



Commissioners of Leonardtown

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DANIEL W. BURRIS
Mayor

LASCHELLE E. McKAY
Town Administrator

Commissioners of Leonardtown **Town Council Meeting Minutes** **February 13, 2017**

Attendees: Daniel W. Burris, Mayor
Leslie Roberts, Vice President
Thomas M. Combs, Councilmember
Hayden T. Hammett, Councilmember
J. Maguire Mattingly IV, Councilmember
Roger L. Mattingly, Councilmember

Also in attendance were: Laschelle McKay, Town Administrator; Rebecca Sothoron, Treasurer; Jada Stuckert, Planning Assistant; Jackie Post, Fiscal Clerk; Maria Fleming, Events Coordinator; Guy Leonard; County Times; Lindsey Rader, Funk & Bolton; Penny Brown, BTB Coffee; Reginald Hamlet and Peter Haigler, Boy Scouts; Tim Ailsworth, LGIT; DanDan Zou, The Enterprise. A complete list of attendees is on file at the Leonardtown Town Hall.

Mayor Burris asked Councilmember Hammett to say the invocation and Ms. Dimsey to lead the Pledge of Allegiance.

Mayor Burris remarked that we do have quite a few guests with us in attendance today and we also have a public hearing scheduled for 4:15 p.m.

Approval of Minutes

Meeting minutes for the January 9, 2017 Town Council were presented for approval.

Mayor Burris entertained a motion to accept the minutes as presented.

Councilmember Combs moved to approve the January 9, 2017 minutes as presented; seconded by Councilmember Roger Mattingly; motion passed unanimously.

Best Dressed Business Presentation

Mayor Burris invited Mrs. Penny Brown of BTB Coffee Bar & Speakeasy to come forward and announced that BTB was selected as the Best Dressed Business during Christmas on the Square and presented Mrs. Brown with a plaque commemorating this selection. He thanked Mrs. Brown and BTB for participating and providing enjoyment to their customers and the Town.

Mrs. Brown thanked Mayor Burris and Town Council and remarked that it was a lot of fun to make their snowman and put it all together.

Mayor Burris announced that we have two boy scouts attending today's meeting, Reginald Hamlet and Peter Haigler. He asked them to join him up front and asked them why they were attending today's meeting. They both remarked that they are working on their leadership badges and the Mayor presented them with a Leonardtown pin, along with a history of the Town Seal.

Grant Presentation

Mr. Tim Ailsworth, Executive Director of Local Government Insurance Trust (LGIT), explained the formation of LGIT and its mission. As LGIT is a membership organization, he noted that the Town did receive a premium discount of about 10% based on the Town's on-going membership.

Mr. Ailsworth remarked that he is pleased to present to Councilmember Jay Mattingly, accepting on behalf of the Town, a check, in the amount of \$3,400 towards OSHA Training.

Mayor Burris noted that he was on the Council in 1987 when the Town decided to join LGIT.

Treasurer's Report – Rebecca Sothoron

Ms. Sothoron reported that \$150,000 was transferred to the Operating Account. We are 59% through the budget year. On the income statement we did reach our projected real estate tax estimate. Journal entries have been done to allocate our property and liability insurance to departments.

The pay station for the utility bills has encountered some challenges as the utility vendor informed us that all the customers who have used the online payment system as it is now structured will have to re-register. We will wait until the next quarter to inform the customers so that we can control the change more efficiently as they will need to re-register under the new system.

Planning & Zoning Report – Jada Stuckert

The last Planning & Zoning meeting was held on January 17, 2017 with one item on the agenda.

Case No. 2-16 St. Aloysius Catholic Church, 22800 Washington Street
The request for Final Site Plan review & approval was approved.

Ryken Athletic Center was tentatively scheduled for the February 21, 2017 meeting but has since been pushed to the March agenda. At this time, there are no items scheduled for the February meeting.

Police Report – No report

Mayor Burris noted that the Town is continuing discussion with the Sheriff's Department for a replacement deputy.

Public Hearing on Proposed Issuance of Economic Development Revenue Bonds – St. Mary's Ryken, Inc.

