Mayor and Council
American Rescue Plan Act (ARPA) Discussion, Special Session (28th Voting Session), and Work Session
December 14, 2021
Agenda

"The City of Hagerstown will promote a diverse, business-friendly, and sustainable community with clean, safe, and strong neighborhoods."
"The City of Hagerstown shall be the model provider of the most efficient and highest quality customer services to be known as the municipal location of choice for all"

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

"Blessed is the season which engages the whole world in a conspiracy of love!" *-Hamilton Wright Mabie*

9:00 AM American Rescue Plan Act (ARPA) Discussion
Meeting Location: Council Chamber, Second Floor, City Hall

4:00 PM SPECIAL SESSION

4:00 PM 1. Approval of an Ordinance: Quit Claim Deed for Portion of Alley #2-105 to Columbia Gas of Maryland, Inc.

4:00 PM WORK SESSION

4:10 PM 1. FY21 Comprehensive Annual Financial Report ~ *Michelle Hepburn, Chief Financial Officer and Christopher Lehman, Engagement Partner*

4:35 PM 2. Preliminary Agenda Review

4:45 PM 3. Red Light and Speed Cameras Update ~ *Paul Kifer, Chief of Police*

5:00 PM 4. Code Amendments – Section 238 and 240 ~ *Nancy Hausrath, Director of Utilities*

5:15 PM 5. Review of Ideas and Options for a Proposed New Farmer's Market ~ *Jill Thompson, Director of Community & Economic Development and Cathleen Miller, Part-Time Farmers Market Coordinator*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
American Rescue Plan Act (ARPA) Discussion
Meeting Location: Council Chamber, Second Floor, City Hall

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: Quit Claim Deed for Portion of Alley #2-105 to Columbia Gas of Maryland, Inc.

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Motion_Ordinance_and_Deed_-_Columbia_Gas_of_MD__12-14-21.pdf	Motion, Ordinance, Quit Claim - Columbia Gas

REQUIRED MOTION

MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Date: December 14, 2021

TOPIC: **Approval of an Ordinance: Quit Claim Deed for Portion of Alley #2-105 to Columbia Gas of Maryland, Inc.**

Charter Amendment	
Code Amendment	
Ordinance	X
Resolution	
Other	

MOTION:

I hereby move to approve an ordinance approving a Quit Claim Deed for a portion of Alley #2-105 to Columbia Gas of Maryland, Inc. The Mayor and City Council have determined that this property is no longer needed for a public purpose and are authorizing its conveyance to an adjoining property owner subject to certain conditions set forth in the Ordinance.

DATE OF INTRODUCTION: November 23, 2021
DATE OF PASSAGE: December 14, 2021
EFFECTIVE DATE: January 14, 2022

CITY OF HAGERSTOWN, MARYLAND

AN ORDINANCE MAKING A DETERMINATION THAT CERTAIN PROPERTY IS NO LONGERNEEDED FOR A PUBLIC PURPOSE AND AUTHORIZING CONVEYANCE TO AN ADJOINING PROPERTY OWNER *SUBJECT TO THE LAND DIVISION REQUIRED PER THE TERMS OF* SALE OF THE ADJOINING PROPERTY TO THE CITY

RECITALS

WHEREAS, the City of Hagerstown is a Municipal Corporation existing under and by virtue of the laws of the State of Maryland; and

WHEREAS, the City has an interest in a parcel of land lying west of Potomac Street, in the City of Hagerstown, commonly known and designated as Alley #2-105 ("the Alley"); and

WHEREAS, in accordance with the provision of the Maryland Code and the Charter of the City of Hagerstown, the Mayor and Council, as the duly constituted legislative body for the City has determined that a portion (specifically 3645 square feet as depicted on the drawing which is attached as Exhibit 1 to the attached Quit Claim Deed) of the aforesaid Alley, will no longer be needed for a public purpose, *should the City effect the land division contemplated in Paragraph 2* of that certain Purchase Agreement between it and Columbia Gas of Maryland, Inc. ("Columbia") dated July 16, 2021 and subsequently amended on October 26, 2021 (collectively "the Purchase Agreement.") The portion of said Alley #2-105 is hereinafter referred to as the "Alley Portion"; and

WHEREAS, Columbia owns property adjoining Alley #2-105 and has requested that the City execute a quit claim of its right, title and interest to the Alley Portion adjacent to and adjoining its property, as a condition of subdividing its property and ultimately selling the subdivided portion to the City in accordance with the Agreement. The portion of Columbia's property to be subdivided and sold to the City is depicted as Purchase Area "A" and Purchase Area "B" on Exhibit 1 to the attached Quit Claim Deed; and

WHEREAS, the City agrees to transfer the Alley Portion to Columbia, subject to the terms set forth in this Ordinance;

WHEREAS, the introduction of this Ordinance shall constitute the twenty (20)-day notice of the proposed transfer as required by law; and

WHEREAS, the Mayor and Council find that the Alley Portion may be quit claimed to the property owner, Columbia, but that said quit claim is made *specifically contingent upon the City effecting the land division required in the Purchase Agreement*, as well as any subsequent amendments to said Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, ENACTED AND ORDAINED as follows:

1. That the foregoing recitals be and are incorporated herein as if fully set forth.

2. That the Mayor and Council find that the Parcel no longer needed for a public purpose.

3. That the Mayor be and is hereby authorized to execute and deliver the attached Quit Claim Deed vesting all of its right, title and interest in the Alley Portion to the adjoining property owner, Columbia Gas of Maryland, Inc. The description and extent of the property so conveyed is as depicted on the attached Quit Claim Deed. The Mayor shall execute said Quit Claim *only in the event that the City effects the land division required in the Purchase Agreement*, as well as any subsequent amendments to said Purchase Agreement. If the land division is not effected, then the City shall not quitclaim the Alley Portion to Columbia.

4. That the Mayor be and is hereby authorized to execute the attached Quit Claim Deed, and such additional documentation and take all necessary steps to carry out the purpose of this Ordinance.

BE IT FURTHER RESOLVED, ENACTED AND ORDAINED, that this Ordinance shall become effective upon the expiration of 30 days from the date of its passage.

