

Town of Upper Marlboro

14211 School Lane • Upper Marlboro, Maryland 20772

Board of Town Commissioners EXTRA WORK SESSION

March 16, 2021 – 11:00 a.m.

AGENDA

This meeting will be conducted via Zoom Video Teleconference. As the Town Hall remains closed to the general public at this time, interested citizens may participate by video:

<https://us02web.zoom.us/j/85451683537> Video Meeting ID: 854 5168 3537, or,

Audio Dial-in only: 301 715 8592 *Participants must sign-in with the Clerk*

Work Sessions are open to public observation, however,
public participation is at the discretion of the Board

Roll Call

Pledge of Allegiance

Business

- Review of Project FY 2022 Revenues (Board discussion)
- FY 2022 Budget Goals & CIP Projects (Board discussion)
- Resolution 2021-08: Authorization to Open Bank Account (Board vote)

Adjournment

*All meetings are subject to closure in accordance with the State Open Meetings Act—House Bill 217
See back of Agenda for Public Comment Procedures*

Janice Duckett
Commissioner

Sarah Franklin
Commissioner/Treasurer

Linda Pennoyer
Commissioner/President



Town of Upper Marlboro

Town Hall, 14211 School Lane
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Tel: (301) 627-6905
Fax: (301) 627-2080

info@uppermarlboromd.gov
www.uppermarlboromd.gov

Mailing address: P.O. Box 280 • Upper Marlboro, MD 20773-0280

MEMORANDUM

From: William Morgan, Dir. Of Finance
To: Board of Commissioners
Re: FY2022 Recommended Actions

Every year the Town of Upper Marlboro is tasked with passing a balanced (net neutral) budget to provide vital and necessary services to its residents. Some of those services include, but not limited to, a police and public works department, waste and bulk trash collection, provided utilities, capital improvement and etc. In order to provide services, there must be a substantial amount of incoming revenue to match the Town's approved expenses to alleviate financial insolvency.

Currently the Town of Upper Marlboro struggles with paying its required annual obligations. Leaving the Town no choice but to supplement its approved budget with a transfer from the reserve fund. If the Town continues these habits, the reserve fund will be depleted, and possibly vital services may be reduced to fulfill their obligations to its residents. At this moment, the Town is projected to end fiscal year 2021 in the red (**Exhibit 1**). And the projection has limited the Town from its planned improvements both internally and externally.

Ex. 1

	January	February	March	April	May	June
Revenue	\$ 74,000.00	\$ 175,000.00	\$ 118,000.00	\$ 20,500.00	\$ 61,000.00	\$ 54,000.00
Expense	\$ 110,200.00	\$ 98,000.00	\$ 102,650.00	\$ 93,100.00	\$ 98,000.00	\$ 103,000.00
Variance	\$ (36,200.00)	\$ 77,000.00	\$ 15,350.00	\$ (72,600.00)	\$ (37,000.00)	\$ (49,000.00)

With a complete analysis of the balance sheet, dating back to fiscal year 2013, we see a gap annually with how much revenue the Town brings in compared to the expenses paid out. The annual financial position change has been an estimate of \$200k and we believe this progression to find those monies will lead to a net neutral budget at the end of fiscal year 2022. **Please note, this does not include any loss of revenue due to the coronavirus pandemic.**

