

ST. MARY'S COUNTY

BOARD OF COUNTY COMMISSIONERS' MEETING

GOVERNMENTAL CENTER

Tuesday, January 6, 2004

Present: Commissioner President Thomas F. McKay

Commissioner Kenneth R. Dement

Commissioner Lawrence D. Jarboe

Commissioner Thomas A. Mattingly, Sr.

Commissioner Daniel H. Raley

George G. Forrest, County Administrator

Donna Gebicke, Administrative Assistant (Recorder)

CALL TO ORDER

The meeting was called to order at 9:12 a.m.

APPROVAL OF CHECK REGISTER

Commissioner Dement moved, seconded by Commissioner Jarboe, to authorize Commissioner McKay to sign the Check Register. Motion carried.

APPROVAL OF MINUTES

Commissioner Dement moved, seconded by Commissioner Raley, to approve the minutes of the Commissioners' meeting of Tuesday, December 16, 2003. Motion carried.

Commissioner Jarboe moved, seconded by Commissioner Dement, to approve the minutes of the Public Hearing on Monday, December 8, 2003. Motion carried.

RETIREMENT RECOGNITIONS

The Commissioners expressed their appreciation to Margaret "Peggy" Childs and

Ginger Mattingly for their years of distinguished service. Peggy Childs was presented with a

framed painting of local scenes in honor of her retirement. Ginger Mattingly was not able to attend.

FY 2003 INDEPENDENT AUDITORS REPORT AND FINANCIAL STATEMENTS

Present: Elaine Kramer, Finance Director

Mr. Timothy Murphy, Audit Partner, Murphy & Murphy

Mr. Dana Frazier, Manager, Murphy & Murphy

Highlights of the overview provided to the Board on the results of the 2003 audit follow:

- Audit of the financial statements of the Board of County Commissioners for St. Mary's County, as of and for the year ended June 30, 2003, was completed by the auditing firm, Murphy and Murphy in accordance with generally accepted auditing standards and Government Auditing Standards.
- Report was very favorable this year
- Unreserved, designated fund balance was \$10,928,432; unreserved, undesignated fund balance - \$2,229,233
- Audit opinion states that the financial statements present fairly the financial position of the County Commissioners of St. Mary's County, and that all internal controls are in place. The Board of County Commissioners received the highest level of an opinion that a CPA could express.
- The financial statements contain management discussion and analysis which was prepared by Ms. Kramer and staff, including St. Mary's County assets exceeded liabilities by almost \$87million at the close of the year and net asset position reflected an increase of almost \$12 million compared to the prior year.
- The County is complying with fund accounting. The Commissioners are to be applauded - with all the budget constraints and less funding by the state, you tightened your belt buckle, you consolidated positions, you deferred unnecessary spending, and the bottom line is that you are in a sound financial position.
- 38% of revenue came from property taxes and 31% came from income taxes
- Revenues were \$1.3m lower than budget due to estimated income tax and lower interest income. Expenditures were reduced significantly more, and the budget was balanced.
- St. Mary's County maintained its AA Bond rating from 3 independent sources.
- General Fund has \$41m in assets; liabilities are \$27m -- restricted of \$11m and over \$2m in unrestricted.
- Education was over \$56m
- Revenues exceeded expenditures by almost \$1 million.
- Obligations are well staggered. The County is doing an excellent job with the maturities and paying its debt.
- 100% of the County's money is invested in "category I", no risk category.
- Management Letter had no real significant items to report to the Commissioners

- There were no tax rate or service charge increases for the 2004 budget year.
- Able to reduce debt service by approximately \$1m

Mr. Frazier stated that there were no areas of concern or "red flags" in terms of internal procedures and that controls are actually very tight. In the last Management Letter, it was noted that the County was still carrying some outstanding checks as liabilities on the books. These are checks that have been issued by the County and not cashed. Under the state's unclaimed property laws, the state can take these funds. The County will need to continue their efforts to try and contact these people or their heirs regarding the uncashed checks.

The auditors congratulated the entire Finance Department on the excellent job they are doing to safeguard the County's assets. The Commissioners agreed and thanked the staff for their hard work in bringing the accounting department in to complete compliance.

Ms. Kramer requested that the Board consider restoring the Rainy Day Fund in 2003.

Commissioner Raley moved, seconded by Commissioner Mattingly, to direct that \$394,592 be added to the Rainy Day Fund out of the FY2003 undesignated fund balance as of June 30, 2003, so that the financial report for 2003 would be revised to reflect an undesignated fund balance of \$1,834,641 and a Rainy Day Fund of \$1,000,000. Motion carried.

