

WORK SESSION – May 15, 2018

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, May 15, 2018 in the Council Chamber at City Hall. Present with the Mayor were Councilmembers K. B. Aleshire, A. Heffernan, E. Keller, S. McIntire, and L. C. Metzner, City Administrator Valerie Means, City Attorney Jennifer Keefer, and City Clerk D. K. Spickler.

Special Recognition – “If I Were Mayor” Contest Finalists

Each year the Maryland Municipal League offers an “If I Were Mayor” Essay Contest to 4<sup>th</sup> grade students in the State of Maryland. Each student had to share their vision on how they would lead their City including identifying and solving an issue, how they would get others in their community involved in helping, and how they would let others know how their community was making positive changes.

This year, over 3,100 essays were received. One winner and four semi-finalists were selected in each of the 11 Municipal League Districts in Maryland.

Mayor Bruchey announced the winners as follows:

Lily Ei, Salem Avenue Elementary School – District 8 Winner  
Ruby Aleshire, Emma K. Doub Elementary School – District 8 Semi-Finalist  
Tatiana Rollins, Paramount Elementary School – District 8 Semi-Finalist

The Mayor noted two of the semi-finalists attend schools which had asked him to come speak to the classes.

Each student read their winning essay for the audience. Mayor Bruchey presented a Certificate of Special Recognition to each student.

Amendment 12 to the Police and Fire Employees’ Retirement Plan

Wendy Nussbaum, Director of Human Resources, and Al Winters, CBIZ, were present to discuss an amendment to the Police and Fire Employees’ Retirement Plan.

As a result of a poor performance rating of the Police and Fire Retirement Plan, it was decided to review the Plan for long term cost savings in order to build sustainability for the future.

Al Winters, Consulting Actuary with CBIZ Benefits & Insurance Services, Inc. is the Actuary for the Police and Fire Retirement Plan. Mr. Winters was asked to review the Plan and present recommendations to support the goal.

The following recommended plan changes were reviewed by the committee:

1. Change the mortality table
2. Reduce the early retirement age from 55 with 20 years of service to age 50 with 20 years of service
3. Over a three year period, change the formula for calculating an employee's average compensation by moving from a three-year average to a five-year average.
4. Increase the percentage of an employee's payroll contribution from 7% to 8%
5. For all employees hired after June 30, 2018, decrease the multiplier for calculating an employee's normal retirement benefit from 2.0% to 1.8%

A correction to the mortality table is also included with Amendment 12 to correct a typographical error that has existed in the document from inception.

Mr. Winters stated the plan will improve over time and these amendments will enhance the growth of the plan. The next actuarial review will be completed in July, 2018.

Councilmember Metzner asked if any of the proposed amendments are part of the union contracts. Ms. Means indicated they are not.

Councilmember Keller wondered if the reduction of the multiplier will keep people from applying for police officer positions since it is difficult to get people to apply now.

It was the general consensus of the Mayor and City Council to move forward with the approval process for these recommended amendments.

#### Preliminary Agenda Review

Mayor Bruchey announced there will be an Executive Session on May 22, 2018 at 6:00 p.m. There will not be a Work Session.

#### **Consent Agenda**

##### A. Community and Economic Development

1. Street Closure Requests – Additional 2018 Events
  - Barbara Ingram School for the Arts Rededication – May 31, 2018
  - Maryland Theatre Groundbreaking Ceremony – June 2, 2018
  - USA Cycling Downtown Criterium – July 29, 2018
  - Hope on the Square – August 17, 2018
  - Battle of the Drum Lines – August 24, 2018

##### B. Human Resources:

1. City Sponsored Life Insurance – Aetna (Hartford, CT) \$ 38,256.00
2. Specific Stop Loss Insurance – Tokio Marine HCC (Wakefield, MA)  
\$ 249,971.00
3. Employee Assistance Plan – CompPsych - \$ 10,200.00

