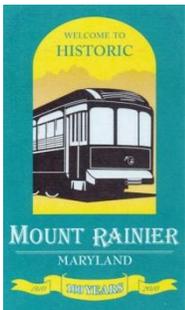


Agenda of the Public Hearing of the Mayor and City Council City of Mount Rainier

**Tuesday, April 7, 2020
7:00 PM**

- 1. Call To Order**
- 2. Review of Agenda**
- 3. Public Hearing Regarding The Sale of 3200 Rhode Island Avenue**
Mayor & City Council will discuss & hold a public hearing regarding the sale of 3200 Rhode Island Avenue.
- 4. Adjournment**



Agenda of the Legislative Meeting of the Mayor and City Council City of Mount Rainier

**Tuesday, April 7, 2020
Following the Public Hearing**

Action Taken

- 1. Call to Order / Pledge of Allegiance**

- 2. Review of the Agenda**

The Mayor and Council review the agenda for the meeting adding or deleting topics of interest or discussion.

- 3. Mayor and Councilmember Event Announcements**
- 4. Vice Mayor Bryan Knedler Reads Closed Session Summary From March 3, 2020 & March 17, 2020.**
- 5. Public Comment**
Please see page 3 of agenda, where the rules for Public Comment are listed. If you wish to speak, please advise during the virtual meeting.

OLD BUSINESS

- 6. 2017 Audit**
- 7. COVID-19 Emergency Preparations**
Mayor & City Council will discuss and provide action on emergency preparations regarding COVID-19.
(Vote)_____
- 8. Adoption of Minutes from Previous Meetings**
February 4, 2020 Legislative Meeting
February 18, 2020 Work Session
February 25, 2020 Special Planning Work Session
March 3, 2020 Legislative Meeting
March 5, 2020 Public Hearing Regarding Chuck's Liquor License
March 17, 2020 Work Session
March 20, 2020 Emergency Meeting of Mayor & City Council
March 31, 2020 Fiscal Year 2021 Budget Presentation
(Vote)_____

NEW BUSINESS

- 9. Resolution 06-2020: A Resolution To Support The Five-Year Designation of A State Enterprise Zone Focus Area Within Our Boundaries**
Mayor & City Council will discuss and vote on a resolution to support a State Enterprise Zone Focus Area within the City.
(Vote)_____

10. Resolution 07-2020: Appointing A New Member To The Mount Rainier Arts Commission

Mayor & City Council will discuss and vote on a resolution to appoint Justin Bost to the Mount Rainier Arts Commission

(Vote)_____

11. Mayor, Council & City Manager Reports

Mayor, City Council & City Manager will provide reports.

12. Adjournment

Rules for Public Comment

The Mayor and City Council invite and welcome comments at public meetings. The Mayor or presiding officer will recognize you. Please introduce yourself (spelling your last name, for recording purposes) and give the name of your street and block number (e.g., 4300 block of 34th St.). Public Comment has a time limit of 3 minutes per speaker, unless otherwise agreed upon by Mayor and Council.

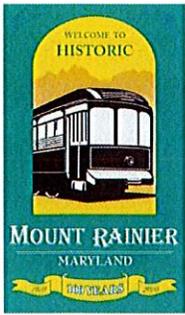
While speaking, please maintain a courteous tone and avoid personal attacks. If you wish to lodge a complaint about the performance or conduct of any City employee, please bring your concern to the attention of the City Manager, who will look into the matter and respond to you.

As a courtesy to other residents and businesses, the Council requests that speakers not use specific addresses or names of individuals when describing a situation or making a complaint. Noting the block is preferred over a specific address.

Code Compliance and public safety issues should first be brought to the attention of the appropriate department and/or one of your Councilmembers.

Please Note:

Pursuant to the Annotated Code of Maryland, State Government Article Section 10-508(a), the Council by majority vote may retire to executive or closed session at any time during the meeting. Should the Council retire to executive or closed session; the chair will announce the reasons and a report will be issued at a future meeting disclosing the reasons for such session.



City of Mount Rainier
One Municipal Place, Mount Rainier, MD 20712
Phone: (301) 985-6585 Fax: (301) 985-6595

As of 3/25/2020

FOR IMMEDIATE RELEASE

MOUNT RAINIER, MD- The City of Mount Rainier is announcing its closing on the sale of approximately 33,000 square feet of vacant land located at 3200 Rhode Island Avenue for \$1.5 million to IFG Group Development and Construction. IFG Group is a well-known, well-respected entity with headquarters in Washington, DC and New York with diverse business interests. The 3200 Rhode Island Avenue property was listed on the open market in January 2019 when the City recognized its need to attract national and international real estate developers and enhance the Rhode Island Avenue corridor.

The land parcel is located on the corner of Rhode Island Avenue and Eastern Avenue. IFG Group intends to develop the parcel as a mixed-use multi-unit apartment complex with retail outlets on the ground level.

For more information about the project, visit <http://ifgggroup.us/project/3200-rhode-island-ave-mount-rainier-md-20712/>

CLOSED SESSION SUMMARY SHEET TO BE READ INTO RECORD

Date: March 3, 2020

Time: 9:45 PM

Location: City Hall: 1 Municipal Place Mount Rainier, Maryland 20712

Closed Under Annotated Code: 3-305 b (1) "To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals".

Those Who Voted To Go Into Closed Session: Mayor Malinda Miles, Councilmember Bryan Knedler, Councilmember Scott Cecil, Councilmember Celina Benitez & Councilmember Luke Chesek

Unanimous of Elected Officials In Attendance: 4-0-0

Those In Attendance: Mayor Malinda Miles; Councilmember Bryan Knedler; Councilmember Scott Cecil; Councilmember Celina Benitez & Councilmember Luke Chesek; Latasha C. Gatling & Elissa Levin - City Attorney.

Actions Taken: No Votes Were Taken, Please See Relevant Notes.

Topics Discussed: Discussion of personnel matters & review of City Manager resumes.

Relevant Notes: Discussion of personnel matters; review of City Manager resumes. Ask D'Alizza Mercedes to schedule phone interviews.

CLOSED SESSION SUMMARY SHEET TO BE READ INTO RECORD

Date: March 17, 2020

Time: 10:00 PM

Location: Teleconference Format

Closed Under Annotated Code: 3-305 b 1 & 3: (1) "To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals"; (3) "To consider the acquisition of real property for a public purpose and matters directly related thereto".

Those Who Voted To Go Into Closed Session: Mayor Malinda Miles, Councilmember Bryan Knedler, Councilmember Scott Cecil, Councilmember Celina Benitez & Councilmember Luke Chesek

Unanimous Of Elected Officials In Attendance: 4-0-0

Those In Attendance: Mayor Malinda Miles, Councilmember Bryan Knedler, Councilmember Scott Cecil, Councilmember Celina Benitez, Councilmember Luke Chesek & Interim City Manager Latasha C. Gatling

Actions Taken: No Votes Were Taken

Topics Discussed: Mayor & City Council discussed personnel by reviewing the resumes and deciding who they would interview by phone for the City Manager position. They also discussed negotiations with WMATA over a land purchase. They were also given an update on the sale of the 3200 Rhode Island Avenue property.

Relevant Notes: None

City of Mount Rainier, Maryland

Management Letter

June 30, 2017

March 20, 2020

To: The Mayor and City Council
City of Mount Rainier, Maryland

Ladies and Gentlemen:

In planning and performing our audit of the financial statements of the City of Mount Rainier, Maryland (the "City") as of and for the year ended June 30, 2017, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. We refer you to our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated March 20, 2020. In the course of the audit, CohnReznick did become aware of matters that are an opportunity for strengthening internal controls and operating efficiency.

CohnReznick offers the following comments for your review and consideration. We appreciate the courtesies extended to us during our engagement by the City's personnel and look forward to a continued mutually beneficial relationship.

Accounting Handbook

During the course of our audit, we noted a lack of formal written policies and procedures for many of the City's processes. While we do not believe the lack of formal documented policies and procedures inhibited our ability to report on the City's financial statements as a whole, we believe many processes could be significantly improved to further enhance the accuracy and timeliness of financial reporting. A written set of policies and procedures can also provide transparency and clarity to the business processes for all City employees, and provide for smooth transitions as employees exit employment or are newly hired. We recommend the City develop and implement formal policies and procedures as soon as possible and no later than June 30, 2020. We recommend that the following be considered as part of this process:

- The City's Policy and Procedures manual should be provided to all employees and located in a place that all employees are aware.
- Whenever there are changes of substance to the manual, they should be communicated to all employees that could be impacted.
- For all processes the custody, recordation, authorization (approval) and reconciliation functions of the transaction should be segregated. We also believe the City should document, for City management purposes, its internal risk assessment of each process, and where this segregation is deemed not possible, the mitigating controls should be documented.
- The City should consider digitalizing all documents that relate to City's finances, such as invoices. The process manual should consider the reconciliation process of the City's daily revenue to the City's financial records.

- We believe a substantial risk to a City whose revenue streams are comprised of a significant number of one time or non-recurring transactions, coupled with limited staff and formal processes, is for transactions to be unreported or underreported. The City's policies and procedures, including mitigating controls, should give special attention to mitigating the opportunity for theft or preferential adjustment to City charges.
- For all processes, the City should give consideration to the audit trail of the transaction. This includes documentation of authorization (review/approval). During the course of our audit, we noted that there was no formal review or approval process for journal entries posted and a detailed review of the financials was not performed resulting in the misapplication of various cash receipts as revenue instead of being applied against the outstanding receivable.
- The Policies and Procedures manual should include policies and procedures that enable the City to minimize the opportunity for fraud, waste and abuse to occur.
- Formal policies and procedures should be developed for when employment of City employees is discontinued (whether full time, part time or seasonal). The policy should include responsibilities in obtaining the return of City equipment, supplies, credit cards and other assets.

Management Response

Since December of 2018 the new Finance Director has been updating accounting policies and procedures as needed and has plans to incorporate and expand them into an accounting Policies and Procedures manual. However, due to competing priorities (primarily completing the audits for FY18 and FY19) it is doubtful this will be completed by June 30, 2020.

Payroll - Approval

During the course of our audit, we were made aware through inquiry and observation, that several of the City's employee payroll records were incomplete or non-existent. Employee files for former police department employees were not available from the human resources department. From discussion with staff, these records were always maintained by the police department chief and because of turnover within the police department, these files were unable to be located. In addition, certain employee files had to be created because of the lack of information maintained by the person formerly responsible for the custody and maintenance of employee files. Proper custody and maintenance of employee files are important to the integrity of the information located within the files which is used within the accounting records as it relates to annual payroll expenditures and accrued leave calculations.

Management Response

Due to City staff turnover the City has since hired a Director of Administrative Services that now has custody of the Human Resources files for the City with access only by designated individuals including the Finance Department for payroll processes. Certain files for the Police Department are required to have additional information as required by their governing law officer bodies that are in addition to the main Personnel file maintained by the Director of Administrative Service.

Payroll - Compensated Absence Accrual

We observed that management did not calculate the employees' vacation and sick leave accruals as required under GASB 34. We recommend that policies and procedures in regards to the tracking of and accrual of employee vacation and sick time be improved in conjunction with the implementation of the City's policy and procedures manual, including periodic review and approval by City management.

Management Response

The lack of accruals occurred under the auspices of a previous Finance Director for the period under audit. Since assuming his duties in December of 2018, the current Finance Director has made this a normal part of the year-end closing.

Receivables - Oversight

During the course of our audit we were made aware, through inquiry and observation, that many receivable balances have been outstanding for a significant amount of time with minimal or no follow up or enforcement by City staff. Certain personal property tax receivable balances that were reflected as receivables at June 30, 2017 in the unadjusted trial balance, were later written-off due to the business no longer operating and the absences of any lien being previously filed against the business. In instances where a lien can be enforced, management should be sure to make sure such liens are enforced.

Management Response

Since the time under audit, the Finance Director has made significant changes to the management of The City's accounts receivables procedures and continues to enhance the associated internal controls. The City is currently looking into various vendors that will be able to assist with ensuring outstanding receivables from all City generated non-tax related operations are collected in a more fashionable manner.

Finance Department - Oversight

Certain activities are delegated to other departments with minimal or no oversight and supervision by the finance department. While seized assets and parking, speed and red-light infractions are under the police department's jurisdiction, there should be involvement from the finance department to oversee and/or supervise the tracking and status since these they affect financial reporting and to safeguard against fraud and mismanagement.

Management Response

The Finance Director has been working with other department managers to provide oversight on those items impacting the financial assets and reporting thereon. Such as working with Code Compliance to ensure outstanding fines, municipal infractions and all other due fees based on department activity are collected timely and billed accurately. Also financial activities within the Police Department are reviewed by the Chief of Police regularly and any exceptions such as though from the parking, speed and red-light infractions are reviewed and discussed with the Director of Finance and/or City Manager to mitigate any mismanagement.

Tipline

The City should consider the use of a toll-free anonymous tipline to report any misappropriation of assets or fraudulent financial activity.

Management Response

Management will take this under advisement and discuss with the City Council.

Management's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it. This letter is intended solely for the information and use of the City's management, the Audit Committee and the City Council and is not intended to be and should not be used by others.

Very truly yours,

CohnReznick LLP

CohnReznick, LLP
Baltimore, Maryland



Independent Member of Nexia International

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City of Mount Rainier, Maryland

**Financial Statements
(With Supplemental Information)
and Independent Auditor's Report**

June 30, 2017

City of Mount Rainier, Maryland

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Independent Auditor's Report

To the Mayor and City Council
Mount Rainier, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Mount Rainier, Maryland (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the index.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Mount Rainier, Maryland as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and retirement plan information on pages 4 to 10 and 39 to 51, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2020, on our consideration of the City of Mount Rainier, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Mount Rainier, Maryland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mount Rainier, Maryland's internal control over financial reporting and compliance.

CohnReznick LLP

Baltimore, Maryland
March 20, 2020

City of Mount Rainier, Maryland

Management's Discussion and Analysis June 30, 2017

This section of the City of Mount Rainier, Maryland's (the "City") annual financial report presents management's discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2017. Please read it with the City's financial statements, which immediately follow this section.

Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$6,242,737 (net position).
- The City's total net position increased by \$388,476.
- As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$4,579,149, an increase of \$438,573.

Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the basic financial statements, which consists of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position includes all of the City's non-fiduciary assets and deferred outflow of resources, and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, public safety, public works, and community development. The City does not have business-type activities.

The government-wide financial statements can be found on pages 11 and 12 of this report.

City of Mount Rainier, Maryland

Management's Discussion and Analysis June 30, 2017

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

- Government funds
- Proprietary funds
- Fiduciary funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has two governmental funds, the general fund and the special revenue fund. Both of these funds are considered major funds by the City. The basic governmental fund financial statements can be found on pages 13 through 16 of this report. The City does not maintain proprietary funds, enterprise funds, or fiduciary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 37 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and special revenue fund, and retirement plan information, which can be found on pages 39 through 51 of this report.

City of Mount Rainier, Maryland

**Management's Discussion and Analysis
June 30, 2017**

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The City's combined assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$6,242,737 at the close of the most recent fiscal year.

The City's combined net position increased by \$388,476. This increase is primarily due to higher than budgeted revenues and lower than budgeted expenses.

The following table presents a summary of the Statement of Net Position for the City as of June 30, 2017 and 2016:

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2017</u>	<u>2016</u>	
Assets:			
Current and other assets	\$ 4,988,860	\$ 4,640,522	7.51%
Capital assets	4,655,373	4,786,744	-2.74%
Total assets	<u>9,644,233</u>	<u>9,427,266</u>	2.30%
Deferred Outflow of Resources	<u>625,737</u>	<u>394,118</u>	58.77%
Liabilities:			
Noncurrent liabilities	3,424,449	3,314,390	3.32%
Other liabilities	553,914	618,590	-10.46%
Total liabilities	<u>3,978,363</u>	<u>3,932,980</u>	1.15%
Deferred Inflow of Resources	<u>48,870</u>	<u>34,143</u>	43.13%
Net position:			
Net investment in capital assets	3,057,382	3,058,385	-0.03%
Restricted	383,055	201,216	90.37%
Unrestricted	2,802,300	2,594,660	8.00%
Total net position	<u>\$ 6,242,737</u>	<u>\$ 5,854,261</u>	6.64%

Changes in Net Position

The City's revenue totaled \$5,523,561. Of the City's revenue, 63% comes from property taxes and 76.3 cents (\$.763) of every dollar comes from some type of tax.

The total cost of all programs and services was \$5,135,085. The City's expenses cover a range of services, with about 48.3% related to public safety.

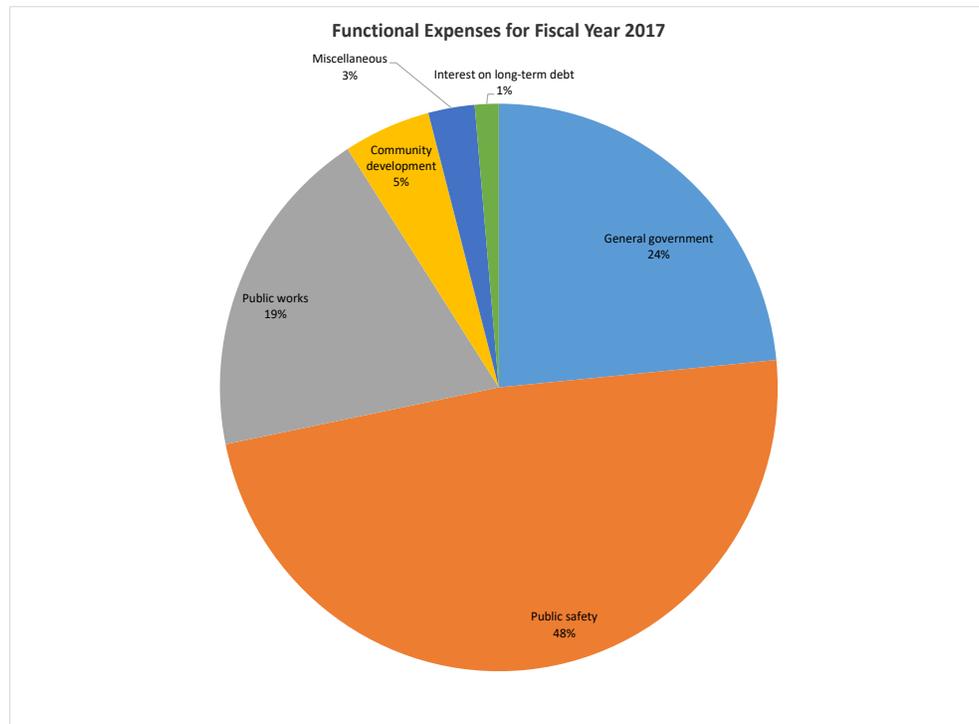
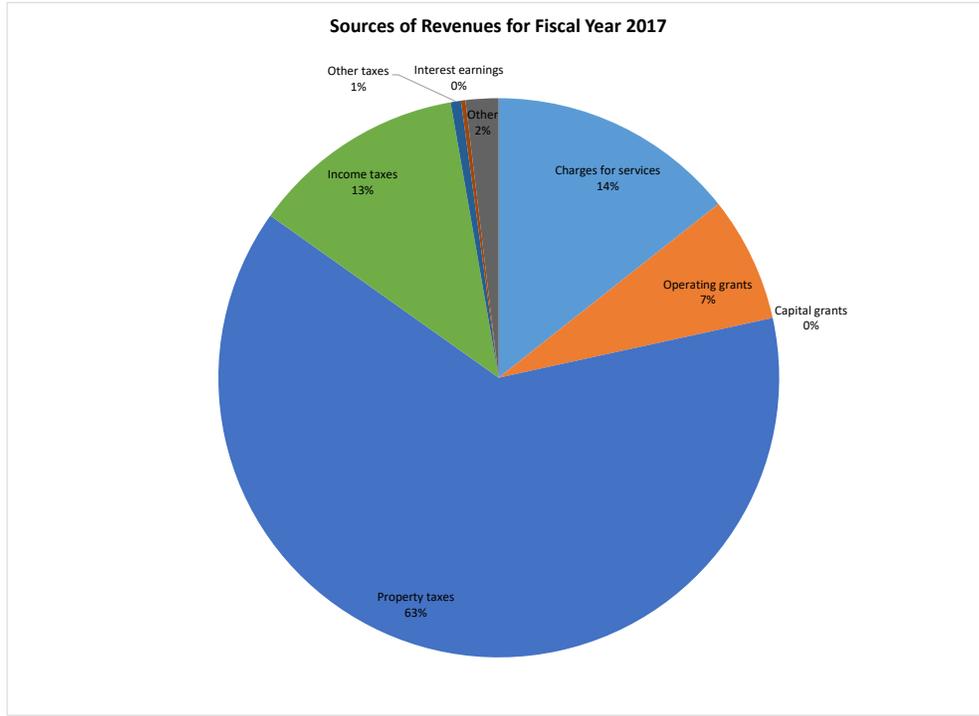
City of Mount Rainier, Maryland

**Management's Discussion and Analysis
June 30, 2017**

The following table presents a summary of the Statement of Activities for the City for the years ended June 30, 2017 and 2016:

	<u>Governmental Activities</u>		<u>Percentage Change</u>
	<u>2017</u>	<u>2016</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 791,280	\$ 896,945	-11.78%
Operating grants	400,216	746,139	-46.36%
Capital grants	-	-	
General revenues:			
Property taxes	3,495,185	3,110,287	12.37%
Income taxes	685,224	651,600	5.16%
Other taxes	32,589	25,905	25.80%
Interest earnings	14,212	6,944	104.67%
Other	104,855	67,831	54.58%
Total revenues	5,523,561	5,505,651	0.33%
Expenses:			
General government	1,204,486	1,412,650	-14.74%
Public safety	2,481,655	2,472,212	0.38%
Public works	980,403	1,044,236	-6.11%
Community development	259,685	146,070	77.78%
Miscellaneous	137,849	84,964	62.24%
Interest on long-term debt	71,007	77,916	-8.87%
Total expenses	5,135,085	5,238,048	-1.97%
Increase in net position	388,476	267,603	45.17%
Net position - beginning of year	5,854,261	5,586,658	4.79%
Net position - end of year	\$ 6,242,737	\$ 5,854,261	6.64%

City of Mount Rainier, Maryland
Management's Discussion and Analysis
June 30, 2017



City of Mount Rainier, Maryland

**Management's Discussion and Analysis
June 30, 2017**

Fund Financial Statement Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. The unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported combined fund balance of \$4,579,149, an increase of \$438,573. Of this total amount, \$4,074,664, represents unassigned fund balance. The remainder of the fund balance consists of nonspendable for prepaid items of \$71,279, restricted for public safety of \$383,055, and assigned for subsequent expenditures of \$50,151.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$4,074,664, while total general fund balance was \$4,528,998. During fiscal year 2017, fund balance for the City's general fund increased by \$494,076. The special revenue fund balance decreased by \$55,503 during the current fiscal year.

General Fund Budgetary Highlights

Most of the budget variances are due to greater than budgeted tax revenue and proceeds from a new capital lease as well as lower than budgeted expenses for public safety, public works and capital outlay.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2017 was \$4,655,373 (net of accumulated depreciation). The investment in capital assets includes land/construction in progress, land improvements, buildings and improvements, and equipment and vehicles. The following is a summary of the capital assets net of depreciation.

Capital Assets Net of Depreciation

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land/construction in progress	\$ 2,360,469	\$ 2,359,418
Land improvements	89,321	98,723
Buildings and improvements	1,861,373	1,928,569
Equipment and vehicles	344,210	400,034
Total	<u>\$ 4,655,373</u>	<u>\$ 4,786,744</u>

Capital assets purchased by the City during the last fiscal year includes equipment and vehicles, building and improvements, and construction in progress totaling \$125,768.

