

JOINT MEETING WITH BOARD OF WASHINGTON COUNTY COMMISSIONERS, EXECUTIVE SESSION, WORK SESSION AND SPECIAL SESSION (12 VOTING SESSION) MAY 11, 2021

MAYOR AND CITY COUNCIL

HAGERSTOWN, MARYLAND

JOINT MEETING WITH BOARD OF WASHINGTON COUNTY COMMISSIONERS, EXECUTIVE SESSION, WORK SESSION, AND SPECIAL SESSION (12TH VOTING SESSION – May 11, 2021

JOINT MEETING WITH BOARD OF WASHINGTON COUNTY COMMISSIONERS – May 11, 2021

The Mayor and City Council met jointly with Washington County Commissioners on Tuesday, May 11, 2021 at 10:15 a.m. at the County Office Building, 100 W. Washington Street, Hagerstown, Maryland. Present with Mayor E. Keller were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, T. Martinez, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler. Also present were Washington County Commissioners Jeffrey Cline, President, Terry Baker, Vice President, Wayne Keefer, Randy Wagner, and Charles Burkett, John Martirano, County Administrator, County Clerk Krista Hart, and County Chief Financial Officer Sara Greaves.

Commissioner Cline called the meeting to order at 10:15 a.m.

Commissioner Baker stated there has been talk about the County not being willing to meet with the City. He stated during the pandemic, very few meetings have been held so he doesn't know why that got started.

Commissioner Cline thanked the Mayor and City Council for working with the Commissioners to get this meeting scheduled. He asked if the City is intending to pay the invoice for FY19 and FY20 for the 911 Center charges.

Mayor Keller stated a vote is necessary before a payment is made. Consideration of this payment is scheduled for a Special Meeting on May 18, 2021. Commissioner Cline asked for some sort of assurance that the first payment will be made. The Mayor and City Council indicated they anticipate approval of the motion to make the payment.

Mayor Keller thanked the Commissioners for meeting with the City of Hagerstown today. There are several issues that should be discussed jointly, such as the 911 Center fees, the tax differential, and fair funding for fire services.

Twelve years ago, 12 employees transitioned from employment with the City of Hagerstown to Washington County when the 911 Center began operations. At that time, it was agreed that the City of Hagerstown would pay \$ 405,000 to the County to cover the additional costs for these employees. There was no formal agreement. The City has continued to pay the same amount for the entire time.

Commissioner Cline thought there was a draft agreement for this payment. Mr. Downey stated there is a draft Memorandum of Understanding. Mayor Keller requested that it be agreed upon that the County Administrator and City Administrator meet within

two weeks to review the formula used to establish the amount to be paid since most of the 12 employees are no longer working at the 911 Center.

The tax differential received by City taxpayers is the same as for all other municipalities in Washington County. Approximately 21% of the County tax base is located within the City of Hagerstown. Hagerstown provides more services than many of the other municipalities but they receive the same differential. This seems unfair for City taxpayers. Mayor Keller asked that the Commissioners consider using the Allegany County model for establishing a different, individual tax differential for each municipality for duplication of services. The Mayor and City Council and City staff feel this would be a more equitable model to use than the current calculation. Mayor Keller understands this is a difficult ask and it will be a difficult conversation. As the Commissioners represent all Washington County residents, the Mayor and City Council are asking for more specific conversations on this issue for County taxpayers who are also City taxpayers.

Mayor Keller pointed out there is a City funded and operated fire service in Hagerstown. In November of 2020, Fire Chief Steven Lohr, Police Chief “Joey” Kifer, Chief David Hays, and Sheriff Mullendore met to review the cost of shared services between all four entities. From this meeting, it was determined that the County would owe the City approximately \$ 406,000 for shared services. County taxpayers pays for County fire service. City taxpayers pay for County and City fire services. The County has utilized the City’s burn training center free of charge for many years. Mayor Keller stated the City of Hagerstown has no seat on the governance model or the Emergency Services Advisory Council (ESAC). She requested that Hagerstown be granted the right to be part of these meetings.