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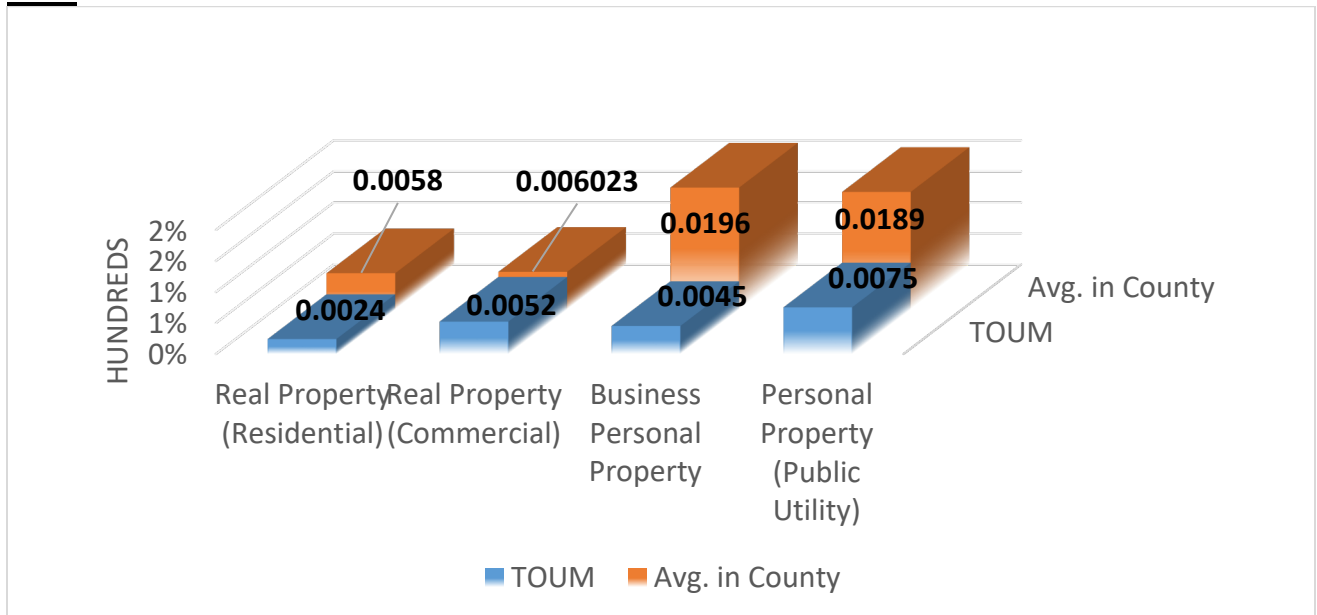
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With that being said, some hard decisions must be made. Decreasing resources or vital services is not ideal for any elected body but, to avoid future disaster financially there must be changes where we can control them. Bridging the gap in revenues will require increases in some areas. Below presents a few scenarios for consideration.

Tax Increase

As previously stated in past meetings, the Town of Upper Marlboro has been reluctant on increasing taxes for decades and in turn its rates reside at the bottom in the entire county (**Exhibit 2**). With the scenarios listed, they do not move the needle far but puts us in a position to balance the budget immediately and be creative on advancing the Town.

Ex. 2



Janice Duckett
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Sarah Franklin
Commissioner/Treasurer

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Exhibit 3 depicts our current tax assessments and an approved budgeted amount. These assessed property values were recently completed by Prince George’s County and does not include future adjustments to our tax base. **Exhibit 4** presents the tax increases *without* a three (3) year plan. **Exhibit 5** looks at a three (3) year approach towards increasing taxes. The **green figure** details the increased revenue from the prior year.

Ex. 3

	Tax Base	Approved FY2021
Non-Commercial	55,462,000.00	126,000.00
Commercial	33,578,000.00	169,000.00
Public Utility	47,733,333.33	358,000.00
Business Personal Property	7,111,111.11	32,000.00
	143,884,444.44	\$ 685,000.00

Ex. 4

	FY2022				
	Approved FY2021 Budget	Proposed FY2022 Budget	Current Rate (FY21)	New Rate (FY22)	Increase
Non-Commercial	126,000.00	215,747.18	0.24	0.389	0.15
Commercial	169,000.00	201,803.78	0.52	0.601	0.08
Public Utility	358,000.00	596,666.66	0.75	1.250	0.50
Business Personal Property	32,000.00	53,333.33	0.45	0.750	0.30
	\$ 685,000.00	\$ 1,067,550.95			
		\$ 382,550.95			

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Ex. 5

FY2022

	Proposed FY2022 Budget	Current Rate (FY21)	New Rate (FY22)	Increase
Non-Commercial	159,175.94	0.24	0.287	0.05
Commercial	192,066.16	0.52	0.572	0.05
Public Utility	596,666.66	0.75	1.250	0.50
Business Personal Property	41,315.55	0.45	0.581	0.13
	\$ 989,224.31			
	\$ 304,224.31			

FY2023

	Proposed FY2023 Budget	New Rate (FY23)	Increase
Non-Commercial	183,579.22	0.331	0.04
Commercial	201,803.78	0.601	0.03
Public Utility	596,666.66	1.250	-
Business Personal Property	47,644.44	0.670	0.09
	\$1,029,694.10		
	\$ 40,469.79		

FY2024

	Proposed FY2024 Budget	New Rate (FY24)	Increase
Non-Commercial	215,747.18	0.389	0.06
Commercial	201,803.78	0.601	-
Public Utility	596,666.66	1.250	-
Business Personal Property	53,333.33	0.750	0.08
	\$1,067,550.95		
	\$ 382,550.95		

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Business License

In 2019, the Town of Upper Marlboro enacted an ordinance that would charge local businesses a fee to operate within the Town. In year one (1), it was considered a fee of \$300 would net the Town \$32,000 (FY2020 budgeted amount) however, due to many underlying factors, that was not achieved. This led to the Board of Commissioners reevaluating its fee structure in FY2021 as a temporary measure due to the pandemic's circumstances.

