

**MINUTES**  
**Regular Meeting of the College Park City Council**  
**Tuesday, July 16, 2013**  
**7:42 p.m. – 8:47 p.m.**

**PRESENT:** Mayor Andrew Fellows; Councilmembers Kabir, Wojahn, Catlin, Dennis, Stullich, Day, Afzali and Mitchell.

**ABSENT:** None.

**ALSO PRESENT:** Joe Nagro, City Manager; Janeen Miller, City Clerk; Suellen Ferguson, City Attorney; Terry Schum, Director of Planning; Robert Stumpff, Director of Public Works; Jill Clements, Director of Human Resources; Steve Groh, Director of Finance; Steve Halpern, City Engineer

Mayor Fellows opened the meeting at 7:42 p.m. following a reception to honor the service of Mayor Joe Page. Councilmember Afzali led the Pledge of Allegiance.

**Minutes:** A motion was made by Councilmember Dennis and seconded by Councilmember Mitchell to adopt the minutes of the Regular Meeting on June 18, 2013; the three public hearings on June 18 on Ordinances 13-O-06, 13-O-07 and 13-O-08; and the confidential minutes of closed sessions on March 12, April 23, May 7 and June 18, 2013. The motion passed 8 – 0 – 0.

**Announcements:**

Councilmember Dennis announced National Night Out plans in the Lakeland Community: meet at the community park at 6:00 p.m.

Councilmember Wojahn said the next College Park Day planning meeting will be on July 25 at 7:00 p.m. at the College Park Community Center. College Park Day will be held on October 19 at the Wells Ice Rink to make it more Metro accessible. He is looking for volunteers to be on the planning committee.

**Amendments to the Agenda:** 1) Mayor Fellows added the “re-affirmation of a Resolution of the Mayor and Council” to the end of the agenda. 2) Councilmember Stullich removed 13-G-86, letter to M-NCPPC on Plan Prince George’s 2035. This may return at a future date. 3) Councilmember Wojahn moved 13-G-85, Highway User Revenue Grant Application, to the consent agenda.

**City Manager’s Report:** Mr. Nagro reminded everyone about the summer meeting schedule: the next meeting is a Worksession on Wednesday, August 7. He also discussed the funeral arrangements for Don Byrd.

**CONSENT AGENDA:** A motion was made by Councilmember Day and seconded by Councilmember Stullich to adopt the Consent Agenda, which consisted of the following items:

- 13-G-81 Ratification of a Memorandum of Understanding (MOU) with Prince George’s County for the Installation of Rectangular Rapid Flashing Beacon (RRFB) along Rhode Island Avenue (County Right-of-Way).**
- 13-G-82 Approval of a request by the Downtown College Park Management Authority for free evening parking in the Downtown Parking Garage during restaurant week (August 12 – 16, 2013).**
- 13-R-11 Resolution Of The Mayor And Council Of The City Of College Park, Maryland Adopting The Recommendations Of The Advisory Planning Commission Regarding Variance Application Number CPV-2013-03, 8705 48th Place, College Park, Maryland, Recommending Denial Of A Variance From Section 27-442 (E) Table IV Of The Prince George’s County Zoning Ordinance For Sideyard Setback For Construction Of A Deck And Recommending Approval Of A Variance From Front And Sideyard Setbacks For The Existing House**
- 13-G-83 Award of a contract to M. T. Laney Company, Inc., in an amount not to exceed \$150,000, for milling and paving the remainder of those streets they are restoring for WSSC. This award is subject to the approval of a contract by the City Attorney and rides WSSC’s competitively bid “Solicitation No. 5686” dated April 20, 2011. The City Manager is authorized to sign the contract.**
- 13-G-84 Approval of Declaration of Covenants and Agreement Regarding Land Use between The City of College Park and PPC/CHP Maryland Limited Partnership, Mazza Family College Park, LLC, for maintenance of pedestrian streetlights on the property**
- 13-G-85 Approval of a one-time Grant Application to SHA for participation in the Highway User Revenue appropriation, and certifying that the City agrees to expend the funds only for permitted uses.**

The motion passed 8 – 0 – 0.