4. Administration of Medical Coverage – United Healthcare \$ 276,672.00
5. Dental Coverage Administration – UCCI (Hunt Valley, MD) \$ 40,131.00

C. Parks and Engineering:

1. Contract: 2018 Pavement Preservation – C. William Hetzer, Inc. (Hagerstown, MD) \$ Not to Exceed \$ 1,300,000.00
2. Contract: Pavement Markings – Midlantic Marking, Inc. (Gaithersburg, MD) Not to Exceed \$ 90,000.00
3. Contract: Pavement Condition Survey Consultant Selection

D. Utilities:

1. Water – Change Order to the Edgemont Reservoir Engineering Contract and the R. C. Willson Phase IV Contract – Hazen and Sawyer Environmental Engineers and Scientists (Baltimore, MD) \$ 2,749,034.00
2. Water and Wastewater – Rate Study Update – Municipal & Financial Services Group (Annapolis, MD) \$ 27,420.00
3. Wastewater – Liquid Oxygen – Air Products and Chemicals, Inc. (Allentown, PA) \$ 24,000.00
4. Wastewater – Collection System Rehabilitation Phase 1A – Mr. Rehab, Inc. (Mechanicsburg, PA) \$ 482,070.15
5. Wastewater – OAB Mixer Motor Replacements – Apparatus Repair and Engineering (Hagerstown, MD) \$ 81,454.00

There were no questions about any item on the Consent Agenda.

Mayor Bruchey announced that action on a land transfer of 52 E. Baltimore Street and a Quit Claim at the Kensington Commercial Center is being postponed pending review by the Planning Commission. It was noted that the Planning Commission will provide a recommendation regarding these two items. However, the Mayor and City Council have the final say in the decision.

Councilmember Metzner asked if the large tree will be removed from the site of the future Thomas Kennedy Park. Mr. Tissue stated an arborist has recommended that it be taken down.

Councilmember Aleshire asked for additional discussion about the layout of the alley in this area. He is concerned it will be difficult for motorists to enter the parking area.

There were no other questions about items on the Consent Agenda or other Preliminary Agenda items. This completed the review. All items are scheduled for approval during the May 22, 2018 Regular Session unless otherwise noted.

FY2018/19 Budget Review

Michelle Hepburn, Director of Finance, and Jennifer Peterson, Accounting/Budget Manager, were present to continue review of the FY 2018/19 Budget.

Notice has been received from the U.S. Department of Housing and Urban Development (HUD) that the City's entitlement for the Community Development Block Grant funds is \$ 750,082.00 for FY 2018/19. With the increased entitlement amount, FY19 expenditures will be higher compared to FY18 due to the receipt of unanticipated program income and carry over funding for multi-year projects. Projects that span multiple fiscal years and fluctuations in program income typically impact CDBG spending levels each year.

The FY19 budget includes funds for moving forward with several initiatives in the Strategic Plan and the Community's City Center Plan including neighborhood sidewalk improvements, crosswalk improvements, homeownership support, and various neighborhood projects.

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

Councilmember Metzner asked if there are restrictions for public services. Ms. Hepburn stated eligibility depends on where the projects are located.

The Economic Redevelopment Fund includes several major initiatives in the budget. The two highlighted initiatives are the strategic acquisition and resale projects at 170 West Washington Street and 43-53 West Washington Street.

In order to stimulate redevelopment and investment in Hagerstown, the Mayor and City Council created multiple incentive programs under the Invest Hagerstown initiative. 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. A sustainable funding source is needed if these programs are continued.

The City applied for and received several grants, including the State Community Legacy Grant, that are being directed to the Urban Improvement Project (UIP). The total amount is \$ 1,200,000.00.

Ms. Means noted that \$ 75,000.00 is included in the Proposed Budget to begin building a fund to assist with demolition of dilapidated buildings. It is anticipated that a program will be developed for this endeavor soon.

