

**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