WITNESS AND ATTEST AS TO CORPORATE SEAL	MAYOR AND COUNCIL OF THE CITY OF HAGERSTOWN, MARYLAND
______________________	______________________
Donna K. Spickler City Clerk	Emily N. Keller, Mayor

Date of Introduction:	November 23, 2021	PREPARED BY:
Date of Passage:	December 14, 2021	SALVATORE & MORTON
Effective Date:	January 14, 2022	CITY ATTORNEYS

NO TITLE EXAM

THIS QUIT CLAIM DEED, Made this ____ day of __________________, 2022, by THE CITY OF HAGERSTOWN, a MARYLAND MUNICIPAL CORPORATION, "Grantor", to COLUMBIA GAS OF MARYLAND, INC, a corporation formed and existing under the laws of the State of Maryland, "Grantee".

The Mayor and Council of the City of Hagerstown, as its duly constituted legislative body, and pursuant to Article 23A of the Annotated Code of Maryland and the Charter of the City of Hagerstown, have determined that the property hereinafter described and shown is no longer needed for a public purpose.

On November 23, 2021, the Mayor and Council enacted an Ordinance, with an effective date of January 14, 2022, to that effect and authorized abandonment of the hereinafter described property and the transfer of the property by Quit Claim Deed to Columbia Gas of Maryland, Inc. a corporation authorized to conduct business in the State of Maryland, hereinafter referred to as "**GRANTEE**".

The purpose of this Quit Claim Deed is to transfer ownership of all that hereinafter described property to Columbia Gas of Maryland, Inc.

WITNESSETH:

NOW, THEREFORE, the **GRANTOR**, for no monetary consideration, but for other good and valuable consideration, does by these presents release and forever quitclaim to **GRANTEE**, all the right, title, interest, estate, claims, and demands, both at law and in equity of the **GRANTOR** in and to the hereinafter described portion of the bed of Ally #2-105, situate and lying in Election District 3, City of Hagerstown, Washington County, Maryland, namely, a portion of Alley 2-105 containing 3,645 S.F. as depicted on a drawing prepared by Jeffrey N. Swan, City Surveyor, dated July 22, 2021 and titled "Subdivision of Lands of Columbia Gas of Maryland, Inc.," attached hereto and incorporated by reference.

The above-described parcel is hereby conveyed subject to and together with any and all conditions, restrictions, limitations, easements and rights of way of record applicable thereto, including but not limited those set forth on said drawing.

The City specifically reserves unto itself a perpetual and permanent easement over all of said quitclaimed property for access to the electric and communication system including all trenches, conduits, cables, poles, guy wires & anchors, and other facilities over, under, and upon said property, for the purpose of constructing, inspecting, maintaining, repairing, altering, replacing, operating and/or removing said utility lines. City shall replace and restore any area on the property disturbed by City's construction, inspection, maintenance, repair, alteration, replacement, operation and/or removal of said facilities to as near as practical to the property's original condition. This easement is for the benefit of the City and shall be covenant running with said lands and binding upon the Grantee's heirs, successors and assigns.

This deed has been prepared without the benefit of a title examination. All parties affirm their understanding that only a title examination will disclose the status of title, including but not limited to, the quality and quantity of title; the possibility of other persons having an interest in the property conveyed by this deed, as well as any other matters disclosed by an examination of title. Notwithstanding this disclosure and having been fully informed of the cost of accomplishing an examination of title, we elect not to have an examination of this title and release the scrivener of this deed from all and any loss, claim, damages and/or liability resulting from a condition of title which might have been disclosed by a title examination of the property conveyed by this deed.

AFFIDAVIT OF TOTAL PAYMENT TO GRANTOR(S)

Pursuant to the Annotated Code of Maryland, Tax General Article Section 10-912, the herein Grantor(s) hereby state under the penalties of perjury that:

(1) It is a Resident Entity of the State of Maryland;

(2) The purchase price of the herein described property is $0.00, as recited herein;

The above property is conveyed subject to and together with all the conditions, restrictions, easements, and rights of way of record applicable thereto.

WITNESS the hand and seal of the Grantor by its duly authorized officer.

ATTEST:	CITY OF HAGERSTOWN, a Maryland Municipal Corporation
______________________________	______________________________(SEAL)
Donna K. Spickler, City Clerk	By: Emily N. Keller, Mayor
ATTEST:	COLUMBIA GAS OF MARYLAND, INC.
______________________________	______________________________(SEAL)
	By: Printed name: Title:

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY, that on this _____ day of ______________________, 2022, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Emily N. Keller, Mayor of the City of Hagerstown, who acknowledged that he executed the aforegoing deed for the purposes therein contained.

WITNESS my hand and Official Notarial Seal.

____
Notary Public

My Commission Expires:

STATE OF MARYLAND, COUNTY OF WASHINGTON, to-wit:

I HEREBY CERTIFY, that on this _____ day of ______________________, 2022, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared _______________, the __________________of Columbia Gas of Maryland, Inc., who acknowledged that he executed the aforegoing deed for the purposes therein contained.

WITNESS my hand and Official Notarial Seal.