City of Mount Rainier, Maryland
Management's Discussion and Analysis
June 30, 2017

Long-term Debt

At year end, the City had \$1,784,367 in outstanding debt. One new capital lease obligation was incurred during the year.

	Governmental Activities	
	2017	2016
Bonds payable	\$ 1,290,713	\$ 1,481,004
Capital lease obligations	307,278	247,355
Accumulated compensation absences	186,376	216,625
Total	\$ 1,784,367	\$ 1,944,984

Maintaining the Conditions of the City's Infrastructure

The City sets aside funds in the Capital Improvement Plan regarding upgrades and improvements to the various streets and sidewalks within the community. Funding is also set aside to work on bridges and connections that have not been maintained.

Economic Factors and Next Year's Budget and Rates

- Actual revenues for fiscal year 2018 are expected to increase over levels for fiscal year 2017.
- Salaries expense for fiscal year 2018 includes a 3% ("COLA") for all City employees.
- Real property tax rates were reduced at the fiscal year 2018 to 84 cents (\$.84) per \$100 of assessed valuation.
- Vacant Developed Property Tax was reduced from \$5.00 to \$2.50 per \$100 of assessed valuation for fiscal year 2018.
- Business Property Tax was reduced from \$1.98 to \$0.99 per \$100 of assessed valuation for fiscal year 2018.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office, City of Mount Rainer, One Municipal Place, Mount Rainier, Maryland 20712.

City of Mount Rainier, Maryland

**Statement of Net Position
June 30, 2017**

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 4,415,458
Taxes receivable, net	60,912
Prepaid items	71,279
Due from other governments	365,521
Other receivables	75,690
Capital assets	
Nondepreciable assets	2,360,469
Depreciable assets, net of depreciation	2,294,904
Deferred outflow of resources	
Deferred outflows - pension related	<u>625,737</u>
Total assets and deferred outflow of resources	<u>10,269,970</u>
Liabilities	
Accounts payable and accrued expenses	73,474
Accrued salaries and fringe benefits	45,616
Other payables	17,950
Liability for seized assets	72,941
Long-term debt	
Due within one year	343,933
Due in more than one year	1,440,434
Net pension liability	<u>1,984,015</u>
Deferred inflow of resources	
Deferred inflows - pension related	<u>48,870</u>
Total liabilities and deferred inflow of resources	<u>4,027,233</u>
Net position	
Net investment in capital assets	3,057,382
Restricted	
Public safety	383,055
Unrestricted	<u>2,802,300</u>
Total net position	<u>\$ 6,242,737</u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

**Statement of Activities
Year Ended June 30, 2017**

Functions/programs	Expenses	Program revenue			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities
Governmental activities					
General government	\$ 1,204,486	\$ 621,767	\$ 16,853	\$ -	\$ (565,866)
Public safety	2,481,655	166,488	119,058	-	(2,196,109)
Public works	980,403	3,025	35,272	-	(942,106)
Community development	259,685	-	229,033	-	(30,652)
Miscellaneous	137,849	-	-	-	(137,849)
Debt service - interest	71,007	-	-	-	(71,007)
Total governmental activities	<u>5,135,085</u>	<u>791,280</u>	<u>400,216</u>	<u>-</u>	<u>(3,943,589)</u>
General revenues					
Property taxes					3,495,185
Income taxes					685,224
Other taxes					32,589
Interest and investment earnings					14,212
Miscellaneous					<u>104,855</u>
Total general revenues					<u>4,332,065</u>
Change in net position					<u>388,476</u>
Net position - beginning					<u>5,854,261</u>
Net position - ending					<u><u>\$ 6,242,737</u></u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

**Balance Sheet -
Governmental Funds
June 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and investments	\$ 4,377,200	\$ 38,258	\$ 4,415,458
Taxes receivable (net of allowance of \$82,416 and \$0, respectively)	60,912	-	60,912
Prepaid items	71,279	-	71,279
Due from other governments	230,178	135,343	365,521
Due from other funds	123,450	-	123,450
Other receivables	75,690	-	75,690
	<hr/>	<hr/>	<hr/>
Deferred outflow of resources	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets and deferred outflow of resources	<u>\$ 4,938,709</u>	<u>\$ 173,601</u>	<u>\$ 5,112,310</u>
<u>Liabilities and Fund Balances</u>			
Liabilities			
Accounts payable	\$ 73,474	\$ -	\$ 73,474
Accrued salaries	45,616	-	45,616
Other payables	17,950	-	17,950
Due to other funds	-	123,450	123,450
Liability for seized assets	72,941	-	72,941
	<hr/>	<hr/>	<hr/>
Total liabilities	209,981	123,450	333,431
	<hr/>	<hr/>	<hr/>
Deferred inflow of resources	199,730	-	199,730
	<hr/>	<hr/>	<hr/>
Fund balances			
Nonspendable for prepaid items	71,279	-	71,279
Restricted			
Public safety	383,055	-	383,055
Assigned for subsequent years' expenditures	-	50,151	50,151
Unassigned	4,074,664	-	4,074,664
	<hr/>	<hr/>	<hr/>
Total fund balances	4,528,998	50,151	4,579,149
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 4,938,709</u>	<u>\$ 173,601</u>	<u>\$ 5,112,310</u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

**Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
June 30, 2017**

Total fund balance, governmental funds		\$ 4,579,149
<p>Amounts reported in governmental activities in the Statement of Net Position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Cost of capital assets	\$ 7,988,623	
Accumulated depreciation	<u>(3,333,250)</u>	4,655,373
Deferred revenues are not available in the current period and therefore are deferred in the funds		199,730
Deferred outflow of resources - pension obligation		625,737
Deferred inflow of resources - pension obligation		(48,870)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
General obligation bonds payable	(1,290,713)	
Capital leases payable	(307,278)	
Net pension liability	(1,984,015)	
Accrued vacation leave	<u>(186,376)</u>	<u>(3,768,382)</u>
Net position of governmental activities		<u>\$ 6,242,737</u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

**Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Funds
Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ 4,200,049	\$ -	\$ 4,200,049
Licenses and permits	594,403	-	594,403
Intergovernmental	289,432	120,915	410,347
Charges for services	30,389	-	30,389
Fines and forfeitures	166,488	-	166,488
Miscellaneous	99,030	24,428	123,458
Interest and investment earnings	14,212	-	14,212
	<u>5,394,003</u>	<u>145,343</u>	<u>5,539,346</u>
Expenditures			
Current			
General government	1,056,907	74,823	1,131,730
Public safety	2,269,326	-	2,269,326
Public works	946,595	-	946,595
Community development	133,662	126,023	259,685
Miscellaneous	115,329	-	115,329
Debt service			
Principal	330,368	-	330,368
Interest	71,007	-	71,007
Capital outlay	176,733	-	176,733
	<u>5,099,927</u>	<u>200,846</u>	<u>5,300,773</u>
Excess (deficiency) of revenues over expenditures	294,076	(55,503)	238,573
Other financing sources (uses)			
Proceeds from issuance of capital lease	200,000	-	200,000
Net change in fund balances	494,076	(55,503)	438,573
Fund balances - beginning	4,034,922	105,654	4,140,576
Fund balances - ending	<u>\$ 4,528,998</u>	<u>\$ 50,151</u>	<u>\$ 4,579,149</u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2017**

Net change in fund balances - total governmental funds		\$ 438,573
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense in the current period.</p>		
Capital outlays	\$ 125,768	
Depreciation	<u>(257,139)</u>	(131,371)
<p>The issuance of long-term debt provides financial resources to governmental funds while the repayment of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position:</p>		
Proceeds	(200,000)	
Repayments	<u>330,368</u>	130,368
<p>Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenses. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in "unavailable" revenues at the end of the year over the amount at the beginning</p>		
		(15,785)
<p>Recognized pension costs less than the pension amount contributed</p>		
		36,351
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, such as net pension liability and compensated absences.</p>		
Net pension expense	(99,909)	
Change in accrued vacation leave	<u>30,249</u>	<u>(69,660)</u>
Change in net position of governmental activities		<u>\$ 388,476</u>

See Notes to Financial Statements.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Note 1 - Summary of significant accounting policies

The City of Mount Rainier, Maryland (the "City") was incorporated in 1910. The City operates under a Council-Manager form of government. The City's major operations include police protection, parks, public works, community development and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Financial reporting entity

These financial statements include the accounts of all City operations. As defined by the Codification of Governmental Accounting and Financial Reporting Standards, component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. Based on the aforementioned criteria, the City of Mount Rainier has no component units.

Basic financial statements - government-wide statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police protection, parks, public works, community development and general and administrative services are classified as governmental activities. The City has no business-type activities.

In the government-wide Statement of Net Position, the governmental activity column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions. The functions are also supported by general government revenues (property, income and certain other taxes and intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, community development, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenue (property and income taxes, other intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Basic financial statements - fund financial statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds. GASBS No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental funds

The focus of the governmental funds' measurement (in the fund statements) is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports these major governmental funds and fund types:

General fund - The general fund is the City's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

Special revenue fund - The special revenue fund is used to account for the proceeds of specific revenue resources that are legally restricted to expenditures for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide statements.

Basis of accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Net Position and the Statement of Activities presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the related liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income, and intergovernmental revenues. Other taxes collected and held by the

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Financial statement amounts

Cash and investments - The City has defined cash and cash equivalents to include cash on hand, demand deposits, savings accounts, and certificates of deposits. Short-term investments are stated at amortized cost, and consist of investments in the Maryland Local Government Investment Pool ("MLGIP"). In order to maximize investment interest income, cash amounts in all governmental funds that are available for longer periods of investment are invested on a pooled basis. Investments are stated at cost, which approximates market.

Interfund receivables and payables - During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds."

Receivables - In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, franchise taxes, and grants.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Capital assets - The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide statements - In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to July 1, 2003. The City defines capital assets as those which have an acquisition cost or donated value of at least \$1,000 and an estimated life of more than one year. The City capitalizes infrastructure assets (any road, street, or sidewalk) with a cost of at least \$100,000.

Capital assets are being depreciated over the following lives:

Buildings	25 - 50 years
Improvements	10 - 50 years
Machinery and equipment	3 - 20 years

Fund financial statements - In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Deferred outflows of resources - In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, a deferred charge for pension activity reported in the government-wide statement of net position. The deferred charge for pension activity is a result of smoothing differences in actual versus expected experience, projected versus actual investment earnings and changes in assumptions. The amounts for experience and changes in assumptions are recognized over the remaining future working lifetime of all participants in the pension plans and the variance in projected versus actual investment earnings is recognized over a five-year period.

Long-term debt - The accounting treatment of long-term debt depends on whether the related assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financial sources and payment of principal and interest is reported as expenditures.

Compensated absences - The City's policy regarding vacation time permits employees to accumulate earned but unused vacation leave. The City allows the employees upon termination to be paid for their accumulated annual leave up to a maximum of 288 hours, based on their length of employment. In addition, police officers can accrue and will be compensated for a maximum of 240 comp-time hours. The liability for these compensated absences is recorded as long-term debt in the government-wide statements.

Deferred inflows of resources - In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. One item qualifies for reporting in this category, a *deferred amount for pension activity*, which is a result of smoothing differences in actual versus expected experience, projected versus actual investment earnings and from a change in assumptions. The deferred amount for pension activity is only reported in the government-wide statement of net position. The amounts for experience and changes in assumptions are recognized over the remaining future working lifetime of all participants in the pension plans and the variance in projected versus actual investment earnings is recognized over a five-year period. The City reports unavailable revenues from income taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City had governmental deferred inflows of \$199,730 relating to income taxes.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Equity classifications

Government-wide statements - Government-wide net position is divided into three components:

- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City less related liabilities).
- Unrestricted - all other net position is reported in this category.

When both restricted and unrestricted net positions are available for use, generally it is the City's policy to use restricted resources first. For projects funded with tax-exempt debt proceeds and other sources, the debt proceeds are used first.

Fund financial statements - In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable fund balance - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted fund balance - Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed fund balance - Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance.
- Assigned fund balance - Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the City Council.
- Unassigned fund balance - All amounts not included in other spendable classifications.

When both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance) are available for use, generally it is the City's policy to use restricted resources first. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues, expenditures, and expenses

Property tax calendar and revenues - The City is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on July 1 based on assessed values from the State. Property taxes are due in semi-annual installments (due September 30 and December 31) for residential property or one installment (due September 30) for nonresidential property.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Delinquent property taxes are attached as an enforceable lien on the underlying properties, which are sold at public auction in May of the following year, by Prince George's County.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end.

Expenditure/expense - In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified by governmental function (i.e., general government, public safety, public works, community development and miscellaneous), debt service and capital outlay expenditures.

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund activity - Interfund activity is reported as either loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Accounting estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pension accounting - Any net pension liability or asset is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 68 - Accounting and Financial Reporting for Pensions. Expenditures are recognized when paid or are expected to be paid with current available resources. The net pension liability (asset) is reported in the government-wide financial statements.

Note 2 - Stewardship, compliance and accountability

Budgetary information

A formal budget is adopted and formal budgetary accounting is employed as a management control for the General Fund and Special Revenue Fund. The City Council approves, by ordinance, the total annual budget consisting of anticipated revenues and proposed expenditures (appropriations). Any subsequent transfer of funds between major appropriations for different purposes must be approved by the Council before becoming effective. The basis for budgeting is the modified accrual basis, excluding certain expenditures such as compensated absences, which results in non-GAAP basis. All appropriations lapse at the end of the budget year to the extent that they have not been expended.

The legal level of budgetary control (that is, the level at which expenditures cannot exceed budgeted appropriations) is at the department level. However, with proper approval by the City Council, budget transfers can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments made by the City Council.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Note 3 - Cash deposits and investments

Deposits

At year-end, the carrying amount of the City's deposits (including cash on hand of \$700) was \$1,737,984 and the corresponding bank balances were \$1,800,953. Custodial risk, in the case of deposits, is the risk that in the event of a bank failure the City's deposits may not be returned to it. At year end, \$750,000 of the City's deposits were covered by federal depository insurance and \$1,050,953 was covered by collateral held by the City's agent in the City's name.

Investments

At June 30, 2017, the City's investments were pooled in the state created Maryland Local Government Investment Pool ("MLGIP"). The values of those investments were \$2,677,474. Reconciliation of cash and investments as shown on the Statement of Net Position:

Carrying amounts of deposits	\$ 1,737,984
Carrying amounts of investments	<u>2,677,474</u>
	<u>\$ 4,415,458</u>
Per Statement of Net Position	
Cash and investments	<u>\$ 4,415,458</u>

Investment rate risk - Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the City's exposure to fair value losses arising from increasing interest rates, the City's investment policy limits the term of investment maturities between thirty days to one year in order to remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. City management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. The investments at June 30, 2017, met the City investment policy as of that date. Investment income was \$13,933 for the year ended June 30, 2017.

Credit risk - The investment policy of the City permits investments in the following types of investments as authorized by the State of Maryland: direct U.S. obligations, U.S. agency obligations, repurchase agreements, bankers' acceptances, municipal securities, commercial paper, money market mutual funds and the MLGIP. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland and is under the administration of the State Treasurer. It is rated AAAM by Standard & Poor's, their highest rating for money market mutual funds. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net assets value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value.

The City adopted Government Accounting Standards Board Statement 79, "Certain External Investment Pools and Pool Participants," which requires disclosure of specific criteria regarding external investment pools. The City maintains a cash and investment pool that is available for use by all funds. The City is governed by the deposit and investment limitations of Maryland law. The City is a participant in the Maryland Local Government Investment Pool ("MLGIP"), which provides all local government units of the state an investment vehicle for short-term investment of funds. The MLGIP is rated "AAAM" by Standard and Poor's (its highest rating).

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

The State Legislature created MLGIP with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, has been managed by a single financial institution. A MLGIP Advisory Committee of current participants' reviews, on a quarterly basis, the activities of the fund and provides suggestions to enhance the pool. The fair value of the pool is the same as the value of the pool shares. As of June 30, 2017, all pool holdings are in cash and cash equivalents with a weighted average maturity of 37 days. The pool is managed in a "Rule 2(a)-7 like" manner and is reported at amortized cost pursuant to Rule 2(a)-7 under the Investment Company Act of 1940 and also issues a publicly available financial report that includes financial statements and required supplemental information for the MLGIP. This report can be obtained in writing from: Maryland Local Government Investment Pool; c/o PNC Institutional Investments Group; One East Pratt Street; Baltimore, Maryland, 21202; by calling 1-800-492-5160, or the website, www.mlgip.com. As of June 30, 2017, the City had total investments in MLGIP of \$2,677,474, which has been reflected as cash and investments in the general fund.

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The investments of the City were not exposed to custodial credit risk at June 30, 2017.

Foreign currency risk - The City's investment policy does not allow for investments denominated in foreign currencies.

Note 4 - Property taxes

Real estate and personal property taxes are levied based on assessments determined by the State of Maryland.

Real estate taxes are levied on July 1 and are payable either by September 30 or in two equal installments on September 30 and December 31. Penalties and interest are charged thereafter. Liens are placed on delinquent property on the second Monday in May. Sale of property because of tax liens is conducted by Prince George's County.

Personal property taxes are levied throughout the year when the assessment is received from the State. They are payable 30 days after levy.

Real and personal property taxes are levied at rates enacted by the Mayor and City Council in the annual budget on the assessed value as determined by the Maryland State Department of Assessments and Taxation. Prince George's County collects all taxes billed and the City receives its share in monthly installments from the County. City property tax revenues are recognized when levied to the extent that they result in current receivables. The tax rate for fiscal year ended June 30, 2017 was \$0.86 per \$100 of assessed value for real property, \$1.98 per \$100 of assessed value for business personal property, and \$2.50 per \$100 of assessed value for public utility and railroad personal property.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Note 5 - Capital assets

Capital asset activity for the year ended June 30, 2017 is as follows:

	<u>Beginning balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending balance</u>
Government activities				
Capital assets not being depreciated				
Land	\$ 1,659,727	\$ -	\$ -	\$ 1,659,727
Construction in progress	699,691	1,051	-	700,742
Total capital assets not being depreciated	<u>2,359,418</u>	<u>1,051</u>	<u>-</u>	<u>2,360,469</u>
Capital assets being depreciated				
Land improvements	141,033	-	-	141,033
Building and improvements	3,374,332	26,641	-	3,400,973
Equipment and vehicles	<u>1,988,072</u>	<u>98,076</u>	<u>-</u>	<u>2,086,148</u>
Total capital assets being depreciated	<u>5,503,437</u>	<u>124,717</u>	<u>-</u>	<u>5,628,154</u>
Less accumulated depreciation for				
Land improvements	42,310	9,402	-	51,712
Building and improvements	1,445,763	93,837	-	1,539,600
Equipment and vehicles	<u>1,588,038</u>	<u>153,900</u>	<u>-</u>	<u>1,741,938</u>
Total accumulated depreciation	<u>3,076,111</u>	<u>257,139</u>	<u>-</u>	<u>3,333,250</u>
Total capital assets being depreciated, net	<u>2,427,326</u>	<u>(132,422)</u>	<u>-</u>	<u>2,294,904</u>
Capital assets, net	<u>\$ 4,786,744</u>	<u>\$ (131,371)</u>	<u>\$ -</u>	<u>\$ 4,655,373</u>

Depreciation expense was charged to functions/programs of the City as follows:

General government	\$ 60,753
Public safety	124,336
Public works	<u>72,050</u>
Total	<u>\$ 257,139</u>

Note 6 - Due from other governments

At June 30, 2017, the balance due from other governments consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
State of Maryland		
Police aid	\$ 30,073	\$ -
Income tax	200,105	-
Local		
Other grants	<u>-</u>	<u>135,343</u>
Total	<u>\$ 230,178</u>	<u>\$ 135,343</u>

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Note 7 - Long-term debt

The City issues general obligation bonds and other indebtedness to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and are pledged on the full faith and credit of the City.

General obligation bonds

In December 2008, the City issued its Series I-2008 bond in the amount of \$1,250,000. The bonds were issued for the purpose of funding the purchase of the Bass property. The bonds are due in semi-annual principal installments beginning June 4, 2009 and ending December 4, 2021. Interest is due semi-annually at the rate of 4.79%.

Debt service requirements to maturity for the I-2008 Series bonds are as follows at June 30, 2017:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 97,171	\$ 20,607	\$ 117,778
2019	101,929	15,849	117,778
2020	106,920	10,858	117,778
2021	112,156	5,623	117,779
2022	31,616	768	32,384
	<u>\$ 449,792</u>	<u>\$ 53,705</u>	<u>\$ 503,497</u>

In January 2010, the City issued its Series I-2010 bond in the amount of \$1,500,000. This bond was issued to pay off the 1996 Series "A" loan and 1997 Series "A" loan, which totaled \$821,234. The City received \$678,766 from the remainder of the bond, which was used to purchase land and building known as the Funeral Home property. The bonds are due in semi-annual payments with the final payment being due on December 30, 2024. Interest is due semi-annually at 4.3%.

Debt service requirements to maturity for the I-2010 Series bonds are as follows at June 30, 2017:

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 101,650	\$ 35,078	\$ 136,728
2019	106,068	30,660	136,728
2020	110,678	26,050	136,728
2021	115,488	21,239	136,727
2022	120,508	16,221	136,729
Thereafter	286,529	17,136	303,665
	<u>\$ 840,921</u>	<u>\$ 146,384</u>	<u>\$ 987,305</u>

Capital leases

The City has entered into the following agreements which meet the criteria of a capital lease. Lease payments are appropriated from general fund resources. The equipment underlying these agreements has an original cost of \$601,830 and a book value net of accumulated depreciation of \$151,608.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

In October, 2013, the City entered into an agreement with Sun Trust Equipment Finance & Leasing Corp. to finance a Mack truck. The agreement requires semi-annual payments in the amount of \$19,778 for a period of four years, including interest at 2.02%.

In October, 2013, the City entered into an agreement with Sun Trust Equipment Finance & Leasing Corp. to finance two police vehicles. The agreement requires semi-annual payments in the amount of \$10,801 for a period of four years, including interest at 1.88%

In October 2014, the City entered into an agreement with BB&T Bank to finance two police vehicles and a leaf vacuum machine. The agreement requires annual payments in the amount of \$29,219 for a period of four years, including interest at 2.47%.

In October 2015, the City entered into an agreement with BB&T Bank to finance three police vehicles. The agreement requires annual payments in the amount of \$32,858 for a period of three years, including interest at 1.87%.

In November 2016, the City entered into an agreement with BB&T Bank to finance two police vehicles and two trucks. The agreement requires semi-annual payments in the amount of \$34,433 for a period of three years, including interest at 1.87%.

The following is a schedule of the future minimum lease payments under these capital lease arrangements at June 30, 2017:

<u>Years ending June 30,</u>	<u>Payments</u>
2018	\$ 150,721
2019	130,942
2020	<u>34,433</u>
Total payments	316,096
Less interest	<u>8,818</u>
	<u><u>\$ 307,278</u></u>

Changes in long-term debt

The following is a summary of changes in general long-term debt:

	<u>Balance July 1, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2017</u>	<u>Due within one year</u>
General obligation bonds	\$ 1,481,004	\$ -	\$ (190,291)	\$ 1,290,713	\$ 198,821
Capital leases	247,355	200,000	(140,077)	307,278	145,112
Accrued vacation leave	216,625	57,838	(88,087)	186,376	-
Net pension liability	<u>1,667,216</u>	<u>316,799</u>	<u>-</u>	<u>1,984,015</u>	<u>-</u>
Total	<u>\$ 3,612,200</u>	<u>\$ 574,637</u>	<u>\$ (418,455)</u>	<u>\$ 3,768,382</u>	<u>\$ 343,933</u>

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Note 8 - Interfund receivables and payables

Interfund receivable and payable balances at June 30, 2017 were as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ 123,450	-
Special revenue fund	-	123,450
	<u>\$ 123,450</u>	<u>\$ 123,450</u>

Note 9 - Fund balance

The Council of the City of Mount Rainier has assigned \$50,151 of the fund balance for subsequent expenditures. The restricted fund balance of \$383,055, which was generated from the speed monitoring program, has been restricted for public safety programs.

