

Mayor and Council

6th Special Session, Work Session, and Executive Session

February 21, 2017

Agenda

*"A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods."
"Providing the most efficient and highest-quality services as the municipal location of choice for all customers."*

"Every great dream begins with a dreamer. Always remember, you have within you the strength, the patience, and the passion to reach for the stars to change the world."

Harriett Tubman

EXECUTIVE SESSION

3:00 PM 1. EXECUTIVE SESSION

4:00 PM SPECIAL SESSION

4:15 PM 1. Approval of an Ordinance: Amending Chapter 60-18.2, School Zones, of the City Code - School Zone at Jonathan Hager Elementary School

4:15 PM 2. Approval of Appointments to the Permits, Inspection and Code Compliance Review Committee

3. Approval of Purchase - Ford Police Vehicle - Keystone Ford (Chambersburg, PA)
\$14,105.45

4:00 PM WORK SESSION

4:30 PM 1. Proclamation: Black History Month

4:35 PM 2. Annual Police and Fire Pension Review with CBIZ and PNC – *Karen Paulson, Director of Human Resources, Alvin Winters, Consulting Actuary with CBIZ, and Lisa Locher, Vice President and Senior Portfolio Manager of PNC*

5:00 PM 3. Preliminary Agenda Review

5:15 PM 4. Relocation of Parking System Office to 25 E. Franklin Street - *Eric Deike, Director of Public Works, and Jonathan Kerns, Community Development Manager*

5:30 PM 5. FY16 CDBG Action Plan Amendment for Unanticipated Program Income- *Jonathan Kerns, Community Development Manager*

5:40 PM 6. Change Order for Accessibility Ramps - *Rodney Tissue, City Engineer, and Jonathan Kerns, Community Development Manager*

5:50 PM 7. Offer of Donation of Public Art – *Rodney Tissue, City Engineer*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

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

Topic:

EXECUTIVE SESSION

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Approval of an Ordinance: Amending Chapter 60-18.2, School Zones, of the City Code - School Zone at Jonathan Hager Elementary School

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Approval of Appointments to the Permits, Inspection and Code Compliance Review Committee

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Appointment_of_Permits__Inspection_and_Code_Compliance_Committee_Members_Motion.pdf	Motion

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: February 21, 2017

TOPIC: Appointment of Permits, Inspection and Code Compliance Review
Committee Members

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

MOTION: I hereby move that the following slate of names be selected to serve on the Permits, Inspection and Code Compliance Review Committee of 2017:

Wes Churchey, Chair
Ken Berry
Scott Bowen
Michael Draper
Michael Fitzgerald
Michael Stanford
Councilmember Emily Keller
Councilmember Paul Corderman
Kathleen Maher
Blaine Mowen
Paul Fulk
Randy Gray

The term of the appointment will be from February 1, 2017 to January 31, 2018.

DATE OF PASSAGE: 02/21/2017

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

Topic:

Approval of Purchase - Ford Police Vehicle - Keystone Ford (Chambersburg, PA) \$14,105.45

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Motion_-_Purchase_of_Previously_Owned_Ford_Vehicle.pdf

Consent_Agenda_-_2014_Ford_Fusion.pdf

2014_Ford_Fusion_Price_Quote.pdf

Description

Motion - Purchase of Ford Fusion

Consent Agend - 2014 Ford Fusion

2014 Ford Fusion Price Quote

REQUIRED MOTION

MAYOR AND CITY COUNCIL HAGERSTOWN, MARYLAND

Date: February 21, 2017

TOPIC: Approval of Purchase of (1) Ford Police Vehicle (Previously Owned)

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

MOTION: I hereby move for Mayor and Council approval of the purchase of (1) 2014 Ford Fusion. This vehicle will be purchased from Keystone Ford in Chambersburg, Pennsylvania for a total of \$14,105.45

Funding will be from HPD's vehicle CIP account.

DATE OF PASSAGE: February 21, 2017



CITY OF HAGERSTOWN MARYLAND

DEPARTMENT OF POLICE
50 N. Burhans Blvd.

Non-Emergency 301-790-3700
Emergency 301-739-6000
Fax 301-733-5513

February 15, 2017

To: Valerie Means,
City Administrator

From: Victor V. Brito,
Chief of Police

Re: Pre-Owned Vehicle Purchase

We are requesting Mayor & Council approval for the purchase of a pre-owned 2014 Ford sedan. This will replace vehicles no longer in service and will be purchased, primarily, with insurance reimbursement funds.

The price of the unit is \$14,105.45 and will be purchased from Keystone Ford. We are requesting this accelerated approval due to the short availability of suitable pre-owned vehicles.



A Nationally Accredited Law Enforcement Agency

CITY OF HAGERSTOWN
MAYOR AND COUNCIL
PURCHASE/CONTRACT INFORMATION
MEETING OF _____

Do Not Complete This Section:
APPROVED FOR: _____
CONSENT AGENDA _____
NEW BUSINESS _____

Originating Department Police By Chief Victor V. Brito

Account No. 4510000 5842 C0129 Account/Project Name Police Vehicle

Budget Amount \$ 253,000 Account Balance \$ 0 Year 2017 / 2018 C.I.P. Control No. _____

Unbudgeted * \$ 14,105 Source of Funds operating bud transfers to
*(See Department Manager's Comments) CIP cover unexpected replacement.

QUANTITY	DESCRIPTION	VALUE
<u>1</u>	<u>2014 Ford Fuslon</u>	<u>\$ 14,105.45</u>
TOTAL VALUE		<u>\$ 14,105.45</u>

ABOVE TO BE USED FOR:

Police Patrol Use

RECOMMENDED VENDOR:

BUSINESS NAME: Keystone Ford

ADDRESS: 301 Walker Road

CITY, STATE: Chambersburg, PA 17201

BID/PROPOSAL/QUOTE NO.: _____ (Circle one)

OTHER VENDORS:

Firm	City/State	Total Amount
<u>COSTARS Contract Pricing</u>		

COMMENTS

(1) DEPARTMENT MANAGER:

This vehicle will replace existing vehicles that are being decommissioned from the fleet.



Signature/Date

(2) PURCHASING AGENT:

Recommend Approval.

Jason T. Miller 2/16/17

Signature/Date

(3) FINANCE MANAGER:

Recommend approval based on funding from the following:

- Insurance proceeds 7,335
- operating bud reductions 6,770

Michelle Hoyer

Signature/Date

2/16/17

(4) CITY ADMINISTRATOR'S RECOMMENDATION:

Approval

Valerie A. Brown 2/14/17

Signature/Date



301 Walker Road
Chambersburg, PA 17201-9798
Phone (717) 264-5101 Fax (717) 264-8385
www.keystoneford.com

Buyer's Name CITY OF HAGERSTOWN Address (City, State and Zip Code) 1 EAST FRANKLIN STREET HAGERSTOWN, MD 21740-0000		Co-Buyer's Name Address (City, State and Zip Code)	
Residential Phone (301)739-8577	Business Phone (301)798-4160	Residential Phone	Business Phone
Email Address	Mobile Phone	Email Address	Mobile Phone

THIS MATTER PERTAINS TO THE FOLLOWING: ☒ NEW ☒ USED ☐ DECLASSIFIED ☒ OTHER ☐ TRACK ☐ IMPROUSE. TO BE DECLASSIFIED ON/ABOUT 01/27/17

Year	Make	Model	Type	Mileage	Color	Stock #
2014	FORD	FUSION	4DR SDN SE	18,647	STERLING GR	16743N
TRAQUE IN RECORD						
VIN	MAKE	MODEL	TYPE			
COLOR	TEXT	USAGE				
WV						
TITLE TAX	PLATE TAX	EXPENSE				
GARANTY	COVER					
LEASER/OWNER	PHONE		H/A			
ADDRESS	SECURE FAX		H/H			
ACCOUNT	GOOD TIL	VERIFIED BY				
N/A	COLLISION COVERAGE					
INSURANCE	PARKING					
ADDRESS						
POLICY NUMBER	COLLECTOR/COUNTYLE		H/A			
ESTIMATED COST	SPARE PARTS					
EFFECTIVE DATE	EXPIRATION DATE	VERIFIED BY				
02/14/17	N/A					
VARIATION INFORMATION						
<input type="checkbox"/> FACTORY WARRANTY - The manufacturer's warranty covers defects in materials or workmanship. It does not cover damage caused by accidents, misuse, or neglect. See dealer for details. <input type="checkbox"/> USED CAR WARRANTY - Used car is covered by a limited warranty detailed in a separate document. See dealer for details. <input type="checkbox"/> AS-IS - This vehicle is sold "AS IS" without any warranty, express or implied. THE PURCHASER WILL BEAR THE ENTIRE EXPENSE OF REPAIRS OR CORRECTING ANY DEFECT THAT RESULTS FROM THIS SALE.						
PURCHASERS SIGNATURE X						
USED CAR BUYERS GUIDE: THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THE CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRADICTORY PROVISIONS IN THE CONTRACT OF SALE.						
GUÍA PARA COMPRADORES DE VEHÍCULOS USADOS. LA INFORMACIÓN QUE VE EN EL FORMULARIO DE LA VENTANILLA PARA ESTE VEHÍCULO FORMA PARTE DEL PRESENTE CONTRATO. LA INFORMACIÓN DEL FORMULARIO DE LA VENTANILLA DEJA SIN EFECTO TODA DISPOSICIÓN EN CONTRARIO CONTENIDA EN EL CONTRATO DE VENTA.						
If you cancel this purchase agreement or refuse to take delivery of the vehicle ordered, except as permitted by law, you shall, at our option, forfeit all damages the amount of \$_____.						
PURCHASER'S SIGNATURE X						
Total Price 14,103.45						
Unpaid Balance of Total Price 14,103.45						

Buyer agrees that this Agreement includes all of the terms and conditions on the front and back side hereof, that this Agreement cancels and supersedes any prior agreement including oral agreements, and as of the date below comprises, with any retail installment sale contract, the complete and exclusive statement of the terms of the agreement relating to the subject matters covered by this Agreement. Buyer, by signing this Agreement, acknowledges that he has read its terms and has received a true copy of this Agreement.

THIS AGREEMENT IS NOT BINDING UPON EITHER DEALER OR BUYER UNTIL SIGNED BY AN AUTHORIZED DEALER REPRESENTATIVE. YOU, THE BUYER, MAY CANCEL THIS AGREEMENT AND RECEIVE A FULL REFUND ANY TIME BEFORE RECEIPT OF A COPY OF THE AGREEMENT SIGNED BY AN AUTHORIZED DEALER REPRESENTATIVE BY GIVING WRITTEN NOTICE OF CANCELLATION TO DEALER.