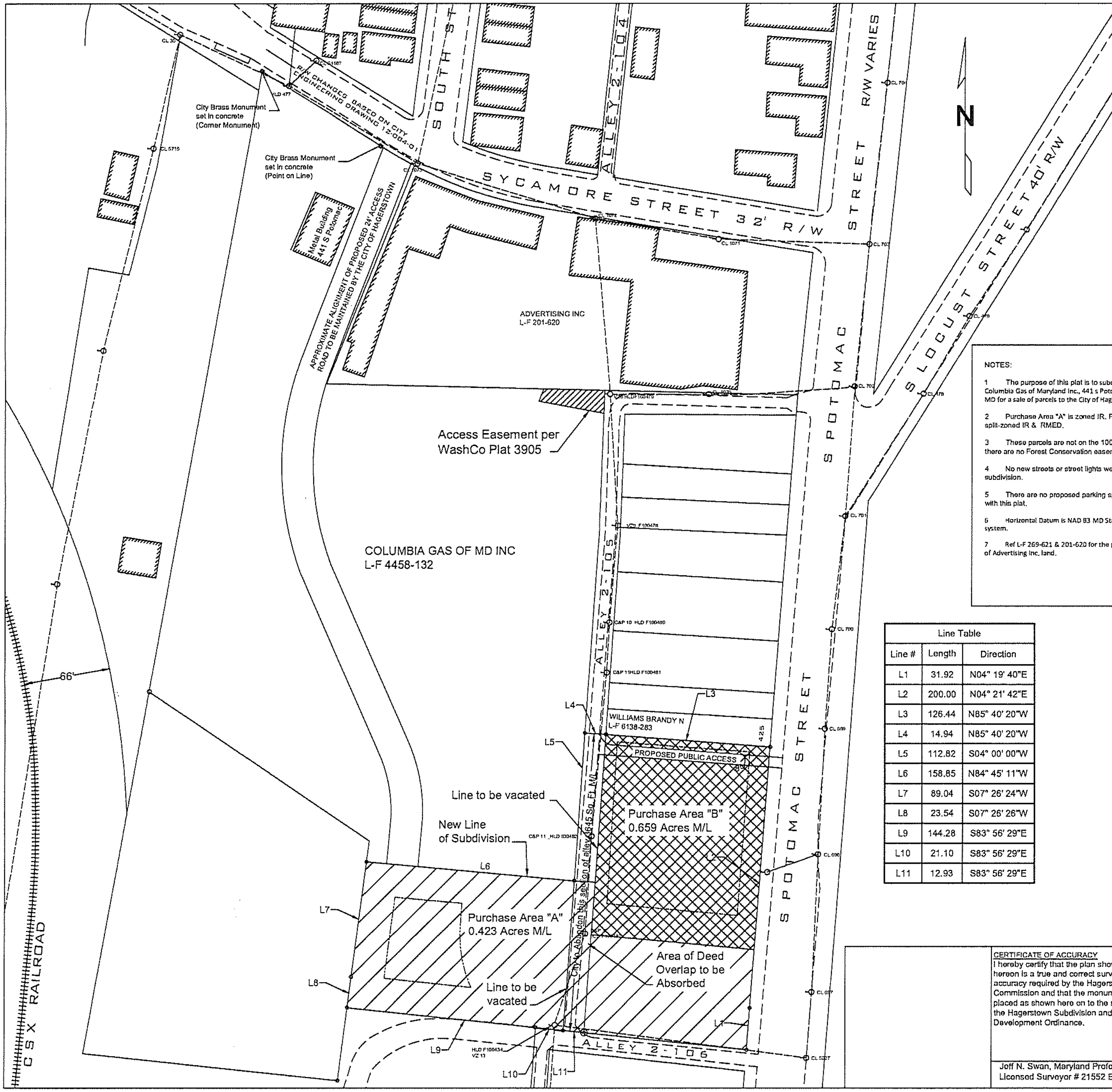
____
Notary Public

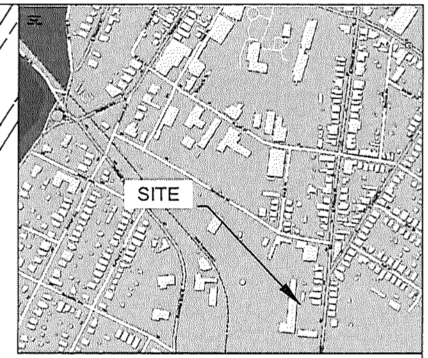
My Commission Expires:

This is to certify that the within instrument was prepared by or under the supervision of the undersigned attorney at law.

____
Jason Morton

Mail to: **Columbia Gas of Maryland, Inc.**
c/o NiSource Real Estate Services
801 E. 86th Avenue
Merrillville, Indiana 46410
Attn: Corporate Real Estate Department





VICINITY MAP - NTS

NOTES:

1 The purpose of this plat is to subdivide the Lands of Columbia Gas of Maryland Inc., 441 s Potomac St. Hagerstown, MD for a sale of parcels to the City of Hagerstown.

2 Purchase Area "A" is zoned IR. Purchase Area "B" is split-zoned IR & RMED.

3 These parcels are not on the 100 year floodplain and there are no Forest Conservation easements.

4 No new streets or street lights were created by this subdivision.

5 There are no proposed parking spaces associated with this plat.

6 Horizontal Datum is NAD 83 MD State Plane Coordinate system.

7 Ref L-F 269-621 & 201-620 for the present configuration of Advertising Inc. land.

EASEMENT TABLE

The following easements are to be created with this plat:

Road R/W access from proposed Firehouse to Sycamore Street, approximately 577' long and 24' wide. Across the lands of Columbia Gas for the benefit of the City of Hagerstown.

OVERHEAD ELECTRIC
RMED BUILDING SETBACK
IR BUILDING SETBACK
RMED ZONING
IR ZONING

50 0 50 100
1" = 50'

Line Table		
Line #	Length	Direction
L1	31.92	N04° 19' 40"E
L2	200.00	N04° 21' 42"E
L3	126.44	N85° 40' 20"W
L4	14.94	N85° 40' 20"W
L5	112.82	S04° 00' 00"W
L6	158.85	N84° 45' 11"W
L7	89.04	S07° 26' 24"W
L8	23.54	S07° 26' 26"W
L9	144.28	S83° 56' 29"E
L10	21.10	S83° 56' 29"E
L11	12.93	S83° 56' 29"E

Wash Co Plat #______________

CERTIFICATE OF ACCURACY
I hereby certify that the plan shown and described hereon is a true and correct survey to the accuracy required by the Hagerstown Planning Commission and that the monuments have been placed as shown here on to the specifications of the Hagerstown Subdivision and Land Development Ordinance.

Jeff N. Swan, Maryland Professional
Licensed Surveyor # 21552 Exp. 12-22-2021

Subdivision of Lands of
Columbia Gas of Maryland INC.

CITY OF HAGERSTOWN, MD
DEPARTMENT OF
ENGINEERING

Washington County Tax Map No. 313
441 S Potomac St Hagerstown,
WASHINGTON COUNTY, MARYLAND

Drawn By: jns Date: 7-22-21 Scale 1" = 50'
Survey By: jns Date:7-20-21 City Tax Map 30 p. 31 & 21
Election District 3

SHEET No.	CITY DRAWING NUMBER
1 of 2	62-222-01

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
FY21 Comprehensive Annual Financial Report ~ *Michelle Hepburn, Chief Financial Officer and Christopher Lehman, Engagement Partner*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
FY21_Auditor_Annual_Report_Presentation.pdf	FY21 Comprehensive Annual Financial Report and Presentation

TO: Mayor & Councilmembers
Scott Nicewarner, City Administrator

FROM: Michelle Hepburn, Chief Financial Officer
Brooke Garver, Accounting/Budget Manager

SUBJECT: FY21 Comprehensive Annual Financial Report

DATE: December 14, 2021

The Finance Department will be joined by our independent auditing firm, S B& Company, LLC to present the City's Comprehensive Annual Financial Report for FY21. The presentation will provide an overview of S B& Company, LLC's comments and recommendations for our FY21 financial statements audit.

