



Commissioners of Leonardtown

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LASCHELLE E. McKAY
Town Administrator

Commissioners of Leonardtown **Town Council Meeting Minutes** **November 8, 2010 ~ 4:00 P.M.**

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

Also in attendance were: Laschelle McKay, Town Administrator; DeAnn Adler, Plans Reviewer; Teri Dimsey, Recording Secretary; Jackie Post, Fiscal Clerk; Cpl. Smolarsky, SMCSO; George Abell, Resident; Joe Orlando, LBA. A complete list of attendees is on file at the Leonardtown Town Hall.

Mayor Norris called the regularly scheduled meeting to order at 4:05 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 the October 11, 2010 Town Council meeting were presented for approval.

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

Councilmember Mattingly moved to approve the October 11, 2010 Town Council meeting minutes; seconded by Councilmember Collier; no further discussion, the motion passed unanimously.

Municipal Government Works Month Proclamation

Councilmember Roberts was asked by Mayor Norris to read aloud the Municipal Government Works Month Proclamation:

MUNICIPAL GOVERNMENT WORKS MONTH, NOVEMBER 2010

The Commissioners of Leonardtown proclaim November to be Municipal Government Works Month.

WHEREAS, the Town of Leonardtown was incorporated in 1708; and

WHEREAS, Maryland is home to 156 other municipalities; and

WHEREAS, municipal government represents the most responsive level of government, allowing citizens to have direct access to elected officials; and

WHEREAS, in an effort to educate citizens about municipal government and the importance of their participation, the Town of Leonardtown is proud to promote municipal government awareness; and

WHEREAS, municipalities have enhanced the quality of life for their respective residents maintaining natural and historic sites and structures and helping to make Maryland a great place to live, work, play and explore.

NOW, THEREFORE, BE IT PROCLAIMED that the Commissioners of Leonardtown, Maryland hereby join the Maryland Municipal League in declaring November 2010 to be Municipal Government Works Month in Leonardtown.

THIS DATE: November 8, 2010. Signed by each Commissioner

Treasurer's Report – Ms. Sothoron

Ms. Sothoron reported during the month \$175,000 was transferred to the LGIP. We are 33% through the budget year. By the end of November we will have our first quarterly income tax distribution which is always a big deal to determine if we will meet our budget. The tax sale process begins in November and takes several months. The County does sell any properties that Leonardtown still has on the books and that normally takes place in February or March and presently there may be twenty on the list. The audit work is complete, which will be reported on today. The water meter issue is back on the table and we have a lot of troubleshooting to do. We are doing multiple readings, communicating with customers who still have water leaks and getting feedback from customers who have fixed them. A third meter reading is in progress. We are working out some kinks and a technical representative is coming onsite tomorrow.

Mayor Norris inquired if twenty tax sales was a normal number or unusual.

Ms. Sothoron responded that it is usually between fifteen and twenty but they do usually get paid at the very end.

Ms. Sothoron introduced Ms. Mary Ann Murray of Murray, Wamsley and Schrader, and said that she will go over the annual financial report. Ms. Sothoron said that her summary highlighted certain points and that Ms. Murray will review their findings.

Audit Report

Ms. Murray reported that she has been conducting the audit for the Town over the last thirteen 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 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 did want to point out that there is a prior period adjustment that at the beginning of the year, your total net assets were \$13,935,000. It was discovered during fiscal year 2010 that some donated water and sewer mains at Leonard's Grant had actually occurred in a prior year. This is unusual but it was determined that this was too large a sum to ignore and the prior net assets needed to be restaged for this fund.

Ms. Murray remarked that in the Financial Statement there are no new notes. These notes have followed the same format as the prior year, but of course, the information in the notes changes. She did want to point out that the notes make reference to a subsequent event, which was your purchase of the waterfront property and the fact that the Town did finance that purchase with a commercial loan.

