

Executive Session – January 9, 2018

On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember E. Keller, the Mayor and City Council unanimously agreed by voice vote to meet in closed session to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State; #4 (Section 3-305(b)), and to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; #1, (Section 3-305(b)), on Tuesday, December 12, 2017 at 3:34 p.m. in the Council Chamber, 2nd floor, City Hall, Hagerstown, Maryland.

The following people were in attendance: Mayor R. E. Bruchey, II, Councilmember K. B. Aleshire, Councilmember P. D. Corderman, Councilmember E. Keller, Councilmember L. C. Metzner, City Administrator Valerie Means, Jill Thompson, Director of Community and Economic Development, Amanda Whitmore, Downtown Coordinator, Danelle Hayer, Business Development Specialist, and D. K. Spickler, City Clerk.

The meeting was held to discuss a business proposal and potential membership for the Hagerstown Loan Review Authority and Board of Zoning Appeals. No formal action was taken at the meeting. On a motion duly made, seconded, and passed, the meeting was adjourned at 3:41 p.m.

WORK SESSION – December 12, 2017

Mayor R. E. Bruchey, II called this Work Session and Executive Session of the Mayor and City Council to order at 4:03 p.m., Tuesday, January 9, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, E. Keller, L. C. Metzner, and S. McIntire, City Administrator Valerie Means, and City Clerk D. K. Spickler.

Audit Results and Comprehensive Annual Financial Report (CAFR) Presentation

Michelle Hepburn, Director of Finance, and William Seymour, Client Service Partner of SB & Company, LLC, (SBC) were present to discuss the annual Comprehensive Annual Financial Report (CAFR). Copies of the FY17 CAFR were distributed earlier. The report also can be found on the City's website.

Mr. Seymour stated the audit was completed by the October 31, 2017 deadline. The Scope of Services included an audit of the June 30, 2017 financial statements, performance of the Uniform Guidance Single Audit, review of the Uniform Financial report, and review of the Data Collection form. Based on the review of the financial statements, they issued the following Summary Results:

1. Issued an unmodified opinion on the financial statements

2. Discovered no instances of fraud
3. Discovered no material weakness in internal controls
4. Received full cooperation from management
5. The net position for 2017 is \$ 221,243,515, showing a change of \$ 1,637,942 from the prior year
6. No audit journal entries noted

The audit was completed using the FORCAM Audit Approach, which focuses on Risk, Controls, and Account Misstatement.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, was required to be implemented for fiscal year 2017. GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, was required to be implemented for fiscal year 2018. The accounting disclosures are similar to the pension standards (GASB 67 and 68). The net OPEB liability is recorded on the Entity-wide Statement of Net Position. As of June 30, 2017, the City had a net OPEB liability (GASB 74) of \$ 27.9 million. As of June 30, 2017, the net OPEB asset (GASB 45) was \$ 3 million.

Rating agencies have already factored this liability into the ratings for the City. A big question is what the City's plan is for funding the liability. If the funding is decreased, the actuary would complete a calculation to determine when the plan would run out of money. From that point, they would determine a discount rate.

Councilmember Metzner stated it is good the City set up the OPEB funding years ago before it became mandatory. He thanked staff for another good financial process report.

County Phase I Plan for Fire Service

Chief Steven Lohr and Dave Hayes, Director of Emergency Services for Washington County, were present to brief City Officials on the County Government staffing plan for emergency services.

Mr. Hayes stated County Resolution 2014-17 established a threshold for response times for emergency dispatches. Potomac Valley performance deficiencies have triggered the resolution's review process. They have experienced two or more quarters of greater than a 5% fail rate in a 2 year period. Potomac Valley has initiated requests for County (DES) staffing. This plan augments the pool of active volunteers and the number of hours they have available.

County-wide, the fail rate has been increasing since 2013.

The recommendation of placing County staffing at Potomac Valley realigns the intent and use of the current Special Operations part-time staffing. It allows the immediate placement of firefighters to assist Co. 11 as needed, after February 1, 2018. The current part time Firefighter/Technicians' title will be changed to Firefighter 2. There will be 19

part-time Firefighter 2's that would be available to help staff Co. 11 and other volunteer stations, as needed. A summary of additional budgetary impacts show a total of \$ 494,000.00.

