



Commissioners of Leonardtown

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DANIEL W. BURRIS
Mayor

LASCHELLE E. McKAY
Town Administrator

Commissioners of Leonardtown **Town Council Meeting Minutes** **November 12, 2013**

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; Rebecca Sothoron, Treasurer; Teri Dimsey, Secretary; DeAnn Adler, Plans Reviewer; Jackie Post, Fiscal Clerk; Dick Meyers; BayNet; Nicole Clark; Enterprise; Mary Ann Murray, Murray, Wamsley & Schrader. A complete list of attendees is on file at the Leonardtown Town Hall.

Mayor Burris remarked that we have one change on today's agenda which is the deletion of the Introduction of Ordinance No. 158 through No. 167 Zoning Text Amendments. We will bring them back at next month's meeting. We are also adding to the agenda a Proclamation for Municipal Government Week.

Mayor Burris stated that the first order of business was the Invocation and then the Pledge of Allegiance.

Approval of Minutes

Meeting minutes for the October 14, 2013 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 October 14, 2013 minutes as presented; seconded by Councilmember Tom Collier; motion passed unanimously.

Treasurer's Report – Rebecca Sothoron

Ms. Sothoron reported that Mary Ann Murray is in attendance today to provide Council with an overview of the finalized Audit report.

Ms. Murray greeted Council. She thanked the Town for the opportunity to review the financial statements and go over the audit opinion. Ms. Sothoron provided each of you with a financial summary which we will be reviewing and we will begin with the Auditor's report located in the front. The Town received an unmodified opinion and that means that the financial statements were fairly presented in all material respects and are in accordance with generally accepted accounting principles in the United States of America.

In the Management's Discussion and Analysis section is a highlight of the financial statements for the year and it also puts it in perspective compared to the prior year. This is an excellent way to get into the nuts and bolts of your financials.

Next is the Statement of Net Position for your government wide financial statement. It is broken down into your governmental activities which is your General/Capital Projects fund and your Enterprise Fund which is your water, wastewater and refuse collection. Your business activities are referred to as a proprietary fund. These statements are different than what you are used to seeing from a government standpoint because these include all of the capital assets of the Town and include all of your long term debt. Your total net position for the year ended June 30, 2013 is \$39,194,977 however, and this is important, \$31 million of these funds are invested in capital assets and is not available for spending. \$5.2 million is restricted by Ordinance for impact fees. So that leaves \$2,417,811 that is available for creditors or taking care of things in Town.

The Statement of Activities breaks down into program services, program revenues and general revenues, which are incomes taxes, licenses and permit fees.

The Governmental Fund Balance Sheet does not show your capital assets or your long-term debt. This is showing what you have currently available for spending. It shows the receivables you expect to see and what payables are expected to be paid out over the next sixty days period. Your total fund balances as of June 30, 2013 on the modified accrual basis of accounting is \$855,302. The amount of that that is unassigned available for current use is \$660,000. As pointed out in the Management's Discussion and Analysis and Ms. Sothoron's summary this balance is roughly 54% of your FY14 Operating Expenditures, and the Town tries to keep this at 50% so you have met your goals.

Budget to Actual results for the year show that your total revenues for the year were \$1,181,069 versus the actual of \$1,238,180 shows a positive variance of \$57,111 mainly due to the building permits from Leonard's Grant. For Expenditures, you started with a budget of \$1,364,853 and actual expenditures were \$1,237,091 again, savings in all departments for a positive variance for expenditures of \$127,762.

Enterprise Funds are your business type activities. Total operating revenues for Water, Wastewater and Refuse collection, mainly your services fees that you provide for the citizens of

the Town, of \$2,124,708. Your operating expenses were \$1,667,000. After accounting for depreciation, and other minor non-operating revenues and expenses there was a loss for the year of \$71,866. This does include depreciation of \$521,000. The reason for showing such a big increase in this position is because of the impact fees and your capacity allocation fees. Impact fees, by Ordinance, are restricted meaning they are not available for current operating costs.