Some of the bigger variances in the General Fund and Actuals are favorable variances with your building, occupancy and sign permits, mainly due to Leonard's Grant construction during the past year. In the Intergovernmental Revenue, there was a FEMA Grant that helped pay for snow removal of \$14,715 and the Waterway Improvement Grant of \$10,000 for the kayak launch both of which had not been budgeted in the past fiscal year but came through this year. An unfavorable variance was in your Interest Income Revenue but this is budgeted for a set amount and the rates had dropped so dramatically in the Maryland Local Government Investment Pool. When looking at the total revenue line, you had a favorable variance in your revenues. You budgeted \$1,036, 529 and you received \$1,097,002, so you had a favorable variance of \$60,473. By reading the summary prepared by Ms. Sothoron, you will find that all of the departments, other than Planning and Zoning, had favorable variances. Favorable variances were reported in the expenditures. You spent \$1,003,822 so you have favorable variances of \$20,777.

Ms. Murray reported that the last section is the report on internal controls and on compliance. Because of the magnitude of the amount of the prior period adjustment, this was considered to be a weakness in your internal control in that it was not recorded in the year that it happened. The response by management has been that this was an unusual circumstance. In the future, Ms. Sothoron will add an additional procedure and review all of the minutes to determine that she has collected all of that information about donated water, sewer and roads before the financial statements are given to audit.

Ms. Murray 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) an updated Accounting and Purchasing Manual. Reference was made to the purchase order policy. This policy limits purchases to \$100, which is a very low dollar amount. A suggestion is to review this policy for effectiveness. Last year it was suggested that someone other than the Treasurer review the bank reconciliations. Both processes regarding purchasing and review of bank reconciliations are

being done in a more efficient and timely 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, as far as we could see, no new accounting policies have 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 and said 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 thirteen years.

Mayor Norris stated that he had asked Mr. Combs, a former Councilmember, to continue working on the Port of Leonardtown Public Park project. Mr. Combs is in attendance today to provide an update on the project.

Mr. Combs remarked that he had submitted the budget to Ms. McKay for Council's review. The majority of the more difficult parts of the project are done. He received a bid price for 13 lights along with the sidewalks. The lights will need to sit up high due to possible flooding, so they will be placed up on a cement base. The basic streets are in and they will be finishing up on the impervious area. They will finish up with some landscaping which will depend on the amount in the budget.

Ms. McKay noted that the largest expenses are the pavers and underground structure to hold the gravel in place.

Mr. Combs noted that he does need a decision about moving forward on the lights and will continue to come back to Council for updates and approvals for this project as it progresses.

Council Members consented to Mr. Combs proceeding with purchasing the lights and moving forward with the gravel pavers.

Planning Report – DeAnn Adler

Last month our Planning and Zoning meeting was held on October 18, 2010 at 4:00 pm. Two cases were heard:

Case # 53-10 - 41750 & 41760 Eldon Lane – Request for subdivision of a single family lot on Eldon Lane. This request was approved with conditions.

Case # 68-10 – 41585 Peabody Street – Request for a boundary line adjustment plat at the St. Mary's Nursing Home. This request was also approved.

The next Planning and Zoning meeting will be held on Monday, November 15, 2010.

Case # 83-10 – Courthouse Square Property Public Hearing. A public hearing is scheduled for a request to rezone the Courthouse Square property owned by Dean Beck from Commercial Office to Residential Single Family in order to subdivide the property into six single family lots.

Deputy Report - Deputy Smolarsky

Deputy Smolarksky is unable to be with us today but she did provide a written report.

Town Administrator Report – Laschelle McKay

Introduction of Ordinance No. 148 Stormwater Management. Introduction of the proposed new stormwater regulations as Ordinance No. 148. Action will need to be taken on this ordinance in December. All content in the ordinance is mandated by MDE. We were able to go back and add some flexibility mirroring language that La Plata was able to get through in their ordinance.