Mayor Keller invited the Commissioners to a joint meeting with the Mayor and City Council on July 13, 2021 or July 20, 2021 at City Hall. She requested that quarterly meetings be scheduled. The 2 x 2 Committee could be reactivated to dive into these issues.

Commissioner Cline suggested rotating the members of the 2 x 2 Committee so that everyone has the opportunity to participate. Mayor Keller stated the more informed everyone is, the better they can work together.

Commissioner Wagner is willing to work together with the Mayor and City Council. He pointed out the Commissioners do support Hagerstown citizens. Examples of working together include the Maryland Theatre, schools, the Urban Improvement Plan (UIP), and reconstruction of Wesel Boulevard.

Mayor Keller agreed there has a been good working relationship on projects.

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Councilmember Bruchey noted the benefit of transferring employees to the County for the 911 Center in 2009 was beneficial for the County because they did not have to recruit dispatchers. He asked how many other municipalities pay for 911 services.

Mr. Downey indicated no other municipality has dedicated employees at the Center. Commissioner Wagner stated \$ 400,000 is a tremendous value. Nine employees are needed to cover Hagerstown and the County maintains equipment and those employees, as well as others.

Commissioner Burkett reviewed the actions from 2009 and he understood the City would pay 85% of the cost for the 12 employees into the future, regardless of whether those same employees were there.

Councilmember Aleshire pointed out there is more language within those actions. He noted this can't be a single item discussion. It has to be recognized that there is disparity, including the amount of funding the 6 City volunteer fire stations receive from the County in comparison to what the other 21 volunteer fire stations receive.

Commissioner Baker asked that CRS be included in the discussion. It was noted CRS is a private entity and is not affiliated with either government body.

Commissioner Cline confirmed the Commissioners are willing to meet and talk with the Mayor and City Council about the 911 Center payment, the tax differential, and fire funding. This is correct.

Mr. Martirano confirmed the initial discussion will be between the Administrators regarding the 911 Center issues. It would be difficult to deal with all the issues at one time.

Mayor Keller stated the Mayor and City Council were hopeful in 2017 that joint discussions would continue but that didn't happen.

Mr. Nicewarner suggested starting with a discussion about the 911 Center funding and the mutual aid agreement the Chiefs developed last fall. Commissioner Baker stated that document was signed with no Commissioner input. Mr. Nicewarner stated their intent was to bring the document to the elected officials for both bodies.

Mr. Nicewarner stated the American Rescue Plan Act (ARPA) could provide \$ 50 million over two years in Washington County. By working together, the Commissioners and the Mayor and City Council can make a transformative difference in the community with that amount of funding.

This portion of the meeting was completed at 10:45 a.m.

EXECUTIVE SESSION – May 11, 2021

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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 to meet in closed session to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State (#4) (Section 3-305(b)), and to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction (#1) (Section 3-305(b)), on Tuesday, May 11, 2021 at 3:02 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor E. Keller, Councilmember K. B. Aleshire, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember T. Martinez, Councilmember S. McIntire, City Administrator Scott Nicewarner, Michelle Hepburn, Chief Financial Officer, Jill Thompson, Director of Community and Economic Development, Kathleen Maher, Director of Planning and Code Administration, Doug Reaser, Business Development Specialist, Jonathan Kerns, Community Development Manager, Paul Fulk, Neighborhood Services Manager, Wes Decker, Communications Manager, Senator Paul Corderman, Delegate Brenda Thiam, and Donna K. Spickler, City Clerk.

The meeting was held to discuss three business proposals and to consider membership of the Board of Zoning Appeals. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:53 p.m.

WORK SESSION AND SPECIAL SESSION (12TH VOTING SESSION) – May 11, 2021

Mayor E. Keller called this Work Session and Special Session (12th Voting Session) of the Mayor and City Council to order at 4:06 p.m., Tuesday, May 11, 2021 in the Council Chamber at City Hall. Participating with the Mayor were Councilmembers K. B. Aleshire, R. E. Bruchey, II, T. Burnett, T. Martinez, and S. McIntire, City Administrator Scott A. Nicewarner, and City Clerk D. K. Spickler.

