the City include the following:
1. Substantial Increase in Real Estate Taxes – at least approximately $700,000 in extra County and City taxes over 20 years. An additional 18 acres is available that would be used for possible residential, light industrial, etc. and would generate additional tax revenue.
2. Creation of Jobs – for every 1,000 LIHTC units developed, approximately 1,130 jobs are supported annually, about 60% are in construction.
3. $70+ million Public and Private investment – there would be new water service, new sewer service, new gas service and electrical upgrades.
4. Donation of major infrastructure improvements.
5. Removal of Blight/Beautification.

If nothing is done, Noland Village will continue to deteriorate and be a financial drain on HHA which could affect its ability to manage its portfolio. There is the potential for neighborhood decline and social and economic problems. Noland Village will be the home of choice for the lowest income households. No working families will choose to live in the community.

Mr. Shankle stated normally the HHA would have talked to the communities in the area of the project before filing a request for funding. However, the funding level at the State is high and they were encouraged by Secretary Skinner to apply at this time.

Mr. Kump indicated the HHA purchased 33 acres adjacent to the existing Noland Village. This will allow for the expansion of 250 units to 325 units.

Mr. Kump stated Phase I of the project is a systematic relocation and Phase 2 will link the first area with a new community center. Mr. Shankle reported tenants would move as the units are completed.

The HHA is looking for the City of Hagerstown’s support of this project. There is no question this project will help the economy.

Councilmember Brubaker asked how the property was purchased, since there was no federal funding involved. Mr. Shankle stated the HHA purchased the property with funding through agreements it has with various LLC’s for services provided. Both
Gateway Crossing and the C. W. Brooks building are owned by LLC’s and the HHA provides maintenance, security and other services.

Councilmember Brubaker mentioned the topography is rather awkward in that area. He would prefer there be a buffer between the residential component and the adjacent industrial uses.

Councilmember Aleshire stated in the document to the State the specific income guidelines were included. He asked if that proposal only applies to the 250 units that are scheduled to be replaced or if it includes the additional 75 units that will be for sale.

Mr. Shankle stated it applies to the 250. All 325 units will be rental, none will be home ownership. The additional 75 units will be scattered throughout the project area.

Councilmember Aleshire clarified that all units will be rental units. Mr. Shankle stated that is correct.

Mr. Shankle stated the LLC that will own the project will pay real estate taxes.

Councilmember Brubaker inquired if the HHA will be requesting assistance from the City. Services, such as maintenance and trash removal, will be provided by the HHA. These services would not be requested from the City of Hagerstown. The HHA may request waivers of building permit fees but will not request any subsidy. Councilmember Brubaker pointed out a waiver would be a subsidy.

Mayor Gysberts appreciates the HHA’s cooperation with the trail project.

Mr. Zimmerman stated time could be included during the Work Session on October 21, 2014 to continue reviewing the information.

Councilmember Aleshire asked if the DHCED is looking for comments from the City of Hagerstown. He thinks the comments should include the fact that the Planning Commission and the Mayor and Council have not had the opportunity to review the plans as they have for other projects.

Mayor Gysberts believes the State is seeking comments on the financing request aspect rather than on the overall project.

Mr. Shankle stated they were not planning to approach the City of Hagerstown until January, after they knew if the funding had been awarded to the HHA. The funding is awarded through a point system and City support will add points to the application.

Councilmember Aleshire stated he in enthusiastic about the addition of low to moderate income rental units in this area.
Councilmember Metzner stated this is not a question of whether to keep Noland Village or get rid of it. It is a question of how to make the situation at Noland Village better by supporting a project similar to the project in the west end. It is not an increase in public housing.

Councilmember Aleshire stated there is a large difference in the two projects and that is a change in the unit type.

Mayor Gysberts stated the discussion will continue during the October 21, 2014 Work Session.

**Bloom-Carlile Trust – FY 15 Funding**

Michelle Hepburn, Director of Finance, was present to discuss the City’s Bloom-Carlile Trust Fund.

The Fund has a balance of $122,766 as of June 30, 2014. This fund was established to monitor and distribute funds received by the city from the estates of S. Martin Bloom, Annie Fill Carlile and others. These funds are to be used strictly to provide assistance to the poor and needy of Hagerstown.

Mayor and Council authorization is requested to allocate $4,800 in Bloom-Carlile funds to the Community Action Council in FY15.

Since 1983, the Washington County Community Action Council has been administering the disbursements and allocations for the Bloom-Carlile fund to city residents on behalf of the City. As part of the administration process, the CAC provides a summary report that includes the total amount awarded from the City’s allocation of the Bloom-Carlile Fund and total balance remaining that can be distributed by the CAC.