The preparation of this report would not have been possible without the dedicated efforts of the entire Finance Department.

The copies of the FY21 Comprehensive Annual Financial Report were distributed in early November and you can find a copy of the FY21 report electronically on the City's website (www.hagerstownmd.org).

SB & COMPANY, LLC

Knowledge • Quality • Client Service

Presentation to the City Council

December 14, 2021

AGENDA

1. Introductions
2. Executive Summary
3. Audit Approach
4. Audit Results
5. Required Communications
6. Meeting Your Expectations

Introductions

INTRODUCTIONS

SB & Company, LLC

- Chris Lehman, Engagement Partner

Executive Summary

SCOPE OF SERVICES

- Audit of the June 30, 2021, financial statements
- Performance of Uniform Guidance Single Audit
- Review of Uniform Financial Report
- Review of Data Collection form
- Available for year-round consultation

SUMMARY OF THE RESULTS

- Issued an unmodified opinion on the financial statements
- Discovered no instances of fraud
- Discovered no material weakness in internal controls
- Received full cooperation from management
- Results:

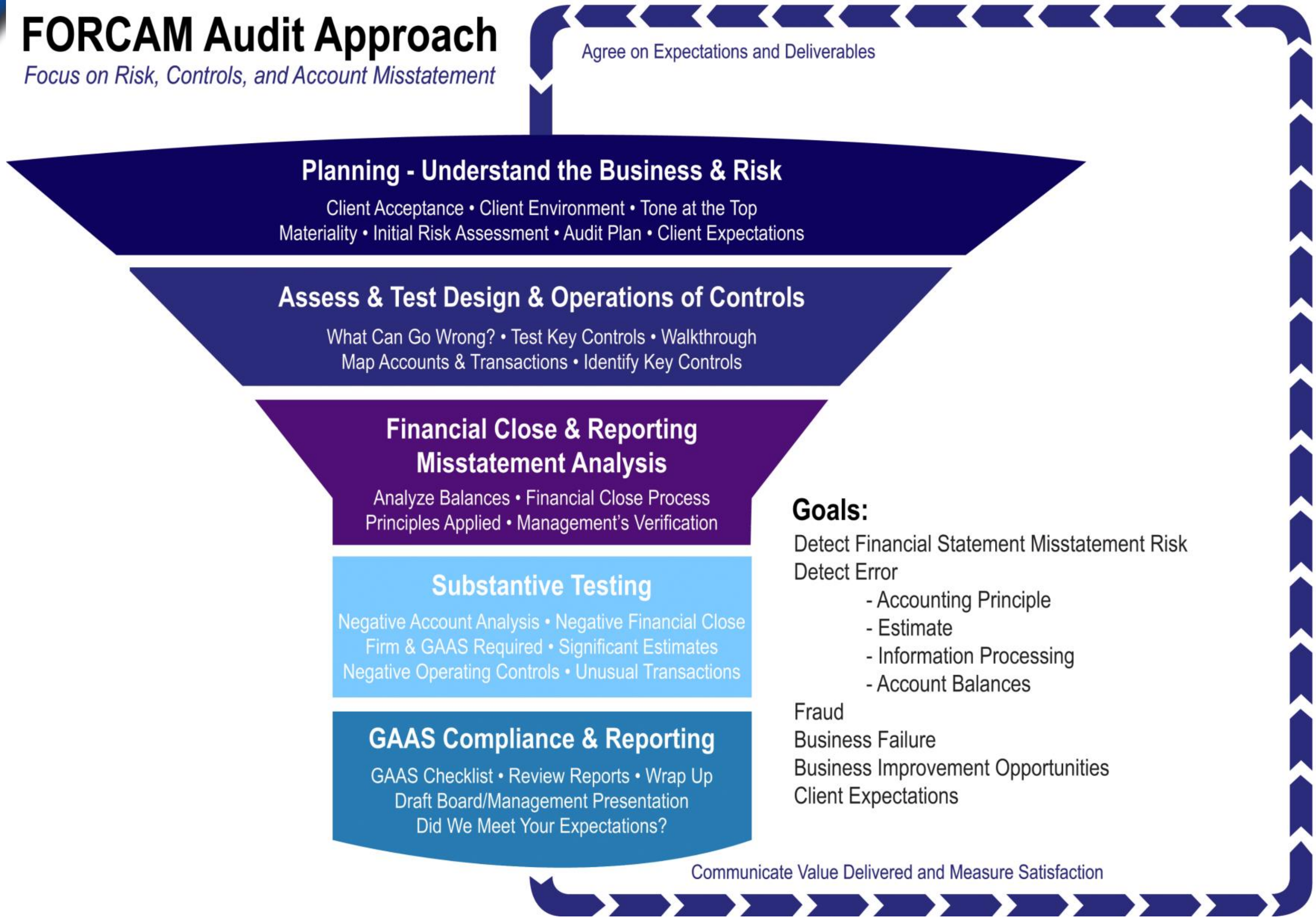
	2021	2020	2019
Change in Net Position	**$ 15,060,007**	$ 3,964,305	$ 4,794,879
Net Position	**$ 218,658,511**	$ 203,598,504	$ 199,634,199

- Audit journal entries
    - No Audit journal entries noted

Audit Approach

FORCAM Audit Approach

Focus on Risk, Controls, and Account Misstatement



Assessment of Control Environment

Area	Points to Consider	Our Assessment
Control Environment	▪ Key executive integrity, ethical, and behavior ▪ Control consciousness and operating style ▪ Commitment to competence ▪ Board's participation in governance and oversight ▪ Organizational structure, responsibility, and authority ▪ HR policies and procedures	Effective
Risk Assessment	▪ Mechanisms to anticipate, identify, and react to significant events ▪ Processes and procedures to identify changes in GAAP, business practices, and internal control	Effective
Information & Communication	▪ Adequate performance reports produced from information systems ▪ Information systems are connected with business strategy ▪ Commitment of HR and finance to develop, test, and monitor IT systems and programs ▪ Business continuity and disaster recovery for IT ▪ Established communication channels for employees to fulfill responsibilities ▪ Adequate communication across organization	Effective
Control Activities	▪ Existence of necessary policies and procedures ▪ Clear financial objectives with active monitoring ▪ Logical segregation of duties ▪ Periodic comparisons of book-to-actual and physical count-to-books ▪ Adequate safeguards of documents, records, and assets ▪ Assess controls in place	Effective
Monitoring	▪ Periodic evaluations of internal controls ▪ Implementation of improvement recommendations	Effective

