

Mayor and Council

October 17, 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."

"Goodness is about character - integrity, honesty, kindness, generosity, moral courage, and the like. More than anything else, it is about how we treat other people." Dennis Prager

EXECUTIVE SESSION

3:00 PM 1. Executive Session

4:00 PM WORK SESSION

1. Proclamation: Character Counts! Week - Carolyn Brooks
- 4:05 PM** 2. Discovery Station Annual Update – *Presentation by Tom Riford, President*
- 4:25 PM** 3. Annual Review of Police & Fire Retirement Plan and Other Post-Employment Benefits (OPEB) - *Wendy Nussbaum, Director of Human Resources, Al Winters, CBIZ, and Lisa Locher, PNC*
- 4:45 PM** 4. Washington County Museum of Fine Arts - HVAC Request - *Rebecca Massie-Lane, Director, and Al Martin, President*
- 5:00 PM** 5. Preliminary Agenda Review
- 5:10 PM** 6. FY19 Preliminary Budget for General Fund Agency Contributions – *Michelle Hepburn, Director of Finance*
- 5:35 PM** 7. Proposed Stadium Improvements for the 2018 Season – *Rodney Tissue, City Engineer*
- 5:50 PM** 8. Fairgrounds Park Entrance Building and Gatekeepers House – *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:

ATTACHMENTS:

File Name

October_17__2017_Executive_Session.pdf

Description

Agenda



EXECUTIVE SESSION

MAYOR & CITY COUNCIL

OCTOBER 17, 2017

AGENDA

3:00 p.m. EXECUTIVE SESSION – *Council Chamber, 2nd floor, City Hall*

1. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; #12
**Operations update*
2. To consider the acquisition of real property for a public purpose and matters directly related thereto; #3
**Business Proposal*
3. To consult with counsel to obtain legal advice; #7
**Pending Property Transaction (discussion – no packet material)*
4. To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; #1
**Board of Zoning Appeals and Historic District Commission membership*

***AUTHORITY: Annotated Code of Maryland, General Provisions Article: Section 3-305(b)**
(Subsection is noted in parentheses)

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: Mayor & City Council

DATE: October 17, 2017

PLACE: Council Chamber, 2nd floor, City Hall

TIME: 3:00 p.m.

AUTHORITY: **ANNOTATED CODE OF MARYLAND, GENERAL PROVISIONS ARTICLE: Section 3-305(b) :**

1. To discuss:
 - ☒ (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - ☐ (ii) any other personnel matter that affects 1 or more specific individuals;
- ☐ 2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;
- ☒ 3. To consider the acquisition of real property for a public purpose and matters directly related thereto;
- ☐ 4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
- ☐ 5. To consider the investment of public funds;
- ☐ 6. To consider the marketing of public securities;
- ☒ 7. To consult with counsel to obtain legal advice;
- ☐ 8. To consult with staff, consultants, or other individuals about pending or potential litigation;
- ☐ 9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;
- ☐ 10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans;
- ☐ 11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;
- ☒ 12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or
- ☐ 13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
- ☐ 14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- ☐ 15. Administrative Function

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

Topic:

Proclamation: Character Counts! Week - Carolyn Brooks

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Discovery Station Annual Update – *Presentation by Tom Riford, President*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

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

Topic:

Annual Review of Police & Fire Retirement Plan and Other Post-Employment Benefits (OPEB) -
Wendy Nussbaum, Director of Human Resources, Al Winters, CBIZ, and Lisa Locher, PNC

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Staff is requesting from Mayor & Council approval of the recommended changes to these plans.

Motion:

Action Dates:

ATTACHMENTS:

File Name

Memo_and_Motion_10.24.17.pdf

CBIZ___PNC_Presentations_10.17.17.pdf

Description

Memo to City Administrator
and Motion

CBIZ & PNC Presentations



CITY OF HAGERSTOWN, MARYLAND

Human Resources
301.739.8577, Ext. 108

TO: Valerie Means, City Administrator

FROM: Wendy Nussbaum, Director, Human Resources *WN*
Michelle Hepburn, Director, Finance *mh*

DATE: October 12, 2017

RE: **Annual Police & Fire Pension and Other Post-Employment Benefits (OPEB)
Review with CBIZ & PNC**

During the October 17, 2017 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 to include plan performance and to discuss plan funding as well as an OPEB plan review.

THE ROLE OF CBIZ

CBIZ serves as the City's Police and Fire Retirement plan actuary and has worked with the City since the plan's inception in 1998.

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 the investment policy compliance. She will begin providing regular reviews of the OPEB plan in October 2017.

STRUCTURE OF THE CITY'S PLANS

A defined benefit pension is a major component of an employee's overall compensation package. The Police and Fire Retirement Plan offers a benefit that provides a maximum lifetime benefit of 60% of an employee's three 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 worked.

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 five 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 inception of the Police and Fire Plan, 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 approved increases of the City contribution rates to make up the difference. The absorption of contributions by the City was taken to ensure a securely 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 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 the Chapter 38 of the City's Code. Two positions on the committee require Mayor and Council's formal appointment. The Committee votes to establish a Chair and Vice-Chair their efforts and contribution. The committee as defined by the Code consists of the following members:

Director, Human Resources	Wendy Nussbaum
Director, Finance	Michelle Hepburn
Representative of AFSCME Local 3373	Tom Bartles Tom Kelly - Alternate
Representative of IAFF Local 1605	Glenn Fuscick – Committee Chair Glen Fishack - Alternate
Representative of 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

RECOMMENDED PLAN CHANGES

It is recommended that we change the long term rate of return to 7.25% and the salary growth assumptions of OPEB to 4.25% for GASB purposes. Staff is requesting from Mayor & Council a formal action for the changes in the October 24th regular session.

REQUIRED MOTION

**MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

DATE: **October 24, 2017**

TOPIC: **Approval for Changes in the Assumptions used for the Annual Financial
Reporting for the City of Hagerstown Police & Fire Employees' Retirement
Plan**

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

MOTION: I hereby move to approve the following changes be made for the annual actuarial reporting for the Police and Fire Retirement Plan:

1. Change the long term rate of return to 7.25%
2. Change the Salary growth assumption for OPEB to 4.25% for GASB purposes

