

OFFICIAL MINUTES OF THE REGULAR MEETING OF THE MANASSAS PARK GOVERNING BODY HELD ON TUESDAY, MARCH 19, 2019 AT 7:00PM AT MANASSAS PARK CITY HALL, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

Roll Call

Present

Jeanette Rishell, Mayor
Preston Banks, Vice Mayor
Hector Cendejas
Miriam Machado
Alanna Mensing
Haseeb Javed

Absent

Donald Shuemaker

Staff

Lana A. Conner, City Clerk
Laszlo A. Palko, City Manager
Dean Crowhurst, City Attorney

1. Approval of Agenda:

MOTION: Councilmember Mensing moved to approve agenda as presented.

SECOND: Councilmember Cendejas

VOTE: Yes: Mensing, Cendejas, Banks, Javed, Machado, Rishell

2. Moment of Silence/Pledge of Allegiance: Councilmember Javed

3. Public Comment Time: None

4. Presentations/Recognitions: None

4a. Resolution 19-1000-2043: Commending the Greater Prince William Climate Action Network for their community service:

MOTION: Councilmember Javed moved to approve Resolution as read into the record.

SECOND: Councilmember Cendejas

VOTE: Yes: Javed, Cendejas, Banks, Machado, Mensing, Rishell

Tiziana Bottino, founder and chair of Greater Prince William Climate Action Network, thanked the Governing Body for passing this Resolution and recognizing this organization. She introduced their leaders and volunteers that were present. She gave the Governing Body information about this Network and what they do for the community.

4b. Business License Report: Debbie Wood, Commissioner of the Revenue: Presentation made part of the record:

She explained the process for obtaining business licenses. Businesses comes in to fill out application. Different paperwork is required for different types of businesses; business, retail, and home. Businesses estimate what they will gross for the current year. We explain to them, at this time, that we will be asking for their tax return once it is completed and their bill will be adjusted to the gross income on their tax return. If they do retail sales, we ask for a copy of their State ID# to ensure that it is a Manassas Park business so we can get the 1%. We have the owner complete the zoning application, have them pay the Treasurer, and send the application to Zoning Administrator. Business license payment is due within 30 days, which gives Zoning, Building & the Fire Marshall time to do their inspections and sign off on the application.

Business License Renewal: Completed renewal applications are due by March 1 and are estimated the first year. Businesses have to provide their prior year tax return if it has not already been provided. About 20% or so of businesses already have their current year taxes done. If they have been in business less than a year, we issue the business license once we have all their paperwork and their payment. If they have been in business more than a year, we hold their business license if they have not given us their tax return or if they owe personal property, until they have complied with these requirements. Once we get their tax return, if they have underestimated, we generate a bill for the difference, making it due in 30 days.

This year we had renewal applications for 293 commercial businesses and 427 home businesses. If we do not have an application after March 1, we send out a reminder letter asking if the business has closed or moved out. If we get no response to that letter within a reasonable time, we generate a statutory assessment. For 2019, we billed 746 businesses for a total of \$959,000. The amount of \$771,338 has been paid leaving a balance of \$153,751 for 2019. Yesterday, her office summoned 33 businesses but only nine showed up and they collected \$38,000. Some portion of that figure may not be collectible. If we do a statutory assessment and it is too high, then we would have to correct the billed amount.

Keystone: As most of you already know, we had a computer crash in October 2015. Shelia Rohland, Deputy Commissioner of the Revenue, developed a business license module in 2016 so we could bill business license for that year. Once Keystone completed their business license billing programming, we manually entered all the businesses that had been billed. Keystone was under the assumption that we could just start with 2017 bills and work forward. We told them that we had to have five years of history so that we would know who still owed for prior years. Over the course of 2017, they attempted to add history, but there were many errors. They assumed that all we needed was the bills that were outstanding. They only posted a total amount and it was called "History". They used March 1 for everything. After advising them what information was not pulled in, they made a 2nd attempt and posted everything that they did in the second attempt as "History-1". Unfortunately this did not work well either. Some businesses were marked paid and they were not. The 2010 year was billed twice, among other errors, so the information was unreliable. We had about 150 adjustments to do to business license, but were unable to do them until late 2017.