#### **ACTION ITEMS**

- 13-R-13 Adoption Of 13-R-13, A Resolution Of The Mayor And City Council Of The City Of College Park, Maryland, To Authorize The City To Join The State Retirement And Pension System Of Maryland**

A motion was made by Councilmember Stulich and seconded by Councilmember Day to adopt Resolution 13-R-13 to authorize the City of College Park to join the State Retirement and Pension System of Maryland as of July 1, 2014 on such terms and conditions as the State may prescribe; and to purchase fifty (50) percent of past service credit at an actuarially determined cost of \$1,463,914, subject to adjustment of no more than five (5) percent to reflect entry on that date.

Councilmember Stulich said that since April 2013, City administration has been discussing with the Mayor and Council the possibility of the City joining the Maryland State Retirement and Pension System. Following a careful review of the retirement and pension benefits paid by other municipalities, comparison of the City's current plans with other options that might be available, and a thorough presentation of the pros and cons of the City's current plans and the State's plan, City administration recommended joining the Maryland State Retirement and Pension System.

From the data presented, it is clear that the City's 401(a) and 457 plans do not provide an adequate benefit to enable our long-term employees to retire. In addition, many of the City's employees are not able to effectively manage their 401 savings and investments through the defined contribution approach. A defined benefit plan, alternatively, provides a formula for guaranteed payment throughout retirement, to solve the problem that might otherwise occur where employees run out of money when they enter their older years. The State's defined benefit plan for municipal employees is the only defined benefit plan that is feasible for us to join; creating our own defined benefit plan would also be cost prohibitive.

The annual cost of the Plan will vary from year to year. Required employer contributions for FY 2014 would be 6.47% of base salary, which is slightly less than the 6.5% the City currently contributes to the 401(a) plan. Eligible employees would have to contribute 7% of their base salary. The City would purchase 50% of past service credit for City employees, which would cost approximately \$1.5 million. This one-time expense would be paid by borrowing from current City reserves, and repaid over five years at an annual cost of approximately \$300,000. Once that loan is repaid, the City would continue only the annual percentage contribution, and the employee would also contribute to the plan.

The *Maryland State Retirement and Pension System Annual Actuarial Valuation Report* that was provided by the independent actuarial firm indicated that the total funded ratio for the Employees' Combined System is 76%. Since 2011, the State has made reforms to assure that the entire System will be fully funded by 2023.

Adopting this resolution would be the first step in a process to join the Maryland State Plan. The next step would be to educate employees and obtain a commitment to participate from at least 60% of eligible employees. Because we are proposing to purchase less than 100% of past service, the State Legislature must pass a bill to allow us to enter the Plan, which is another future step.

If we join this Plan, eligible City employees would have a guaranteed pension benefit following a career with the City and the required minimum service period. That is a benefit of great value that they don't currently have, and, as we have seen, a large majority of our neighboring municipalities are already providing to their employees.

Councilmember Afzali stated that it is the will of the Council that staff members who are present tonight feel comfortable commenting on this issue.

**Comments from the audience:**

**Tim Miller, 5119 Niagara Place:** Why are we talking about a pension system – it is like a dinosaur; businesses have gotten rid of it because it is too costly. The plan has shown it is not cost beneficial to governments. Counties and states have had to raise taxes or declare bankruptcy to fund retirement obligations. Why are we playing the nanny? If you can't provide for yourself in your retirement, it is not his problem. If you want to retire and live in squalor, that's on you. He is not spending money on lavish vacations so that he can put that money back into a 401(k), not a pension. He is planning for his own retirement. We really want to take money out of our reserve? What are we going to do in the future – raise his taxes? He is already paying enough. It is their choice, to save or not to save.

**Morgan Gale, 13352 Moonlight Trail Drive, Silver Spring:** He supports this measure because we have really good employees in the City, and he would like to see them be retained. Does the Council think this will help the City be competitive with other municipalities to retain the good employees and attract new ones?

