

EXECUTIVE SESSION AND WORK SESSION – January 19, 2016

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On a motion duly made by Councilmember D. F. Munson and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in closed session 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)), and to consider the acquisition of real property for a public purpose and matters directly related thereto, #3 (Section 3-305(b)) on Tuesday, January 19, 2016 at 3:33 p.m. in Room 407, 4th floor, City Hall, Hagerstown, Maryland. The following people were in attendance: Mayor D. S. Gysberts, Councilmember K. B. Aleshire, Councilmember M. E. Brubaker, Councilmember L. C. Metzner, Councilmember D. F. Munson, Councilmember P. M. Nigh, City Administrator Valerie Means, Michelle Hepburn, Director of Finance, Jill Frick, Director of Department of Community and Economic Development, Kathleen Maher, Director of Planning and Code Administration, Stephen Bockmiller, Development Planner and Zoning Administrator, and D. K. Spickler, City Clerk. The meeting was held to discuss a potential appointment to the Hagerstown Loan Review Authority and a potential property acquisition. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the Executive Session was adjourned at 3:55 p.m.

WORK SESSION – January 19, 2016

Mayor D. S. Gysberts called this Work Session and Executive Session of the Mayor and Council to order at 4:08 p.m., Tuesday, January 19, 2016, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, M. E. Brubaker, L. C. Metzner, D. F. Munson, and P. M. Nigh, City Administrator Valerie Means, and City Clerk D. K. Spickler.

Preliminary Agenda Review

Consent Agenda

A. Fire Department:

1. Replacement of Deputy Fire Marshall Vehicle – McCafferty Ford (Mechanicsburg, PA) \$ 63,692.19

B. Public Works:

1. Ford F250 Pickup Truck – Hertrich Fleet Services (Milford, DE) \$ 24,542.00

C. Utilities:

1. Wastewater: Emergency Replacement of Existing Servers – Optimum Controls Corp. (Reading, PA) \$ 65,284.00

2. Wastewater: Increase in Approved Operating Budget for Payment to Consultants and Legal Counsel in FY 16 for WWTP Rating Study – Black & Veatch/Aqua Law \$ 60,000.00

Authorization to Apply for State Grant for George Washington Statue

Stephen Bockmiller, Development Planner and Zoning Administrator, noted this project has been in the works for several years as fund raising continued. Prior committed funds include a grant from the Sons of the American Revolution and contributions from Washington County and the City of Hagerstown totaling \$ 30,950, plus in-kind site work by the County. Bids received in April, 2015 exceeded funds in hand, so the project was tabled. The Maryland Heritage Area Programs appears to be a good source for a matching grant to help raise the necessary funds to implement the project. There is no additional financial impact to the City other than the \$ 15,000 already committed to the project in a prior year and carried forward.

It was the general consensus to authorize the application for a State grant.

There were no additional questions about items on the preliminary agenda. This completed the review. All items are scheduled for approval on January 26, 2016.

Washington County Community Coalition

Paul Frey, President of Hagerstown-Washington County Chamber of Commerce, was present to discuss the Coalition's draft agenda for the 2016 Legislative Session. The agenda includes the following:

1. I-81 Widening – The State currently plans to widen the I-81/Potomac River Bridge and a section of the interstate to approximately 1 mile north of Exit #1 in Williamsport (Phase 1). The Coalition would like to encourage the state to expand the project to widen I-81 from the end of Phase 1 to the I-70 interchange for safety reasons and to ease congestion.
2. Eastern and Southern Boulevard SHA offset to fund Professional Boulevard Bridge and extension to Yale Drive – Thanks to \$ 1.12 million of State support, the engineering and design of the Professional Boulevard Bridge and road extension is underway and should be completed in 2017. The Coalition is asking for additional State assistance to help free up funds for the construction phase of this project. An additional \$ 5.8 million is needed to complete this important transportation corridor.
3. Extend mandate for Washington County to adopt new IBC codes from every 3 years to 6 years – Current state law requires the county to adopt the most recent revisions to the International Building Codes (IBC) every three years. The request is being made to reduce costs and logistical challenges to the County and local businesses.
4. Allow Hagerstown to serve as a pilot city for a City Revitalization Improvement Zone (CRIZ) – CRIZ incentives have been used successfully in

cities like Allentown, Pennsylvania and is limited to an area designated by the city for revitalization.