DATE OF INTRODUCTION:	N/A
DATE OF PASSAGE:	10/24/2017
EFFECTIVE DATE:	10/24/2017



City of Hagerstown City of Hagerstown Police and Fire Employees' Pension Plan

October 2017 – Presentation to Mayor and Council



Hagerstown
Maryland

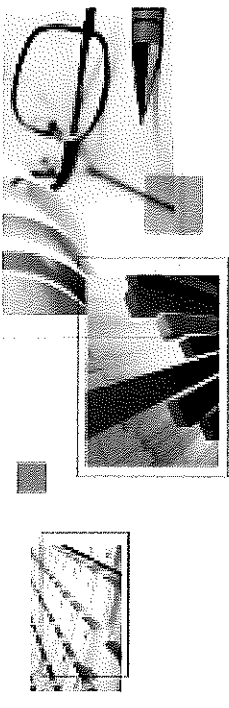


CBIZ
Retirement
Plan Services

44 Baltimore Street
Cumberland, Maryland 21502
(301) 777-1500

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



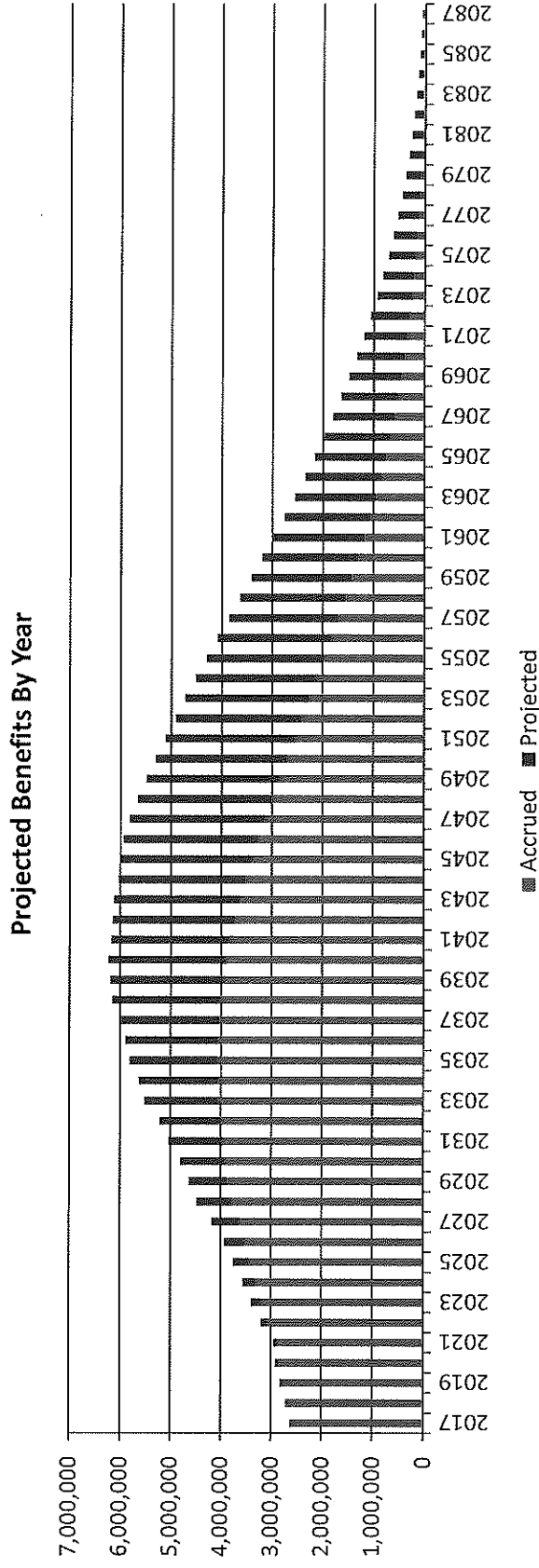
Pension Demographics

	<u>Actives</u>	<u>Retirees</u>	<u>Terminated Vested</u>	<u>Total</u>
◆ 2015	177	81	9	267
◆ 2016	178	88	7	273
◆ 2017	177	90	6	273
• Average Active Age		<u>2015</u>	<u>2016</u>	<u>2017</u>
		38.25	39.07	39.93
• Average Length of Service		<u>11.68</u>	<u>11.97</u>	<u>12.80</u>



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

Projected Plan Payments



- 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 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, 2017
- 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

Valuation Summary

Measurement	07/01/2016	07/01/2017
Assumed Rate of Return	7.25%	7.25%
Present Value of Accrued Benefits	\$44,843,298	\$45,149,718
Present Value of Future Accruals	11,951,633	12,127,535
Present Value of Future Benefits	\$56,794,931	\$57,277,253
Actuarial Asset Value	\$19,881,117	\$20,090,007
Accrued Funded Percentage	44.3%	44.5%
Future Benefits Funded Percentage	35.0%	35.1%

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. The actuarial asset value smooths out market gains over a 3-year period
 1. 0.41% rate of return for FY 2016
 2. 11.4% rate of return for FY 2017

Actuarially Determined Contribution

Year	FY 2017	FY 2018
1. Present Value of Future Contributions (PVFC)	\$36,913,814	\$37,187,246
2. Level % of Payroll Amortization of PVFC	\$2,091,097	\$2,106,587
3. Assumed Expenses	\$100,000	\$100,000
4. Expected Employees Contribution	\$714,000	\$728,000
5. Net City Contribution: [(2) + (3) – (4)]	\$1,477,097	\$1,478,587
6. Net City Contribution as % of Payroll	14.48%	14.22%

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

Historical Contribution Rates

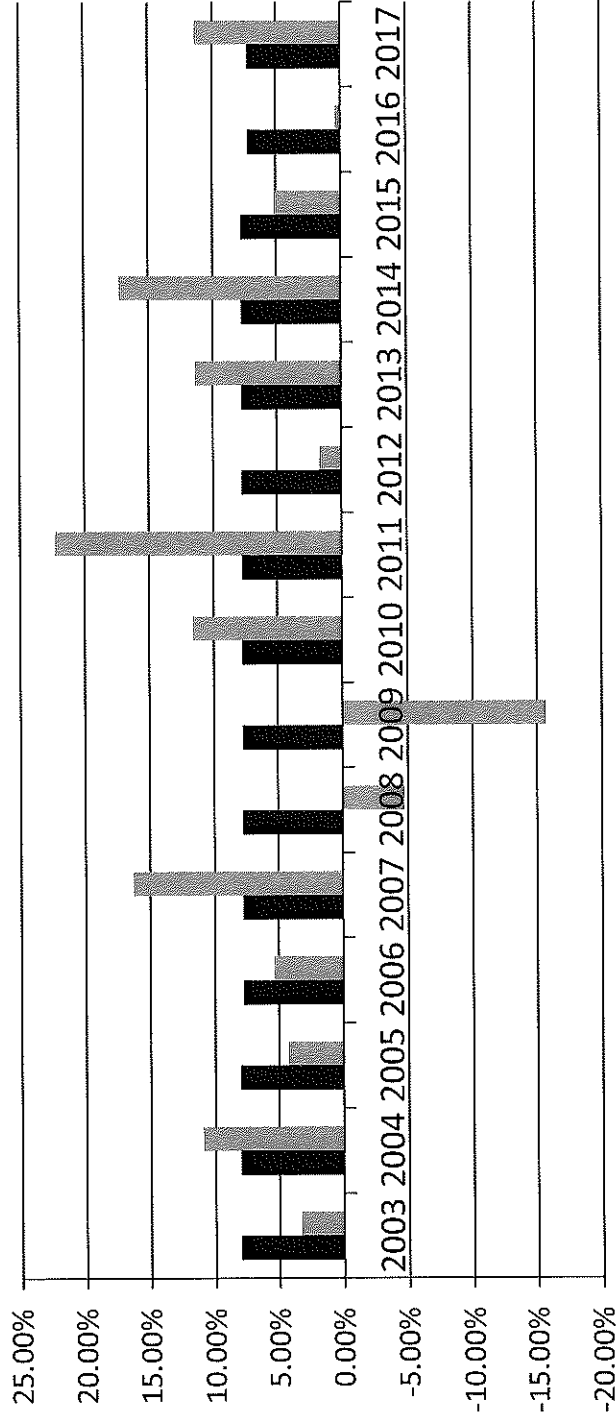
	Current Budget	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2006
Employee Cost as a % of Payroll	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
City Cost as a % of Payroll	14.00%	14.22%	14.48%	16.02%	13.71%	13.50%	11.29%	10.49%
Total	21.00%	21.22%	21.48%	23.02%	20.71%	20.50%	19.20%	17.49%

- 14% of pay contribution is still less than the actuarially determined target, but the contribution remains sufficient to amortize the remaining costs for current participants over 26 years.
- The total actuarially determined contribution has continued to rise due to lower than expected investment yields and increases in life expectancy since plan inception

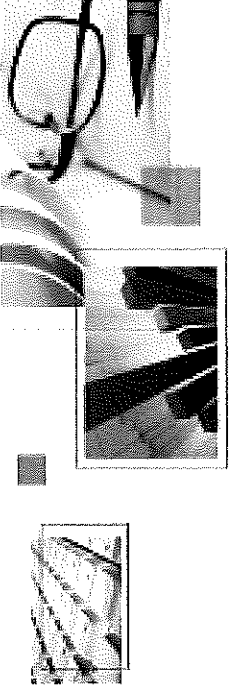
Historical Cash Flows

Plan Year Ended	Employer Contribution	Employee Contribution	Investment Return	Total Income	Benefits Paid
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)
6/30/2017	1,249,915	633,705	2,095,999	3,979,618	(2,525,420)