The footnotes provide detailed information on any specific changes if any. There is one new footnote that details an upcoming change in government auditing standards which will be reflected in the financial statements next year.

Finally, the Auditor's Report on Internal Control is a separate reporting requirement for governmental entities. It is a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements in accordance with government auditing standards. We did not detect any material weaknesses which does not mean none may exist but based on the audit test we performed none were found. In prior years we did note a significant deficiency of not doing an inventory of fixed assets and our recommendation was to fix this deficiency. As this has since been done, we were able to remove this significant deficiency from this report.

Another part is to look at compliance and other matters to look at the most important laws and regulations that the Town must comply with that would have a direct or material effect on the financial statements if the Town was not in compliance. We did not find anything that needs to be reported for this category.

The last item is two reports that we prepare each year and the first is the Management Report. In the previous Auditor's report we talked about deficiencies in internal control and while there were none that needed to be reported, there were some other deficiencies that we wanted to bring to your attention. Some have been reported in prior years and one of which was to institute a Fraud Policy and that has now been done this past year and was removed from this report. The other is to update the Accounting Purchasing Manual. In regards to Purchase Orders, the Town has a very low threshold of \$100 which is an internal decision as to what level you want it to be but it is not being instituted regularly so it needs to be consistent or raise the level of the amount. We also wanted to make note that the bank reconciliations are being done but need to be reviewed on a timely basis. We also wanted to note that due to the Waste Water Treatment Plant project coming up it will be important is to get the correct cutoff for the construction cost payables and advise that good communication will be necessary to stay on top of the project's financials.

And lastly is our required communication on the audit to indicate any problems of securing any information during the audit, noticing any unusual activities or transactions outside of the normal operations. We had no issues at all; staff was extremely helpful in working with us as we conducted the audit.

Ms. Murray remarked that she is happy to report that there were not any problems, she thanked Ms. Sothoron, Ms. Post, Ms. McKay and all the staff for their assistance and if the Mayor or Council have any additional questions, please feel free to contact her.

Mayor Burris thanked Ms. Murray and company for their diligence and continued auditing for the Town.

Ms. Sothoron reported that there were no transfers to or from the checking account this month. We are 34% through the budget year. You will notice a significant adjustment in the financials in October which reflects a building permit refund which was over \$10,000. In the Recreation and Parks department under capital outlay what has been recorded to date for the retaining walls and parking lot expenses needs to be split between the funding sources which is part Leonardtown, part Parks and Playground Grant and we also received a contribution from the Agricultural Development Commission.

Ms. Sothoron presented Budget Amendment BJ02-14 – SMADC Grant Funding which was an additional grant from the Southern Maryland Agricultural Development Commission for \$27,225 and needs to be incorporated into all the budget documents.

Councilmember Roberts moved to approve Budget Amendment BJ02-14 as presented, seconded by Councilmember Hayden.

Discussion:

Mayor Burris asked Ms. McKay to provide more details about this grant.

Ms. McKay noted that part of this grant was for the retaining walls for some of the project we just did at the Port of Leonardtown and additional monies will be used for an additional cooling unit in the storage building. Port of Leonardtown Winery applied for this grant through the Town which means the Towns administers it and the last item is an awning for the patio.

No further discussion, Mayor Burris asked for a vote, the vote was unanimous, motion passed.

Ms. Sothoron reported that once the Raiders and Invaders event comes together, additional revenue sources will help fund this project so early next spring once we know what the funding sources are we will then bring forward a Budget Amendment for those expenses.

Planning & Zoning Report – DeAnn Adler

The Planning and Zoning meeting in October was canceled as there were no cases on the agenda to be heard.

This month's Planning and Zoning meeting, scheduled for Monday, November 18th will be canceled also as we have no cases on the agenda this month either.

Police Report

Deputy Smolarsky reported that she provided a written report but did not have anything in particular to add to the report.

Mayor Burris noted that he sat in on the Maryland Transportation Department's annual visit to the county and they have three projects one of which is expanding/widening Rt. 4 from 235 to the Thomas Johnson Bridge. They show the daily traffic impacts and we are looking at this information. He asked Deputy Smolarsky if she could provide more data as to the number of accident reports along Rt. 5 compared to this stretch of Rt. 4 so that when we meet with the State Highway we are more informed as to our local position.