Collections: The current Treasurer, Patty Trimble was the first Treasurer to collect business licenses. The Treasurer's office has more collection tools available to them. My office is limited to office summons or a Court summons to collect business license. Previous treasurers have stated that due to different due dates, that made it hard to collect business licenses. We were successful in getting quite a few businesses paid up to date. In late summer of 2015, Treasurer was told to stop doing the bank liens. We never got started back to bank liens, because we had the computer crash. Business licenses that were owed five years and older were wrote off as not being able to be collected. The City uses a third party TACS to collect taxes but they must work with Keystone to be able to migrate some of the data to their files for real estate and personal property taxes. At present, it does not allow for the transfer of data so that it can function with TACS for business license. At present, the systems do not talk to each other in Keystone to let the city know when to remove items when items have been paid, etc.

There are still issues with Keystone that make it hard to run delinquent lists. Interest still calculates on \$0 balances. Late payment penalties do not post until payment is made. It is not the Commissioner's job to do collections; however, it is my job to make sure that a business has a license, so those duties have overlapped. Keystone transferred everything in on business license as being owed and paid on March 1 of any year.

She and the Treasurer have been working to get correct figures and collect the outstanding business license bills. During February, city collected \$140,033 in delinquent business license bills. The City Manager stated that this shows up as \$30,000 in GL right now. The business module is not talking to the GL module. As of March 12, her report shows that there is \$170,000 left to collect in delinquent bills. This would not include late payment penalties and it may include some erroneous interest. We figure out the total manually before we attempt to collect. These delinquent bills cover the period of 2015 through 2018.

Mayor Rishell asked about the five-year history. The Commissioner of Revenue stated late 2017 they got all the history into the system but it was not accurate. They put in what was outstanding thinking that would be the history. Her office needed all of the history because they adjust other business licenses that are already paid. The five-year history was what they found on the old Bright system tape. A Bright employee working with Keystone was able to download a lot of information from the old Bright system. The Commissioner of the Revenue stated it was not possible to download to an excel document and would not have been compatible. The City Manager stated they were able to download the information into Microsoft Access but not Excel. In 2017, her office was not able to manually place that information into an Excel Doc. The information was so bad, her office spent six month manually going through every business license folder matching up payments to information in the computer. The Mayor stated that Excel is excellent for manipulating the data and our Finance Director is an expert in Excel. The previous Project Manager stated it would have taken a lot of manual manipulation to get the information into a workable excel program.

The Governing Body thanked the Commissioner of Revenue for this report.

5. Information Items: None

6. Consent Agenda

6a. Approval of Minutes of March 5, 2019

MOTION: Councilmember Mensing moved to approve Consent Agenda as presented.

SECOND: Councilmember Cendejas

VOTE: Yes: Mensing, Cendejas, Banks, Javed, Machado, Rishell

7. Unfinished Business: None

8. New Business:

8a. Agreement: Treasurer's Office: Lazlo Palko, City Manager:

Over the last year and half the City has pursued and evaluated financial reforms to address items/issues raised by the City's audit problems. One such reform item that has been evaluated is the streamlining of the City's Accounts Receivables structure and process. Specifically, the City is looking to maximize performance related to assessing, billing, collecting, coding, and accounting for the City's revenues. As part of this, the City has pursued State legislation to enable better information sharing across the City; however, this effort failed in the General Assembly. The City has also sought to negotiate Agreements with the Constitutional Officers to assist in this process while also formalizing the existing relationship of supplementing the pay and benefits of the Constitutional Officers, funding additional employees for their offices, and allowing their employees to be covered by the City's personnel policy and grievance procedure. To this end, the City has first formalized a plan with the Treasurer.