Rate of Return Review

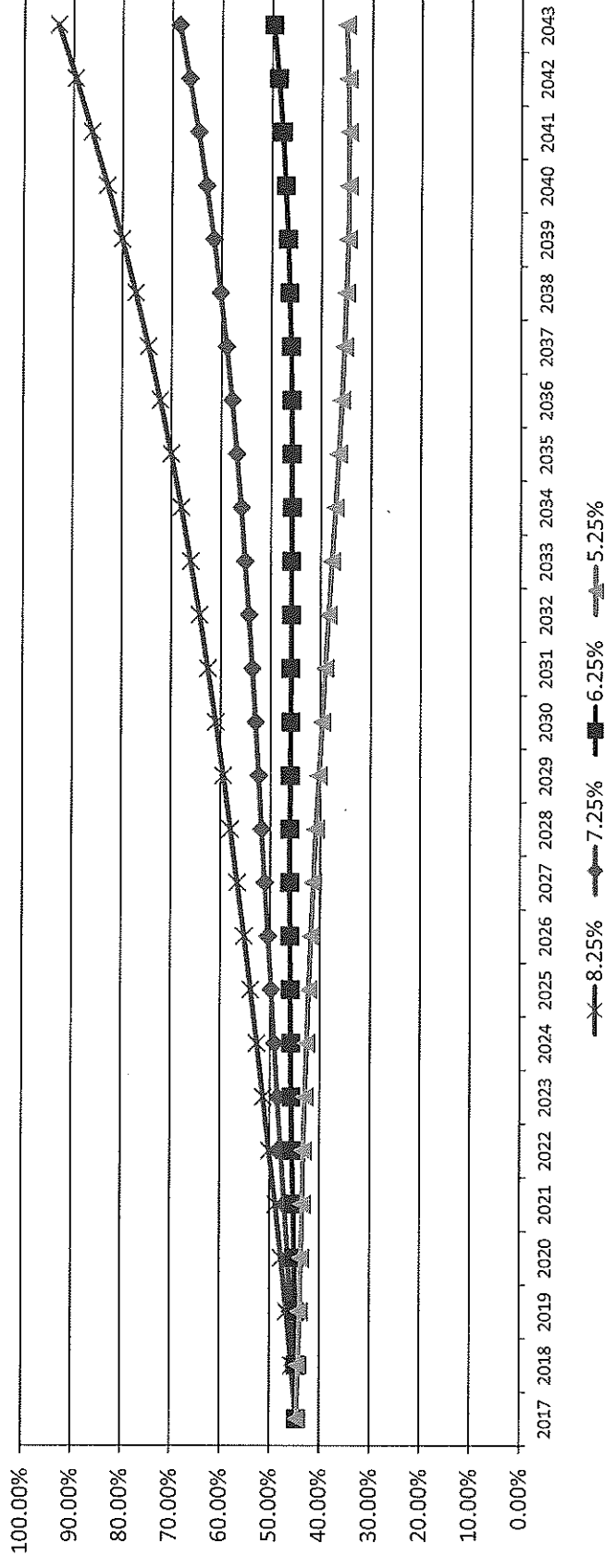


1. In 2006 the assumed rate of return was lowered from 8.00% to 7.75%.
2. The average of the returns over the last 5 years has been 9.0% and the average over 10 years has been 5.5%.
3. Our recommended funding contribution for FY 2017 and FY 2018 is based on a 7.25% rate of return.
4. FY 2017 City financial statements were still based on 7.75%



Projected Funded Status

Accrued Funded Percentage Rate of Return

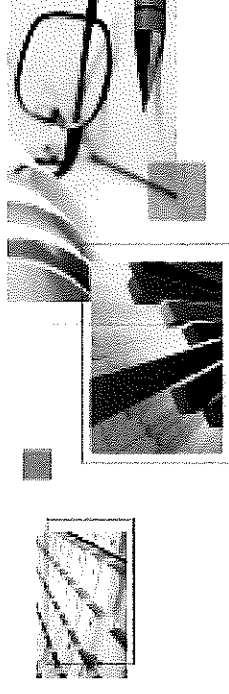


- Includes new employees entering the plan
- Assumes continued contributions of 14.0% City and 7.0% employee
- A 7.25% rate of return will cause the plan funded status to gradually improve
- A return of 6.25% will cause the funded percentage to basically remain flat
- Returns below 5.25% will cause the funded percentage to gradually decline

GASB Reporting

	FY 2016 (7.75%)	FY 2017 (7.75%)	FY 2017 (7.25%)
GASB Liability	\$47,574,604	\$49,869,501	\$52,825,230
Assets	<u>18,796,938</u>	<u>20,134,537</u>	<u>20,134,537</u>
Net Obligation	\$28,777,666	\$29,734,963	\$32,690,693
Pension Expense	\$2,503,916	\$2,741,192	\$3,332,338

- The Governmental Accounting Standards Board sets the reporting requirements for the City's financial statements
- The GASB liability is determined using the Entry Age Normal Cost method
- The liability is based on the City's assumed long term rate of return
- FY 2017 used a rate of 7.75%
- We recommend that the City reduce the rate of return to 7.25% to align with the recommended funding contribution. The FY 2017 @ 7.25% is shown for informational purposes only.



City of Hagerstown

City of Hagerstown Other Post-Employment Benefits

October 2017 – Presentation to Mayor and Council



Hagerstown
Maryland



44 Baltimore Street
Cumberland, Maryland 21502
(301) 777-1500

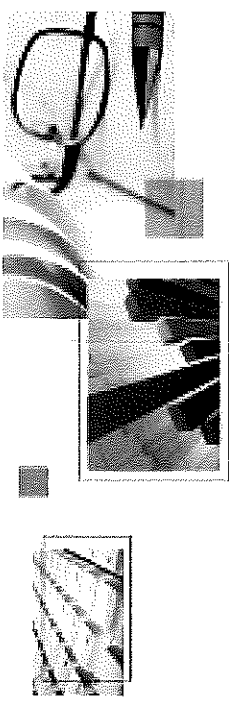


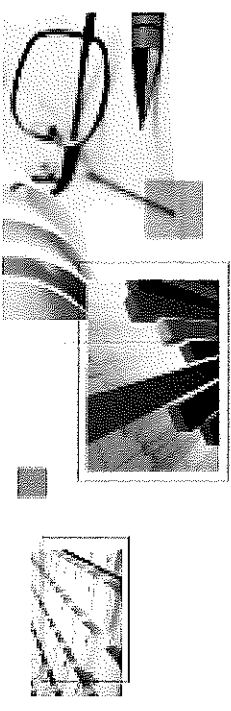
Other Post-Employment Benefits

- Benefit: Continued medical coverage at retirement
 - Pre-65: traditional 80/20 plan
 - Post-65: \$400 monthly stipend
- Eligibility:
 - Hired prior to 7/1/1989: 10 years of full time service at retirement
 - Hired after 7/1/1989: 20 years of full time service
 - Hired after 2/2/2004, retiree must cover full premium for covered spouses
 - Hired after 7/1/2009: Coverage ceases at age 65
- Participants:
 - 446 active
 - 428 retirees

FY 2017 Accounting Treatment

- Under GASB 45 – The difference between the annual required contribution and the City's actual contribution was recorded as a liability
- The City actually contributed more than the actuarial contribution each year and as of June 30, 2017 had a net OPEB asset on the balance sheet of \$2,989,219
- Even though the gross liability was \$36,619,278 against assets of \$8,742,121





FY 2018 Accounting Treatment

- GASB 74 is effective and requires full unfunded liability to be recorded on the balance sheet and changes in the unfunded liability to be recorded as an expense
- GASB 45 assumptions were set different from Police and Fire Pension Assumptions
 - Long term rate of return: 7.50%
 - Salary growth assumption: 4.50%
- We recommend the City adopt the same economic assumptions for FY 2018 for both OPEB and Pension
 - 7.25% for long term rate of return
 - 4.25% for salary growth

GASB 75 Estimates

06/30/2017	Current Assumptions	Recommended Assumptions
Total OPEB Liability	\$36,619,278	\$38,665,652
Trust Assets	<u>8,742,121</u>	<u>8,742,121</u>
Net OPEB Liability	\$27,877,157	\$29,923,531

- Above are for informational purposes only. Amounts represent the balance sheet liability that would have been applicable if GASB 75 were in effect for FY 2017
- Current contributions to the OPEB Trust have been \$650,000 above actual pay as you go costs
- The OPEB Trust contributions allow the plan to be discounted at the long term rate of return instead of Aa municipal bond yields required for unfunded plans
- If the plan were not being prefunded, the total OPEB liability would increase to about \$51 million
- A Pew Charitable Trust report on State Retiree Health Care Liabilities showed that 22 State plans were funded on a pay as you go approach.