Note 10 - Retirement plans

Accounting Principles

The City adopted GASB No. 68 - Accounting and Financial Reporting for Pensions ("GASB 68") during the year ended June 30, 2015. The City participates in the Maryland State Retirement and Pension System (the "System") and qualifies as a Participating Governmental Unit ("PGU") in the plan. The State Retirement Agency (the "Agency") is the plan administrator and fiduciary for the plan. GASB No. 68 requires that a PGU recognize its proportionate share of the System's net pension liability (i.e. unfunded pension liability) and pension expense. The System is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension Systems, State Police Retirement Pension System, Judges' Retirement System, and the Law Enforcement Officers' Pension System ("LEOPS"). The City's employees participate in the Employees' Retirement and Pension Systems ("ECS"). The City's proportionate share is based on total System contributions and approximates 0.0084% as of the measurement date of June 30, 2016.

In March 2016, the GASB issued Statement No. 82 - Pension Issues ("GASB 82"), which is effective for financial statements with periods beginning after June 15, 2016. This statement amends GASB 68 to require the presentation of covered payroll (the payroll or compensation paid to all employees on which contributions to the pension plan are based), and the related ratios, in the required supplementary information. Previously, GASB 68 required presentation of covered employee payroll (the payroll of employees that are provided with pensions through the pension plan,) and the related ratios, in the required supplementary information. The City adopted GASB 82 during fiscal year ended June 30, 2017 and has retroactively applied the related changes to the accompanying required supplementary information to reflect covered payroll instead of covered employee payroll for all periods presented.

The City's employees who participate in ECS were required to contribute five or seven percent of their earnable compensation depending on the retirement option selected, as stipulated by the System. The City contributed \$153,431 to the System for fiscal 2017 which was actuarially determined based on statutory provisions. The City has also recognized in Pension Expense; its proportionate share of the City's deferred inflows of resources (an increase in Pension Expense) attributable to the net difference between projected and actual investment earnings on pension plan

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

assets; and its proportion share of the System's deferred outflows of resources (a decrease in Pension Expense) attributable to changes in assumptions.

Basis of presentation and basis of accounting

1. Employers participating in the System's cost-sharing multiple-employer defined benefit plans are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014 in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) provide employers with the required information for financial reporting. The System's financial statements are prepared on the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") that apply to governmental accounting for fiduciary funds.

2. Actual employer contributions billed to participating government units for the year ended June 30, 2016 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations. The contributions were adjusted by increasing contributions by approximately \$77 million to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland for the year ended June 30, 2016.

3. The components of the calculation of the net pension liability for the system as of June 30, 2016, calculated in accordance with GASB Statement No. 67, are shown in the following table:

	(Expressed in thousands)	
Total Pension Liability		\$ 68,959,954
Less: Plan Fiduciary Net Position		<u>45,365,927</u>
Net Pension Liability		<u><u>\$ 23,594,027</u></u>
Plan fiduciary net position as a percentage of total pension liability		<u>65.79%</u>

Actuarial assumptions

As of the measurement date of June 30, 2016:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years for State system, 24 years for LEOPS Muni, and 31 years for CORS Muni as of June 30, 2015. For ECS Muni, 5 years remaining as of June 30, 2015 for prior UAAL existing on June 30, 2000. 25 years from each subsequent valuation date for each year's additional UAAL
Asset Valuation Method	5-year smoothed market; 20% collar
Inflation	2.70% general, 3.20% wage
Salary Increases	3.30% to 9.20% including inflation

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Discount Rate	7.55%
Investment Rate of Return	7.55%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience
Note	There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect the following assumptions changes in the 2015 valuation: Investment return assumption changed from 7.65% to 7.55%. Inflation assumption changed from 2.90% to 2.70%

Investments

The long-term expected rate of return on the pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage by adding expected inflation. Best estimates of geometrical real rates of return were adopted by the Pension System's Board after considering input from the investment consultant(s) and actuary(s). For each major asset class that is included in the Pension System's target asset allocation, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Public Equity	37%	6.60%
Credit Opportunity	9%	4.20%
Absolute Return	9%	3.70%
Private Equity	10%	7.40%
Real Estate	15%	4.70%
Rate Sensitive	20%	1.30%
 Total	 <u>100%</u>	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2016.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Discount rate

A single discount rate of 7.55% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. The projection of cash flows used to determine this single discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability

The following presents the plan's net pension liability, calculated using a single discount rate of 7.55%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

	<u>1% decrease to 6.55%</u>	<u>Current discount rate 7.55%</u>	<u>1% increase to 8.55%</u>
Total System net pension liability	\$32,408,442,000	\$23,594,027,000	\$16,259,112,000
Total City's Proportionate share of net pension liability	\$ 2,725,226	\$ 1,984,015	\$ 1,367,229

State retirement and pension system of Maryland

Plan description

All permanent, full-time employees of the City are eligible to participate in the retirement plans of the State Retirement and Pension System of Maryland (the System). The System is a cost sharing multiple-employer defined benefit pension plan administered in accordance with Article 73B of the annotated Code of Maryland by the State Retirement Agency of Maryland ("SRA") to provide survivor, disability, and retirement benefits to State and local government employees, teachers, police, correctional and law enforcement officers, judges, and legislators. The SRA operates under the direction of a 15-member Board of Trustees, which establishes policy, oversees investments, and represents various employee interests. The Maryland State Retirement and Pension System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 E. Baltimore Street, Baltimore, Maryland 21202-1600, calling (800) 492-5909 or visiting www.sra.state.md.us/Agency/Downloads/CAFR/CAFR-2015.pdf. The State of Maryland is obligated for the payment of all pension annuities, retirement allowances, refunds, reserves and other benefits of the System. Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies and administrative budget. The System is a component unit of the State of Maryland's financial reporting entity and is included in the State's financial statements as a pension trust fund.

Eligible employees participate in one of two State sponsored plans:

- a. The Employees' Retirement System, established October 1, 1941 (closed to all new members in January 1980). Membership is a condition of employment. Members participate under one of three options: Plan A - member elected to pay a higher contribution rate to

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

maintain all benefits, including unlimited cost-of-living adjustments; Plan B - member continued pre-1984 contribution rate to maintain all benefits except unlimited cost of living. Cost of living adjustments are capped at 5%; Plan C - member chose a combination, or two-part ("bifurcated") benefit. The portion of the service prior to the election is calculated at retirement as a Retirement System benefit; the portion of service after the election is calculated at retirement as a Pension System benefit.

- b. The Employee's Pension System, established January 1, 1980. Membership is a condition of employment.

Plan benefits

Members of the Employees' Retirement System qualify for a normal service retirement upon attaining the age of 60, regardless of service or upon accumulating 30 years of eligibility service, regardless of age. The annual retirement allowance for members who opted to join Plan A or B equals 1/55 of a member's average final compensation ("AFC") for each year of creditable service. For members of Plan C ("bifurcated plan"), a two-part calculation is required. Part of Plan C benefits are calculated using the Retirement System formula. The remainder of the benefit is calculated using the Pension System formula. A member may retire with reduced benefits after completing 25 years of eligibility service.

1. Members of the Employees' Retirement System hired prior to July 1, 2011 (Alternate Contributory Pension Selection ("ACPS"))
 - Members are eligible for full service pension allowances upon accumulating 30 years of eligibility service regardless of age. Absent 30 years of eligibility service, members must meet one of the following conditions to be eligible for full service pension allowances:
 - a. age 62 and five years of eligibility service
 - b. age 63 and four years of eligibility service
 - c. age 64 and three years of eligibility service
 - d. age 65 or older and two years of eligibility service
 - The annual pension allowance is equal to 1.2% of AFC for the three highest consecutive years as an employee for each year of creditable service accrued prior to July 1, 1998 plus 1.8% of AFC for the three highest consecutive years as an employee for each year of creditable service accrued on or after July 1, 1998. Members are eligible for early service pension allowances upon attaining age 55 with at least 15 years of eligibility service.
 - The cost of living adjustments for ACPS limits the increase the retiree may receive to a maximum of 3%, compounded annually. The adjustment is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year market value rate of return was greater than or equal to the assumed rate.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

2. Members of the Employees' Pension System hired on or after July 1, 2011 (Reformed Contributory Pension Benefit ("RCPB"))
 - Eligibility for normal service retirement is determined by the Rule of 90. Members become eligible once the sum of their age and eligibility service is at least 90 or upon attaining at least age 65 and has accrued at least 10 years of eligibility service.
 - The annual pension allowance is equal to 1.5% of AFC for the five highest consecutive years as an employee for each year of creditable service accrued on or after July 1, 2011. Members are eligible for early service pension allowances upon attaining age 60 with at least 15 years of eligibility service.
 - The cost of living adjustments for RCPB is capped at the lesser of 2.5% or the increase in CPI if the most recent calendar year market value rate of return was greater than or equal to the assumed rate (currently 7.5%). The adjustment is capped at the lesser of 1% or the increase in CPI if the market value return was less than the assumed rate.

Various retirement options are available under each System which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's or spouse's attained age and similar actuarial factors.

For all other plans, a two-part adjustment applies. For service earned before July 1, 2011, the COLA rate is capped at 3% and is not tied to investment performance. For service earned on or after July 1, 2011, the same caps apply as for retirees of the Reformed Contributory Pension Benefit.

Contributions required and made

The State Personnel and Pensions Article of the Annotated Code of Maryland require contributions by active members and their employers. Rates for required contributions by active members are established by law. Members of the Employees' Retirement System are required to contribute 7% (or 5% depending upon the plan option selected) of earnable compensation. Members of the Employees' Pension System are required to contribute 7% of earnable compensation.

The unfunded actuarial accrued liability ("UAAL") was being amortized in distinct layers. The unfunded actuarial accrued liability which existed as of the June 30, 2000, actuarial valuation was being amortized over a 40-year period (as provided by law) from July 1, 1980 and as provided by law, any new unfunded liabilities or surpluses arising during the fiscal year ended June 30, 2001, or any fiscal year thereafter, was being amortized over a 25-year period from the end of the fiscal year in which the liability or surplus arose. However, in the 2014 legislative session, the Legislature changed the method used to fund the System. The unfunded liability for each System is being amortized over a single closed 25-year period.

Contribution rates for employer and other "nonemployer" contributing entities are established by annual actuarial valuations using the Individual Entry Age Normal Cost method with projection and other actuarial assumptions adopted by the Board of Trustees. These contribution rates have been established as the rates necessary to fully fund normal costs and amortize the unfunded actuarial accrued liability.

The State of Maryland (which is also a non-employer contributor to the Teachers' Retirement and Pension Systems and the Judges' Retirement System), the Maryland Automobile Insurance Fund,

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

the Injured Workers' Insurance Fund, and more than 150 participating governmental units make all of the employer and other (non-employer) contributions to the System.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2017, City reported a liability of \$1,984,015 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contribution of all participating employers. At June 30, 2017, the City's proportion was 0.0084%.

For the year ended June 30, 2017, the City recognized pension expense of \$135,849 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 75,604	\$ -
Difference between actual and expected experience	-	48,870
Net difference between projected and actual investment earnings	236,691	-
Change in proportion	160,011	-
Contributions subsequent to measurement date	153,431	-
Total	\$ 625,737	\$ 48,870

The \$153,431 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. The deferred outflows and inflows of resources due to changes in assumptions, differences between actual and expected experience, change in proportion, and differences between projected and actual investment earnings represent the City's proportionate share of the unamortized portions of the System's original amounts. The deferred inflows and outflows related to non-investment activity are being amortized over the remaining service life of 5.87 years. The 2015 and 2014 deferred outflows not related to investment activity are being amortized over the remaining service life of 5 years. The net difference in investment earnings for 2016, 2015 and 2014 are being amortized over a closed 5-year period. These unamortized amounts will be ratably recognized in pension expense over these services' lives and closed 5-year period.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

The following table shows the amortization of these deferred outflows and inflows:

Year ending June 30,	Deferred outflows of resources	Deferred inflows of resources	Net
2018	\$ 110,809	\$ (11,476)	\$ 99,333
2019	110,809	(11,476)	99,333
2020	141,289	(11,476)	129,813
2021	98,949	(10,564)	88,385
2022	10,450	(3,878)	6,572
Total	\$ 472,306	\$ (48,870)	\$ 423,436

Note 11 - Deferred compensation

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property or rights are the property and rights of the participants.

Note 12 - Contingent liabilities

The City participates in a number of state and federally assigned grant programs which are subject to financial and compliance audits by the grantors or their representatives. Disallowed claims, if any, may constitute a liability of the applicable fund. The claims which may be disallowed cannot be currently determined, although the City expects such amounts, if any, to be immaterial.

Note 13 - Litigation

There are various pending lawsuits in which the City is involved. The City attorney and legal counsel for the insurance carrier estimate that the potential claims against the City not covered by insurance, if any, would not materially affect the financial statements of the City.

Note 14 - Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability risks are financed through the City's participation in the Local Government Insurance Trust ("LGIT"). The City pays an annual premium to LGIT for its general insurance coverage. The agreement with LGIT provides that LGIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000. The City continues to carry commercial insurance for employee health and accident insurance and worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage, and no significant reductions in insurance coverage have occurred, in any of the past three fiscal years.

City of Mount Rainier, Maryland

Notes to Financial Statements June 30, 2017

Note 15 - Post-retirement benefits

The City has no liability for post-retirement benefits at June 30, 2017.

Note 16 - New Governmental Accounting Standards Board Standards

GASB has issued several pronouncements prior to the year ended June 30, 2017, that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the City beginning with its year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.
- Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, effective for financial statements for fiscal years beginning after December 15, 2015.
- Statement No. 83 - *Certain Asset Retirement Obligations*, issued November 2016, effective for fiscal years beginning after June 15, 2018.
- Statement No. 84 - *Fiduciary Activities*, issued January 2017, effective for fiscal years beginning after December 15, 2018.
- Statement No. 85 - *Omnibus 2017*, issued March 2017, effective for fiscal years beginning after June 15, 2017.
- Statement No. 86 - *Certain Debt Extinguishment Issues*, issued May 2017, effective for fiscal years beginning after June 15, 2017.
- Statement No. 87, *Leases*, issued June 2017, effective for fiscal years beginning after December 15, 2019.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, issued March 2018, effective for fiscal years beginning after June 15, 2018.
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, issued June 2018, effective for fiscal years beginning after December 15, 2019.
- Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, issued August 2018, effective for the fiscal years beginning after December 15, 2018.

City of Mount Rainier, Maryland

**Notes to Financial Statements
June 30, 2017**

Note 17 - Subsequent events

The City evaluated subsequent events for potential required disclosures through March 20, 2020, which represents the date the financial statements were available to be issued.

In December 2019 and early 2020, the coronavirus that causes COVID-19 was reported to have surfaced in China. The spread of this virus globally including in early 2020 has caused business disruption domestically in the United States, the area in which the City primarily operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this uncertainty. Therefore, while the City expects this matter to negatively impact the City's financial condition, results of operations, or cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

Required Supplementary Information

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund - Summarized
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 4,040,000	\$ 4,040,000	\$ 4,200,049	\$ 160,049
Licenses and permits	591,750	591,750	594,403	2,653
Intergovernmental	200,000	200,000	289,432	89,432
Charges for services	43,250	43,250	30,389	(12,861)
Fines and forfeitures	180,500	180,500	166,488	(14,012)
Miscellaneous	42,750	42,750	99,030	56,280
Interest and investment earnings	3,000	3,000	14,212	11,212
Total revenues	5,101,250	5,101,250	5,394,003	292,753
Expenditures				
General government	1,021,750	1,021,750	1,056,907	(35,157)
Public safety	2,430,800	2,430,800	2,269,326	161,474
Public works	1,054,500	1,054,500	946,595	107,905
Community development	147,150	147,150	133,662	13,488
Miscellaneous	115,750	115,750	115,329	421
Debt service	356,750	356,750	401,375	(44,625)
Capital outlay	396,000	396,000	176,733	219,267
Total expenditures	5,522,700	5,522,700	5,099,927	422,773
Other financing sources (uses)				
Proceeds from issuance of capital lease	-	-	200,000	200,000
Excess (deficiency) of revenues over expenditures	(421,450)	(421,450)	494,076	915,526
Appropriation of fund balance	421,450	421,450	-	(421,450)
Net change in fund balance	\$ -	\$ -	\$ 494,076	\$ 494,076

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Revenues				
Taxes				
Real estate	\$ 3,310,000	\$ 3,310,000	\$ 3,334,455	\$ 24,455
Business personal property	45,000	45,000	77,203	32,203
Public utilities personal property	80,000	80,000	83,984	3,984
Admission and amusement	6,000	6,000	3,855	(2,145)
Property liens	10,000	10,000	-	(10,000)
Penalties and interest on taxes	9,000	9,000	15,328	6,328
Shared income tax - state	580,000	580,000	685,224	105,224
Total taxes	4,040,000	4,040,000	4,200,049	160,049
Licenses and permits				
Burglar alarm registration	750	750	150	(600)
CDMA fees	23,000	23,000	-	(23,000)
Occupancy/building license	10,000	10,000	15,861	5,861
Traders licenses	500	500	1,198	698
Residential rental licenses	365,000	365,000	360,185	(4,815)
Building permits	4,000	4,000	17,680	13,680
CATV revenue	70,000	70,000	72,970	2,970
Franchise fee	110,000	110,000	119,137	9,137
Vacant building fees	6,000	6,000	3,675	(2,325)
Mitigation fees	1,000	1,000	254	(746)
Tree removal permit	-	-	350	350
Other licenses and permits	1,500	1,500	2,943	1,443
Total licenses and permits	591,750	591,750	594,403	2,653
Intergovernmental				
State				
Highway user tax	41,000	41,000	27,646	(13,354)
Police protection	115,500	115,500	119,058	3,558
SHA-MOU	15,000	15,000	7,626	(7,374)
Transportation grant	-	-	106,368	106,368
County				
Disposal fee rebate	22,000	22,000	28,734	6,734
Financial corps	6,500	6,500	-	(6,500)
Total intergovernmental	200,000	200,000	289,432	89,432

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Revenues				
Charges for services				
Public parking facilities	25,000	25,000	13,852	(11,148)
Public transportation	2,000	2,000	5,174	3,174
Waste collection	1,250	1,250	25	(1,225)
Trash hauler fees	1,000	1,000	3,000	2,000
CDMA administrative fees	1,750	1,750	-	(1,750)
City service fees	1,750	1,750	1,308	(442)
Multi-family trash fees	3,000	3,000	-	(3,000)
Other charges for services	7,500	7,500	7,030	(470)
Total charges for services	43,250	43,250	30,389	(12,861)
Fines and forfeitures				
Parking violations	75,000	75,000	142,070	67,070
Meter violations	18,500	18,500	12,833	(5,667)
Parking citation recovery	75,000	75,000	-	(75,000)
Municipal code violations	2,000	2,000	600	(1,400)
Speed camera	-	-	375	375
Impoundment fees	10,000	10,000	10,610	610
Total fines and forfeitures	180,500	180,500	166,488	(14,012)
Miscellaneous				
Bus shelter advertising	750	750	205	(545)
Rent income	31,000	31,000	23,400	(7,600)
Insurance damage recovery	-	-	38,129	38,129
National Night Out	500	500	-	(500)
Mount Rainier day	8,250	8,250	1,331	(6,919)
Bike co-op	-	-	6,000	6,000
Tool Shed revenues	250	250	-	(250)
Compost revenue	1,000	1,000	180	(820)
Gateway 5K revenue	-	-	42	42
Other revenue	1,000	1,000	29,743	28,743
Total miscellaneous	42,750	42,750	99,030	56,280
Interest and investment earnings	3,000	3,000	14,212	11,212
Total revenues	5,101,250	5,101,250	5,394,003	292,753

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Expenditures				
General government				
Mayor and council				
Personnel	36,250	36,250	31,878	4,372
Other operating	26,075	26,075	15,978	10,097
Total Mayor and Council	62,325	62,325	47,856	14,469
City Administration				
Personnel	493,250	493,250	503,318	(10,068)
Other operating	120,000	120,000	206,870	(86,870)
Total City Administration	613,250	613,250	710,188	(96,938)
Economic Development				
Personnel	94,500	94,500	93,875	625
Other operating	16,425	16,425	31,780	(15,355)
Total Economic Development	110,925	110,925	125,655	(14,730)
3409 Rhode Island Avenue				
Other operating	15,000	15,000	12,817	2,183
3200 Rhode Island Avenue				
Other operating	500	500	3,026	(2,526)
3204-3208 Rhode Island Avenue				
Other operating	750	750	1,022	(272)
3405 Rhode Island Avenue				
Other operating	12,000	12,000	2,771	9,229
Legal and elections				
Other operating	65,500	65,500	60,684	4,816
3601 Bunker Hill Road				
Other operating	7,000	7,000	3,285	3,715
Communications and newsletter				
Other operating	41,250	41,250	20,274	20,976
Communications - cable TV				
Personnel	35,000	35,000	28,462	6,538
Other operating	48,500	48,500	24,301	24,199
Total Communications - cable TV	83,500	83,500	52,763	30,737

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Expenditures (continued)				
General government				
Library				
Other operating	9,750	9,750	2,848	6,902
Miscellaneous				
Bad debt	-	-	13,718	(13,718)
Total general government	1,021,750	1,021,750	1,056,907	(35,157)
Public safety				
Police				
Personnel	1,782,000	1,782,000	1,702,422	79,578
Other operating	297,550	297,550	285,815	11,735
Total police	2,079,550	2,079,550	1,988,237	91,313
Parking enforcement				
Personnel	63,750	63,750	59,766	3,984
Other operating	30,500	30,500	36,523	(6,023)
Total parking enforcement	94,250	94,250	96,289	(2,039)
Code enforcement				
Personnel	223,500	223,500	161,236	62,264
Other operating	32,000	32,000	23,564	8,436
Total code enforcement	255,500	255,500	184,800	70,700
Fire department				
Other operating	1,500	1,500	-	1,500
Total public safety	2,430,800	2,430,800	2,269,326	161,474
Public Works				
Public Works administration				
Personnel	595,500	595,500	556,182	39,318
Other operating	154,000	154,000	161,725	(7,725)
Total Public Works administration	749,500	749,500	717,907	31,593

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Expenditures (continued)				
Highway and street				
Other operating	107,500	107,500	72,198	35,302
Street lighting				
Other operating	112,500	112,500	90,126	22,374
Waste disposal				
Other operating	85,000	85,000	66,364	18,636
Total Public Works	1,054,500	1,054,500	946,595	107,905
Community development				
Call-A-Bus				
Personnel	23,750	23,750	30,759	(7,009)
Other operating	12,500	12,500	12,603	(103)
Total Call-A-Bus	36,250	36,250	43,362	(7,112)
Community programs				
Personnel	3,250	3,250	5	3,245
Other operating	21,500	21,500	13,119	8,381
Total community programs	24,750	24,750	13,124	11,626
Mount Rainier Day				
Personnel	16,000	16,000	23,994	(7,994)
Other operating	28,500	28,500	14,958	13,542
Total Mount Rainier Day	44,500	44,500	38,952	5,548
National Night Out				
Personnel	5,400	5,400	4,404	996
Other operating	5,000	5,000	870	4,130
Total National Night Out	10,400	10,400	5,274	5,126
Bike Co-op				
Other operating	1,250	1,250	5,447	(4,197)