Award Contract for Utilities Maintenance and Repair Contract. The open end service contract was publicly advertised on August 19, 2010. Bids were opened on September 8, 2010. Three bids were received. I have enclosed copies of the bids received from Dirt Works, AB&H and Bay Country. The contract is a two-year contract with three one-year extensions.

Councilmember Roberts moved to approve the awarding of the Utilities Maintenance and Repair Contract bid to AB&H; seconded by Councilmember Wise, motion passed unanimously.

Mayor Norris pointed out that this contract was awarded based on the bid. He thanked Delahay Construction, now trading under the name Dirt Works, for their many years of service.

Additional Information for Church Street Tower. Last month it was decided to proceed with extending the additional water line from Tudor Hall to Church Street and taking the Church Street tower offline. Additional information was requested before a decision was made as to what to do with the Church Street tower after it is offline. Attached is a copy of the FY2010 capital budget that shows an estimated cost of \$350,350 to repair and paint the Church Street tower. The breakdown of interior and exterior repairs was approximately 50/50. Tony and GHD are continuing the work of putting together the project.

Council Members agreed that the cost to maintain the Church Street tower for other uses was not feasible and it should be dismantled and taken down.

Mayor's Report

Mayor Norris stated that the staff is still working on some glitches on the water meter project, and they hope to work through and resolve these issues as quickly and efficiently as possible.

Council Reports

Events - Councilmember Mattingly

Councilmember Mattingly reported that the tractor parade was a huge success. A lot of families lined up in anticipation of the parade and everyone thoroughly enjoyed themselves. He hopes to continue this event.

Scarecrow making was another successful event and one that we can hopefully expand on each year.

Ms. McKay noted that the Best Dressed Window will be selected the evening of Christmas on the Square.

Councilmember Mattingly remarked that sleigh rides have been arranged to take place on Sundays in conjunction with the holiday Sunday shopping “Buy Local - Buy Leonardtown” promotional campaign.

Everyone commented that First Fridays have been well attended. Councilmember Burris remarked that he heard about a couple who came down from DC that were previously unaware of Leonardtown and thoroughly enjoyed themselves during First Friday.

Logistics were discussed about the new Veteran’s Day Parade route and everyone felt it will better accommodate larger crowds and provide a better view of the parade participants.

Ms. McKay stated that after the official ceremony, we are planning a dedication of the Town Clock in honor of former Council Member Charlie Faunce. His wife, Louise, has been invited, along with their friends and neighbors. The Town Clock, affectionately known as “Charlie’s Clock,” was something he was very passionate about, both as a welcoming feature to the Town and also to hopefully slow down traffic through Town.

Upcoming Events of Interest/Meeting Reminders:

Thursday, November 11	10:00 AM	Veterans Day Parade
Wednesday, November 25		Christmas Festival in Winegardner sponsored by Leonardtown Volunteer Rescue Squad
Friday, November 26	5:00 – 9:00 PM	Christmas on the Square & Tree Lighting
Saturday, December 18	11:00 AM – 1:00 PM	Santa & Mrs. Claus on the Square

Streets and Roads – Councilmember Wise **No Report**

Capital Projects – Councilmember Collier **No Report**

Economic Development-Councilmember Burris **No Report**

MML/SMMA – Councilmember Roberts

Councilmember Roberts reported that the SMMA Legislative dinner will be held on Wednesday, December 1, 2010 at 6:30 p.m. in La Plata.

Mayor Norris entertained a motion to adjourn.

Councilmember Collier moved to adjourn the meeting at 4:55 p.m.; Councilmember Mattingly seconded the motion, which passed unanimously.

Respectfully Submitted:

Teri Dimsey, Recording Secretary

Approved:

J. Harry Norris, III, Mayor

Walter Wise, Vice President

Daniel W. Burris, Councilmember

Thomas R. Collier, Councilmember

Roger L. Mattingly, Councilmember

Leslie E. Roberts, Councilmember