☐ BUYER ACKNOWLEDGES THAT IF THIS BOX IS CHECKED, THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE.

COMMENTS

(1) DEPARTMENT MANAGER:

This vehicle will replace existing vehicles that are being decommissioned from the fleet.



Signature/Date

(2) PURCHASING AGENT:

Signature/Date

(3) FINANCE MANAGER:

Signature/Date

(4) CITY ADMINISTRATOR'S RECOMMENDATION:

Signature/Date



301 Walker Road
Chambersburg, PA 17201-9798
Phone (717) 264-5104 Fax (717) 264-5585
www.keystoneford.com

VEHICLE BUYERS ORDER

Date **02/14/17** Salesperson **N/A**

Buyer's Name CITY OF HAGERSTOWN Address (City, State and Zip Code) 1 EAST FRANKLIN STREET HAGERSTOWN, MD 21740-0000		Co-Buyer's Name Address (City, State and Zip Code) 	
Residential Phone (301) 739-8577	Business Phone (301) 798-4160	Residential Phone 	Business Phone
Email Address 		Email Address 	
Mobile Phone 		Mobile Phone 	

THIS BUYERS ORDER IS FOR THE FOLLOWING: ☒ NEW ☐ USED ☐ DEMONSTRATION ☒ CAR ☐ TRUCK ☐ PRIOR USE

TO BE DELIVERED ON OR ABOUT **01/27/17**

Year	Make	Model	Type	Trim	Color	Mileage	Stock #
2014	FORD	FUSION	4DR SDN SE	AW	STERLING GR	15,647	16743A

TRADE-IN RECORD				VIN			
TR	MAKE	MODEL	TYPE	1 F A 6 P 0 H 7 4 E 5 3 7 2 4 1 E			
COLOR	TRM	USAGE		PRICE OF VEHICLE 14,100.00			
VIN							
TITLE NO.				PLATE NO.			
EXP. DATE							
OWNER				LOAN #			
DEB. HOLDER				PHONE			
ADDRESS				SPOKE WITH			
AMOUNT				GOOD TILL			
N/A				VERIFIED BY			
COLLISION COVERAGE							
NAME OF AGENT				PHONE			
ADDRESS							
POLICY NUMBER				COLLISION DEDUCTIBLE			
				N/A			
INSURANCE CO.				SPOKE WITH			
EFFECTIVE DATE				EXPI. DATE			
02/14/17				N/A			
WARRANTY INFORMATION							
<input type="checkbox"/> FACTORY WARRANTY - The manufacturer's warranty constitutes all of the warranties with respect to the sale of this vehicle. The seller hereby expressly disclaims all warranties, either expressed or implied including any implied warranty of merchantability or fitness for a particular purpose, and the seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of this business.							
<input type="checkbox"/> USED CAR WARRANTY - Used car is covered by a limited warranty detailed in a separate document. You may obtain a full copy of any applicable warranty from us.							
<input type="checkbox"/> AS IS - THIS MOTOR VEHICLE IS SOLD "AS IS" WITHOUT ANY WARRANTY EITHER EXPRESSED OR IMPLIED. THE PURCHASER WILL BEAT THE ENTIRE EXPENSE OF REPAIRS OR CORRECTING ANY DEFECT THAT PRESENTLY EXISTS OR THAT MAY OCCUR IN THE VEHICLE.							
PURCHASER'S SIGNATURE X							
USED CAR BUYERS GUIDE: THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THE CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE. GUÍA PARA COMPRADORES DE VEHÍCULOS USADOS. LA INFORMACIÓN QUE VE EN EL FORMULARIO DE LA VENTANILLA PARA ESTE VEHÍCULO FORMA PARTE DEL PRESENTE CONTRATO. LA INFORMACIÓN DEL FORMULARIO DE LA VENTANILLA DEJA SIN EFECTO TODA DISPOSICIÓN EN CONTRARIO CONTENIDA EN EL CONTRATO DE VENTA.							
If you cancel this purchase agreement or refuse to take delivery of the vehicle ordered, except as permitted by law, you shall, at our option, forfeit as damages the amount of \$							
PURCHASER'S SIGNATURE X							
Please use hereby acknowledged to the above data.							
Buyer agrees that this Agreement includes all of the terms and conditions on the front and back side hereof, that this Agreement cancels and supersedes any prior agreement including oral agreements, and as of the date below comprises, with any retail installment sale contract, the complete and exclusive statement of the terms of the agreement relating to the subject matters covered by this Agreement. Buyer, by signing this Agreement, acknowledges that he has read its terms and has received a true copy of this Agreement.							
This Agreement is not binding upon either Dealer or Buyer until signed by an authorized Dealer representative. YOU, THE BUYER, MAY CANCEL THIS AGREEMENT AND RECEIVE A FULL REFUND ANY TIME BEFORE RECEIPT OF A COPY OF THE AGREEMENT SIGNED BY AN AUTHORIZED DEALER REPRESENTATIVE BY GIVING WRITTEN NOTICE OF CANCELLATION TO DEALER.							
<input type="checkbox"/> BUYER ACKNOWLEDGES THAT IF THIS BOX IS CHECKED, THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE.							

Cash Price of Vehicle & Accessories	14,100.00
Sales Tax	N/A
PTA Tax (\$1.00 PER YR)	N/A
REGISTRATION	N/A
TITLE	N/A
TRANSFER	N/A
ENCUMBRANCE	N/A
Temporary Registration Plate Fee	N/A
Documentary Fee	N/A
Notary Fee	N/A
On-Line Registration Fee	5.45
COUNTY FEE	N/A
Total Price	14,105.45
Trade-In	N/A
Less Payoff *	N/A
Net Trade In	N/A
Deposit	N/A
Cash on Delivery	N/A
Net Trade + Deposit + Cash on Delivery = Total Down Payment	N/A
Unpaid Balance of Total Price	14,105.45

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

Topic:

Proclamation: Black History Month

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Annual Police and Fire Pension Review with CBIZ and PNC – *Karen Paulson, Director of Human Resources, Alvin Winters, Consulting Actuary with CBIZ, and Lisa Locher, Vice President and Senior Portfolio Manager of PNC*

Mayor and City Council Action Required:

There is no formal action required of Mayor and Council at this meeting.

Discussion:

During the February 21st work session, staff will be joined by Alvin Winters, Consulting Actuary with CBIZ Benefits and Insurances Services and Lisa Locher, Vice President and Senior Portfolio Manager of PNC Institutional Investment Group. The purpose of this annual review is to provide Mayor and Council with an update of the status of the Police and Fire Retirement plan, review plan performance, and discuss plan funding.

Financial Impact:

Recommendation:

n/a

Motion:

n/a

Action Dates:

n/a

ATTACHMENTS:

File Name

Packet_Memo_P_F_Presentation.pdf

CBIZ___PNC_Presentation_Slides.pdf

Description

Packet Memo
CBIZ and PNC
Presentations



CITY OF HAGERSTOWN, MARYLAND

TO: Valerie Means, City Administrator

FROM: Karen Paulson, Director of Human Resources *KP*

DATE: February 16, 2017

RE: **Annual Police & Fire Pension Review with CBIZ & PNC**

During the February 21st work session, staff will be joined by Alvin Winters, Consulting Actuary with CBIZ Benefits and Insurances Services and Lisa Locher, Vice President and Senior Portfolio Manager of PNC Institutional Investment Group. The purpose of this annual review is to provide Mayor and Council with an update of the status of the Police and Fire Retirement plan, review plan performance, and discuss plan funding.

There is no formal action required of Mayor and Council at this meeting.

THE ROLE OF CBIZ & PNC

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 last several years, we have been providing Mayor and Council with an annual update of the plan's performance.

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 our investment policy compliance. She also discusses any pertinent issues involving the plan and its investments.

RETIREMENT BENEFIT

A defined benefit pension is a major component of an employee's overall compensation package. The Police and Fire Retirement Plan offers a very generous 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.

FINANCIAL CONSIDERATIONS

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 Mayor and Council approving increasing City contribution rates to make up the difference. This absorption of contributions by the City was taken to ensure an actuarially sound funded retirement plan.

ROLE OF MAYOR & COUNCIL AND THE POLICE & FIRE RETIREMENT COMMITTEE

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 City also works with legal representation to review the plan and make recommendations to remain in compliance with pension law. Attorney Edward Adkins from Miles Stockbridge will join staff in a future work session to discuss recommended updates to the Code.

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. The committee as defined by the Code consists of the following members:

Human Resources Director	Karen Paulson
Finance Director	Michelle Hepburn
Representative of AFSCME Local 3373	Tom Bartles Tom Kelly - Alternate
Representative of IAFF Local 1605	Glenn Fuscick – Committee Chair Glenn Fishack - Alternate
Representative of the City of Hagerstown Police Department management employees	Chief Victor Brito
Representative of the City of Hagerstown Fire Department management employees	Chief Steven Lohr
Member of the Hagerstown City Council who shall be entitled to vote only upon matters which do not require Council approval	Councilmember Kristin Aleshire
A citizen of the City of Hagerstown with investment or financial experience who shall be appointed by the Mayor and City Council	Vacant
A retiree receiving benefits from the plan who shall be appointed by the Mayor & Council.	Gary Hawbaker



City of Hagerstown

Sponsor of the

City of Hagerstown Police and Fire Employees Retirement Plan

Review of 2016 Actuarial Valuation

February 2017 – Presentation to Mayor and Council



Hagerstown
Maryland



Plan Provisions



- **Contributions:** Employees currently contribute 7.00% of pay to the plan and the City currently targets a 14.00% of pay contribution.
- **Normal Retirement:** Age 62 or 25 years of svc.
- **Early Retirement:** Age 55 and 20 years of svc.
- **Salary Average:** Highest 3 consecutive plan years preceding date of termination.
- **Average Benefit at Normal Retirement:**
 - 2.00% of average monthly compensation times years of service (to a maximum of 30 years)
 - For 30 Year Service Retiree:**
 - Pension = 60% of 3 highest three plan years salary



Demographics



		<u>Actives</u>	<u>Retirees</u>	<u>Terminated Vested</u>	<u>Total</u>
◆	2014	173	79	10	262
◆	2015	177	81	9	267
◆	2016	178	88	7	273
				<u>2015</u>	<u>2016</u>
•Average Active Age				38.25	39.07
•Average Length of Service				11.68	11.97

Note: Only current participants are included in liability calculations. Plan was established in 1998.



