

Mayor and Council Executive Session and Work Session April 7, 2026 Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."

"The City of Hagerstown shall be a community focused municipality"

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

"Do What You Can, With What You Have, Where You Are." Theodore Roosevelt

4:00 PM WORK SESSION

- 3:00 PM** 1. **The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.**
- 3:00 PM** 2. EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall
- 4:00 PM** 3. Proclamations:
Autism Awareness Month
National Poetry Month
Second Chance Awareness Month
Sexual Assault Awareness Month
- 4:10 PM** 4. FY 2027 Budget Presentation and Upcoming Discussion Schedule – *Scott Nicewarner, City Administrator; Michelle Hepburn, Chief Financial Officer and Brooke Garver, Accounting and Budget Manager*
- 5:10 PM** 5. Update to Electric Retail Operating Rate Case No. 9836 - *Nathan Fridinger, Deputy Director of Electric Operations*
- 5:15 PM** 6. Recreation Spring & Summer Programs and Events -- *Amy Riley, Recreation Supervisor*
- 5:25 PM** 7. Open Container Exemption for Additional Downtown Events – *Brittany Arizmendi, Director of Community Engagement*
- 5:35 PM** 8. Bright Start Childcare Grant Program (New or Expanded) - *Chris Siemerling, Economic Development Specialist*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

The Mayor and Council will meet in Open Session only for the purpose of voting to close its meeting to discuss matters that the Open Meetings Act permits it to discuss in Executive/Closed Session.

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

EXECUTIVE SESSION – Council Chamber, 2nd floor, City Hall

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

April_7__2026_Executive_Session.pdf

Description

Executive Session Agenda



**MAYOR AND CITY COUNCIL
EXECUTIVE SESSION
APRIL 7, 2026
AGENDA**

Vision Statement:

The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods.”

Mission Statement:

“The City of Hagerstown shall be a community focused municipality.”

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

3:00 p.m. EXECUTIVE SESSION

1. To consult with counsel to obtain legal advice; (#7)

** Pending Litigation*

***AUTHORITY: Annotated Code of Maryland, General Provisions Article: Section 3-305(b)
(Subsection is noted in parentheses)**

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY : Mayor & City Council

DATE : April 7, 2026

PLACE : Council Chamber, 2nd floor, City Hall

TIME : 3:00 p.m.

AUTHORITY : ANNOTATED CODE OF MARYLAND, GENERAL PROVISIONS ARTICLE: Section 3-305 (b) :

1. To discuss:
 - (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - (ii) any other personnel matter that affects one or more specific individuals;
2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;
3. To consider the acquisition of real property for a public purpose and matters directly related thereto;
4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
5. To consider the investment of public funds;
6. To consider the marketing of public securities;
7. To consult with counsel to obtain legal advice;
8. To consult with staff, consultants, or other individuals about pending or potential litigation;
9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;
10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans;
11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;
12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or
13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
15. Administrative Function

EXECUTIVE SESSION AGENDA

City Hall • Council Chamber • 1 East Franklin Street • Hagerstown, MD 21740
301.739.8577, Ext. 113 • Telephone for the Hearing Impaired 301.797.6617

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Proclamations:

Autism Awareness Month

National Poetry Month

Second Chance Awareness Month

Sexual Assault Awareness Month

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

FY 2027 Budget Presentation and Upcoming Discussion Schedule – *Scott Nicewarner, City Administrator, Michelle Hepburn, Chief Financial Officer and Brooke Garver, Accounting and Budget Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

FY27BudgetPresentation.pdf

Description

FY27 Budget



City of Hagerstown

FY27 Budget Introduction





Thank You

Michelle Hepburn, Chief Financial Officer

Brooke Garver, Accounting and Budget Manager

Accounting & Finance Staff:

Kristine Cline

Jeff Lear

Heidi Herman

Barb Statton

Tyler French

Karen Reese

Lisa Bowers

Executive Management Team and Departmental Preparers





Budget Highlights

- No Tax Rate Increase Proposed in FY27 for the General Fund.
- First Year of Triennial Reassessments – Tax Bills may be Higher for Many.
- Utility Rate Models Being Reviewed due to Increased Costs.
- FY28 Planning NOW:
 - Structural Deficit is **Not Sustainable**
 - Necessary to Re-define and Implement Core Government Services
 - Eliminate or Scale Back Services that are not a Priority
 - Move Budget Allocations to those Services Providing Biggest Impact to Taxpayer
 - Eliminate Redundant Operations.





Proposed FY27 Tax Rates

- Estimated growth of **9.3%** by SDAT (real and personal property)
- Represents **70.2%** of current revenue sources (**66.6%** of all revenue if including fund transfers and fund balance utilization).
- Tax rate will remain at **\$1.057 per \$100** of assessed value.