Looking forward, I recommend the Town of Upper Marlboro reduce its rate in FY2022 and restrict the funds within the budget. **Exhibit 6** proposes that fee for every for-profit business.

Another aspect for consideration are PILOT (payment in lieu of tax) payments from those businesses seen as not for-profit. These properties are listed as 501(c)(3) or government agencies who take up a large portion of non-taxable land in the Town. Partnerships are important to keep any municipality running smoothly and PILOTS from those not providing to the services should be considered to enhance the offerings back into the community.

Ex. 6

	Approved FY2021 Budget	Proposed FY2022 Budget	Increase
Budget	\$ 8,500.00	\$ 12,000.00	\$ 3,500.00
Fee	\$ 45.00	\$ 150.00	\$ 105.00

If the Town of Upper Marlboro chooses to make these changes, we will see a budget that operates as net neutral with the chance of rebuilding a decreasing reserve fund. This plan will restructure the annual budget and allow for reserve monies to strictly focus on capital improvement projects. The Town has created its 10-year CIP, previously presented by the town administrator, with the mission to attain each project pending future obstacles.

Again, these figures are only proposals and the discussion may continue through budgeting season which begins in March 2021.

Sincerely,

William Morgan
Director of Finance

Janice Duckett
Commissioner

Sarah Franklin
Commissioner/Treasurer

Linda Pennoyer
Commissioner/President

Town of Upper Marlboro
DRAFT FY2022 Budget
 July 2021 - June 2022
 REVENUE

BUDGET CODE	DESCRIPTION	FY2021 Actual	FY2022 AMOUNT	
Fines, Licenses & Permits				
6154	Franchise Fee	\$ 6,306.56	\$ 13,000.00	Fee from cable companies to provide access within town limits
6280	Trader's License Fees	\$ -	\$ 500.00	
6350	Town Permits	\$ -	\$ 500.00	
6351	Food Trucks	\$ -	\$ 1,000.00	Could exceed depending on increased traffic and seasonal events
6352	Business License	\$ 2,135.00	\$ 8,250.00	50% for events committee, Town and County business fees
6353	Parking Permits	\$ 120.00	\$ 1,200.00	Permits requested for town parking lots
6354	Room Rental	\$ -	\$ 500.00	Town hall room rental
6355	Parking Meters	\$ 61,724.32	\$ 150,000.00	Reduced from prior years lack of revenue
6381	Parking Fines/Penalties	\$ 18,722.10	\$ 30,000.00	
6550	Pub/Edu/Govt Broadcasting	\$ 3,613.18	\$ 5,000.00	
TOTAL		\$ 92,621.16	\$ 209,950.00	
Intergovernmental		\$ 336.50		
6240	Financial Corporation Tax	\$ -	\$ 9,145.00	State of Maryland corporation tax
6260	Highway User Fee	\$ 13,989.82	\$ 27,725.00	Share of state motor fuel and vehicle taxes paid to local gov't
6310	Disposal Fee Rebate	\$ 1,557.00	\$ 1,750.00	Rebate for recycling
6530.2022.03	State Police Aid	\$ 9,200.25	\$ 17,317.00	Grant for police equipment and supplies
6530.2022.04	Community Open Space	\$ -	\$ 100,000.00	Playground grant
TOTAL		\$ 25,083.57	\$ 155,937.00	
Miscellaneous Revenue				
6390	Interest Earnings	\$ 2,253.51	\$ 2,500.00	
6392	Sale of Property	\$ 2,340.00	\$ 1,000.00	Periodically the Town may surplus property not useful
6394	Town Hall Services	\$ 117.11	\$ 750.00	
6396	Special Events/Donations	\$ -	\$ 2,500.00	Restricted monies for specific events
6396	Other	\$ 9,822.93	\$ 2,000.00	
TOTAL		\$ 14,533.55	\$ 8,750.00	
Taxes				
6101	Commercial		\$ 169,000.00	No increase
6102	Non-Commercial	\$ 330,152.18	\$ 215,747.00	0.15% increase to 0.389%
6103	Delinquent - RE	\$ -	\$ 5,000.00	
6104	BPPT - FY2022	\$ 36,854.33	\$ 41,315.00	0.13% increase to 0.581%
6105	Public Utilities	\$ 337,156.53	\$ 596,667.00	0.50% increase to 1.250%
6106	Income Taxes	\$ 327,149.89	\$ 225,000.00	Increased from prior year due to surplus received
TOTAL		\$ 1,031,312.93	\$ 1,252,729.00	
Total Revenue		\$ 1,163,551.21	\$ 1,627,366.00	