Actuarial Valuation Process



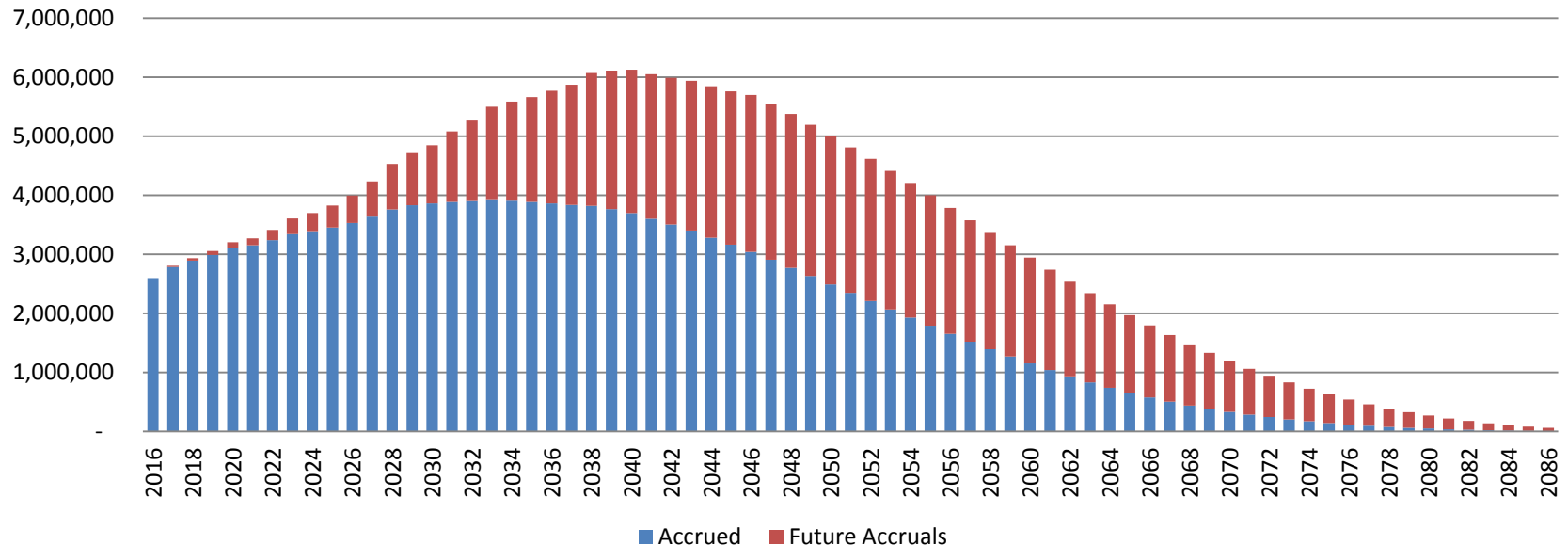
- Basic Principal of Pension Funding
 - The total cost of a plan over its lifespan will equal the total amount paid in benefits minus the cumulative investment earnings of plan assets
- Actuarial Valuation
 - Attempts to estimate the total amount needed to fully fund accrued and projected benefits
 - Determines annual contribution amount needed to fund the value of benefits
 - Basically trying to predict cumulative benefits paid and cumulative investment earnings
 - Highly dependent on the assumptions used
- Key Assumptions
 - When will participants retire?
 - How long will they live?
 - How much money will plan investments earn?
- Process
 - Combine demographic assumptions, plan provisions, and census data to produce projected payment stream of plan benefits
 - Discount the payment stream at the rate of return on plan assets to determine the present value
 - Spread resulting difference between the present value of plan benefits and plan assets over a specified period of time



Projected Plan Payments



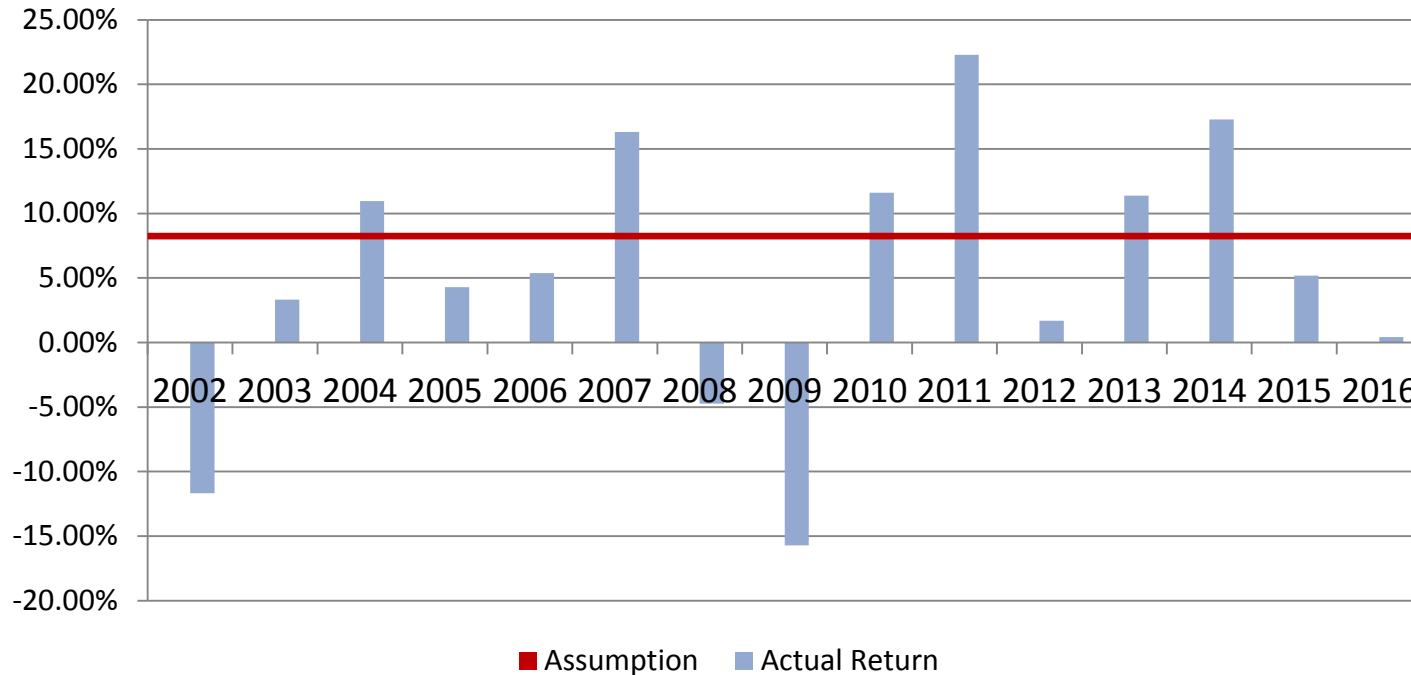
Future Benefit Expenditures By Year



- Based on RP-2000 Mortality with Scale AA improvement which equates to a life expectancy of 24 years at age 60
- Assumes 50% of participants retire at normal retirement and date and the other 50% at their maximum benefit date, based on study performed for FY 2016.
- Accrued benefits are equal to benefits earned by current participants through July 1, 2016
- Future accruals represent future benefits to be earned by current participants
- Benefits for current participants are projected to increase to over \$6.0 million per year by 2040 and then gradually decline



Rate of Return Review



1. In 2006 the assumed rate of return was lowered from 8.00% to 7.75%.
2. The average of the returns over the last 5 years has been 7.20% and the average over 10 years has been 6.6%.
3. **We are recommending a reduction in the assumed rate of return from 7.75% to 7.25%.**



Funded Status



Measurement	07/01/2015	07/01/2016	07/01/2016
Assumed Rate of Return	7.75%	7.75%	7.25%
Present Value of Accrued Benefits	\$40,527,393	\$42,371,119	\$44,823,298
Present Value of Future Accruals	\$10,029,767	\$10,698,686	\$11,971,633
Present Value of Future Benefits	\$50,557,160	\$53,069,805	\$56,794,931
Actuarial Asset Value	18,909,415	19,881,117	19,881,117
Accrued Funded Percentage	46.7%	46.9%	44.4%
Future Benefits Funded Percentage	37.4%	37.5%	35.0%

1. Present value of accrued benefits is the amount of assets that would be expected to fully fund all accrued benefits at the assumed rate of return
2. Present value of future accruals represents future benefit increases due to salary growth and additional service for current participants
3. Present value of future benefits is the total amount of assets that would fully fund all benefits for current participants at the assumed rate of return
4. All values are based on a long term funding basis and may differ from the values under GASB 68
5. The actuarial asset value smooths out market gains over a 3-year period
6. Plan funded percentage would have improved slightly if not for the change in assumption
7. The 0.41% rate of return for FY 2016, reduced the plan's funded percentage by about 100 basis points



Actuarially Determined Contribution



Year	FY 2016	FY 2017
1. Present Value of Future Contributions (PVFC)	\$31,647,745	\$36,913,814
2. Level % of Payroll Amortization of PVFC	\$2,048,807	\$2,091,097
3. Assumed Expenses	\$130,000	\$100,000
4. Expected Employees Contribution	\$662,396	\$714,000
5. Net City Contribution: [(2) + (3) – (4)]	\$1,516,411	\$1,477,097
6. Net City Contribution as % of Payroll	16.02%	14.48%*

1. PVFC is equal to the present value of all future benefits less the actuarial value of assets
2. The amortization payment of the PVFC reflects a change in the amortization period from 20 years to 25 years
3. Actual City contribution is currently capped at 14.0% of payroll which would fund the plan over 26 years



Historical Contribution Rates



	Current Budget	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013		FY 2006
Employee Cost as a % of Payroll	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		7.00%
City Cost as a % of Payroll	14.00%	14.48%	16.02%	13.71%	13.50%	11.29%		10.49%
Total	21.00%	21.48%	23.02%	20.71%	20.50%	19.20%		17.49%

- 14% of pay contribution is still less than the actuarially determined target, but the contribution remains sufficient with a payoff period of 26 years.
- The total actuarially determined contribution has continued to rise due to lower than expected investment yields and increases in life expectancy
- Employee contribution rate has remained unchanged but the City contribution has increased 50% even with the extension of the payoff period



Historical Cash Flows



Plan Year Ended	Employer Contribution	Employee Contribution	Investment Return	Total	Benefits Paid
6/30/2007	816,909	543,778	1,756,961	3,117,648	(882,726)
6/30/2008	945,905	605,546	(573,190)	978,262	(1,112,194)
6/30/2009	1,054,785	690,844	(1,881,859)	(136,230)	(1,012,886)
6/30/2010	990,470	603,484	1,290,385	2,884,340	(1,187,172)
6/30/2011	1,218,097	714,275	2,815,936	4,748,308	(1,599,977)
6/30/2012	1,064,214	707,564	423,163	2,194,941	(2,055,495)
6/30/2013	965,773	598,799	1,837,079	3,401,651	(1,876,938)
6/30/2014	1,024,869	591,411	2,826,122	4,442,402	(2,279,321)
6/30/2015	1,155,675	608,356	954,796	2,718,827	(2,268,315)
6/30/2016	1,408,922	729,439	78,065	2,216,426	(2,421,115)