Average \$200,000 assessed home:
Annual Payment: **\$2,114.00**
Monthly Average: **\$176.17**





Budget Highlights

- Breakdown of Each Dollar Received:
 - Public Safety = \$0.50 (50%)
 - Gen.Govt. = \$0.15 (15%)
 - Capital Plan = \$0.09 (9%)
 - Remaining* = \$0.26 (26%)

Remaining include: Highways & Streets, Waste Collection and Disposal, Parks & Recreation, Community & Economic Development, Unallocated General Expenses, Debt Service and Economic Incentives and Golf Course.





FY27 Budget Environment

- Cities and towns are actively evaluating FY27 budgets with a strong focus on core taxpayer needs, but:
 - They are **under financial pressure**
 - They are **prioritizing essentials (safety, infrastructure)**
 - they are often **making tradeoffs (cuts, reallocations, or tax increases)** to sustain those services
- Cities are dealing with multiple financial pressures:
 - Inflation (labor, materials, insurance)
 - Expiring federal aid (e.g., ARPA funds)
 - Pension and healthcare obligations
- Beyond basics, FY27 budgets often still include targeted investments in:
 - Affordable housing and community development
 - Economic development
 - Public health / homelessness services
 - Parks and community programs





Structural Deficit Concerns

The city's ongoing revenues are not keeping up with its ongoing expenses—year after year.

- Entered FY27 budget construction with a \$10 million structural deficit.
- City Charter requires a “balanced budget” every year. (Expenses = Revenues)
- To accomplish this year in and year out:
 - Decrease expenses to match revenue projections
 - Increase revenues to match expense projections
 - Combination of both.
- FY27 has no tax rate increase included, though revenue is expected to rise due to increased assessments for majority of taxpayers.





How Do Structural Deficits Happen

1. Revenue Constraints

- Property tax caps or political resistance to increases
- Heavy reliance on a narrow tax base
- Declining or stagnant assessed values in parts of the city
- State funding volatility or mandates without funding

2. Rising Fixed Costs *(These costs are hard to cut in the short term)*

- Pension and retiree healthcare obligations
- Collective bargaining agreements
- Health insurance inflation
- Debt service on past capital projects





How Do Structural Deficits Happen

3. Service Demand vs. Capacity

Public safety (police & fire) costs rising faster than inflation

Aging infrastructure needing more maintenance

Increased expectations for services without matching revenue growth

4. One-Time Fixes Masking the Problem

Using reserves to balance budgets

Selling assets

Delaying maintenance or capital spending

Temporary federal/state aid (think post-COVID funding)

These can make budgets *look* balanced while the underlying imbalance grows.





Why are Structural Deficits a Big Deal?

- **Structural deficits don't fix themselves.**
- Left alone, structural deficits lead to:
 - Service degradation
(especially visible in public safety and infrastructure)
 - Credit rating pressure → higher borrowing costs
 - Workforce challenges (recruitment/retention issues)
 - Political instability around budgets and taxes





How Does Staff and the Council Address?

- **Revenues:**
 - Adjust tax rates or fee structures (where feasible)
 - Broaden the tax base through economic development
 - Modernize fees to reflect actual cost of service
 - Advocate for changes in state law (if authority is limited)

In this economic environment, tax rate adjustments are just not feasible. Therefore, the remaining three strategies must be reviewed.





How Does Staff and the Council Address?

- **Expenses:**
 - Re-align services with core municipal functions
 - Renegotiate or restructure long-term obligations where possible
 - Regionalization or shared services while maintaining autonomy of services.
 - Invest in efficiency (technology, process improvements)

This isn't about one difficult budget year. It's about a mismatch between what it costs to deliver the services our residents rely on and the revenues we have available to fund them. If we don't address that mismatch structurally, we will continue to face the same gap every year—only larger.





The Local Reality

1. Tax Structure + Property Mix (City Carries More Weight)

- The **City of Hagerstown** has:
 - A higher share of **tax-exempt property** (nonprofits, government, churches)
 - More **aging housing stock** with slower assessment growth
 - Greater concentration of **service demands**
- Meanwhile, much of the county's newer growth:
 - Is **outside city limits**
 - Generates revenue primarily for **Washington County**, not the city
 - Still relies indirectly on city-based infrastructure and services

Result:

The city is service-heavy but revenue-constrained—a classic setup for structural imbalance.





The Local Reality

2. Public Safety Cost Structure (Big Driver)

Police (City responsibility)

Rising personnel costs, recruitment/retention pressure

Calls for service concentrated in the city

Fire/EMS (Hybrid system)

Mix of **volunteer companies + county funding + city resources**

The **City of Hagerstown** often provides a disproportionate share of:

Career staffing

Call volume response

Facility/infrastructure support

Result:

You get **cost concentration without full cost control**—and without proportional revenue support from the broader service area.





The Local Reality

3. City–County Service Mismatch

- The city functions as the **urban core for the entire county**
- Funding mechanisms are **jurisdictionally siloed**

Examples:

Residents outside city limits benefit from:

Public safety spillover

Roads and infrastructure

But **don't contribute to city taxes**

Result:

A regional service footprint with a local funding base.