Due to staffing transitions at the Community Action Council and uncertainty of future operations, the City’s current year budget did not include an allocation of Bloom-Carlile Funds to the CAC. Subsequent to the adoption of the budget, the City has received the necessary reports from the CAC for all prior periods through July 31, 2014. Now that the appropriate reporting is back in place, staff recommends the restoration of this fund to the CAC for FY15 in the annual amount of $4,800 from the Bloom-Carlile Trust Fund. The allocation of funds would be distributed to CAC from Bloom-Carlile funds on a monthly basis.

Mayor Gysberts wondered if investing the endowment through the Community Foundation would provide better interest rate returns. Ms. Hepburn will review the documents to determine if this is a possibility. Councilmember Brubaker would prefer that CAC continue to administer the funds.

It was the general consensus to restore the fund to the CAC.
Workers’ Compensation Program and Staffing

Karen Paulson, Director of Human Resources, and Kevin DeHaven, Safety and Loss Control Coordinator, were present to continue the discussion from the September 16, 2014 Work Session of a self-insured workers’ compensation program.

CBIZ projects a self-insured program will have a first year savings of $288,645 and a five year savings of $1,972,115. In addition to the financial savings, there are substantial operational and control benefits to the City that support a transition to a self-insured program. These include improved cash flow as claims are paid when expenses are incurred, generation of investment income from reserved funds, more input over claims administration, and enhanced opportunity for safety and loss control programs.

This is a transition that will require a significant amount of oversight and management from staff. Employee health, safety, and wellness initiatives become even more essential as there is a direct relationship with employee health and the cost of the workers’ compensation program. There must be a continued long term commitment to fostering a culture of workplace wellness and health for this type of program to fully realize its potential savings.

The transition to a self-insured program makes sense fiscally and programmatically. Ms. Paulson stated she strongly believes that in order for this program to be successful and to meet the expanding needs of the workforce, the addition of a full time position to the Human Resources Department is imperative. Like many other departments, Human Resources has continued to make do with current staffing levels due to the budgetary restriction caused by the challenging economic situation the City has been experiencing over the past several years. She is proud of the department’s accomplishments as they have been successful in maintaining service even with significant increases in workload. In the past several years, staff has absorbed the City’s liability insurance program, created and continue to develop a comprehensive wellness program, transitioned vendors in virtually all areas of benefits, and continues to redefine and develop internal initiatives and programs to develop the workforce and become a strategic partner to all operations. The department is at the point however, where staff cannot expand services beyond the current levels due to the existing workload.

The long term industry standard that establishes sufficient staffing of an HR Department is 1 HR Staff person per 100 employees. It was noted that many organizations outsource benefits administration and payroll functions. In approximately half of all organizations, payroll changes are typically processed as an accounting function. The Human Resources Department manages employee and retiree benefits and all pay changes for the entire City workforce. In the current fiscal year budget, the City has 487 FTE positions. Excluding the safety position, which should not be included in the calculation, the City’s ratio is 1:139. The approval of an additional position would make the ratio 1:108.
This position’s primary responsibilities would be in workforce development, training, employee recruitment, expanded orientation, recognition initiatives, succession planning, and assisting in labor relations issues such as employee investigations, and assisting policy and contract administration issues. This will be a highly visible position working with all levels of the organization. It would absorb enough of the workload related to training, certification, and licensing from the Safety position so that the Safety position can focus more on strengthening the loss control initiatives and keep a close level of oversight on the performance of the worker’s compensation program.

A conservative estimate on the cost of the position to include wages, benefits, and the addition of equipment (computer) is approximately $87,000. The base salary would be in the range of $50,000. The remaining savings can be used to balance the general fund and support other Mayor and Council priorities.

Staff requests Mayor and Council’s approval to proceed with implementation of a self-insured workers’ compensation program and the addition of one full-time staff person in the Human Resources Department bringing the total number of authorized full-time staff in the department from four to five. This position is necessary to successfully implement the program and position the department to better function as a strategic partner to the workforce and operations. This position will be funded through a portion of the savings from converting to a self-insured program. The target implementation date of the self-insured program is July 1, 2015.

It was the general consensus of the Mayor and City Council to proceed with implementing a self-insured workers’ compensation program and to approve the addition of a full-time Human Resources staff person.

Mr. Zimmerman pointed out the net general fund savings will be $112,000. This action will be compatible with the three year budget schedule staff and the Mayor and Council have been working on since the Spring.

**Competitive Negotiated Sale Recommendation: 19-23 West Antietam Street**

Andrew Sargent, Downtown Manager, and John Lestitian, Director of the Department of Community and Economic Development, were present to discuss the transfer of 19-23 West Antietam Street.