Looking Forward



- Continued low interest rates may make achieving targeted rates of return difficult in the short term
- Society of Actuaries is currently studying mortality experience of governmental pension plans and may release a draft report in late 2018
 - Report is expected to have separate mortality analysis for police and firefighters
 - Too early to say if it will increase or decrease plan obligations



Recommendations



- Continue to fund City contribution at 14% with additional amounts if possible.
 - Current contribution amount remains actuarially sound
 - Funded percentage remains low though
 - Little room for adverse future experience which could force higher contributions in the future
- No increase of benefits until the plan funded percentage increases
- Consider increases in employee contribution rate to take into partially offset adverse investment performance and life expectancy increases
- Consider eliminating the interest crediting rate on employee contributions
 - Currently crediting at 5.0% per year
 - Only affects employees who terminated without being vested or those that withdraw employee contributions from the plan
 - Vested employees generally don't withdraw contributions because they forfeit their annuity which generally exceeds the value of their benefit

City of Hagerstown Police and Fire Retirement Plan

Presentation to Mayor and City Council of Hagerstown, Maryland

February 21, 2017

Presented by:

Lisa S Locher

PNC Institutional Asset Management

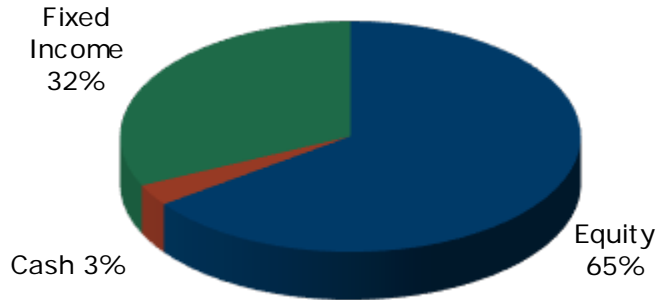
Senior Investment Advisor

lisa.locher@pnc.com

Executive Summary

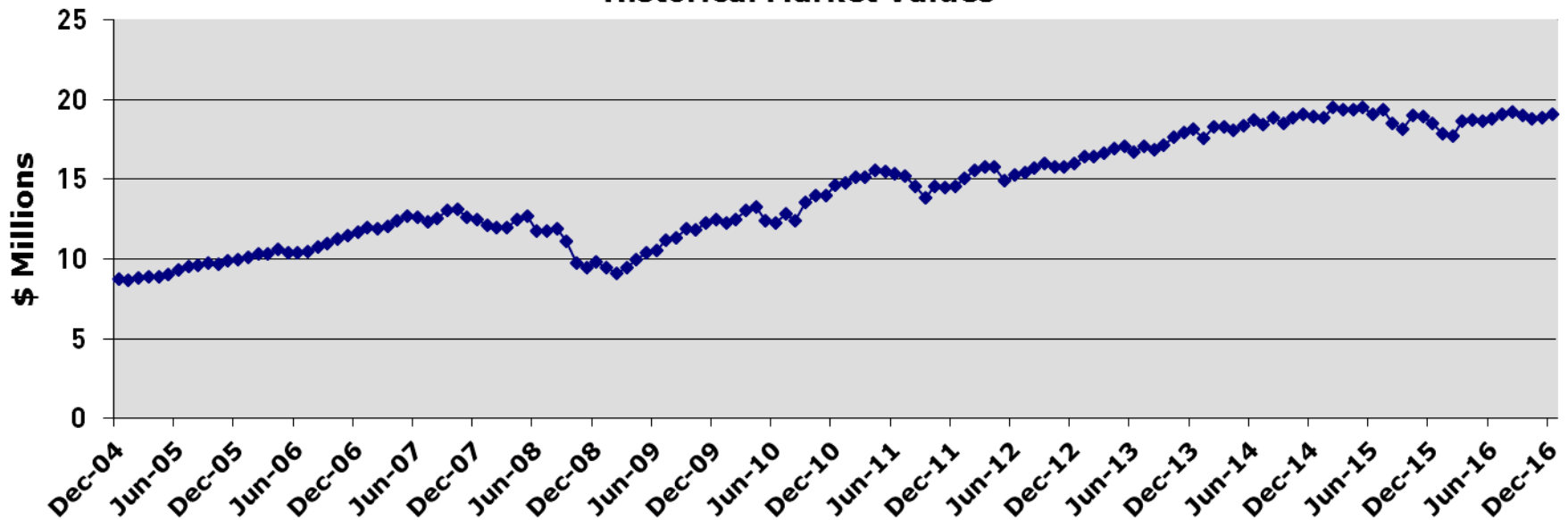
- Portfolio management decisions are guided by the Plan's Investment Policy Guidelines, which are reviewed and reaffirmed at least annually. PNC works closely with the Plan's Investment Committee, as well as the City's Human Resources and Finance Departments, to ensure investment objectives and goals are aligned. We meet quarterly to review the Plan's investments.
- Plan market value as of end of fiscal year (6/30/16) was \$18.8 million versus year earlier market value of \$19.1 million. Market value as of 1/31/17 was \$19.3 million.
- The current targeted asset allocation for the Plan is:
 - 65% equity
 - 32% fixed income
 - 3% cash
- Looking ahead, we expect the domestic economy to be better this year than last, although not markedly so. We expect another year of tepid global growth but note the potential of fiscal policy stimulus from the new administration to lay the groundwork for fundamental economic improvement and growth reacceleration. In 2017, we will be keeping an especially close eye on inflation, global political developments, proposed policies in corporate tax reform and asset repatriation, infrastructure spending and fiscal stimulus, among other factors.

City of Hagerstown Police and Fire Retirement Plan Investment Summary



Asset Classification	1 Year	3 Year	5 Year
Total Portfolio	0.4%	7.5%	7.5%
Blended Total-Cash Taxable Index	2.5%	7.7%	7.8%
US Consumer Price Index	0.8%	1.0%	1.3%
Total Equity	-1.5%	9.6%	9.5%
S&P 500	4.0%	11.7%	12.1%
Total Fixed Income	4.5%	3.5%	3.7%
Barclays Aggregate	6.0%	4.1%	3.8%

Historical Market Values



Disclosure

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Investment Returns Comparison

	1 year	3 year	5 year
City of Hagerstown Police & Fire Retirement Plan	0.4%	7.5%	7.5%
Maryland State Retirement & Pension System	1.2%	5.9%	5.7%
Baltimore City Fire & Police Employees Retirement System	0.5%	5.6%	6.1%

1,3,&5 year performance data is as of June 30, 2016

Maryland State and Baltimore City F&P returns are from the websites of those plans.

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

Topic:

Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Relocation of Parking System Office to 25 E. Franklin Street - *Eric Deike, Director of Public Works, and Jonathan Kerns, Community Development Manager*

Mayor and City Council Action Required:

Staff is requesting to relocate the Parking System main office from its current location at 25 Renaissance Way (Arts & Entertainment Parking Deck) to 25 East Franklin Street in the Roslyn Building. There are currently CDBG (Community Development Block Grant) restrictions on using space in the Roslyn Building for governmental offices. The following memorandum explains the reason for the relocation, the CDBG restrictions and a plan to remove the restrictions allowing the space to be used for government offices.

Staff is seeking approval to move funds from the Property Management Fund to CDBG thus releasing the CDBG restrictions on the office space.

Discussion:

Staff has been discussing a number of major changes to the Parking System as a way to improve operations and customer service. A priority is to relocate the main Parking System office away from the Arts & Entertainment District Parking Deck (A&E). The current location is in an alley making it difficult for customers to locate it, creates some safety issues for the staff and is simply too small.

Both City Hall and the Elizabeth Hager Center were discussed. Neither has the available space or provides the customer service experience staff hopes to enhance. What staff found that may fit the needs of the Parking System is 25 E. Franklin St. This space is currently occupied by the Parking Enforcement Officers (PEO) and was recently occupied by the Auxiliary Police.

The last paying tenant (CHIEF) vacated the space at the end of 2011. The Auxiliary Police took occupancy sometime after that (not sure of the date) as a satellite office for staff in the downtown. The current tenant does not pay rent for the space.

For the Parking System, here are the benefits of occupying this space:

1. It moves the operations out of an alley into a more public setting. This provides for better customer service so that clients are not standing outside in close proximity to an alley when getting information regarding parking. Clients should feel more comfortable visiting an office rather than standing outside a booth.
1. Currently, permits for the parking lots and decks are sold at City Hall. The selling of permits could be taken out the billing area and manage that process from the new operations

center. Permits could still be sold from City Hall as a backup location.

1. Some parking staff members feel vulnerable working alone in the office at the A&E location. There is no visibility to the public or police. They feel a sense of isolation should an incident occur.
1. Other proposed changes to the Parking System include plans for hiring one additional supervisor position and potentially taking the responsibility of parking enforcement. These are longer term goals and have been briefly discussed with Human Resources and HPD. However, the point is that the current office is very cramped with no current room for expansion.
1. Parking affects everyone that drives to the downtown. This space would provide a location that is easier to locate and access. All things parking could be brought under one roof. This would also include moving a parking staff employee currently located in City Hall.
1. The Parking System would pay rent. While this increases the expense side of the parking operations, it helps with the revenue side of Property Management. There has been no paying tenant in the space since January 1, 2012. The Home Store pays an annual rent of \$1.00 and Spickler's Market pays \$9,187.50 per year. CHIEF paid \$9,200 per year when they vacated the property. Parking could pay a market rate fee per foot similar to Spickler's Market.
1. The Auxiliary Police have already relocated to the basement of the Elizabeth Hager Center. Due to the periodic water infiltration issues in the basement, the general consensus is that the basement area, once occupied by City Ballet, will no longer be rented. There is an office space referred to as "the sewing room" that will easily meet the need of the Auxiliary Police. There is space for storage (bikes, files, etc) and the basement is accessible by steps and an elevator.

Building security has become less of an issue since the ballet school vacated the property. Entry is only during business hours Monday and Friday which has reduced the number of hour's vagrants and others could simply walk into the building. Even so, the Auxiliary Police can patrol the open and common areas much easier providing a level of security currently not on site.

CDBG FUNDING – ROSLYN BUILDING

According to our records, the City acquired the Roslyn Building in 1996 from Hagerstown Table Corporation for \$75,000. In 1998 through 1999, the City expended \$850,000 on renovations and upgrades to the Roslyn Building. The renovation work included but was not limited to: new windows, roofing, fire suppression, new stair tower and elevator, and three fully renovated storefront spaces. The aforementioned acquisition and renovation costs were funded through the Community Development Block Grant (CDBG) program. After the acquisition and initial renovations, the property has been maintained through the property management fund. The upper floors have remained vacant.