City of Hagerstown Police and Fire Retirement Plan

Presentation to Mayor and City Council of Hagerstown, Maryland

October 17, 2017

Presented by:

Lisa S Locher

VP, Senior Investment Advisor
lisa.locher@pnc.com

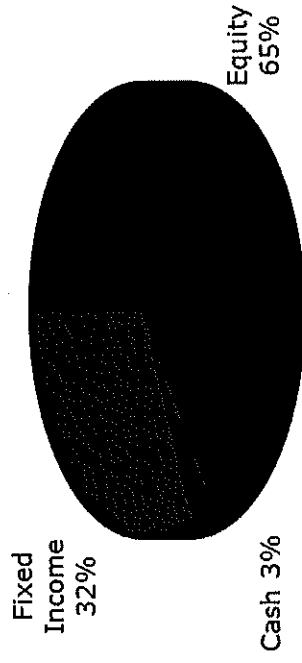


Executive Summary

- Portfolio management decisions are guided by the Plan's Investment Policy Guidelines, which are reviewed and reaffirmed at least annually. PNC IAS 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 (6/30/17) was \$20.1 million versus year earlier market value of \$18.8 million. Market value as of 9/30/17 was \$20.8 million.
- The current targeted asset allocation for the Plan is:
 - 65% equity
 - 32% fixed income
 - 3% cash
- We expect the domestic economic expansion to continue into 2018: we forecast 2.2% growth for this year and 2.6% for next. Equity markets have reached new highs in 2017 supported by strong corporate earnings in the first two quarters of this year and a low interest rate environment. We expect a Federal Reserve rate increase in December and three additional hikes in 2018. We continue to watch the Federal Reserve and other central banks for cues on inflation and currency movement, and the current administration for any impactful changes in tax reform. We acknowledge that increased volatility in the markets may occur, and we recommend that our clients prepare by remaining focused on their long term goals and by owning well diversified portfolios of quality investments.

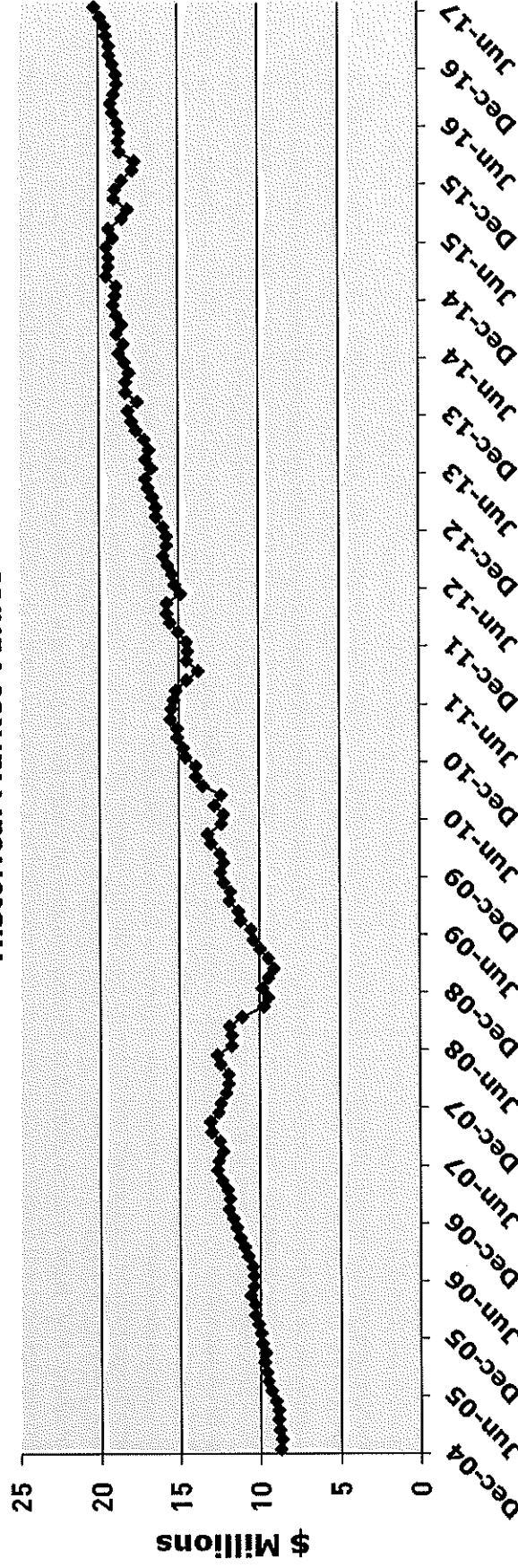
City of Hagerstown Police and Fire Retirement Plan

Investment Summary



Asset Classification	1 Year	3 Year	5 Year
Total Portfolio	11.5%	5.6%	9.2%
Style Blended Total-Cash Taxable Index	11.4%	5.7%	9.2%
US Consumer Price Index	1.7%	0.8%	1.3%
Total Equity	17.5%	7.5%	12.8%
S&P 500	17.9%	9.6%	14.6%
Total Fixed Income	1.1%	2.3%	2.6%
Barclays Aggregate	-0.3%	2.5%	2.2%

Historical Market Values



Disclosure

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Investment Return Comparison

	1 year	3 year	5 year
City of Hagerstown Police & Fire Retirement Plan	11.5%	5.6%	9.2%
Maryland State Retirement & Pension System	10.0%	4.6%	7.6%

1,3,&5 year performance data is as of June 30, 2017
Maryland State data is from the website of that plan.

The City of Hagerstown Other Post Employment Benefit Trust

Presentation to Mayor and City Council of Hagerstown, Maryland

October 17, 2017

Presented by:

Lisa S Locher

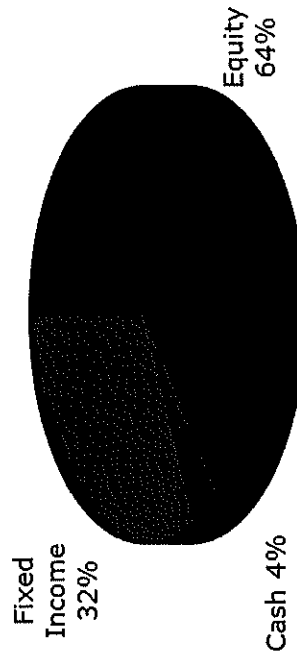
VP, Senior Investment Advisor
lisa.locher@pnc.com

Executive Summary

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 - 32% fixed income
 - 3% cash
- We expect the domestic economic expansion to continue into 2018; we forecast 2.2% growth for this year and 2.6% for next. Equity markets have reached new highs in 2017 supported by strong corporate earnings in the first two quarters of this year and a low interest rate environment. We expect a Federal Reserve rate increase in December and three additional hikes in 2018. We continue to watch the Federal Reserve and other central banks for cues on inflation and currency movement, and the current administration for any impactful changes in tax reform. We acknowledge that increased volatility in the markets may occur, and we recommend that our clients prepare by remaining focused on their long term goals and by owning well diversified portfolios of quality investments.