EVALUATION OF KEY PROCESSES

Process	Function	A	B	C	D	Our Assessment
Treasury	• Cash Management • Investment Monitoring • Investment Policy • Investment Accounting • Investment Valuation • Reconciliation	✓	✓	✓	✓	Effective
Estimation	• Methodology • Information • Calculation	✓	✓	✓	*	Effective
Financial Reporting	• Accounting Principles and Disclosure • Closing the Books • Report Preparation • General Ledger and Journal Entry Processing • Verification and Review of Results	✓	✓	✓	*	Effective
Expenditures	• Purchasing • Receiving • Accounts Payable and Cash Disbursement	✓	✓	✓	✓	Effective

A	Understand the Process
C	Walk-through

B	What Can Go Wrong?
D	Test of Controls/Substantive

* Substantive approach only

Evaluation of Key Processes (continued)

Process	Function	A	B	C	D	Our Assessment
Payroll	• Attendance Reporting • Payroll Accounting and Processing • Payroll Disbursements	✓	✓	✓	✓	Effective
Revenue	• Billing • Cash Receipts • Revenue Recognition • Cutoff	✓	✓	✓	✓	Effective
Fixed Assets	• Physical Custody • Asset and Construction in Process Accounting • Report Preparation	✓	✓	✓	✓	Effective

A	Understand the Process
C	Walk-through

B	What Can Go Wrong?
D	Test of Controls/Substantive

Audit Results

Financial Statement Highlights

	Governmental Activities			Business-type Activities		
	2021	**2020**	**2019**	**2021**	**2020**	**2019**
Current and other assets	**$ 49,581,181**	$ 34,564,319	$ 36,100,964	**$ 48,385,929**	$ 41,706,209	$ 44,549,690
Capital assets	**87,371,825**	85,000,642	84,100,043	**198,258,171**	203,091,109	201,017,529
Total assets	**136,953,006**	119,564,961	120,201,007	**246,644,100**	244,797,318	245,567,219
Deferred outflows	**3,894,871**	4,880,737	5,439,875	**1,914,337**	1,918,520	1,944,490
Long-term liabilities	**75,365,678**	83,119,191	82,329,480	**54,300,512**	58,249,238	60,975,530
Other liabilities	**20,310,551**	11,389,147	11,012,353	**12,261,804**	12,468,440	16,068,554
Total liabilities	**95,676,229**	94,508,338	93,341,833	**66,562,316**	70,717,678	77,044,084
Deferred inflows	**7,203,001**	1,576,619	2,423,082	**1,306,257**	760,397	709,393
Net position						
Net investment in capital assets	**71,600,496**	67,629,556	66,784,135	**157,963,476**	159,951,217	154,076,731
Restricted	**5,539,165**	4,812,010	11,549,646	**-**	-	-
Unrestricted	**(39,171,014)**	(44,080,825)	(48,457,814)	**22,726,388**	15,286,546	15,681,501
Total Net Position	**$ 37,968,647**	$ 28,360,741	$ 29,875,967	**$ 180,689,864**	$ 175,237,763	$ 169,758,232

FINANCIAL STATEMENT HIGHLIGHTS (CONTINUED)

	Governmental Activities			Business-type Activities		
	2021	2020	2019	2021	2020	2019
REVENUES						
Charges for current services	**$ 9,455,056**	$ 8,227,084	$ 9,038,555	**$ 53,458,451**	$ 52,065,364	$ 52,589,568
Operating grants and contributions	**4,923,824**	2,246,769	3,061,406	**894,857**	240,000	750,196
Capital grants and contributions	**5,151,802**	1,006,232	845,126	**4,965,080**	5,037,394	2,568,732
Property taxes	**33,417,546**	32,399,365	32,047,754	-	-	-
Income and other taxes	**6,749,366**	5,930,706	5,735,651	-	-	-
Miscellaneous	**614,928**	943,594	932,282	**41,928**	295,674	409,075
Total Revenues	**$ 60,312,522**	$ 50,753,750	$ 51,660,774	**$ 59,360,316**	$ 57,638,432	$ 56,317,571
EXPENSES						
General government	**$ 10,425,129**	$ 10,986,324	$ 10,613,252	**$ -**	$ -	$ -
Public safety	**26,871,881**	26,395,843	24,243,025	-	-	-
Highways and streets	**2,693,869**	3,044,652	3,258,426	-	-	-
Waste, collection and disposal	**2,834,652**	2,621,986	2,562,226	-	-	-
Culture and recreation	**2,946,663**	3,267,389	3,090,190	-	-	-
Economic and community development	**4,719,711**	4,958,500	4,757,014	-	-	-
Interest on long-term debt	**475,278**	668,563	615,223	-	-	-
Utilities and other proprietary funds	-	-	-	**53,645,648**	52,484,620	54,044,110
Total Expenses	**$ 50,967,183**	$ 51,943,257	$ 49,139,356	**$ 53,645,648**	$ 52,484,620	$ 54,044,110

Required Communications

REQUIRED COMMUNICATIONS

Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)	The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America, and provide for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were engaged to perform our audit in accordance with the standards of the accounting principles generally accepted in the United States of America.	
Significant Accounting Policies	Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by management are described in the notes to the financial statements.	
Auditor's Judgments About the Quality of Accounting Principles	We discuss our judgments about the quality, not just the acceptability, of accounting principles selected by management, the consistency of their application, and the clarity and completeness of the financial statements, which include related disclosures.	*We have reviewed the significant accounting policies adopted by the City and have determined that these policies are acceptable accounting policies.*
Audit Adjustments	We are required to inform the City's oversight body about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the entity's financial reporting process. We also are required to inform the City's oversight body about unadjusted audit differences that were determined by management to be individually and in the aggregate, immaterial.	*There were no recorded or unadjusted audit adjustments for the City's audit.*

REQUIRED COMMUNICATIONS
(CONTINUED)

Fraud and Illegal Acts	We are required to report to the City's oversight body any fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.	*Our procedures identified no instances of fraud or illegal acts.*
Material Weaknesses in Internal Control	We are required to communicate all significant deficiencies in the City's systems of internal controls, whether or not they are also material weaknesses.	*We have not identified any material weaknesses in internal controls.*
Other Information in Documents Containing Audited Financial Statements	None.	
Disagreements with Management on Financial Accounting and Reporting Matters	None.	

