



# Commissioners of Leonardtown

---

41660 Courthouse Drive  
P. O. Box 1, Leonardtown, Maryland 20650

301-475-9791 • FAX 301-475-5350  
leonardtown.somd.com

DANIEL W. BURRIS  
Mayor

LASCHELLE E. MCKAY  
Town Administrator

## **Commissioners of Leonardtown** **Town Council Meeting Minutes** **December 10, 2012 ~ 4:00 pm**

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

Also in attendance were: Laschelle McKay, Town Administrator; Teri Dimsey, Recording Secretary; Rebecca Sothoron, Treasurer, Mary Ann Murray, Murray, Wamsley & Schrader LLC, Dan Norris, LBA; Laura Clarke, LSA. A complete list of attendees is on file at the Leonardtown Town Hall.

### **Approval of Minutes**

Meeting minutes for the November 12, 2012 Town Council meeting were presented for approval.

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

**Councilmember Roger Mattingly moved to approve the November 12, 2012 minutes as presented; seconded by Councilmember Leslie Roberts, motion passed unanimously.**

### **Presentation of Leonardtown Waterfront Plan – Crozier Associates**

Mayor Burris asked Ms. McKay to provide a brief summary and an introduction of Mr. Sam Crozier for his presentation.

Ms. McKay introduced Mr. Crozier and explained that he and his associate have been meeting with Council to work up an overall vision plan for the undeveloped Tudor Hall property, its interconnectivity with today's infrastructure and keeping the character of the Town in place with the advancement of development. The plan is only a guide to be used to work with the community, businesses and developers for the future growth of the Town.

Mr. Crozier launched into a description of the Leonardtown Waterfront Plan providing Council and the audience with details into how the plan came about and the process used to develop the plan. We looked at the overall schematics of the entire Town and broke it down into basically four quadrants and concentrated on the Wharf and West part of Leonardtown. This plan represents the real estate that is available in the Town, the main facilities around Town along with the many historic buildings. This plan is only a vision on how the Town can utilize existing infrastructure, build in new infrastructure while maintaining the historic value of the Town, and increase both housing and building development to accommodate new growth for the betterment of its current and future residents and businesses.

This plan is available for review at the Town office.

Mayor Burris thanked Mr. Crozier for his excellent work and diligent efforts in working with Council to bring all these items together to maintain the vision of Leonardtown as one Town, not separate entities or communities but the Town as a whole.

The Mayor asked the audience for any questions or comments. There being none, the Mayor reiterated that this plan is not set in stone but it is a vision that will help keep future growth in line with how we would like to see the Town grow for the benefit of the entire community.

**Treasurer's Report** – Rebecca Sothoron

Ms. Sothoron reported that there were no cash transfers required to or from the operating account during the month. We are 42% through the budget year. We did receive the first quarter income tax distribution in November and year-to-date we are at 24% of estimated revenues which is on target. A draft anti-fraud policy has been forwarded to the Mayor and our auditor for review. We are working on a bay fee hardship program, required to be put in place by the State of Maryland.

***Audit Report – Murray, Wamsley and Schrader***

Ms. Sothoron introduced Ms. Mary Ann Murray of Murray, Wamsley and Schrader to present the annual financial report. The summary highlights certain points that Ms. Murray will explain in more detail.

Ms. Murray reported that she has been conducting the audit for the Town over the last fifteen years. Ms. Murray reported that Ms. Sothoron has provided a financial summary for your review. She will refer to it from time to time. Ms. Murray stated that she is pleased to report 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 receive.

The next section is the Management Discussion and Analysis. This is the one section that is very interesting and puts all of the information in the audit report into perspective as to what you were planning on doing budget wise, your future anticipated growth projections compared to the prior and current year. It is a lot of good information. 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.



Ms. Murray noted that the Town's total net assets at the end of the year were \$38,638,256; however, 81% of those net assets are invested in your capital assets - your infrastructure, your equipment and net of related debt and accumulated appreciation on those assets. So 81% of that number is not in spendable form. \$43,730 is restricted for road maintenance which is unspent highway user revenue funds and \$4,385,390 is for future growth projects and collected impact fees. So the unrestricted net assets, at the end of the year are \$2,896,945.

The Statement of Activities shows your net expenses and revenue by function.

The Government Fund Balance at the end of the year was \$887,474 of which \$4,087 is non-spendable. There is a restricted amount for road maintenance and your unspent Highway User Funds. There are some assigned amounts for specific projects with the largest one being \$160,000 anticipated to balance the 2013 budget. The unassigned fund balance is \$617,907. This represents 55% of the FY '13 General Expenditures which meets your unwritten policy of maintaining 50% of funds so you are still on target.

This is your statement of Revenues, Expenditures and changes in fund balance in your Governmental Fund. Your excess for the year before your transfer to the Capital Projects Fund was \$7,941 and of that amount you did transfer \$5,526 for the Port of Leonardtown park project which leaves your balance for the year with an excess of \$2,415.

