

WORK SESSION – May 16, 2017

Mayor R. E. Bruchey, II called this 16th Special Session and Work Session of the Mayor and City Council to order at 4:01p.m., Tuesday, May 16, 2017, in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, P. D. Corderman, E. Keller, L. C. Metzner, and D. F. Munson, City Administrator Valerie Means, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler.

Proclamation: National Kids to Park Day

Mayor Bruchey read a proclamation naming May 20, 2017 as National Kids to Park Day. Emily Conrad, Parks and Recreation, accepted the proclamation. Ms. Conrad announced the National Wagon Train event is being held on May 20, 2017. Activities in City Park include the train engine museum.

Bond Ratings

Michelle Hepburn, Director of Finance, and Lester Guthorn, Public Advisory Consultants, were present to discuss the City of Hagerstown's recent bond rating update.

The City received credit rating reports from both S & P (dated April 26, 2017) and Moody's (dated April 27, 2017). Mayor and Council previously were sent electronic copies of these credit rating reports via email. The City of Hagerstown maintained its credit ratings with both agencies as follows:

1. S & P rating of AA
2. Moody's rating of Aa3

In the rating memos from the agencies, each agency (S & P and Moody's) identifies rating factors and its opinions that secured the current rating for the City.

The 2017 Bond Issue was completed today, with an interest rate of 2.57%. Mr. Guthorn stated the bond rating didn't change the City's strong credit rating. The credit rating is strong because of the way the finances are managed. The financial management policies are strong. The weaknesses for Hagerstown are being compared to other municipalities and a declining assessable base. Bond raters look at how quickly the City can recover from declining revenue and the efforts to rebuild downtown as a plus for economic development. Bond raters question if the City undercharges for services city-wide.

USA Cycling Amateur Road National Championship Update with Visit Hagerstown and Washington County

Lauren Metz, Community Events Coordinator, and Dan Spedden, President of Visit Hagerstown and Washington County, were present to discuss a potential 2018-2019 downtown event.

Hagerstown has been chosen as the host for the 2018 and 2019 USA Cycling Amateur Road Championship. Mr. Spedden noted the City's experience with large events made it the logical choice to host the event. During the event, it is expected hotel rooms will be sold out in the community. Planning for this event will begin soon.

Councilmember Munson pointed out the City has a long history of hosting bicycling events.

Catalyst Project Six Update – Events Website, Calendar, and Events Guidebook

Lauren Metz, Community Events Coordinator, was present to provide an update on the progress of implementing Catalyst Project Six – Expanded Downtown Arts/Events Programming.

The Community's City Center Plan was released in July 2014 and detailed eight catalyst projects that would spur development in City Center Hagerstown. The Community's City Center Plan is the result of broad community input, with the consultants spending more than 130 hours collecting feedback from the community.

Catalyst Project Six reads "The SCP (Sustainable Community Action Plan) suggest expanding programming to build upon the positive atmosphere created by events and to increase visitation to Hagerstown's Arts & Entertainment District. For maximum impact, these expanded events will coordinate with the extensive schedule of the Maryland Theatre and a consolidated events calendar will be established."

One of the primary goals of Catalyst Project Six is to leverage resources to produce more frequent events and build upon the positive atmosphere created by popular downtown events. In 2016 there were more than 100 individual events throughout the City of Hagerstown and in 2017 it is expected that there will be 110-115 individual events of varying sizes.

In order to further the viability of events across the City of Hagerstown (with an emphasis on the Arts & Entertainment District) staff has been working on two projects that should allow for the production of more frequent events:

1. Creation of a consolidated events calendar/website
 - a. Staff is working with the Communications Team to update the "City Events" section of the City's website. The final version of the website

will include a section highlighting upcoming city events as well s
dedicated subsections on volunteering, the Arts and Entertainment
District, and how to plan an event in Hagerstown.

2. Creation of an events guidebook
 - a. To better assist new event organizers, DCED staff has begun to complete an events guidebook that will serve as a checklist for event planning in Hagerstown. The current table of contents for this guidebook is included with the meeting packet material to show the variety of topics that will be covered.