Since CDBG funds were used for the property acquisition and renovation of the 25 East Franklin Street space, CDBG restrictions still apply to the use of this space. CDBG regulations prohibit using CDBG funds to acquire or renovate space to be used for the general conduct of

government. Although there are *some* exceptions to this rule, staff have confirmed the Parking System Office would be considered an ineligible use of the space.

Staff have worked with representatives from the Department of Housing and Urban Development (HUD) to identify steps that would eliminate the CDBG restrictions tied to the 25 East Franklin Street space. In order to eliminate the CDBG restrictions on this space, the City would need to use \$46,250 in local funds to repay Hagerstown's CDBG program. The amount of \$46,250 is 5% of the total CDBG funds utilized for the acquisition and renovation of the Roslyn Building. The repayment of 5% is based upon the square footage of the 25 East Franklin Street space (800 square feet) being 5% of the total square footage of the Roslyn building (16,800). If the \$46,250 is refunded to the CDBG program, it will still remain in Hagerstown's CDBG budget and can be used for local CDBG eligible projects. CDBG restrictions to other portions of the building will still be in effect.

Financial Impact:

The current market lease agreement for Spickler's Market rents for \$8.75 per square foot of space and incrementally increases through January 31, 2020. The Parking System would pay a similar amount for the 800 square feet of office space. The proposed rent would calculate as follows:

2017 (Feb 1 – Jan 31)	\$8.75/sf = \$7,000 annually
2018 (Feb 1 – Jan 31)	\$9.25/sf = \$7,400 annually
2019 (Feb 1 – Jan 31)	\$9.25/sf = \$7,400 annually
2020 (Feb 1 – Jan 31)	\$9.50/sf = \$7,600 annually
2021 (Feb 1 – Jan 31)	\$9.50/sf = \$7,600 annually

The city cannot hold a lease with itself. However, money can be transferred from one account to another. Parking Staff would transfer money from the Parking Fund to the Property Management Fund via a monthly journal entry.

If funding is paid back to the CDBG program to lift the restrictions on the 25 East Franklin Street space, the City would need to utilize the funding for an eligible CDBG activity. As suggested by HUD staff, the funding should be used for an existing activity that has already been through the standard CDBG Action Plan and Environmental Review process.

Recommendation:

Staff is recommending the relocation of the Parking System office from the A&E Parking Deck to the Roslyn Building. To do so means a transfer of funds from the Property Management Fund into the CDBG fund to remove the restrictions on the use of the space for a government office. The Parking System would pay a market rate monthly fee as shown previously in this document. Staff looks forward to discussing this issue with the Mayor and Council at a future work session.

Motion:

NA

Action Dates:

NA

ATTACHMENTS:

File Name

Parking_Office_Relocation_Plan_2017.pdf

Description

Memo Relocation of Parking
System Office to 25 E.
Franklin St.



CITY OF HAGERSTOWN, MARYLAND

Public Works Department

(301)739-8577 ext. 178

January 31, 2017

To: Valerie Means, City Administrator

From: Eric B. Deike, Public Works Director
Jonathan Kerns, Community Development Manager

RE: Relocation of Parking System Office to 25 E. Franklin St.

MAYOR AND COUNCIL ACTION REQUESTED

Staff is requesting to relocate the Parking System main office from its current location at 25 Renaissance Way (Arts & Entertainment Parking Deck) to 25 East Franklin Street in the Roslyn Building. There are currently CDBG (Community Development Block Grant) restrictions on using space in the Roslyn Building for governmental offices. The following memorandum explains the reason for the relocation, the CDBG restrictions and a plan to remove the restrictions allowing the space to be used for government offices.

Staff is seeking approval to move funds from the Property Management Fund to CDBG thus releasing the CDBG restrictions on the office space.

DISCUSSION

Staff has been discussing a number of major changes to the Parking System as a way to improve operations and customer service. A priority is to relocate the main Parking System office away from the Arts & Entertainment District Parking Deck (A&E). The current location is in an alley making it difficult for customers to locate it, creates some safety issues for the staff and is simply too small.

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The last paying tenant (CHIEF) vacated the space at the end of 2011. The Auxiliary Police took occupancy sometime after that (not sure of the date) as a satellite office for staff in the downtown. The current tenant does not pay rent for the space.

For the Parking System, here are the benefits of occupying this space:

1. It moves the operations out of an alley into a more public setting. This provides for better customer service so that clients are not standing outside in close proximity to an alley when getting information regarding parking. Clients should feel more comfortable visiting an office rather than standing outside a booth.

2. Currently, permits for the parking lots and decks are sold at City Hall. The selling of permits could be taken out the billing area and manage that process from the new operations center. Permits could still be sold from City Hall as a backup location.
3. Some parking staff members feel vulnerable working alone in the office at the A&E location. There is no visibility to the public or police. They feel a sense of isolation should an incident occur.
4. Other proposed changes to the Parking System include plans for hiring one additional supervisor position and potentially taking the responsibility of parking enforcement. These are longer term goals and have been briefly discussed with Human Resources any HPD. However, the point is that the current office is very cramped with no current room for expansion.
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6. The Parking System would pay rent. While this increases the expense side of the parking operations, it helps with the revenue side of Property Management. There has been no paying tenant in the space since January 1, 2012. The Home Store pays an annual rent of \$1.00 and Spickler's Market pays \$9,187.50 per year. CHIEF paid \$9,200 per year when they vacated the property. Parking could pay a market rate fee per foot similar to Spickler's Market.
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acquisition and initial renovations, the property has been maintained through the property management fund. The upper floors have remained vacant.

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FINANCIAL IMPACT

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RECOMMENDATION

Staff is recommending the relocation of the Parking System office from the A&E Parking Deck to the Roslyn Building. To do so means a transfer of funds from the Property Management Fund into the CDBG fund to remove the restrictions on the use of the space for a government office. The Parking System would pay a market rate monthly fee as shown

previously in this document. Staff looks forward to discussing this issue with the Mayor and Council at a future work session.

cc: M. Hepburn
J. Rodgers

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

Topic:

FY16 CDBG Action Plan Amendment for Unanticipated Program Income- *Jonathan Kerns, Community Development Manager*

Mayor and City Council Action Required:

Staff request Mayor & City Council approval to amend the Community Development Block Grant (CDBG) FY16 Action Plan. The amendment is required for the allocation of unanticipated CDBG Program Income received from a CDBG loan payoff. The proposed amendment will allocate \$80,000 of CDBG funding to construct sidewalk accessibility ramps in multiple City neighborhoods. Staff also request approval of a change order to the existing Accessibility Ramps contract in order to carry out construction of the accessibility ramps. Both actions are scheduled for Mayor & City Council approval during the February 28th Regular Session.

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Amendment_FY2016_CDBG_.pdf

Description

FY16 CDBG Action Plan
Amendment for
Unanticipated Program
Income



CITY OF HAGERSTOWN, MARYLAND

Department of Community and Economic Development
Business and Community Relations Division

To: Valerie Means, City Administrator

From: Jonathan Kerns, Community Development Manager J.K.

Date: February 16, 2017

RE: FY16 CDBG Action Plan Amendment for Unanticipated Program Income

Mayor & Council Action Requested:

Staff request Mayor & City Council approval to amend the Community Development Block Grant (CDBG) FY16 Action Plan. The amendment is required for the allocation of unanticipated CDBG Program Income received from a CDBG loan payoff. The proposed amendment will allocate \$80,000 of CDBG funding to construct sidewalk accessibility ramps in multiple City neighborhoods. Staff also request approval of a change order to the existing Accessibility Ramps contract in order to carry out construction of the accessibility ramps. Both actions are scheduled for Mayor & City Council approval during the February 28th Regular Session.

Background

Each year, the CDBG Program provides funding for various projects throughout the City. Some of this funding is provided to homeowners and service providers in the form of a low interest loan. When these loan funds are repaid, the funding is considered CDBG Program Income (all CDBG regulations still apply). Occasionally, the City receives an unexpected loan payoff resulting in unbudgeted revenue to the CDBG program. Staff has determined the CDBG fund has \$80,000 of unbudgeted revenue from a loan payoff received at the end of FY16.

CDBG Citizen Participation Regulations require this unbudgeted revenue to be allocated by amending the CDBG Action Plan. Amending the CDBG Action Plan involves routine processes typically handled by staff. The amendment for this current case will also require Mayor & City Council approval since the amount of unbudgeted revenue is greater than \$25,000.

Proposed Allocation of Funding

Each year, DCED staff and Parks & Engineering staff work together to carry out CDBG eligible projects in Hagerstown. One of these CDBG funded projects includes upgrading the City's sidewalk system with handicap accessible ramps. These upgrades are required by the

Americans with Disabilities Act (ADA) and using CDBG funds for this project helps lower general fund costs for this particular capital improvement.

The Department of Parks & Engineering has an existing contract with Odd Jobs Contractors, LLC for the installation handicap accessible curb ramps. In a market of constantly increasing costs, a change order to this existing contract would allow the City to take advantage of 2016 competitively bid pricing. With the change order, the current contract amount of \$138,626 would be increased to \$218,626. This change order scenario would also be consistent with CDBG regulations related to Environmental Review and timely spending of grant funds.

Staff recommend amending the FY16 CDBG Action Plan by allocating \$80,000 of unbudgeted Program Income to CIP CO2017 and approving a change order of \$80,000 for contract RFP-16-SA-06 Sidewalk Accessibility Ramps.

Staff will be available to answer any questions on the above items.

Attachments: Amendment to CDBG Action Plan
Change Order – Accessibility Ramps

- c. Jill Frick, Director of Community and Economic Development
Michelle Hepburn, Director of Finance
Rodney Tissue, City Engineer

Amendment to City of Hagerstown CDBG FY 2016 Action Plan

The City proposes to amend the following CDBG activities in the FY 2016 Action Plan:

Receipt of Unanticipated Program Income

In Fiscal Year 2016, the City of Hagerstown received \$80,000 of unanticipated program income through loan repayment funds. \$80,000 of unanticipated program income will be allocated to an existing activity: **Accessibility Ramps**.



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

February 28, 2017

CHANGE ORDER NO. 02

SIDEWALK ACCESSIBILITY RAMPS
CONTRACT RFP-16-SA-06

CONTRACTOR: Odd Jobs Contractors, LLC
38 North Main Street
Keedysville, MD 21756

A. CHANGE TO CONTRACT

	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>COST</u>	<u>TOTAL</u>
1.	Installation of additional handicap-accessible ramps at the intersections of public streets or public streets and alleys.	LS	LS	\$80,000.00
	REQUESTED BY: Community Development			
	REASON: Address additional ramp needs with fund blance.			