We reviewed the line items for the revenue and expenditures and want to point out that when looking at the variance between budget and actual for the year you had deficiencies of revenues over expenditures of \$21,024. However, you were budgeting \$163,000 from the prior fund balance which means you did very well compared to what was budgeted.

This is your statement of revenue expenses and changes in net assets for your proprietary fund which for the Town is water, wastewater and refuse. There was an operating loss for the year of \$116,616 which is after depreciation which is a non-cash expense of \$514,087. Your operating income before the depreciation was \$397,471.

Ms. Murray referred to the footnotes to the financial statements. There were no new footnotes disclosures that had to be done this fiscal year.

Ms. Murray moved on next to the Budget and Actual Budgetary basis which shows the comparison between the two and the particular variances upon the audited financial statement. It shows that you had excess revenue of \$127,664 over what was budgeted.

Ms. Murray referred to the final report which highlights the internal controls over the financial reporting and compliance and other matters based on an audit of financial statements in accordance with government auditing standards. This report is based on those standards. The first part talks about internal controls over financial reporting. We are not providing an opinion on your internal controls but we do review them. However, we did find one significant deficiency and this has been reported in prior years. This reflects a weakness in your internal controls and means that errors may not be detected timely and be corrected timely. We feel that the fact that you do not have a fixed asset inventory system in place is a problem. The response



this year was stronger than in prior years because the Treasurer and Facility Superintendent shall conducted a physical inventory of capitalized equipment using this fixed asset listing and adjust the financial statements. The response also points out that you do have controls to keep out contractors and other unauthorized personnel from using the Town's physical assets.

We also have to look at your compliance with laws and regulations and we determined there were no incidents of non-compliance with any laws or regulations that are applicable to the Town.

Ms. Murray briefly summarized the required communication letter which addresses the responsibilities of management and the scope of the audit. The final management letter highlights some items of concern. All of these have been reported in prior years and one has since been resolved and removed: 1) Fraud Risk Management Program, a draft of which is in progress, 2) Accounting and Purchasing Manual which is very old and needs to be updated, 3) Purchase Order Policy limits purchases to \$100, which is a very low dollar amount. A suggestion is to review this policy for effectiveness, 4) Bank Reconciliations, other than by the Treasurer, should be done in a timelier manner. 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 we could see that no new accounting policies had been adopted this past year nor did we encounter any difficulties with management in performing the audit. 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. Post and Ms. McKay for all of their assistance with the audit.

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

### **Planning & Zoning Report**– Laschelle McKay

The Planning and Zoning meeting last month was held on Nov. 26, 2012. We had 4 cases on the agenda last month:

**Case # 48-08 SMECO – 23365 Hollywood Road** – Request for concept plan re-approval

**Case # 37-12 Cedar Point Federal Credit Union – 40885 Merchants Lane - Tax Map 126, Parcel 100** - Request for final site plan approval

**Case # 4-05 The McIntosh Run Shopping Center – 25845 Point Lookout Road** – Request for concept plan re-approval

**Case # 61-12 41875 Baldrige Street – Additions/Changes to the Communications Tower** - Request for approval

All of these requests received unanimous approvals.

This month's meeting is scheduled for December 17, 2012. We have 1 case on the agenda:

**#110-08 - 22840 Lawrence Avenue – Hooper Project** – Request for a two year extension of the final site plan approval.

**Police Report** – Deputy Smolarsky

Deputy Smolarsky had previously provided a written report to Council. She reported that she did a presentation to the Homeowners Association at Leonard's Grant and was also contacted by the Homeowners Association at Academy Hills.

**Town Administrator Report** – Laschelle McKay

**Snow Removal Contract Extension Revision** – At last month's meeting we extended Bowles Farm's contract for one year. In error I had reported that the contract allowed for three one year extension, when in fact the contract allows for two 2 year options. I am requesting we extend the contract to the two years instead of the one year approved last month. It locks us into the 2010 rates for two more years and allows Bowles to plan accordingly.

**Councilmember Roger Mattingly moved to approve the change as requested; seconded by Councilmember Collier, no further discussion, motion passed unanimously.**

**Patuxent Adventure Annual Activity Report** – Enclosed you will find the 2012 year end activity report on the kayak rental business at Leonardtown Wharf and Port of Leonardtown. There was a 30% increase in rentals and a 23% increase of out of state visitors. Dave Lane has partnered in some new marketing campaigns with the winery and has some other innovative ideas in the works.

Ms. McKay remarked that Chez Nous was selected as the winner of the Best Dressed Window during Christmas on the Square. Business owner Balbina Meyer was unable to attend today's Town Council meeting. Mayor Burriss and I presented the award to her at Chez Nous and thanked her for her participation.