Items on the 2016 Watch List include

1. USMH Operational Funding
2. Gaming Revenue Protection
3. Shifting of Liabilities from State to Localities
4. Highway User Revenue Restoration
5. HCC Operational Funding
6. Ensure Restoration of State Aid for Police Protection to Municipalities
7. Funding for Heart of the Civil War Heritage Area

The Community Coalition's Annual Day in Annapolis will be held on Thursday, January 28, 2016.

Councilmember Metzner supports the City being a member of the Coalition. Since the County has secured their own lobbyist, he wondered if the item related to IBC regulations should be included on the list. He noted the item is purely a County issue. The City updates the codes every 3 years and is able to complete the process. Mr. Frey noted some members of the coalition think the extension would be beneficial.

Councilmember Brubaker agrees but the group is a coalition. He does not want the City's contribution to be contingent on the code update item.

Councilmember Metzner suggested naming the Coalition the Hagerstown/Washington County Coalition. Other members have not provided funding.

Mr. Frey thanked the Mayor and City Council for their input. The Coalition will be re-evaluated after the 2016 Session.

Councilmember Munson supports the agenda and the process. He noted two lobbyists from Washington County may not be the ideal situation.

Councilmember Aleshire does not think removing the item at this late date would be beneficial. The Coalition provides the opportunity to raise questions to the State. He is disappointed the County is not participating.

Mr. Frey stated the Coalition is committed to a good partnership with Washington County stakeholders. Their consultant will work with the County lobbyist to provide the background for the CRIZ item.

Annual Police and Fire Pension Review with CBIZ & PNC

Karen Paulson, Director of Human Resources, Alvin Winters, Consulting Actuary with CBIZ Benefits and Insurances Services, and Lisa Locher, Vice President and Senior

Portfolio Manager of PNC Institutional Investment Group, were present to provide the annual review of the plan and to provide an update of the status of the Police and Fire Retirement plan, review plan performance, and discuss plan funding.

CBIZ serves as the City's Police and Fire Plan actuary and has worked with the City since the plan's inception in 1998. In the past few years, annual updates of the plan's performance have been provided.

Lisa Locher with PNC meets regularly with the City's Police and Fire Retirement Committee to review investment performance, identify trends, project future performance, and monitor the City's investment policy compliance. She also discusses any pertinent issues involving the plan and its investments.

A defined benefit pension is a major component of an employee's overall compensation package. The Police and Fire Retirement Plan offers a benefit that provides a maximum lifetime benefit of 60% of an employee's 3 highest years' salary after 30 years of service. Police and Fire are eligible to retire after 25 years of service and their benefit is calculated at 2% of their salary for each year they work.

As a comparison, the City participates in the Maryland State Retirement plan for eligible non-sworn personnel. The Reformed Maryland State plan offers a benefit of approximately 40-50% of an employee's 5 highest years' salary. Normal retirement is age 65 with ten years of service or based on the Rule of 90 (age and service must equal 90). The Reformed Maryland Plan also has a ten year vesting requirement.

Since the Police and Fire Plan's inception, the City has funded 100% of the actuary's recommended employer contribution amount. The employee contribution rate has remained at 7%, with the Mayor and Council approving increasing City contribution rates to make up the difference. This absorption of contributions by the City was taken to ensure a securely funded retirement plan.

Chapter 38 of the City's Code details the authority and administration of the plan. Mayor and Council have ultimate authority over the Police and Fire Retirement plan and the Committee.

The Police and Fire Retirement Committee reviews plan performance and discusses matters that could have an impact to the plan. The establishment and authority of the committee are also defined by Chapter 38 of the City's Code. Only two positions require Mayor and Council's formal appointment. The Committee itself votes to establish a Chair and a Vice-Chair.

There are currently 267 participants in the plan, which includes 177 active participants.

Previous valuations included a \$ 15,000 load for administrative expenses. Actual 2015 expenses were \$ 130,000 for legal fees, trustee fees, insurance, actuarial, and benefit distributions. The assumption has been increased to \$ 130,000. Prior valuation used RP-2000 mortality assumption. Society of Actuaries is currently studying municipal mortality pension experience but did issue a new non-governmental mortality table showing significantly longer life expectancies. The mortality assumption has been updated to reflect continued increases of life expectancy by projecting the RP-2000 mortality table into the future.