The Local Reality

4. Aging Infrastructure vs. Limited Revenue Growth

- Older water, sewer, streets, and facilities require:
 - More frequent maintenance
 - Capital reinvestment
 - Limited funding streams from both state and federal sources

At the same time:

- Revenue growth is modest
- Rate increases (water/sewer) are sensitive but necessary
- Deferred maintenance becomes a reality

Result:

Operating budgets get squeezed by capital reality—another structural imbalance.





The Local Reality

5. Economic Development Pattern

- New growth in Washington County tends to be:
Residential or logistics/warehouse-heavy

These often:

Generate **less per-acre tax revenue** than traditional downtown commercial
Still create service demand (roads, EMS, etc.)

Meanwhile:

- Downtown revitalization takes time to translate into:
Higher assessments
New revenue streams

Result:

Costs show up immediately; revenues lag years behind.





What this Means

For **Hagerstown**, the structural deficit isn't just about spending discipline—it's about **misalignment**:

The City is funded like a small municipality but operates like a regional service hub.





Where Do We Go in FY28?

1. Rebalance City-County Cost Sharing
2. Refocus on Core Municipal Functions
3. Modernize Revenue Tools
4. Targeted Economic Development
5. Operational Alignment & Structure
6. Multi-Year Financial Planning





FY27 Budget Timeline

April 14 & 21: General Fund & CIP

May 5: Utilities (Water / WW / SMW)

May 12: Public Hearing / Ordinance
Introduction

May 19: Vote on Budget and Tax Rate

Other areas of the budget will be interspersed in each of these budget sessions, with opportunities to add to the 12th and 19th for additional discussion on other funds if necessary. Discussions on these concerns, if Council concurs, need to start in June in preparation of July, 2027.



**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Update to Electric Retail Operating Rate Case No. 9836 - *Nathan Fridinger, Deputy Director of Electric Operations*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

20260407_Electric_Rates_Memo.pdf

Description

Memo - Rate Case No.
9836



CITY OF HAGERSTOWN, MARYLAND

Hagerstown Light Department
425 E Baltimore St • Hagerstown, MD 21740
Telephone: 301-790-2600
Website: www.hagerstownlight.org

Date: April 1, 2026

To: Scott Nicewarner, City Administrator
Nancy Hausrath, Director of Utilities

From: Nathan Fridinger, Deputy Director of Electric Operations

Subject: Update to Electric Retail Operating Rate Case No. 9836

On November 24, 2025, an application was filed with the Maryland Public Service Commission for a make-whole rate proceeding in accordance with Public Utilities Article § 4-207 to increase retail electric service rates to reflect earning the 4.26% Rate of Return (ROR) authorized by Order No. 91466 in Case No. 9744, dated December 27, 2024. A revenue increase of \$782,990 was proposed to meet the authorized ROR using the audited Fiscal Year 2024 financial report as a historic test year.

The Public Service Commission Technical Staff (PSC) and the Office of People’s Council (OPC) reviewed the supporting data and determined that certain adjustments for known future expenses are not permitted to be included in determining the revenue requirement in a “make-whole” rate case. Adjustments were made to the initial application and on January 29, 2026, a Joint Motion in Support of Unanimous Settlement Agreement was filed for a \$477,000 annual revenue increase.

A hearing was scheduled for March 3, 2026 for the presiding Public Utility Law Judge (PULJ) to consider the terms of the Settlement and on March 2, 2026, PSC staff filed errata testimony that reflected a significant error in their original direct testimony that negatively impacted the basis of the Settlement. The errata led the PULJ to postpone the hearing and request that all parties file supplemental testimony in support of the Settlement.

HLD filed a make whole case believing it would be simplified and the process was anything but that. Considering the circumstances and after discussion among each party HLD decided to withdraw its application for a make-whole rate case and plans to file an application for a base rate case at a later time now that more recent audited financial data is available. On March 16, 2026, the request to withdraw the application was filed and granted, closing the case.

Staff will be requesting additional funding approval this month to perform a cost of service study and base rate case analysis by our consulting firm, GDS and Associates, estimated at approximately \$100k.

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Recreation Spring & Summer Programs and Events -- *Amy Riley, Recreation Supervisor*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo.MayorCouncil.3.31.26.pdf

Description

Recreation Spring &
Summer Program and
Events



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

www.hagerstownmd.org

TO: Scott Nicewarner, City Administrator

FROM: Amy Riley, Recreation Supervisor

DATE: March 31, 2026

SUBJECT: Recreation Spring & Summer Programs and Events

MAYOR AND COUNCIL ACTION REQUESTED

N/A

DISCUSSION

The Parks & Recreation Division is excited to announce that our City parks and facilities are opening for the season! We are ready to offer an action-packed season of spring and summer programming for our City residents, their families, and the community at large to enjoy.

Our goal is to provide quality recreational activities in safe, well-maintained, parks and facilities. Our twenty-two parks provide green space and amenities for the community to stay active and enjoy the outdoors. Our five recreation facilities feature an abundance of programming for all interests and skill levels to participate in and enjoy.