Mayor Burris entertained a motion to close the regular meeting and open the Public Hearing.

Councilmember Combs moved to close the regular meeting and open the Public Hearing; seconded by Councilmember Jay Mattingly, motion passed.

Mayor Burris asked Ms. McKay to provide an overview.

Ms. McKay reported that Ms. Lindsey Rader, our bond counsel from Funk and Bolton is in attendance to explain the process.

Ms. Rader explained that today's meeting is called a TECRA hearing and is required by the Federal Tax Code. The Town acts as a conduit and there is no financial obligation to the Town. A Letter of Intent was sent asking the Town to issue up to \$24 million dollars of revenue bonds and to loan the proceeds to St. Mary's Ryken who will use the proceeds to refinance the 2009 bond, undertake new capital projects which involve primarily a new multi-story student activity complex as well as some renovations to Paschal Hall and acquisition of equipment and other land. Ms. Mary Joy Hurlburt, President, St. Mary's Ryken, is also in attendance today to answer any questions.

If the Resolution is passed today it authorizes the Town Administrator to sign the letter of intent and then the working group works on the documents and then we go to closing.

Mayor Burris asked Ms. Rader if she would explain how this passed through the Town but we are not responsible for any financial commitments.

Ms. Rader explained the St. Mary's Ryken is a non-profit 501© 3 entity and these types are often authorized to be the beneficiaries of tax exempt borrowing but they can't issue tax exempt debt directly themselves so they have to go through a local government. It is typical when a 501©3 is located in an incorporated municipality such as the Town it is going to come to the Town first and ask if the Town would consider being the bond issuer.

Councilmember Combs noted that there is language that indicates we could potentially be sued.

Ms. Rader responded that if the school defaulted on its payment of debt service, the bank, realizes that you are not responsible. It could, if it was trying to sue anyone involved with the bond issue, potentially sue the Town, but Ryken will indemnify the Town through the bond documents for any such litigation costs.

Ms. Hurlburt explained that Ryken is preparing to build a 48,000 square foot student activity center that will have a performance court, offices, store, locker rooms, activity multi-purpose room, and training and weight room. It is something that has been long planned for Ryken. Students have been playing in a 1956 gym that was built for a much smaller student body. We also plan to do a variety of renovations of Paschal Hall.

Mayor Burris asked for comments from the floor. Hearing none, he entertained a motion to close the Public Hearing and open the regular meeting.

Councilmember Hammett moved to close the Public Hearing and open the regular meeting; seconded by Councilmember Combs; motion passed unanimously.

Mayor Burris asked Ms. McKay to proceed with her report.

Town Administrator's Report – Laschelle McKay

Ms. McKay stated that there are two Resolutions to be brought forward today.

Resolution 1-17 – Regarding Economic Development Revenue Bond Financing for St. Mary's Ryken, Inc.

Councilmember Roberts moved to approve Resolution 1-17 as presented; seconded by Councilmember Hammett, no further discussion, motion passed unanimously.

Resolution 2-17 – Post Issuance Tax Compliance Procedures for Conduit Tax Exempt Obligations.

Ms. Rader explained that this is basically written procedures that will be in place to ensure compliance post-issuance or throughout the life of the bond issue. This resolution has attached to it a substantially final form of procedures for the Town to follow to what is referred to as Conduit obligation. This basically says that as a conduit issuer the borrower is responsible for tax code compliance and really only leaves to the Town the ability to roughly once each year to ask the borrower to certify to the Town whether the borrower is actually complying with all the tax code provisions or if it has not, that the borrower will let you know what they are not complying with.

Councilmember Roberts moved to approve Resolution 2-17 as presented; seconded by Councilmember Hammett, no further discussion, motion passed unanimously.

Wharf Slips/Pier

Ms. McKay reported that the engineering and design portion of the project was publicly bid and the bids were opened on January 27, 2017. DNR has reviewed the bids and agreed with the recommendation of awarding to the low bidder, GHD, Inc. in the amount of \$24,860. After the design is complete and approved by DNR, we will apply for the permits through the state agencies. After that we will bid the construction portion of the project.

Bid Tally:

GHD, Inc. 16701 Melford Blvd., Suite 330, Bowie, MD 20715	\$24,860
Andrews, Miller & Assoc., 601 E. Main St, Suite 100, Salisbury, MD 21804	\$25,000
Bayland Consultants, 7455 New Ridge Rd, Suite T, Hanover, MD 21076	\$38,000
Brudis & Assoc. 9240 Rumsey Rd., Suite C, Columbia, MD 21045	\$42,500

Councilmember Combs inquired if they will be going with us through the permit process?

Ms. McKay responded that they will be assisting us in the permit process and we will take on as much as we can to help reduce the cost if possible.

Councilmember Roberts moved to approve awarding the bid to GHD, Inc. for \$24,860; Councilmember Combs seconded, no further discussion, motion passed unanimously.

Amendment to Sewer Easement – TSG Leonardtown Limited Liability Corporation.

Mr. Patrick Thomas, Town Attorney, has prepared an amendment to the existing sewer easement through the Hamptons property to address the Town participating in the cost of burying the existing elevated sewer line concurrently with the construction of the access road. The agreement addresses several important points:

1. This project is a safety measure to protect the elevated sewer line.
2. The vehicular/pedestrian access to Fenwick Street is an important economic development tool.
3. The access also provides a safer second access to the project.
4. The owner of the Hamptons will maintain the road and sidewalk after construction and the access must remain as a public access.
5. The Town will be held harmless during the construction process.
6. The Town will pay \$125,000 toward the cost of burying the sewer line, payable to owner and contractor performing the work as it is billed.
7. The owner will receive \$125,000 in property tax abatement.
8. The owner has a right to place a monument sign at the Fenwick Street entrance and a kayak rack at the Wharf, at his expense.

Mayor Burris provided a bit of history about this project. The Hamptons is an apartment complex that is located between Fenwick St and Route 5. When the developer first approached the Town, the Town was supportive but would like to see a road access to Fenwick St. rather than just an entrance or exit to/from Route 5 for a number of reasons. Route 5 is very congested and having that being the only access would make it dangerous. But an access to Fenwick St for people who want to make a left to go north would be safer. Unfortunately, the developer tried to work with the Foxwell Condominium HOA and could not come up with an agreement. So we started looking at other access points and other alternatives. While meeting at the site, we took numerous photos of trees falling on top of our sewer line and realized that this is a major concern and could become an environmental hazard if the sewer lines are not covered up. So the idea of putting the road over top of the sewer easement that we already have and the Town paying some of the cost to cover up the sewer line since it does run into Breton Bay it could potentially be a real hazard. Also, Mr. Combs provided information about waste water security that was put out by Homeland Security about the real potential of people trying to contaminate or to cause harm to water sources.

Councilmember Combs remarked that the article specifically addressed above line sewer and water lines that could be contaminated.

Mayor Burris noted that the Town came up with this compromise of the Town helping to defray the cost of covering the sewer line up. We are not paying for the full cover up but we did come up with this compromise with the developer. It will alleviate the environmental hazard and alleviates the traffic out on Route 5 and provided economic development for the downtown business district.

Mayor Burris opened the floor up to the Council for comments.

Councilmember Combs noted that this will not be the rule because we are dealing with a new set of circumstances and primarily because of the elevated sewer line which we want to cover. Simultaneously we happen to have the desire to provide that access. So down the road, if a developer comes forward that they want to the Town to participate in some sort of deal to get access I do not think that this will be the thing they fall back on. We are not setting a precedent because it is protecting the sewer line simultaneously with providing access to the downtown.

Councilmember Hammett remarked that he has a question on the easement agreement itself. He noticed that one of the lines referring to the original easement on the plat says “permanent twenty-foot wide easement for the maintenance here thereof it was granted and the County in turn granted it to their successor or representative MetCom” because at the time that this property was subdivided and the sewer line was built. I guess it was built in conjunction with MetCom and did MetCom actually build this extension out to the County government offices? Staff replied that they did not know. Councilmember Hammett replied that regardless of the history, where is the assignment?

Ms. McKay remarked that there is an assignment to the Town.

Councilmember Hammett wanted to know when did this happen?

Ms. McKay states that the next paragraph talks about the assignment, the third paragraph under recitals. It was assigned to the Town in 1992. Councilmember Hammett stated that his question had been answered.

Councilmember Roger Mattingly remarked that he wanted to make a comment.

He has been a member of this Council since 2010. In his seven years here this is the first time he has heard anything about this safety and protection of any sewer line in the Town whether it is elevated, buried or whatever. You can call it a tax abatement, safety and security or whatever else you want to call it but the bottom line is that the Town Council is going to give \$250,000 to a private developer for this road. It looks to me that this Council is looking for excuses to give the developer \$250,000 of Leonardtown tax payer money. Our Town needs streets and roads repaired, we need new sidewalks in a lot of places in our Town, especially on Lawrence Avenue. We have our own projects that need funding that are used for the citizens of the Town as well as visitors. We just approved a pier at the Leonardtown Wharf but with no money we are unable to do small fingers off the main pier because of no money and here we are giving a private developer \$250,000 to help him build a road that he profits from on the backs of the Leonardtown taxpayer. The developer knew from the start of this project that if he wanted a fourth floor on his apartment building that he would have to build a road to Fenwick Street. Now he wants the taxpayers of Leonardtown to spend their hard earned money so that he can profit from the road. Now let's put this scenario in perspective. What happens when the developer from Clark's Rest comes before the Town and wants the same deal or how about the developer of the Wathen/Wilkerson Farm or the developer Wayne Davis or any developer or land owner that comes before the Town wanting the same deal. Are we prepared financially to give each of these people \$250,000 or are we going to have to raise the Leonardtown taxpayer's taxes so that we can give the same deal to every developer that comes into the Town. I think in my opinion we are getting ourselves into a deal we should have no part of. This is a deal that is going to cost Leonardtown taxpayers \$250,000 that we should not be paying. I was elected by the people of

this Town to represent them, to work in their best interest and giving \$250,000 of Leonardtown taxpayer's money to a private developer is not looking out for the best interest of the people around Town. In my opinion this is clearly a no deal deal.

Mayor Burris remarked that he thinks all those issues have been addressed prior and appreciates his concern, but we will have to disagree.

Councilmember Combs said that he understands where Councilmember Roger Mattingly comes from and certainly appreciates his point of view but at the same time he feels that this is a unique situation. He does not know if this may cause us to have heartburn down the road but hopes not and this is not what is intended.

Councilmember Hammett remarked that he disagreed with the assessment of Councilmember Roger Mattingly, that we are not giving \$250,000 to a private developer. We are getting roughly one million worth of value, somewhere between \$750,000 and one million worth of value in terms of the sewer line getting covered, an access road that the developer was not required to build in the first place. Some environmental abatement, security abatement, and we are contributing roughly 25% of the value of that, so in my opinion, we are getting probably four times the amount of value for the money that we are spending. I think it is a great deal for the Town and if it wasn't for your unethical and illegal actions prior to this decision we would not have to be spending any money.

Councilmember Roger Mattingly replied "excuse me".

Councilmember Hammett replied "I think you heard me".

Councilmember Roger Mattingly replied "no, I did not, what, I do not understand, could you explain that".

Councilmember Hammett replied "I do not think you want me too".

Councilmember Roger Mattingly replied "explain that Hayden, I've got nothing to hide"

Mayor Burris asked if there was any further discussion. There being none he entertained a motion on Amendment to Sewer Easement – TSG Leonardtown Limited Liability Corporation.

Councilmember Combs moved to approve the amendment to the easement agreement previously assigned to the Town from the County, dated June 30, 1992, and recorded in the land records of St. Mary's County at Liber EWA 694, Folio 232. The agreement is between the Commissioners of Leonardtown and TSG Leonardtown Limited Liability Company; seconded by Councilmember Hammett, no further discussion.

Council Members Hammett, Roberts, Combs and Jay Mattingly voted yea. Councilmember Roger Mattingly voted nay.

Motion passed by majority vote.

Mayor Burris asked the Boy Scouts if they had any additional questions before they left the meeting.

Cub Scout Haigler suggested that for the sewer and water line, why not just remove the trees where it is happening and put security cameras so people will not try anything and you can see who they are.

Mayor Burris replied that this is a very good point and an option but that would not guarantee and stop any type of serious vandalism.

The Mayor and Town Council thanked the Boy Scouts for joining them today.

Mayor's Report – Mayor Burris

Mayor Burris reported that he attended the Maryland Mayors Association in Annapolis. He met the Governor and also met with some of our Delegates. The Highway User Revenue fund is still a big topic and we also concentrated on two new bills which we hope will help in 2019 and 2020 to get back some of these funds. And, St. Mary's County was highlighted as the highest percentage of increase in vehicular road miles added in the State of Maryland which means we are growing.

Events – Roger Mattingly

Big thanks out to Laschelle McKay, Teri Dimsey, Foo Tippett and the LVFD and the First Friday Committee, Big Larry's and the Foundation for Heroes for their overwhelming support at the January fundraising and February prayer vigil for Nolan Scully and his family. Special thanks to Father Dan of St. Aloysius and Pastor Paul of the Church of Nazarene. There were about 500 people at the prayer vigil and it was amazing to see all the wonderful community support.

Ms. Fleming is working on coordination of Earth Day for Sunday, April 23rd. A lot of planning going on for the 2017 annual events. March 2, Youth Jam First Friday and two new events, Paddle for First Responders in June and another Yak Adventures Kayaking and Crab Fest at the Wharf in September. Working on the spring Beacon and the 2017 Calendar of Events.

Upcoming Events of Interest/Meeting Reminders:

<u>Date</u>	<u>Time</u>	<u>Meeting</u>
Monday, Feb. 20	HOLIDAY	Town Office closed for President's Day
Wednesday, Feb. 22	5:00 PM	Chamber Business After Hours (RSVP) Hosted by Home2Suites by Hilton 46058 Valley Drive, Lexington Park, MD
Thursday, Feb. 23	5-7 PM	Southern Maryland Legislative Reception 126 West Street Annapolis, MD RSVP to the Tri-County Council of So MD
Monday, Feb. 27	7:30 AM	Southern MD Legislative Breakfast (RSVP) Olde Breton Inn, Leonardtown
Friday, Mar. 3	5-8 PM	Youth Jam First Fridays in Leonardtown Featuring the So MD Youth Orchestra & Choir

Friday, Mar. 10

7:30 AM

LBA, Inc. State of the Town Breakfast
College of Southern MD, Leonardtown Campus
Auditorium, Bldg. A

Community Development and Strategic Planning – Hayden Hammett

Councilmember Hammett reported that several business projects continue to move forward.

ENR Upgrade – Tom Combs

Councilmember Combs stated that all is moving along smoothly.

SMMA Update – Leslie Roberts

Councilmember Roberts reported that she, along with Councilmembers Roger Mattingly, Ms. Fleming and Ms. Dimsey attended the January SMMA meeting hosted by Annapolis. The next meeting is March 8 hosted by Chesapeake Beach. MML has contacted a lawyer to present that evening on the issues and challenges Town face with social media.

Safety and Emergency Preparedness – Jay Mattingly

Councilmember Mattingly reported that he and Mr. Wheatley are working on a list of repairs for the 2018 budget. To date, we have spent, \$12,200 of the \$40,000 budgeted for snow removal.

Councilmember Combs moved to adjourn the meeting at 5:05 p.m. seconded by Councilmember Roger Mattingly, no further discussion; motion passed unanimously.

Respectfully Submitted:

Teri P. Dimsey

Approved:

Daniel W. Burris, Mayor

Leslie E. Roberts, Vice President

Thomas M. Combs, Councilmember

Hayden T. Hammett, Councilmember

J. Maguire Mattingly IV, Councilmember

Roger L. Mattingly, Councilmember