**John James, 4906 Blackfoot Road:** 46 year resident and 25 year employee of the City. When he began, the City contributed 5% to the 401, then 6%, now 6.5%. The first year he got a contribution of \$1,200. The funds are invested in mutual funds, tied to the stock market. There were good and bad years, but after 25 years, he has \$82,000 in his 401. When he retires, if he takes out 10% per year, or about \$833/month, which is what he would need to cover his health care, he will exhaust the funds in 8 years. On the other hand, the state retirement plan takes the guess work out of where to put your money. Most people here are not investment strategists. ICMA-RC is limited in how it advises employees. The State plan does not put the benefit at the mercy of the stock market. You contribute a certain amount of money over a certain number of years, and the state formula does the rest. When news got out that this plan was being considered, the employees became very interested. He hopes federal, state and county employees who have pensions will be sympathetic to this cause. This will help employees now and in the future to retire with some sense of security.

**Tracey Clayton, 9739 Narragansett Parkway:** She is here to put a face to the City's workforce. She has worked and lived in the City for 14 years; this will probably be the organization she retires from. We often hear that we are a great workforce for our residents and we are very proud of that, so she can't fathom how people would not want the individuals who have dedicated themselves to this organization to be properly compensated in their retirement. This would enhance the City's benefit package and attract new people to work for the City. Like everyone else here, she looks forward to a viable life in retirement. Voting to include the City in the Maryland Retirement Plan will be a boost to ensure that dedicated employees can enter their retirement years with a sense of security by having a pension.

**Lawrence Bleau, 4901 Niagara Road:** He is speaking against this resolution given the economic downturn and his concern about the future financial liability. Individuals can contribute more to the plan – it is a personal decision. It will cost employees 7% which is in effect a pay cut. The next time raises are due, employees are going to want a 7% increase. Instead, why doesn't the City give each employee 7% off the top, so there is no future liability. The City can provide financial advice free-of-charge to help them manage their funds.

Councilmember Catlin is opposed to this motion. We have made adjustments in the past to enhance employees' retirement benefits and he is open to doing that again. Two issues: whether the City should join a defined benefit plan which is going out of favor, and whether the Maryland Retirement system is the vehicle to use. According to the Moody's analysis, Maryland is the 9<sup>th</sup> worst funded system in the Country. He is skeptical of the reforms the state has made to achieve full funding. The system assumes a return rate that is too high. He thinks there is a lot of risk and can't believe there isn't a better way to do it.

Councilmember Wojahn said he has respect for City employees and does not mean to disparage their good work with his remarks. He believes in providing generous benefits and pay to City employees and that we should do what we can to make sure our employees can retire comfortably. However, we are here to act as stewards of taxpayer funds and he doesn't believe this is the appropriate way to do that. A defined-contribution plan can do better for employees when the economy is doing well. He questions the calculations that were used. Given the current financial situation, now is not the time to undertake the risk. He voted against giving a tax credit to a developer last month and doesn't want to continue to give money away. We may continue to face significant challenges over the next five years. We don't know what's going to happen with the Maryland State retirement plan down the road.

Councilmember Kabir also thanked employees for their hard work, but he heard from many residents who were concerned about the upfront cost to support this plan which comes from the tax payers. He has seen a lot of opposition to this plan from the North College Park Citizens Association and he needs to be respectful of them. The defined benefit plan is becoming less popular because of the risk. He will oppose the motion. He believes we should find other ways to support our employees.

Mayor Fellows respects the concerns of the citizens who have expressed their opposition. He thinks of this in terms of an investment, not only for existing employees but also for the future of the City and of the employees that we will be hiring. If we want to be competitive as a municipality it's important to be able to compete with neighboring municipalities, and most do have Defined Benefit packages. Recently Berwyn Heights and University Park went to a Defined Benefit Plan in a way that made fiscal sense for them. We asked our staff to explore what plan made the most sense for us, and they did a good job of researching how we could do this in a fiscally prudent way. He agrees that we should be very careful with our tax dollars and believes this is a sound investment for our future.

