

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 Chesek & 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 Cheseck 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