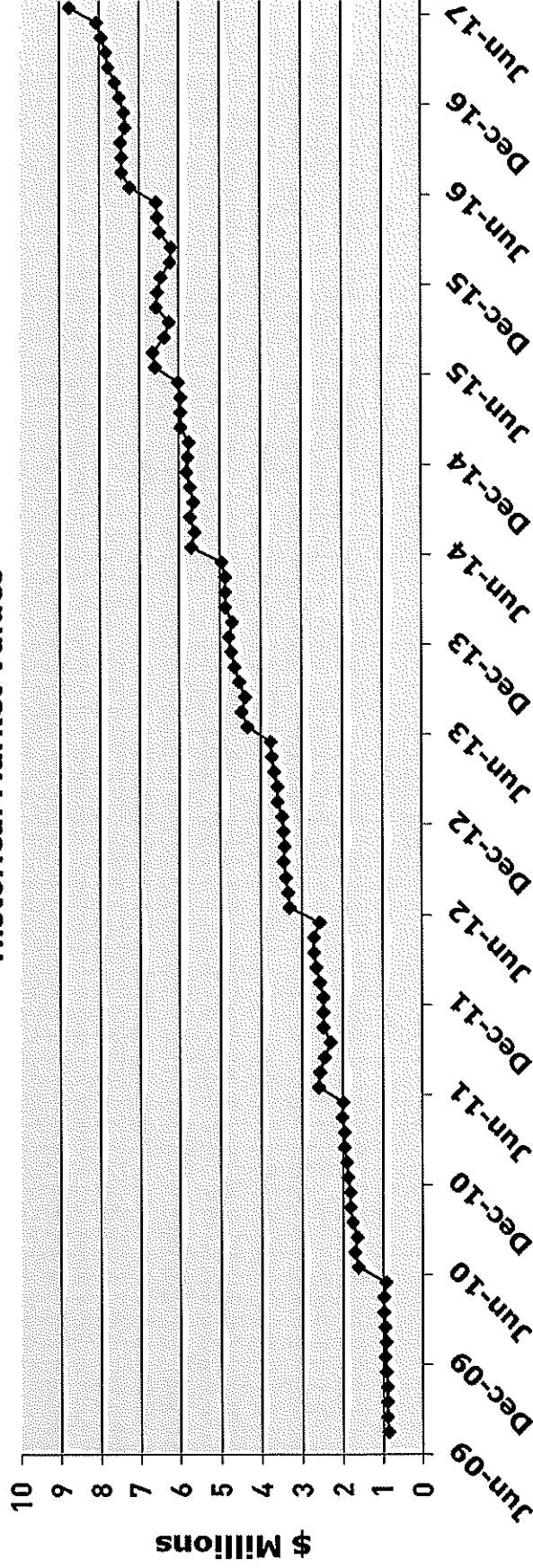
The City of Hagerstown OPEB

Investment Summary



Asset Classification		1 Year	3 Year	5 Year
Total Portfolio		12.4%	5.5%	9.1%
Style Blended Total-Cash Taxable Index		11.2%	5.5%	9.0%
US Consumer Price Index		1.7%	0.8%	1.3%
Total Equity		18.3%	7.5%	12.8%
S&P 500		17.9%	9.6%	14.6%
Total Fixed Income		2.6%	2.1%	2.6%
Barclays Aggregate		-0.3%	2.5%	2.2%

Historical Market Values



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

Topic:

Washington County Museum of Fine Arts - HVAC Request - *Rebecca Massie-Lane, Director, and Al Martin, President*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

WCMFA_Letter_to_City_of_Hagerstown_HVAC_Request.pdf

Description

Washington County
Museum of Fine Arts -
HVAC Request



October 11, 2017

Robert E. Bruchey, II, Mayor
City of Hagerstown, Council Members
c/o Valerie Means, City Administrator
1 East Franklin Street
Hagerstown, Maryland 21740

Dear Mayor Bruchey, Members of City Council, and Ms. Means,

The Washington County Museum of Fine Arts (WCMFA) respectfully requests support from the City of Hagerstown to assist with an HVAC system replacement and upgrade. The Board of Trustees, as fiduciaries of the building, the collections, and the funds of the museum, engaged an Energy & Systems Audit in 2015 from Kibart Engineering. As a result of the audit recommendations, our independent subject matter experts are of the opinion that the WCMFA can go from a whole-building heating efficiency of 68% to 90%; electric use is expected to decrease by 54% as a result of the HVAC upgrade. In addition, natural gas consumption is anticipated to be reduced by 20%. The Systems Audit Report is the basis for prioritizing, budgeting, and planning for energy efficiency cost improvements, maintenance and equipment replacement savings, improved conditions for the care and preservation of the magnificent art collections, and better conditions for the public. This Audit Report was followed by a detailed study and cost estimate outlining a comprehensive replacement of the HVAC system.

During the past five years, the trustees and staff have raised a total of \$749,102 for Capital Projects. These have included two roof replacements, historic skylights repair, refurbishing two major galleries, improving the North Entry Plaza and upgrading the catering kitchen. The WCMFA has been accredited by the American Alliance of Museums since 1976, and was re-accredited in 2016; only 3.1% of American museums are accredited.

We ask for your consideration of \$50,000 – \$75,000 in five annual installments of \$10,000 - \$15,000. As you have done for past capital projects, we also request forgiveness and waiver of permit and professional fees. In consideration of the museum's founding agreement with William H. and Anna Brugh Singer, we also ask that you consider this a special request in addition to the museum's annual operational support of \$40,500.00 per year.

The replacement of the HVAC system is now the top capital priority for WCMFA. The expectation is that the work will be completed by June 2018. The current HVAC systems in the WCMFA are aging, failing, and provide inadequate controls. Problems facing the Museum include HVAC failures in galleries, art storage, and office areas, lack of redundancy, lack of humidity control, inability to maintain museum climate standards, and concerns for the threat this poses to collections stewardship. The museum's national accreditation rests upon its ability to meet Best Practices, including environmental conditions affecting care of collections.

Museum of Fine Arts
WASHINGTON COUNTY

P.O. Box 423 401 Museum Drive Hagerstown MD 21741-0423
301.739.5727 Fax: 301.745.3741 www.mfawc.org info@mfawc.org



The WCMFA is an economic driver for the region. The museum's zip code collecting reveals that 21.3% of visitors originate beyond a 50 mile radius of the museum and those visitors have a yearly \$1,328,470 economic impact (State & Local Tourism Statistics.) Over the past five years, the WCMFA has received visits from all 50 States, the District of Columbia, and 51 Foreign Countries; 52.0% of museum visitors are from Washington County. Using the museum's average attendance of the last ten fiscal years (47,545), the Museum predicts it will receive 494,460 County visitors during the next 20 years of the newly installed HVAC system. The museum's goal is to increase visitors originating beyond 50 miles to 22% creating a yearly economic impact from these visitors of \$1,495,766 (+ \$167,296) and totaling \$29,915,320 over the next 20 years.

The WCMFA has provided a vibrant place for the presentation and exploration of art of lasting quality for the benefit of a diverse public for more than 85 years. Hagerstown native Anna Brugh Singer and her husband William H. Singer, Jr., in partnership with the City of Hagerstown, Washington County Commissioners, and private citizens, established the WCMFA in 1931 with the proviso that the museum adhere to the highest standards of collecting, that admission be free in perpetuity, and that the museum provide an active program of public art education. Their generosity, and that of subsequent collectors, has resulted in a remarkable collection of some 6500 works, with particular strength in 18th–20th Century American Art. Over 80 specialized art classes are offered yearly for Children and Adults. Tours, Educational Programming, Outreach, Bus Trips, Concerts & Community Programming accounted for 33% of total Museum attendance. The 31,150 square foot building is on the Maryland Historic Trust. WCMFA requests support for comprehensive modifications of its HVAC system.

Sincerely,

A blue ink signature of Alfred E. Martin, written in a cursive style.

Alfred E. Martin
President, Board of Trustees

A blue ink signature of Rebecca Massie Lane, written in a cursive style.

Rebecca Massie Lane
Director

**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

Oct_24_2017_Prelim_Agenda.pdf

Description

Preliminary Agenda for
October 24, 2017



**26TH REGULAR SESSION
MAYOR & CITY COUNCIL
OCTOBER 24, 2017
AGENDA**

Preliminary Agenda

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

- I. CALL TO ORDER** - Mayor Robert E. Bruchey, II
- II. INVOCATION** - Councilmember Lewis C. Metzner
- III. PLEDGE TO THE FLAG**
- IV. ANNOUNCEMENTS**
 - A. Rules of Procedure – *Adopted December 20, 2016*
 - 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, November 7, 2017 – Work Session at 4:00 p.m.
 - 2. Tuesday, November 14, 2017 - Work Session at 4:00 p.m.
 - 3. Tuesday, November 21, 2017 – Work Session at 4:00 p.m.
 - 4. Tuesday, November 28, 2017 – Regular Session at 7:00 p.m.
- V. BOARD APPOINTMENTS**
 - Board of Zoning Appeals
 - Historic District Commission
 - Bicycle Advisory Commission
- VI. GUESTS**
 - Proclamation: Red Ribbon Week
 - Proclamation: Economic Development Week
- VII. CITIZEN COMMENTS**
- VIII. CITY ADMINISTRATOR COMMENTS**
- IX. MAYOR & COUNCIL COMMENTS**
- X. MINUTES**
 - (September 12, 2017, September 19, 2017, and September 26, 2017)
- XI. CONSENT AGENDA**
 - A. Information Technology, Communications, and Support Services
 - 1. Microsoft Exchange Enterprise Server Software Upgrade – Vision Business Products (Carnegie, PA)
\$ 34,857.00

Consent Agenda continued

B. Fire Department:

1. Roof Replacement at Engine 3 – Bonded Applicators, Inc. (Hagerstown, MD) \$56,476.00

C. Police:

1. Community Based Prosecutor Fees – Washington County Sheriff's Office (Hagerstown, MD)
\$ 30,244.00
2. NTF Reimbursement to Washington County - \$ 310,000.00