This plan: *Shifts all billing responsibilities to the Treasurer's office. This includes shifting two utility billing employees from the City to maximize the Treasurer's ability to bill and collect City revenues and to take advantage of the Treasurer's strengths with billing and customer service. *Shifts all accounting functions to the Finance Department. This includes converting one former billing position to a financial analyst position to support this effort and to take advantage of the Finance Director's strengths with accounting and financial process management. *Delineates roles and responsibilities along with reporting requirements and collaboration requirements for the City Manager, the Treasurer and the Finance Department.

The City Manager is very appreciative of the hard work, dedication, and eagerness of the Treasurer to work collaboratively with the City in this endeavor and in general.

The City Manager stated city just implemented the new AR module for fire marshal permits and it does not work properly. At first, it was not talking to cash modules so when Treasurer collected payments she was not able to see what was owed. Now the general ledger is showing all these crazy payments. The back end accounting board needs to be fixed and Finance Director is engaging with Keystone on this issue. There is no work around; Keystone must fix the problem.

The Treasurer stated debt set-off is anything that is owed to the city such as parking tickets, water bills dog tags, etc. They can send them to the state and when a person delinquent with monies owing the city files their tax returns, city can request all of their tax return be used against the debt or a percentage. When they get this program up and running, the Treasurer will be going after the entire amount of money they get until bill is paid.

Staff recommendation: That the Governing Body authorize the Mayor and City Manager to sign the attached Agreement with the City Treasurer pending final review by the City Attorney.

MOTION: Councilmember Cendejas moved to authorize the Mayor and City Manager to sign the attached Agreement with the City Treasurer pending final review by the City Attorney.

SECOND: Councilmember Mensing

VOTE: Yes: Cendejas, Mensing, Banks Javed, Machado, Rishell

9. Manager Update: No Report

10. Closed Session: State Code: VA Freedom of Information Act: Sec 2.2-3711a: 7:39PM:

MOTION: Councilmember Cendejas moved to accept recommendation of City Attorney that the Governing Body go into closed meeting to consult with the City Attorney regarding two specific legal matters involving Dominion Crossing and Palisades development requiring the provision of legal advice by the City Attorney pursuant to Paragraphs 8 of Subsection 2.2-3711A of the Code of Virginia.

SECOND: Councilmember Mensing

VOTE: Yes: Cendejas, Mensing, Banks, Javed, Machado, Rishell

11. Return to Open Session: 8:55PM:

MOTION: Councilmember Mensing

SECOND: Councilmember Cendejas

VOTE: Yes: Mensing, Cendejas, Banks, Javed, Machado, Rishell

12. Certification & Action out of Closed Meeting if Necessary:

MOTION: Councilmember Mensing moved the following Resolution:

WHEREAS, the Governing Body of the City of Manassas Park has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712(d) of the Code of Virginia requires a certification by this public body that such closed meeting was conducted in conformity with Virginia law.

NOW THEREFORE BE IT RESOLVED that the Governing Body of the City of Manassas Park hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered in the meeting by the public body.

SECOND: Councilmember Cendejas

VOTE: Yes: Mensing, Cendejas, Banks, Javed, Machado, Rishell

Councilmember Cendejas stated Christine Rodrigo, PRTC, met with the business renters of Kent Village Shopping Center to let them know about services offered through PRTC bus for the summer.

The City Attorney stated he would provide FOIA/COIA and Land Use Training to anyone interested on Saturday, March 23, 2019.

The City Manager asked members of Governing Body to rate the priorities that he sent out to them.

13. Adjournment 8:55 PM:

MOTION: Councilmember Mensing

SECOND: Councilmember Cendejas

VOTE: Yes: Mensing, Cendejas, Banks, Javed, Machado, Rishell

Approved April 2, 2019

Jeanette Rishell, Mayor

Lana Conner, City Clerk