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
General Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Expenditures (continued)				
City tax credit				
Other operating	28,500	28,500	27,503	997
Tool shed				
Other operating	1,500	1,500	-	1,500
Total community development	147,150	147,150	133,662	13,488
Miscellaneous				
General insurance	90,750	90,750	87,520	3,230
Contingency	25,000	25,000	27,809	(2,809)
Total miscellaneous	115,750	115,750	115,329	421
Debt service				
Principal	276,000	276,000	330,368	(54,368)
Interest	80,750	80,750	71,007	9,743
Total debt service	356,750	356,750	401,375	(44,625)
Capital outlay				
Capital equipment	-	-	-	-
Capital outlay projects	396,000	396,000	176,733	219,267
Redevelop City Funds	-	-	-	-
Total capital outlay	396,000	396,000	176,733	219,267
Total expenditures	5,522,700	5,522,700	5,099,927	422,773
Other financing sources (uses)				
Proceeds from issuance of capital lease	-	-	200,000	200,000
Excess (deficiency) of revenues over expenditures	(421,450)	(421,450)	494,076	915,526
Appropriation of fund balance	421,450	421,450	-	(421,450)
Net change in fund balance	\$ -	\$ -	\$ 494,076	\$ 494,076

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
Special Revenue Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Federal grants				
CDBG grant	\$ 200,000	\$ 200,000	\$ 120,915	\$ (79,085)
State grants				
Smart Energy Communities grant	164,750	164,750	-	(164,750)
State of Maryland - SGIF Grant	1,500	1,500	-	(1,500)
MDOT-transportation grant	80,000	80,000	-	(80,000)
County grants				
County tree grant	10,000	10,000	-	(10,000)
Community legacy grant	200,000	200,000	-	(200,000)
Mount Rainier Day grant	2,500	2,500	-	(2,500)
Aging Senior Program Grant	2,500	2,500	-	(2,500)
National Night Out	1,000	1,000	-	(1,000)
Total intergovernmental	662,250	662,250	120,915	(541,335)
Miscellaneous				
LGIT grant	4,000	4,000	5,825	1,825
Chesapeake Bay Trust grant	391,000	391,000	16,853	(374,147)
Art Place America grant	350,000	350,000	-	(350,000)
ATHA grant	-	-	1,750	1,750
Total miscellaneous	745,000	745,000	24,428	(720,572)
Total revenue	1,407,250	1,407,250	145,343	(1,261,907)
Expenditures				
General government				
Community legacy	100,000	100,000	44,892	55,108
Mount Rainier Day	2,500	2,500	-	2,500
Miscellaneous	-	-	1,640	(1,640)
Materials and supplies	11,500	11,500	5,021	6,479
Contractor services	1,092,250	1,092,250	750	1,091,500
Bad debt	-	-	22,520	(22,520)
Total general government	1,206,250	1,206,250	74,823	1,131,427

City of Mount Rainier, Maryland

**Schedule of Revenues and Expenditures
Budget and Actual - Non-GAAP Budgetary Basis
Special Revenue Fund
Year Ended June 30, 2017**

	Budgeted amounts		Actual amounts budgetary basis	Variance with final budget favorable (unfavorable)
	Original	Final		
Public Safety				
National Night Out grant	1,000	1,000	-	1,000
Total Public Safety	1,000	1,000	-	1,000
Community development				
CDBG contract work	200,000	200,000	126,023	73,977
Total community development	200,000	200,000	126,023	73,977
Total expenditures	1,407,250	1,407,250	200,846	1,206,404
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (55,503)	\$ (55,503)

City of Mount Rainier, Maryland

**Notes to the Required Supplementary Information
June 30, 2017**

Note 1 - Budgetary information

Formal budgetary accounting is employed as a management control during the year for the General Fund. The City Council approves, by ordinance, the total annual budget consisting of anticipated revenues and proposed expenditures (appropriations). Any subsequent budget transfers must be approved by the Council before becoming effective. All appropriations lapse at the end of the budget year to the extent that they were not expended.

Note 2 - Reconciliation of budgetary basis and GAAP basis

Actual results of operations are presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds and the Schedules of Revenues and Expenditures - Budget and Actual - Non-GAAP Budgetary Basis, in order to provide a meaningful comparison of actual results with budget estimates.

Note 3 - Other disclosures

The expenditures exceeded the budgeted amounts for the following departments:

- General Fund:
 - City administration
 - Economic development
 - 3200 Rhode Island Avenue
 - 3204-3208 Rhode Island Avenue
 - Parking enforcement
 - Debt service
 - Call-A-Bus
 - Bike Co-op

The major difference between budget basis and GAAP basis is the appropriation of prior year surplus as a revenue item. \$421,450 of fund balance was included as a revenue source on the budgetary statement.

The departments on the Schedule of Revenues and Expenditures - Budget and Actual have been further grouped by major governmental functions.

Note 4 - Actuarial assumptions

As of the measurement date of June 30, 2016:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years for State system, 24 years for LEOPS Muni, and 31 years for CORS Muni as of June 30, 2015. For ECS Muni, 5 years remaining as of June 30, 2015 for prior UAAL existing on June 30, 2000. 25 years from each subsequent valuation date for each year's additional UAAL
Asset Valuation Method	5-year smoothed market; 20% collar

City of Mount Rainier, Maryland

**Notes to the Required Supplementary Information
June 30, 2017**

Inflation	2.70% general, 3.20% wage
Salary Increases	3.30% to 9.20% including inflation
Discount Rate	7.55%
Investment Rate of Return	7.55%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP-2014 Mortality Tables with generational mortality projections using scale MP-2014, calibrated to MSRPS experience
Note	There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect the following assumptions changes in the 2015 valuation: Investment return assumption changed from 7.65% to 7.55%. Inflation assumption changed from 2.90% to 2.70%

City of Mount Rainier, Maryland
Schedules of Required Supplementary Information
Retirement Plan Information
Year Ended June 30, 2017

Schedule of the City's Proportionate Share of the Net Pension Liability

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion (%) of the collective net pension liability	0.0084%	0.0080%	0.0072%
City's proportionate share (\$) of collective net pension liability	\$ 1,984,015	\$ 1,667,216	\$ 1,283,522
City's covered payroll (\$)	\$ 1,877,980	\$ 1,871,296	\$ 1,737,850
City's proportionate share of collective net pension liability as a percentage of its covered-employee payroll	105.65%	89.09%	73.86%
Pension plan's fiduciary net position as a percentage of the total pension liability	65.79%	68.78%	71.87%

The above schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

City of Mount Rainier, Maryland
Schedules of Required Supplementary Information
Retirement Plan Information
Year Ended June 30, 2017

**Schedule of the City's Pension Plan Contributions
Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 153,431	\$ 168,542	\$ 169,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>153,431</u>	<u>168,542</u>	<u>169,093</u>	<u>-</u>						
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 1,877,980	\$ 1,871,296	\$ 1,737,850							
Contributions as a percentage of covered-employee payroll	8.17%	9.01%	9.73%							

The above schedule is presented to illustrate the requirement for specified information for 10 years. However, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Mayor and City Council
Mount Rainier, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Mount Rainier, Maryland (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Mount Rainier, Maryland's basic financial statements, and have issued our report thereon dated March 20, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mount Rainier, Maryland's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mount Rainier, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mount Rainier, Maryland's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, 2017-003 and 2017-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mount Rainier, Maryland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Mount Rainier, Maryland's Response to Findings

City of Mount Rainier, Maryland's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Mount Rainier, Maryland's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

Baltimore, Maryland
March 20, 2020

City of Mount Rainier, Maryland

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

2017-001 Timely and Accurate Financial Reporting

Statement of Condition: During the course of the audit we observed several transaction types that were not recorded timely. Additionally, the records were not reconciled timely, including the year-end trial balance not being reconciled until July 2019 (two years after year-end and the City's reporting deadline).

Criteria: Accounting policies and procedures should be designed and implemented in a fashion that ensures timely and accurate financial reporting.

Cause: There is a lack of appropriately designed and documented accounting policies and procedures.

Effect: The lack of properly designed and documented accounting policies and procedures has resulted in financial reporting that is not performed timely, leading to the City not being able to meet its financial reporting requirements as designated in its Charter. Additionally, the City's ability to provide reliable interim financial reports is inhibited by current accounting practices.

Recommendation: We recommend the City design and implement control procedures that are timely and reliable. These procedures should include proper oversight and review of the recording of transactions and reconciliations. Where possible, transactions should be processed in the financial system the day they occur.

View of Responsible Officials: The City experienced significant turnover in its Finance Director position before, during and after the period under audit. The current Finance Director started in December 2018 and has been working to address late audits, finance policies and procedures, and internal control policies. In addition, the City has engaged a consultant to assist the Finance Director in these areas. Significant progress has been made since December 2018 in providing timely and accurate financial reporting to the Mayor and Council and the residents of Mount Rainier. Enhanced review of accounting records prior to finalization in the accounting system has increased proper oversight of financial transactions.

2017-002 Record Keeping

Statement of Condition: The accounting records required numerous material adjustments to be proposed and recorded in order for the financial statements to be fairly presented in accordance with generally accepted accounting principles in the United States of America.

Criteria: Internal controls over financial reporting should exist to ensure that material misstatements are prevented, or detected and corrected, by management in a timely manner.

Cause: Management did not have sufficient controls over financial reporting.

Effect: Management produced interim and annual financial statements that were materially misstated.

Recommendation: We recommend the City hire a staff person with sufficient capabilities to assist management in undertaking a review of internal controls over financial reporting and ensure the financial data is properly recorded in the books and records of the City to prevent misstatements from occurring in the future.

View of Responsible Officials: The City experienced significant turnover in its Finance Director position before, during and after the period under audit. The current Finance Director started in December 2018 and has been working to address late audits, finance policies and procedures, and

City of Mount Rainier, Maryland

Schedule of Findings and Questioned Costs Year Ended June 30, 2017

internal control policies. In addition, the City has engaged a consultant to assist the Finance Director in these areas. Significant progress has been made since December 2018 in providing timely and accurate financial reporting to the Mayor and Council and the residents of Mount Rainier. Enhanced review of accounting records prior to finalization in the accounting system has increased proper oversight of financial transactions.

2017-003 Segregation and Delineation of Duties

Statement of Condition: We noted that many processes are not formally documented to delineate responsibility, and that the individuals that are, in practice, carrying out duties pertinent to the City's finances are performing duties that create conflicts when performed by single individuals.

Criteria: Proper segregation and delineation of duties should be in place to strengthen internal controls to provide reasonable assurance that a material misstatement to the financial statements or misappropriation of assets is prevented.

Cause: There is a lack of appropriately designed and documented internal control systems.

Effect: The ability for the City to prevent or detect material misstatements to the financial statements or the misappropriation of assets is substantially inhibited.

Recommendation: We recommend the City hire a staff person with sufficient capabilities to assist in designing and implementing control procedures that do not include individuals performing incompatible duties. Where possible, the recording of, authorization of, reconciliation of, and custody of the City's finances and assets should remain segregated. Where that is not possible, mitigating controls and procedures should be designed, documented and implemented.

View of Responsible Officials: Due to its size, the City has a finance staff of two, including the Finance Director. In September 2019 the staff accountant position was upgraded to assist the Finance Director with implementing proper internal controls on higher risk functions within the finance department. The Finance Director has made significant internal control changes and continues to look for opportunities to improve internal controls notwithstanding staffing limitations.

2017-004 Journal Entries

Statement of Condition: Journal entries were prepared and entered without review.

Criteria: All journal entries should be reviewed by a person who understands the accounting function and the general ledger system.

Cause: Management has not instituted an internal control process which requires the review of journal entries.

Effect: Combined with the noted lack of segregation of duties and delineation of responsibilities, this could allow for significant accounting errors or theft.

Recommendation: We recommend the City hire a staff person with sufficient capabilities with the understanding of sufficient segregation of duties and of local government accounting.

View of Responsible Officials: Due to its size, the City has a finance staff of two, including the Finance Director. In September 2019 the staff accountant position was upgraded to assist the Finance Director with implementing proper internal controls on higher risk functions within the finance

City of Mount Rainier, Maryland
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

department. The Finance Director has made significant internal control changes and continues to look for opportunities to improve internal controls notwithstanding staffing limitations.



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**Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL LEGISLATIVE MEETING
DATE: February 4, 2020
COUNCIL CHAMBERS, UPPER-LEVEL CITY HALL**

Call to Order

7:00 PM, Council Chambers, City Hall, One Municipal Place, Mount Rainier, MD

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present

Interim City Manager Latasha C. Gatling
City Clerk John Hoatson

Minutes provided by:

City Clerk

Call to Order and Pledge of Allegiance

**Motion to Approve Amended Agenda: Councilmember Bryan Knedler
Move: Councilmember Celina Benitez
Second: Councilmember Luke Chesek
Vote Recorded: 3-0-0, Motion Passed**

Mayor Miles came later. Was attending the Swearing-in of New Police Chief in Cottage City, Anthony Ayers. Reception for Anthony Ayers was conducted at Bunker Hill Fire Station.

Event Announcements by Mayor & City Council

- Youth Scholarship Application Deadline is April 17, 2020 by 5:00 PM
- Walk to School Day – Monthly event for Mount Rainier Elementary
- Craft Club is meeting every Monday from 7:00 PM until 9:00 PM MRPD
- Renewal of Parking Permits is February 28, 2020
- Census Committee still looking for volunteers

- Building Native Ecosystem Event – February 22, 2020 10:00AM until 12:00PM Joe's Movement Emporium
- Catharsis on the Mall – Call for artist – \$20,000 in artist grants available. Speak to Councilmember Scott Cecil if interested.
- Volunteers for Mount Rainier Day still needed. Everyone is invited to be on the committee.

Amended Agenda Read by Councilmember Bryan Knedler

Mount Rainier Police Detective Swearing-In Ceremony:

Mayor Malinda Miles & Councilmember Bryan Knedler conducted the swearing-in of Mount Rainier Police Detective David Calloway. Detective Calloway verbally took the Oath of Office and signed the Ceremonial Oath of Office for the City. Lt. Col Linwood Alston filled in for Chief of Police Anthony Morgan. Detective Calloway made a few remarks and is looking forward to an extended career in Mount Rainier. Mayor Miles also personally thanked Detective Calloway for responding and assisting her with a recent family emergency.

LGIT Training Presentation by Tim Ailsworth, Executive Director with LGIT (Local Government Insurance Trust)

Tim Ailsworth made a presentation and provide the City of Mount Rainier two checks. Both are police department training grants. One check was for \$500.00 and the other was for \$1,650.00. The \$500.00 check was for "Train the Trainer" for emergency vehicle operation. The \$1,650 check was designated for force science regarding use of police force.

Presentation By FSC First Regarding FSC First Recommendation that Penny Royal Station and Sew Creative Be Awarded A 50K Forgivable Loan From The City of Mount Rainier's Economic Development Incentive Fund.

Dawn Medley, Senior VP of Business Finance and Ron Work, Commercial Loan Underwriter made a presentation with regards to the Mount Rainier Economic Development Million Dollar Incentive Fund. Two local businesses are ready for loan approval. Pennyroyal Station and Sew Creative. Nine business have made applications. Four have completed applications. Two are ready for financing.

Pennyroyal Station 3310 Rhode Island Avenue will use the money for equipment needs so they can get opened. FSC First recommended a forgivable \$50,000 loan.

Funds are controlled. Funds must be used in the business and has checks in place to guarantee it. Mayor Miles requested a timeline for opening. Pennyroyal Station is waiting on WSSC to get gas line in place. Hoping for an early Spring opening. They are currently working on cosmetics. 72-76 seat restaurant with 16 places at the bar. The patio will seat 60 people. Plans will be to do a soft opening. Dinner will be offered the first two weeks followed by the addition of brunch & then breakfast.

34 new jobs will be created with the opening of Pennyroyal Station. Pennyroyal station will definitely be opening. FSC will first invest in Pennyroyal station and then the fund from the City of Mount Rainier will be accessed.

Public Comment was offered. There was no comment provided.

Motion to Approve 50K Forgivable Loan for Pennyroyal Station Mayor Miles

Move: Councilmember Luke Chesek

Second: Councilmember Celina Benitez

Vote Recorded: 4-0-0, Motion Passed

FSC First (Ron Work) then made another presentation regarding Sew Creative, DBA Harmon Enterprises located at 3711 Rhode Island Avenue. Sew Creative currently employs 13 workers with the hope of adding two more positions. The money provided by FSC First will help to expand classes offered. FSC First made the recommendation to provide a 50K forgivable loan from the Incentive fund. The owner of the business Cisely was in attendance to answer questions. Councilmember Chesek spoke about the 6 industrial sewing machines currently in her possession. Sew Creative is hoping to use the money for signage.

Once again Public Comment was offered. There was no comment provided.

Motion to Approve 50K Forgivable Loan for Sew Creative Mayor Miles

Move: Councilmember Luke Chesek

Second: Councilmember Celina Benitez

Vote Recorded: 4-0-0, Motion Passed

Additional FSC presentations need to be made at the Work Session of Mayor & City Council going forward.

Public Comment

Two residents signed up to speak during Public Comment.

1. Austin Mack Crane 3500 Block of Varnum – Spoke about the Bike Coop. Currently the Bike Coop is being renovated. Bike Coop is currently using a shipping container to work out of. Mayor Miles stated that money was allocated in Fall, 2019 for a structural engineer. Interim City Manager Latasha C. Gatling stated that the deposit and contract have been sent for the structural engineer. Work should begin soon.
2. Intizar Hamid spoke out about Resolution 04-2020 Pitt Bulls. Hamid expressed concern as to why this resolution would be created if it is County law? Everything should be left in place as it currently is. Residents are very concerned and it should be rescinded. Councilmember Cecil stated the law is flawed and unenforceable. Intizar walked out of meeting.

Old Business

This Ordinance is being created to have a roof permit in place. Contracted roofers will have to show proof to the City they are bonded and licensed. Inspections of the roof will not be done from the City. County permits will still be required. This will make changes in the City Code. There currently is a \$200.00 fine, per week if residents don't have permits. Councilmember Benitez stated that fees need to be removed from the Ordinance and placed in the Schedule of Fees. Councilmember Knedler stated it will be changed once fine and fees are in the schedule.

Ordinance 01-2020 Amending Chapter 3, Building Code, Mount Rainier Code

Motion to Approve Ordinance 01-2020 Amending Chapter 3, Building Code, Mount Rainier Code Mayor Miles

Move: Councilmember Luke Chesek

Second: Councilmember Celina Benitez

Vote Recorded: 4-0-0, Motion Passed

New Business

Resolution 0-5-2020 Resolution of the Mayor & City Council of Mount Rainier to Authorize Negotiations of the Verizon Franchise Renewal & Together with Prince George's County & Other Municipalities, to Jointly Negotiate the Renewal of the Verizon Franchise.

Mayor Miles stated that the Verizon agreement is expired and will need to be renegotiated. The City also has an agreement with Comcast.

Public Comment regarding the resolution was offered. No one from the audience spoke.

Motion to Approve Resolution 05-2020 Verizon Franchise Agreement – Mayor Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 3-1-0, Motion Passed (Councilmember Cecil no vote)

1st Reading of Ordinance 02-2020 Amending the Schedule of Fees For the City of Mount Rainier. (NO VOTE JUST 1st READING OF ORDINANCE)

Councilmember Knedler stated that the fees and penalties are mixed. Mayor & City Council would like to have the document separated into three columns. Fees | Fines | Description. Mayor & City Council want to make it easier for residents to understand. Fee Schedule will go into effect at a vote and not be retroactive. Councilmember Cecil stated that this entire process took too long. Councilmember Cecil wanted to know if this could be amended before the second meeting? Mayor Miles stated yes, that it could be done.

Action Item: Lawyer was asked to amend the schedule of Fees to include three columns: Fees | Fines | Description. Will be voted on at the next legislative meeting of Mayor & City Council barring no changes.

Vote To Support Proposed NCOZ Standards

Not many changes were made to the standards. The language has been cleaned up. Residents will now be allowed to change back walls and roofs on their houses. They will also be allowed to renovate one window and door versus two windows. Multiple dormers would also be allowed under these standards. Recommendations need to be voted on to send to County Staff. There will need to be a public meeting on final draft once completed. Councilmember Knedler stated that the Design Review Board had done a lot of work on the standards and thanked them.

Motion to Adopt Proposed NCOZ Standards – Mayor Miles

Move: Councilmember Bryan Knedler

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

Vote On Attorney Services – Elissa Levin – Funk & Bolton

Ken Sigman, former City Attorney resigned and moved on. Mayor & City Council just completed a search and selected Funk & Bolton as new legal counsel for the City. The City is receiving discounted cost for legal services at a rate of \$245.00 and hour for attorney, \$195.00 an hour for Senior Counselor and \$75.00 an hour for a Paralegal. Councilmember Knedler is requesting quarterly reports. Mayor and City Council are requesting monthly reports. Mayor Miles requested 30 to 60 day notice of termination from the firm. Mayor and City Council advised Interim City Manager Latasha Gatling to add the following language to the agreement.

1. Monthly status and billing report requested
2. 45 to 60 day notice if firm terminated contract
3. Town Hall change to City Hall in contract
4. Training with previous counsel (Ken Sigman) before departure.

Motion to Adopt Attorney Services – Mayor Miles

Move: Councilmember Celina Benitez

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

Adoption of Minutes from Previous Meetings

September 3, 2019 Legislative Meeting

September 17, 2019 Work Session

September 24, 2019 Special Session

October 1, 2019 Legislative Session

October 15, 2019 Work Session

November 5, 2019 Legislative Session

November 21, 2019 Work Session

December 3, 2019 Legislative Session

December 17, 2019 Work Session

Motion to Adopt Minutes From Previous Meetings (Any changes need to be turned in by Friday February 7, 2020 close of business) Mayor Miles

Move: Councilmember Celina Benitez, Councilmember Bryan Knedler

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

Council City Manager Reports

Councilmember Celina Benitez:

County Executive Alsobrooks created the Latino Advisory Board – Celina Benitez has been asked to serve on the board.

Census Count Committee will be door knocking for Census 2020. Information is forthcoming.

A Census Challenge to another City / Town will also be forthcoming

Councilmember Luke Chesek:

Community Meeting was held recently to create a Native Food Garden (Forest Garden) for 31st Street Pocket Park. One resident is a landscape architect and is giving services for free.

34th Street Streetscape will be added to the February Work Session for discussion.

Councilmember Luke Chesek also gave out his Thank You's.

Mayor Miles:

Gave a Thank You to everyone involved in the Mount Rainier Library Grand Opening. Mayor sent Thank you letters to all of the partners.

Black History Month celebrations going on in other municipalities near City.

Mayor participated in the swearing-in of Tiffany Green, first black female fire chief of Prince George's County.

Mayor Miles is working on the Bond Bill.

Motion to Adjourn Meeting: Mayor Miles

Move: Councilmember Bryan Knedler

Second: Councilmember Celina Benitez

Vote Recorded: 4-0-0, Motion Passed

**Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL WORK SESSION
DATE: February 18, 2020
COUNCIL CHAMBERS, UPPER-LEVEL CITY HALL**

Call to Order

7:00 PM, Council Chambers, City Hall, One Municipal Place, Mount Rainier, MD

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present

Interim City Manager Latasha C. Gatling
City Clerk John Hoatson

Minutes provided by:

City Clerk

Call to Order

Motion to Approve Agenda: Mayor Malinda Miles

Move:

Second:

Vote Recorded:

Agenda Read by Councilmember Bryan Knedler

2020 Census Materials

County Councilmember Deni Taveras spoke about the 2020 Census material being provided by her office along with the Northern Gateway CDC. 50 % of the population in District 2 was not counted during the last Census 10 year ago. Mayor & City Council were asked to spend 2K of the 19K in grant money on posters and flyers in English and Spanish. The City has 19K from the Maryland Department of Planning for Census work. Councilmember Celina Benitez stated

that 2K is inexpensive for we will get that include the City Logo and videos. The translation alone of any materials would create would be more than 2K. It will cost the City more money and lots of time to come up with their own materials. Printing and mailing will still be a cost to the City. The First mail drop will be March 12, 2020, before the Census drops, and the second will be after April 1 Census Day.