D. Public Works:

1. Bulk Road Salt – Cargill, Inc. (North Olmstead, OH) \$ 62.38/ton

E. Utilities:

1. Electric – Transformers – National Transformer Sales (Raleigh, NC) \$ 75,089.00
2. Electric – Three Vehicles – Keystone Ford (Chambersburg, PA) \$ 84,755.00

XII. UNFINISHED BUSINESS

No Unfinished Business

XIII. NEW BUSINESS

- A. Approval of a Resolution: Memorandum of Understanding with Frostburg State University – BuroBox, 60 W. Washington Street
- B. Approval of a Resolution: Memorandum of Understanding with SCORE Hagerstown #0539 – BuroBox, 60 W. Washington Street
- C. Approval of Salt Utilization Agreement with Maryland State Highway Administration
- D. Approval of Contract Extension with The Groundskeeper, Inc.
- E. Approval of City Center Holiday Parking Program
- F. Approval of 2017-2018 After School Program at Robert W. Johnson Community Center - \$ 17,940.00
- ✓ G. Approval of Amendments to Police and Fire Retirement Calculations
- ✓ H. Approval of Stadium Improvements for the 2018 Season
- I. Approval of a Memorandum of Agreement with Maryland Historic Trust and Hager 5, LLC for the Property at 43-53 West Washington Street

XIV. 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:

FY19 Preliminary Budget for General Fund Agency Contributions – *Michelle Hepburn, Director of Finance*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

101717_Agency_Contribution_Memo_FY19_Bud.pdf

Description

FY19 Agency Contribution
Budget



CITY OF HAGERSTOWN, MARYLAND

Finance Department
301-739-8577 X156

To: Valerie Means, City Administrator
From: Michelle Hepburn, Director of Finance
Date: October 17, 2017
Subject: FY19 Preliminary Budget for General Fund Agency Contributions

Per the attached General Fund Agency Contribution policy, the October 17th Work Session provides the opportunity for Mayor and Council to discuss any adjustments to be included in the FY2018/19 budget for General Fund agency contributions.

As outlined in the policy, any changes to total funding levels or any changes to the agencies guaranteed to receive funding from the City will be considered by Mayor and Council by the end of October. The charts below summarize the agencies that will receive funding per the policy and the total funding amounts:

8 agencies that will receive General Fund Agency Contributions:

Community Rescue Services
Hagerstown Municipal Band
Hagerstown Neighborhood Development Partnership (HNDP)
Maryland Symphony Orchestra
The Maryland Theatre
Washington County Historical Society
Washington County Museum of Fine Arts
Washington County Free Library

Total Funding for General Fund Agency Contributions:

Total for 8 agencies identified	195,000.00
Mayor and Council contingency	10,000.00
	\$ 205,000.00

Mayor and Council direction is requested to address two questions:

1. Are there any changes to the agencies identified that will receive General Fund contributions in FY2018/19?
2. Are there any changes requested in the funding levels established in the policy for FY2018/19?

Staff will be present for discussion at the October 17th Work Session.

City of Hagerstown
General Fund Agency Contribution Policy

Purpose:

The City of Hagerstown for many years has funded grants to local community agencies using annual appropriations in the General Fund as the source of this financial support. The purpose of this policy is the following:

- 1) To establish the level of General Fund funding support for agency contributions.
- 2) To define the City's timeline for this process.
- 3) To specify the City's requirements for the information to be provided by agencies seeking funding.
- 4) To outline the schedule for the City's distribution of funds to agencies receiving a grant of more than \$5,000.

Funding:

- 1) The Mayor and Council have established a funding level of \$195,000 to be allocated toward 8 recipients identified by the City as core agencies. These agencies include the following:
 - a) Washington County Free Library
 - b) Washington County Museum of Fine Arts
 - c) Maryland Theatre
 - d) Maryland Symphony Orchestra
 - e) Hagerstown Municipal Band
 - f) Community Rescue Services
 - g) Hagerstown Neighborhood Development Partnership
 - h) Hagerstown Historical Society
- 2) The Mayor and Council have established a \$10,000 contingency for General Fund Agency Contributions.
- 3) The Mayor and Council have established that the total funding level for General Fund Agency Contributions is \$205,000.

Timeline:

- 1) If needed, the Mayor and Council will consider changes to these funding levels for General Fund Agency Contributions in future fiscal years by the end of October.
- 2) The City will distribute application packets to community agencies in November.
- 3) Applications from agencies are due no later than the 2nd Friday of January. Submission of funding requests will not be received after this date.
- 4) The Mayor and Council will approve Community Agency funding from the General Fund by the end of May.
- 5) Agencies will be notified of the Mayor and Council's funding decision by mid-June for contributions to be available beginning July 1.

Application: The City of Hagerstown will consider a number of factors/criteria in approving funding requests. Agencies requesting more than \$5,000 in funding should include the following in their applications for funding:

- 1) A full description of how the requested grant from the City would be used to support agency operations, services, and capital improvements.
- 2) A summary of other local government funding sources and amounts including any grants received from Washington County or other municipalities.
- 3) A copy of the agency's most recent budget.
- 4) A copy of the agency's most recent financial report or audit prepared by an independent auditing firm.
- 5) A description of how the agency supports the goals of the City for downtown revitalization, expansion of the arts, culture, and education, neighborhood vitality, quality of life.
- 6) Agency service data related specifically to providing service and assistance to residents of the City of Hagerstown.

As part of the application and approval process an agency may be requested to make a presentation of their funding request and service information to Mayor and Council during a public work session.

Distribution of Funds:

- 1) The City will distribute grant funds to the agencies on a quarterly reimbursement basis beginning on October 1 of each year for those organizations receiving a grant of more than \$5,000. Other agencies can receive the full amount of their grant in July, the first month of the City's fiscal year.

Mayor and Council and City staff will review this policy at a minimum of every five years and update as necessary.

Approved by Mayor and Council November 25, 2014

Revised October 20, 2015

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

Topic:

Proposed Stadium Improvements for the 2018 Season – *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

stadium_improvements_for_2018.pdf

Description

Proposed Stadium
Improvements for the 2018
Season



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

October 17, 2017

TO: Valerie Means, City Administrator
FROM: Rodney Tissue, City Engineer *Roo*
RE: Proposed Stadium Improvements for the 2018 Season

Per the fourth amendment to the lease, the City will invest up to \$35,000 in general stadium improvements each season. In addition, this year have a fund balance of \$6,321 (\$41,321 total) carried over from last year as staff was able to obtain an energy grant to fund some of the LED lighting improvements. In September, we received a request from the Suns staff for improvements for the 2018 season which starts April 12th. After negotiating with them, the proposed improvements are as follows:

- **Replace all field light bulbs and re-aim:** The lighting is currently below current minor league baseball standards. Re-lamping should get us close to the standards. We would recommend we contract with MUSCO, the industry leader in sports lighting, and their proposed cost is \$11,000.
- **Replace concession counter and add roof:** Located behind the grandstand near Town Run, the existing counter is in poor condition with rotted wood and the area is susceptible to foul balls hitting patrons and the attendants. This can be completed by City staff and the estimated material cost is \$10,000.
- **Install screen/fence adjacent outdoor grilling/food preparation area:** Located to the rear of the beer garden deck, install wooden board-on-board fence to screen the grills and food preparation area from the seating areas. This can be completed by City staff and the estimated material cost is \$6,000.
- **Install wall in the Team Store and a wall in grounds keeping room:** Construct partition walls to create more merchandise displays and storage areas. This can be completed by City staff and the estimated material cost is \$4,000.
- **Electrical conduit repair:** Mounted on the outfield wall, the conduit raceway serving the field lights is sagging and is endanger of falling. We would need to contract with a licensed electrician and use a crane to address this issue. Proposal cost is \$5,800.
- **General plumbing and electrical repairs:** Suns have given us a list of items to repair. All work would have to be completed by a licensed professional and the estimated costs is \$4,500

Staff believes we can complete all the above listed work for a total estimated cost of \$41,300 (staff labor not included).

Staff also received a long list of items that require maintenance, a "Security Assessment" prepared by HPD, and a HVAC unit at the Team Store needs replaced in the next year. We don't have operating funds to complete these items and we will have to defer them or the Suns will have to complete them. In the last week we cleaned out Town Run and City Light improved the parking lot lighting.

As a reminder, the Lease and the Player Development Contract with the Washington Nationals expires at the end of 2018. We understand the team may seek an extension and will open discussions with us in early 2018.

