

Village of Martin's Additions
7013 Brookville Road, Suite B, Chevy Chase, MD 20815
Council Meeting Minutes
May 7, 2020
VIA ZOOM CONFERENCE CALL

Council Members Present: Tiffany Cissna; Arthur Alexander; Katya Hill; Susan Fattig; Todd Mann; **Village Manager:** Niles Anderegg; **Building Administrator:** Doug Lohmeyer; **Village Attorney:** Ron Bolt; **Residents and other Attendees:** Marty Langelan (Chestnut Street); Keith Allen (Turner Lane); Paula Goldberg (Bradley Lane); Monty Boland (Turner Lane); Megan Rismiller (Thornapple); Jeff Blander (Turner Lane); David Saulter (Brookville Rd); Karen Dojan and Gray Farquharson (Weyrich, Cronin & Sorra)

7:30 PM Call to Order: Cissna

7:31 PM Opportunity for Council to hear resident comments: Cissna

Marty Landgelan (Chestnut Street) asked that if the Village need to contact the property owner about any flooding near Lemon Twist. Niles Anderegg (Village Manager) responded that he was aware of her concern, and when he last checked, he did not see any flooding. Jeff Blander (Turner Lane) wanted to express how well he thought the election was being run with the Vote by Mail system, and he said that the Village should find ways to appreciate those in the community who are volunteering and doing great work in our community. Keith Allen (Turner Lane) gave his weather report, including the possibility that there would be snow on either late Friday, May 8, or early Saturday, May 9. He also said that May would be cooler than usual, with the temperatures barely breaking 70 degrees.

7:41 PM Presentation of the Financial Process and Procedures Review: Weyrich, Cronin & Sorra
Tiffany Cissna gave a brief overview of the work that Weyrich, Cronin, and Sorra performed for the Village. Karen Dojan (Weyrich, Cronin & Sorra) presented the findings of the financial processing procedures review (see full report in addendum). Karen said that overall, the controls in place were working very well and briefly described some of their recommendations to improve Village operations (e.g., setting up a separate checking account for payroll that has a limit equal to a normal payroll payment, so a bad actor could not issue a payroll check larger than what a typical payroll payment would be). The Council agreed with their recommendations and instructed Niles to implement as appropriate.

7:51 PM Committee Update(s): Committee Chairpersons or their representatives

Tree Supervisor: Paula Goldberg (Bradley Lane) gave an update on the work of the Village Arborist Paul Wolfe, including trimming trees and reporting damage of about four or five cherry trees following a storm a few weeks ago. She also explained that some of the progress on trimming trees on Turner Lane had slowed because there are more parked cars than usual in the neighborhoods due to the stay at home order.

Walkability Study Task Force: Arthur Alexander (Raymond Street) reported that the Walkability Study Task Force had its first meeting in April. A chair was selected by the Committee, Peter Kahn, and a secretary, Larry Wasson. Additionally, the Task Force heard the presentation from the Walkability consultant, who explained the current state of walkability in the Village. The next meeting will be June.

Community Engagement Committee: No updates.

Ethics Committee: No updates.

Election Committee: Marty Langelan (Chestnut Street) gave the committee report. She thanked Niles for his assistance with all the different moving parts involved in a Vote by Mail election. She also reported on the activities of the Committee, including the success of the candidate forum in which over 30 residents participated via Zoom. The Committee also put together a six-page insert for the May newsletter and suggested that they may want to consider doing something similar in the future. Marty reminded residents that the deadline to get a new or replacement ballot is May 8 and that the last day to mail in a ballot is May 15. Marty also reiterated her position regarding the changes made to the Charter and the ordinance that was adopted at the previous meeting regarding the election procedure.