The Mayor and City Council directed and approved the Competitive Negotiated Sale process (CNS), whereby property owned by the City of Hagerstown is sold. CNS proposals are accepted on a rolling basis and considered by the CNS Committee, which is comprised of the Planning Director, the Finance Director, the Inspections Manager, the Downtown Manager, and the Community Development Manager. Proposals found by the CNS Committee to have merit and which are in line with the City’s Vision are forwarded to the Mayor and City Council for consideration with a recommendation to proceed.
After a fire on February 6, 2013 at 19-23 West Antietam Street, the City interceded for the sake of public safety and performed an emergency demolition of the top floor to make the structure immediately safe. Knowing that the City would likely own the structure as the bankruptcy case was being resolved, the City began advertising the property as available through the CNS process on October 16, 2013. Subsequently, the City took ownership of the property in March, 2014.

The property continues to have serious structural issues, has been condemned and needs to be razed.

The CNS Committee has received a proposal from a developer for the property. Bowman Development submitted their initial proposal in July 2014 and outlined their basic development plan for the property. This proposal calls for transfer of the real property to Bowman Development plus a City economic development incentive to assist in the demolition of the structure. Since that proposal, Bowman Development has worked hard to solidify the demolition costs and after receiving further information, updated their proposal. The final proposal is summarized as follows:

1. Through a legal agreement, the City will transfer ownership of the property to Bowman Development.
2. The City will supply an economic development incentive to support Bowman’s development plan by providing funding to Bowman Development in the amount equal to half the cost to demolish the building or $75,000, whichever is less.
3. Within 30 days of the Agreement, Bowman Development will commence demolition.
4. Within 90 days of the Agreement, the City will transfer clear title of 19-23 West Antietam to Bowman Development.
5. If the City fails to transfer title of the property to Bowman Development, the City will reimburse Bowman Development for the complete cost of demolition estimated to be $150,000.

The source for the economic development incentive is through the Economic Redevelopment Fund. Specially, $75,000 is available and budgeted for dwelling unit reduction projects. While these funds were not originally envisioned for this project, the necessity to complete this transaction and the lack of a current unit reduction project makes this use the best option available.

It is the recommendation of the CNS Committee that the Mayor and City Council direct staff to develop the necessary agreements consistent with the above terms. It is the opinion of the CNS Committee that this project aligns with the City’s Vision and Commitment for Neighborhoods, supports the Community City Center Plan and will specifically contribute to the success of Catalyst Project 5, the Trail Project.
The developer is working on concepts for future development. The property could be utilized as a staging area should the Board of Education decide to move forward with the expansion of their presence downtown.

Councilmember Munson stated this project is a good step in the process for ending blight in the City of Hagerstown.

It was the general consensus of the Mayor and City Council to accept the recommendation of the CNS Committee and move forward with the transfer of the property to Bowman Development.

Mr. Zimmerman stated it is anticipated that the developer will be allowed to do some of the work before the final effective date of the ordinance, as was the case for the developer of 140 S. Potomac Street.

**CITY ADMINISTRATOR’S COMMENTS**

*Bruce Zimmerman, City Administrator,* had no additional comments.

**MAYOR AND COUNCIL COMMENTS**

*Councilmember M. E. Brubaker* thanked the members of the City’s Boards and Commissions who volunteer their time to make this a good community. The number of public minded people is a big asset in this community.

*Councilmember K. B. Aleshire* participated with the City of Hagerstown group working at the Western Maryland Center during the United Way Day of Caring. He suggested more lighting at the park at North and East Avenue.

*Councilmember D. F. Munson* complimented the Police Chief and the Sheriff for their department’s good work in apprehending the people who have robbed a number of convenience stores in the area. The new director of the Economic Development Commission, Kassie Lewis, is willing to listen to what is available in the City.

Mayor Gysberts pointed out that the police are doing a good job and he would like to be able to convey to the community how many cases are solved. He is concerned that criminals are charged and the court system releases them with low bond amounts.

*Councilmember P. M. Nigh* stated the Harvest Hoe Down was held on October 4, 2014. She wondered what kind of resurfacing material was used on the parking lot off Church Street. She asked if it is accurate that the shingles vaccine is covered by the City’s insurance only if the employee is over 60 years old. She asked if staff was monitoring if the owners of the Alexander House are following the plan they presented to the Mayor and City Council. She is concerned that Cortland Manor is requesting permission to build more apartments. Councilmember Brubaker stated a number of members of the Planning Commission are concerned as well.
Councilmember L. C. Metzner stated the District Court System is an individual entity that does not have to report to any organization. Many of the District Court Commissioners are not trained in legal fields. There have been 21 heroine overdoses since January 1, 2014. One of the problems is officers have to wait a lengthy time to talk with the State’s Attorney.

Mayor D. S. Gysberts reported an open house was held at the food bank last week. There was a Star Spangled Banner flag commemoration held at the Maryland Theatre. The first musical rendition of the Star Spangled Banner was printed in Hagerstown. He thanked everyone who helped with the Harvest Hoedown. A tech showcase is being held at Hagerstown Community College on October 15, 2014. The Wind Down on Friday, October 18, 2014 theme will be pumpkin carving.

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 6:28 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: November 25, 2014