2021 Legislative Session Recap

Senator Paul Corderman and Delegate Brenda Thiam were present to provide a review of the 2021 Legislative Session.

Senator Corderman stated this session was unique in that it was held during a pandemic and it was his first in the Senate. There was multiple COVID-19 testing each week, plexiglass cubicles were set up on the Senate floor, committee meetings were held virtually, and sessions were streamed. He stated it was challenging to conduct public policy. A \$ 2.6 billion deficit was anticipated at the beginning of the session but it ended with a surplus. This is in part due to funding from the Federal government. The Governor's Relief Act provided stimulus funding to individuals and businesses.

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Senate Bill 1 provided funding for black colleges in Maryland. Police reform bills were passed. During the 90 day session, they passed the budget, addressed societal concerns and were able to complete the full session.

Senator Corderman serves on the Budget and Taxation Committee, along with Senator Edwards. The sports gaming bill has passed and there will be venues in this area. Funding has been provided to Smithsburg High School and to the Hagerstown Aviation Museum. The last installment payment for the UIP has been made. Everyone is excited to have the Maryland Theatre reopen. Funding was provided for the YMCA. There is \$ 300,000 in the capital budget for the multi-use center Phase 3 study. Funding is also provided for improvements at District Court.

Senator Corderman then provided an update on the multi-use center. There is significant support at the State level for this project and people appreciate and understand what a project of this size can do for Hagerstown. With this support, it seems the stars aligned and funding of \$ 70 million is being allocated for the project. The Maryland Stadium Authority will design and build the center and turn it over to the Hagerstown/Washington County Industrial Foundation (CHIEF). The State is not building a baseball stadium, although baseball will be played there. This project is about the economic impact and the potential to develop investor confidence in one of the most impoverished areas of Washington County.

Senator Corderman reminded the group that at the January Work Session, Eric Menzer reported that they are in the hospitality business, baseball just happens to be part of that. Mr. Bowen is excited about baseball but he is more excited about the economic impact. This is a generational opportunity that will change the trajectory of Washington County. He anticipated this will be the anchor for the next Urban Improvement Project. He hopes this project will be the beginning of projects for better housing opportunities and improvements for the Jonathan Street community. Common goals provide opportunities for the betterment of the community.

Delegate Thiam stated the session was interesting due to the pandemic. This was her first session and she stated there was good legislation considered and working together across the aisle. Many bills were presented to the House of Delegates. There were 1,400 House Bills and 400 Senate Bills presented. She is assigned to the Judiciary Committee Subcommittee of Public Safety and Family Law. Many bills were passed under the umbrella of the Police Reform Bills. As SB17 has passed requiring body worn cameras for all police officers and provides counselling and support for officers on the use of force, she hopes the State will provide support and funding to pay for things outside the required equipment. She offered an amendment to the bill requiring 20 seconds for residents to open a door to a police officer. If they don't, the officer can forcibly enter the building. She offered an amendment of 15 seconds as she felt the bill was really tying the hands of police officers. She discussed the police reform bills with Chief Kifer and HPD staff. This bill also removes the LEBOR (Law Enforcement Officers Bill of Rights) and replaces it with a board of citizens. She initially did not vote in favor of this bill.

Officers still have rights to protect them. Transparency is important in the community. The bill also included scholarships for higher education for officers. The bill is not perfect but you can't allow perfect to be the enemy of good. By the third reading, she voted in favor of the bill. She hopes this doesn't scare off potential officers. She hopes it draws them into the fold and assures them they are protected. She supported a bill for \$ 100,000 for the Robert W. Johnson Center and the \$ 50,000 match was dropped due to her conversations.

The opioid crisis is significant in Washington County. She has been assured there are additional resources to fight this. She has also met with Mayor Keller and Vicky Sterling, Washington County Health Department, to discuss the crisis.

Mayor Keller thanked Delegate Thiam for talking with her and Ms. Sterling about this. This community desperately needs a detox center. This could be a good discussion for a future Work Session. There is a serious shortage of emergency providers for people who are desperate. Councilmember McIntire agreed there is a great need in the community and conversations are taking place. She suggested Delegate Thiam be part of these conversations.