Councilmember Stullich said the City's largest and most valuable resource is its employees. Councilmembers rely on staff to help with myriad constituent requests. Our current plans are not providing enough. When we look at the average that employees in the 51 – 60 age range have saved in both the 457 and 401 plans, the average savings is \$65,000. Can you imagine retiring with that amount of money? With an annuity, that generates a monthly income of \$357/month – how can they survive? While other comparable municipalities do participate in defined benefit plans, some private companies are moving away from them, and she is concerned that will harm a lot of Americans down the road, because they will exhaust their 401(k) savings and they will end up in poverty as they are aging, then end up on public assistance, so we will all end up paying another way. Many neighboring municipalities are part of the Maryland plan. People are asking if we can afford this. The answer is yes, we can afford this. The one-time amount of

\$1.5M we will borrow from our reserve and repay over five years. We are not going below the required minimum of our reserve. That amounts to about 2% of our budget. Are we going to say we can't spend 2% of our budget to protect our employees from the risk of falling into poverty as they age? It is a no-brainer – we can and should do this. No one wants to pay taxes. This is a very fiscally conservative government. Although we increased the tax rate, the total tax bill did not increase because of lower assessments. If we appreciate the hard work of our City employees, what does it mean to appreciate them? What do we think will happen to someone who works all their life in the City and retires with a lump sum of \$80,000? That person will likely end up in poverty. We can't continue to operate this way. We have to do the responsible thing.

Councilmember Mitchell said City staff provides services to our residents on a daily basis. We want to make sure we invest in our employees and attract prospective employees. We need to look toward the future – how do we sustain ourselves and keep good employees in College Park.

Councilmember Day seconded this because it is an important discussion, but he needs to hear from the people he is going to affect by this decision: the employees. We haven't heard from them; that piece is missing.

Councilmember Dennis is supporting this motion. He appreciates the staff and the behind-the-scenes work that they do. To Councilmember Day's comment: a part of this plan is that the employees will have an education session about the plan after this resolution is adopted, and 60% of the employees must agree before it will go forward.

Councilmember Afzali has been undecided on this issue. We need to look beyond the City issue and look at it as a societal issue. We saw how much our average employee has in their retirement plan, and it is not enough. That is not exclusive to this City. Do we want to pay up front, or later, after they are retired: either way, we are going to pay. He is uncomfortable with defined benefit plans because of the liability and risk, but he can't support a plan that won't allow people to retire.

**Roll Call Vote:**

**Yes: Mitchell, Afzali, Day, Stullich, Dennis**

**No: Catlin, Wojahn, Kabir**

**The motion passes.**

**13-G-87 Letter to Prince George's County in support of CB-48-2013 – Convenience Stores and Gas Stations – Public Safety**

**A motion was made by Councilmember Wojahn and seconded by Councilmember Day to send a letter to the County in support of CB-48-2013 which requires convenience stores and gas stations open from 11 p.m. to 6 a.m. to take certain security measures to ensure public safety.**

Councilmember Wojahn said this bill was introduced by County Council Member Olson and requires certain business that are open from 11 p.m. - 6 a.m. to register, provide additional training for their employees, use drop boxes and security cameras. This is not only for the store employees but also for residents who might be in the store.

There were no comments from the audience.

**The motion passed 8 – 0 – 0.**

**13-O-09 Introduction of 13-O-09, An Ordinance Of The Mayor And Council Of The City Of College Park, Maryland, Amending Chapter 125 “Housing Regulations” By Repealing And Reenacting §125-8 “Maintenance Of Dwellings” To Require That Roofs Be Covered With Materials Designed For Use As A Permanent Roofing Surface.**

**A motion was made by Councilmember Wojahn and seconded by Councilmember Kabir to introduce 13-O-09, An Ordinance Of The Mayor And Council Of The City Of College Park, Maryland, Amending Chapter 125 “Housing Regulations” By Repealing And Reenacting §125-8 “Maintenance Of Dwellings” To Require That Roofs Be Covered With Materials Designed For Use As A Permanent Roofing Surface.**

Mayor Fellows said the Public Hearing will be held September 10 at 7:15 p.m.