Ms. McKay stated that the Maryland Municipal League is starting Phase 2 of the Geo-cache Trail and we have added an additional cache hidden at the Port of Leonardtown Park. Our first cache is still in existence and being used but it is such a popular sport that we have joined Phase 2 and added a new site.

**Mayor Report** – Mayor Burriss

Mayor Burriss noted that Mr. Peter Franchot, Maryland State Comptroller, was in town today to shop local, as he does every year before the holidays to support the Buy Local, Buy Maryland promotion and to encourage Marylanders to do the same.

We just received an invitation to attend the grand opening event for H&R Block which just moved into the Doctor Patel's building.



Presently, we send a welcome packet out to new residents but we are working on sending out a packet to new businesses. LBA sends a packet but we wanted to send one specifically from the Town.

**Events – Roger Mattingly**

Councilmember Mattingly reported that the Veterans Day Parade had over 3,000 spectators. It was a huge event with a special 60 piece band all the way from Massachusetts. Special thanks to Connie Pennington for all her coordination.

Christmas on the Square looked like the largest crowd we have ever seen – great turnout.

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

Sat., December 15	11 AM – 1 PM	Santa & Mrs. Claus on the Square
Sun., December 16	4 – 6:00 PM	LBA Christmas Party @ Cafe des Artistes In lieu of December meeting
Wed., December 19	5:30 PM	Chamber Business After Hours – @ The Inn at Brome Howard, St. Mary’s City
Mon., December 24 Tues., December 25	HOLIDAY	Town Office Closed Merry Christmas!
Tues., January 1, 2013	HOLIDAY	Town Office Closed – Happy New Year!
Fri., January 4	5 PM – 8 PM	Festive First Fridays in Leonardtown

Councilmember Mattingly remarked that he recently attended a SMMA Chapter meeting and had an opportunity to hear that the Town of North Beach is trying out a temporary synthetic ice skating rink with no ice involved. It is new technology that can be laid down and set up and includes operators and skate rentals. We will be watching to see how this is received by their residents and how the overall cost versus revenue comes out.

He also thanked the staff for all their hard work this past year and Council for working together toward the Town’s goals and wished everyone happy holidays.

**Community Development and Strategic Planning - Hayden Hammett**

Councilmember Hammett stated that Mr. Crozier’s presentation on the Leonardtown Vision Plan was a culmination of what Council has been working on for the planning and development of the future growth of the Town. We are working on some recruitment for vacancies around Town and looking forward to a new year.

**Safety and Emergency Preparedness – Jay Mattingly**

Councilmember Mattingly reported that he attended the Maryland Municipal League Hometown Emergency Preparedness Committee meeting which was held at the North Beach Town Hall and learned a lot of new information that could be helpful for the public safety of our Town.

**MML/SMMA – Leslie Roberts**

Councilmember Roberts reported that Councilmember Jay Mattingly, Roger Mattingly and Hayden Hammett attended the SMMA Legislative dinner at the North Beach Town Hall. There were several legislators in attendance. Our next meeting will be held at Chesapeake Beach on January 2, 2013 at the Rod and Reel and the opening day reception will be Wednesday, January 9, at the Maryland Inn from 5 pm to 7 pm.

**Capital Projects – Tom Collier**

Councilmember Collier reported that we recently had some roads paved. We have a bid in for some maintenance on the pavers on the sidewalks around town to keep them in good shape.

Councilmember Roberts commented that she would like to see the Town work on obtaining more grant money for some upcoming projects as we were so successful in the past with using grant money for improvements.

Ms. McKay responded that she recently attended a grant meeting which highlighted several upcoming grants that may be available, two are federally funded and one State funded.

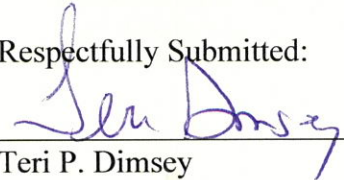
Councilmember Roberts asked now that we have submitted the Sustainable Communities paperwork, is there work being done on the Arts and Entertainment paperwork?

Ms. McKay responded yes, Ms. Adler has begun inputting much of the initial information and we will keep you posted on our progress.

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

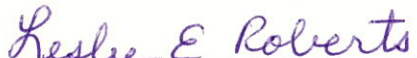
**Councilmember Roger Mattingly moved to adjourn the meeting at 5:25 pm;  
Councilmember Jay Mattingly seconded, motion passed unanimously.**

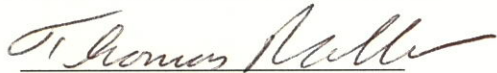
Respectfully Submitted:

  
Teri P. Dimsey

**Approved:**


  
Daniel W. Burris, Mayor

  
Leslie E. Roberts, Vice President

  
Thomas R. Collier, Councilmember

  
Hayden T. Hammett, Councilmember

  
J. Maguire Mattingly IV, Councilmember

  
Roger L. Mattingly, Councilmember