NET COST: \$80,000.00

B. COST ESTIMATE:

The original Contract Maximum Amount:	\$130,000.00
Net cost change to Contract from previous Change Orders:	\$8,626.00
The Contract Maximum Amount prior to this Change Order:	\$138,626.00
Net cost change to Contract from this Change Order:	\$80,000.00
The new Contract Maximum Amount including this Change Order:	* \$218,626.00

C. ATTACHMENTS:

N/A

D. TIME IMPACT:

All work shall be completed by April 26, 2017

E. APPROVAL:

OWNER: CITY OF HAGERSTOWN, MD
1 EAST FRANKLIN STREET
HAGERSTOWN, MD 21740

APPROVED BY:

Rodney A. Tissue, P.E.
City Engineer

CONTRACTOR:

APPROVED BY:

Contractor's authorized representative

DATE

c: Dan Poffenberger
Jonathan Kerns

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

Topic:

Change Order for Accessibility Ramps - *Rodney Tissue, City Engineer, and Jonathan Kerns, Community Development Manager*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Offer of Donation of Public Art – *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

donation_of_public_art.pt_1_of_2.pdf

donation_of_public_art.pt_2_of_2.pdf

Description

Offer of Donation of Public Art

Offer of Donation of Public Art



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

February 21, 2017

TO: Valerie Means, City Administrator
FROM: Rodney Tissue, City Engineer *RCT*
RE: Offer of Donation of Public Art

1. Background

We were recently contacted by staff of the Chevy Chase Land Company (CCLC) through our landscape architect on the Cultural Trail, Mahan Rykiel and Associates. The CCLC is endeavoring to completely redesign the streetscape and public space at Farr Park, which is part of a high end boutique shopping center located on Wisconsin Avenue in Chevy Chase, Maryland, just over the border from Washington, D.C. The high end boutiques and restaurants in Chevy Chase are giving way to a more mid-market group of retailers, and the developer is redesigning the area accordingly.

The CCLC owns two landmark public art sculptures currently sited within this area. They must deaccession both sculptures as part of the redesign of the public spaces, and have secured the needed permissions from the Maryland-National Capital Park and Planning Commission in Montgomery County. Both sculptures were created by the award-winning American sculptor Richard Deutsh ten years ago. Based in Los Angeles, Mr. Deutsch is noted for his large-scale architectural and environmental projects in stone, bronze, water and steel. He is the recipient of fellowships from the American Academy in Rome and the National Endowment for the Arts, and his work is in the permanent collections of numerous institutions, including Stanford University, San Francisco's de Young Museum and the Smithsonian Institution.

The first and larger piece, *Against the Day*, is comprised of eight massive granite forms and is offered to a leading art museum in Washington DC.

The second, smaller piece is titled *Pod* and is three hand-carved granite forms that nestle together in a grouping. CCLC has generously offered this sculpture to the City of Hagerstown for the Hagerstown Cultural Trail at no cost, and has offered to provide \$6000 to defray expenses, contingent on the following:

- the city providing an appropriate and prepared site for the piece that is acceptable to the artist
- the city providing transportation and installation for the piece at the new site.

2. Mayor & Council Action Requested

If the Mayor and Council choose to accept this piece, the CCLC requests a letter to confirm our commitment. Council will also need to authorize staff to complete the work.

3. Discussion

Additional information on the proposal:

- A. As a sculpture, "*Pod*" resembles a grouping of very large tree seed pods lying on the ground. Overall, the sculpture's dimensions are 17 feet by 17 feet, with a height at the tallest point of four and a half

feet. The sculpture is hand-carved in solid white granite with a lifespan of many decades. The City will also receive two accompanying laser-cut bronze panels by Richard Deutsch (also of extreme durability) that are about 9' long, 4' high and 3/4" thick. Their design is also reminiscent of seed forms.

- B. **The appraised value is \$300,000.** The appraiser noted that the sculpture is in excellent condition.
- C. The proposed location of Pod is on the west side of the lake in City Park, directly opposite City Circle, at the terminus of the Cultural Trail near the stairs that lead up to the entrance to the Museum of Fine Art of Washington County.

The specific site for the sculpture is a small triangular peninsula that extends into the lake. This peninsula location allows the sculpture to be surrounded on three sides by water and yields 360 degrees of visibility for the artwork. The proposed site is located in comfortable proximity to Fishing Lesson, the bronze sculpture on the far side of the peninsula, and not far from the outdoor sculptures on the museum level above the lake.

The site was developed by the Trail's art consultant in consultation with Mr. Deutsch, who walked the Trail when he visited Hagerstown last fall. A photo-sim of the sculpture on this site is attached.

This sculpture and its siting is consistent with the Trail's Public Art Master Plan as it provides an artistic landmark to highlight the art museum at the trail's southern end, is durable work that is safe for interaction for all ages, and is a high standard of excellence for public art in the city. For all these reasons, the Artist Selection Committee established by the last Mayor and Council unanimously recommends we acquire the piece. The artwork will add prestige and artistic diversity to the Park, the Trail, and the community in general.

- D. The estimated cost of relocating the art in Hagerstown is as follows:

- \$10,000 artist honorarium and consulting fee
- \$3,500 shipping to Hagerstown
- \$20,000 crane service to set piece on peninsula
- \$15,000 rough estimate for site work, pad, and lighting
- \$48,500 project cost**

- E. The budget for the project is as follows:

- \$6,000 donation from CCLC for artist fee and transportation cost
- \$15,000 in fund balance from Cultural Trail project
- \$27,500 for fundraising or CIP fund balance**
- \$48,500 project cost**

**we would need the city to underwrite this amount pending a fundraising effort to find a private donor. A single large donor would be the named sponsor of *Pod*.

- F. We would install it as soon as the funds are in place.

Staff will be available to discuss with Mayor & Council at the next work session.

Attachments: Public Art Relocation as prepared by Streetsense
Photosim of proposed site at City Park

Cc: Mark Haddock, William & Teresa Cochran, HCT Artist Selection Committee

PUBLIC ART RELOCATION

the
collection

CHEVY CHASE

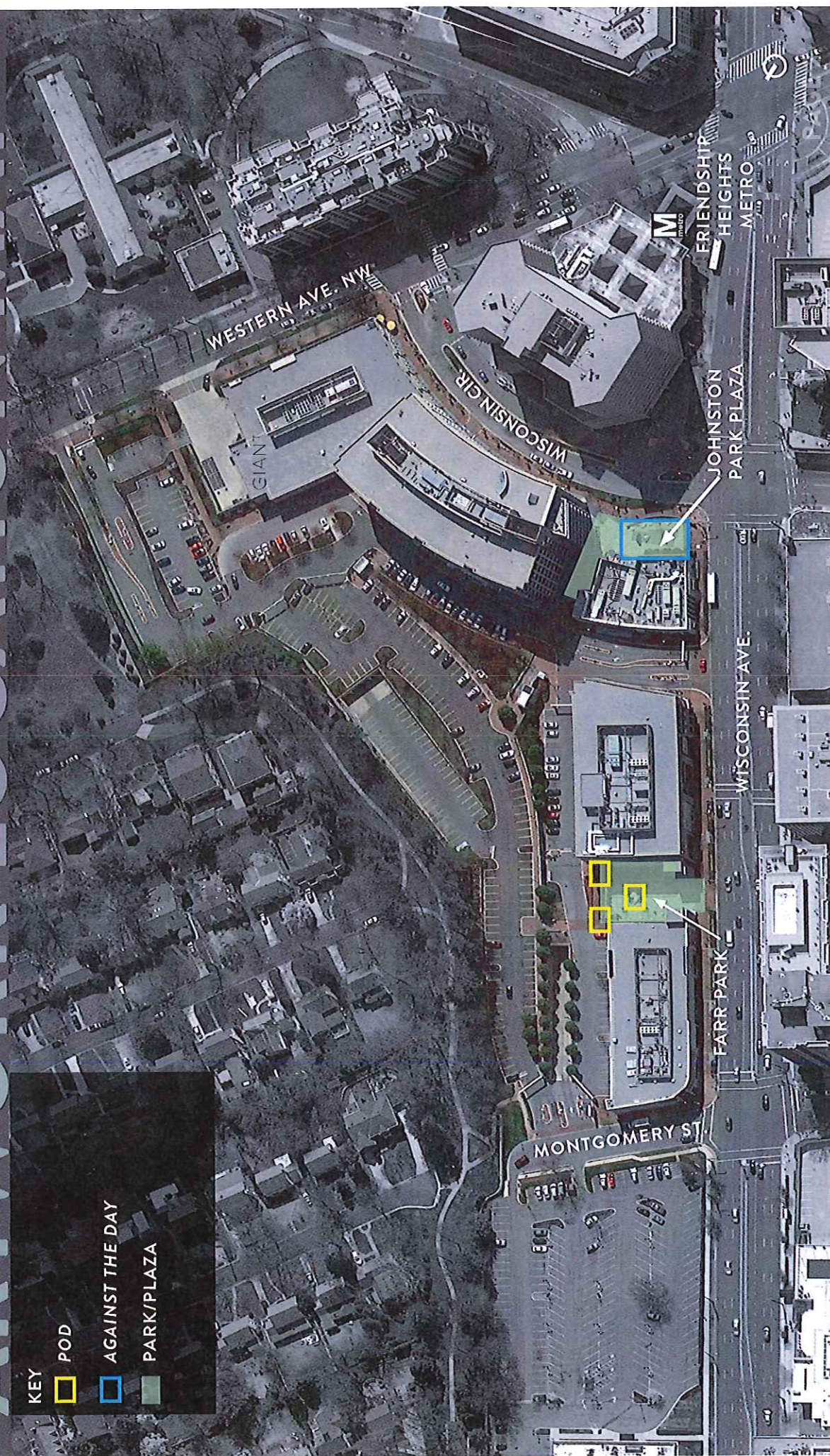


THE CHEVY CHASE
LAND COMPANY

LERCH
EARLY &
BREWER

streetsense.