We will be present at the next Work Session along with Suns General Manager Travis Painter to discuss.

c: Travis Painter, Hagerstown Suns
Mark Haddock, Parks and Recreation Manager

Parks and Recreation Division

351 North Cleveland Avenue • Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 169 • Fax: 301.790.0171

Engineering Division

1 East Franklin Street • Hagerstown, MD 21740-4817
Ph: 301.739.8577 Ext. 125 • Fax: 301.733.2214



Electric conduits on outfield wall



Concession counter



Grilling/food preparation area to be screened from beer garden deck

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

Topic:

Fairgrounds Park Entrance Building and Gatekeepers House – *Rodney Tissue, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

fairgrounds_park_entrance_bldg.2017.pdf

Description

Fairgrounds Park Entrance
Building and Gatekeepers
House



CITY OF HAGERSTOWN, MARYLAND

Department of Parks and Engineering

October 17, 2017

TO: Valerie Means, City Administrator
FROM: Rodney Tissue, City Engineer *RT*
RE: Fairgrounds Park Entrance Building and Gatekeepers House

1. History:

In 2002, the City spent about \$144,000 to “mothball” and stabilize the Entrance Building and the Gatekeepers House and the work was funded in large part by a *Preservation Maryland Grant* for \$30,000 and a *Maryland Historic Trust (MHT) Grant* for \$43,122. A condition of the grants was that the City convey a perpetual historic preservation easement on the property to MHT. This requirement in the law is meant to protect the State's investment in historic preservation projects.

The Entrance Building has structural deficiencies that are rooted in the quality of construction when it was first built in the early 20th century. The Entrance Building is in poor condition and is structurally deficient. The back wall can literally be pushed outward on the 2nd floor. The Entrance Building was built against the Gatekeeper's residence which has created significant water penetration issues where they join. The Gatekeeper's residence is basically a late 19th century farmhouse but is structurally sounder. Both buildings are currently vacant and uninhabitable.

Parks staff routinely monitors the structure and repair most exterior vandalism issues; however, the structures are in need of significant maintenance again beyond what staff can allocate resources to. The City received an easement inspection letter from MHT on May 15th and we have examined the associated costs to address the maintenance issues that have arisen in the 15 years since we did the stabilization project. The repair needed identified in the letter are estimated to cost over \$100,000. This expenditure would not make the buildings upgraded to be habitable. In order to be habitable, the buildings would need complete electrical, plumbing, and heating systems plus restrooms in order meet modern code requirements. In addition to all of that, the Entrance Building would need to be structurally rebuilt to be sound enough for occupancy.

2. Mayor and Council Action Requested:

Review the possible options for the structure and provide direction to staff on which option to pursue.

3. Current Structure Issues:

The May 15th MHT inspection letter is attached and some of the issues include: roof integrity; roof failure between buildings; windows shifting, rotting, and vandalized; cornice water damage; front columns rusting; siding holes and inappropriate siding used in past; paint entire structure; hole in wall caused by drainage; chimneys need rebuilt; crumbling concrete; and general interior vandalism. Again, addressing these issues would NOT make the buildings habitable.

Parks and Recreation Division

351 North Cleveland Avenue • Hagerstown, MD 21740
Ph: 301.739.8577 Ext. 169 • Fax: 301.790.0171

Engineering Division

1 East Franklin Street • Hagerstown, MD 21740-4817
Ph: 301.739.8577 Ext. 125 • Fax: 301.733.2214

4. Options:

Staff explored the following Options and our analysis of each follows:

- a. Restore Structures and Make Habitable: This option is truly “pie in the sky” and would require a major reconstruction, structural improvements and all systems installed. We would estimate this cost at over \$500,000.
- b. Repairs if funded by MHT: This option fulfills our obligation to keep the structure, maintain an acceptable appearance and address the MHT easement inspection concerns. Some of the costs associated with this are estimated as follows:
 - Repair roof and wall between buildings \$22,000
 - Entrance Building: Siding and wall repairs \$10,000
 - Repaint both structures \$25,000
 - Other miscellaneous repairs: \$23,000

Staff would not recommend that we spend City funds on this uninhabitable structure. We recommend that the City apply for an MHT “*Capital Historic Preservation Grant*” to address these issues and continue to do so going forward until we receive a grant award to address the MHT’s inspection issues (the conditions will continue to deteriorate in the meantime). The award cap is \$100,000 per project. The schedule is as follows:

- November 2017: MHT issues ‘intent to apply’ form and make guidelines available on MHT website. Hold workshops for potential applicants.
 - January 2018: ‘Intent to apply’ forms due. Make full application available on MHT website
 - February 15, 2018: Applications due
 - March 2018: Grant awards
- c. Petition to Remove the Entire Structure: The MHT has no authority to rescind the easement in exchange for repayment of past grant funds. The MHT indicated that if the City were to demolish the building without receiving prior approval from MHT, then the City would be in breach of easement. Easement ‘remedies’ in event of breach of easement are *possibly* the following:
 - sue to stop the breach or enforce a covenant by ex parte, temporarily or permanent injunction
 - demand prompt restoration to required condition
 - enter property, cure breach and sue for costs
 - sue for reimbursement of enforcement costs including attorney and court fees.

Maybe as a compromise we could petition to save the house and remove the Entrance Building, but we doubt that would be successful.

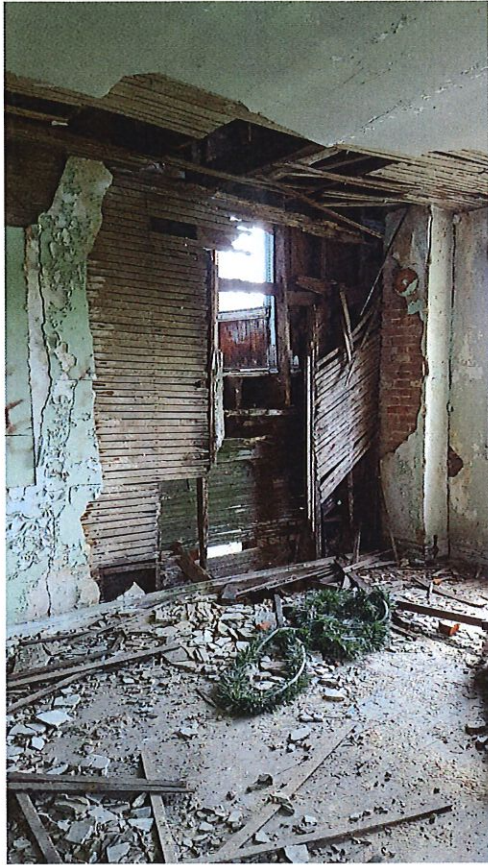
We estimate the cost of demolition of both structures to be \$75,000 or less.

Staff will be present at the next work session to answer any questions the Mayor and Council may have on this matter.

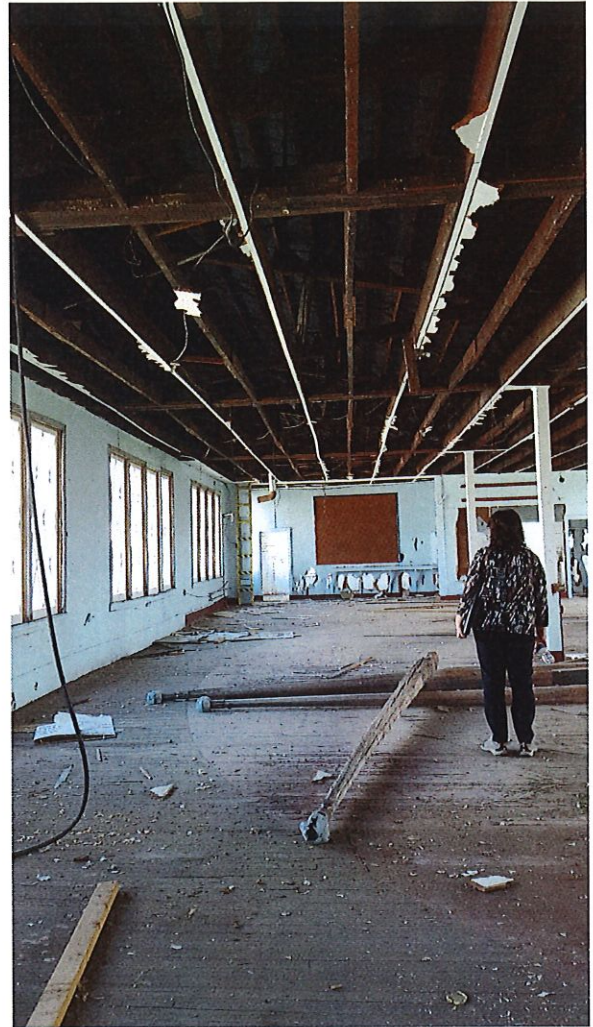
Attachment: Pictures
MHT 5/15/2017 letter