The implementation of these two projects will ultimately allow DCED staff to guide new and existing event organizers as they bring their events to fruition within the City of Hagerstown.

Councilmember Corderman asked where Maryland Theatre events will be held when the upgrade project begins. Ms. Metz indicated this will be discussed with representatives of the Maryland Theatre as the project moves forward.

Preliminary Agenda Review

Consent Agenda

- A. Department of Community and Economic Development:
 1. Application Permit – Hagerstown Hopes
 2. Water Meter Vault, Water and Sewer Service Lines at 51-53 W. Washington Street – Huntzberry Brothers, Inc. (Smithsburg, MD) \$ 69,000.00
- B. Human Resources:
 1. Specific Stop Loss Insurance – HCC (Wakefield, MA) \$ 212,894.00
 2. Administration of Medical Claims – United Health Care \$ 298,935.00
 3. Dental Insurance Administration – UCCI (Hunt Valley, MD) \$ 28,076.00
 4. Employee Assistance Plan – ComPsych \$ 10,200.00
- C. Planning and Code Administration:
 1. High Density mobile File System – Mid-Atlantic Filing Distributors (Kensington, MD) 31,032.00
- D. Police Department:
 1. Purchase of Cameras for Downtown
 - a. Cameras – Skyline Technology Solutions (Glen Burnie, MD) \$ 20,417.58
 - b. Industrial Managed Gigabit Ethernet – HGCI Hartford, Inc. (Columbia, MD) \$ 15,030.00
- E. Utilities:
 1. Water and Wastewater: Mowing Contract for Various Properties – Payne Contracting (Hagerstown, MD)\$ 23,008.00

2. Water: Pump Assembly – Geiger Pump and Equipment (Baltimore, MD)
\$ 35,560.00
3. Water: Magna Flocc Polymer George S. Coyne Chemical Co, Inc.
(Croydon, PA) \$ 22,968.00

Councilmember Munson wondered if the Planning and Code Administration files should be scanned to be filed. Paul Fulk, Inspector Technology Specialist, stated the time involved to scan the files is prohibitive. Staff has discussed if high school students could do the scanning as part of their public service requirements.

Introduction of an Ordinance: Binding Interest Arbitration

Councilmember Aleshire asked if this ordinance will be discussed at a Work Session in June. Ms. Means indicated it was discussed during the Work Session on May 9, 2017 and no other discussion prior to approval is planned.

Councilmember Aleshire stated the ordinance was not discussed in open session. He has questions about the ordinance but he was not present for the closed session discussion. Mayor Bruchey stated this was not a topic in the Executive Session. A majority of the Council agreed to discuss it in open session on May 9, 2017.

Councilmember Aleshire clarified this ordinance only pertains to police and fire employees. This is correct.

Other questions from Councilmember Aleshire include the following:

1. Who determines if an impasse has occurred? Jennifer Keefer, City Attorney, stated both parties make the determination.
2. Does the ordinance remove the ability to allow the contracts to expire? Ms. Keefer indicated if an impasse is declared and goes to arbitration, the contract would not be permitted to expire.
3. Clarify that each party can accept up to 5 potential arbitrators, with the capability of each side to remove one name from the list. Is there a minimum number of potential arbitrators? Ms. Means indicated the language provides for the creation of a list of five potential arbitrators.
4. The Mayor and City Council set the tax rate, and every bond and budget document reiterates this ability. Councilmember Aleshire feels this document hands that ability to a non-interested party to set the tax rate.
5. The document requires the panel to issue a final written award based solely on the evidence presentation hearing that either 1) chooses between the final offer of either party, or 2) resolves the issues with a final award within the range contained between the two final offers. Councilmember Aleshire is opposed to this language, as it gives the final award decision to the arbitrator, without review of the Mayor and City Council.

Councilmember Metzner stated he understands Councilmember Aleshire's frustration.