Municipal Government Week Proclamation

Mayor Burris asked Councilmember Roberts if she would read aloud the Municipal Government Works Month Proclamation.

Councilmember Roberts read aloud the Municipal Government Works Month Proclamation.

Town Administrator Report – Laschelle McKay

Award Leonardtown Beacon Contract- The Beacon contract was publicly bid and the bids were opened on November 5, 2013. Bids were received from Heritage Printing, \$1,910.98 per issue, and The Printing Press, \$2,585.00 per issue. Staff recommends awarding the bid to Heritage Printing for one year with two 1 year options.

Councilmember Roger Mattingly moved to accept the bid proposal from Heritage Printing and Graphics for \$1,910.98 per issue; seconded by Councilmember Hammett, no further discussion, motion passed unanimously.

Ms. McKay also stated that both Heritage and Printing Press go way beyond the scope of work for any and all projects they do for the Town and we are truly appreciative of their services.

Update on ENR Project- The committee met with the engineers on November 5th to finalize details of the project to move forward to the bid process. We hope to be out to bid by the end of the year. We will be working on the process for sludge removal in the lagoon and bidding the construction management/inspection portion of the project separately as required by MDE. One item that came up for finalization is a stormwater study proposed by GHD as an aside of the project. For years we have had significant storm related run off onto the WWTP site coming from a large area of the town. With the Sustainable Communities Designation we may be able to get some funding help to correct the problem but first we need to know the scope of the issue and

some recommendations for fixing it. Attached is Task Order No. 9 for GHD to do the study in the amount of \$26,500. Action is needed to approve Task Order No. 9. There is approximately \$19,500 left in road/sidewalk/storm drain funding this year to partially fund the project.

Councilmember Roberts moved to approval Task Order #9 as presented; seconded by Councilmember Collier, no further discussion, motion passed unanimously.

Critical Area Mitigation Project- I have been working with Mr. Bill Wood and with the CAC to get sites approved and to choose trees/shrubs to take care of the mitigation requirement outstanding from the first phase of the Wharf project. Council funded the project in the capital budget in the amount of \$16,000. We are anticipating being able to accomplish the project for less than that amount. We have 2 sites approved; preservation area behind the homes in Leonard's Grant and the Singletree stormwater management area on Moakley Street. We need approval today to move forward to purchase the trees and have them planted through Woodlawn Lawn Cares contract with the Town. Mr. Wood has researched the tree purchase and gets significant discounts. Mr. Wood will only charge time and materials for the project. Because the amount may be over the \$5,000 threshold I need Council approval to manage the project in this manner.

Councilmember Roberts moved to approve taking care of the Critical Area Mitigation Project under our current Lawn Care Contract; seconded by Councilmember Jay Mattingly.

Discussion:

Councilmember Hayden inquired as to the time frame of this project.

Ms. McKay responded that with approval today, Mr. Wood will be notified and he will proceed with purchasing and planting next week.

Mayor Burris stated that there is a motion on the floor and asked all in favor or opposed.

Council Members all responded aye, in favor, motion passed unanimously.

Mayor's Report – Mayor Burris

Mayor Burris thanked everyone for all their hard work and efforts to make the Veterans Day Parade a huge success. And, a special thank you to the Duke family for their memorial presentation to Captain Walter Francis Duke.

Mayor Burris remarked that G&H Jewelers will be opening up a new location at the newly renovated Antique Shops. Clark's Rest is coming along, they are laying some curbs and gutters for the roadways.

Events - Roger Mattingly

Councilmember Mattingly reported that the Fall/Winter issue of the Beacon newsletter has been distributed.

A partnership meeting for the War of 1812 Raiders and Invaders Weekend was held at CSM on October 29. The seats were filled and several organizations completed commitment cards to be active participants in the event.

The 2013 Veterans Day Parade and Wreath Laying Ceremony in Leonardtown were held on Monday, November 11th and we had a huge crowd.