Prior valuations for retirement rates assumed that 100% of retirees would retire at the earlier of age 62 or 25 years of service. Actual experience has been that retirees work on average until 28 years of service. The assumption was updated to 50% at 25 years of service and 50% at 30 years of service.

The rate of return 5 year average is 4.8%, with the five year average return being 11.3%.

The present value of future contributions is \$ 31,647,745. The 20 year benefit payment is anticipated to be \$ 2,048,807. The net city contribution as a percentage of payroll is 16.02%. The prior year contribution was 13.7% of payroll, which would fully fund the plan over 24 years instead of 20 years.

Plan costs are rising due to increased life expectancies, plan expenses, and unfavorable asset performance. A city contribution equaling 16.02% of payroll is required to fully fund the plan over 20 years. The prior year contribution rate of 13.7% of pay fully funds the plan over a 24 year period. Additional monitoring of the plan's funded percentage is needed to ensure ongoing adequacy of the plan's contribution percentage.

Councilmember Brubaker noted there are many variables to review. This information should be a consideration during contract negotiations. It would be nice to fund the plan sooner than 24 years, but the City cannot afford to.

Councilmember Aleshire expressed his concern that the administrative costs increased so significantly without a notice to the Mayor and City Council. A maximum limit should be set for administrative costs.

Councilmember Metzner would like to see detailed information for what the administrative fee covers.

Ms. Locher stated portfolio management decisions are guided by the Plan's Investment Policy Guidelines, which are reviewed and reaffirmed at least annually. PNC works closely with the Plan's Investment Committee, as well as the city's Human Resources and Finance Departments, to ensure investment objectives and goals are aligned. Meetings are held quarterly. The plan market value, as of 6/30/15, was \$ 19.0

million versus year earlier market value of \$ 18.7 million. The market value as of 12/31/15 was \$ 18.5 million. The current targeted asset allocation for the Plan is: 65% equity, 32% fixed income, and 3% cash.

Looking ahead in 2016, another moderate year is expected of overall economic growth, with GDP up 2.5%, the unemployment rate down near 4.6% toward the end of the year, and inflation somewhat higher at about 1.7%. Periods of volatility in 2016 are expected in response to market-moving dynamics, including continued low oil prices and concerns over global growth, along with the possibility of unforeseen political events and heightened worries over terrorism.

No formal action was required of the Mayor and Council at this meeting.

Hagerstown Suns- Proposed Lease Extension

Rodney Tissue, City Engineer, Robert Bruchey, II, Director of Community Services for the Hagerstown Suns, and Tom Burtman, Hagerstown Suns, were present to discuss a request to extend the Hagerstown Suns lease.

Mr. Tissue indicated the Hagerstown Suns have requested an extension of their lease for the 2017 and 2018 baseball seasons, with similar terms as the current extension. There are two significant changes: 1) the City would maintain the facility, meaning that anything that is part of the buildings would be the responsibility of the City of Hagerstown, and 2), the rent paid to the City by the Suns would be reinvested in the stadium.

In the proposed extension, the Hagerstown Suns agree to:

1. Pay \$ 35,000 /year for the property
2. Continue to pay all utilities
3. Continue routine cleaning of the property
4. Continue to be responsible for all field maintenance
5. Include language that states the lease can be assumed by another owners

The City's responsibilities include:

1. Invest at least \$ 35,000 into capital projects
2. Assume general building maintenance
3. Complete a bathroom remodel in the home team clubhouse
4. Replace outfield wall padding before the beginning of the 2016 season

Councilmember Aleshire asked if the bathroom remodel and replacing the padding on the outfield wall will cost \$ 35,000. Mr. Tissue indicated these items will be capital improvements for the 2016 season.

Councilmember Metzner asked if insurance is carried for catastrophic events. He suggested putting a maximum on the City's financial responsibility. Mr. Tissue stated the City does have insurance coverage at the stadium.

Councilmember Metzner stated he believes the Hagerstown Suns are a great asset to this community and is more than a recreational activity for citizens. A number of local businesses benefit from the Suns being in the community. He suggested approving the extension now, and not waiting until the end of the 2016 season. He would like to change the attitude of the Suns ownership, who clearly don't want to be in Hagerstown.

Mayor Gysberts stated after the agreement for 2017 and 2018 is settled, his goal is to secure a long term commitment from a team, with major investment in the community, and include additional partners.