Copies of the document were not provided directly to union representatives but it is available at the on-line version of the weekly agenda. Councilmember Aleshire stated the union representatives said they wanted to be part of the drafting of this ordinance.

Councilmember Munson recommended clarifying that an impasse can only be declared on new collective bargaining agreements.

Ms. Means stated approval of a State grant application for the Maryland Theatre project may be added to the May 23, 2017 agenda.

This completed the Preliminary Agenda review. There were no additional comments or questions regarding the items on the Preliminary Agenda. All items are scheduled for approval on May 23, 2017.

Arista Utility Billing Outsourcing

Michael Spiker, Director of Utilities, and Nancy Hausrath, Water Operations Manager, were present to discuss the current utility billing process, overview of needed improvements, and a recommendation to work with Arista Information Systems for future billing, printing, and mailing.

The current Utility Billing operation is primarily completed by Utilities Department Staff and includes purchasing and warehousing all forms and envelopes, generating the actual bill, and printing the bills. The current contractor provides the CASS Certification and Bar-code presorting, bill folding and stuffing, and mailing. This process takes approximately 3-5 days from the time the electronic file is generated until the bills are delivered to the Post Office. The current process is very time consuming and lacks a good contingency plan should there be equipment or staffing issues on behalf of the City or current service provider.

Should the Mayor and Council approve Staff's recommendation to enter into a contract with Arista utilizing the procurement process from the City of Martinsville, VA (advertised in September of 2015 and became effective January 1, 2016 and is a 3 year contract with two 1-year renewal options), the cost to produce and mail the bills will decrease a minimum of \$ 8,500 annually. This savings is very conservative – it does not include the cost of City staff to stock/store the required inventory, staff time to print the bills, form and envelope "waste" expense associated with equipment failures (paper jams, toner failure, etc.). Approval will also result in an increase in efficiencies and staff's ability to better meet customer service needs.

As previously mentioned, the current process from the time the electronic file is created is approximately 3-5 days. Artist has the equipment and staffing that allows them

to deliver the bills to the Post Office in not more than 24 hours from the time the electronic file is released.

Arista has numerous security features in place that allows for secure transfer of data files to ensure the customer data is properly managed. Arista provides electronic tracking of all bills, will generate a pdf file of all bills that will be stored on the customer's account for reference by City staff, provide bill insert service – up to 5 inserts are included in the base price, has the technology in-place to group accounts with the same owner and address into one bill mailing, etc.

Currently the Utility Bills are printed on 20 pound forms and are one ink color (black). The base forms are tinted based on the type of service (water, electric, and termination). Arista can (at no additional cost) allow the City to customize the forms so that they provide more information to the customer and are easier to read.

Ideally staff would like to begin the process with Arista in June with the conversion to the new process, forms, etc., implemented on or before August 1, 2017.

It was the general consensus to move forward with a contract with Arista. Approval of the contract will be included on the May 23, 2017 Regular Session agenda.

AFSCME 1540 Labor Contract

Scott Nicewarner, Director of Technology and Support Services, was present to discuss a new contract with the American Federation of State, County and Municipal Employees Local 1540. This collective bargaining agreement was ratified by the union's membership on May 9, 2017. If the Mayor and Council find the tentative agreement acceptable, it will be scheduled for formal approval during the Regular Session later this month. Mayor and Council adoption of this collective bargaining agreement is recommended. The list below summarizes the changing provisions. The current contract that is set to expire on June 30, 2017 as well as the proposed contract were included with the packet material.