#### **CITY ADMINISTRATOR'S COMMENTS**

*Valerie Means, City Administrator*, had no additional comments.

#### **MAYOR AND COUNCIL COMMENTS**

*Councilmember S. McIntire* had no additional comments.

*Councilmember L. C. Metzner* stated the Hagerstown Police Department awards banquet is being held on May 16, 2018. On Saturday, May 19, 2018, two more people will be inducted into the Circle of Achievement at Memorial Park.

*Councilmember A. Heffernan* had no additional comments.

*Councilmember K. B. Aleshire* had no additional comments.

*Councilmember E. Keller* had no additional comments.

*Mayor R. E. Bruchey, II* reminded everyone about the Circle of Achievement ceremony on May 19, 2018. He attended a community meeting last week to discuss the budget and other topics. During the discussion, he made a disparaging comment and said he hated Code Compliance because of what they do and the inspections they conduct. He apologized for making the comment. He is disheartened that his comment hurt morale within the department. He doesn't hate the people. He doesn't think mandatory inspections are right. He still supports a complaint based Code Compliance Department. He noted the Code Compliance employees always respond to his calls and investigate his complaint. There are good people working in Code Compliance and they work hard every day. It's not the employees he doesn't like, it's the program.

There was a 10 minute break taken.

#### Public Discussion Proposed Amendments to Chapter 197

Mayor Bruchey announced this portion of the meeting is to receive public input regarding proposed amendments to Chapter 197, Rental Facilities. More than 24 people signed up to speak. He asked that comments be kept to 5 minutes or less. Paul Fulk, Neighborhood Services Manager, was at the table to assist with answering questions. City Attorney Jennifer Keefer was also present for this portion of the meeting.

Councilmember Metzner noted this discussion is not about ending the Rental Registration program. Mayor Bruchey stated that is correct but the amendments do propose some significant changes.

Councilmember Metzner will not vote for the proposed legislation unless a plan is in place where properties which passed an inspection will not be subject to future inspections until all other properties have been inspected on the established schedule. Staff will not randomly choose properties to be inspected.

The following input was provided:

Judy Wheeler, 213 S. Prospect Street, Hagerstown, Maryland, presented a written statement supporting the proposed amendments to Chapter 197 of the City Code. She also presented a document signed by 80 people who support the proposed changes to the program. She and her husband have lived on South Prospect Street for more than 10

years. They have been part of the larger Historic Heights neighborhood where there are 142 properties including 282 currently registered rentals and apartment units. Over the years, the neighborhood group has contended with well-known problems disproportionately affiliated with rental properties. The implementation and enforcement of both the Crime Free Ordinance as well as a special trash ordinance for the street, mitigated problems and improved the appearance of the neighborhood. They are looking to the City to pass these proposed changes that reflect standard practices as demonstrated by other communities that have similar issues.

James Devine, P. O. Box 2217, Hagerstown, Maryland, supports the proposed amendments. He asked the City to put something in place several years ago to protect tenants.

Charles Burkett, 23 N. Locust Street, Hagerstown, Maryland, is against the proposed amendments. He stated he keeps hearing the code regulations are in place to keep people safe. Two recent fires were not caused due to violation of code regulations. Both were cooking incidents. Profit from his rental properties (after expenses) last year was \$ 3,000.00. He views his rental business as his retirement funding. He wants to be successful. The proposed amendments would make being a landlord even more difficult. Turnover for his units is 3.5 years, not the previously stated 7 months. Mandatory inspections are an invasion of his privacy and his tenants' privacy. At least one of his tenants does not support this type of inspection. He speculated that inspection requirements may be imposed on owner occupied properties in 10 years.