Action Item: Need to be placed on the Legislative Agenda for March 3, 2020. Mayor & City Council agreed to purchase the Census Materials from Councilmember Deni Taveras and Northern Gateway CDC. Funds will come form the 19K grant from Maryland Department of Planning.

DaVita Kidney Care Drop-Off Zone Presentation

Sandy Bozebury, Administrator with DaVita Kidney Care spoke to the Mayor & City Council regarding the proposed drop-off zone. The request was made a year ago to the City. The City did create a No Parking Zone as a result. To avoid the no parking zone, metro buses are blocking Davita. Chief of Police Anthony Morgan stated that once the zone is in place, parking meters will be placed around the zone accordingly. Patients to Davita come between the hours of 5:30am until 9:30pm at night. The patient drop-off zone will assist patients with getting in and out of the facility safely.

Action Item: Needs to be placed on the Legislative Agenda for March 3, 2020 for a vote. Mayor & City Council approved a curbside drop-off without parking meters. Chief Morgan will assist with implementation of the new drop-off zone.

Strategic Planning Presentations

On Strategy: Katherine Colombo, Engagement Director & Eric Olson, COO Senior Strategist spoke via conference call. Based in Nevada, On Strategy work with small business and city government. They have 18 people on staff. They will use focus groups, council meetings, surveys and social media to bring in diverse voices early on prior to the action plan. Councilmember Chesek asked if the strategic plan could be implemented without using their software. The answer provided was that the City could use their software or use tools the City would like. Councilmember Knedler wanted to know if On Strategy has worked with any municipalities this small in size. It was stated back that municipalities in Nevada were the same size as Mont Rainier. Question was asked by Councilmember Luke Chesek regarding travel and Expenses. Per trip they could run \$3,700 to \$3,500 per trip. On strategy stated they could perform the tasks online due to the strong online community practices in place.

University of Maryland:

Maria Del Marshall of the University of Maryland worked with the City on Memorial Park. She came to the City with a Strategic Plan Presentation to Mayor & City Council. Bobby Boon, lecturer at University of Maryland Urban Planning presented along side Maria. They will work with graduate students to develop a Strategic Plan for the City. 3 to 7 students will spend 16 weeks creating an action plan in Excel or Design .PDF. Councilmember Chesek asked if support could be extended beyond 16 weeks? University of Maryland responded by stating that

support could possibly be extended for the initial project. Mayor Miles asked when potentially the project would start. Mr. Book replied that the project would start in August to December 2020.

Yard & Company: Mr. Boon also presented for Yard & Company, company from Ohio. Boon is also a consultant with Yard and Company. The owner of the company (Kevin) did join the meeting via telephone. Yard and Company believe in active engagement. They would live in the City via a Pop-Up location to engage with residents for period of time. They also believe in implementing some projects to test ideas and get resident feedback. Strategic plans are based on their engagement. For additional cost, Yard & Company can provide follow-up work and accountability. Follow-up work starts at 10K depending on the type of follow-up needed. Councilmember Chesek wanted to know the pros and cons between Yard and Company and University of Maryland. Mr. Boon stated that the students are local and can engage deeply. Yard and Company has more experience but shorter time frame of engagement however they can provide more post-plan support.

Public Comment was invited. No one made comment.

Challenge To Chuck's Liquor License Renewal

Resident Ayelet Hines joined the table and stated to Mayor & City Council that there is a petition of 71 signatures to remove Chuck's Liquor License. The petitioners would like a public hearing to obtain a letter of support from Mayor & City Council. Councilmember Cecil stated that the Mayor & City Council cannot talk about this issue privately for violation of the Open Meetings Act. Councilmember Celina Benitez is in favor of a public hearing to discuss this business and other related issues. Councilmember Luke Chesek stated the deadline for the petition was March 1, 2020. Ayelet Hines told Mayor & City Council that there is a culture of fear with regards to this issue. Residents pick up human feces in their yards and have a fear of attending a public meeting. One resident took to the table and stated it took 14 years to close Bass Liquor Store. The City got behind the resident at that time and won. Mayor Miles stated that Chuck would be given an opportunity to present his case and evidence at the Public Hearing.

Action Item: Public Hearing date needs to be determined. Meeting will not be held the same evening as a Mayor & City Council Meeting. Residents can bring videos and images to present.

Mayor Miles departed meeting due to illness.

Census Count Committee Update

Councilmember Celina Benitez has formed the Mount Rainier Census Count Committee and also serves on the County Committee. City Committee is currently working on marketing, social media and appointments to talk about the coming of Census 2020. Currently at Rainier Manor there are four volunteers to assist residents with completing their Census. Census forms will be mailed out March 12, 2020 and can be filled out and sent back using the code provided. City Hall and Mount Rainier Library will also be serving as a Census Hub. Both locations will have trained staff to assist the public. Councilmember Benitez has also contacted the local schools

PTAs to help with the Census. All City Events in the City will have Census incorporated into it. The City of Mount Rainier was just awarded a 19K Census Grant from the Maryland Department of Planning. Annapolis a larger City was also awarded the same amount. Councilmember Cheseck and Cecil both want to assist by attending meetings and knocking on doors. The Census goal for City is 80% versus the 60% that achieved in 2010.

34th Street Revitalization

34th Street Revitalization cost are now 108K vs 200K following the MUTC plan. Director of Public Works Kamali has reviewed the plan. For Fiscal Year 2021, 100K for Memorial Park will need to be budgeted. 400K will also be budgeted for streets and sidewalks. Councilmember Scott Cecil stated the brick pavers are expensive. Mayor and City Council will need to make consideration for the work and timeline. Planning and discussions should be taking place now. Nathan Cedaroth spoke on the subject and added that he would like to see the City focus on main power areas. Bricks could be used on the primary roads.

Spring Park / Peace Park Discussion

Little Friends of Peace were awarded a grant for the park located at 33rd and Shepherd. City stated they would match the fund. No Memorandum of Understanding or Agreement was ever created. Little Friends of Peace is requesting the City pay the University of Maryland for some design work. Interim City Manager Latasha C. Gatling would like to know how Mayor & City Council would like to move forward. Grant is for 50K and letter to County states the City will give 39K. Grant was received in 2019. Meeting minutes from previous meeting states that the City will match 10K to 40K. Little Friends of Peace wants \$10,500.00 for community engagement, site assessment, consultation with engineers, stormwater management & design. Councilmember Bryan Knedler recommended to City Manager to review the previous meeting videos for clarity. The MOU is needed to outline what the City will do and what Little Friends of Peace will do. Councilmember Benitez stated their needs to be discussion to see if money is needed now to get started.

Action Item: MOU is needed between City of Mount Rainier and Little Friends of Peace. City Manager will watch video again regarding Spring Park at 33rd & Shepherd.

Potts Hall Mortar Inspection

Potts Hall was painted over 100 years ago and the paint could be holding up the mortar because it is sand. The City needs an expert to examine the mortar. This was a recommendation from the architects. City has received money from the state for the project. The Grant money provided will allow for an expert to examine the mortar on the building.

Action Item: City Manager has been instructed to send out RFP and determine the cost involved.

Budgeting To A Surplus

Councilmember Chesek stated that the quarterly reports in 2019 show risks and progress. The risk that has come up in the issue of having reserve funds. He would like to create a surplus fund with supermajority of four votes to access it and have the monies invested in a fund. Councilmember Chesek has been researching fund options. The City could put in 10K a year to build up the fund for certain amount of years and then access the interest to pay for various projects in the City (Streets and Sidewalks). Mayor & City Council discussed the matter. Councilmember Bryan Knedler said the City has a reserve and Staff, Mayor & City Council cannot touch it without a majority vote. Councilmember Celina Benitez said the major vote of 4 needs to be added to the City Code. Councilmember Cecil is interested but residents would want their taxes lowered instead of reserves. He is confused if the City has a full reserve or a fund balance. Councilmember Chesek stated he wants funds that are hard to access the collect interest over time Interim City Manager Latasha C. Gatling stated that there is a reserve account with money. The normal fund balance is in another account. Gatling supports Luke's idea, but the City is not there yet. Interim City Manager has a plan to slowly get the City there. The City has relied on grants and she wants to move to funding via a surplus. Councilmember Celina Benitez wants the City to get to having a surplus that gain interest. Councilmember Bryan Knedler said that in the past the City has balanced the budget using the reserves. Gatling stated that her proposed budget will be close to perfect as she can get it. She also plans to bring money into the City. Next budget should allow for a savings. Councilmember Cecil would like to see the account balance for reserve fun.

Schedule of Fees

Revised Schedule of Fees was provided to Mayor & City Council that included three columns as requested: Fee, Fines and Description. Schedule of Fees had a 1st reading during the legislative meeting of Mayor & City Council back on February 4, 2020. Second reading would be provided at the next legislative meeting of Mayor & City Council on March 3, 2020. Mayor & City Council would be provided the markup document to see if changes have been made accordingly. The Mount Rainier City Code is on Municode. If Schedule of Fees is passed in time, it will go to the next update which is twice a year. Fees will be stricken from the Code. The Code will advise to check the Schedule of Fees so the Code will not have to be changed when a fee changes. Municode will just update the fees within code with new information sent to them by City.

Nathan Cedaroth a resident stated he would like the fees in the Code. It is hard to bounce from Municode to the Schedule of Fees.

Action Item: Mayor & City Council requested the original red lined item from City Attorney be sent to them for review. Some minor updated to Ordinance 02-2020 before the final vote on Tuesday, March 3, 2020.

Motion to Adjourn Meeting: Councilmember Bryan Knedler
Move: Councilmember Celina Benitez
Second: Councilmember Scott Cecil
Vote Recorded: 3-0-0, Motion Passed (Mayor Miles Went Home Sick)

Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL PLANNING WORK SESSION
DATE: February 25, 2020
City Hall: 1 Municipal Place Mount Rainier, Maryland 20712

Call to Order:

7:00 PM City Hall: 1 Municipal Place Mount Rainier, Maryland 20712

Presiding Officer:

Mayor Malinda Miles

Officials Present:

Councilmember Celina Benitez
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present:

Interim City Manager Latasha C. Gatling – On the phone
City Clerk John Hoatson
Director of Finance DeMornai Blackwell

Minutes provided by:

City Clerk

Call to order by Mayor Miles

Update was provided by Mayor Miles and Councilmember Celina Benitez who gave a report about the Census meeting with Senator Ben Cardin. Mayor Miles requested the meeting take place. Folks from all over the area attended. Secretary of Planning from Department of Planning, Julius from

the Federal Census Bureau with his staff, Gloria Brown from Social Services Department, representatives from the non-profit arena – Casa De Maryland and another whole group of folks. The purpose was to see what else the City needed to get a complete count. Laptops were requested and they would be provided by Senator Ben Cardin’s office. They praised Mount Rainier for the work and efforts that have been done and the plan that was submitted. Mount Rainier received one of the largest grants of \$19,000.00 from the Maryland Department of Planning. Hyattsville and Annapolis also received the same. They are thinking about moving to the area a mobile Census unit. Mount Rainier is a Census Hub and have come to the conclusion that City may need additional places for people to complete the Census. Mayor Miles also secured another 13 places people can go to complete the Census privately. Posters and flyers in multiple languages will be hung up in public buildings. City would like every business to hang a Census poster at their location. PTOs and PTAs are going to have Census family events so parents have a safe space to complete the Census. Mayor has also reached out to the various churches for Census Sabbath.

Latasha C. Gatling, Interim City Manager & DeMornai Blackwell, Director of Finance presented their findings about Fiscal Year 2020 Budget.

Mayor & City Council started meeting with a look at the Revenue Statement. Interim City Manager Latasha Gatling stated that an area of concern where the numbers were inflated was Shared State Income Tax. It was budgeted at \$675,000.00 To date the City has received \$343,997.55. Don’t think the City will receive another \$331,002.45. Number was overstated. Mayor Miles wanted a list from the state of proposed revenue the City would receive and a schedule of when it would come in. This was last year’s state income tax. Did the state tell us what amount City would receive? Will the City be receiving more?

Demornai Blackwell, Director of Finance stated the shared income tax comes in based on the tax filing. It comes in heavily around March, April & May during the normal tax season filing. The averages for the last three years was almost \$700,000.00. So City can expect another \$300,000.00 within the next few months. This projection is thru current February. It is

heavy in the 1st quarter and a substantial jump in September / October for those that requested a filing extension for 6 months. Picks up in 4th quarter.

Councilmember Luke Cheseck stated so the variance of \$331,002.45, it is expected City will make it up in the March, April and May timeframe?

DeMornai Blackwell, Director of Finance stated yes, it is based on income taxes so City could be close to \$675,000.00 or slightly under. Previous periods had us at \$686,000.00, \$643,000.00 & period before last year \$795,000.00.

Expectation is that the City will receive another \$300,000.00.

Mayor & Council are trying to get a handle of when revenue will come in to the City and an estimate of how much. How can Mayor & City Council also get a printed list of an idea of when money is flowing.

Councilmember Luke Cheseck made a recommendation to ask the state to provide dates and the estimated revenue City will receive.

Councilmember Celina Benitez asked that a spreadsheet be created that reflects what is received quarterly and what is received annually.

Interim City Manager Latasha Gatling then moved on to other licenses and permits. YTD is \$6,909.40 and budgeted at \$75,000.00 line number 01-1212.

Councilmember Bryan Knedler asked what does other licenses and permits mean? \$75,000.00 is a lot of money.

DeMornai Blackwell, Director of Finance stated that when Miranda (Former City Manager) was putting together the budget, there were small little license permits such as liquor license. Had other ideas to come up with different fees and revenue sources. DeMornai Blackwell agreed with Latasha Gatling that due to change in management the City will not fulfill that line item.

City will not receive another \$68,000.00

Councilmember Scott Cecil asked Interim City Manager Latasha Gatling: so on the 1st line item you started off by saying you were concerned City was so far under. DeMornai Blackwell stated that City expects to get most of that money. Why was the 1st line item highlighted?

Interim City Manager Latasha Gatling stated that she and DeMornai Blackwell, Director of Finance agree to disagree each day. She is concerned that the City will not receive \$300,000.00. She will believe it when she sees it.

Interim City Manager Latasha Gatling then moved on to Trader Licenses \$1,500.00 line number 01-1210. She does not see City getting \$1,500.00.

Councilmember Luke Cheseck & Interim City Manager Latasha Gatling provided a definition of Traders License. Traders Licenses are receipts from license fees paid to the state by businesses operating in the City. It is also known as a vendors license.

Mayor Miles agreed that City will probably not receive the \$1,500.00.

Interim City Manager Latasha Gatling then moved onto State Transportation Grant line number 01-1300. She asked DeMornai Blackwell if City was slated to receive that revenue?

DeMornai Blackwell, Director of Finance stated yes that with FY 20 going forward they combine line number 01-1300 State Transportation Grant & 01-1302 State Highway User Fees. It is one large lump. Previous years they use to break them out. Now they are combined.

Mayor Miles stated when they took away the highway user revenue, City would apply through MML and obtain a state grant from the Maryland Legislature. Last year the HUR's were approved at 80% and lobbying this year is not to let the sunshine clause on it. For the next 5 years we are

guaranteed that amount. City may not get a grant but it may be included in the HUR's.

DeMornai Blackwell, Director of Finance stated that this year's budget is slated for \$220,000.00 Combine those is \$180,000.00.

Councilmember Luke Chesek stated that the City is expected to receive over the variance. 40K over.

Interim City Manager Latasha Gatling then moved on to Fees for City Services line item 01-1403 – making copies and stuff. City will not receive \$2,000.00. People do not pay for Public Information Act requests or making copies.

Mayor Miles stated that is seemed unrealistic to strike it.

Interim City Manager Latasha C. Gatling then moved to Meter Violations line number 01-1501 – Meters have just been installed. City will not receive \$16,000 in the next four months.

Mayor Miles stated that they took some meters out and they were down, not operating.

01-1504 Parking Recovery \$150,000.00 – Combination line – Recovery fees from Com Plus as well as parking violations. Looking to correct in next fiscal year. Will not receive \$150,000.00 will receive about \$200,000.00 in total combined. Still going to be 50K short.

Going forward for next budget, things will be separated out so it makes sense.

01-1602 Rent Income - \$14,000.00 – not renting anything at present. That will be zero.

Spent the money to renovate the building but don't have a tenant to move in. Lost tax exemption from building.

Bike Co-Op Revenue – Not sure how many bikes they are fixing. They are already \$3,000.00 in the red from what was projected. Not fully functional at present. Held up with the engineer, needed a POD for storage. There was a line item that provided them with income from the City. City not going to see that amount of money as a pass thru.

01-1699 Miscellaneous Revenue - doubt City will receive \$57,000 – Purchase and sale of Public Works vehicles. City will not see a revenue portion. City will see a reduction in the financing in upcoming vehicles. This will be over a period of time.

Councilmember Scott Cecil stated so some old vehicles were sold in Public Works. The money received was used to pay down financing on other vehicles. So as Director of Public Works he was able to make that decision on his own? Not going to get to \$57,000.00

That is it for revenue section. Currently the City is YTD \$1,289,695,000.00 in the red or short.

Councilmember Luke Chesek stated currently the City has \$157,000.00 in losses \$83,000.00 above what was budgeted for residential. \$20,000.00 in railroad so about \$120,000.00. May break even.

City could be short \$41,000.00 or \$82,000.00

Most of concerns were in revenue.

All budget amendments are reflected in the revised updated budget.

Proposed budget for FY 2021 is 6.4 million dollars. FY 2020 was budgeted at 7 million dollar budget. Creating a solid budget that is fiscally sound. Hoping to create a surplus while generating revenue for the City without raising taxes.

Expenditures By Department – Workers' comp Insurance is way over. \$15,297.00 and another one for \$20,761.00. Everything together workers' comp is over \$50,000.00. More people and more police officers make it

higher. It varies by department. Workers' comp has been budgeted higher in FY 21.

Could come in lower.

Last three years the City spent the following for workers' comp. insurance - FY 2017 \$230,000.00, FY 2018 \$210,000.00 FY 2019 \$190,000.00 FY 2020 \$257,000.00 because of incidents that took place in 2019. It will be going up in 2021.

Electricity bill is over \$9,500.00 over. Need to turn the heat down. The lights around the City and Potts Hall are also grouped together. (City Hall)

Councilmember Bryan Knedler:

With the addition of LED lights it should be going down instead of up.

Averaging around \$40,000 a year. Suppose to have further reduction and was only budgeted at \$31,000.00.

One quarter to go. With a number close to being in the red is there something that can be done to prevent overspending. Want to be sure not to spend anymore.

Public Works – Page 10 – Capital Outlay - \$266,000.00 has not been spent on capital projects. That includes streets / sidewalks in spring. Stop ridiculous spending on sidewalk that don't need repairs. If projects can be put on hold, they should be.

Councilmember Luke Cheseck:

Departmental level: Looking at the variances over and under it was difficult to judge whether City will come in over budget or under.

Total Expenditures - Page 3: YTD through February - \$742,000.00 is about \$92,000.00 a month. The variance is \$266,000.00 which only leaves \$66,000.00 a month. Will our expenditures be what was budgeted or over?

Interim City Manager Latasha Gatling stated in her opinion that overall expenditures will be over budget.

Mayor Miles stated the importance to stop the bleeding. Need to look at items and highlight where things will go over.

Councilmember Scott Cecil stated that because the expenditures and revenue don't come in equally throughout 12 months, each line is different, important to add a column with projected numbers to meet the over and under.

Councilmember Luke Chesek then spoke about Professional & Contract Services. Variance of \$119,000.00. Can that be cut? 40K savings because of the strategic plan that is on hold. Look at that after Arts Commission finishes their contract. Cut \$100,000.00 from that unless there is something else that is needed.

Councilmember Celina Benitez wanted to make sure the arborist was not included as part of that line item.

DeMornail Blackwell, Director of Finance stated that the arborist is listed under tree maintenance.

Councilmember Scott Cecil:

Departments – Page 2 under City Hall

Legal services cost is under budget - \$30,000.00 under budget

Professional services and legal services \$84,000.00 combined less

\$20,000.00 plus for auditing and computer networking over budgeting. Put the breaks on that. Spent \$46,000.00

DeMornai Blackwell, Director of Finance stated City cannot. That is Nauticon contract and hiring IT employee to handle some of those functions.

Mayor Miles stated cost went up. Switch over system, Nauticon was charging x number of dollars, brought on an IT person and police station needed some IT work. That cost is up this year? Is that going to be on going?

Interim City Manager Latasha Gatling stated she expects the cost to go down. Wants to switch more responsibility to IT employee versus Nauticon. She has concerns and wants to stabilize it.

Page 4 Administrative – Councilmember Scott Cecil stated that City went over budget on Halloween. \$1,642.01 was spent.

Page 10 – Public Works – Workers’ Comp – Already addressed – So much control over

Page 12 – Nothing there

Councilmember Celina Benitez:

Back to overtime pay for PD. Over \$56,000.00

Chief is working on mitigating the overtime.

Would like to see a line item projecting for future budgets. Possibly three-year projection.

Mayor Miles stated she would like to see a 5 year budget projection moving forward.

Councilmember Bryan Knedler:

Page 2 – Group Expenditures - \$8,000.00 spent on subscriptions & publications.

DeMornai Blackwell, Director of Finance stated that police department had a subscription for \$7,000.00 annually that came out of this line item – Use to come out of office maintenance – It is a criminal database.

Councilmember Bryan Knedler stated that would be adjusted in the next fiscal year budget.

Page 3 Expenditures Group – Debt service – Budget for \$254,508.00 is that coming out of reserves or did Mayor & City Council budget that?

DeMornai Blackwell, Director of Finance stated both. Part of revenue transfer. Page 2 – Statement of Revenue – line number 01-1799 funds from reserve - undesignated funds – That is actual transfer of funds - \$254,010.00

Councilmember Bryan Knedler stated principal on the interest on the loan came out of the reserves. City is now \$254,010.00 in the hole out of the reserves.

The next payment is due in June. Mayor & City Council are hoping to have property sold by June.

Interim City Manager Latasha Gatling stated that the payment should not be coming out of the reserves.

Mayor Miles stated that is why she raised the issue. She does not believe the numbers she is given because you don't know what is hidden, you are thinking your revenue is covering it, but it is not. If the property is sold, it should go back into the contingency where it came from for the debt service.

Councilmember Celina Benitez:

Councilmember Celina Benitez would like a list added to see all the debt the City has.

Councilmember Luke Chesek:

Councilmember Luke Chesek agreed with the Mayor. Saw a lot of this in the 1st quarter reporting. The reason why he brought up budgeting to a surplus.

Councilmember Scott Cecil:

Councilmember Scott Cecil stated (speaking for himself) that no one knew \$250,000.00 was coming out of the reserves. It is unacceptable. Regrets that it happened.

Mayor Miles stated would like to look at current budget and see how to fix it. Stop the bleeding.

Councilmember Luke Chesek stated some of the places that could be cut: Professional Services in Public Works page 10, \$64,000.00 left budgeted. 35K can come out of that. Park plan has not been started. Street sweeping is part of that.