The major terms of the agreement can be summarized as follows:

1. Term: A term of five years from July 1, 2017 through June 30, 2022 with a reopener limited to wages to be effective for years 4 and 5 of the contract.
2. Parity Clause (Me Too Clause): The overly broad parity clause has been revised as such that it will only apply in instances that include across the board cost of living increases or one-time stipends to all employees in the other applicable employee group. The parity clause has also been revised as to remove IBEW and applies to wages only.
3. Wages: Members continue to receive steps effective the first pay period following their anniversary date. Rates will increase as follows:

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- a. Members will receive a 1% cost of living adjustment effective the first pay period after January 1, 2018.
 - b. Members will receive a 1% cost of living increase the first pay period after July 1, 2018.
 - c. The wage scale is modified to add a year 25 anniversary step also to be effective the first pay period after July 1, 2018. (currently the salary scale ends at year 19)
 - d. Members will receive a 1% cost of living increase the first pay period after July 1, 2019.
 - e. The final two years of wage adjustments will be determined through a wage reopener with negotiations to begin no later than February 1, 2020.
4. Healthcare: The union agreed to reduce the defined contribution stipend from \$ 400/month to \$ 350/month as agreed to and recommended by the health care committee. The union also agreed to remove existing language that froze health premiums in order to allow enhancement of under 65 retiree preventive services.
 5. Holidays: The City agreed to pay employees 2x regular rate of pay for all hours worked if they are called in for unscheduled overtime or are on-call Thanksgiving Day or Christmas Day.
 6. Minor provisions include updating language to comply with law or to match the City's personnel policy, clarify seniority language, and addition of a step to the grievance procedure.

The cost of the 1% wage increase to base wages for FY18 is within the parameters of the reopened wage contingency total of \$ 727,504 included in the proposed FY18 budget (\$ 675,209 of that within the General Fund).

Councilmember Metzner thought the Council said no more "me too" clauses. He would have a problem if an additional stipend is needed to hire or retain police officers if another employee groups receives the same stipend.

Councilmember Aleshire stated a statement is needed indicating if an arbitrator provides an award this clause does not apply.

Mike Hanlon, AFSCME 1540 Union Representative, stated binding arbitration was not even considered during the negotiations. He stated 1540 holds on to the "met too" clause because the employees feel they are the forgotten employees. Their work is often taken for granted. The parity clause is only valid on "across the board" wage enhancements. At that point, all the unions should be called together to discuss COLAs.

Councilmember Aleshire is concerned this language brings any binding arbitration into the process.

Councilmember Metzner stated he won't vote in favor of this contract without a labor attorney's opinion that the language effectuates the intent. Councilmember Aleshire

asked that the labor attorney verify that binding arbitration awards don't trigger the parity clause.

Mr. Hanlon stated the union's intent is as stated.

The City's labor attorney will be consulted regarding the questions raised.

Community Development Block Grant (CDBG) Review: FY 17 Allocation of Repayment to CDBG Program and FY18 Public Service Funding Allocations

Jonathan Kerns, Community Development Manager, Michelle Hepburn, Director of Finance, and Chief Victor Brito, were present to discuss FY 17 Allocation of a Local Fund repayment to the CDBG Program and FY 18 Public Service Funding Allocations.

In February of 2017, the Mayor and City Council authorized a \$ 46,250 repayment of City Property Management funding to the CDBG program. This repayment was necessary in order to lift CDBG restrictions for the Parking Office relocation to the Roslyn Building.

Staff recommends allocating \$ 35,000 of this funding to a new CDBG activity, Hagerstown Police Department (HPD) Cameras. HPD continues to implement upgrades to the existing HPD camera system located in the downtown. Although budget constraints have affected this process, a \$ 3,000 allocation of CDBG funding would assist in continuing with the HPD camera system enhancements. Due to CDBG regulations dictating how this activity would be classified, the funding for HPD cameras would need to be allocated and expended in FY17 since it would be subject to one of the regulatory funding caps.

Staff recommend allocating the remaining \$ 11,250 to an existing CDBG activity, Single Family Rehabilitation Loans for owner occupied homes. This existing program provides loan funding to existing City homeowners for general home repair and rehabilitation activities. Multiple single family rehabilitation loan applications are in process and this funding would assist with home repairs for the current and future loan applications.

Both of these actions will be completed in the form of an amendment to the FY17 CDBG Annual Action Plan.

In order to foster transparency and strengthen Community Development programming, the CDBG Public Service Citizen Review Committee was created in 2013. Public Service agencies submit applications for CDBG funding and after application review by the committee and City staff, application rankings are forwarded to the Mayor and City Council for final approval.