Mr. Bruchey pointed out the Nationals management likes the location of Hagerstown. He thinks there is a good plan for being compliant with the Nationals requirements.

Councilmember Brubaker has supported keeping the Suns. He suggested establishing a maximum amount that will be spent. He does not want to imply the City will spend the full \$ 35,000 each season.

Councilmember Munson agreed that there should be a stated maximum obligation for the City.

Councilmember Aleshire asked that clarification be included for what general building maintenance entails.

Mayor Gysberts noted the Council agrees to moving forward, with the clarifications.

An amendment of the lease extension will be drafted for review by all parties.

Councilmember Munson would like to start discussing possibilities for the years beyond 2018.

Mr. Burtman is now the Promotions and Production Manager. There are exciting things being planned for this year. He urged everyone to attend a game this year. Opening day is April 7, 2016.

The Suns have requested eight dates for fireworks, one of which is Sunday, July 3, 2016. The other dates are on Fridays. It was the general consensus to approve the fireworks schedule.

Local Conversion Overlay – Kreyn, 702 West Washington Street

Alex Rohrbaugh, Planner, was present to follow up on the December 15, 2015 Public Hearing for the proposed Local Conversion District Overlay zoning for 702 West Washington Street.

The property at 702 West Washington Street/5 Winter Street (corner of Washington and Winter Streets) currently contains two former storefronts and four residential units on the second floor. The property owner, Alex Kreyn (t/a Kreyn Technology, Inc.), has filed for a rezoning for local Conversion District Overlay to retain the existing four apartment units, and reuse the commercial space for artist live/work space, ambulatory health care services, business offices, catering kitchen, restaurant, or retail/wholesale. Staff has been advised by the City Attorney that an applicant for local conversion rezoning can propose a select list of commercial uses for the space. At its November 18, 2015 meeting, the Planning Commission recommended to the Mayor and City Council approval of the zoning proposal, subject to two conditions: 1) Both storefronts shall be rehabilitated to reintroduce a storefront window display design; however, the storefront along West Washington Street will not be required to include a door, and 2) No more than 50% of the area of the storefronts shall be used for windows graphics.

Other than the applicant, no one from the public provided comment on the proposal at the December 15, 2015 Public Hearing. Staff received no public comment during the 10-day comment period following the Hearing.

In December, the Mayor and City Council expressed concerns permitting ambulatory health care services at this property due to the intensity of the use and its potential impact on the neighborhood. On December 15, 2015, the Mayor and City Council introduced the ordinance for rezoning with an amendment that removes ambulatory health care services from the list of permitted uses for this property.

Staff recommends approval of the Local Conversion Zoning Overlay zoning for 702 West Washington Street with the two conditions cited by the Planning Commission and the removal of ambulatory health care services as a permitted use for this property.

It was the general consensus of the Mayor and City Council to include approval of the ordinance for rezoning on the January 26, 2016 Regular Session agenda.

Trash Codes and Complaints about Trash Storage

Kathleen Maher, Director of Planning and Code Administration, Rodney Tissue, City Engineer, and Paul Fulk, Inspections Manager, were present to continue the discussion on the trash in public view issue and to discuss possible modifications to existing codes and/or procedures to address complaints on this issue.

On December 8, 2015, staff made a presentation to the Mayor and City Council on issues of concern for staff and neighborhood representatives regarding the issue of trash in public view.

During the December 8, 2015 discussion, the merits of the staff proposal and alternatives posed by Council members were debated and no consensus was reached. Staff were directed to return at a future meeting to continue deliberations on the public view issue.

Staff discussed the feedback received on December 8, 2015 and practical enforcement solutions and developed the following proposal to address storage of trash in the residential neighborhoods.

- A. Amend Chapter 117 to change “public view” to “in view of a public street” and add the following provisions:
 1. No plastic bags or loose trash stored within view of a public street
 2. Trash containers with sealing lids may be stored in side yard or in right-of-way (if zero setback area)
 3. No trash containers stored in front yard or on front porch, unless special circumstances (e.g., no side yard or garage, poor health, topography). Staff suggest the Mayor and City Council approve a policy on what constitutes acceptable “special circumstances.”
 4. Property owner responsible for purchase of containers with lids
 5. Sealed plastic bags may be set out on trash day
 6. Problem, high-unit count, multi-family properties – continue to work with owners on a private trash solution which requires storage of trash in room or enclosure and removal from that location

In addition, staff recommend amending Chapter 64 to remove the language pertaining to trash storage.