Allen Johnson, 13941 Blue Mountain Drive, Maugansville, Maryland, is president of the Landlord and Property Owner's Association (Association). He owns 18 rental units. He stated the Association is against the proposed amendments. In 2002 and 2003, the issues and concerns raised by irresponsible landlords was discussed by the City of Hagerstown. The Habitual Offender program was implemented and it seemed to be effective. Rental Registration was implemented soon after that. After ten years, the problems have not been solved. Rental Licensing fees have nearly doubled. The proposed mandatory inspection is a violation of tenant rights. The Association is available to meet with the Code and Inspections team to discuss and assist in developing an effective ordinance to address the continuing issue.

Paul Miner, 14938 Falling Waters Road, Williamsport, Maryland, is against the proposed amendments. He owns two rental properties on Salem Avenue. He has good tenants. He feels a mandatory inspection is unfair to his tenants. If there is a problem inside their home, he makes the needed repairs. He has seen improvements in the rental licensing program. High weed notices should be sent to all properties, not just rental properties. New regulations for all landlords to address those who haven't paid their fees or called for inspections is not fair. Those individuals and groups should be contacted to be in compliance with current regulations.

Rodney Cline, 19335 Lappans Road, Boonsboro, Maryland, owns several rental properties. He is opposed to the proposed amendments. He started investing in

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Hagerstown rental properties in 1983. He also owns rental properties in the County. He was a member of the Landlord and Property Owner's Association when they worked with the City to change the code to address houses that were built in the 1920's. Rental Registration was designed to address the small percentage of landlords who didn't comply with the regulations. Rental Registration didn't fix the problems 15 years ago. He wondered how adding more regulations will fix it now. It has been reported that 44 landlords have not complied with the registration requirement. It is common sense to concentrate on the 44 who haven't complied. He believes tenants contact the landlord when there is an issue in the home. He thinks the timed inspections are a violation of a tenant's rights. He is also opposed to the multi-tiered tax rate being considered. A higher tax rate for apartments will increase costs for landlords and tenants.

Terrence Hooper, 10018 White Hall Road, Hagerstown, Maryland, owns Wheaton Properties, LLC. He is opposed to the proposed amendments. He has been a landlord since 2003 and believes he has a good relationship with City inspectors. He is more than willing to schedule an inspection when required. He believes forcing inspections when tenants are living in the unit is a violation of the tenant's and the owner's rights. He is concerned damage caused by the tenant may be held against the landlord.

Mr. Fulk stated City staff has been discussing tenant responsibility vs. landlord responsibility, in-house and with other jurisdictions.

Mr. Hooper stated he believes it will eventually be determined the landlord is responsible and the property would be deemed unlivable. In that case, the tenant would have to be evicted. There are other ways to address the percentage of landlords that are ignoring the regulations.

Michael Draper, 648 Sunset Avenue, Hagerstown, Maryland, is a local broker and owns a real estate company. He is opposed to the proposed amendments. The real estate market in Hagerstown has been difficult recently. The economy collapse has not rebounded as quickly in Hagerstown as it has in Washington County. The City has added more red tape for landlords. He is also concerned about the landlord being held responsible for damage caused by a tenant. The Hagerstown Housing Authority hold their tenants responsible for any repairs. If inspections are done at turnover, the landlord has the opportunity to make the repairs. He urged the Mayor and Council to reconsider the proposed amendments.

Chris Marschner, 159 Belview, Hagerstown, Maryland, is opposed to the proposed amendments. He purchased a property to keep an investor from purchasing it. He stated property values are declining and he may have made a mistake by purchasing the property. The City shouldn't use responsible landlords to get to the people who aren't complying. He has good tenants. He will not invest any more money within the City limits.

Jean Duley, 10525 Bower Avenue, Williamsport, Maryland, is against the proposed amendments. She is involved with the organization Oxford House. Oxford House

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provides sober and safe houses for people. These sober and safe houses are regulated by the State of Maryland. She will not open any more houses in the City because of the possibility of the new regulations. If the police can't enter a residence without a warrant, she doesn't think the City inspection group can either. She is planning to open two more houses but not in the City. She stated this is sad because the social services are located downtown. Her goal is to open another rehab house. The City has tried to remove the social service organizations from downtown but people have to have a place to get help.