8:06 PM Building Administrator's Report: Lohmeyer

Lohmeyer presented his report (see addendum). Highlights: 3506 Bradley Lane has submitted a building application for their teardown and new construction. However, we are still waiting on the County permit. The contractor has submitted dates for the resident informational meeting. Staff will finalize the date of the informational meeting and let the public know when that will occur. 7204 Chestnut has submitted a request for a variance which has been scheduled for May 18. The County has closed the building permit for 7210 Chestnut Street, but the sediment control permit is still open, so the Village permit is open as well. 7200 Delfield will be another teardown and new construction. Those residents have applied for a building permit, but will still need to address comments from both the Village and the County. The information meeting for that project has not yet been scheduled. 7200 Summit Street is requesting a variance to add a bay window and a front porch as well as an addition on the right side of the house. The variance hearing is not scheduled at this time, but Doug and Niles spoke with the homeowner, and they are revising their plans to fit with the Village Code. 3412 Taylor has some right of way issues that will need to be addressed before the Village can close out its permit. The building permit for 3407 Thornapple expires in May. Those residents are putting together a request for a permit extension. Tiffany Cissna asked for an update on the State Highway Administration response to the letter from the Village. Doug responded that he had not received an update. The Council directed Niles to follow up with the State staff.

8:11 PM Financial Matters, including Public Hearing and Action on FY 2021 Budget Ordinance (No. 2020-3-2) and Tax Rate Resolution (No. 2020-3-3): Alexander

Arthur Alexander gave a brief overview of the proposed fiscal year (FY) 2021 budget. He explained that the budget is the same as the one introduced in March. He has heard no objections or suggested changes to the budget by residents or Council members since it was introduced. In terms of the current fiscal year, the impact of COVID-19 might be shown on May disbursement from the County of our share of income taxes. However, it is unlikely that we will see any decline because these payments draw on revenue received before the pandemic started. Todd Mann asked if the State or County could reduce the payments to the Village retrospectively

because they know that there will be a reduction in revenues going forward. Arthur answered that this could not happen as the payments are set in advance. Susan Fattig moved the adoption of the FY 2021 budget ordinance (No. 2020-3-2), Todd Mann seconded the motion, and the Council passed it unanimously. Arthur explained the tax rate resolution stating that the Village has separate tax rates for personal property tax and real estate property tax. He also noted that none of these tax rates are changing for the FY21 budget year. Arthur Alexander moved the adoption of tax rate resolution (No. 2020-3-3), Susan Fattig seconded the motion, and the Council passed it unanimously.

8:15 PM Manager's Report: Anderegg

Niles noted that he talked to the County regarding the summer celebration, and he can report that it is unlikely that that event will go forward because the County is following the State ban on groups greater than ten and until that is lifted they will not be approving permits for events on park property. The Office will still contact potential vendors for the event in case these restrictions are dropped in time to have the celebration. On the cybersecurity review, Niles had his full interview with the contractor this week and is working on scheduling future interviews with Council members and a questionnaire that will include Village contractors. GIS work is continuing. The Village sent over some more data to update the map as well as data on elements such as street lights and the dog waste bag dispensers. The Cummings Lane Community Garden project will be completed the week of May 11 with the installation of a bench and a trash can as well as a plaque in memory of Richard Krajeck. The building administrator RFP closed on May 7. This RFP was posted on the Village's website as well as the State procurement website and the Maryland Municipal League website. The Village received one proposal from Montgomery Consulting, our current building administrator. Niles recommended that the Village continue with Montgomery Consulting. The Council agreed and directed Niles and Ron to work on getting the new contract in place. Niles also reported that work is continuing on updating Village procedures and paperwork to make the Office more efficient.

8:20 PM Opportunity for Council to hear residents' comments: Cissna

There were no resident comments

8:22 PM Adjournment: Cissna

The meeting adjourned at 8:22 PM



VILLAGE OF MARTIN'S ADDITIONS

COUNCIL MEETING APPENDIX

May 7, 2020

Materials included in this appendix were either included in the Council monthly meeting packet distributed before the meeting or submitted to the Council as part of the meeting. All materials appear as submitted.



VILLAGE OF MARTIN'S ADDITIONS

7013 Brookville Road (Second Floor, Suite B)

Chevy Chase, MD 20815-3263

Phone (301) 656-4112

www.martinsadditions.org

Agenda for Council Meeting Thursday, May 7, 2020, 7:30 PM

The Council may entertain a motion in open session to enter into a closed session, in accordance with Section 3-305(b) of the Open Meetings Act (Maryland Code, General Provisions Article).

