

EXECUTIVE SESSION, SPECIAL SESSION (66<sup>TH</sup> VOTING SESSION), AND WORK SESSION  
APRIL 11, 2023  
MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND  
EXECUTIVE SESSION, SPECIAL SESSION (66<sup>TH</sup> VOTING SESSION), AND WORK  
SESSION

EXECUTIVE SESSION – April 11, 2023

Mayor Martinez called the Executive Session to order at 3:35 p.m.

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote of all members present at the time of the vote to meet in closed session to consider a matter that concerns the proposal for a business proposal or industrial organization to locate, expand, or remain in the State; (#4) (Section 3-305(b)), on Tuesday, April 11, 2023 at 3:35 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland. Councilmember K. B. Aleshire was not present for the vote.

The following people were in attendance: Mayor T. Martinez, Councilmember K. B. Aleshire, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember S. McIntire, Councilmember M. J. Schindler, City Administrator Scott Nicewarner, Michelle Hepburn, Chief Financial Officer, Jill Thompson, Director of Economic and Community Development, Christopher Siemerling, Economic Development Specialist, Doug Reaser, Economic Development Manager, Paul Fulk, Neighborhood Services Manager, and City Clerk Donna K. Spickler.

The meeting was held to discuss the status of a business proposal. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 4:07 p.m.

SPECIAL SESSION (66<sup>TH</sup> VOTING SESSION) AND WORK SESSION – April 11, 2023

Mayor T. Martinez called this Special Session (66<sup>th</sup> voting session) and Work Session of the Mayor and City Council to order at 4:10 p.m., Tuesday, April 11, 2023 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, S. McIntire, and M. J. Schindler, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember M. J. Schindler, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 4:10 p.m.

**Appointment of a Resolution: State Grant Agreement for HFD Burn Building**

**Action:** On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote to approve a resolution to authorize the execution of a grant agreement with the State of Maryland Board of Public Works for a \$ 500,000 grant for the Hagerstown Fire Department Burn

Building. The City has matching funds from General Fund Balance Reserves to complete this project.

The Special Session was closed at 4:11 p.m.

### FY24 Budget Review

Michelle Hepburn, Chief Financial Officer, and Brooke Garver, Accounting and Budget Manager, were present to review the FY24 Budget.

The 2023 Constant Yield Tax Rate notice from the State Department of Assessments and Taxation (SDAT) indicates a July 1, 2024 constant yield tax rate of \$0.9537 per \$100 for all classifications excluding Apartments and tax rate of \$0.9641 per \$100 for Apartments Only. The constant yield tax rate is the calculated amount needed to maintain the current revenue levels in the next fiscal year and is based on estimates. The total amount reflected by SDAT as the constant yield tax rate is lower than the current real estate tax rate charged of \$1.002 per \$100 for all classifications except Apartments and \$1.032 for Apartments. This simply means that the current estimates reflect an overall growth of 5.2% in assessed values will occur which would generate approximately \$1.6 million more in revenue than the current fiscal year if the tax rate remains the same.

FY24 is the first year of the triennial assessment period which means that real estate market values will be reassessed again in December, 2025. New developments, renovations within the City's Enterprise Zone area, and annexations continue to play a vital role in the growth of the overall assessed base. As a result, the FY24 Proposed Budget includes a growth estimate of 7.1% instead of the 5.2% estimated by SDAT. A separate tax tier was implemented in the City on apartments effective in FY19. At this time, staff recommends eliminating the separate tier which would reduce revenue by approximately \$ 85,000 and is reflected in the total dollars unbudgeted. The majority of all revenue in the City's General Fund is from total property revenue which includes personal property tax. Total projected tax revenues represent 67.1% of current revenue sources in the FY24 Proposed Budget or 64.9% of all revenue sources when including transfers and fund balance utilization.

While property tax revenue is important to City operations, it impacts all citizens and business owners. The City strives to be fiscally prudent while balancing the needs of the surrounding community.

Councilmember Bruchey does not support eliminating the tiered tax rate. He feels this will negatively impact the City in future years as the assessable base changes. He suggested creating incentive for landlords to improve their properties from the revenue realized from the separate tier. It would provide a funding source for the incentives.

Ms. Hepburn noted the revenue is approximately \$ 85,000. The assessed value anticipated growth is 7%, or \$ 308,000 for every penny on the tax rate. The increase will provide ample funding for incentive programs. The majority of the Mayor and City Council supports eliminating the tiered rate.