Mayor Miles would like to see the contract for street sweeping with Hyattsville.

Councilmember Luke Chesek stated on page 2 Professional / Contract Services – City Hall – Cut by \$23,567.00 minus the mural project.

Councilmember Luke Chesek stated he agreed with the Mayor to freeze any hiring.

Interim City Manager Latasha Gatling stated the only vacancy is the 1 Code Compliance Officer & City Manager. There is not more hiring.

Mayor Miles then addressed the front desk position at City Hall. Mayor Miles stated it is something that needs to be checked on. Email from Mr. Hopkins asked for Mayor & City Council to consider it.

Councilmember Scott Cecil stated there should be three Code Inspector positions. What happened to the 2nd open position.

Mayor Miles wants a status of open positions from Interim City Manager and Director of Finance. She also would like the funding allocated to them.

Councilmember Luke Chesek would also like a projected wages report.

Councilmember Scott Cecil stated two things jump out to him, \$742,000.00 variance at Police Department. Public Works \$859,000.00 variance left. Public Works is a place to look at for cuts.

Councilmember Celina Benitez would like to know from Department Heads where they could make cuts to save money in the current FY 2020 budget.

Councilmember Scott Cecil stated that Mayor & City Council would like to add another meeting on the 4th Tuesday of the month to discuss issues.

Mayor & City Council closed the meeting by figuring out meeting dates and schedules.

Next meeting March 24, 2020 7:30 PM to hear from Department Heads and following up on issues discussed during this meeting.

Mayor & City Council are looking to do a budget amendment going forward.

Motion to Adjourn Meeting: Mayor Malinda Miles
Move: Councilmember: Councilmember Celina Benitez
Second: Councilmember: Councilmember Bryan Knedler
Vote Recorded: 4-0-0 Motion passed

Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL SPECIAL WORK SESSION
DATE: March 3, 2020
COUNCIL CHAMBERS, UPPER-LEVEL CITY HALL

Call to Order

7:00 PM, Council Chambers, City Hall, One Municipal Place, Mount Rainier, MD

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez (15 Minutes Late)
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present

Interim City Manager Latasha C. Gatling
City Clerk John Hoatson

Minutes provided by:

City Clerk

Special Work Session of Mayor & City Council:

Mount Rainier Arts Commission made a presentation for the proposed 2020 Mural to be located at Pennyroyal Station. Up to \$15,000 Stipend. They received 116 submissions from all over the world, including Russia.

Mount Rainier Arts Commission first met in August with Councilmember Chesek. Authored a mission statement to help guide direction and future commissions. Arts Commission also built infrastructure. Rhode Island Corridor would be a great place to start with a project.

Community Meeting was held on Monday, March 2, 2020. Mural project would be a great start for Arts Commission. Could be a great visual for the Rhode Island corridor.

Three finalist have been selected. \$500.00 Stipend for concept statements and budgets.

Multiple organizations were present at the Community meeting

Himed Leyva Gutamala, Work focus on inclusion – streetcar design – The design was seen as potentially controversial. Streetcar is seen as a negative in the City to some people / residents.

Ryan “Arcy” Christenson, Narrative scenes – Trolley based. Does not understand community. Was more of a logo than a design for a mural.

Yulia Avgustinovich – Floral design that are native to Maryland – Queen Anne style houses were also included in her design.

MUTC shared suggestions – toning down the coverage to create more blank negative space

Submitted drawing of Pennyroyal Station and proposal request submissions. Arts commission would like to award Yulia the stipened and begin working with her.

Bryan Knedler – Impressed with the work that the Arts Commission has done.

Scott Cecil – Are they really native flowers to Maryland?

Mayor – That is her least favorite design. Came through the age of the flower children. The one she liked best was the hands all over the Streetcar. It goes more among the logo for the City.

Mayor Miles asked where is the green or substance to the flowers?

MUTC has issues with the integrity of the building.

Councilmember Chesek stated there was a concern about the trolley car and what it represents to certain people in the community.

Scott Roewer – 4015 29th Street - added public comment regarding the mural. It is an Instagram moment. The colors are inviting. Arts Commission made a great choice.

Arts Commission has a path forward. Mayor & City Council voted on approval during the legislative meeting.

Motion to adjourn Work Session – Mayor Malinda Miles

Moved: Councilmember Celinda Benitez

Seconded: Councilmember Scott Cecil

Motion Passed - 4-0-0

**Official Minutes of the City of Mount Rainier
MAYOR AD CITY COUNCIL LEGISLATIVE MEETING
DATE: March 3, 2020
COUNCIL CHAMBERS, UPPER-LEVEL CITY HALL**

Call to Order

7:00 PM, Council Chambers, City Hall, One Municipal Place, Mount Rainier, MD

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present

Interim City Manager Lastasha C. Gatling
City Clerk John Hoatson

Minutes provided by:

City Clerk

Call to Order and Pledge of Allegiance

#11 - MOU for Spring Park is being removed from agenda – Moved to March Work Session

Mural Vote is being added to the end of new business

Motion to Approve Amended Agenda: Mayor Malinda Miles

Move: Councilmember Bryan Knedler

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

Amended Agenda Read by Councilmember Bryan Knedler

Mayor & Councilmember Event Announcements

Councilmember Celina Benitez Ward I – Scholarship Applications April 17th. Applications can be picked up at City Hall, 2nd year offering the scholarship.

March 12th Census Invitations are being delivered. Complete your Census.

March 31 Census Open House Mount Rainier Elementary

Celina attended a meeting with Mount Rainier Elementary this evening for the Census. That is the reason she was running late this evening.

Recycle beyond the bag – Mount Rainier Elementary – Drive
Now ongoing at the school.

Walk to school continues tomorrow

Councilmember Luke Chesek, Ward I - February 22, 2020 – Native Plan Network – March 17th Native Plan Network during Work Session.

Councilmember Bryan Knedler, Ward II – Public Hearing for Chuck’s Liquor Store – 7:00 PM MRPD Community Room

Councilmember Scott Cecil, Ward II – March Meeting - CERT Team will be hosting a juvenile CRP Training

Repealing bread specific ban on pitbulls meeting at Joe’s Movement. Not a meeting to debate the issue.

Community Garden interest meeting sometime this month. Date and time will be announced.

Mayor Miles – Mount Rainier Day Meeting is being held on March 4, 2020 7:00 PM Mount Rainier Police Department Community Room.

Mayor Miles also spoke about the Census and the importance of being counted. Last Census 10 years ago the count went down which was inaccurate.

Women in Business Event tomorrow March 4, 2020 Bunker Hill Fire Station sponsored by Mt. Rainier Economic Development.

Introduction of New City Attorney: Elissa Levin, Law firm of Funk & Bolton

Mayor Miles made an introduction to Elissa Levin from Funk and Bolton. She thanked Mayor & City Council for allowing her the opportunity to serve and looking forward to a long relationship.

Introduction of New Code Compliance Officer:

UK is the New Code Compliance Officer – He has hit the ground running and started inspections. Happy to have him on board.

Mayor Miles asked: What is happening to permits that were in some status as of now?

UK responded - If they have been inspected in the last 6 months, they will be issued their permits. If not, they will have to be re-inspected.

Public Comment:

Charnette Robinson – 3500 Perry Street - Chuck’s Liquor Store Public Hearing

People who cannot attend on Thursday, March 5, 2020, how can they make sure their concerns are read into the record if they cannot attend?

Charnette Robinson would like to get a taller fence around her property than what is allowed. Has a special needs child. She will speak to Code Compliance Department.

Meeting about the Pitt Bulls – Meeting should be open to all residents and not just people who side with the issue – portion of homeowners insurance policy better have insurance on their property.

Re: Public Hearing - Mayor Miles stated that statements could be submitted to City Manager / City Clerk to be placed into the record.

Re: Pitt Bull Meeting - Councilmember Scott Cecil stated that Mount Rainier does not have a law against Pitt Bulls. The County does.

Mayor Miles stated that if any meeting is being held at the Police Station, then the doors are open to any resident that wants to attend.

Scott Roewer – 4015 29th Street – Building Permit Fees –

Prepared a statement and read it. Protest City’s desire to collect fees for any type of building permit. City opens themselves up to liability.

Will be charged a permit fee to fix everything. Nothing was done after the payment was made.

January 28th damage done to trees on the new driveway. \$775.00 to have the tree removed. Prevented builder for building around the tree. Driveway that was done was 1 to 2 inches thick.

No checks and balances for the City and County. Stairs were not permitted. Stairs on side of the house and footers that are sinking into the mud.

Crawl Space with no inspection. Cost to fix house is around \$40,000.00.

NEW BUSINESS

Ordinance 03-2020: Disposition of Real Estate - Bass Property 3200 Rhode Island Avenue

Councilmember Bryan Knedler read a fair summary of the Ordinance 03-2020

Disposition of Real Estate Property – Authorize Mayor to sign all documents for the sale. Was signed as a Resolution in December but needed to be an Ordinance. This is an emergency ordinance that has been drafted.

Motion made to suspend the rules – Mayor Malinda Miles
Moved by Councilmember Bryan Knedler
Seconded by Councilmember Celina Benitez
Motion passed 4-0-0

Elissa stated that any disposition of public property must be done by ordinance and not a resolution.

Violated Council Rules by adding to agenda after the deadline.

Ordinance requires a Public Hearing to discuss emergency legislation at next legislative meeting. (April 7, 2020)

Closing is in a few days. IFG Group LLC is purchaser. Sale price is \$1,500,000.00

Public Hearing needs to be scheduled prior to April Legislative Meeting.

No discussion from the audience -

Motion to Approve Ordinance 03-2020 Mayor Malinda Miles
Move: Councilmember Celina Benitez
Second: Councilmember Luke Chesek
Vote Recorded: 4-0-0, Motion Passed

Action: City Clerk must make sure Public Hearing is scheduled on April 7, 2020 before the Legislative Meeting of Mayor & City Council.

3709 34th Street Presentation V-163-19

UK has seen the drawings and where there is gravel he is going to use concrete. Not using anymore space. Was never a cement driveway.

Concerns were raised about more concrete. Worried about stormwater run-off.

Homeowner has three cars. Driveway would help with parking issues on the street.

Council does not want to set a bad precedent. Look into grants for permeable surfaces.

Councilmember Chesek will send information to homeowners. PG County Board of Appeals is waiting on the City. Homeowner has been trying to get this done since last April, 11 months ago.

Council does prefer permeable driveways instead of concrete.

What would happen if the run-off went onto the property and not into the street? No conditions can be made on this. Withdraw the request so you don't have to wait a year.

Scott Roewer, resident spoke about this issue. Permeable pavers only have a 5% slope. If you do withdraw homeowner could put in a rain garden on property.

County Pay for pavers up to \$4,000

Revise the drawings so runoff goes into the yard and not the street

Scott – Approve

Bryan – Opposed – Gravel

Luke – Not going to reserve judgement – Opposed due to lot coverage issue

Celina – Did not express decision – Asked if DRB reviewed it – No – Not a structure – driveway.

Remove concrete in the front of the home. You can table it until the next meeting or work session. Celina would like to table it.

Motion to Table to look at options 3709 34th Street Driveway Project Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 3-0-0, Motion Councilmember Scott Cecil nay vote.

Action: Ward 1 will go out to the home and look at the driveway. Item will be added to the March 17, 2020 Work Session.

DaVita Kidney Care Drop-Off Zone

Consensus was reached during the work session to approve it.

Mayor & City Council would like one parking zone with loading and unloading and the DaVita sign. Remove no parking striping and marking that has been there for months. To make official needs to be voted on during the meeting.

Councilmember Scott Cecil stated that Chief of Police Anthony Morgan advised him that the current striping would be removed, replaced by 4 spaces - 2 meter spaces - one space is a drop-off zone for people dropping off patients and one is a spot for Metro drop-off access.

Motion to Approve DaVita Kidney Care Drop-Off Zone Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

License to Use Northern Gateway CDC Census Product

County Councilmember Deni Taveras, District 2 presented during the February work session. Use of poster, flyers, videos in different languages so City of Mount Rainier can promote the Census in the hard to reach areas. Cost of \$2,0000 to come out of the Census Grant.

Motion to Approve Northern Gateway CDC Census Product Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 4-0-0, Motion Passed

Authorization for the Mural

Need approval for the mural chosen by Mount Rainier Arts Commission. Arts Commission has chosen the mural submitted by Yulia Avgustinovich. Bottom line for approval rests with the Mayor & City Council. Mayor & Council could provide feedback, but not vote. Budget allocated the funds. Every committee should approach Mayor & City Council for any spending to be done by the City.

Motion to Approve the Mount Rainier Arts Commission Mural Design Mayor Malinda Miles

Move: Councilmember Luke Chesek

Second: Councilmember Bryan Knedler

Vote Recorded: 4-0-0 Motion Passed

OLD BUSINESS

Motion to Adopt Ordinance 02-2020: Amending the Schedule of Fees For City

Happy penalties and fines were added to the ordinance. There will be a review of the Dumpster Fee at the March Work Session. Councilmember Celina Benitez also wants a review of the home business license. Two items will be added to the rolling agenda.

Councilmember Scott Cecil does not approve of this ordinance. Duplicate fees for County and City. Will vote no on this ordinance. See if people don't have the county permit and fine them.

Councilmember Luke Chesek wants to lower the fees to provide relief.

Councilmember Bryan Knedler stated officers need to be going every few weeks to make sure items are inspected. Voting yes on this.

Mayor Miles stated that Hyattsville only uses the County for inspections. Mount Rainier wanted some ownership in the process.

Scott Roewer – 4015 29th Street – Wants it put back up on a work session to discuss elimination of fees. Two social media posts about business licenses. Unclear if he needed a business license.

Action: Needs to be put back on the March Work Session.

Motion to Adopt Ordinance 02-2020: Amending the Schedule of Fees For City Mayor Malinda Miles

Move: Councilmember Bryan Knedler (with the condition that the dumpster fee & home business licenses will be looked at later) Added to the rolling agenda

Second: Councilmember Celina Benitez

Vote Recorded: 3-0-0, Motion Passed – Councilmember Scott Cecil voted No

Adoption of Minutes From Previous Meetings

January 14, 2020 Legislative Session

January 21, 2020 Work Session

Motion to Adopt Minutes From Previous Meetings Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 4-0-0, Motion

Council & City Manager Reports

Councilmember Luke Chesek - February 22, 2020 Native Plant event. Over 50 people attended. Start a native plant way in Mount Rainier. Nice to connect with neighbors climate change is a really big problem. Lots of things that can be done locally.

Thanked Celina regarding Ward I Meet Ups

Thanked Mayor for awesome conversation regarding budget issues

Thanked Bryan all issues for Potts Hall revitalization

Thanked Scott for emails regarding Caronavirus and Cert Team

Took residents from Rainier Manor to Joe's Movement Emporium. Shirley got to see a play for the 1st time in her life.

Councilmember Celina Benitez – Thank you to everyone who came to Ward I Meet Up.

Census Training was held on Saturday with Councilmember Deni Taveras and provided the City her presentation.

Census logo is complete. Will be sent to Mayor & Council for feedback.

Councilmember Scott Cecil – Great meeting in Takoma Park regarding rent stabilization. More complex than it is.

Emails were leaked to a reporter by him regarding thefts going on at City Hall. Potential criminal activity at City Hall. No investigation going on by the Mount Rainier Police Department which he requested.

Councilmember Bryan Knedler stated emails are public record and hopefully there was nothing confidential in those emails.

Mayor Miles - was sent an email from Route One Reporter regarding leakage. Mayor Miles says there is a way to handle things. Does not make for a good working relationship.

Councilmember Luke Chesek - So much work pushing the City forward. We should be talking about upgrading streetscapes, Million Dollar Incentive Fund. The story of Mount Rainier is not about documents taken from a locked cabinet. This is taking away from the good that is happening in Mount Rainier. All believe in honesty and transparency.

Councilmember Celina Benitez – Not immune from being investigated Scott. Choose what you want to do. If you want to be transparent, be transparent. It is allegedly.

Proposal To Go Into Closed Session

Vice Mayor Knedler read the Closed Session Notice prior to voting on going into Closed Session.

Motion to Go Into Closed Session Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 3-0-0, Motion Councilmember Scott Cecil voted No

Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL PUBLIC HEARING
DATE: March 5, 2020
Mount Rainier Police Department Community Room

Call to Order:

7:00 PM, Mount Rainier Police Department Community Room, 3249 Rhode Island Avenue
Mount Rainier, Maryland 20712

Presiding Officer:

Mayor Malinda Miles

Officials Present:

Councilmember Celina Benitez
Councilmember Scott Cecil
Councilmember Luke Chesek
Councilmember Bryan Knedler

Staff Present:

City Clerk John Hoatson

Minutes provided by:

City Clerk

Mayor Miles called the Public Hearing to order. Only purpose of the hearing is to hear testimony on the renewal of Chuck's liquor license. Council will be as fair as they can.

Rules: Council will not debate you on any issue
Council will not vote at the hearing
They are going to hear from speakers
3 minutes to speak – no extension of time allowed

If you are speaking on behalf of a group, they can have 5 minutes to speak. No other member of the group can speak.

City Clerk will call out the names. Speakers shall approach the podium, state name and hundred block you reside on and street.

There was a notice sent out from the liquor board. There will be a hearing on the challenge April 1, 2020 7:00 pm located on Basil Court.

Councilmember Scott Cecil asked how many people signed up to speak? Time may need to be changed to 2 minutes based on how many people signed up.

Mayor stated everyone would have 3 minutes to speak.

35 people signed up to speak.

1. Willamena France – 3700 Bladensburg - Law issue. People use Western Union to send money to their families. Vibrant store in community. Not only a liquor store, you can go there to cash checks. Going to lose jobs because of a law issue. Need brighter lights outside. Increase the police presence. Lived in community 5 years. Allow people waiting for bus to stand inside when it is cold.
2. Martin Lawson – 4000 36th Street – Business has been very kind to him. Never had any issues with Chuck's Liquor Store. Without liquor store there is just no place to go. It is like, "Cheers". Does not need to be shut down.
3. Mr. Curtis & Mrs. Jane Hill – 3000 36th Street – Lived in community 36 years. Store is very courteous to all the neighbors. Look out for everybody. Store should remain open. All the projects and building in the community being down. They need something old (establishment) in the community.
4. Valmer & Paula Blankenship – 4000 35th Street – Lived in Mount Rainier over 40 years wife is over 50 years. Got married and raised 3 children in this town. Has seen a lot of ups and downs in the town. Chuck's has been in this town 40 years. It needs to stay.
5. Evelin Arago & Translator – 4000 Irving Street - Her opinion is that Chuck's should remain open. The liquor store is close and very convenient to residents. You can cash checks and get soda. There is also no place to buy money orders or send money. It is a privilege to have the liquor store nearby.
6. Surabhi Shah – 4000 35th Street - Homeowner & trained mediator – Deputy Director Office of Community Revitalization at the EPA. Mayor & City Council should work hard to support local business in the community. High crime rates happen when businesses closes. Chuck's generates foot traffic all day long. Business has been an anchor in the community. Admires people on both side of the issue. She loves Mount Rainier. Cannot imagine Mount Rainier with out Chuck's Liquor Store.
7. K.C. Jones – 3800 Block 35th Street – Lived in Mount Rainier close to 40 years. Chuck's has been a staple in the community for years. Chuck's keep an eye on the people. They are not allowed to meander in front of the store. They offer check cashing, snacks and other things. If Mount Rainier loses this business, where will Mount Rainier obtain tax money. It will go to Bladensburg or somewhere else.

8. Tangie Thomas - 3400 Block by Circle – Was appalled by the petition. Seen a lot of stuff go on. Liquor store is the friendliest and family friendly. Been going there for 16 years. Elders are in there playing numbers. Goes in there 3 to 4 times a week. Father use to go in there 14 years. People from Chuck's came to her father's memorial when he passed away. People from the Metro Bus are the ones using the bathroom outside. You cannot blame Chuck's for adult actions.
9. Shawna Jones - Shawna Jones – Does not live in Mount Rainier. Works in Mount Rainier – Realtor for LRES. Specialize in mixed use development and urban renewal. Spent a lot of time working in communities that did not have quality access to goods and services. Supports Chuck's Liquor Store. Owner is honest and cares about people. Store is always clean and has cameras. They are part of the community. They are working with the owner to build a beautiful new building with apartments above. There will be a much better appearance from the street. They pay taxes that supports taxes, roads and schools. (Provided copies of the new building plan)

Podium was moved so that speakers could address Council and not the audience.

Councilmember Cecil wanted it explained that Mayor & City Council does not decide whether Chuck's stays open or not or obtains their liquor license.

Councilmember Benitez stated they asked for a letter of support to be heard.

Mayor Miles stated that on April 1, 2020 in Largo, there will be an official hearing of the Prince George's County board of license and commission. How does Mayor & Council proceed. Mayor and Council will listen. Will Mayor & City Council appose or approve? It is a liquor board issue.

10. Larry Solomon - Larry Soloman – Penske Truck Rental – Previous liquor store was a completely different issue. Previous President of MRBA and now Treasurer. Chuck's problem is a Metro / City problem. Benches were purchased and the problem is the bus stop and not the liquor store. A lot of bus stop are problems. City should get together with WMATA to see about moving bus stop a little bit. It is a matter of solving the problem.
11. Nisey Baylor - Nisey Baylor – 4007 34th Street – 24 years as a boutique owner. She is in support of Chuck's Liquor Store. Hoping that there is an agreement so no other business is closed in the City. Do not close Churck's.
12. Ayelet Hines – 3200 Shepherd Street – She is the Director of Center on Alcohol Marketing and Youth Johns Hopkins Bloomberg Center of Public Health. Works with top alcohol researchers in the world. Works with residents of the poorest communities in Baltimore. Mount Rainier is not Baltimore, but they share Alcohol fueled violence. 47% of homicides are combined with Alcohol. Racial justice issue. People are dying and going to prison because liquor stores are open in black communities.

13. MaryLee Haughwout - 4000 31st Street – Business is not an asset to the community. Learned early on that you don't go down there unless you want to be harassed. She was verbally harassed by people outside the liquor store. Has not gone down there in the last 9 years. Daughter has witnessed men's genitals in her face and men urinating. Husband has taken photos and has been told nothing can be done. She should feel safe walking in her community. Library improvements have been made because of Chuck's Liquor Store. The business needs to clean up after itself. The area is full of trash and it the gateway to the City. Not welcoming. Support the residents and close Chuck's Liquor Store.
14. John (Jack) Priestley – 3700 34th Street – Owned a house in Mount Rainier since 1983. This issue can only be solved by a collaborative effort among citizens, police City and businesses. Seen drunkenness, prostitution, illegal drug sales, theft, property damage and several murders. Best thing City did was install cameras by the circle. Congresswoman Susan Bailey spearheaded this effort. Was effective because she had her car set on fire. Camera were very effective. Bass Liquors, Anchor Insurance & Abdulah Grocery Beer and Wine was muscled out by City. Things were done to build the Artist Space Building. Great asset to have the new building. Building has no connection with the community. Chuck's has played by the rules and paid their taxes. Jack is supportive of Chuck's. City does not need more grant dependent businesses in the City. Hands off Chuck's. May Chuck's live long and prosper.
15. Carthy Boston – Taking three minutes to say I'm supportive of Chuck's for two reasons. First Chuck's is not the reason of the problems. Problems have existed. Need to work together to solve these issues and problems. Second reason she is not in favor of closing Chuck's is because her taxes will go up. Since 2012 she has not seen one new business coming into the City. When will City receive development and new business. Chuck's should stay.
16. Mario Cisneros – 3800 31st Street – Mount Rainier has three liquor stores plus the restaurant that sell alcohol. There are six liquor stores in a one-mile radius. Passes Chuck's every other day. Always sees people drinking and urinating. People drink go down the alley by Perry Street. As a long-time resident, this is not a black or white, gay or straight issue. Wants a better City for the future generation.
17. Neil Dicken – Party Time Liquors – Been in Mount Rainier 38 years. Most of what he planned to say already was said. Business district with no public restrooms. Public library, City Hall (locked up like a prison) Police Station that does not have public restrooms that people can use. There is no McDonalds or fast food restaurants for the public to use the facility. There were portable bathrooms put in place before. That is not the answer. Another empty store front is not the answer either.