We are here to share our new Spring & Summer Parks & Recreation Guide that is available in print and digitally through our City of Hagerstown website. Please allow us to walk you through all that we have planned this season in our City parks and facilities!

Public Works Department
51 West Memorial Blvd.
Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 178

Parks and Recreation Division
351 North Cleveland Ave.
Hagerstown, MD 21740
Ext. 169

Parking Division
1 E. Franklin St.
Hagerstown, MD 21740
Ext.479

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Open Container Exemption for Additional Downtown Events – *Brittany Arizmendi, Director of Community Engagement*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Description

2026_Open_Container_Exemption_for_Additional_Downtown_Events.pdf

MEMO: Open
Container Downtown
Events 2026



CITY OF HAGERSTOWN, MARYLAND

Office of Community Engagement
1 E Franklin Street, Suite 210A, Hagerstown, MD 21740

TO: Scott Nicewarner

FROM: Brittany Arizmendi, Director -- Community Engagement

DATE: March 30, 2026

SUBJECT: Open Container Exemption for 2026 Additional Downtown Events

Staff is requesting Mayor and Council approval for exemption to the Open Container Act for two new downtown events where alcohol is being requested.

Action Requested

Staff seeks approval of the following exemptions at the April 28, 2026, Regular Session:

Outside Organizations

***NEW* BISFA Celebration** (South Potomac Street)

- Friday, June 5, 2026

***NEW* Hagerstown's International Bites & Beats** (South Potomac Street)

- Saturday, June 27, 2026

Application/permits will be submitted for Mayor's signature at least one month in advance of the event.

Per the City of Hagerstown's Open Container Law, the Mayor and City Council may permit the possession of alcoholic beverages in open containers on the streets, lanes, alleys, sidewalks, parking lots or public ways of the City during special events upon application or upon its own initiative.

If approved by the Mayor and City Council, the applicants will go to the Liquor Board for review and final approval. They will be requesting One Day Event Licenses, which allow a non-profit, society, corporation, organization, or association to serve and sell alcoholic beverages at a non-licensed establishment, with fencing surrounding the area, if outside.

The City's Logistics Committee (representatives from Community Engagement, Public Works, Engineering/Parks & Recreation, Police, Fire, Utilities, and HR/Liability) review all facets of these events to ensure compliance, safety, and to create conditions for optimal event outcome. All

applicants will provide the City with a Certificate of Insurance naming the City of Hagerstown as additional insured on a \$2 million policy.

APPLICATION/PERMIT

The undersigned does hereby make application to the City of Hagerstown, Maryland, to utilize the property/facilities of the City more particularly described as follows:

Unit Block of South Potomac Street

On the following date(s):

Friday, June 5, 2026

The term applicant is defined as any person, firm, corporation or legal entity of whatsoever nature or kind on whose behalf this application is being made and permit granted.

The applicant acknowledges that the premises shall be used solely for the purpose of:

BISFA Foundation will be holding the liquor license during the BISFA Celebration that is taking place in the unit block of South Potomac Street on Friday, June 5, 2026, from 4:00-10:00 PM. Event organizers will provide cups that indicate who is drinking on the street. Approved downtown bars/restaurants in the unit block that may serve alcohol with proper paperwork (The Brick Tavern, Veva's on Potomac, Meinelschmidt Distillery, The Dugout Sport Bar, and Schmankerl Stube.)

The signatory to this application certifies that he/she has the authority to make this application and execute this agreement on behalf of:

Applicant Name: BISFA Foundation

Applicant Address: 38 S Potomac Street, Hagerstown, MD 21740

And to bind said person, firm or legal entity to the terms hereof. The signatory hereto represents and agrees that in the event that he/she does not have such authority, then and in said event, the signatory hereto is solely responsible and bound by all of the terms and conditions of this application, permit and agreement.

The undersigned signatory, on behalf of the applicant, agrees that he/she shall:

1. Abide by all rules applicable to the facility utilized and/or any promulgated by the City and contained in this application (See Attachment B)
2. Abide by all Statutes, Act, Ordinances, and Regulations applicable to the use of the area.
3. The applicant does hereby agree that if necessary he/she/it shall be responsible for and obtain all necessary permits, licenses, or any other matters required in connection with the function and/or the use of the premises and does hereby agree to hold the City, its servants, agents and employees harmless from any suits, demands, claims, expenses or fines that may arise directly or indirectly from such use of the premises.