The City has a Fund Balance/Retained Earnings policy and adheres and remains within key guidelines of this policy. The policy minimum target is 17% with 2 months of expenditures covered. The City ended FY22 with reserves of 35.1% and 4.2 months of coverage. The City does not utilize fund balance reserves for recurring operating type of expenditures. However, the City may utilize General Fund balance reserves when balances exceed the policy limits for capital infrastructure needs.

As a result of prior General Fund surplus and approved capital utilization, the FY24 Proposed Budget does include the appropriation and reallocation of General Fund reserves as a means to reduce General Fund direct transfers to CIP (Pay-go) and to help balance the budget. The balance of previously approved fund balance utilization included is \$ 1.4 million to fund a variety of needs across General Fund departments. As a result of infrastructure needs, bond capacity reserved for the Hagerstown Field House and the 3<sup>rd</sup> Parking Deck, and strong FB reserves, there is planned utilization of an additional \$ 500,000 in the FY24 Budget. Complete lists with detailed information of the projects are reflected in Section 7 of the budget book.

Overall Property Tax revenue is estimated to increase from FY23 Budget to FY24 Proposed Budget by \$ 2.5 million or 7.1 % as a result of two primary factors. This total increase in revenue is needed to cover rising costs for salary enhancements, employer benefits, capital infrastructure improvements and updates, and annual debt service requirements. Total property tax revenue is the primary source of revenue for the General Fund at 67.1% excluding Transfers from Other Funds and Appropriated Use of Fund Balance and 64.9 % when including these other funding sources.

Intergovernmental Revenues are expected to increase by \$ 606.1K or 41.8% compared to FY23 Budget due to American Rescue Plan Act funding being utilized for two grant positions, Police body worn camera maintenance, and trash totes for City customers.

Section 1, Page 39 shows expenditures by City functions. Fire is anticipated to be \$ 548.1 K or 5.5% higher than the FY23 budget. Salaries, benefits, and overtime represent \$ 385.5K of this due to negotiated salary increase for staff and corresponding employer benefit increases. In addition, there is an increase in contracted services related to medical services expenses and additional staffing needs.

The Highways, Streets and Signal Department is projected to be \$ 381.1K or 12.2% more than the FY23 budget resulting from negotiated salary increases, filling all funded vacant positions, reallocation of funds for Assistant Director and Traffic Control Supervisor, and cost of gas.

The FY24 Proposed Budget for Wastewater Collection and Disposal is estimated to be \$ 1.3 M or 41.4% higher than FY23 Budget. This increase is due to new trash totes purchased for City customers using ARPA funding and anticipated increases when the trash services contract expires.

The FY24 Proposed Budget for Debt Service is estimated to be \$ 297.9K or 18.7% higher than the FY23 Budget. This increase includes a significant large bond issue in

The FY24 Proposed Budget for Unallocated Expenses reflects an increase in \$344.4K or 27.9%. The property growth is due to increasing transfers to the Golf Course Fund and Economic Redevelopment Funds plus including a small amount for contingency purposes.

The \$1.3 million or 3.8% increase in total wages and benefits reflects salary enhancements for all employee groups including minimum wage increases impacting part-time and seasonal staff. Contracts for all four collective bargaining groups are in place through June 2025 for AFSCME 1540, AFSCME 3373, and IAFF 1605 and June 2024 for IBEW 307. Overtime and associated employer benefit costs are indicated to grow at a combined total of \$ 36.0 M, General Fund Wages and Benefits represent 62.1% of the total annual operating expenditures for FY24 proposed budget and is the largest component of all General Fund expenditures.

Professional Development is projected to increase \$58.5K or 32.4% as staff participates in more in-person trainings and conferences to strengthen skills needed with the City.

If nothing changes in services provided or revenue, FY25 projections currently estimate additional \$ 5.3 million in revenue will be needed. Ms. Hepburn noted if the tax rate is reduced, the City would have to eliminate projects and services.

#### City Chapel Request for Exemption from Chapter 155, Noise

Pastor Zachary A. Camp, City Chapel, was present to request an exemption to the City's Noise Ordinance for services to be held at 227 East Washington Street.