Required Communications
(continued)

Serious Difficulties Encountered in Performing the Audit	None.
Major Issues Discussed with Management Prior to Acceptance	None.
Management Representations	We received certain written representations from management as part of the completion of the audit.
Consultation with Other Accountants	To our knowledge, there were no consultations with other accountants since our appointment as the City's independent public accountants.
Independence	As part of our client acceptance process, we go through a process to ensure we are independent of the City. We are independent of the City.

REQUIRED COMMUNICATIONS (CONTINUED)

Our Responsibility Related to Fraud

- Comply and perform the audit to obtain reasonable assurance that there is no material misstatement caused by error or fraud;
- Comply with GAAS AU-C 240 “Consideration of Fraud in a Financial Statement Audit”;
- Approach all audits with an understanding that fraud could occur in any entity, at any time, by anyone; and
- Perform mandatory procedures required by GAAS and our firm policies.

Examples of Procedures Performed

- Discuss thoughts and ideas in areas where the financial statements might be susceptible to material misstatement due to fraud;
- Understand pressures on the financial statement results;
- Understand the tone and culture of the organization;
- Look for unusual or unexpected transactions, relationships, or procedures;
- Discussions with individuals outside of finance;
- Evaluate key processes and controls; and
- Consider information gathered throughout the audit.

Responsibility for Mitigating Fraud

Management:

- CFO/Controller: controls to deter and detect fraud
- General Counsel/Compliance: monitoring

External Auditor:

- Evaluate management programs and controls to deter and detect fraud for identified risks
- Reasonable assurance that financial statements are free of material misstatement due to fraudulent financial reporting or misappropriation of assets
- Compliance with fraud standard (SAS 99)
  - Conversations with finance and operations personnel
  - Disaggregated analytics
  - Surprise audit procedures
  - Journal entry testing

Audit Committee:

- Evaluate management identification of fraud risk
- Evaluate implementation of fraud controls
- Reinforce “tone at the top”
- Conduct special investigations

REQUIRED COMMUNICATIONS – FRAUD

Opportunity

- Generally provided through weaknesses in internal control
- Tone at the top is important
- We assess controls and tone at the top

Pressure

- Pressure can be imposed due to economic troubles, personal vices and unrealistic deadlines and performance goals
- There are increased pressures due to economy and minimal salary increases

Rationalization

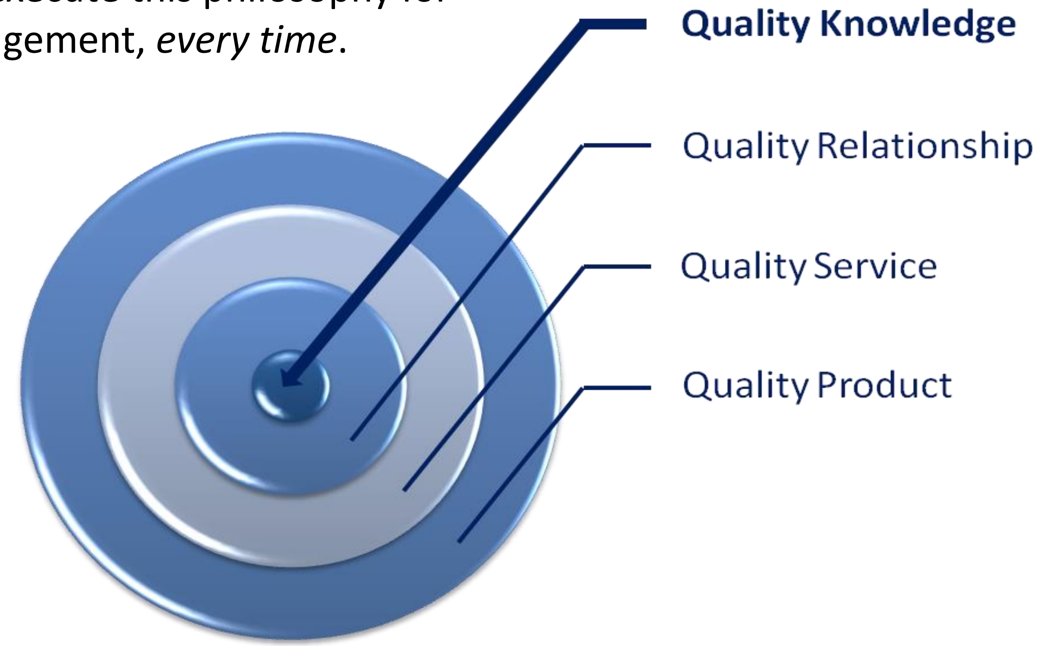
- Individuals develop a justification for their fraudulent activities
- Increased rationalization due to minimal salary increases and less personnel

Meeting Your Expectations

SBC's Service Pledge to You

We will consistently deliver a **Quality Product** and **Quality Service** so that we have the opportunity to establish a **Quality Relationship** with you, allowing us to provide you with **Quality Knowledge** for your continual success. Only after we have provided you with the knowledge that enables your business to grow and prosper, we have ***hit the bullseye!***

Our commitment to you is the execution of our **Bullseye Philosophy.** We execute this philosophy for every client, on every engagement, *every time*.



Engagement Team Contact Information

Chris Lehman
Engagement Partner

Office: (410) 584-2201
Mobile: (301) 785-7408
clehman@sbandcompany.com

Executive Assistant:
Tina Riley
Office: (410) 584-9304
Email: triley@sbandcompany.com

SB & COMPANY, LLC

Knowledge • Quality • Client Service

Baltimore Office:
10200 Grand Central Avenue
Suite 250
Owings Mills, MD 21117
410.584.0060

Washington, DC Office:
1200 G Street, NW
Suite 821
Washington, DC 20005
202.434.8684

Philadelphia Office:
1500 Market Street
12th Floor, East Tower
Philadelphia, PA 19102
215.665.5749

Richmond Office:
6802 Paragon Place
Suite 410
Richmond, VA 23230
804.441.6000

South Florida Office:
4000 Hollywood
Suite 555-S
Hollywood, FL 33021
954.843.3477

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:

ATTACHMENTS:

File Name	Description
December_21__2021_Preliminary_Agenda.pdf	Preliminary Agenda

MAYOR AND COUNCIL
REGULAR SESSION (29TH VOTING SESSION)
DECEMBER 21, 2021
AGENDA

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe and vibrant neighborhoods."