Jeff Pearce, 15 W. Franklin Street, Hagerstown, Maryland, asked if the City views the tenant and the homeowner as different classes of citizens. He wondered if a future Council could expand this program to include homeowners.

Councilmember Metzner stated the difference between the types of residential uses is that one is a business.

George Turner, Marsh Pike, Hagerstown, Maryland, now invests in rental units. He would live in any of his units. He is opposed to the proposed amendments because they would take freedom from his tenants. Inspections are needed because everyone should be able to live in a good, clean home. The Hagerstown Housing Authority inspects their units annually (occupied or not). He repaired things but the HHA client would not and she was forced to leave. If a tenant doesn't do their part in keeping the home nice, they are not allowed to stay. These proposed amendments may cause landlords to invest outside the City limits.

Councilmember Metzner pointed out that many speakers have stated how horrible and unconstitutional the proposed required inspections are. He noted that Section 8 housing is inspected every year, whether the unit is occupied or vacant. Mr. Fulk indicated Section 8 inspections are accepted for those properties.

Mr. Turner stated Section 8 tenants have their rent paid by the program. When a tenant gives up paying their own rent, they subject themselves to increased regulations.

Tim Miller, 801 Oak Hill Avenue, Hagerstown, Maryland, is opposed to the proposed amendments. He stated Section 8 tenants can decide if they agree to the conditions. What the City is proposing is not something that a landlord can say no to. Why should he continue to invest in the City if the regulations keep getting stricter. He invested over \$ 100,000 into renovating 804 Oak Hill Avenue, which had been abandoned and vacant for more than 10 years. He asked the City for assistance and was told no. When an inspection occurred, he was told he needed carbon monoxide and smoke detectors in the attic. He stated this is not accurate.

Bert Ridner, 55 S. Potomac Street, Hagerstown, Maryland, is opposed to the proposed amendments. He finds the concept of the City being able to enter someone's home by warrant to be a chilling thought. He stated there is vagueness in the proposal. There needs to be an appeal process included in the regulations. There is too much bureaucracy in Hagerstown. These amendments will stifle investment.

Mayor Bruchey announced that, even though there are more people who want to speak, the time allotted for today's public input session has ended. He stated all those that signed up will have an opportunity to be heard. The next public discussion will be on Tuesday, June 19, 2018, beginning with the next person who signed the list to speak. He thanked everyone for attending this session.

A break was taken at 6:24 p.m.

41<sup>st</sup> Special Session – May 15, 2018

On a motion duly made by Councilmember S. McIntire and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to meet in Special Session at 7:05 p.m.

Public Hearing – FY 2018/19 Tax Rate

A public hearing was held to discuss the proposed tax rate for FY 2018/19.

Michelle Hepburn, Director of Finance, was present for both 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, 2018, the estimated real property assessable base will decrease by 0.09%, from \$2,539,280,971 to \$2,537,056,450. If the City of Hagerstown maintains the current tax rate of \$0.9410 per \$100 of assessment, real property tax revenues will decrease by 0.09% resulting in loss of \$20,933 of real property tax revenues. In order to fully offset the effect of decreasing assessments, the real property tax rate should be raised to \$0.9418, 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 \$0.972 per \$100 of assessment for all real estate categories excluding Apartments and a real property tax rate of \$0.992 for real estate Apartment categories. This tax rate is higher than the constant yield tax rate and will generate \$775,569 in additional property tax revenues.

The following testimony was presented:

Ken Berry, 33 W. Franklin Street, Hagerstown, Maryland, has been actively investing in downtown. This is an exciting time to be part of downtown. This is the renaissance of downtown and the opportunity to get over the hump. He hates to see something thwart that opportunity. Outside investors want to be part of the renaissance. He is concerned the tax rate increase will scare off investors. If the Mayor and Council can delay the tax rate increase and the rental licensing amendments, he thinks they will find the investment dollars being spent in Hagerstown.