4. The applicant does hereby agree that it shall be responsible for the costs of all City services incurred in connection with the event.
5. The applicant agrees that he/she/it shall furnish upon the execution of this application and agreement certificates of insurance with coverage adequate within the absolute discretion of the City. The applicant further agrees that the City shall be placed upon any liability policy or any other policies of whatsoever nature or kind applicable to the function as an additional insured. The applicant agrees to hold harmless and indemnify the City, its agents, servants, representatives, officials and employees from any and all claims, expenses, suits, demands, losses or costs of whatsoever nature or kind arising directly or indirectly from the use of the premises described. The Applicant shall abide by all rules applicable to the facility utilized and/or promulgated by the City and contained in this application. (See Attachment B)
6. The applicant further agrees that the premises shall be vacated by the applicant in the same condition as when occupied and if any damage has been done by the applicant or attendees of any function, the applicant shall be responsible for and reimburse the City for repairs, cleaning, and any other expenses incurred as a result thereof.
7. It is understood by the applicant that this permit is subject to all of the terms, obligations, conditions and reservations set forth in this agreement and any attachments which are incorporated by reference. In the event there are any conflicts between this document and any attachments the terms set forth herein shall govern and prevail.

Date: 4/29/2026

Name of Applicant: BISFA Foundation

By:

Address: 38 S Potomac Street
Hagerstown, MD 21740

Phone: 240-347-4934

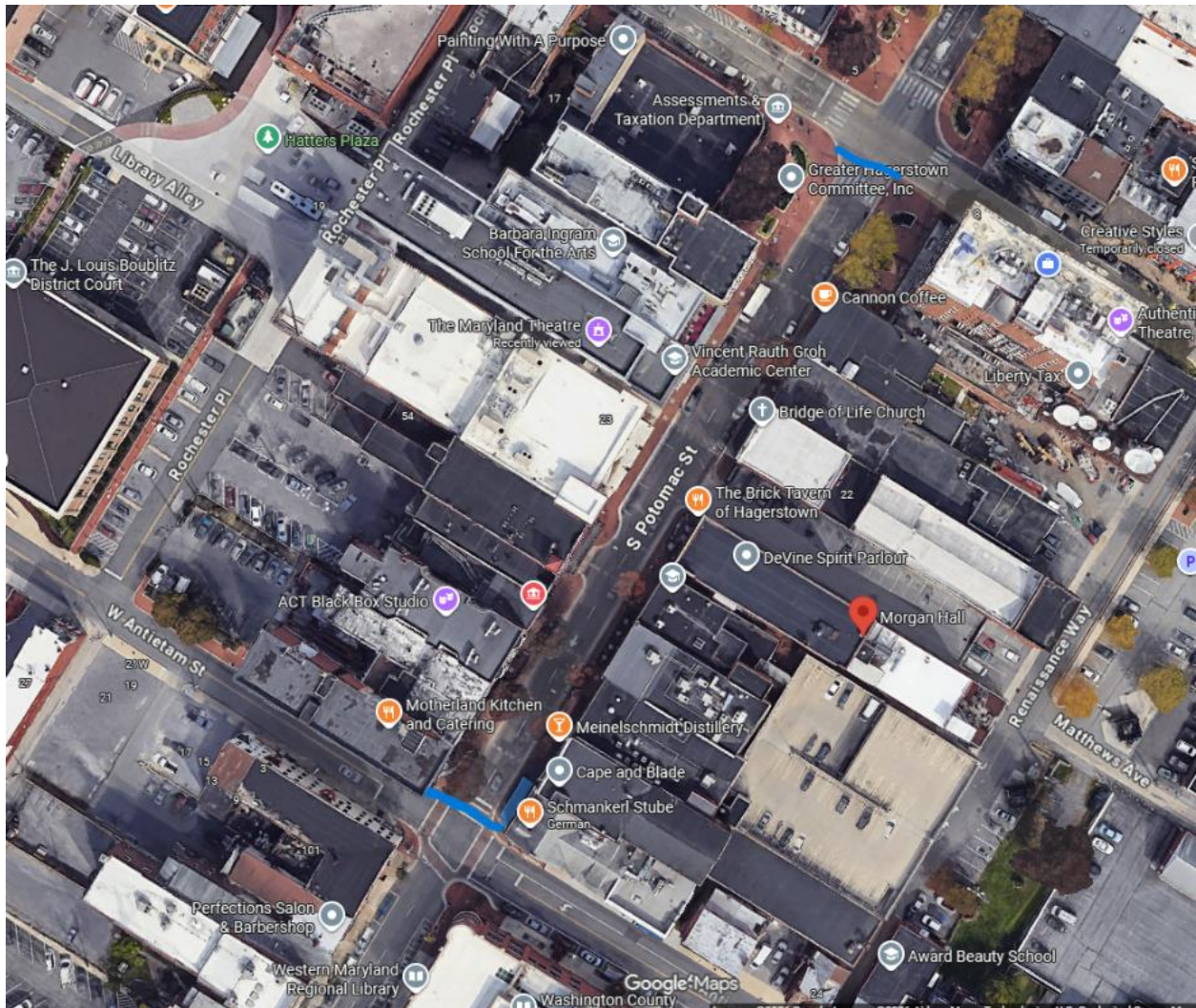
ACCEPTANCE

The foregoing application for permit is hereby accepted and granted by the City of Hagerstown, Maryland, by its duly authorized and designated representative. The permit is being granted upon all of the terms and conditions set forth above which are incorporated herein by reference. A violation of any of the conditions set forth above may result in an immediate revocation of said permit.