"The City of Hagerstown shall be a community focused municipality."

Preliminary Agenda

****

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

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7:00 p.m. REGULAR SESSION – *Council Chamber, 2nd floor, City Hall*

I. CALL TO ORDER - Mayor Emily Keller

II. INVOCATION

III. PLEDGE TO THE FLAG

IV. ANNOUNCEMENTS

A. Rules of Procedure – *Effective December 15, 2020*
B. Use of cell phones during meetings is restricted.
C. All correspondence for distribution to Elected Officials should be provided to the City Clerk and should include a copy for the City Clerk for inclusion in the official record.
D. Meeting Schedule:
   1. Tuesday, January 4, 2022 – No Meeting Scheduled
   2. Tuesday, January 11, 2022 – Work Session at 4:00 p.m.
   3. Tuesday, January 18, 2022 – Work Session at 4:00 p.m.
   4. Tuesday, January 25, 2022 – Regular Session at 7:00 p.m.

V. CITIZEN COMMENTS

Citizens are welcome to provide comments in person or by sending an email to councilcomments@hagerstownmd.org no later than 5:00 p.m. on Tuesday, December 21, 2021. Include your full name, home street address, and topic of your comments. You may attach a letter to the email, or write your comments in the body of the message. The City Clerk will read your name, address, and provide a summary of the comments. The full copy of the comments will be provided for public viewing as part of the minutes.

VI. CONSENT AGENDA

A. Engineering
   1. Design of Phase I of Improvements to Wheaton Park – Mahan Rykiel Associates, Inc. (Triad Engineering is sub for Mahan Rykiel) (Baltimore, MD) $36,200.00
   2. Restoration of Fairgrounds Entrance Building and Gatekeepers House and Contingency for Change Orders – Popowski Brothers, Inc. (Hunt Valley, MD) $160,000.00

B. Public Works:
   1. 2022 F-150 4x4 SuperCab Pickup 6 Foot Box – Keystone Ford (Chambersburg, PA) $33,457.00
   2. 2022 F-150 4x4 SuperCab Pickup 8 Foot Box – Keystone Ford (Chambersburg, PA) $33,958.00
   3. Roof Replacement at 60 West Washington Street – Ruff Roofing and Sheet Metal, Inc. (Baltimore, MD) $191.679.00

C. Technology & Support Services:
   1. Barracuda Backup Server and Cloud Storage - Three Year Agreement – System Source (Hunt Valley, MD) $90,000.00
   2. ESO Fire RMS-Incident Management Software Renewal (Year 2 of 3) – ESO Solutions, Inc. (Dallas, TX) $24,705.60

D. Utilities:
   1. <u>Wastewater Division</u>: MSA LEL Gas Detection Transmitter and Sensor Assembly with Start Up Services – Sherwood Logan and Associates (Annapolis, MD) $15,546.00
   2. <u>Wastewater Division</u>: FY22 Pass Thru Costs for the Pelletizer Facility – Synagro (Baltimore, MD) $60,000.00
   3. <u>Wastewater Division</u>: Engineering Services to Evaluate the Solids Processing Operation – Black & Veatch Corporation (Gaithersburg, MD) $219,440.00
   4. <u>Water Division</u>: Annual Software Support and Services at the Willson Plant for SCADA – ABB, Inc. (Warminster, PA) $70,688.00

VII. UNFINISHED BUSINESS

A. Approval of an Ordinance: Amending the City Code, Chapter 64, Article IV – Modification of Electrical Registration and Fee Structure
B. Approval of Application for FY2023 Program Open Space

VIII. NEW BUSINESS

A. Amendment to FY22 CDBG Annual Action Plan – Creation of New Activity for Wheaton Park Enhancements
B. Amendment Two to the MOU for the Potomac Street at Howard Street Signal Improvements Safe Routes To School Infrastructure Project
C. Amendment One to the MOU the for Marsh Run Multi-Use Trail Project
D. Approval of an Engagement Agreement between Kane, Wilburn & Stone, P.A. and the City of Hagerstown to Assist Salvatore & Morton in Pending Litigation
E. Approval of a Resolution: Assignment and Assumption of Lease between GB&J's, LLC and HMS Hagerstown, LLC
F. Approval of a Resolution: Assignment and Assumption of Purchase Agreement between GB&J's, LLC and HMS Hagerstown, LLC
G. Approval of a Resolution: License Agreement for Public Art on West Lee Street
H. Approval of a Resolution: Grant Agreement for Consultant Fees and Designing a Plan for a Visitors' Center for the Jonathan Hager House Museum at City Park between the City of Hagerstown and Maryland Heritage Areas Authority

IX. CITY ADMINISTRATOR COMMENTS

X. MAYOR & COUNCIL COMMENTS

XI. ADJOURN

✓ ***Items that have been discussed and reviewed previously or are of a routine nature and, therefore, additional information may not be attached to this agenda.***

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Red Light and Speed Cameras Update ~ *Paul Kifer, Chief of Police*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Red_Light_and_Speed_Cameras_Update_12.14.21pdf.pdf	Red Light and Speed Cameras Update

CORPORATION OF HAGERSTOWN MARYLAND

CITY OF HAGERSTOWN
MARYLAND

DEPARTMENT OF POLICE
50 N. Burhans Blvd.

Non-Emergency 301-790-3700
Emergency 240-313-4345
Fax 301-733-5513

December 9, 2021

To: Scott Nicewarner,
City Administrator

From: Paul J. Kifer, PJK
Chief of Police

Re: Red Light and Speed Cameras Update

Hagerstown Police Department staff will be attending the December 14, 2021 Work Session to present updates on the red light and speed camera programs.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Code Amendments – Section 238 and 240 ~ *Nancy Hausrath, Director of Utilities*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
To_MCC_-_Memo_Code_Amendments_-_Rates_and_System_Allocation_12082021.docx	Code Amendments - Section 238 and 240

CITY OF HAGERSTOWN

DEPARTMENT OF UTILITIES

425 East Baltimore Street
Hagerstown, MD 21740-6105

51 West Memorial Blvd
Hagerstown, MD 21740-6848

December 8, 2021

To: Scott Nicewarner, City Administrator

From: Nancy Hausrath, Director of Utilities

Subject: Code Amendments – Section 238 and 240

Action: Discussion

Over the past six to twelve months, staff has been evaluating the existing capacity at the Hagerstown Wastewater Treatment Plant and the RC Willson and Breichner Water Production Plants. Staff has also reviewed customer usage inside and outside municipal limits.