Steven Silas, 932 Oak Hill Avenue, Hagerstown, Maryland, would like more information about the tax differential and why the City does not receive the same ratio as other municipalities for duplicated services. Privatizing the golf course was discussed at a recent community meeting and he asked the Mayor and Council to also consider privatizing the pool operations.

Mayor Bruchey noted the Maryland Municipal League has been talking to municipalities about the tax differential/setoff for at least 20 years. The City pays in to County operations but doesn't receive all the county services that are offered. A tax differential in the form of a tax rate reduction to City taxpayers on their County tax bill was provided by the County in 2010. The amount was 12.5 cents off the set County tax rate. He stated the amount of the differential should be higher because of the services City taxpayers don't require. There is a joint meeting with the County Commissioners on June 5, 2018 and he hopes a serious conversation about the tax differential will take place. He understands Mr. Silas' concern; however, if a tax rate increase is not implemented, services will have to be decreased. He asked where tax payers would be willing to cut services.

Councilmember Metzner pointed out that the total City tax bill is about the same as it was 10 years ago for most taxpayers. When the County implemented the tax differential to taxpayers, the City tax rate was not raised. Hagerstown is the only municipality in Washington County that didn't raise the rate to compensate for the elimination of the tax rebate.

Councilmember Aleshire is not interested in privatizing either the pool or the golf course. Both are amenities that many people in this community would not be able to enjoy if the City didn't provide the service. He stated he does not think a 3 cent and 5 cent tax rate increase is enough to account for the disparity in the use of services. The majority of the general fund budget funds basic public safety. He pointed out that the City of Hagerstown is one of four municipalities with a paid fire service. Approximately 17% of the City's general fund budget is allocated for the fire department. For comparison, on average, other municipalities in the County provide 1.2% of their budget for fire services. If the City turned over the fire department to the County, it would save the City \$ 9 million. The City would be turning over a good company that the County doesn't want. The City pays \$ 400,000.00 annually toward the operation of the Combined 911 Center. The volunteer departments located within the City receive less funding because of their association with the City.

Councilmember Metzner stated residents should approach the County Commissioners and remind them they are County taxpayers too. The City does not have a legal responsibility to respond to calls outside the City limits; however, there is a moral obligation.

Councilmember Heffernan stated it may look easy to make cuts in the budget but it isn't. The golf course, pool, train museum, and other amenities are attractive to residents and visitors. If these are taken out of the budget, it is possible they won't be reinstated.

The Council could take a short sighted view and not raise taxes but the long term view needs to be that the County does what is right for the citizens, specifically with the fire service reimbursement. If that funding was adjusted, it would have a significant impact on the proposed deficit in future budgets. The only option at this time is increasing the tax revenue unless citizens don't want the amenities mentioned previously. There wouldn't be much left in the City if that happened.

Nancy Allen, 924 Oak Hill Avenue, Hagerstown, Maryland, stated a raise in taxes is not acceptable. The Council needs to figure out how to fund the budget without raising taxes. This will discourage people from moving into the City. When they have a choice between living in the County or the City, they will choose the County. Public Safety is not an option to cut. If an operation or service is not performing, it should be addressed.

Councilmember Metzner asked if a selling point would be that taxes are lower than 10 years ago and there are reduced rates for water and wastewater.

Ms. Allen stated people don't care about those things. They look at the current tax rates. The Council needs to find the revenue another way. If consolidation with the County saves money it should be done.

Councilmember Aleshire noted the City approved a cap on increased assessments in order to protect taxpayers' investment. There is no cap on decreased assessments. If there had been, the City would have only lost 7.2 cents on the assessment. Washington County does not have to increase the tax rate because of the increased assessments outside the City. People need to recognize the discounted rates for utilities and trash service.

Councilmember Keller stated she sent a message to the Commissioners and County Administrator asking to discuss these topics.