CITY OF HAGERSTOWN, MARYLAND

By:

ATTACHMENT A



ATTACHMENT B

It is understood by the applicant that this permit is subject to the terms and conditions below.

1. Unit block of South Potomac Street is leased for no cost to BISFA Foundation on Friday, June 5, 2026 from 4:00 - 10:00 p.m. for set-up, event, and clean-up.
2. Approved downtown restaurants/bars in the unit block of South Potomac Street will be allowed to serve alcoholic beverages and will limit this activity to individuals who are legally able to drink alcohol, have the event beverage cup, and are in the designated area.
3. BISFA Foundation will sign this permit and Hold Harmless Agreement, as well as endorse the City of Hagerstown as an additional insured on a two million dollar (\$2,000,000) insurance policy.

Barizmendi@hagerstownmd.org; 240-500-4582

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Bright Start Childcare Grant Program (New or Expanded) - *Chris Siemerling, Economic Development Specialist*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

040726_WS_BrightStart.pdf

Description

Bright Start-Childcare Grant Program



TO: Scott Nicewarner, City Administrator

FROM: Chris Siemerling, Economic Development Specialist

DATE: April 1, 2026

RE: Bright Start – Childcare Grant Program (New or Expanded)

At the April 7, 2026 Work Session, staff will review proposed guidelines for the creation of the “Bright Start – Childcare Grant Program” funded by \$250,000 in awarded State Community Legacy Funding.

This program will operate as a 1:1 matching grant designed to support and encourage new or expanded childcare services within the City’s Sustainable Communities Area. There is no City match. The match comes from the applicant.

These funds will assist by helping offset costs associated with meeting State regulatory requirements and preparing facilities for operation. Funding may be used for property upgrades needed to comply with State mandates, facility renovations, equipment purchases, and marketing efforts to ensure the space is ready to serve children. By reducing key financial barriers to starting or expanding childcare within the City, the program aims to make these services more feasible for providers and may be combined with other City, County, State, or related funding programs to further support this goal.

Deadline to apply will be 1/31/2028, or until funds are no longer available.

On 06/04/2025 Mayor and City Council approved the City’s application to the Community Legacy program through the state for this program.

Attachments: Draft Motion
Proposed Program Guidelines
Proposed Program Application

c: Jill Thompson, Director of Planning & Economic Development

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: April 28, 2026

TOPIC: **Approval of the Guidelines and Application Form for Bright Start –
Childcare Grant Program (New or Expanded)**

Charter Amendment	—
Code Amendment	—
Ordinance	—
Resolution	—
Other	<u>X</u>

MOTION:

I hereby move for the Mayor and City Council to approve the attached Guidelines and Application Form to create the Bright Start – Childcare Grant Program. Staff may make administrative edits with the approval of the City Administrator.

The program will be funded with \$250,000 of awarded State Community Legacy funding.

DATE OF INTRODUCTION:	4/28/2026
DATE OF PASSAGE:	4/28/2026
EFFECTIVE DATE:	4/28/2026



Bright Start - Childcare Grant (New or Expanded) Guidelines

The City of Hagerstown has established an incentive program to expand access to high-quality childcare within the City's Sustainable Communities Area by reducing financial barriers for operators seeking to open new facilities or expand services for childcare.

Guidelines:

- The grant(s) awarded under the Bright Start – Childcare Grant Program shall be a minimum of \$10,000 up to maximum of \$250,000. A cross-department Review Committee will use the following criteria in determining grant eligibility:
 - Applicant/Project Need,
 - Infant and Toddler Care Capacity,
 - # of Jobs Created,
 - Hours of Operation,
 - Viability of Business Plan/Business Experience & Capacity,
 - Economic Impact of the Project,
 - Amount of Investment or Capital Expenditures,
 - Length of Prior Vacancy.
- Awarded grants require a 1:1 match from the applicant completing the project. Example: A \$100,000 grant would require a match of at least \$100,000 for a total project cost of \$200,000.
- Funds may be used for the renovation/fit-out of an eligible space, construction of a new building or addition, and the purchase of furniture, fixtures, equipment required for operation and marketing of the facility.
- Applicants must be the party responsible for the costs of the improvements.
- A project must be classified as “in planning” at the time of application. Projects that are already in progress or completed are not eligible. Approved projects must begin within three (3) months of receiving approval.
- Timeline must show completion of project, as described by the applicant in the Application and Development Plan, no later than 05/31/2028.
- Applicants may apply and utilize other grant and incentive programs, such as Invest Hagerstown, but must provide unique expenses/receipts for each City program used.
- All upgrades must be performed to City Code and will be regulated through the City's Permits & Inspections Department.