Phase I of this plan is not a fire fighter staffing solution. Phase I is the first step in a continuing process that is needed to help identify and build a sustainable staffing solution (volunteer and career) for the emergency services throughout Washington County. The Firefighter Staff Plan is not intended to replace volunteers, their service, or their contributions. The Firefighter Staffing Plan is intended to augment the volunteer fire and EMS companies unwavering dedication and commitment to the County's communities.

The plan calls for hiring 19 part-time firefighters. It realigns the intent and use of the current special operations part-time staffing. They will be able to assist Company 11. The needs of the other stations would change on a daily basis. The part time employees could help fill holes at various stations.

Phase II is a definition of what a solution might look like. Phase II and beyond includes full time staff. Mr. Hayes reemphasized that this is not a staffing solution but rather an attempt to assist with staffing levels.

Chief Lohr stated responses from the station on Frederick Street have a direct benefit to the City's Fire Department operation. Resources have to be provided to the volunteer station to allow them to respond efficiently.

Councilmember Keller asked when the 8 firefighters will be hired. Mr. Hayes indicated he anticipates they will be hired by the end of January. There may be an impact to the Hagerstown Fire Department due to the hiring.

Councilmember Aleshire does not think there will be a large scale volunteer fire and rescue base. The reality is there will be a significant shortfall. Citizens need to realize the companies are failing to respond 5% of the time.

Mr. Hayes stated there is an issue that can't be ignored. Career and volunteer firefighters alike are saying more firefighters are needed. The time has come that everyone needs to recognize that more people are needed. If things continue in the same manner as they are currently, volunteers will be driven away and the system will collapse.

Councilmember Aleshire noted there is a finite amount of projected funding, which was not based on reviews of the community. There are line items within the funding plan that don't include the City's volunteer stations. There are many volunteer stations that would fall into the failure rate if not for the assistance of paid staff. It is difficult for him to understand why the City is not included in the funding plan. The City incurs substantial expenses in providing fire service which is not included in the tax differential. He is concerned that career firefighters also volunteer at other stations during their off time.

Mr. Hayes stated CRS went to an 80/20 split to eliminate the lapse in coverage.

Chief Lohr stated when the full time operation is supplemented by the part time staff there are continuous hour requirements that have to be addressed. A limited pool of people are trained to man the operation center.

Mr. Hayes also indicated a consolidated training center would benefit all public safety operations by providing an opportunity for local training for first responders.

CITY ADMINISTRATOR'S COMMENTS

Valerie Means, City Administrator, had no additional comments.

MAYOR AND COUNCIL COMMENTS

Councilmember L. C. Metzner thanked first responders for their work. He also thanked staff who respond to water breaks and other emergencies in all weather, including during the recent frigid weather.

Councilmember S. McIntire realizes it is a challenge to be a first responder and thanks is never enough for what the volunteers do.

Councilmember K. B. Aleshire had no additional comments.

Councilmember E. Keller stated it is National Law Enforcement Appreciation Day. She thanked the police department for all they do. She toured the Family Health Care facility today. She suggested completing employee performance reviews for all employees. She believes this could help morale. She also would like to ask employees for their perspective of how the elected body is doing. The Permits, Inspection, Code Compliance Review Committee (PICCR) will be providing a report during the January 16, 2018 meeting. She suggested that the City appoint a government reform committee (similar to what Governor Hogan implemented). This would be a good way to engage the community.

Ms. Means indicated employee engagement surveys are already being discussed, as are performance reviews.

Mayor R. E. Bruchey, II attended the Do-Nut drop on December 31, 2017. It was well attended, even though the temperature was 10 degrees. The General Session begins on January 10, 2018. He is confident the Washington County Delegation will keep the City's items moving.

There being no further business to come before the Mayor and City Council, on a motion duly made, seconded, and passed, the meeting was adjourned at 5:04 p.m.

Respectfully submitted,

Original signed by D. K. Spickler

WORK SESSION AND EXECUTIVE SESSION
2018
MAYOR AND CITY COUNCIL

JANUARY 9,

HAGERSTOWN, MARYLAND

Donna K. Spickler
City Clerk

Approved: February 27, 2018