ARTWORK LOCATION MAP



ARTWORK

Pod

Artist: Richard Deutsch

Location: Farr Park, Chevy Chase, MD

Date: 2007

Medium: White granite and bronze panels

Condition: Excellent

Dimensions: 4'6" x 17' x 17'

Signature: Artist's certificate

Fountain not part of artwork

COMMISSION VALUE: \$250,000

APPRAISED VALUE: \$ 300,000

Against the Day

Artist: Richard Deutsch

Location: Johnston Park Plaza,
Chevy Chase, MD

Date: 2007

Medium: Black, White and Red granite

Condition: Excellent

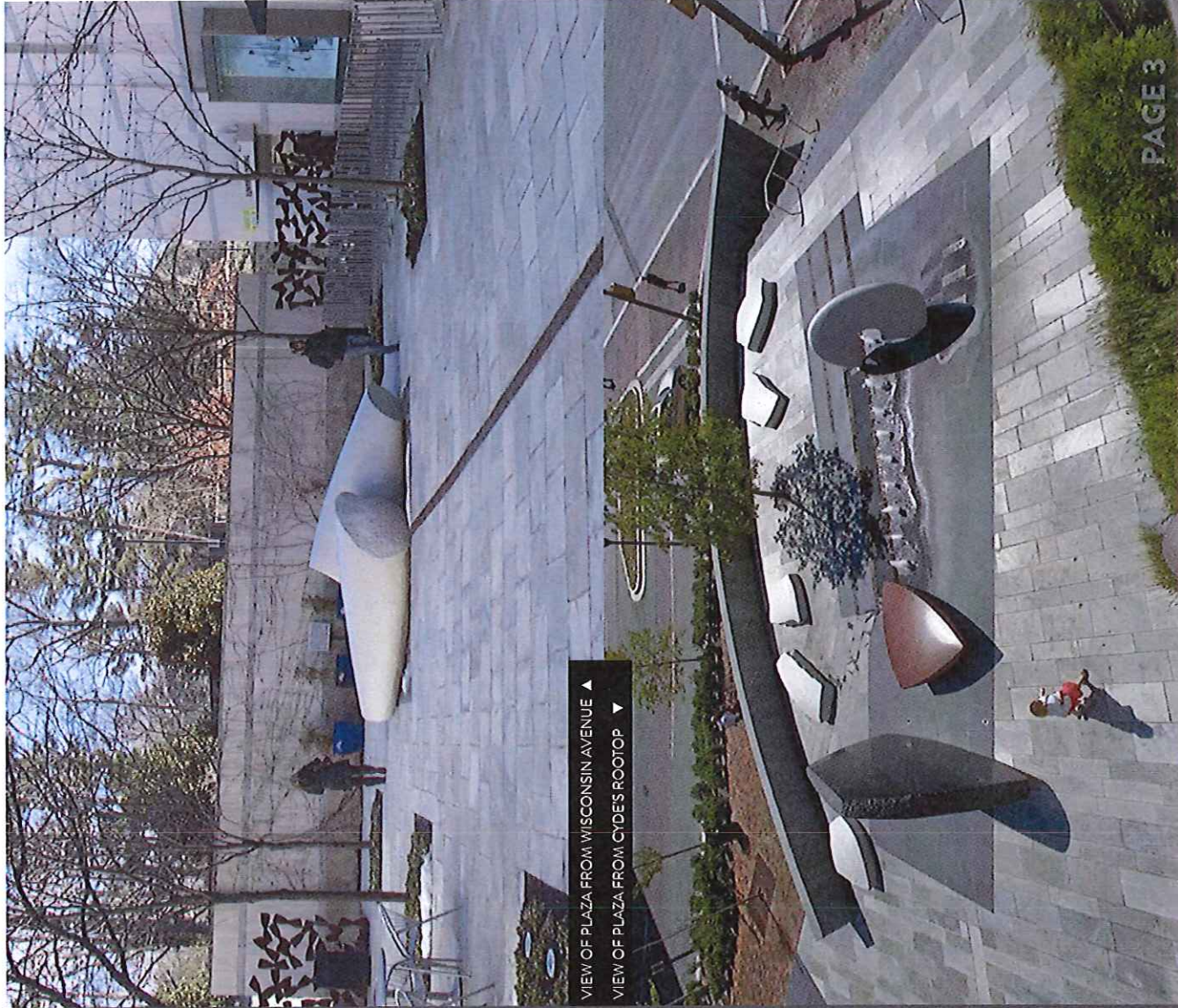
Dimensions: site specific work occupies
9,000 square feet.

Signature: Artist's certificate

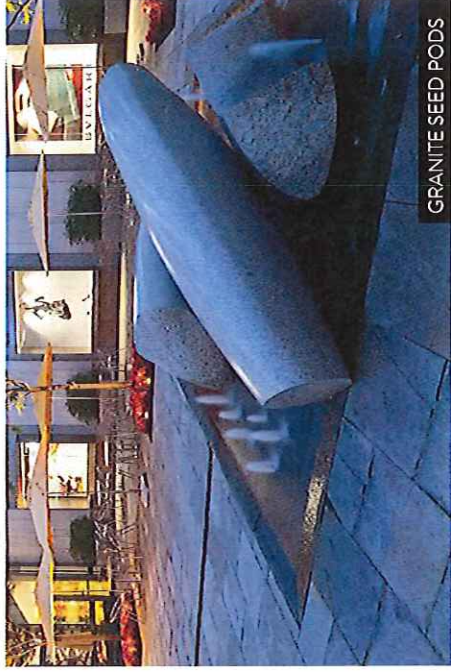
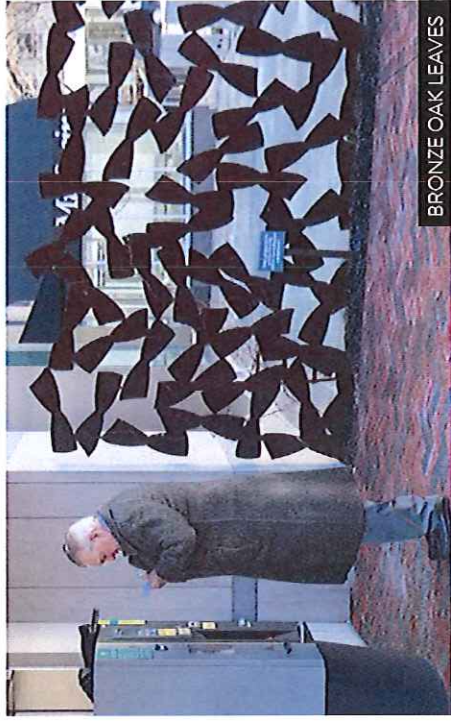
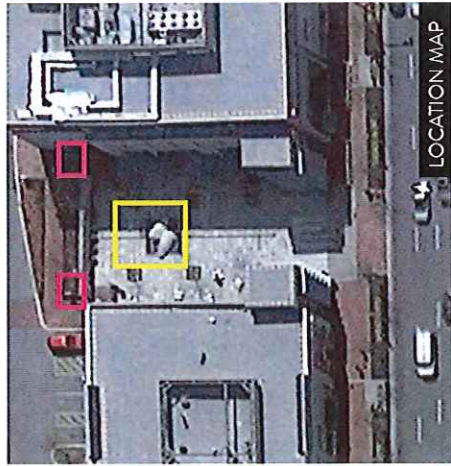
Fountain not part of artwork

COMMISSION VALUE: \$500,000

APPRAISED VALUE: \$ 625,000



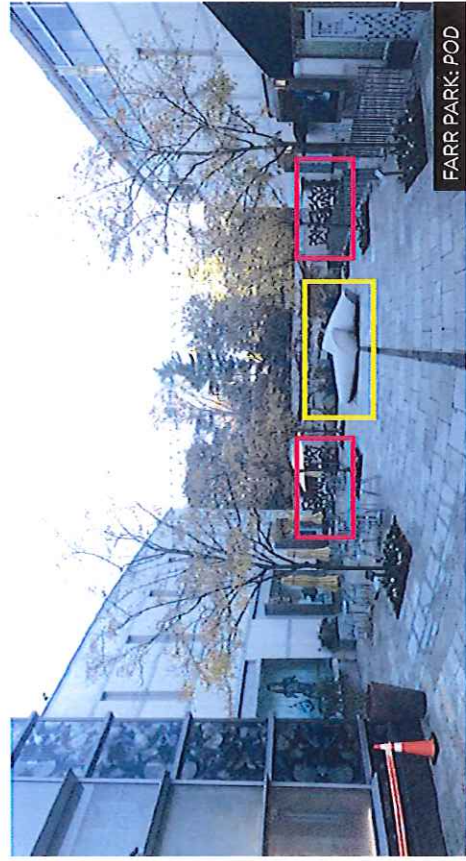
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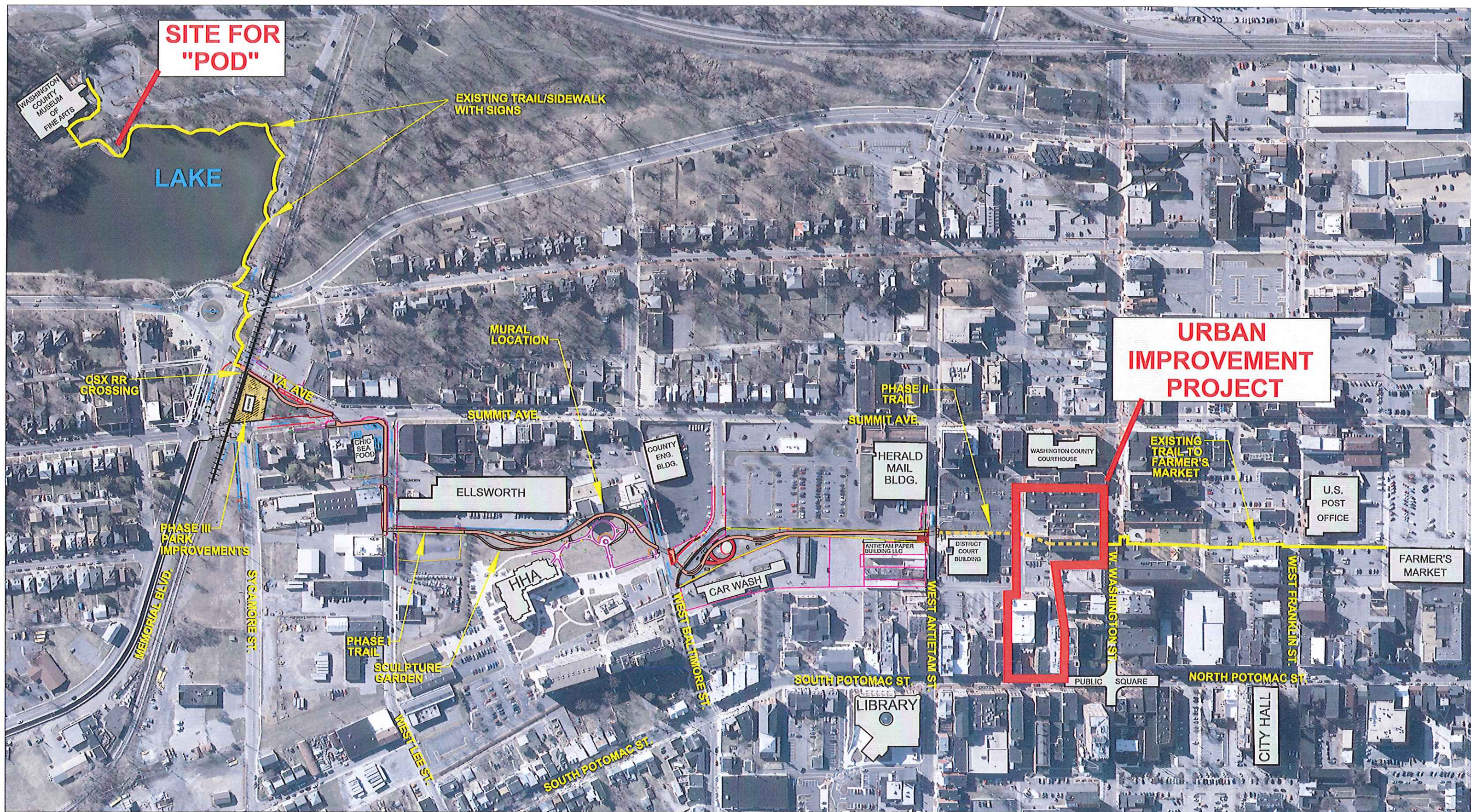