Donny Ravas, Hagerstown, Maryland, agrees with many of Councilmember Aleshire's statements. He asked if the increased tax rate would only be for FY19. Mayor Bruchey stated that is the only year being discussed currently. Mr. Ravas stated does not think taxes are the same as they were 10 years ago. He appreciates the Council's willingness to discuss topics with the community. The County should hear the concerns expressed by citizens at community meetings.

Councilmember Heffernan has had informal discussions with some of the Commissioners and they aren't aware of the fire service funding.

Delegate Paul Corderman, 1312 Hamilton Boulevard, Hagerstown, Maryland, was opposed to a tax rate increase and a tiered tax rate as a Councilmember. The tax rate does not affect the tax bill but it does affect the revenue. Revenue in the proposed budget is higher than last year. He is willing to lend support to a discussion with the County about the tax differential. He stated expenses for government operations have to be

reduced. He wondered why operational expenses and wages and benefits increased over last year. He urged the Mayor and Council to look at reducing expenses in-house.

There was no further testimony presented. This hearing was closed at 7:56 p.m. The record will be kept open for 10 days for additional comments.

#### Public Hearing – FY 2018/19 Budget

A public hearing was held to discuss the proposed budget for Fiscal Year 2018/19. 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 \$ 141,131,310.

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 \$ 14,797,337. The majority of the projects are funded with grants and bond proceeds. These funds are strictly restricted and cannot be used for other purposes.

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

The hearing was closed at 7:58 p.m. The record will be kept open for 10 days for additional comments.

#### **Introduction of an Ordinance: Tax Rates Beginning July 1, 2018**

**Action:** On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance to establish the City's tax rates for the fiscal year July 1, 2018 through June 30, 2019 on the basis of \$0.972 per \$100 of assessed value of all real property except properties designated as Apartments which will be \$.992 per \$ 100 of assessed value and \$2.430 per \$ 100 of assessed value of all business personal property within the City of Hagerstown. These rates reflect an increase of \$0.031 per \$ 100 for real property except Apartments increase of \$ 0.51 and \$0.077 per \$ 100 for business personal property over the current year.

#### **Introduction of an Ordinance: Budget FY 2018-19**

**Action:** On a motion duly made by Councilmember S. McIntire and seconded by Councilmember E. Keller, the Mayor and City Council unanimously

agreed by voice vote to introduce an ordinance to adopt the City's budget for fiscal year July 1, 2018 through June 30, 2019 in the total amount of \$ 141,181,310.

**Introduction of an Ordinance: Amending and Supplementing Existing City of Hagerstown General Obligation Borrowing Authority in Order to Reprogram Series 2015B Bonds Proceeds**

**Action:** On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to introduce an ordinance amending and supplementing Ordinance No. O-15-01, passed on 02/10/2015, approved on 02/10/2015 and effective on 03/13/2015 (which, together with a companion resolution, served as authority for the issuance and sale of the \$ 8,020,000 City of Hagerstown Public Facilities Bonds, Series 2015A (Tax-Exempt) (the "2015A Bonds")), and the \$ 1,850,000 City of Hagerstown Public Facilities Bonds, Series 2015B (Taxable) (the "2015B Bonds")), as amended and supplemented by Ordinance No. O-16-25, passed on 12/20/2016, approved on 12/20/2106 and effective on 01/20/2017, in order to (1) reallocate to a new project identified as General Fund – Urban Improvement Project (Plaza) the aggregate amount of \$ 655,268.65 consisting of (A) certain unspent proceeds of the 2015B Bonds previously allocated first to a project identified as General Fund – MELP and then to a project identified as Wastewater Fund – Sludge Storage Phase I Improvements, (B) allocable premium realized upon sale, and (C) allocable investment earnings relating to the project identified as General Fund – MELP from October 31, 2016 through March 31, 2018, (2) allocate to such new project identified as General Fund – Urban Improvement Project (Plaza) any investment earnings earned after March 31, 2018 on such reallocated amount, and (3) expand the definition of the word "costs" used in the prior ordinances. Before applying any such amounts to the new project identified as General Fund – Urban Improvement Project (Plaza), the Mayor and Council will need to pass a companion resolution providing for such reprogramming.