The Public Service Citizen Review Committee has met and provided insight on all CDBG Public Service funding requests for FY18. Based on the rankings, a Public Service funding scenario for FY18 was presented. Staff is recommending the Mayor and Council accept level funding for these agencies.

Approval of these actions will be scheduled for approval on May 23, 2017.

FY 2018 Budget Review

Michelle Hepburn, Director of Human Resources, Jill Frick, Director of Department of Community and Economic Development, and Jonathan Kerns, Community Development Manager, were present to discuss the Community Development Block Grant (CDBG) and the Economic Redevelopment Fund, both of which are Special Revenue Funds.

The CDBG fund is funded by CDBG entitlement funds and some program income. Total revenues are estimated at \$ 1.3 million. Total Revenues reflect an overall increase from the FY17 budget, due to program income associated with selling of properties and receiving more interest on loans provided. The FY18 Entitlement award is anticipated to be 12.2% less than the FY17 Entitlement.

The FY18 budget includes funds for moving forward with several initiatives in the Strategic Plan and the Community's City Center Plan including neighborhood sidewalk improvements, various Neighborhood Improvements, and Homeownership Acquisition.

Administrative and Personnel costs associated with various activities will remain in compliance with the regulatory cap of 20%.

The Public Service Review Committee has recommended funding the same Public Services as the prior year. The total funded is \$ 99,300.00.

A compliance goal of May 2, 2017 was met by staff. If any additional monies are received from outside sources, it must be disbursed by June 30, 2017.

The Economic Redevelopment Fund was established to promote the revitalization of the City's downtown and older neighborhood areas. Currently the fund is being used to promote businesses and home ownership in the City Center. Additionally, this fund is used for the PEP Program, holding real property for resale, and related development activities. Revenues in this fund consist of periodic transfers from other funds and a proposal to transfer funds from the General Fund to assist in carrying out the strategic revitalization efforts such as building rehabilitation and/or acquisition activities.

The two primary initiatives are the strategic acquisition and resale projects at 170 West Washington Street and 43-53 West Washington Street.

The property at 170 West Washington Street was purchased by the City in March of 2013. Roof replacement, window replacement, and exterior painting were completed in FY16. These improvements will allow the City to more effectively promote the building for redevelopment.

In April of 2013, the City purchased two buildings located at 43-53 West Washington Street. 43-47 West Washington Street is in significant need of repair and stabilization due to years of neglect and exposure to the elements. The City inherited a tenant, The Potomac Bead Company, in the 49-53 building, which has a complete fire suppression system and is otherwise more ready for complete redevelopment. In 2014, the small two-story section of the rear of this building was demolished, the rear roof was replaced, and the rear wall was rebuilt. The City's investment is \$ 347,000.00.

The property presents a significant opportunity for an impactful downtown redevelopment project given its location across from the USMH campus and in the heart of the Arts and Entertainment District. The property is currently under contract and the sale is expected to be finalized in 2017. The buyer's proposal includes complete rehabilitation of the 49-53 West Washington Street building, demolition and new construction of a building at 43-47 West Washington Street, and extension of the A & E Trail through the 43-47 West Washington Street property. The City's investment has been \$ 456,000.00.

Some of the proceeds from the sale of this property will be distributed to the CDBG fund.

The Invest Hagerstown Program was created to stimulate redevelopment and investment in Hagerstown. Each incentive program offered substantial City incentives for commercial redevelopment, mixed-use redevelopment, and residential investment. These successful programs were funded with General Fund Reserves and all program funding has been expended or committed to capacity.

Councilmember Corderman asked if any bids have been received for the Class A office space. Ms. Frick stated Bowman, LLC is the developer. The space would need 20,000 square feet for tenants. She indicated funding is committed for the Class A office space.

Ms. Hepburn indicated this fund doesn't generate new revenue, money comes from pay-go and transfers from the general fund and some state grant monies. The City has been successful with securing Community Legacy Funding from the State of Maryland.