City Chapel plans to resume their outdoor church serves as follows:

1. April 20 and 21, 2023 – 6:00 p.m. to 9:00 p.m. for a prayer event
2. June 10, 2023 – 2:00 p.m. to 4:00 p.m. for a worship service
3. Sundays from April 23, 2023 to November 5, 2023 – 9:00 a.m. to 4:00 p.m. for weekly church services

The Mayor and City Council have provided noise ordinance exemptions to City Chapel for events for several years. In addition to the requested exemption, permits for an assembly and erecting a tent will be required. The City's Zoning Ordinance allows this type of activity at the planned location.

A sound system will be used for the services. The Maximum Allowable Noise Level according to the noise Ordinance is 67 dBA. Their system produces noise in excess of these levels. Therefore, an exemption from Chapter 155 is required.

It was the general consensus of the Mayor and City Council to include approval of the exemption request on the April 25, 2023 Regular Session agenda.

### Brooke's House Presentation

Kevin Simmers, Founder of Brooke's House, and Frank Pensing, Clinical Director, were present to discuss the planned Counseling Center.

Mr. Simmers noted there have been 210 overdose deaths in Hagerstown since 2018 and 1,361 total overdoses. No one has the answer yet on how to fix this epidemic. Brooke's House has fulfilled every promise made when it was created – to provide access to treatment to the community.

Brooke's House was established in 2016, but opened its doors in 2019 with a mission to inspire and empower women with substance use disorders by providing them with a safe, stable, and emotionally supportive environment to live during the early stages of recovery. Since opening, Brooke's House has successfully graduated over 150 women who chose the road to recovery, helping them build social and professional skills to help them reenter the community and the workforce sober and healthy. The next big project is set to open its doors in May, 2023.

Brooke's House Counseling Center will be located at the former Hallmark store in the South End Shopping Center, a convenient location to downtown Hagerstown along public transportation routes that allows easy access for minorities and other underserved population. It is an off-campus location from Brooke's House, but nestled in with recovery-friendly businesses that aim to break the stigma around people in recovery.

Brooke's House Counseling Center will help heal the community by treating men, women, and adolescents and offering family counseling so the whole family unit can have access to healing and recovery. Initially, they will have to refer patients to other facilities until they are licensed to handle more complex mental and behavioral health issues, but they hope to one day be able to help walk-in patients by providing them with assessments and treatment plans in-house in one visit. Substance use disorders affect the whole family and not just the person suffering. They hope that this counseling center will be a step in the right direction for families in need of their services while also helping the community better embrace those in recovery.

When someone calls the Mayor and asks where someone can get help, Mr. Simmer's wants everyone to think about Brooke's House as an option. The counseling team treats people with dignity and respect and provides them with a chance to succeed. They are successful because they are not like ordinary counseling. They strive to keep the young women engaged and working with women who have been successful in ending their addiction. They can see recovery is possible. Brooke's House is not a harm reduction facility – it is a treatment facility.

The cost for build out for the counseling center is \$ 232,000. The annual estimated budget is \$ 423,800. Congressman David Trone and Senator Paul Corderman both

support the center. The Washington County Commissioners have committed \$ 20,000 toward the project.

Councilmember Bruchey asked what the hours of operation would be at the center.

Mr. Simmers stated if the City funded both the build out and operating expenses, they would be operational 24/7. He is not requesting full funding. He anticipates they will be open from 9:00 a.m. to 11:00 p.m. They will change the hours to meet the needs of the people they help. He and Councilmember McIntire have been meeting with Meritus officials since 2106 to discuss ideas. The ideas are great but they just keep talking. In the meantime, people are dying and overdosing. The center will not make money but it is a step toward helping the community.

Councilmember McIntire stated someone has to figure out how to save this community.

Mayor Martinez asked where the clients will come from. Mr. Simmers stated it would be from intake or jail. They will take people from the street and try to find them an inpatient facility. If none are available they may take a chance and take them to Brooke's House.

Mayor Martinez has come across people on the street needing treatment. She and the former Mayor had even put them up in a hotel for a night. She asked if these people could utilize the center's services.

Mr. Simmers stated they don't have on-site housing but they could get them set up in a safe place for the night. They will then make calls in the morning to get them help. He stated they are in the process of obtaining a farm. If that happens, they will build a center there. It is not called a crisis center. They will be a referral source and a place people can get answers. People stop at both the coffee shop and thrift store (operated by Brooke's House) seeking help. They receive calls from people from all over the world seeking advice. The need is real.