18. Arthur Silverman – 3200 Shepherd Street – Thank you for the opportunity. Does not own a car and takes the bus sometimes twice a day. The idea that the bus stop is a problem is offensive. What is a problem that the liquor stores open at 6:00 am in the morning. If the owner was to forego that business in the morning, then that is an accommodation the owner could make. Notices all the time that people who live here who take the bus do not feel they can sit at the bus shelter. Fights break out and foul language is used. Situations do escalate. This situation is unique. Facility is uncomfortable and unusable by the residents.
19. Brooke Kidd – Resident and Director of Joe’s Movement Emporium – Been in Mount Rainier 25 years as both. Gathering tonight expressed the urgency and importance of this issue. Been involved in the loitering, mental health and addiction issues in the town center for a very long time with a variety of efforts. Served on the anti-loitering committee that petered out 5 years ago. Need to work with WMATA Police. Must have City and County agencies involved. Must have short and long-term strategies. Chuck’s is not the only reason why people gather at the bus stop as well as City Hall plaza. Biggest impact at Joe’s is people come in and drugs fuels their difficult behavior. Example was old man with a cane that smoked crack in Joe’s Movement bathroom. Hope City can come together. This burden cannot just be on one liquor store. Social and economic issue. Businesses suffer the most because of these issues. Makes a difference on safety.
20. Sahar Chaudhry – 3200 Perry Street – Lived in Mount Rainier 14 years. Mayor Miles and Councilmember Bryan Knedler know her well. Numerous times she has come to them about these same issues. Raised issues about the portable bathrooms in 2007 because they were overflowing with urine and prostitution was taking place. Came to them when public drunkenness was happening at the bus stop and she was harassed. Came to meeting between Chuck’s and Party Time Liquors when they were asked about being open at 6:00am and close at midnight. Brightest lights going thru downtown is a giant 6ft liquor sign going thru and Party Time Liquor sign as you leave. The liquor stores have been a major contributor of public safety. Has a car and does not use the bus.
21. Therese Nemill – 3100 Block Perry Street – Lived behind Bass liquors. It was terrible. Bass is much worse than Chuck’s. Mount Rainier use to have a bank. Suburban Trust bank had to move. Was right by fire station. Might get a bank or something else if City did not have these issues. There was a dead man in the alley behind her house. Daughter has been propositioned by riding the bus to University of Maryland. Son was held up at gun point. Mount Rainier Police allowed them to be their security at Bass Liquors. On Sunday the streets are clean. You can tell what business is the issue on Sunday.
22. Bob Vanderbilt – 3800 31st Street – Obtained the police data from Police Chief that is public information. Reads calls for service at 3416 Rhode Island Avenue (Chuck’s Liquors). Of the 476 calls for service from 2017 to 2019, had to remove 387 - could not understand the language. (Reads the list of calls for service).

23. Joseph Jakuta – 29th Street - Thank you to Mayor & City Council. Hope they support the petition. Does not want to see Chuck's go, wants to see the liquor license go. Has lead litter clean-ups in the town. Invite high school students to come and obtain service hours. Been picking up litter since 11 years old. Use to do it as a Boy Scout and in college. Pile of liquor bottles and dirty diapers behind the library. Lots of talk about taxes. Leroy and Public Works must clean up liquor bottles. Cannot do litter clean-ups anymore because the supplies are locked up. Does not want more police, does not want more bottles on the ground.
24. Debbie Dittmann – 3700 35th Street – Does not go to Chuck's. Find the situation in front of store really a mess. Could not stand at bus stop because the smell of urine was terrible and had to walk down the street. Don't need another liquor store in community. Not an asset to the community. Keeping other businesses away. Trash is an issue. (Showed a photo of trash in front of house).
25. Seth Rotramel – 3400 Shepherd Street – Great opportunity. Been in community five years. Dark side of life takes the bus. Around 6:00 AM there is a line waiting to buy alcohol. They sit on the bus benches and start drinking. How is having liquor available helping the community? Why does the store have to be open at 6:00 am? Police car parked outside in the afternoon. Perfect place for a bus stop with other businesses.
26. Intizar Hamid – 4000 34th Street – Chuck's should not be there. Library finally fixed up and children don't need to see all that. They have benches that are like couches. If you moved all those benches, you would not have loitering. Place does not need to be there next to a library. There not doing friendly stuff. They should hire security and make sure the place is clean. Council needs to move the benches. Business should not be open at 6:00 am in the morning.
27. Tom Thompson – 3800 31st Street - Opposed to the renewal. Chuck's is no "Cheers". Magnet for anti-social behavior. Daughter attended the University of Maryland and had to ride the bus. Biggest challenge were the insults and racial slurs at the bus stop. Knows people that could open a business in Mount Rainier and will not do it because of the anti-social behavior. Area is an eye sore. Will not walk in front of Chuck's. Not going to help the City grow.
28. Nathan Cederth – 31th & Webster – Resident for past 15 years. Business owner in town for 6 years. New member of the MRBA. Chuck's and staff are great for their customers. Cannot be a policing issue. Problem folks who are arrested are back again the next day. Bus stop is not going anywhere. Council cannot fix substance abuse in the City. We need transit hubs. Seen people overserved for years. Owners have heard these issues in the past. How has Chuck's worked with the City in the past? What is proposed is that a license not be renewed. This is an opportunity to make that review.

29. Holly Marshall – 4000 30th Street – On the fence of this issue. Lived in Mount Rainier for a while and wants to support the local businesses. Looked at the data and has her own data. Been threatened and verbally assaulted. Been a problem for 20 years and talking to the business for years versus people are getting threatened and assaulted. People need a place to pee and that is no big deal. If they expose themselves it just happens. Everyone who comes to the table thinks what they say is more important. This is alcohol funded problem versus bus stop problem. It is data driven and based on alcohol. These problems would not be here if it was a coffee shop instead of Chuck's. The problem is this combination.
30. Charnette Robinson – 3500 Perry Street - A lot of issues have been dealt with for many years. Does not see anyone from Metro here. Demand that Metro take some action here. Lived in Mount Rainier close to 30. Never seen the alcohol bus come over here. Not the way to shut down the businesses. This is a racial issue. There is a problem in this City and to just say we are going to shut it down, it is a racial issue. Understands with Chuck's. It is not impossible to move the bus stop. Worst idea to have a gate behind the alley. God forbid there is a fire at the library. People will not get out.
31. Daniel Cruz – ZiZi Pizza at 34th Street – Resident – Supports keeping Chuck's open. Still will not get the issue across about vandalism and loitering. Business partners also support keeping Chuck's open.
32. Lisa Harris – 4000 34th Street – As a business owner and resident use to work at Atmosphere. Saw drugs and substance abuse. As a business owner it is terrible to put pressure on this one business. Rode with drunks from New Carrollton to Mount Rainier. This is a bigger issue that needs to be addressed. This is not an issue of just Chuck's Liquors. Closing a store is not going to stop them at the bus stop or them drinking.
33. Toni George – 3300 Rhode Island Avenue – Resources need to be made available to help individuals. The City has come a long way all things considered. Not just a Chuck's problem. A lot of City's have to deal with these same issues. Don't need a scapegoat here. Has provided shelter to people when it rains and snows. Provided services to a lot of people.
34. David Dorio – 3200 Perry Street – Liquor store has been unchanged. There was a meeting of the owners. The City and the residents have tried to work with the owners. Along the way they have not wanted to do anything about it. Both owners are not good partners for the City. No redevelopment in the City is because two anchors are liquor stores. It is a health and safety issue. Sundays is what Mount Rainier would look like if the City did not have the liquor stores. Look at the data.

35. Heather Ware – 3700 35th Street - Lifelong PG County resident. Not scared to go to the circle. They see drug deals and other things. Remembers all the problems spots. Consider the kids.

Mayor Miles stated that Council has listened. Meeting would be held between now and April 1st with a report out. Council will obtain a date ASAP for the meeting.

Statement to be entered into the record. Timothy Meyer could not attend the meeting.

To Mayor Miles and City Council:

My apologies for not being able to attend this evening's meeting regarding Chuck's Liquors in person, but I would appreciate the opportunity to submit the following remarks for the record and for your consideration.

I would also like to clarify that I work with many of you in an official capacity on many other issues regarding Mount Rainier. I want to be clear that any remarks regarding Chuck's are being submitted solely as a private citizen and resident and not in any official capacity.

Thank you, and please see remarks below that I would have delivered if I had been able to attend this evening.

"As the debate about Chuck's Liquors began, I was neutral on this topic. I am not a customer of Chuck's so I have no personal stake in whether Chuck's stays or goes. What ultimately moved me from being neutral to feeling strongly enough about this issue to speak out - while also taking on the personal risk of coming out publicly against the position of many friends on the other side - is a concern about the appropriate role of City Council in potentially opposing one of our city's own businesses and the message that action would send to any other entrepreneurs considering doing business here in Mount Rainier.

Half of all small businesses in the U.S. fail within their first 5 years. For Chuck's to have operated as a taxpaying contributor to our community for 40 years is impressive, no matter how controversial their presence may be. Aside from Glut, I cannot think of many businesses or institutions that have been part of Mount Rainier longer. I can't imagine having spent 40 years as part of a community,

building a successful business and paying taxes only to have that community turn on me. Or having spent 40 years helping to pay for a City Council and then have that Council actively try to drive my business out. Residents don't have to like every local business. But as their neighbor, I respect them. And as a taxpayer, I thank them for all they contribute to our city. Every successful business we have is a bit less burden on the rest of us as residents and property owners.

It is one thing for a group of citizens to oppose Chuck's and petition the liquor board, as this effort began. That is indisputably their right and my fellow neighbors and I can agree to disagree on the merits of their case. But where I believe this effort crosses a dangerous line is asking Council to intervene and oppose one of your own businesses.

If you were a new business owner looking at Mount Rainier or Brentwood or Hyattsville or College Park, where would you choose to locate? Where would you feel confident that a City Council would have small business' back? This issue - and the message that you send - is much bigger than Chuck's.

From following much of the discussion on Facebook, I have also been taken aback by some of the overly zealous attitudes more consistent with 1920s Prohibition than a progressive community in 2020. Chuck's sells products such as alcohol and tobacco that, while they may be objectionable to some, are 100% legal. Fast forward several years to a time when our first legalized marijuana dispensary is ready to open in Mount Rainier. Will we attempt to prevent or close that type of business, or any other legal yet controversial business, because some residents complain? As long as a legal business is operating legally, I strongly believe that it ought to be the free market, not a government entity, that determines their fate. And for 40 years, in the face of a changing community all around it, the free market has spoken favorably towards Chuck's.

I have seen many circumstantial arguments about negative behavior in the vicinity of Chuck's, but very little evidence that Chuck's itself is to blame. I am sure some of the bad actors that will be cited at this meeting obtained their alcohol from Chuck's. But I am equally certain that many of them could just as easily walk an extra block to Party Time if Chuck's were to close - or that a large percentage of individuals are simply riding the bus to the end of the bus line. To the extent that there is a problem with the 3400 block of Rhode Island Avenue, I believe it is

a bus depot, loitering and inappropriate public behavior problem – not a problem that can be solved by scapegoating and driving away a local 40-year business like Chuck's.

There are certainly violations that would warrant Chuck's being strongly reprimanded or even shut down. For example:

- Have they been regularly cited for illegally selling alcohol or tobacco to minors?
- Have they amassed an excessive number of citations for selling alcohol to intoxicated individuals?
- Have they been formally cited for any other major violations?

Or is Chuck's simply guilty of having the "wrong" kind of clientele - different from the types of upscale drinkers who shop at Yes! Organic Market or Riverdale Town Center or will soon sip cocktails at Pennyroyal Station?

I agree with many of the concerns about behavior that neighbors have witnessed. But I disagree with those who insist such behavior doesn't warrant police action. I am not suggesting that we throw the book at these individuals and I trust you and Chief Morgan to strike a proper balance, but if police witness someone urinating or otherwise relieving themselves in public or harassing or acting aggressively towards others, then yes, that absolutely merits police intervention. Give them a first or second warning, educate them that Mount Rainier is cracking down on that type of behavior, but don't turn a blind eye and blame a nearby business instead of the actions and poor decisions of the individual.

I am not asking Council to give Chuck's any Business of the Year award. But I do hope all of you will consider how difficult it has been to attract new businesses to Mount Rainier, and the message it would send if we take one of our longtime small businesses and drive them out. The city has made great progress over the past few weeks with the announcement of new development along Rhode Island Avenue. We are finally heading in the right direction, saying that Mount Rainier is open for business. I sincerely hope we keep it that way.

Thank you for your consideration."

**Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL WORK SESSION**

**DATE: March 17, 2020
Teleconference Meeting**

Call to Order

7:00 PM Zoom Teleconference Meeting

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez

Councilmember Scott Cecil

Councilmember Luke Chesek

Councilmember Bryan Knedler

Staff Present

Interim City Manager Latasha C. Gatling

City Clerk John Hoatson

Minutes provided by:

City Clerk

Call to Order

Motion to Approve Agenda: Mayor Malinda Miles

Move: Councilmember Celina Benitez

Second: Councilmember Bryan Knedler

Vote Recorded: 4-0-0, Motion Passed

Agenda Read by Latasha C. Gatling

Discussion of COVID 19 State of Emergency Declared by Mayor & City Council

Interim City Manager Latasha Gatling: Press release has gone out. City Hall is operating on limited services. Encouraging citizens to conduct business online. Deliveries and metro bus drivers can use City Hall. Trying to protect City staff. Someone is answering the phone 9:00 am until 5:00 pm. Licensing and permitting has been put on hold. Call Alma and she will keep you posted on how to proceed further.

Mayor Malinda Miles:

Declaring a local state of emergency for City of Mount Rainier. Other municipalities have already done it. Any money expended while in this moment of time, they have a document with signature to show FEMA and MEMA to get some reimbursement on those funds. We need to make sure we are in compliance.

Councilmember Bryan Knedler:

Emergency declaration should be done and employees should have sick leave to deal with it if they get COVID-19. City should cover employees.

Councilmember Luke Chesek:

Declare a state of emergency. Staff should be allowed leave that they need. Also accept recommendations from the CERT team.

Councilmember Celina Benitez:

Celina agrees that City should declare a start of emergency. Library is waiving all fees for late library books.

Councilmember Scott Cecil:

State of emergency should be declared. May take a while to make it happen if Mayor & City Council have to do it. With council manager form of government. Couldn't City Manager just declare a State of Emergency?

Mayor Malinda Miles:

Mayor and Council are the decision makers. City Manager does not have the authority to do so. Mayor & City Council make policy. It can be voted on at next meeting.

Councilmember Scott Cecil:

Stated City Manager should declare a start of emergency.

Councilmember Luke Chesek:

Elissa Levin, City Attorney stated City Manager does have authority to declare an emergency.

Actions: Interim City Manager Latasha Gatling will write the Ordinance / Press Release that as of March 17, 2020 and declare a start of emergency for the City of Mount Rainier. Located in Section 13 of the City Code. Council should send anything to be included into the Ordinance / Press Release by tomorrow.

Challenge to Chuck's Liquor License:

Councilmember Celina Benitez: Thank you for coming and thank you for being respectful. Assuming the liquor board hearing will be postponed because of COVID -19

Councilmember Luke Cheseck:

Thank you for coming and really appreciated everyone's input. Does not have much more to say. Does not want to get the City further involved in this issue.

Councilmember Scott Cecil:

Very excellent arguments on both sides. Worried that closing the liquor store would not solve all the problems. Needs a more comprehensive plan for urination and homelessness.

Councilmember Bryan Knedler:

Problem you have is the bus stop and liquor store. People come from the homeless shelter to right there. Encourage City Council to write a letter to the liquor board to ask for conditions on the license. Security guard and change of hours. City Council needs to have a meeting with the owner. Inside the store is OK. Have not heard owners take any responsibility outside. Want a meeting with the owners to see what solutions to come up with. Assume liquor board meeting will be postponed.

Mayor Malinda Miles:

Mayor and City Council would be able to hold a meeting. Concerned to get into the middle of. There are conditions that could be put in place. WMATA should be at the table. Former councilmembers were put on a committee but never heard anything back. Never got a report.

Councilmember Scott Cecil:

One person who spoke at the hearing gave the number of police calls to the business. One worry is that if something bad does happen are the owners going to resist calling the police.

Chief Anthony Morgan:

Both cameras record for 30 days. After that it is deleted unless saved. Going forward there is a plan in place to cover the bus stops on foot patrol. PG County has a security guard in the library before COVID-19. Did not get a number of complaints about the bus stop until November.

Mayor Malinda Miles:

Money was put in the budget to have someone on foot patrol walking around. '

Former Councilmember Shivali Shah:

2016 there was a committee to deal with these issues. No one could sleep on the bus benches. Great time to have this committee again.

Actions:

Discussion of Mayor and Council between Chuck's Liquor Store and WMATA in mid April. Report from Police Chief to Mayor & City Council with police calls made to the business. Ask liquor board to put conditions on license to add a security guard or change hours.

Clean Energy Resolution:

Joseph Jakuta spoke about the Clean Energy Resolution. Resolution is to put a policy in place. Replacing any HVAC systems. Requires Department Heads to make a report and provide to Mayor & City Council one a year.

Actions:

Resolution from Joseph will be sent to Mayor & City Council ASAP for review.

Composting Plan:

Public works would pick up compost on regular basis. They would take that directly to a facility. Cost the City \$5,000. Contract with someone else. \$19,000 annually. Central location for compost. Some issues. How would you have access after hours? Make sense for PW to take it on. 117 responded to survey. Lots of support from residents.

Councilmember Luke Chesek:

Loves the proposal and supports it. Neighbors will be happy to stop rats in the yard.

Councilmember Celina Benitez: Step it up. More opportunity to have a cleaner planet. Students, teachers and rec committee could get more involved in it. Have to get a different bin to put it in.

Councilmember Bryan Knedler

Spoke about partnering with Takoma Park.

Councilmember Mayor Miles:

Never formalized moving composting from the backyard to a central location.

Councilmember Scott Cecil:

Really want to do this. Few different options you can do this with. County compost Center would like a field trip to visit facility. Have more Work Session conversations on this. Thank you Julia and Green Team for work on this.

Actions:

Would like for Julia to take a leadership on this. Look at a private company that could do this. They have companies they looked at in the report. Council needs to decide what steps they want to take. Proposal uses 5 gallon bucket with a screw top. Counter top bins. Weekly residents would put out 5 gallon bucket and take it. Want Latasha to add \$6,000 to budget for composting.

3709 34th Street & 3101 Arundel Road Discussion:

Councilmember Bryan Knedler: Need to know if variance is required for this?

Needs to let zoning review board know that he has a new plan. He currently has an open case with the Board of appeals.

Actions: Homeowner needs to speak to County

3602 Oak Lane DPIE Permit #SDFG 51698-2019

Councilmember Luke Chesek:

By Otis Street person who owns the lot next to the community garden. Has no intention on touching the creek. It is a running water habitat. There are snakes and turtles. Stormwater management wanted daylighting even more. They wanted to make sure creek was not touch. DPIE stated they need to channel it. Take open air creek and turn it into a tunnel.

Councilmember Chesek wants to protect it.

Councilmember Scott Cecil:

Project cannot be completed unless they channel it? It was a certain length that it would have to be channelized.

Councilmember Bryan Knedler:

Wait for Daniel Sams. They have to follow their stormwater rules. Not a zoning issue you can appeal.

Councilmember Celina Benitez:

Wait on getting an answer. Very little City can do. Put it on the next agenda to make sure it does not drop

Actions: Daniel Sams needs to get back to Luke. Bryan would like Luke to reach out to the homeowner first and then Mayor also made a suggestion to write a letter from Mayor & Council to MNCPPC to reconsider. The letter should get out there now.

Artists Lofts:

Mayor Malinda Miles:

Structural issues in the Artist Lofts. Rent is being raised and structural damage has not been fixed. Feels it is an unsafe building. Mayor would like to send a letter to have them come before Mayor & City Council.

Mayor heard that they are trying to sell the building. Wants to know what they will do with the structural damage.

15 year use of the building is up. This is the time for them to get out of it.

Councilmember Bryan Knedler: Need to ask them what the requirements are?

Mayor Malinda Miles: Sent an email to Latasha to look into the structural damage. Are they trying to sell it? What will happen to their tenants? Why are they getting rid of the building? Poor construction?

Councilmember Scott Cecil:

Tax credits are going to expire. Art Space does not do this.

Councilmember Celina Benitez:
Have a video conference to speak with management. Need clarification.

Actions:

Mayor & Council would like Interim City Manager Latasha Gatling look into the structural issues. Also want to see if they are planning to sell it? City Manager needs details. Report on what was done for the past two years. Mr. Kamali may provide additional information. Engineer was sent there.

Bike Co-op:

Interim City Manager Latasha Gatling: Has been moving forward. We are moving forward with them. Drawing has been complete.

Austin (from Bike CO-OP):

Engineer saw some problems on the drawings. Ally has been going back and forth with the engineer to scale down the drawing.

Neighborhood design center is currently speaking with the engineer.

POD is still costing money. Cannot move anything further. Carpenter Union wants to move forward.

Actions: Interim City Manager Latasha Gatling will stay on top of this issue.

EV Charging Stations:

Interim City Manager Latasha Gatling:

Place them in the two parking spaces by City Hall. Latasha will send an email to see if they are OK with location.

Councilmember Bryan Knedler is concerned about losing a parking space by City Hall. Better limit the amount of time cars can sit there.

Councilmember Luke Cheseck:

Move bike rack to capital bike share.

Actions: Interim City Manager Latasha Gatling will follow-up to see if they are OK with location. Place charging stations on 34th Street and Arundel. Latasha will invite them out for a site visit. Need to pull report and send to Mayor & City Council again.

Memorandum of Understanding Spring Park / Peace Park

Councilmember Scott Cecil: Worried that timing needs to be spoken about it now. It could be to late.

Mayor Malinda Miles: Have a special meeting to discuss.

Councilmember Bryan Knedler: Looked into parks and playground money to pay for this?

Actions: Interim City Manager Latasha Gatling will look into parks and playground money – dates and timelines to do the match. Latasha will speak to Former Councilmember Shivali Shah to get some guidance. Add to March 24th meeting agenda.

31st Street Pocket Park:

Councilmember Luke Chesek:

Got an MOU with MNCPPC to work on this park. It is a blank piece of grass. Interested to see what they could do with this park. Team met and were interested to turn it into a native food forest. Set up a project plan. Brad volunteered to do the Landscape architecture. Community meeting on January 25th. All feedback from the community was incorporated into the design ideas. Tree commission received a \$500 grant. MNCPPA approved the project.

April 18th planting work day

May 16th Children planting day

Brad:

Thanked Mayor & City Council for taking this issue up. Left pathways for people to walk through.

Barry:

Nice way to get the community engaged. Good to think about this as an edible, medicinal plant garden. Allows people to come together to celebrate the harvest and other things.

Councilmember Celina Benitez:

So excited about this project. Nice to keep up with Green mission. Thank you for thinking outside of the box.

Councilmember Bryan Knedler:

Happy to see field disappear. What is the maintenance plan?