The City-Wide Down Payment/Rehab Incentive Program offered up to \$ 7,500.00 for homebuyers purchasing a vacant home within the City of Hagerstown. All program funding is now committed or expended. DCED will begin offering a new down payment assistance program in FY18 funded through a State Community Legacy Grant.

The City of Hagerstown and USMH committed to provide funding for student housing. Staff is seeking funding sources to keep all the programs funded.

These incentive programs will be discussed in July and August. Mayor Bruchey attended a meeting today and stated there may be funds available for these incentives.

There were no other questions regarding the amendments discussed by the Mayor and City Council during the last several Work Sessions.

Ms. Hepburn noted the two public hearing notices, one for the Constant Yield Tax Rate and the other for the FY18 Budget, included the information from the proposed budget. The actual tax rate and budget ordinances will reflect the results of the amendments made by the Mayor and City Council.

The Work Session portion of the meeting was adjourned at 6:20 p.m.

16th Special Session – May 16, 2017

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember K. B. Aleshire, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 7:01 p.m.

Public Hearing – FY 2017/18 Tax Rate

A public hearing was held to discuss the proposed tax rate for FY 2017/18.

Michelle Hepburn, Director of Finance, was present for both public hearings.

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, 2017, the estimated real property assessable base will decrease by 3.05%, from \$2,543,236,154 to \$2,467,902,746. If the City of Hagerstown maintains the current tax rate of \$0.9130 per \$100 of assessment, real property tax revenues will decrease by 3.05% resulting in loss of \$687,794 of real property tax revenues. In order to fully offset the effect of decreasing assessments, the real property tax rate should be raised to \$0.9409, the constant yield tax rate. The City of Hagerstown is considering increasing its tax rate above the changing assessments. The City of Hagerstown proposes to adopt a real property tax rate of \$0.968 per \$100 of assessment. This tax rate is 2.8% higher than the constant yield tax rate and will generate \$668,802 in additional property tax revenues.

During the Mayor and City Council's review of the proposed budget, it was the consensus to propose a tax rate equal to the constant yield tax rate. The new tax rate is proposed to be \$0.9409.

Ms. Hepburn reported the notice of this public hearing was published on May 1, 2017.

There was no testimony presented specifically for the tax rate.

FY 2017/18 Budget

A public hearing was held to discuss the proposed budget for Fiscal year 2017-2018. The notice for the budget included figures from the proposed budget. The proposed budget has been amended during Work Session discussions. The notice stated the proposed budget is \$ 130,446,689. The amended budget is \$ 129,822,959.

The General Fund total is \$ 58,267,963. 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 wages and benefits, economic incentives, debt service, capital expenditures, maintenance and repairs and material/supplies/utilities.

The Capital Improvement Project budget is \$12,105,429. The majority of the projects are funded with grants and bond proceeds. These funds are strictly restricted and cannot be used for other purposes.

The following testimony was presented:

Scott Brower, 1400 Hamilton Boulevard, Hagerstown, Maryland, finds it troubling there is not a sense of urgency to stabilize the budget. If taxes are raised without a clear plan for the future, more revenue will be needed in the future. Measures must be in place to preserve the assessed value of property.

Mayor Bruchey stated the Mayor and Council will begin work on a stability plan in June.

Robert Naugle, Oak Hill Avenue, Hagerstown, Maryland, believes the budget structure should be reviewed. The Hagerstown government needs to be refined and economized. He is concerned that Hagerstown cannot compete with Pennsylvania and West Virginia for economic development because of the tax rate. He suggested reducing all department budgets by 5% within 18 months.

Janet Bartels, 139 S. Mulberry Street, Hagerstown, Maryland, attended the meeting to representing her neighborhood. The residents are concerned about the City's economic status. She believes the residents are being unfairly taxed. The poorest people are paying the highest taxes. Neighborhoods need more investment from the City. Some

suggestions are: more trash cans, a City horticulturist, urban agriculture (on the former hospital site), and plantings in tree pits.