Councilmember Aleshire thanked Delegate Thiam for the information regarding the police reform bills. He congratulated Senator Corderman and the group that has been successful in moving a multi-use center forward. He pointed out he is not diabolically opposed to projects like a multi-use center. He has a different perspective of the community than Senator Corderman does. The Mayor and City Council have remained neutral on the process, as the Coalition asked. He has been very clear that a third parking deck is needed as soon as possible. He stands as ready as necessary to move it forward. He believes the City is behind in securing the properties and getting the process started. He thanked Senator Corderman for the information on sports betting. He wants to understand what the State passes in this regard. He realizes the multi-use center is a private effort now and he does not have a great desire to see the base plan, except for how it works with the cultural trail.

Senator Corderman indicated conversations about where sports betting would be permitted were occurring up until the last day before the bill was passed. As ownership of the multi-use center is settled, conversations will continue and lines of communication will be open. He realizes the Cultural Trail and the future of it is a big concern for Councilmember Aleshire and Hagerstown's citizens. It is important to establish a strong partnership going forward since this is the largest State investment in this part of the state.

Mr. Nicewarner stated the Maryland Stadium Authority (MSA) is scheduled to release the Phase II study next week. He is waiting on confirmation from them for scheduling a presentation during the May 18, 2021 Work Session.

FY22 Budget Review

Michelle Hepburn, Chief Financial Officer, Brooke Garver, Accounting and Budget Manager, and Jonathan Kerns, Community Development Manager, were present to continue the FY22 Budget Review.

The City of Hagerstown is an entitlement grantee under the Community Development Block Grant (CDBG) Entitlement Program. Entitlement grantees receive an annual allocation of Federal CDBG funds directly from the U. S. Department of Housing and Urban Development (HUD). These funds must be used for community based programs and activities that meet one of the three CDBG National Objectives.

From 1989 through 2011, the average CDBG entitlement amount received by the City was \$ 1,034,875. From 2012 through 2018, federal budget cuts significantly reduced the City's CDBG funding resulting in an average entitlement amount of \$ 682,565 over this seven year period. After seven years of the significantly reduced entitlement amounts, the City's FY19, FY20, and FY21 entitlement amounts were increased to \$ 757,083, \$ 771,030, and \$ 803,671 respectively. The estimated entitlement amount for FY22 is \$ 800,000. The exact entitlement amount for FY22 has been announced and the City will receive \$ 823,000.

Mr. Kerns noted staff develops a plan for use of the funding that is very specific and adheres to the National Objectives and Hagerstown's five year CDBG consolidation plan. The Department of Community and Economic Development (DCED) works in cooperation with other City Departments to carry out neighborhood based projects. Proposed Public Facility projects to be carried out in cooperation with the Department of Parks and Engineering for FY22 include Fairgrounds Park Skate Park Construction, City Park Walking Bridge Reconstruction, Potterfield Pool Lighting Enhancement, and sidewalk accessibility ramp construction. The FY22 CDBG budget also proposes support for local public service providers. Public service providers must carry out eligible activities that meet crucial, identifiable, and unmet community needs for low and moderate income City residents.

In April of 2020, the City received a \$ 472,845 allocation of CDBG-CV funding. This funding was provided through the Federal CARES Act legislation in response to the COVID-19 pandemic. The City distributed this funding in FY21 to multiple non-profit organizations for housing crisis assistance and food resource assistance. An additional \$ 274,365 of CDBG-CV funding has been awarded to the City and this funding will be distributed to eligible nonprofit organizations later in FY21 after an application and review process. Mr. Kerns stated the first allocations are almost fully spent. The most recent recipients are submitting expenditures as well.

Mayor Keller stated the breakfast program at Goodwill Horizon provides breakfast three days per week. They were sold out every day. Because of the obvious need for food, other organizations are donating warm breakfasts on the other two days per week.

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Mr. Kerns will provide a more detailed discussion in June, with approval of amendments to the Annual Action Plan later in June. He pointed out a microenterprise grant assistance program would have to qualify with the income guidelines and have five or fewer employees.