MEMORANDUM

TO: Linda Pennoyer, President
Janice Duckett, Commissioner

CC: Kyle Snyder, Town Administrator

FROM: Sarah Franklin, Commissioner

DATE: February 12, 2021

SUBJECT: Budgeting Priorities Discussion

As we enter budget season, I would like to suggest that we discuss our joint priorities as a commission. This will help us to focus as we make decisions on how to allocate monies for Fiscal Year 2022.

To that end, I have put together a DRAFT of five priorities that I have seen all three of us sharing over the last few months. I put this out simply as a starting point for our discussion so that we can determine what to add or subtract from this list together.

Overarching Goal: To ensure the sustainability of the Town into the future.

Priorities:

1. A Sustainable Government. The Commission wishes to have policies and procedures in place to ensure the Town is following best practices. A sustainable government includes a budget in which recurring expenses are relatively equal to recurring revenues and capital improvements are planned for and budgeted.
2. Expanded Town Boundaries. The Commission wishes to expand the Town's boundaries to improve public participation and ensure its long-term sustainability.
3. Flooding mitigation and safety. The Commission wishes to ensure safe travel during storm events.
4. Safe and modern roadways. The Commission wishes to see the Town's roadways paved, modernized, and connected for multiple modes of transit. The commission seeks to improve safety for all, but particularly our youngest residents.
5. Increased recreation opportunities. The Commission wishes to strengthen the Upper Marlboro Community with more recreation opportunities for residents creating spaces and events that serve as gathering places.



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MEMORANDUM

To: Board of Town Commissioners

From: Kyle Snyder, Town Administrator

Date: Monday March 15th, 2021

Re: New Bank Accounts for Coronavirus Recovery Funds (Res 2021-08)

Commissioners,

Last week the Town received a State & Local Government State and local government guide to The American Rescue Plan's coronavirus State and local fiscal Recovery funds from US Senator Ben Cardin's office. Of the \$160,941,064 in funding budgeted to Prince George's County municipalities, with \$562,491 of this amount slated for the Town of Upper Marlboro.

“Under the \$360 billion Coronavirus State and Local Fiscal Recovery Funds, every level of government will receive funding, regardless of size. Funds can be utilized by state, county, and municipal governments to respond to and prepare for COVID-19 activities, as well as the replacement of revenues lost as a result of COVID-19. **All funds must be expended by December 31, 2024.**”

Allowable Uses of Recovery Funds:

- Respond to or mitigate the COVID-19 health emergency or its negative economic impacts, including assistance to households, small businesses, nonprofits, and aid for tourism, travel, and hospitality.
- To provide essential workers with premium pay;
- Cover revenue loss as a result incurred as a result of the COVID-19 emergency; or
- To make necessary investments in water, sewer, or broadband infrastructure

Prohibited uses of Recovery Funds:

- Funds may not be used to support any pension fund or offset a tax cut

The Town should be receiving at least half of its share within 90 days of the passage of the federal bill. After internal discussions, it was decided that while the Town is planning the expenditures of these funds, the Town should open two new bank accounts (checking and saving) with Sona Bank so that the recovery funds can be deposited there and kept separate from the Town's general funds. This will allow for cleaner accountability and expense tracking. Town Resolution 2021-08 provides Board authorization for the President, Treasurer, and Director of Finance to open the aforementioned two new accounts with Sona Bank for the sole use of handling these recovery funds. It is recommended that the Board approve this Resolution at either the March 16th Budget worksession or the March 23rd Regular worksession to allow the accounts to be set up and ready when the recovery funds are issued to the Town. Please let me know if you have any questions or concerns, thank you.