During the week of January 4, 2016, staff met with representatives of the Historic Heights Neighborhood and shared the above proposal with them. They forwarded a counter proposal of the guidelines list to staff which includes recycling containers in the descriptions, adds no access to the rear and no internal storage capability to the second provision, and noting trash and recycling containers have tight fitting lids with no visible cracks.

Staff do not feel that the Historic Heights proposal is practical city-wide from an enforcement perspective. Customized provisions on a property by property basis would consume too much staff time if applied city-wide. Additionally, there are side yard storage areas throughout many other neighborhoods without complaint. Front yards are the concern elsewhere. Staff believe that their January 19, 2016 proposal is practical city-wide and reflects practices in other areas of the city which do not result in

complaints. As conversations continued on the trash in view issue, staff developed the additional proposed provision for the Mayor and City Council's consideration:

7. For properties with four or more units, owners must designate an appropriate location for storage of trash that meets the provisions of this chapter.

An alternative to address the Historic Heights concerns was developed. If property owners in the S. Prospect Street historic district would desire a separate stricter Code standard for their street, as is the case for curb and sidewalk maintenance, staff believe the Historic Heights counter proposal would be doable for the two and a half blocks of S. Prospect Street.

Councilmember Aleshire asked if Chapter 64 or Chapter 117 was adopted first. Mr. Fulk indicated the most recent revisions to both chapters was in 2008.

Ms. Maher pointed out there are some homes without side yards in the City.

Councilmember Aleshire is not supportive of "piecemeal" regulations because it creates inconsistency.

Councilmember Metzner noted some neighborhoods have requested different regulations for sidewalks, street lights, etc. He and others intend to walk through the neighborhood to further investigate the situation. He would support separate regulations for the Historic Heights neighborhood.

Councilmember Munson agreed.

Mayor Gysberts stated separate regulations are more difficult to enforce, but staff needs to have flexibility to make exceptions when they are warranted.

The majority of Councilmembers agree that trash should be stored in containers, with closed lids.

Councilmember Brubaker thinks bags should be permitted, but only on the day of set out.

Councilmember Nigh does not like the appearance of the blue recycling bins. They should all be stored in a uniform enclosure.

Councilmember Aleshire noted that the blue bins are viewed as unacceptable in some neighborhoods and acceptable in others. He has taken photographs of areas with piles of trash bags waiting for pickup. Trash bags should be prohibited, unless they are placed in a bin with a closing lid. Different regulations will be needed for storing containers in the

downtown area. Trash and recycling service is different downtown. He does not think it is appropriate to require owners to provide the bins.

Staff will incorporate this discussion into a revised proposal for presentation in February, 2016.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember M. E. Brubaker attended the first MML Legislative Committee meeting last week. The biggest concern for municipalities is the status of the Highway User Revenue.

Councilmember Brubaker has served as a City Councilmember for ten years. He announced he will not be seeking re-election to the office. He is making this announcement so that others may be encouraged to run for office. He thanked his family, peers, and friends for their support.

Mayor Gysberts thanked Councilmember Brubaker for all his hard work and service to the City.

Councilmember K. B. Aleshire had no additional comments.

Councilmember D. F. Munson stated he has enjoyed working with Councilmember Brubaker. He has been an extraordinary Councilmember, putting many hours into the job. He appreciates his dedication to the City and its citizens.

Councilmember P. M. Nigh was not able to attend last week's meeting due to the passing of her brother. She asked how many empty churches are in Hagerstown. She mentioned there are still areas of graffiti on the underpasses on N. Prospect Street and N. Church Street.

Ms. Maher indicated staff works with the owners of the properties where graffiti has been located and provides them with time to have it removed.

Councilmember Nigh asked if the non-monetary items in the union contracts can be discussed now instead of waiting until closer to the contract expiration.

Councilmember L. C. Metzner thanked Councilmember Brubaker for his expertise, dedication, and hard work.

Mayor D. S. Gysberts reminded everyone the Snow Angel program is in need of volunteers. He thanked Congressman John Delaney for holding a job fair in the

community today. He thanked City of Hagerstown employees who participated in the Martin Luther King basketball tournament yesterday.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded and passed, the meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: February 23, 2016