Councilmember McIntire asked Mr. Simmers if there is a specific request for funding.

Mr. Simmers stated they are requesting funding for the build out, which would allow them to cover operating expenses for a year. They want to be part of the solution.

Councilmember Bruchey stated there is \$ 500,000 in ARPA funding designated for a crisis center. This is not a crisis center but the numbers since 2018 indicate the need to do something now. The City has to stop waiting on someone else to make things happen. This is an opportunity to get something started to address the crisis.

Mr. Nicewarner stated it is frustrating and staff heard concerns from downtown business people earlier today. It is getting to the point with ARPA funding that it needs to be spent. Staff will be discussing the ARPA fund with the Mayor and City Council in the next few weeks for decisions on how to use the remaining funds.

Mr. Simmers stated people in the community have donated their money and services to help Brooke's House. The still rely on Brooke's House. The counseling center will not cure addiction in the community but it will be a resource for people to get help.

Mr. Nicewarner noted there are Federal guidelines for the use of ARPA funding. He stated he keeps hearing agencies can't find staff. He asked about counselors at this facility. Mr. Simmers stated they are not licensed peer professionals. They will be people who have completed the program.

Councilmember Aleshire asked if most individuals will be referred to the counseling center from Meritus Health. Mr. Simmers stated most of the young women have Hagerstown connections. Most referrals are from inpatient facilities. They try to keep the clients to those living in Frederick and west. Brooke's House provides transportation while they are in the program. They do not receive reimbursement for travel expenses. Some clients have come from outside areas – like Delaware and Chicago, Illinois.

Councilmember Aleshire asked how the south end community would be affected by the facility. He asked if the plans are to expand into more intense services. Mr. Simmers stated they would not be a primary care facility. He does not think it will change the dynamic at the South End Shopping Center. If fundraising stays at current levels, they will be obtaining a transport van and can bring people to the center.

Councilmember Aleshire noted the center is in a primarily residential area. He asked if it will be heavily used like the treatment facility on Kemps Mill Road is. Mr. Simmers asked the Mayor and City Council to take into consideration Brooke's House's reputation in the community. He suggested they ask the current businesses at the South End Shopping Center how they feel about Brooke's House and the two businesses they have there.

Councilmember McIntire asked what separates this counseling center from the others. Mr. Pensing stated when someone walks in, staff will be able to assess and refer them to other services immediately. When the person leaves, they will have a referral or a plan for treatment. Connecting someone in real time to treatment is key for success.

Mr. Simmers stated the center will not have all the solutions but it is a step in the right direction. They have been successful with staffing at the coffee shop and thrift store in that graduates are required to work a set number of hours at the locations.

Councilmember Aleshire appreciates the letter of support from Senator Corderman. He wondered about the dynamic for State support. Mr. Simmers stated they may need to scale back the request as they aren't a crisis center.

Mayor Martinez asked if Senator Corderman's support indicates the State's support. Mr. Simmers stated the State does support the program and he does not see why that support wouldn't continue. Mr. Pensing noted there are billable services for treatment.

Mr. Simmers noted the funding from the County is ARPA dollars designated for non-profit organizations.

Councilmember Bruchey stated he usually points out what is being done to address the addiction issue isn't working. He stated this is an opportunity for change and if the City doesn't take the opportunity, shame on them.

Mr. Simmers stated he just asking for funding for the build-out of the center.

Councilmember Bruchey suggested the Mayor ask Mr. Nicewarner and Ms. Hepburn to look at what funding may be available toward the center.

Mr. Simmers thanked the Mayor and City Council for their consideration.

#### Future of the BuroBox

Christopher Siemerling, Economic Development Specialist, was present to provide a report on current operation of the BuroBox located at 60 W. Washington Street, and seek guidance towards the future of its operations.

During the January 18, 2022 Work Session, staff discussed the possibility of opening a rolling RFP for private operation of the BuroBox facilities with the goal of higher utilization of the space for entrepreneurship development and/or creating a co-work space. While there have been interested parties, no applicant has been selected to date.

As the proof of concept has completed its purpose, and due to limited staff capacity, staff would like to recommend formally ending the BuroBox operations as of June 30, 2023. Ceasing operations will allow resources to be shifted to other areas and allow the space to be available for other options/ventures.

Councilmember Schindler asked if there has been interest in someone else running the BuroBox. Mr. Siemerling indicated there has not been significant interest in this.