-
- All projects shall comply with Federal, State and Local codes, laws and ordinances.
 - Funds shall only be disbursed after staff have verified all work in the Application and Development Plan has been completed to Code, including all required site inspections and approvals, any required State licensing has been completed and obtained, and final receipts have been submitted.
 - The City will issue a 1099 form following grant disbursement, and the grant may be taxable based on that year's State and Federal tax guidelines.
 - Once a project is approved, any changes in the scope or timeline will require the project to be resubmitted for determination of continued eligibility.

Eligible Applicants:

- Non-profit or For-profit Applicants.
- Projects must create new or expand existing licensed childcare facilities. Projects must be within the City's Sustainable Communities Area (See attached map).
- Applicants must obtain or demonstrate eligibility for childcare licensing through the State of Maryland's Office of Child Care.
- A signed letter of intent or draft/signed lease is a required attachment. Applicant must demonstrate they are responsible for the expense of the scope of work proposed.
- Eligible In-Home providers must be able to demonstrate compliance with all applicable zoning, building, safety, and State of Maryland License regulations. Improvements must be directly attributable to the childcare operation.
- Applicants shall provide a signed lease or Letter of Intent (LOI) showing a minimum duration of one (1) year or longer.

Ineligible Applicants:

- Projects where construction/renovations, or other listed project expenses, have already begun will not be eligible for consideration.
- Operating expenses such as rent, utilities, employee salaries, etc. are ineligible for the program.
- Grants will not be provided for applications that include or support projects for which the principal use is one of the following types of activities: pawn shops, gun shops, tanning salons, massage parlors, adult video/book shop, adult entertainment facilities, check cashing facilities, gambling facilities, tattoo parlors, or liquor stores.
- Individuals, businesses, and properties not in Good Standing with the City of Hagerstown or State of Maryland will not be considered.

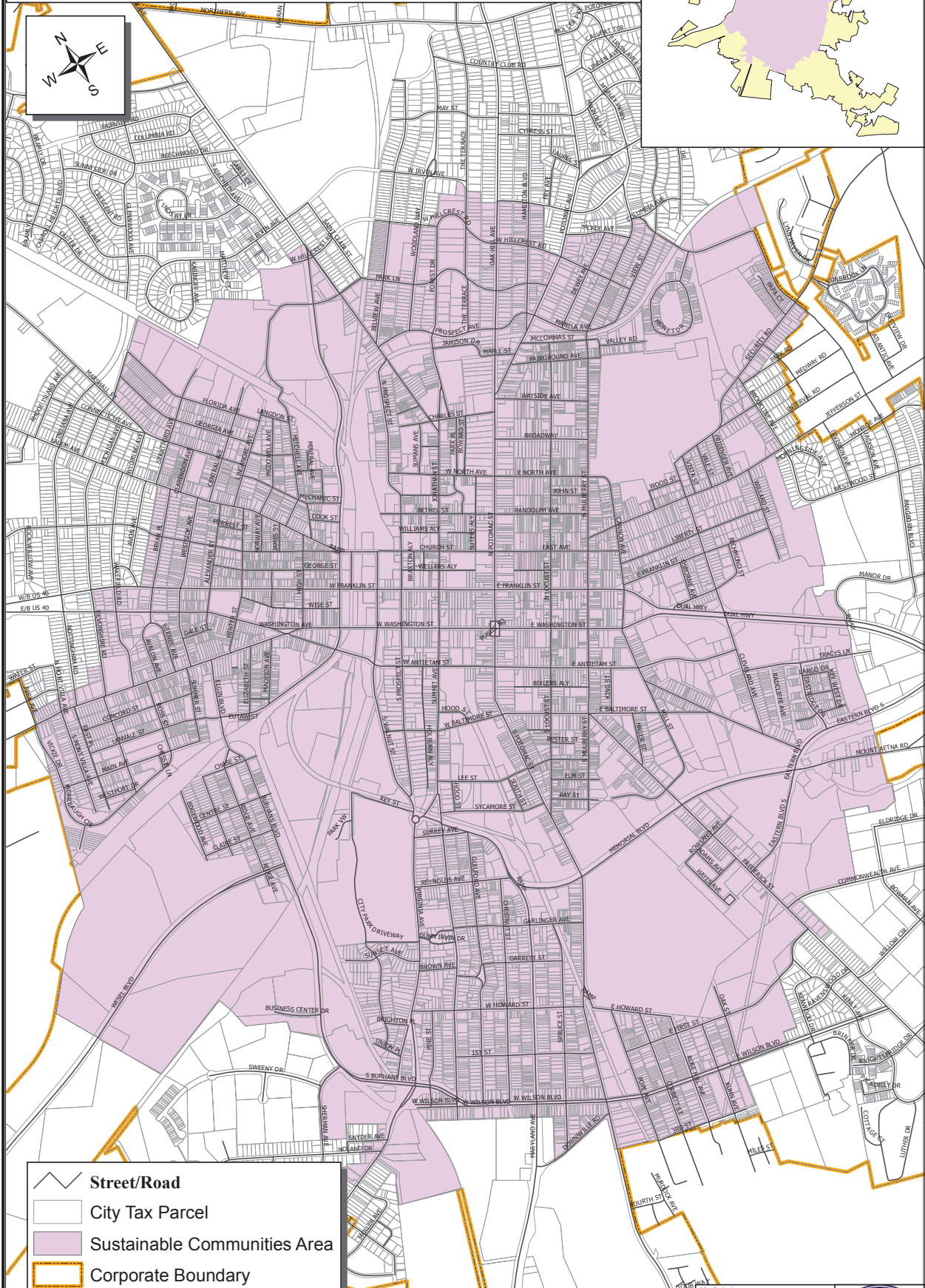
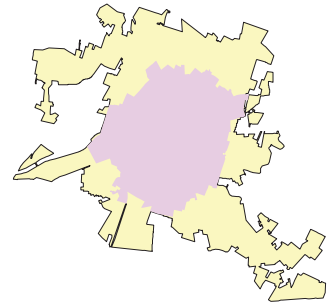
Application Process and Requirements:

