



# **City of Mount Rainier**

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Incorporated 1910

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## *Minutes*

### **Mount Rainier City Council Meeting**

**November 4<sup>th</sup> 2004**

**Attendees: Mayor Bryan Knedler, Councilmembers Gandee, Haamid, Briones, and Miles. Auditor Diane Mock, Finance Director Vjay Manjani, Assistant City Manager James Booth and City Manager Jeannelle Wallace.**

#### **Agenda Adopted**

#### **Agenda passed 4-0**

The purpose of the audit draft is to give management a chance to review for any changes and the Mayor and Council a chance to ask questions. City Treasurer, Vjay Manjani will do a uniform Financial Report.

A Management Letter is currently being worked on at this time. Some of the items have been addressed by Vjay Manjani City Treasurer. The auditors mentioned that the City Treasurer has done a very good job and is working in the right direction. The auditors have not looked at anything past June 30<sup>th</sup>, 2003. A lot still needs to be done. The financial statements of FY03 are in the old format and will change for FY04.

#### **General Fund: Special Revenue**

Some of the grants designated for capital projects have no activity. Left over from the year before is a Maryland General Services Grant in the amount of 850,000.00 with a balance of \$133,000.00 for the Police Department building. There was no reported activity in FY-03.

#### **Councilmember Miles:**

Is there a time limit for draw down?

What does the city need to do to draw down?

#### **Mayor Knedler:**

What is a \$125,000.00 capital project fund?

#### **Auditor Diane Mock:**

When 133,000.00 come in, it will collapse the Capital Projects fund. The City has already spent \$125,000.00. We will need to transfer \$125,000.00 from Capital Projects to General Fund.

In FY04 make sure the \$125,000.00 is still a good receivable and have expenses against it.

If it has to be removed than the transfer will have to be made to remove the deficit.

**Special Revenue:**

Typically for grants and you spend and then receive. Normally you have no fund balance.

\$137,282.00 - \$76,000.00 due from Department of Natural Revenue for Richardson Park. Payables at June 30<sup>th</sup> 2003.

Services had been made but payment had not been made. \$60,604.00 due to general fund.

The largest asset is \$212,000.00 in Capital Improvement Projects with \$2,700.00 in the checking account.

**Tax receivables:**

The city has not billed a lot of personal property taxes.

There was a surplus of \$40,285.00 in the fund equity for FY-03. FY-04 budget, expense exceeds revenue \$108,000.00 of fund balance. You have to make sure that the budget is in a surplus. Most government try to use 3-8 months of disbursements. Two million dollar budgets needs one million as a fund balance. It appears that the Budget in FY-04 expense is in excess of revenue. The city is budgeting for a deficit from year to year.

**Councilmember Briones:**

Could part of the \$108,00.00 be part of the \$125,000.00?

**Auditor Mock:**

No, when you compare the budget revenue and budget general expenses you needed \$108,000.00. Long term debt \$1,142,484.00 is comprised of vacation payable night differential and capital lease obligation.

\$42,000.00 was left at the end of the fiscal year (June 30<sup>th</sup> 2003). Special revenue had a balance of \$117,000.00 accumulation of prior years; it was transferred to general fund where it was owed. Excess of revenue over expenses \$117,000.00 is not a stagnant figure. This year identify the expenditures for the revenue that is drawn down.

Page 4 of audit report shows how you did against what you budgeted. Personal property was billed late. Miscellaneous \$77,000.00 includes sale of land. Expenditures overspent were by \$23,163.00.

**Councilmember Miles:**

FY-02 audit; say there was no amended budget.

Capital Leases includes Public Works trucks and Police Department vehicles. Language will be changed to read \$43,338.00 is based on \$821,301.00 of covered payroll.

FY-04 financial statements will incorporate GASB- 34.

Note on page 17 is a standard disclosure. Richardson Park grant was not budgeted in FY -04.

Budgeted amounts were overspent by \$ 23,163.00.

Page 17 Management intentions, Councilmember Miles says we need to see what has been done (**management's response**).

**General Fund:**

The biggest shortfall was personal property taxes and real estate taxes.

**Taxes:**

\$37,492.00 is a budgeting shortfall.

**Licenses and Permits:**

There was an over projection of revenue.

**Intergovernmental:**

This was pretty ok.

**Charges for Services:**

Over budgeted in waste collection.

**Councilmember Miles:**

When can we bring the FY-03 to closure and move forward to FY-04.

**Auditor Mock:**

In another two weeks.

**Councilmember Briones:**

Ask's for audit in PDF for the city's website.

**City Treasurer Vjay Manjani:**

**(Quarterly Financial Report).** The last payroll is included showing a 62,343.04 deficit; however the payroll overlapped to October. The next report will show an accrual basis what is applied to FY-04 & FY-05.

**Councilmember Miles:**

It should include a footnote.

Two reports will be given to show cash basis vs. accrual.

**Meeting adjourned@ 8:50pm**

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