

July 22, 2011



COUNCILMEMBER PHIL MENDELSON'S

AT-LARGE UPDATE

Metropolitan Police Department Update

My last newsletter explained that I voted against the Budget Support Act (BSA) because the resumption of police recruitment had become a low priority. On first reading of the BSA, police hiring was first on the list of expenditures should city revenues increase (which they have). On second reading, police hiring was fourth on the list – the city would need to realize almost \$136 million in increased revenues, a significant hurdle.

Mayor Gray came to the rescue following CFO Gandhi's release of revised revenue estimates June 22nd. While 2012 revenues were insufficient to fully fund even the second item on the list, Mayor Gray proposed holding back \$10.8 million of the 2011 revenue gains and then using that money for police in 2012. In essence, he proposed a way around the hurdle.

I am pleased to say that the Council adopted this approach on July 12th. The new funding, coupled with the Mayor's original budget, will enable the hiring of 300 new police officers next fiscal year (beginning October 1st), enough to bring the force back to its present size.

Parking Concerns

It drives me crazy that many, if not most, city parking meters are marked with confusing signage as to the hours one must feed the meter. It is inexcusable – I'd say unlawful – that a posted sign might say 6:30pm, while a sticker on the meter says something different, and, if one looks hard enough, there is another sticker that says 10:00pm. It's easy to get a ticket because why would anyone think they have to look for multiple stickers and signs to get the correct time.

At Terry Bellamy's confirmation hearing to be the new Director of the Department of Transportation, I requested a plan for rectifying misleading parking meter signage and stickers. This was the response: *"DDOT is holding an interagency meeting today [July 1st] to deploy appropriate resources to address inconsistencies in signage. There are 2,200 metered block faces in the District, so this is not a minor undertaking. We have been addressing signage inconsistencies on an ongoing basis and are working to develop a citywide sweep this summer to identify and resolve any signage inconsistencies."*

I also demanded that DDOT remove those "No Stopping/no Standing" signs near corners that conflict with the law. As you may know, the Council revised the law regarding how close one may park to an intersection. It used to be 40 feet in all cases, but now, in RPP zones, residents with RPP stickers may park as close as 25 feet. But the signs, which are unnecessary because this restriction does not require that a sign be posted, and which are usually inaccurate because the restriction in the written regulations is "No Parking", not "No Stopping/No Standing," are also improper because they demarcate the 40' limit rather than the 25' limit.

This was Mr. Bellamy's response: *"This problem has already been identified. DDOT and DPW enforcement officers have already been directed to no longer enforce the no standing/stopping violation in circumstances where these signs are present. DDOT will begin identifying and removing these signs this summer."*

Constituent Services Corner

A Northwest man contacted my office to report repeated flooding in his basement every time it rains. The problem was with the city's storm sewers, causing the entire street to flood, preventing residents from leaving their homes during heavy rains because sidewalks and streets were under water. Even worse, the storm sewers are "combined sewers" -- including sanitary waste. He and his neighbors were frustrated that complaints to DC WASA were ignored.

I immediately contacted the DC WASA General Manager and requested he investigate and fix this problem. During DC WASA's probe they determined that the immediate problem was caused by storm water catch basins that were clogged and needed to be cleaned. They also agreed to monitor the cleaned basins to ensure that the flooding would not recur. The area has an inadequate sewer system and DC WASA will be addressing this in the long term as well.

When you feel drained from District Government inaction, call my office and we'll help get things unstuck and flowing smoothly again.

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Committee on the Judiciary

Public Safety Town Hall Meeting

Thursday, July 28th at 6:30PM

Matthews Memorial Baptist

Church Fellowship Hall

2616 Martin Luther King, Jr.

Avenue, SE. Confirmed agencies:

- Metropolitan Police Dept.
- Attorney General's Office
- U.S. Attorney's Office
- Dept. Youth Rehab. Services
- Court Services & Offender Supervision Agency

**No Hearings scheduled due
to the Council Recess.**

**The regular Council
schedule will resume on
September 15, 2011**



All hearings are held at the John A. Wilson Building, 1350 Pennsylvania Avenue, NW, unless otherwise noted.

To sign up to testify or for more information, contact the Committee at: (202) 724-7808.

UPDATE ON MUNICIPAL BOND TAX

At its July 12th meeting the Council attempted again to mitigate the new tax on the interest earned on municipal bonds. I wrote about this in my last newsletter. We have received many complaints from bondholders who invested in these bonds because they have been tax exempt for decades. One of the criticisms is that we are changing the rules on which they base investment/retirement decisions. They are correct.

Six of us on the Council have repeatedly said we would prefer a new, higher income tax bracket rather than taxing bonds. But seven have steadfastly opposed any type of new income tax bracket and have pushed the bond tax instead.

I thought we had a compromise July 12th. Councilmember Cheh announced that she had prepared an amendment that would tax the interest on only those bonds purchased after July 1, 2011. This would have made the bond tax entirely prospective. To make up for the reduction in revenues caused by this prospective approach, her amendment would also create a new, top income tax bracket for income over \$350,000. Mayor Gray circulated a letter right before the meeting "strongly in support" of the amendment. Inexplicably, however, Councilmember Cheh announced at the meeting that she would not move the amendment. Instead, she proposed that the bond tax not apply in 2011.

That would be only temporary relief, and it would not make the tax prospective as would the other approach which Councilmember Cheh initially suggested but never moved.

Of additional concern, to fund this one-year reprieve Councilmember Cheh's amendment would reduce the Cash Reserve Fund balance by \$13.4 million. Alarmed, Chief Financial Officer Natwar Gandhi wrote: "*As a cautionary note, rating agencies and potential investors in the District's bonds may view the reduction of the amounts previously approved for the Cash Flow Reserve as a lack of willingness and commitment to rebuild the General Fund balance and increase liquidity. This reduction could lead to a negative outlook or even a downgrade on the District's General Obligation (G.O.) bond ratings, which would result in higher interest costs on future G.O. bond sales.*"

Six members followed the CFO's advice and voted against the amendment: Michael Brown, Jim Graham, myself, Vincent Orange, Harry Thomas, and Tommy Wells. With these six, plus Ms. Cheh, there would have been seven votes for the amendment Ms. Cheh did not make. That clearly would have been the better approach: Prospective, fully funded without reducing the Fund Balance, and with the collateral benefit of making the income tax more progressively structured.