Newtowne Village will become Santa’s Workshop on Wednesday the 13th, as residents volunteer to stuff 500 Santa goodie give-away bags for both Christmas on the Square and Santa and Mrs. Claus on the Square. Stuffing starts at 10:00 a.m. Pizza lunch will be held afterward. All Commissioners are invited to attend

We are looking forward to an exciting evening of holiday entertainment, activities, and Santa’s arrival during our “Christmas on the Square” event on Friday, November 29th. Town merchants are requested to decorate their store fronts inside and out for the “Best Dressed Business” contest. Decorations will be judged by the Town Council during “Christmas on the Square”. The LVFD will put up the tree and decorate the Town Square the week of November 18th. (*Event Rain date: Saturday, November 30th – Tree lighting only*)

The Leonardtown Volunteer Rescue Squad Auxiliary’s “Christmas Festival” is Friday, November 29th in the Winegardner Auto showroom and Santa and Mrs. Claus return to the Town Square on Saturday, December 14th from 11 am to 1 pm.

Upcoming Events of Interest/Meeting Reminders:

Wednesday, November 13	10:00 AM	Santa’s Workshop & Pizza @ Newtowne Village
Sunday, November 17	9:00 AM	National Youth 5K Pax River @ Leonardtown Wharf
Wednesday, November 20	5:30 PM	Chamber Business After Hours – @ The Apple Basket 27056 Mt. Zion Church Rd., Mechanicsville, MD
Thursday, November 21	11:30 AM	Chamber State of the Schools Luncheon @ Old Breton Inn 21890 Society Hill Road, Leonardtown, MD
Thursday, November 28 Friday, November 29	THANKSGIVING HOLIDAY	Town Office Closed
Friday, November 29 (Rain Date: 11/30)	5 PM – 9 PM	Christmas on the Square & Tree Lighting Leonardtown Square

Upcoming Events of Interest/Meeting Reminders:

Friday, November 29	5 PM – 9 PM	LVRSA Christmas Festival Winegardner Showroom
Friday, December 6	5 PM – 8 PM	Celebration of Holiday Cheer First Fridays
Friday, December 13	8:30 AM	LBA Meeting @ TBA
Saturday, December 14	11 AM – 1 PM	Santa & Mrs. Claus on the Square
Wednesday, December 25 Wednesday, January 1	HOLIDAY	Town Office Closed

Community Development and Strategic Planning - Hayden Hammett

Councilmember Hammett reported that as the Mayor mentioned the Zoning Text Amendments are not quite ready but we hope to bring them forward at next month's meeting.

Capital Projects - Tom Collier

Councilmember Collier reported that the stormwater drain on Park Avenue has been installed.

SMMA Update - Leslie Roberts

Councilmember Roberts reported that the next SMMA meeting is the December 4th Legislative Dinner hosted by Chesapeake Beach. She also noted that much work has been done on the Town's roads and sidewalks which has been incredibly orchestrated by Mr. Collier, Mr. Wheatley, Ms. McKay and staff to fully utilize the funds that are available.

Safety and Emergency Preparedness – Jay Mattingly

Councilmember Mattingly offered his thanks to Deputy Smolarksy and the Sheriff's officers and office for all their work and support. Information was provided on the emergency siren and the meaning of the number of blasts to be placed on the Town's Facebook and Website pages.

Councilmember Mattingly also complimented on how wonderful the American flags look flying from the light poles throughout Town in preparation of the Veterans Day Parade.

Mayor Burris remarked that he and Ms. McKay met with Father Dave and St. Aloysius is going to move forward on building a new building in the back lot behind the church. They do suspect they may have some environmental concerns and have hired an engineering company to investigate.

The Leonardtown Business Association has installed two new directory signs, one at Leonardtown Library and one at the Antique Center.

Mayor Burris reminded everyone that he will be available for discussion after the close of this meeting and entertained a motion to adjourn the meeting.

Councilmember Hammett moved to adjourn the meeting at 5:00 pm; Councilmember Collier 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