It was the general consensus to move forward with ceasing the operation of the BuroBox as recommended.

#### Transportation Priorities

Jim Bender, Interim City Engineer, was present to review the City's Transportation Priorities.

Each year the Maryland Secretary of Transportation and Department of Transportation (MDOT) seeks to obtain priorities from the local jurisdictions to facilitate their preparation of the Consolidated Transportation Plan (CTP). The CTP will be presented by Secretary Paul Wiedefeld and State Highway officials in October.

Staff will send to MDOT the priorities from the City elected officials. Staff offers the following items as suggested priorities:

1. I-81 Widening – With the January, 2023 Amendment to the CTP for design and construction Phase II, continue to seek funds for widening from Halfway Boulevard North to the Pennsylvania line over the next 10 years.
2. BPPA Study Implementation – In February of 2020, the Metropolitan Planning Organization (MPO) funded and completed a Bicycle and Pedestrian Priority Area (BPPA) study of the downtown and Bester Elementary walkshed to improve connectivity, increase safety and improve pedestrian and bicycle user comfort. The study included several recommendations for Route 40 including countdown pedestrian lights, improved crosswalk markings, and speed management on Washington Street east of Cannon Avenue. Staff have requested a Safe Routes to School grant to rebuild the traffic signal at Potomac Street and Baltimore Street.
3. Park Circle Railroad Crossing Upgrades – Working with the rail coordinators in the Office of Traffic and Safety, upgrade the three crossings (Virginia Avenue, Walnut Street, and Summit Avenue) that are badly in need of repair, especially Walnut. The State has agreed to fund these improvements, but staff continue to meet resistance from CSX Transportation.
4. Eastern Boulevard Corridor Improvements – Staff support this Washington County led, multi-phase project that consists of a multi-modal transportation system connecting US Route 40, Maryland Route 64, and Maryland Route 60. Future phases include construction of new streets to disperse traffic and reducing traffic volumes on State routes. Once such route is the construction of Professional Court extended; Phase I is complete, and the contractor is beginning work on Phase II, which will include the widening of the existing roadway west of the bridge.
5. Dual Highway Sidewalks – Complete the design and implementation of completing the sidewalk network between Eastern Boulevard and All Star Court.
6. Continue to fund Retrofit Sidewalk Installation, Bikeway Grants, Transportation Alternatives Program, and Safe Routes to School Program (for sidewalks and traffic signals) all of which the City has successfully used many times in the past.
7. Highway User Revenues: Continue funding at the levels received for FY20 (\$ 1,720,000) or higher.

It was the general consensus of the Mayor and City Council to submit the priority list as presented.

Councilmember Aleshire noted the railroads have enjoyed protection from regulatory requirements throughout the country. This is insane to him. The railroads don't have to clean along their rails like other property owners do, all while the urban development has grown up around them. There has to be some way to work with the State to push that initiative. If the State can supersede the Federal authority on marijuana, then they can make railroads take care of the crossing repairs.

Mr. Bender stated all the jurisdictions have received letters asking them to pay for repairs and are pushing back. The issue seems to be gaining the attention of the State.

*Scott A. Nicewarner, City Administrator*, announced spring season events have started. The Handmade Hagerstown Spring Market will be held on Saturday, April 15, 2023 in University Plaza.

**MAYOR AND COUNCIL COMMENTS**

*Councilmember M. J. Schindler* is excited for the possible help for the community with the counseling center.

*Councilmember K. B. Aleshire* stated the dirt bike situation is increasing. The police department is doing what they can. Parents have been the least helpful. The public needs to hear that the City is doing the things that can be done. There are a lot of folks that could help but are being apathetic or opposed to stopping the situation.

*Councilmember T. Burnett* had no additional comments.

*Councilmember R. E. Bruchey, II* asked Chief Kifer if there is anything the Mayor and City Council can do

*Councilmember S. McIntire* had no additional comments.

*Mayor T. Martinez* congratulated the 2023 firefighter recruit class. She had the honor of swearing in the group last week. She thanked the Hagerstown Police Department for the updates on Facebook. She thanked Senator Paul Corderman and Delegate Brooke Grossman for a successful legislative session.

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 5:41 p.m.

Respectfully submitted,

*Original signed by D. K. Spickler*

Donna K. Spickler  
City Clerk

Approved: May 23, 2023