As you are aware, there have been numerous requests for service in the MRGA and a couple requests in the County UGA. Staff along with legal counsel continues to work with Washington County on the Consolidated General Service Agreement and the Flow Transfer Agreement. These agreements will transfer County flow in the Maugansville area back to the County and flow from the Hagers Crossing/Western Maryland Parkway area back to the City.

Both the Water and Wastewater Plants are at or exceed 85% capacity and as such, staff is working on amendments to Sections 238 and 240 to restrict allocation, to reduced assigned allocation, and to establish a process and fees to manage system capacity. Staff has initiated a dialog with NewGen to review our rate structure to include usage, fixed, benefit fee, fire-line, etc. to determine the best way to address future funding needs.

Staff will present approaches that will be considered and/or evaluated during the December 12th meeting and provide system data and draft Code Amendments. Staff is asking the Mayor and City Council to share their concerns and ideas for capacity management and rates/funding to meet future needs.

REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND

Topic:
Review of Ideas and Options for a Proposed New Farmer's Market ~ *Jill Thompson, Director of Community & Economic Development and Cathleen Miller, Part-Time Farmers Market Coordinator*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name	Description
Review_of_Ideas_and_Options_for_a_Proposed_New_Farmers_Market.12.14.21.pdf	Review of Ideas and Options for a Proposed New Farmers Market

CITY OF HAGERSTOWN, MARYLAND
Department of Community and Economic Development

TO: Scott Nicewarner, City Administrator

FROM: Jill Thompson, Director of Community & Economic Development
Cathleen Miller, Farmer's Market Coordinator

DATE: December 8, 2021

RE: Review of Ideas and Options for a proposed New Farmer's Market

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At the December 14, 2021 Work Session, staff will review ideas and options for a proposed new Farmer's Market, and will seek an initial discussion and direction from the Mayor and City Council.

The current property at 25 W. Church Street is under contract for sale, and the City is exploring options for the creation of a new Farmer's Market.

Staff seek Mayor and City Council discussion of the options and direction so that a preferred option or preferred options could be more fully explored.

Staff have outlined the following options to review with the Mayor and City Council.

Seasonal Outdoor Farmers Market – Saturdays – May – September/October (5-6 months)

Location Options:
- Option 1 – University Plaza – Downtown
- Option 2 – Cultural Trail – Downtown
- Option 3 – Former Stables in Fairgrounds Park

Format
- City provides space and market coordination/promotion
- Vendors provide their needed equipment, tables, tents (if desired)

Other Points of Consideration and Discussion
- Vendor Fee or No Vender Fee
- Day of the week proposed to be Saturdays
- Hours proposed to be 8 am – 1 pm or possible other alternative
- Annual Application/Selection Process

The Former Stables at Fairgrounds Park – Additional Information

The former stables in Fairgrounds Park are scheduled for a roof replacement in Spring 2022 as shown in the following site map.

Site Map: Orange line above represents Phase I area of roof replacement (425'+/-)

Additional Idea - Pop-Up Indoor Market Events at Spring/Easter Season and the Holiday Season

In addition to the Options above, staff have outlined the idea of Pop-Up Market Events in select seasons.

> Saturday, April 2022 (Easter/Spring pop-up)
> Saturdays, December 3, 10 & 17, 2022 (Holiday pop-up)
>
> Locations – To Be Further Explored
> Preference to location with proximity to Downtown for economic impact

Staff will review preliminary discussion to date with property owners for possible pop-up, indoor market events.

Beyond 2022 – Longer Term Options

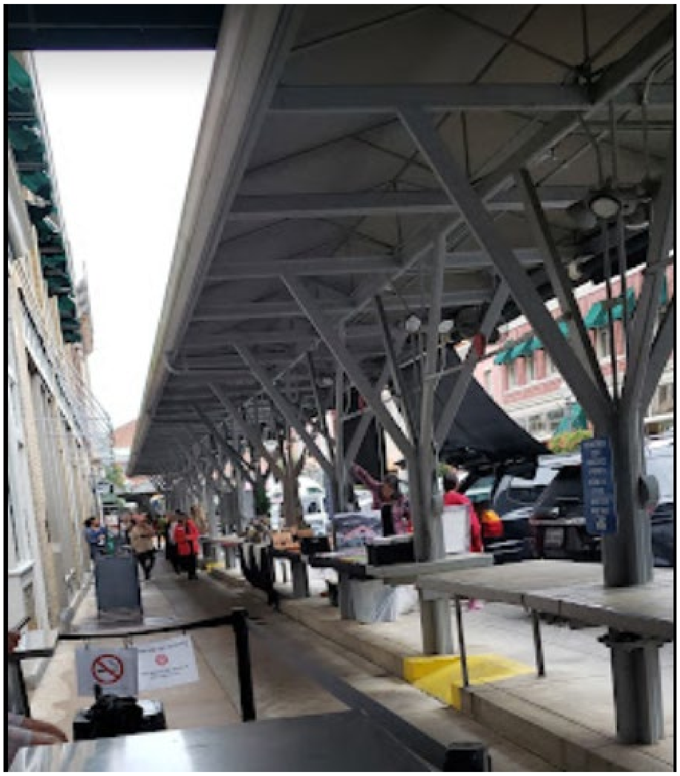
Additionally, for more long-term planning, attached are photo examples of permanent pavilion structures, some with permanent tables, that could be explored. If desired, any such project, would require lead time beyond 2022 for planning, budgeting/financing and construction. Construction costs may be estimated at $100/sf - $120/sf. An average size pavilion structure may be approximately 7500 sf.

<u>Examples of Farmer's Market Permanent Pavilion Structures</u>

Harrisonburg VA

Other City Examples

Roanoke, VA – Canopy Stalls



c: Rodney Tissue
Eric Deike
Chris Siemerling
Doug Reaser
Michelle Hepburn