It has been determined that funds are needed for the project identified as General Fund – Urban Improvement Project (Plaza) sooner than for the projects identified as General Fund- MELP and Wastewater Fund – Sludge Storage Phase I Improvements, and due to the taxable nature of the 2015B Bonds and such new project, it is appropriate to reprogram a portion of the proceeds thereof for such purpose. The subject ordinance does not provide for reprogramming of any 2015A Bonds proceeds.

Staff is hereby directed to work with the City's Bond Counsel to develop the necessary companion resolution and any other documents necessary for the reprogramming of 2015B Bonds proceeds.

**Introduction of an Ordinance: Amending Chapter 38, Police and Fire Employees' Retirement Plan – Amendment 12**

**Action:** On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed to introduce an ordinance for the following changes to the Police and Fire Retirement Plan effective July 1, 2018:

1. Change the mortality table.
2. Reduce the early retirement age from 55 with 20 years of service to age 50 with 20 years of service.
3. Over a three year period, change the formula for calculating an employee's average compensation by moving from a three-year average to a five-year average.
4. Increase the percentage of an employee's payroll contribution from 7% to 8%.
5. For all employees hired after June 30, 2018, decrease the multiplier for calculating an employee's normal retirement benefit from 2.0% to 1.8%.

Discussion: Councilmember Aleshire stated other changes need to be implemented for the solvency of the plan. Employees agreed to the reduction of the early retirement age. Ms. Hepburn stated the bulk of the discussion centered on how to make the plan more viable. The retirement age reduction was an option proposed by the employees.

**Approval of an Ordinance: Amending Chapter 89, Donation Bins, To Allow Liening of Unpaid License Fees**

**Action:** On a motion duly made by Councilmember L. C. Metzner and seconded by Councilmember S. McIntire, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance to amend the Code of the City of Hagerstown, Chapter 89, Donation Bins, to allow the liening of unpaid license fees.

**Approval of an Ordinance: Amending Chapter 185, Nuisance Abatement, To Enhance Support to Neighborhoods**

**Action:** On a motion duly made by Councilmember S. McIntire and seconded by Councilmember A. Heffernan, the Mayor and City Council unanimously agreed by voice vote to approve an ordinance to amend the Code of the City of Hagerstown, Chapter 185, Nuisance Abatement. Specifically the amendments will revise the definition of nuisance as follows:

1. Add “public right-of-way” as additional area to be free of weeds, trash, debris, garbage, weed cutting and other similar material.
2. Add “uncontrolled vines and overgrown shrubs and trees” as condition to be abated on premises or within public rights-of-way.
3. Add leaves as a material to be abated in public rights-of-way.

These amendments are consistent with the City’s Vision and Commitment for Housing and Neighborhoods and the Community’s City Center Plan.

Discussion: Councilmember Aleshire asked where the right-of-way ends. Kathleen Maher, Director of Planning and Code Administration, stated it is the area beyond the private property and includes the street, curb, and sidewalk.

Mayor Bruchey stated he opposes this amendment.

**Approval of Renewal of Investment Policy Statements for Other Post-Employee Benefits (OPEB) and Police and Fire Employees’ Retirement Plan**

**Action:** On a motion duly made by Councilmember A. Heffernan and seconded by Councilmember L. C. Metzner, the Mayor and City Council unanimously agreed by voice vote to approve the PNC Investment Policy Statements for the OPEB and Police and Fire Employees’ Retirement Plans. These policies are renewed annually.

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 8:13 p.m.

Respectfully submitted,

*Original signed by D. K. Spickler*

Donna K. Spickler  
City Clerk

Approved: June 26, 2018