COUNTY ADMINISTRATOR

1. Draft Agendas for January 13 and 20, 2004, were reviewed. The Budget Work Session scheduled for January 12 will be rescheduled.

2. St. Mary's Nursing Center (*John Norris, County Attorney*)

Commissioner Dement moved, seconded by Commissioner Mattingly, to approve and authorize Commissioner President to sign revised Bylaws of the St. Mary's Nursing Center, Inc. Motion carried.

3. Department of Land Use and Growth Management (*Denis Canavan, Director; John Norris, County Attorney*)

Commissioner Dement moved, seconded by Commissioner Mattingly, to adopt Resolution establishing school attendance zones or service areas and student yield to determine the adequacy of public facilities. Motion carried.

4. Department of Public Works and Transportation (*George Erichsen, Director; Joyce Malone,*

Real Property Manager)

- a. *The Commissioners agreed to table the signing of Consent of Entry Sublease between DMTU, LLC and Kimble's Aviation for no more than two weeks so that background reports could be prepared.*

b. *George Jarboe, Transportation Manager*) **Commissioner Mattingly moved, seconded by Commissioner Dement, to authorize Commissioner President to sign FY04 Inter-Governmental Agreement with St. Mary's County Department of Social Services for evening and Saturday transportation service in the Charlotte Hall, Mechanicsville, Loveville, Leonardtown, and Hollywood areas, and to sign the Certification Regarding Lobbying. Motion carried.**

- c. **Commissioner Jarboe moved, seconded by Commissioner Dement, to adopt Resolution establishing Transportation Task Force. Motion carried.**

Commissioner Mattingly asked that the last sentence in Article III. Membership, Section 6, be amended to read ". . . elect," rather than "appoint" a new Vice Chair.

Commissioner Mattingly moved, seconded by Commissioner Jarboe, to authorize Commissioner President to sign Bylaws for Transportation Task Force as per the amendment offered by Commissioner Mattingly. Motion carried.

d. Commissioner Jarboe moved, seconded by Commissioner Dement, to authorize Commissioner President to sign Public Works Agreement for Ben Oaks Subdivision, Phase 1, located in the 5th Election District. Motion carried.

e. Commissioner Jarboe moved, seconded by Commissioner Mattingly, to authorize Commissioner President to sign Public Works Agreement Addendum for Tall Pines Subdivision, Section 1, located in 2nd Election District. Motion carried 4-1. Commissioner Dement abstained.

f. Commissioner Mattingly moved, seconded by Commissioner Raley, to authorize Commissioner President to sign Public Works Agreement Addendum for Arrowhead Subdivision, Section 1, located in 8th Election District, and Public Works Agreement Addendum for Aberdeen Subdivision, Section 2, located in 2nd Election District. Motion carried.

g. Commissioner Mattingly moved, seconded by Commissioner Dement, to adopt Resolution to post 25mph speed limit on Mirfield Lane in the Town Creek Subdivision, 8th Election District. Motion carried.

5. Department of Recreation and Parks (*Phil Rollins, Director*)

- a. Commissioner Mattingly moved, seconded by Commissioner Dement, to authorize Commissioner President to sign the Local Management Board Contract for Services to offset costs for the Twilight Camp at Chancellors Run and sign the Budget Amendment setting up budgeting authority for this grant (\$2,060). Motion carried.**

Commissioner McKay asked staff to look at assisting nonprofits with obtaining these kinds of funds directly, rather than funneling through the County.

- b. Commissioner Dement moved, seconded by Commissioner Mattingly, to authorize Commissioner President to sign the Local Management Board Contract for Services for Education Block Grant funding to offset costs for the Summerstock Musical and the New Horizons Camp and to sign Budget Amendment reflecting the decrease in actual vs. budgeted grant award (\$280). Motion carried.**
- c. Commissioner Jarboe moved, seconded by Commissioner Dement to adopt Resolution to establish and create a "Wicomico Shores Golf Course Advisory Board. Commissioners Raley and Mattingly voted no. Motion carried 3-2.**

Commissioner Jarboe suggested that the Ethics Commission also review this Advisory Board for compliance guidelines. While potential members will not be profiting from service to this Board, they will most likely have a specific interest in the golf course itself. It is a real challenge to find people to participate on committees who do not have an interest in the specific issues involved.

- d. Commissioner Jarboe moved, seconded by Commissioner Dement, to adopt Wicomico Shores Golf Course Advisory Board Bylaws. Commissioners Raley and Mattingly voted no. Motion carried 3-2.**

- 6. Commissioner Jarboe moved, seconded by Commissioner Raley, to reappoint**

Mary Della Ripley to the Agriculture, Seafood, and Forestry Commission, and

Margaret A. Stewart to the Commission on People with Disabilities, for terms to expire 12/31/07; and to appoint Daryl Calvano as the Environmental Health Representative to the Community Health Advisory Committee. Motion carried.