1. Complete the Childcare Grant Application and provide all required attachments.
2. Return completed application and required attachments via email to csiemerling@hagerstownmd.org, or in person/mail to 32 N. Potomac Street, Suite 200, Hagerstown, MD 21740.
3. All applications and supporting documents must be submitted for consideration no later than 1/31/2028.
4. All grants are subject to funding availability.
5. All applications shall be reviewed by a cross-department review committee on a first-come, first-served basis.
6. The Review Committee will review the application and supporting documents to determine the eligibility and level of funding that may/may not be awarded.
7. Funding for this program is provided through the State of Maryland as pass-through funds; therefore, all applications are subject to review and final approval by the State.
8. Additional project information may be requested at any time during the process.

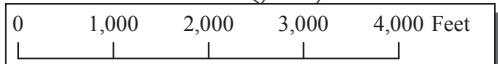
Please direct questions to:

Chris Siemerling
Economic Development Specialist
Department of Planning & Economic Development
City of Hagerstown
32 N. Potomac, Suite 200, Hagerstown, MD 21740
Phone: 301-797-6294 Email: csiemerling@hagerstownmd.org

City of Hagerstown Sustainable Communities Area



	Street/Road
	City Tax Parcel
	Sustainable Communities Area
	Corporate Boundary



Map Projection:
NAD83 State Plane Maryland FIPS (feet)
Data Sources:
City of Hagerstown, 2008
Washington County, 2007
Prepared by:
Hagerstown Planning Office, 9/30/11
M:\gis\PLANNING\GIS-MasterProject\ArcMAP\Revitalization.mxd





BRIGHT START – CHILDCARE GRANT (NEW OR EXPANDED) Application Form

Property Information

Property Address: _____, Hagerstown, MD Zip: _____

Applicant Information:

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Email: _____ Website: _____

Business Type: [] For-Profit [] Non-Profit

Project Information

Expected Start Date: _____

Expected Completion Date: _____

Total Project Cost: \$_____

Grant Request Amount (\$10,000-\$250,000, and not to exceed 50% of total project cost):

\$_____

Project Square Feet: _____sqft

Has the property been vacant, and if so, for how long? (Yes / No)

Vacant Since _____(month/year)

Terms of Lease:

Lease Start Date: _____Number of years: _____

How many new jobs will be created within 2 years of the project completion? _____ new jobs

Required Attachments:

ALL APPLICANTS:

- Narrative Description of Project (Development Plan) to Include:
 - Description of the Project including renovations, improvements, and upgrades to existing facilities;
 - Description of planned occupancy; and
 - Description of the anticipated economic impact of the project on the immediate commercial area/neighborhood.
- Business Plan with Financial Projections
- Project Timeline
- Project budget and itemized quotes and estimates detailing the scope of work for the project.
- If applicant is acting as its own General Contractor, at least one outside construction cost estimate for the full scope of work for the project must be provided to illustrate that expenses are in line with market-rate costs.
- Financing plan showing proposed funding sources and any other incentives or grants being used (bank statement, confirmed loan letter, award letters, etc.)
- Photo(s) including 1 front, street view of the property
- Design Plans/Floor Plans
- Signed Letter of Intent (LOI), copy of a draft or executed lease showing a minimum duration of one (1) year. If a draft lease or LOI are submitted, a final executed lease reflecting the same terms and conditions will be required prior to finalization of the incentive.

Applicant Signature:

By signing below, I certify that the information above is true and correct, I agree to comply with the program requirements and eligibility as described in the Bright Start Childcare Grant Guidelines, and I understand that if my application is approved, failure to comply will result in termination of the Letter of Commitment and forfeiture of grant funds committed.

Applicant's Signature

Date

Return to:

Chris Siemerling
Economic Development Specialist
Department of Planning & Economic Development
City of Hagerstown
32 N. Potomac, Suite 200, Hagerstown, MD 21740
Phone: 301-797-6294 Email: csiemerling@hagerstownmd.org