



# Commissioners of Leonardtown

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J. HARRY NORRIS  
Mayor

LASCHELLE E. MCKAY  
Town Administrator

## **Commissioners of Leonardtown** **Town Council Meeting Minutes** **December 14, 2009 ~ 4:00 P.M.**

Attendees: J. Harry Norris, Mayor  
Walter Wise, Vice President  
Dan Burris, Councilmember  
Thomas Collier, Councilmember  
Robert Combs, Councilmember  
Leslie E. Roberts, Councilmember

Also in attendance were: Rebecca Sothoron, Town Treasurer; DeAnn Adler, Plans Reviewer; Teri Dimsey, Recording Secretary; Jackie Post, Fiscal Clerk; Tony Wheatley, Capital Project Coordinator; Mary Ann Murray, Auditor. A complete list of attendees is on file at the Leonardtown Town Hall.

Mayor Norris called the regularly scheduled meeting to order at 4:02 p.m. and called for the recitation of the Pledge of Allegiance.

Mayor Norris proceeded to take up the first item of business.

### **Approval of Minutes:**

The meeting minutes for November 9, 2009 Town Council meeting were presented for approval.

**Councilmember Collier moved to approve the November 9, 2009 Town Council meeting minutes; seconded by Councilmember Combs; no further discussion, motion passed unanimously.**

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**COUNCIL:** WALTER WISE, *Vice President* DANIEL W. BURRIS  
THOMAS R. COLLIER ROBERT C. COMBS LESLIE E. ROBERTS

## **Treasurer's Report – Rebecca Sothoron**

Ms. Sothoron reported that \$100,000 was transferred from the checking account to the LGIP. We are 42% through the budget year. First quarterly income tax distributions from the State were received in November. It is slightly higher than they were last year but the different components may mean we will not meet our FY 2010 budget goals. This year's budget cycle will make the adoption of the budget happen in April. We are required, as mandated by the State, to prepare a Debt Policy which will require Council approval. The next major project is the Fraud Policy as suggested by the audit firm

## **Audit Report** – Mary Ann Murray of Murray, Wamsley and Schrader

Ms. Murray reported that she has been preparing the audit for the Town over the last twelve years. Ms. Murray reported that Ms. Sothoron has provided a financial summary for your review and will refer to it from time to time. Ms. Murray remarked that the Town of Leonardtown received an unqualified opinion, which is also referred to as a clean opinion, which means the financial statements are properly stated in accordance with generally accepted accounting principles, and is the best report that you can get.

Ms. Murray explained the components that comprise the financial statements. Her ensuing presentation included a detailed analysis of the Basic Financial Statements. She also summarized the Report on Internal Controls and provided a brief description of the notes.

For many years, Leonardtown Recreation Inc. (LRI) has been reported as component unit in the financial statements. It was determined by management that LRI is inactive, therefore, it was decided that the receivables should be written off at this time.

Ms. Murray commented there is a new note regarding the health reimbursement plan and the fact that so much money will be put into the active participant's account each year and that they can use that amount even after they retire.

Ms. Murray stated the last new note refers to the conduit debt that the Town authorized for Ryken High School. Although it is not on the financial statements as the Town is not obligated to repay that amount, this is a required note disclosure for as long as the debt is outstanding.

Ms. Murray reported that the last section is their report on internal controls and on compliance and is happy to report that the one repeating issue on segregation of duties, we were able to remove that this year. Some additional internal controls were put in place so that we felt this was not a significant deficiency.

She briefly summarized the required communication letter which addresses the responsibilities of management and the scope of the audit. The final management letter highlighted lack of the following 1) fixed asset inventory, 2) a formal fraud risk management program and 3) updated Accounting and Purchasing Manual. Reference was made to the purchase order policy. This policy limits purchases to \$100.00 which is very low dollar amount. There were some cases of purchase orders completed after the fact or not done at all. A suggestion is to review this policy

for effectiveness. Last year it was suggested that someone other than the Treasurer review the bank reconciliations. This is being done but not necessarily on a timely basis, and in order for it to be a true effective control, it should be done on a timely basis. None of these are serious enough to be considered reportable conditions, but processes that the Town should strive to implement.