KEY

BRONZE OAK LEAVES

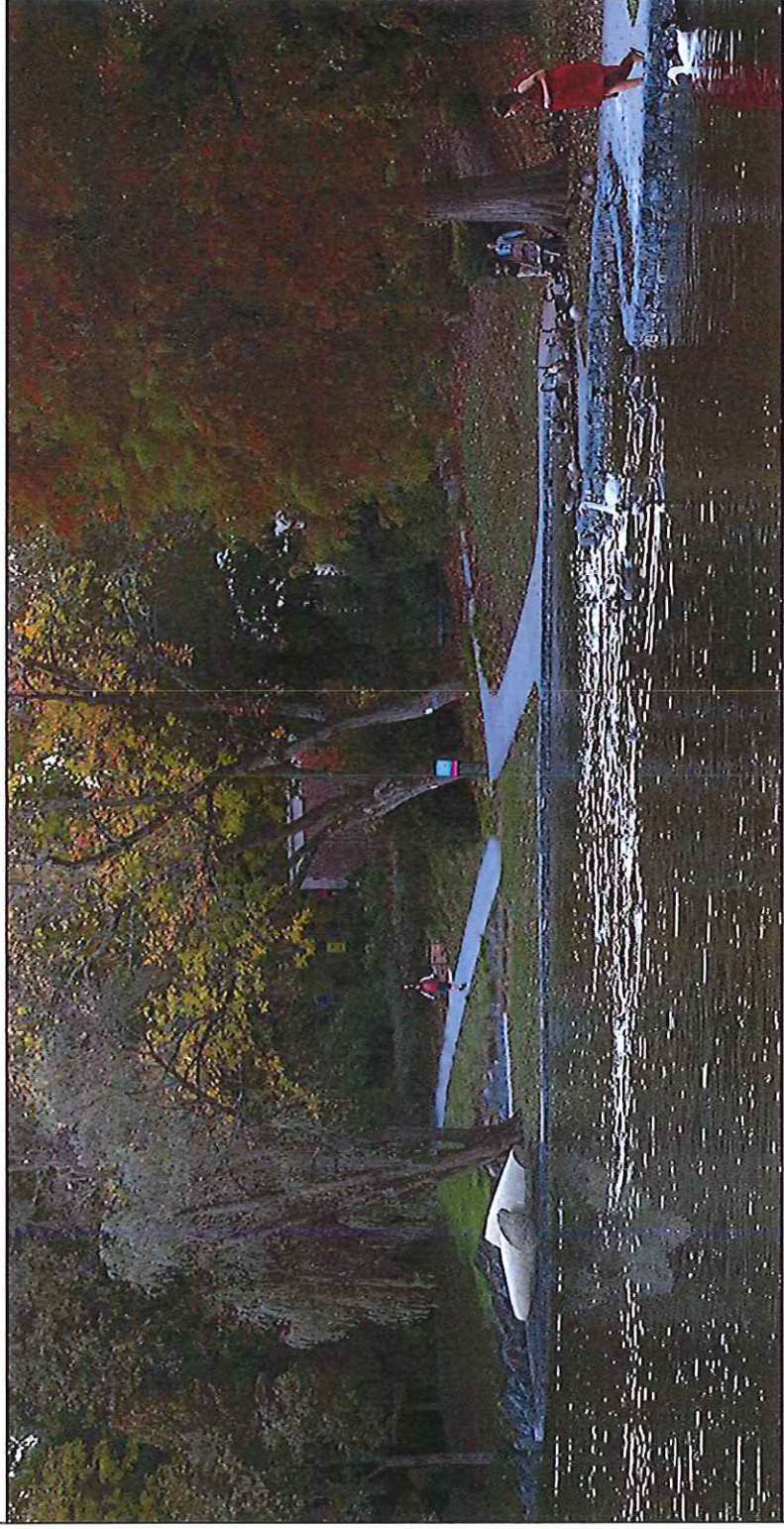
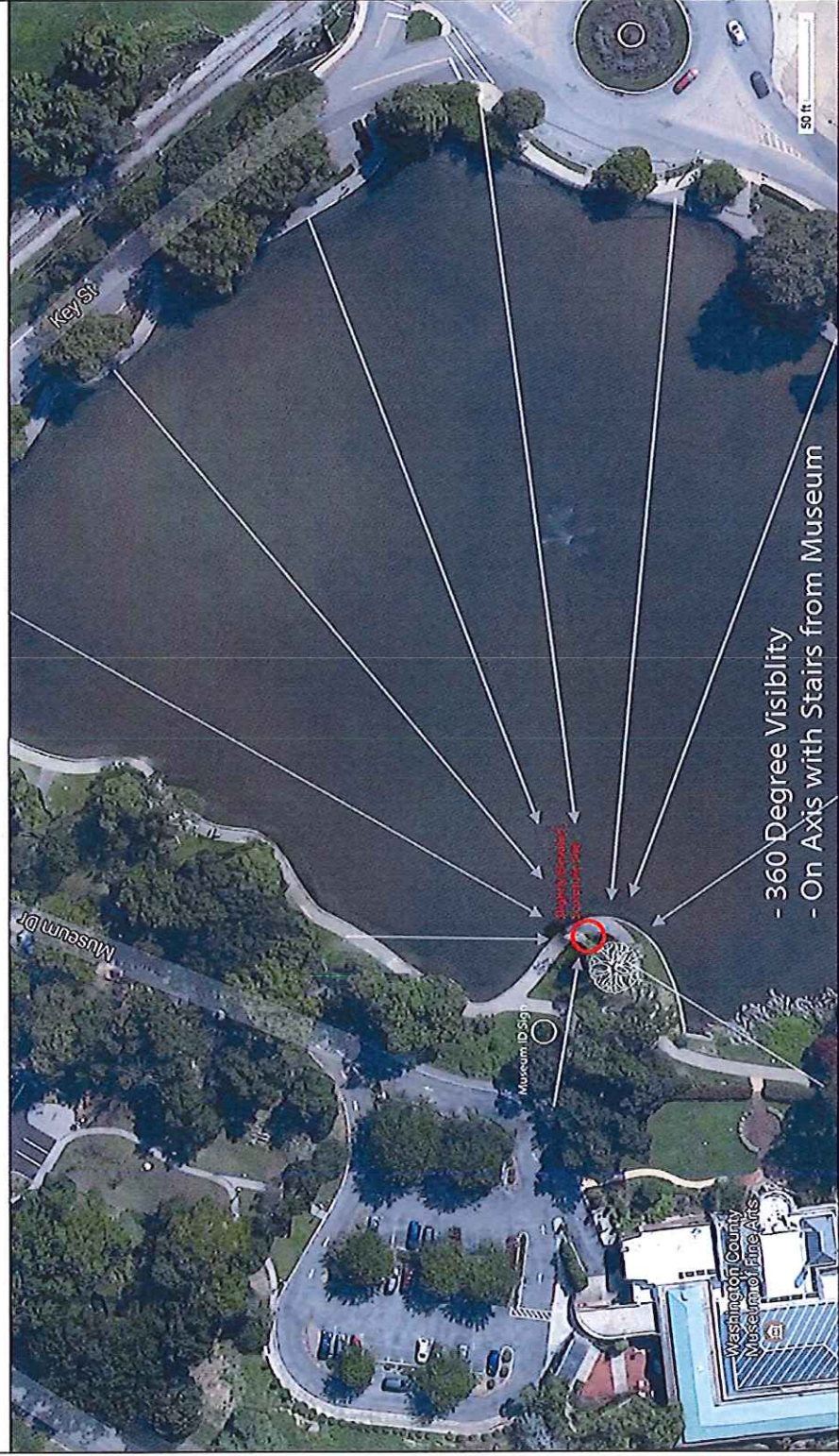
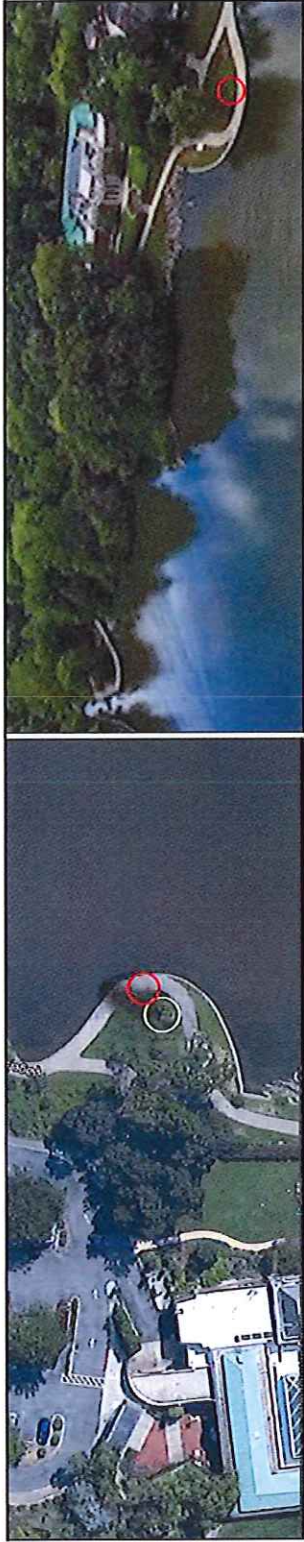
GRANITE SEED PODS





HAGERSTOWN CULTURAL TRAIL

2/15/17
SCALE: 1" = 270'



Proposed Sculpture Site on Peninsula on West Side of City Lake near the Museum of Fine Arts of Washington County - Cochran Studio 1/24/17