**13-G-88 Appointments to Boards and Committees**

Mayor Fellows recognized Patrick Brennan who was recently appointed to the Sustainable Maryland Certified Green Team, and thanked him for his service.

**A motion was made by Councilmember Wojahn and seconded by Councilmember Stullich to reappoint Alan Bradford to the Ethics Commission and to appoint Janet Evander to the Board of Election Supervisors. The motion passed 8 – 0 – 0.**

**13-R-14 Reaffirmation of 04-R-35: Opposition to the University of Maryland Connector Road**

**A motion was made by Councilmember Stullich and seconded by Councilmember Mitchell to send a letter to the University of Maryland reaffirming the position taken in 2004 in opposition to the UM Connector Road.**

Mayor Fellows read the 2004 Resolution expressing the City’s opposition to the UM Connector Road. He said the connector road was a live proposal at that time, and the City rose up in opposition because we recognized how injurious it would be. We recently became aware that this proposal was being considered again which caused great alarm and concern with the Mayor

and Council as well as many residents. This motion is to reaffirm the City's opposition to the concept of a connector road.

Councilmember Stulich said that we need to revitalize our main street – Route 1. We can't allow resources to be scattered to other priorities. It would be a terrible mistake because it would undermine our goal to revitalize our downtown.

Councilmember Mitchell said a connector road would negatively impact District 4 and those residents are strongly opposed.

**The motion carried 8 – 0 – 0.**

**COUNCIL COMMENTS:**

Mayor Fellows appointed a subcommittee to review the nominations for the Jack Perry Award. Mr. Nagro will appoint a staff person to serve with Mr. Catlin, and a member from the Perry family.

Councilmembers Stulich and Day thanked Mr. Halpern for his efforts to have curb-to-curb repaving completed after the WSSC work in College Park Estates and Yarrow.

**ADJOURN:** A motion was made by Councilmember Stulich and seconded by Councilmember Dennis to adjourn from the Regular Meeting into a Worksession for discussion of the following topics:

1. Update from Frank Brewer, Executive Director, College Park City-University Partnership, on recent Partnership activities and budget.
2. Discussion with Omar Blaik, President, U3 Ventures, on the University's vision for Downtown Redevelopment

Mayor Fellows also announced that there is a possibility of a closed session during part of this discussion to:

- 1) Consider the acquisition or sale of real property for a public purpose
- 2) Consider a matter that concerns the proposal for a business to locate in the County

The motion passed 8 – 0 – 0 and the Regular Meeting ended at 8:47 p.m. Mayor Fellows said the Worksession would begin after a short recess.

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Janeen S. Miller, CMC  
City Clerk

Date  
Approved

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Pursuant to §C6-3 of the College Park City Charter, at 9:34 p.m. on July 16, 2013, in the Council Chambers of City Hall, a motion was made by Councilmember Kabir and seconded by Councilmember Stullich to enter into an Executive Session for the following reasons:

- C: Consider the acquisition or sale of real property for a public purpose.
- D: Consider a matter that concerns the proposal for a business to locate in the County.

The motion passed 8 – 0 – 0.

**Present:** Mayor Andrew Fellows; Councilmembers Kabir, Wojahn, Catlin, Dennis, Stullich, Day, Afzali and Mitchell. Councilmember Mitchell left before the conclusion of the closed session.

**Absent:** None.

**Also Present:** Joe Nagro, City Manager; Janeen Miller, City Clerk; Suellen Ferguson, City Attorney; Terry Schum, Director of Planning; Omar Blaik, U3 Ventures; Sen. Jim Rosapepe, Councilmember Eric Olson, Frank Brewer, Carlo Colella, Ann Martens, Steve Brayman, Steve Groh, Julie Beavers.

**Topics Discussed:** Downtown redevelopment and locations for the charter school.

**Actions Taken:** None.

**Adjourn:** A motion was made by Councilmember Kabir and seconded by Councilmember Wojahn to adjourn the Executive Session, and with a vote of 7 – 0 – 0, Mayor Fellows adjourned the Executive Session at 11:10 p.m.

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