Ms. Hepburn pointed out any funding allotted for demolition through CDBG for a future use is restricted to the HUD criteria. If a decision is made 30 years from now to use a vacant lot (due to demolition) for a non-CDBG eligible use, the City could potentially be required to repay HUD.

Income from the prior year can be used for current year programs, with a cap of 15% in funds. The City has been fortunate to utilize some of the funding to provide funding for one of the part time Code Compliance inspector positions.

Mr. Kerns noted some of the housing repair programs are managed in-house and also with assistance from other community organizations – such as Habitat for Humanity and the Commission on Aging.

Ms. Hepburn pointed out other governmental funds include Economic Redevelopment, where almost all of the City's incentive programs are covered. After initial funding for Invest Hagerstown was utilized, DCED offered down payment/rehab incentives funded through a State Community Legacy Grant in FY18 and FY19. During FY19, \$ 200,000 committed for the Invest Hagerstown program was temporarily reallocated to provide The Maryland Theatre expansion project a grant. As a result of a FY18 actual surplus in the General Fund, the original \$ 200,000 has now been restored back to the initial Invest Hagerstown. At such time in the future that a Class A office building will be built, the City will fund the \$ 250,000 that was included in the original Request for qualifications bid in December, 2014.

Beginning in FY19, the Invest Hagerstown program was started again, with dedicated funding from the General Fund real estate tax rate. Funding was provided in the amounts of \$ 549,000 in FY19, \$ 800,000 in FY20, and \$ 804,000 in FY21 to support various incentive program components. Since FY19, the Invest Hagerstown Program has leveraged more than \$ 15 million in private sector investment, more than 100 new jobs, and 23 new homeowners.

The FY22 Budget includes \$ 819,000 for funding of the Invest Hagerstown Program. The components of the program are expected to model similarly to the FY21 program with some possible variation.

The total incentive program funding is \$ 1.8 million. Of that total, \$ 1,050,000 is restricted – meaning it can only be used for the specific incentive program it is attributed to. There is \$ 750,000 in unrestricted funding.

Councilmember Aleshire asked if the funding will be expended fully in each of the specific categories. Ms. Hepburn indicated this is correct. Staff will provide routine updates to the Mayor and City Council as the program is utilized.

Ms. Garver reviewed the Utilities Enterprise Funds. Information is as follows:

1. Electric Fund – the wholesale power rate is in place through May 31, 2022 with an extension after that time through May 31, 2024, which sets both the revenue and majority of all expenses. One full-time position was unfunded during FY21. Total capital projects are included in the amount of \$ 1.3 million. There is \$ 12,000 included in surplus for FY22. Total unrestricted cash on hand as of May 6, 2021 is \$ 6.6 million
2. Water Fund – Cost rate model approved and effective FY20 through FY24 (3.0% annual increases). There is no change in full-time staffing positions but reallocation of lab staffing with Wastewater Fund is included. Total capital projects are included in the amount of \$ 2.8 million. There is \$ 124,000 in surplus for FY22. Total unrestricted cash on hand as of May 6, 2021 is \$ 10.4 million.
3. Wastewater Fund – Cost rate model approved and effective FY20 through FY24 (2.0% annual increases). No change in full-time staffing positions but reallocation of lab staffing with Water Fund is included. Total capital projects are included in the amount of \$ 2.6 million. Includes \$ 1.6 million surplus for FY22. Total unrestricted cash on hand as of May 6, 2021 is \$ 4.8 million.

Councilmember Aleshire stated the \$ 1.6 million surplus in Wastewater seems high. Ms. Hepburn stated Wastewater has not had the surpluses that the other two utilities have in recent years. Staff is trying their best to make sure Wastewater cash funds are not depleted.

Councilmember Aleshire stated he recalls several years where low surpluses or deficits were caused by non-payment from customers. Ms. Hepburn stated this is not the case. There are capital projects that are pending and the surplus will partially fund those projects.

Councilmember Bruchey asked Nancy Hausrath, Director of Utilities, if there are plans to repair the stone building at the Breichner Water Plant. Ms. Hausrath indicated there are. Staff has received reports of kids entering the building and there has been some vandalism. The structure is not on the historical register. Estimates to repair the damage was \$ 500,000 some time ago. It is now infested with birds and would take a specialist to mitigate. Staff has received word it can be removed.