Kyle Snyder
Town Administrator

The Town of Upper Marlboro

RESOLUTION: 2021-08
SESSION: Extra Board Work Session
DATE: March 16, 2021

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE TOWN OF UPPER MARLBORO TO AUTHORIZE THE ESTABLISHMENT OF A BANK ACCOUNT WITH SONA BANK FOR CORONAVIRUS RECOVERY FUNDS

WHEREAS, the Charter of the Town of Upper Marlboro, Section 82-37 requires the Town Treasurer to supervise and be responsible for the disbursement of all monies and have control over all expenditures to assure that budget appropriations are not exceeded, and to have custody of all public monies belonging to or under the control of the Town, except as to funds in the control of any set of trustees, and have custody of all bonds and notes of the Town; and

WHEREAS, on October 10, 1995 the Board of Commissioners adopted Resolution 96-1 entitled “An Investment Policy for the Town of Upper Marlboro Consistent with Maryland State Law” (the “Town Investment Policy”); and

WHEREAS, among other requirements, the Town Investment Policy mandates that “[c]ollateralization will be required on all savings accounts and certificates of deposit that exceed the \$100,000 FDIC insured amount...[and] Collateralization is also required when the combined sums of an interest bearing account and certificates of deposit in any one institution exceed the insured amount,”; and

WHEREAS, the Town is slated to be awarded approximately \$562,491 in Coronavirus relief funds from the Federal Government through the American Rescue Plan; and

WHEREAS, the Board finds it to be in the best interest of the Town to make further banking arrangements with Sona Bank to establish a new deposit and checking account for The American Rescue Plan coronavirus recovery funds for tracking purposes.

NOW THEREFORE BE IT RESOLVED, by the Board of Commissioners of the Town of Upper Marlboro that it does hereby approve and authorize the continued maintenance of current accounts and opening of a new account with Sona Bank in a reasonable amount in accordance with the Town’s Investment Policy to accommodate the safeguarding and administration of those funds determined by the President/Mayor to be eligible for transfer into said account as described herein above; and

BE IT FURTHER RESOLVED, that the President/Mayor, Treasurer, and Director of Finance &

The Town of Upper Marlboro

Human Resources are hereby authorized and directed to establish two additional bank accounts as described herein with Sona Bank and execute and deliver signature authorization cards or any other required documents to said bank, and to perform, endorse or execute all drafts, checks, deposits, withdraws and process other documents and correspondence regarding any accounts of the Town of Upper Marlboro to be created or entrusted to said bank consistent with this Resolution; and

BE IT FURTHER RESOLVED, that the President/Mayor, Treasurer and Director of Finance & Human Resources are hereby further authorized and empowered to act for and on behalf of the Town to carry out and perform transactions under the terms and conditions of the depositor's agreement, as applicable, or policies of Sona Bank, the Federal American Rescue Plan, and the policies of the Town; and

BE IT FURTHER RESOLVED, that Sona Bank is directed to accept and pay without further inquiry any item bearing the appropriate number of signatures (i.e., two) as indicated on the signature card on file, drawn against any of the Town's corresponding account with the Bank, and that any one signatory is expressly authorized to endorse all checks, overdrafts, notes, and other items payable to or owned by the Town for deposit with or collection by Sona Bank, to accept drafts and other items payable at the Sona; and

BE IT FURTHER RESOLVED, that the Clerk is directed to forward a certified copy of this Resolution to Sona Bank and any other parties which may request it for purposes of effectuating the deposit of public funds authorized hereunder, together with a certificate attesting to the names and signatures of the present incumbents of the offices described herein above and that the Clerk is further directed to certify to Sona Bank or other parties from time to time the signatures of any successors in office of any of the present incumbents; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon passage.

INTRODUCED AND PASSED by the Board of Commissioners of the Town of Upper Marlboro, Maryland at a regular meeting on the _____ day of _____, 2021.

Attest:

BOARD OF COMMISSIONERS OF THE TOWN
OF UPPER MARLBORO, MARYLAND

The Town of Upper Marlboro

Linda Pennoyer, President

Janice Duckett, Commissioner

M. David Williams, Clerk

Sarah Franklin, Commissioner

CERTIFICATION

I, the undersigned, hereby certify that I am the Clerk of the Town of Upper Marlboro and that the Board of Town Commissioners of the Town of Upper Marlboro at a public meeting at which a quorum was present adopted this Resolution, and that said Resolution is in full force and effect and has not been amended or repealed.

In witness whereof, I have hereunto set my hand and seal of the municipal corporation, this _____ day of _____, 2019.

M. David Williams, Clerk