RAT:jj

c: Mark Haddock
Kathy Maher



Failure Between Buildings



2nd Floor of Entrance Building



Front Face of Entrance Building, Gatekeepers Residence in Distance (with red roof)



Larry Hogan, Governor
Boyd Rutherford, Lt. Governor

Wendi W. Peters, Secretary
Ewing McDowell, Deputy Secretary

May 15, 2017

Kathleen Maher
Planning Director
City of Hagerstown
1 East Franklin Street, Suite 300
Hagerstown, MD 21740

Re: Fairgrounds Entrance Building/Keeper's Residence, Washington County – Inspection
Maryland Historical Trust Preservation Easement

Dear Ms. Maher,

On February 17, 2017, Michael Day, Kate Bolasky, and I of the Maryland Historical Trust (MHT), conducted an inspection of the Fairgrounds Entrance Building/Keeper's Residence pursuant to Paragraph (F) of the Deed of Easement (Easement), executed on April 5, 2002. I would like to particularly thank Mr. Mark Haddock for facilitating the inspection. I apologize for the delay in this follow up letter. While I found the property to be generally sound, several areas of concern were noted.

I understand that this property is being mothballed while it awaits a full rehabilitation and dedicated use/occupant. The term "mothballing" refers to closing up a building temporarily to protect it from weather as well as secure it from vandalism. Mothballing can be a critical component of preservation, but it is only effective when done correctly. As a reminder, I am enclosing with this letter the National Park Service's *Preservation Brief 31* which contains guidelines for the mothballing process. I thought this information would be helpful to you as many of the concerns I noted during my inspection are reiterated in this publication.

As you are no doubt aware, one of the primary issues impacting the Fairgrounds Entrance Building/Keeper's Residence is the integrity of the roof. Particularly, there is a serious failure of the roofing and/or flashing where the two buildings connect. This leak has already caused the destruction of some interior elements and, if uncorrected, could cause severe structural damage to the building. (Please note that while the Easement does not protect the interior of the structure, the roof is a protected exterior feature.) I suspect there are holes in other areas of the roof as well. The entire roofing system should be systematically assessed to determine the full scope of required repairs and the remaining useful life of the roof. Please submit the Changes/Alterations application (available on our website) to MHT for any roof repairs or replacement for prior review and approval.

Many of the windows are also a source of water penetration into the structure. Much of this issue is caused by the sashes shifting in the frames because they were not properly hung, but rather nailed into place with additional trim pieces. One of the second-floor, rear windows of the Entrance Building is in particularly bad shape. Properly installing the windows will help to protect the interior from moisture penetration and prevent deterioration of the windows themselves. Additionally, the broken panes in the diamond-shaped art glass on the front of the Entrance Building should be replaced. I also noted rotting

sills, frames, and pedimented window heads on the exterior. Where the rot is not very advanced, wood windows can often be repaired by applying a fungicide to the dry wood, waterproofing with boiled linseed oil (two or three applications), filling cracks and holes with putty, then painting the surface. If the rot is so severe that repair is not possible (a determination that the Easement reserves to MHT, not the property owner), any Dutchman repair or replacement must be in-kind, maintaining the exact profile and appearance of the historic detailing. I noted that there is some missing trim in the pedimented window head that will need to be replicated in-kind on one of the first-floor windows on the front of the Keeper's Residence. Please use the Changes/Alterations application to submit any proposed window repairs to MHT for prior review and approval. Also, the exterior of the windows, frames, sills, and surrounds should be scraped and repainted to help prevent future decay.

In addition to the windows, there are other rotting exterior wooden elements of the building. Some of these areas may be repaired with fungicide and wood filler, but replacement may be necessary where the rot is too advanced. I noted some rot in the cornice of both the Entrance Building and the Keeper's Residence. It appears that some of the trim under the modillion band on the front of the Entrance Building has been inappropriately replaced with a piece that does not match the original in profile, material, size, and/or shape. There is also missing trim in the southwest corner of the frieze on the front of the Entrance Building. Again, any replacement of exterior wood trim must exactly match the historic feature.

The columns are also showing signs of rot and the metal cladding covering the lower portion of the columns is beginning to rust. It may be appropriate to have a conservation specialist examine the condition of the columns and recommend appropriate preservation methods.

There is also some significant deterioration of the siding on the Fairgrounds Entrance Building/Keeper's Residence. I noticed holes from this loss of material in the top of the northeast corner of the Entrance Building, on the front façade of the Keeper's Residence at the bottom where the siding connects to the column base and to the upper right of the northern door, and on the rear façade of the Entrance Building in the lower corner next to the southern entrance alcove. These holes are a source of both water penetration and animal infestation. As stated above, any replacement feature, such as wood siding, must match the historic feature in profile, material, size, and shape. Unfortunately, some areas of deteriorated siding have been inappropriately filled with globs of some type of caulking, such as in the alcove at the rear of the Keeper's Residence and on the front of the Keeper's Residence in the corner near the filled in crawl space window. This caulking should be removed and replaced with appropriate wood siding. Once the areas of rot have been repaired, it is critical that the entire exterior of the Fairgrounds Entrance Building/Keeper's Residence is scraped and repainted. Paint is a very important component to exterior wooden features because it acts as a shield against moisture, thereby slowing deterioration of siding, decorative components, and even structural elements. Before applying a new coat of primer and paint, the surface should be cleaned, scraped, and hand sanded. A regular painting regimen will help to preserve the siding and prevent frequent replacement. Similarly, the exterior doors should be repainted in the near future as well.

The hole on the rear façade of the Entrance Building in the lower corner adjacent to the southern entrance alcove was likely caused by inappropriate site drainage, as there is a downspout that empties in this area. All the downspouts of the Fairgrounds Entrance Building/Keeper's Residence should have attached leaders to help direct water runoff away from the building and prevent it from collecting at the foundation. Also, the downspout in the southwest corner of the building is bent.

I noted that there are missing bricks from the top of the southern chimney which should be replaced. It also appeared that all three of the chimneys are suffering from mortar deterioration. They should be repointed in the future with an appropriate mortar that is not too hard for the soft historic bricks. Mortar containing Portland cement is not suitable, due to its hardness, as it causes damages to the bricks

themselves. Please use the Changes/Alterations application to submit any repointing work, including the proposed mortar composition, to MHT for prior review and approval.

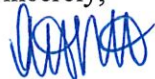
There are also several areas of crumbling concrete that will need to be repaired in the future, including the blocks at the bases of the columns and the stairs/retaining wall to the rear of the building. It appears that new concrete has recently been laid on the patio in front of the Entrance Building. Could you please provide me with the date that this work was done? There are also some brick pavers in the alcove to the rear of the Keeper's Residence that have lifted and should be repaired.

I understand that vandalism is a frequent issue at the Fairgrounds Entrance Building/Keeper's Residence and MHT appreciates your continued efforts to prevent the damage that it causes. My cursory view inside the building revealed that vandalism has largely destroyed much of the interior. Given the rate of break-ins at the property, it may be appropriate to consider more secure physical barriers and increased monitoring. Please note that any different physical security methods must receive the prior review and approval of MHT.

On behalf of MHT, I would like to thank you for your continued stewardship of the Fairgrounds Entrance Building/Keeper's Residence. It is the hope of MHT that the City finds a tenant and/or use for this property, as continued use is one of the best guarantees of preservation. Please continue to keep MHT informed of your plans for the Fairgrounds Entrance Building/Keeper's Residence. Should you have any questions or concerns, I can be reached by telephone at (410) 697-9585 and by email at allison.luthern@maryland.gov.

Thank you again for contributing to the preservation of Maryland's history!

Sincerely,



Allison Luthern
Easement Inspector
Maryland Historical Trust

cc: Mark Haddock, Manager of Parks and Recreation

Enclosure (1): National Park Service's *Preservation Brief 31: Mothballing Historic Buildings*