HURRICANE ISABEL RECOVERY UPDATE (Public Facilities)

Phil Cooper, Acting Emergency Management Agency Director, provided an update on recovery issues:

- Immediate restoration work took place on County buildings, piers and wharfs. This work continues and is almost complete. Long-term restoration of Piney Point Lighthouse will take time.
- Conducted a critique meeting on emergency response to Hurricane Isabel on November 13. Commissioners received copy of those minutes. Also asked for written comments and any other recommendations following the meeting. Those recommendations will be incorporated into the Emergency Operations Plan and in-house operations and response activities.
- Still working with SOMAR Communications (radio station). They have hired a contractor to coordinate implementation of auxiliary generators
- Learned that, with some new federal grant funding, the St. Mary's, Charles, and Calvert Counties may be able to fund on a regional basis some auxiliary generators for the stations in the region.
- The financial impact report is not finalized yet. Maryland Emergency Management Agency representative has received approvals for eligible reimbursements and has forwarded those on to the state Treasurer to issue checks. The County expects to receive 75% of the eligible expenses for the hurricane, plus a percentage for administration. Total expenses that were submitted and are eligible for reimbursement are estimated at about \$1,149,000. There were also expenses incurred that were not eligible for FEMA reimbursements, such as private recovery efforts and efforts that occurred after the timeframe that was set by FEMA for emergency response. The best case scenario is that \$285,000 will remain unpaid by FEMA, but it could be worse than that.
- The major expenses were the debris sites that were operated through the Department of Public Works.
- MEMA advised that the County could expect to at least see notices of approvals within the next 2-3 days. I should be able to provide a complete financial report within the next two weeks.

Mr. Cooper was asked to determine whether or not the generator at St. Andrews station is now able to broadcast.

COMMISSIONERS' TIME

Commissioner Mattingly

- Hope everyone had a Merry Christmas and Happy New.
- Want to congratulate Leonardtown Fire Department. We all had a chance to attend their Annual Installation of Officers Banquet and congratulate them on the recognition that they presented to the various members of the department as they being their 76th year of service to the community.

Commissioner Jarboe

There was an item in the local newspaper about "free rent" that was issued a couple years ago. I would ask the Commissioners that we direct staff to get a full background report, so we can begin getting market rate for this lease.

Commissioner Raley

- Congratulations to Leonardtown Fire Department. Had over 540 calls over the past year. Rescue Squad, ALS, and Fire Department responded to over 12,000 calls. While we were going over Legislative proposals this year, I was asked why we got involved with rescue squad funding, and that's the reason why --12,000 calls. Our fire and rescue personnel are being strained to the limit, and anything we can do, we must do.
- Ask that the County Administrator let us know how long the current individual has been doing the County's audit (for future discussion). The reason I ask is because - - not to cast anything on the individual or the firm, they do a good job – but, I do know that you read in the papers when auditors have been around for an extended time, they can sometimes miss things.

Commissioner Dement

- Congratulations to Terry and Hazel Star on their 30th anniversary.
- Attended BJ's Grand Opening and toured the building.
- Attended Leonardtown Fire Department's banquet on Saturday. Thanks to all for their dedication and volunteer service- - they deserve a lot of credit for all they do for the community.

Commissioner McKay

- Congratulations to the Leonardtown Fire Department on the beginning of their 76th year of service. All of our volunteer fire departments perform a tremendous service to the community
- Congratulations to my mother who celebrated her 80th birthday on Sunday.
- Had the opportunity to meet with Department of Transportation Secretary Robert Flanagan. He had a scheduled appointment at PAX River with Admiral Healey and he invited me to attend. Secretary Flanagan indicated the state's support for the Hughesville Bypass as the #1 priority for new transportation projects for the state of Maryland. He also talked about the future and how he would work with the Admiral and PAX River in terms of trying to deal with as many of the small issues that they can deal with when they come up.

We talked about need for signage as you enter PAX River – gate 1, gate 2 are open or closed and the bridge needing to be resurfaced – which is in the 5-year plan.

- Reminder: January 13 at 6:30 p.m., Public Forum will be held on the lower level of Wicomico Golf Course Clubhouse. The public is invited to speak on any issue; however, it will be a good opportunity to receive public input on the public piers and ramps in Wicomico Shores.

Commissioner Dement moved, seconded by Commissioner Jarboe, to adjourn the meeting. Motion carried.

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Minutes Approved by the

Board of County Commissioners on _____

Donna Gebicke, Administrative Assistant

to the Board of County Commissioners