There was no further testimony. The record will remain open for additional comments.

Introduction of an Ordinance: Tax Rates Beginning July 1, 2017

Action: Councilmember L. C. Metzner made a motion to introduce an ordinance to establish the City's tax rates for the fiscal year July 1, 2017 through June 30, 2018 on the basis of \$0.941 per \$100 of assessed value of all real property and \$2.353 per \$100 of assessed value of all business personal property within the City of Hagerstown. These rates reflect an increase of \$0.028 per \$100 for real property and \$0.070 per \$100 for business personal property over the current year. Councilmember K. B. Aleshire seconded the motion.

Discussion: Councilmember Aleshire thanked citizens for speaking. He noted that, even though the proposed tax rate is higher than FY17, most taxpayers will not see an increase in the overall tax because of the decreased assessment. A significant portion of tax revenue goes toward public safety.

Councilmember Metzner stated a majority of taxpayers are paying less in taxes than they were 10 years ago.

Councilmember Corderman thanked the citizens for speaking today. He does not think the same way Councilmember Aleshire and Councilmember Metzner do. During the budget discussions, reduction in departments was discussed, including staff. A majority of this body did not think that was appropriate. He made a commitment to the voters to be fiscally responsible.

Councilmember Keller pointed out there was not a majority of Mayor and Council members who supported the entire proposed tax rate increase. The Council did ask staff to reduce expenses. Reducing staff without reducing services is not as easy as it sounds. Solutions to reduce the tax rate are needed. The Mayor and City Council remain committed to finding reductions in the budget.

Councilmember Munson stated no one likes to vote for tax increases. He was elected to help make Hagerstown successful. The assessable base has been declining for 9 years. When this happens, people can't expect to have the same level of services.

Motion carried 4-1 with Councilmember P. D. Corderman voting No.

Introduction of an Ordinance: Budget FY 2017/18

Action: Councilmember E. Keller made a motion to introduce an ordinance to adopt the City's Budget for fiscal year July 1, 2017 through June 30, 2018 in the total amount of \$ 129,822,959. Councilmember L. C. Metzner seconded the motion.

Motion carried 4-1 with Councilmember P. D. Corderman voting No.

Approval of an Ordinance: Amendment to the City of Hagerstown Police and Fire Employees' Retirement Plan

Action: On a motion duly made by Councilmember K. B. Aleshire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance to amend the City of Hagerstown Police and Fire Employees' Retirement Plan to (1) eliminate interest to be credited on employee contributions (other than refundable contributions transferred from the Maryland State Retirement System) after June 30, 2017, (2) permit a rehired employee to repay a cash-out distribution with interest at any time prior to reaching a termination date, (3) permit the election to transfer prior service with other government employers to be made at any time prior to reaching a termination date, and (4) make administrative clarifications consistent with Maryland law.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, thanked the Mayor and City Council and staff for their work on the budget. Planning for the future should begin soon.

MAYOR AND COUNCIL COMMENTS

Councilmember K. B. Aleshire had no additional comments.

Councilmember P. D. Corderman had no additional comments.

Councilmember E. Keller reminded everyone this is National Police Week. She thanked Chief Brito for his work with the City of Hagerstown. She congratulated the firefighters for a successful bonanza, which generated \$ 200,000. She congratulated Change Health on their grand re-opening. She expressed her concern about how mental health is stigmatized and recent comments from some elected officials. The wait for services is adding to the addiction problem. She stated the community needs to help people with addictions.

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2017

MAY 16,

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HAGERSTOWN, MARYLAND

Councilmember L. C. Metzner expressed condolences to the family of Michael Snyder, who recently passed away. Mr. Snyder was a strong supporter of downtown.

Councilmember D. F. Munson complimented Ms. Means for her vision in refurbishing the hall way recently on the second floor at City Hall. The bell from the first City Hall is now on display in the hallway as well.

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

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 7:44 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

Donna K. Spickler
City Clerk

Approved: