



# Commissioners of Leonardtown

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DANIEL W. BURRIS  
*Mayor*

LASCHELLE E. MCKAY  
*Town Administrator*

## **Town Council Meeting Minutes February 13, 2023**

**Live streamed video of the meeting can be found on  
YouTube – Town of Leonardtown Channel**

Attendees: Daniel W. Burris, Mayor  
J. Maguire Mattingly IV, Vice President  
Nick Colvin, Council Member  
Heather M. Earhart, Council Member  
Christy Hollander, Council Member  
Mary Maday Slade, Council Member

Also, in attendance were: Laschelle McKay, Town Administrator; Angie Graves, Treasurer; Mike Bailey, Planning Coordinator, Carl Hogan, BBD LLC; Cpl. Roszell, Town Deputy; Gene Burroughs, LSR; Will Morehead, JustTech. A complete list of attendees is on file at the Town Hall.

Mayor Burris asked Councilmember Colvin to give the invocation and asked Ms. Earhart to lead the Pledge of Allegiance.

Mayor Burris stated that there are two public hearings today to be held at 4:15 p.m. and 4:30 p.m.

### **Approval of Minutes**

Mayor Burris entertained a motion to approve the minutes of January 9, 2023 minutes.

**Councilmember Mattingly moved to approve the minutes of January 9, 2023, as presented; seconded by Councilmember Colvin; no further questions, motion passed unanimously.**

### **Treasurers Report** – Angie Graves

Ms. Graves reported that Mr. Carl Hogan with BBD, LLC Auditors is in attendance today to present the audit findings for Fiscal Year 2022.

Mr. Hogan stated that the results of the audit are good. All the reports have been filed with the State and we will be working with the Town to set up a schedule to maintain a more structured timeline to complete the audit by October/November for this year.

The first three pages of the audit report is the Independent Auditor's Report. The most important is the opinion paragraph at the beginning which states that the numbers in the audit report are fairly presented for the year ended June 30, 2022.

Then there is the Budget to Actual Report which is in the back of the Audit report which provides our opinion on your actual numbers not on your budgeted numbers.

There were a lot of expenditures that were budgeted but did not happen due to timing and resulted in expenditures that were less than budgeted. What we did is that we took those expenditures and rolled them into the next year as many were one time maintenance and capital expenditures that were already budgeted and built into the fund balance.

Mr. Hogan gave an overall summary and explanation of each of the Financial Statements included in the Audit Report.

His final remarks were that the Town is considered in a very good financial position.

#### **4:15 Public Hearing- Ordinance No. 214 Infrastructure Bonds for Wastewater Treatment Plant Expansion**

**Mayor Burris entertained a motion to close the regular meeting and open the public hearing.**

**Councilmember Mattingly moved to close the regular meeting and open the public hearing on Ordinance No. 214; seconded by Councilmember Slade, motion passed.**

Ms. McKay stated that this ordinance was introduced at the January 9, 2023 meeting. The public hearing was advertised in the County Times on January 26, 2023 and posted on the Town website. Town Council can vote to pass the ordinance at this meeting. The ordinance authorizes the sale of up to \$9 million of 2023 Series A infrastructure bonds through a joint sale with the Community Development Administration of the Department of Housing and Community Development. The maximum interest cost would be a rate not to exceed 5.75% for a loan with a 20-year maturity. This ordinance and the procedure have been prepared by the Funk and Bolton bond counsel, Lindsay Rader.

**Mayor Burris entertained a motion to close the public hearing and open the regular meeting.**

**Councilmember Mattingly moved to close the public hearing and open the regular meeting; seconded by Councilmember Colvin, motion passed.**

#### **Planning & Zoning Report – Mike Bailey**

Mr. Bailey reported that the Planning Commission met on January 17, 2023 with one item on the agenda:

#### **#83-21 Dairy Queen – Received Final Site Plan Approval**

At this time, there are no items to be heard for the next meeting on Tuesday, February 21, 2023.

**Police Report – Mayor Burris**

Mayor Burris thanked Cpl. Roszell for providing a written report.

Councilmember Slade inquired if there was any progress on the graffiti incident.

Cpl. Roszell responded yes; they do have a suspect.

Ms. McKay also noted that there was an incident at the Wharf where a number of life rings and fire extinguisher were stolen. Cpl. Roszell and Mr. Wheatley will be viewing the cameras for the incident.

**Town Administrators Report – Laschelle McKay**

**Debt Affordability Report for Wastewater Treatment Plant Expansion**

Resolution 1-10 passed January 8, 2010 met the State mandate for all municipalities to adopt a debt management policy. The adopted debt management policy requires that the Town Council receives a debt affordability report for each capital project once the Town Council acknowledges the need for a project. In accordance with that requirement, today we are holding a public hearing on Ordinance No. 214 for the funding of the wastewater treatment plant expansion, therefore we are providing the debt affordability report for this project.

The Town Council of the Town of Leonardtown is currently negotiating the partial financing of the wastewater treatment plant expansion from .68 million gallons day to 1 million gallons day. This project will require the Town to incur debt. A potential lender has been identified and is working with staff and Lindsey Radar of Funk and Bolton, who is serving as Bond Counsel on the transaction.

Staff met with Department of Housing and Community Development Local Government Infrastructure Finance Program Managers to discuss Community Development Administration bond sales. The Maryland Water Quality Administration Water Quality Revolving Loan Fund was a second source of funding that was investigated but we were told by Susan Iaconangelo, Senior Capital Funding Coordinator, that growth related projects are not qualified for this financing. After further discussion with Bond Counsel and the CDA Program Managers staff decided to pursue a late Spring joint issuance with the CDA.

The CDA loan request is set at a maximum of \$9,000,000. The total project cost is \$18,957,240. Funding includes previously collected sewer impact fees of \$5,510,197, ARPA funding received in the amount of \$3,038,413 and previously paid expenses of \$1,408,630 (engineering and design fees and land acquisition of \$198,945).

The Town's outstanding debt obligations are summarized in the audited financial statements dated June 30, 2022, as \$6,518,839. Since then, additional principal payments were made totaling \$394,799, reducing the total current debt outstanding to \$6,124,040. Of this long-term debt \$5,867,941 is associated with the operation of the wastewater and water systems. Although this debt is secured by the taxing power of the town, no general fund resources are used to fund debt service for this debt.

The debt associated with the Enhanced Nutrient Removal project and the current proposed debt for the expansion are paid from impact fee connections from new growth. Each new development enters into an impact fee agreement that assures a specific number of EDU impact fees that will be paid in each given year. This provides the Town with a guaranteed income stream. The current ENR debt requires receiving income from 29 EDUs per year and the

expansion debt would also require 29 EDUs per year. Based on the number of EDUs collected in recent years this seems very reasonable. The average collected the last four years was 70 per year. In October 2022 the impact fee was raised from \$13,000 per EDU to \$18,000 per EDU to cover this proposed debt service amount. The remaining debt is associated with the purchase of the Leonardtown Wharf property acquisition in 2010. Significant progress has been made in paying off this debt. The Town originally borrowed \$1,265,259 and the current principal balance is \$650,893.

Planning for this project has been in the process since 2015 and timing is critical to allow for growth projects to continue in the near future. Because the debt service for this project will be covered by growth, and funding collected is specific to sewer growth projects, this project will not impact future financing of other town projects

Ultimately, the Council recognizes that this project is imperative for the future of the Town's growth as adopted in the Comprehensive Plan and the Downtown Strategic Plan being implemented since 2019. This debt affordability report is intended to inform you about the potential financial implications of this debt issuance.

**Ordinance No. 214 Infrastructure Bonds for Wastewater Treatment Plant Expansion.**

We introduced it last month, we had it out for public review, we received no comments, nor during the public hearing. So, we are able to go ahead and vote on this Ordinance. This is written, per State requirements, once you pass on it, it does go into effect immediately and we send over to the Bond Counsel and certify all the advertisements and a copy of the minutes, it is a very detailed process.

**Councilmember Colvin moved to approve Ordinance No. 214 Infrastructure Bonds for the wastewater treatment plant expansion; seconded by Councilmember Slade, no further discussion, motion passed unanimously.**

**Liquor License Letter of Support for Flour Donuts and Bakery - Beer and Wine License**

The Ryce family is opening a bakery in the former Bell Motor building that will be called Flour Donuts and Bakery. They will be also serving breads, cheeses, soups and limited sandwiches. They would like to acquire a Class B Restaurant license for the sale of Beer and Wine.

**Councilmember Slade moved to approve a letter of support for Flour Donuts and Bakery, to be located at 22675 Washington Street, for a beer and wine license; seconded by Councilmember Mattingly; no further discussion, motion passed unanimously.**

**Mayor Burris entertained a motion to open the public hearing on Emergency Ordinance No. 215 Chapter 60 Critical Area Minor Corrections and close the regular meeting.**

**Councilmember Mattingly moved to close the regular and open the public hearing meeting; seconded by Councilmember Slade, motion passed.**

**4:30 Public Hearing- Emergency Ordinance No. 215 Chapter 60 Critical Area Minor Corrections**

This public hearing was advertised in the January 26, 2023 County Times and posted on the town website. In January 2021 the Town approved a revised Critical Areas Ordinance to bring our ordinance into conformity with the MD Annotated Code. At the time we worked with CAC staff to ensure that since we were allocated 200 acres of growth allocation from the St. Mary's County allocation and needed to have rules in place to work with specific projects at the time, St. Mary's

Nursing Center. Since that time, we have found out that there were a couple of areas in the ordinance that the wording was not what was needed. As you can see, they are very minor changes and therefore the town attorney felt that it met the qualifications of an emergency ordinance, meaning it could be introduced and passed at the same meeting provided it was passed by a four fifths affirmative vote. The Nursing Center project was scheduled to be on the February CAC agenda for approval of the growth allocation that we allocated them, however when the wording issue was discovered the item had to be postponed until this correction was made. This has held up the project significantly to get through this process.

**Mayor Burris entertained a motion to close the public hearing and open the regular meeting.**

**Councilmember Mattingly moved to close the public hearing and open the regular meeting; seconded by Councilmember Colvin, motion passed.**

**Councilmember Earhart moved to approve Emergency Ordinance No. 215 Chapter 60 Critical Areas to correct minor errors inadvertently enacted by Ordinance No 204; seconded by Councilmember Colvin, no further discussions, motion passed unanimously.**

**Resolution 1-23 Main Street Maryland Program Support**

Ms. McKay reported that we are required to pass a resolution in support of the Main Street Maryland Program to acknowledge that we are committed to carry out the Main Street Maryland Program and part of that is to hire a Main Street Manager, which we are working on finding. This Resolution 1-23 is the resolution that the Commissioners of Leonardtown have made by application a request for the Main Street Maryland Designation by the Department of Housing and Community Development of the State of Maryland in support of local administration of the Main Street Maryland Program in the Town of Leonardtown.

There is no deadline on this but we are anticipating to get the application in by June.

**Councilmember Colvin moved to approve Resolution 1-23 in support of applying for the Main Street Maryland designation; seconded by Councilmember Slade, no further discussion, motion passed unanimously.**

**Modification to Wood's Subdivision Request from 6 Single Family to 4 Single Family and 1 Duplex**

The Woods subdivision was previously a commercial lot in the Academy Hills subdivision. On December 21, 2021 the Planning Commission sent a favorable recommendation to revise the plan to allow 6 single family homes to be built on the parcel. On January 10, 2022 the Town Council approved the revision. As the engineering has been in the process the owners feel that the slope is too much in the back of Lots 3 and 4 to be able to put two homes. They would like to propose combining lots 3 & 4 and building a duplex which will allow them to stay clear of the steeper slopes and allow for additional buffer from the homes in Academy Hills and also allow for more green space. A proposed architectural design is attached.

**Councilmember Slade moved to approve a revised concept plan for the Woods Subdivision to 4 single family homes and one duplex on lot 3 & 4, from the 6 single family homes approved January 10, 2022; seconded by Councilmember Mattingly, no further discussion, motion passed unanimously.**

## **Update on Arts and Entertainment Redesignation Process**

The application for the Town's redesignation of the Arts and Entertainment District is due April 1, 2023. We are in the process of completing the application and meeting with the State to complete on time.

## **Meadows at Town Run - Phase 1 Utilities Acceptance into Town System**

Phase One of Meadows at Town Run I has been completed and is ready to be taken into the town system. Quality Built Homes will then obtain a 2-year maintenance bond on the utilities. The roads will be taken over all at once when Phase 2 is completed.

**Councilmember Colvin moved to approve acceptance of the Meadows at Town Run I Phase 1 water and sewer into the town system; seconded by Councilmember Hollander, no further discussion, motion passed unanimously.**

## **Mayor's Report** – Mayor Burris

Mayor Burris stated that there is no LBA representative in attendance today but they did have their meeting last Friday which was very well attended with over 60 people. Councilmember Slade did a presentation on taxes.

He will be attending the Maryland Mayors Association meeting this weekend and Councilmember Mattingly is on the agenda presenting on Emergency Management Services, "Answering the Call".

## **Events** – Heather Earhart

Councilmember Earhart reported that we have the 2nd Annual Moll Dyer Weekend which is now a three-day event honoring Leonardtown's most famous local legend where attendees can learn more about Moll Dyer and other Leonardtown spirits and take part in paranormal investigations, ghost walks, winter games and a mentalist show Friday and Saturday night at the Rex Theatre. This event focus is on the theme: Be Kind.

## **Community Development and Planning** – Nick Colvin

No report at this time.

## **Utilities** – Christy Hollander

No report at this time. I would like an update on the Route 5 construction as we have heard rumors.

Ms. McKay noted that they stopped due to insurance issues but, did get some bond issues resolved and will be moving forward soon, once the asphalt plants open back up.

## **SMMA Update** – Jay Mattingly

Councilmember Mattingly reported that on January 11, 2023, he attended the SMMA Chapter meeting held in Annapolis and then attended the Legislative Session immediately following the meeting. There was no MML Board of Directors meeting in January but will attend the meeting scheduled for April. The next SMMA meeting date has not yet been scheduled.

## **Business Development** – Mary Maday Slade

Councilmember Slade reported that she was asked to testify in front of the legislature on small businesses and retirement over Zoom. She read out loud her testimony.

Mayor Burris reminded everyone that he is available after the meeting for discussions.

**Mayor Burris entertained a motion to adjourn.**

**Councilmember Mattingly moved to adjourn the meeting at 5.00 p.m.; seconded by Councilmember Slade, motion passed unanimously.**

Respectfully Submitted:

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Teri P. Dimsey

Approved:

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Daniel W. Burris, Mayor

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Nick Colvin, Councilmember

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Heather M. Earhart

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Christy Hollander, Councilmember

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J. Maguire Mattingly IV, Councilmember

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Mary Maday Slade, Councilmember