Impact of 2021 State Legislation Passed on Police Reform and its Impact on Hagerstown Police Department Operations

Scott Nicewarner, City Administrator, announced this item is being postponed as Chief Kifer is unable to attend due to a family issue. Mr. Nicewarner noted many of the police reforms are already in practice at the Hagerstown Police Department. Officers started wearing body cams five years ago. Some of the other reforms were modeled after the CALEA certification, in which HPD already participates. There will be some concerns with recruiting and retaining officers. There are monthly meetings with the rank and file to discuss these things, with a goal of maintaining the current quality of services and to not be impaired by police officers leaving. Recruitment efforts are increasing. This is not a City of Hagerstown specific issue – it is a regional and country wide issue. Chief Kifer will be available later to talk more about the reform bill impacts.

Main Street Operating Assistance Grant Applications

Kitty Clark, Community Events Coordinator, was present to review an Operating Assistance Grant application to the Maryland Department of Housing and Community Development (DHCD) in support of the Hagerstown Main Street program.

Hagerstown is a state-designated Main Street Community. This program aims to bring economic vitality to traditional downtowns with a five-pronged approach: design; organization; promotion; economic restructuring; and clean, safe, and green. As a designated community, the City has the opportunity to apply for state funds through DHCD to support activities that fall within these categories. The proposed Operating Assistance Grant application is for projects in FY22. The application is due May 21, 2021, with award notification expected in July. The City has a history of applying for Operating Assistance Grants through DHCD in support of the Main Street program.

In this FY22 Operating Assistance Grant, the City is requesting \$ 35,310.00 with a City contribution of \$ 5,000.00 from the Main Street Hagerstown line item in the General Fund. While this grant does not require a matching amount, applications that demonstrate support from other funding sources are more competitive. The overall project of the requested funds is downtown beautification, with enhanced streetscape and landscape. Three distinct components make up the request and are as follows:

1. Replacement Pole Banners
2. Landscaping and Maintenance at Public Square
3. Holiday Decorations for Holiday Cheer Program

It was the general consensus of the Mayor and City Council to approve the application by resolution at the May 18, 2021 Special Session.

Mayor Keller asked that a Main Street update be included on a Work Session soon. Mr. Nicewarner stated conversations have been held about restructuring within some departments. There had been some talk about moving Main Street to its own entity but COVID-19 derailed those talks. In the future, Ms. Clark may be more involved in Main

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Street and other incentive programs. This may be an opportunity to boost the program and have it be a turn key operation for turning over to a non-profit entity.

Councilmember McIntire strongly encouraged staff to engage the members of the Hagerstown Youth Advisory Council for their input. Their excitement about downtown will be helpful.

Jill Thompson, Director of Community and Economic Development, stated the team has been working hard to disperse funds they secured for business assistance. The Main Street group has been assisting with this effort.

A break was taken at 5:37 p.m.

SPECIAL SESSION – (12TH VOTING SESSION)

On a motion duly made by Councilmember R. E. Bruchey, II and seconded by Councilmember T. Martinez, the Mayor and City Council unanimously agreed by voice vote of all members present to meet in Special Session at 7:00 p.m. on Tuesday, May 11, 2021 in the Council Chamber, City Hall, Hagerstown, Maryland.

The following people were present: Mayor E. Keller, Councilmember R. E. Bruchey, II, Councilmember T. Burnett, Councilmember T. Martinez, and Councilmember S. McIntire, Scott Nicewarner, City Administrator, and City Clerk D. K. Spickler. Councilmember K. B. Aleshire was not present.

Public Hearing: Real Property Tax Increase

A Public Hearing was held to receive comments on and to discuss the proposed tax rate for FY2021/22. Michelle Hepburn, Chief Financial Officer, was present for both this hearing and the proposed budget hearing.