Our final audit letter states that management is responsible for adopting sound accounting policies and, as far as we could see, no new accounting policies have been adopted this past year nor, did we note any unusual transactions. There are a few other comments for management's review.

Ms. Murray commented that the audit proceeded very smoothly and it is always a pleasure working with Ms. Sothoron and thanked Ms. Miller and Ms. Post for all their assistance with the audit and to please feel free to contact her with any questions.

Mayor Norris thanked Ms. Murray for her presentation and for providing such good service to the Town of Leonardtown for the past twelve years.

#### **Planning Report** – DeAnn Adler

Planning and Zoning meeting was held on November 9, 2009. Two agenda items were heard:

**Case # 74-09 J Louis Edwards Lot #1 – 25988 Point Lookout Road** – Request for amended subdivision plat and boundary line adjustment. This request was approved by a unanimous vote.

**Case # 75-09 Mattingley – Gardiner Funeral Home – 41590 Fenwick Street** – Request for concept approval for expansion of the funeral home. This request was approved by a unanimous vote.

Planning and Zoning meeting is scheduled for December 21, 2009. Two projects are scheduled to be heard:

**Case #79-09 Breton Marketplace/Ledo's Pizza - 25460 Point Lookout Road** – Request for approval of final record plat for Lot's 1 & 2.

**Case # 91-2003 Foxwell Condominiums – Building 3 – 41820 Eastwick Lane** – Request for condominium subdivision plat approval

#### **Deputy Report** - Deputy Smolarsky

Ms. Miller reported that Deputy Smolarsky is unable to attend today's meeting and her written report is forthcoming.

#### **Town Administrator Report** – Laschelle McKay

Quality Built Homes- Phase 2 Water and Sewer Line Acceptance – Ms. Miller reported that in January of 2009 we agreed to phase the acceptance of water and sewer and roads. We have not taken over any roads but did take over water and sewer.

Mayor Norris entertained a motion.

**Councilmember Burris moved to accept and take over Phase 2 of the Water and Sewer in Leonard’s Grant; seconded by Councilmember Roberts, no further discussion, motion passed unanimously.**

Ms. Miller reported that there was previous talk about the State mandated SWM Ordinance and we have submitted our draft for review and are waiting for comments to begin our review process. There is also a State mandated ordinance for Forest Conservation which we will be working on over the next few months.

There is a bid opening coming up on December 15 for the 245 traffic planning study of which we received a large number of bids.

**Mayor’s Report** – Mayor Norris

Mayor Norris reported that the list for residents and commercial businesses late on their utility payments is exceptionally high this quarter. It is a sign of the times and we plan to work with them as best we can. Another example of the hurting economy is the Leonardtown Lions Club has a tree every year at True Value, with names of families who need assistance and this is the first year the Club has names still on the tree. I hope you will pass along this information to those who may be able to help or offer to help yourselves.

Mayor Norris noted that State Comptroller Peter Franchot stopped by to shop in Leonardtown to promote his “Buy Local” campaign. It is a very strong message that we would want to do ourselves and to encourage our residents.

**Council Reports**

**Events - Councilmember Burris:**

**Upcoming Events of Interest/Meeting Reminders:**

<u>Date</u>	<u>Time</u>	<u>Meeting/Event</u>
Saturday, Dec. 12	11 AM-1 PM	Santa & Mrs. Claus on the Town Square
Wednesday, Dec. 16	5:30 PM Leonardtown	Chamber Business After Hours hosted By Community Bank of Tri County,
Thursday, Dec. 17	5:00 PM	Staff Christmas Dinner @ Café des Artistes



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Robert C. Combs, Councilmember

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Leslie E. Roberts, Councilmember

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