Barry:

Maintenance free. Plants chosen are self maintenance. Plants are adapted over time. Low maintenance. Plants are planted close together to shade out weeds.

Going to phase in the garden. See how many people may be interested in the garden.

Councilmember Luke Chesek:

MNCPPC still does the mowing.

Councilmember Scott Cecil:

Leslie Rigby get people interesting in this project. Glad City is going this route.

Mayor Malinda Miles:

Wow you got something moving. Appreciate Mary Abe for helping with this project. Something else to add to City's green footprint.

Brad:

Mostly what will grow is nuts, berries, little fruit for humans.
Mostly for birds.

Barry:

Rats are more interesting in compost not the fresh items. This is not a once and done project. The intent of the food forest is to get the community involved. Interest and a vision for it.

Mayor Malinda Miles:

Plant items that may repel animals

Actions:

Interim City Manager Latasha Gatling needs to put a date on the calendar to renew the MOU for the 31st street pocket park.

Native Plant Network:

Councilmember Luke Chesek:

Encourage residents to build a connected ecosystem. Native spaces have created islands. Biodiversity starts to decrease. Encourage residents to plan native. February 22nd meeting. People came from Hyattsville, DC and other municipalities. Other towns and cities want to do this. Does not foresee expenses. Work with tree commission. Can people start planning wild flowers. Are Mayor & City Council open to branding?

Councilmember Celina Benitez:

Great idea. Requires a lot of education. Creating green spaces especially in the easement. Only grown in limited space.

Councilmember Scott Cecil:

Glad they are doing this.

Councilmember Bryan Knedler:

Whatever is growing is blocking the sidewalk, they will receive a citation.

Mayor Malinda Miles:

Awesome idea. They are putting plants out there. They are taking over the sidewalk or parking spaces. What height can they grow. Think about how is that going to impact everything else.

Julia:

Nice clarification to replant if City is going to put a sidewalk in.

Actions: Luke will bring it to next work session and put in everyone's concerns and have something to present.

Mount Rainier Police Department Investigation:

Councilmember Scott Cecil:

This is regarding the Items missing from City Hall

Whole files missing from Code Compliance

Former City Manager waived millions of dollars in fees. If someone was willing to commit a crime.

Councilmember Bryan Knedler:

Not comfortable with own detective looking into this. Puts them into a bad position. Would like the states attorney to look into this.

Mayor Malinda Miles:

Never saw any files. If Councilmember Scott Cecil would like to proceed on this, then he should Councilmember Celina Benitez made a statement on what she saw and what she knew. Mayor Malinda Miles is not afraid for the detective to look into it. A dark shadow has been cast over this. Nobody is hiding anything. Just get it done.

Councilmember Luke Chesek:

Everyone to be mindful if something was missing. No one really knows anything.

Actions: Instruct Interim City Manager Latasha Gatling to launch investigation into the missing items from City Hall.

Schedule of Fees Dumpster & Home Business Licenses:

Actions: Staff should look at this and come up with something different. Wants to move to next Work Session. John will add to the rolling agenda. Need code section that deals with home businesses.

Civic Center Funding:

Councilmember Bryan Knedler:

Permit is almost done. RFP needs to go out. 4 million. No one knows how to put the funding together. Time is running out.

Mayor Malinda Miles:

Has not heard back from Jared with Ben Cardin's Office.

Mayor would not like to speak on these at the moment.

Councilmember Scott Cecil:

Is there anything we can do to make you feel better about this topic. Potentially going to lose tenant.

Councilmember Bryan Knedler:
Need to talk to DHCD, PEPCO. Are we ready to put RFP out?

Interim City Manager Latasha Gatling:
RFP is almost done. It is near finished. Interim City Manager Latasha Gatling wants time to get back to Council on this.

Resolution 06-2020 Census 2020

Mayor Malinda Miles:
Why do we need resolution?

Councilmember Celina Benitez:
Declares April 1, 2020 as Census Day in City of Mount Rainier. Raises awareness for schools.

Actions: Will create the proclamation.

Proposal To Go Into Closed Session:

Motion To Go Into Closed Session: Mayor Malinda Miles

Move: Councilmember Bryan Knedler

Second: Councilmember Luke Cheseck

Vote Recorded: 4-0-0, Motion Passed

Respectfully,

Timothy Meyer
4004 30th Street
Mount Rainier, MD 20712

**Official Minutes of the City of Mount Rainier
EMERGENCY MEETING
OF MAYOR AND CITY COUNCIL
DATE: March 20, 2020
COUNCIL CHAMBERS, UPPER-LEVEL CITY HALL**

Call to Order

6:00 PM, Council Chambers, City Hall, One Municipal Place, Mount Rainier, MD

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez

Councilmember Bryan Knedler

Councilmember Luke Chesek (Phone In - Announcements & Adjournment of Meeting)

Staff Present

Interim City Manager Latasha C. Gatling (Phone)

City Clerk John Hoatson

Minutes provided by:

City Clerk

Meeting was called to order at 6:00 PM

Mayor Malinda Miles called the special meeting to order. Meeting was called because Mayor & City Council had to issue a local state of emergency for the City of Mount Rainier.

Motion to Call Meeting To Order Mayor Malinda Miles

Move: Councilmember Bryan Knedler

Second: Councilmember Celina Benitez

Vote Recorded: 2-0-0, Motion Passed & Meeting Was Called To Order

Vice Mayor Bryan Knedler read the agenda into the record.

Emergency declaration and to suspend the rules that require a quorum in person to conduct meetings.

**Official Minutes of the City of Mount Rainier
MAYOR AND CITY COUNCIL BUDGET MEETING
DATE: March 31, 2020
Teleconference Meeting**

Call to Order

6:12 PM Zoom Teleconference Meeting

Presiding Officer

Mayor Malinda Miles

Officials Present

Councilmember Celina Benitez

Councilmember Scott Cecil

Councilmember Luke Chesek

Councilmember Bryan Knedler

Staff Present

Interim City Manager Latasha C. Gatling

City Clerk John Hoatson

Director of Finance DeMornai Blackwell

Minutes provided by:

City Clerk

Call to Order 6:12 PM

Agenda Read by Councilmember Bryan Knedler

Motion to Approve Agenda: Mayor Malinda Miles

Move: Councilmember Scott Cecil

Second: Councilmember Luke Chesek

Vote Recorded: 4-0-0, Motion Passed

Interim City Manager Latasha C. Gatling thanked DeMornai and Janee for the design of the presentation.

Started her presentation by stating: The Big Picture the City needs a new budget approach for FY 2021. Different approach: Reduce expenses, government efficiency and contingency funding.

Get into the habit of budgeting to a contingency.

Budget Schedule

Overview

Breakdown

Questions

Budget Timeline / Schedule:

March 17, 2020 Proposed FY Budget Presentation was moved to March 31, 2020 because of COVID-19

April 6, 2020 Public Notice of Proposed Tax Rates FY 2021 will be placed in newspapers – (Already reached out to the newspapers)

April 18, 2020 First Public Hearing and Council Work Session on FY 2021

May 1, 2020 Budget Reconciliation & Rebalance

May 5, 2020 First Reading Ordinance Adopting FY 2021 Budget & Tax Rates

May 19, 2020 Second Public Hearing & Council Work Session on FY 2021 Budget

June 2, 2020 Second Reading Ordinance & Vote Adopting FY 2021 Budget & Tax Rates

Budget Overview:

- Maintaining proper infrastructure within budgetary means to sustain City structure
- Pay current costs with current funds. - Not overbudgeting in terms of projecting funds we may not receive.

Where does money come from?

Pie chart explains it -

77.80% Tax revenue

10.77% Licenses & permits

5.61% Intergovernmental revenue

0.57% Charges for services

3.63% Fines & forfeitures

1.61% Miscellaneous revenue

Most of money to the City comes from tax revenue. Property and business taxes are the main source for the budget.

Where does money go?

45% Wages & leave pay

18% Employee benefits & services

9% Professional services

8% Other services & charges

6% Capital outlay (vehicle purchases or other projects)

- 5% Infrastructure & facility maintenance
- 4% Materials & supplies
- 4% Debt services
- 1% Repairs & maintenance

- Maintained current tax rate / taxing structure for FY21.

Did not see a need to increase property taxes.

- Reduction in overall City-Wide Expenses by more than 4%.
- Enhanced fiscal accountability and transparency through business programs and staffing.

Why The Increases In Capital & Personnel Expenses?

Increase City personnel to improve operations and oversight

Current City medical premiums going up 7% changing the City coverage from 88% to 91% coverage per employee.

Industry changes and increases in Workers' Comp Insurance premiums and coverage.

Increase in costs associated with City infrastructure maintenance

Staffing Summary By Department –

City Hall – 6 employees

Administrative Services – 4.5 employees

Economic Development – 1 employee

Code Compliance – 3 employees

Public Works – 11 employees

Public Safety – 20.625 employees

Growing / Strengthening Programs

Improvements to fiscal sustainability for the City

Improving community policing through COPS grant – funding 1 officer

Sustainable community – Making sure we are going green.

Major Challenges and Opportunities

Additional revenue channels private / public partnerships, grants and rental income.

Maintaining market competitive rates for employee benefits

Mitigating insurance premiums and surcharges

Budgeting to a surplus – Money left over every year in a pot.

Economic Development

Continued assistance to Mount Rainier Businesses through the Mount Rainier Incentive Fund

Enhanced and innovative programs designed for improving business resources and attracting new services – Create a downtown area.

Main Street Designation – Will give additional funding to the City.

Where we were and where we are

FY18 5.9 Million

FY19 6.7 Million

FY20 7.0 Million

FY21 6.7 Million – modest projection of revenue

Questions:

Mayor Miles: Very good presentation. Looking at where we are right now in the County / with the state, Governor is predicting a major drop in collection of property tax. County is saying the same thing. Budget was done before COVID-19. Did you give any thought that maybe the amount projected may not be collected? More people are without jobs and far behind.

Interim City Manager Latasha Gatling stated her projection was modest. There is going to be a financial impact on the budget. When Mayor & City Council do their edits, they can provide feedback to give close numbers expecting some revenue.

Councilmember Luke Chesek: Awesome job Latasha, DeMornai and team. Councilmember Chesek had questions about certain line items. Clarify City Hall portion of the budget under professional / contract service \$30,000.00 allocation. Is that for Arts Commission budget? Is that also the \$18,000.00 for Strategic Vision with UMD? Capital Improvement Project \$375,000.00 for streets and sidewalks. City committed to DHCD to spend \$100,000.00 on 3300 block, \$278,000.00 for 34th Street.

DeMornai stated yes, Arts Commission is in professional / contract services under City Hall. Budgeted streets and sidewalks at the 5.82% as of the industry standard. Budget was bigger last year than this year.

Councilmember Celina Benitez: Will Mayor & City Council go line by line on the budget items? Yes. That will happen.

Councilmember Scott Cecil: Page 13 Organizational Chart - strong opinions about new positions added to the chart.

Making additional changes to the tax structure. Previous council created 5 different tax classes. Needs an additional tax class for apartments with hundreds of units. This may lower some taxes on some property. Need to look at it now so we can see the impact on the revenue.

Thank staff – loves to see the actuals versus the approved versus projected by end of the year.

Interim City Manager Latasha Gatling stated staff positions. Failed to go over what new positions were on the organizational chart.

Adding a Financial Analyst – one of the recommendations from the audit to add to Finance Department.

Grant Writer – Spoke about before. Person will handle and management all grants for the City.

Police Officer – Cops grant for three years. Phase funding in the position for next three years. Provide forward thinking.

Councilmember Bryan Knedler: Loves the definitions. In the expense lines there are no numbers. Is Mayor and City Council going to get line items? DeMornai is going to place the numbers back in. Was trying a new format this year.

Councilmember Celina Benitez: Please add to organizational chart with names of employees. Thank you for the actual on the budget. Need FY 22, FY 23, FY 24 budget added so City can budget to the future.

Mayor Miles wanted Mayor & Council placed over City Manager on the organizational chart.

Councilmember Scott Cecil: Economic stimulus package – 150 billion is suppose to come to local governments. When would City potentially know when it will be coming in? Should City operate as if we are not going to receive those funds?

Mayor Miles stated no one knows how much or when any money is going to come into the City from the stimulus package.

Mayor Miles - County Executive stated to them that there is going to be a drastic financial loss between now and next budget. They are not sure where the money is going to come from. Everyone should be very, very careful and conservative with spending at the moment. No residents spoke at this Budget Meeting.

Councilmember Scott Cecil: Why did budget get smaller?

Interim City Manager Latasha Gatling stated she is very conservative when it comes to budgeting. Thought previous budget was inflated in a few areas. Overstated in some areas as well. The proposed FY 21 budget is real numbers. Will help with budgeting to a surplus. More in line to where the City really is.

Councilmember Celina Benitez: Reminded everyone that April 1, 2020 is Census Day. Want everyone to complete the Census so City will receive their fair share of funds.

Motion to Adjourn Budget Meeting Mayor Miles

Move Councilmember Celina Benitez

Second Councilmember Bryan Knedler

Vote Recorded: 4-0-0

6:54 PM

Motion to Approve The Agenda Mayor Malinda Miles
Move: Councilmember Bryan Knedler
Second: Councilmember Celina Benitez
Vote Recorded: 2-0-0, Motion Passed Agenda Approved

Councilmember Bryan Knedler read the following into the record.

In light of the national, state, county and local government declaration of a State of Emergency, Mayor & City Council are holding an emergency meeting to set rules and regulations for City operations.

As an outgrowth / outcome of the recent national, state, county, and local government declaration of a State of Emergency the City of Mount Rainier hereby suspend its rules of operation in the following categories:

1. Face-to-face quorums for public meetings, i.e., legislative, work sessions, special, and closed meetings are suspended for the duration of the national, state, county, and local government declaration of a State of Emergency.
2. Such meetings will be held as necessary by audio or video conference calls.
3. The suspension of the face-to-face quorums will be revoked when the State of Emergency has been lifted by the national, state, county, and local government declaration of a State of Emergency.
4. At least three or more members of the Mayor and Council must participate in the online meeting for it to be deemed an official meeting.
5. Meetings may be called by the Mayor or three Councilmembers
6. Make emergency monetary decisions and approve emergency actions without adhering to its standard rules of operation, e.g., shifting resources from one area
7. Such actions must be documented and maintained for City records throughout the course of the national, state, county, and local government declaration of a State of Emergency.
8. Other rules and regulations may be established as deemed necessary by Mayor & City Council during the duration of the declared emergency.
9. These emergency rules and regulations will cease when the national, state, county and local government emergency ends.

A word for word reading was provided by Councilmember Knedler of what Mayor & Council was proposing moving forward.

Motion to Approve: As an outgrowth / outcome of the recent national, state, county, and local government declaration of a State of Emergency the City of Mount Rainier hereby suspends its rules of operation Mayor Malinda Miles, Bryan Knedler

Move: Councilmember Bryan Knedler

Second: Councilmember Celina Benitez

Vote Recorded: 2-0-0, Motion Passed

Mayor Miles, Councilmember Bryan Knedler and Councilmember Celina Benitez each took turns to sign the document. Document was provided to City Clerk has recorded it as part of the City record.

Mayor Miles stated the following: “First of all this is probably one of the most unusual times we have ever lived in. At this time, I’m asking all of our residents, our neighbors, our businesses everyone in the City of Mount Rainier to remember that this too shall pass, but we will have to do this together. When I say doing it together, it means keep your social distance. Make sure you check on your neighbors or older people that you know are in your neighborhood. If you have to go shopping or going out to the stores remember someone else needs exactly the same things that you need at your house and make sure you leave some for them or pick it up and carry it to them. Mayor and Council will be as available as our phones, our emails and any other social media that is out there. We are asking you to be reasonable and to use your time wisely as well as ours. If you know of families that will need help, we are asking you please call either the City number or one of our numbers which you should have but if you don’t have we will be posting them on the City website to make sure you can get in touch. Our police force will continue to be out there in staggered numbers. Our public works department will continue to the best of their ability to pick up our trash, our garbage or whatever. If there is a change, Mayor & Council will try to get it posted and you notified as quickly as possible. I’m certain that we are not covering everything that needs to be covered, but we are trying our best to stay in front of this. I have and will continue to participate in every single conference call from the Governor, from the County Executive and from the Office of Emergency Management. I have also tried to get those notes and minutes out to my Council and we will continue to do that as we get information we will also get it out to you. If you have an issue or feel that you are sick, or feel that you may have contracted the virus, please call your doctor before going in. Please keep your distance and self-quarantine. Many of you are now home from work and that is going to pose a hardship as we move forward. We are working very diligently to figure out how we are going to compensate for that and how we are going to keep us all at least in our homes with food and proper medical care. Again don’t hesitate to call your Council representatives or your Mayor or if you feel more comfortable call our police department. They will respond a lot quicker than we will and can help to arrange transportation. They can also help us to arrange food if you need it. For example we had a senior earlier this week who was out of food and we were able to pick it up and have it delivered. So do not hesitate to let us hear from you. Again stay safe, stay your social distance, but don’t let that stop you from going outside. You can walk, you can go outside. Enjoy some of the good weather. Air your houses out. Take time to take care of yourself and to love each other. Thank you so much”.

Councilmember Bryan Knedler stated the following: “Thank you Mayor for such a great speech and hitting all the key points I would have included myself. The only thing I would add to that is it is beautiful weather, get out there, keep your social distance but please walk and enjoy our beautiful blooming trees and neighborhood. Please be safe when doing that. I do want to announce that the CERT Team is doing a food drive tomorrow Saturday from 10:00 am until 12:30 pm right here in the City parking lot across from City Hall. They will be taking donated food. If you cannot do that you are welcome to leave food on your porch for them to come and pick up if you would like to donate that way. You can call 301-655-5274. We will try to get it on the website. If you need food as the Mayor just mentioned, contact your Councilmember or City Hall and let them know you are in need and we will get the CERT team to help you out. Thank you. Be Safe.”

Councilmember Celina Benitez stated the following: “Thank you. I think it’s not an understatement to say we are highly involved in every single communication or call the Mayor and I are there, day in and day out and every single sphere to gather and share information and we are passing information as fast as we possibly can. Follow us on our social media. Some of the information is coming fast, stuff is changing very rapidly. We also ask the community to also keep in touch following us through this. One other important thing to add is Thomas Stone has been added to the grab and go schools. I want to be sure to send a big thank you to the whole entire school system, Pamela Boozer-Strother from Board of Education, Councilmember Deni Taveras, Dr. Goldstein. They had a whole entire system. It went from a few schools to now having over 36 schools open for grab and go. You receive a breakfast, lunch and a snack to take to your homes. At the same time it is open to any child 18 and under regardless if that is their school. If another school happens to be closer to you, you could go to that location. It runs Monday thru Friday from 10:00 am until 1:00 pm. You will receive the three meals to take to your house and they ask you maintain social distance. It is also time to give a big shout out to everyone out on the front lines helping us out, police officers, the nurses, the doctors but also public works, and also every single person who is helping to provide meals to our residents kids have meals. They leave the safety of their homes to make sure they take care of us. I want to send special thanks to them. Your Mayor and City Council will continue working as we do to keep you informed. Walk around but try and stay away from the park equipment. Even if you might be immune, be aware that there are other people in your circle who may not be and you could be hurting them. Stay positive, stay healthy open your windows and get some vitamin D. There is plenty of good weather out there. We will continue to work for you”.

Mayor Miles stated the following: “I’m going to go back for one minute. I placed a post on Facebook earlier last weekend and again this week. It has to deal with the filing of your income taxes. They were telling me that they were confused that they felt you could only make the payment between now and July 15th. As of today, the deadline of July 15th applies to the payment as well as the filing. They are saying there is an extension you can automatically ask for. I will be posting it with the name and the phone number that you can follow-up with them. Thank you Emily for getting it to me so quickly”.

Councilmember Luke Chesek stated the following via phone: “Just want to thank everyone for their comments that were made so far. I want to encourage everyone to get outside and enjoy the weather. Gabe Popkin of the Tree Commission has organized a tree walk at the Park located at Bunker Hill Road and Eastern Avenue observing social distancing. If you are going to get a refund on your taxes, I would encourage you to do that now. The IRS systems are up and running”.

Mayor Miles stated the following: “If you are in the house and looking for something to do, now is perfect time to get the Census done. Mount Rainier needs you, wants you to please do your Census. Can’t find the envelope that it came in, just type in Census USA and they will walk you right through it. We had a number of activities scheduled that we are not going to be doing now. We are going to find ways to keep us on target. Thank you”.

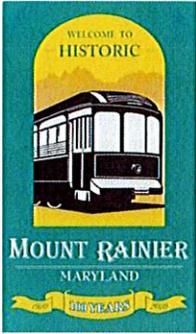
Councilmember Bryan Knedler and Councilmember Celina Benitez made some additional comments regarding the tree walk and Census.

Councilmember Celina Benitez stated the following: “It is important for us to be counted. Please visit www.my2020census.gov. It is easy, safe and confidential”.

Mayor & City Council also gave a special thank you to staff for organizing the emergency meeting of Mayor & City Council.

Mayor then asked for a motion to adjourn the emergency meeting.

Motion to Go Into Adjourn Session Mayor Malinda Miles
Move: Councilmember Celina Benitez
Second: Councilmember Bryan Knedler
Vote Recorded: 3-0-0, Motion Passed, Meeting Adjourned



Adopted: April 7, 2020

City of Mount Rainier, Maryland

Resolution 06-2020: Mayor and City Council of the City of Mount Rainier support the five-year designation of a State Enterprise Zone Focus Area

Introduced & Written By: Mayor & City Council

WHEREAS, a State Enterprise Zone Focus Area has been proposed for an area that includes the City of Mount Rainier; and

WHEREAS, a State Enterprise Zone Focus Area is a tool for the County and municipal governments to promote economic development; and

WHEREAS, a State Enterprise Zone Focus Area would provide state income, County and municipal real property, and County and municipal business personal property tax credits that could be instrumental in attracting new business investment to communities that have been targeted for revitalization;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the City of Mount Rainier support the five-year designation of a State Enterprise Zone Focus area within our boundaries.

This resolution shall take effect this 7th day of April, 2020.

Attest:

Latasha C. Gatling, Interim City Manager

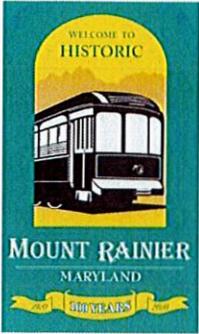
Malinda Miles, Mayor

Celina Benitez , Councilmember Ward I

Luke Chesek, Councilmember Ward I

Scott Cecil, Councilmember Ward II

Bryan Knedler, Councilmember Ward II



Adopted: April 7, 2020

City of Mount Rainier, Maryland

**Resolution 07-2020: Mayor and City Council Appointing
A New Member To The Mount Rainier Arts Commission**

Introduced By: Councilmember Luke Chesek

WHEREAS, the Mayor & Council have the authority to create committees and appoint citizens to those committees, and

WHEREAS, the City appointed a Mount Rainier Arts Commission via Ordinance 03-2019; and

WHEREAS, the Mayor & City Council desires to appoint citizens who have expressed an interest in participating on the commission.

NOW, THEREFORE, BE IT RESOLVED this 7th day of April, 2020 that the following citizen is hereby appointed to the Mount Rainier Arts Commission.

Mr. Justin Bost

THIS RESOLUTION IS ADOPTED BY THE COUCIL OF THE CITY OF MOUNT RAINIER THIS 7th DAY OF APRIL, 2020.

Attest:

Latasha C. Gatling, Interim City Manager

Malinda Miles, Mayor

Celina Benitez , Councilmember Ward I

Luke Chesek, Councilmember Ward I

Scott Cecil, Councilmember Ward II

Bryan Knedler, Councilmember Ward II