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

The Mayor and Council of the City of Hagerstown, Maryland proposes to increase real property taxes. For the tax year beginning July 1, 2021, the estimated real property assessable base will increase by 2.8%, from \$2,406,751,780 to \$2,473,329,781. If the City of Hagerstown maintains the current tax rate of \$1.0020 per \$100 of assessment, real property tax revenues will increase by 2.8% resulting in \$667,111 of new real property tax revenues. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.9750, the constant yield tax rate. The City of Hagerstown is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Hagerstown proposes to adopt a real property tax rate of \$1.0020 per \$100 of assessment. This tax rate is 2.8% higher than the constant yield tax rate and will generate \$667,111 in additional property tax revenues.

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

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

Ms. Hepburn reported the notice of this public hearing was published on April 30, 2021.

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

Introduction of the Ordinance for the tax rates is scheduled for later in this meeting.

Public Hearing: Proposed Budget July 1, 2021 – June 30, 2021

A Public Hearing was held to receive comments on and to discuss the proposed budget for Fiscal Year 2021/22. The proposed budget is \$142,035,625. The General Fund total is \$66,351,895. Ms. Hepburn stated money in the general fund budget is received from property tax revenues, State Highway User Revenues, State Income Taxes, Licenses and Permits, Refuse Collection Fees, and other revenues. Expenditures include Capital Improvements, maintenance and repairs and material/supplies/utilities.

The Capital Improvement budget is \$13,716,416. The majority of the projects are funded with grants and bond proceeds. These funds are strictly restricted and cannot be used for other purposes.

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

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

Introduction of the Ordinance for the proposed budget is scheduled for later in this meeting.

Introduction of an Ordinance: Tax Rates Beginning July 1, 2021

Action: On a motion duly made by Councilmember S. McIntire and seconded by Councilmember R. E. Bruchey, II, the Mayor and City Council unanimously agreed by voice vote of all members present to introduce an ordinance to establish the City's tax rates for the fiscal year July 1, 2021 through June 30, 2022 on the basis of \$1.002 per \$100 of assessed value of all real property excluding properties designated as Apartments which will be \$1.032 per \$100 of assessed value and \$2.505 per \$100 of assessed

value of all business personal property within the City of Hagerstown
These rates are the same as current FY21 rates.

Discussion: Mayor Keller thanked staff for presenting a budget without a tax rate increase.

Introduction of an Ordinance: Budget FY2021/2022

Action: 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 to introduce an ordinance to adopt the City’s budget for fiscal year July 1, 2021 through June 30, 2021 in the total amount of \$ 142,035,625.

Introduction of an Ordinance: Amend the City Code by Repealing and Re-enacting Chapter 140, the Land Management Code

Action: On a motion duly made by Councilmember T. Martinez and seconded by Councilmember T. Burnett, the Mayor and City Council unanimously agreed by voice vote of all members present to introduce an ordinance to amend the City Code by repealing and re-enacting Chapter 140, Land Management Code. The re-enacted Land Management Code includes the 2020 package of annual revisions finalized by the Mayor and City Council. This re-enacted version of the Land Management Code shall be known as version 3.7.

CITY ADMINISTRATOR’S COMMENTS

Scott A. Nicewarner, City Administrator, expressed condolences to the family of Kenny Raynor, Public Works employee, who passed away last week. He thanked Jason Rodgers, Parking System Supervisor, and the EMS crew who assisted Mr. Raynor when he experienced a medical emergency at work. He was very active in the community and will be missed.

MAYOR AND COUNCIL COMMENTS

Councilmember S. McIntire offered condolences to Mr. Raynor’s family.

Councilmember T. Martinez had no additional comments.

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Councilmember T. Burnett thanked the Mayor and Councilmember Martinez for inviting her to an event last week. She also thanked Mayor Keller for assisting two people with addictions last weekend.

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

Mayor E. Keller thanked current police officers for their service and honored officers who have passed away. This is National Police Week. She thanked the Hagerstown Police Department, the Washington County Sheriff's Department, and the Maryland State Police for organizing a wreath ceremony scheduled for Wednesday, May 12, 2021.

Mayor Keller announced this is National Lupus Month. She thanked Latrina Haines Bean, who battles lupus aggressively every day, for her kindness to the teachers at Western Heights Middle School during Teacher's Week.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 7:10 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: June 22, 2021