- 7:30 PM Call to Order: Cissna
- 7:31 PM Opportunity for Council to hear residents' comments: Cissna
- 7:41 PM Committee Update(s): Committee Chairpersons or their representatives
- 7:51 PM Presentation of the Financial Process and Procedures Review: Weyrich, Cronin & Sorra
- 8:06 PM Building Administrator's Report: Lohmeyer
- 8:11 PM Financial Matters, including Public Hearing and Action on FY 2021 Budget Ordinance (No. 2020-3-2) and Tax Rate Resolution (No. 2020-3-3): Alexander
- 8:26 PM Manager's Report: Anderegg
- 8:31 PM Opportunity for Council to hear residents' comments: Cissna
- 8:41 PM Adjournment: Cissna

*Please Note: Listed times are approximate.



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Virtual Meeting Information

Below is the information for those residents who would prefer to dial in remotely or video in to the Council meeting.

1. Dial-In Option

Call: 1 301 715 8592

When prompted, enter the Meeting ID: 873 4929 3584 (you must enter the "#")

Password: 639034

2. Web/Video Option:

- a. Go to the Zoom meeting link: <https://us02web.zoom.us/j/87349293584>
- b. It will take you to Zoom to download, which is free. Then the meeting will launch. You can view the meeting or just listen in and talk when prompted.

Meeting ID: 873 4929 3584

Password: 639034

Topic: VMA Council Meeting

Time: May 7, 2020 07:30 PM Eastern Time (US and Canada)

VILLAGE OF MARTIN'S ADDITIONS

Results of Financial
Process and Procedures
Consultation

Village Council
Village of Martin's Additions
Chevy Chase, Maryland

We have performed the consulting services engagement requested by the Village Council of Martin's Additions (Village) as outlined in our engagement letter dated February 26, 2020. Our procedures were performed solely to assist the Village Council in their evaluation of the current policies and procedures in place, and to provide meaningful suggestions for implementation by the Council.

As part of our engagement, we documented current internal controls related to financial processes based on inquiries with the Village Council, staff, and the external accountant in the following areas: Cash Disbursements; Cash Receipts; Payroll Processing and the Holiday Fund. Based on the prescribed controls, we performed tests of transactions, and provided recommendations for each area. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the internal controls associated with the financial processes of the Village. Accordingly, we do not express such an opinion or conclusion. Rather, we expressed recommendations to enhance the quality of internal control procedures regarding the areas mentioned above.

Cash Disbursements:

Current Control Process and Procedures - The Village holds contracts with each vendor. Bills are paid by the external accountant (Dan Baden) using Bill.com. When bills are received (by mail or email), the Village staff date stamps the bills. Village staff scan all bill pages including the *Village of Martin's Additions Invoice & Reimbursement Payment Form* (VMA Cover Sheet) and emails the packet to Bill.com using the preprogrammed email address. The external accountant then receives a notification from Bill.com to review the invoice packet and code the invoices into Bill.com. The Council Chair and Treasurer approve the bills online through Bill.com after the invoices are coded by the external accountant. Once invoices are approved, the external accountant releases payments to the Vendors via electronic funds transfer from the Suntrust (Truist) checking account. All payments run through Bill.com are presented as ACH withdrawals on the bank statements. Check numbers are recorded in the general ledger based on check numbers generated by Bill.com. The checks generated by Bill.com are signed by two of the Village's authorized check signers. All members of the Village Council are authorized to sign checks.

Procedure Performed - We examined 30 cash disbursement transactions for the period July 1, 2019 through March 7, 2020 for the following criteria:

- a. Accompanied by appropriate supporting documentation with Council approval indicated.
- b. Checks were signed by two authorized check signers
- c. Expenditure coded properly in the general ledger as to expense classification and period
- d. Payment cleared the bank statement in a timely manner
- e. WCS selected a sample of five vendors to check if the Village had approved contracts in place.

Findings: For the sample of 30 cash disbursements selected, we noted the following:

- a. 29 transactions were accompanied by appropriate supporting documentation with Council approval indicated. However, there were 14 instances where the VMA Cover Sheet was not submitted with the invoices. The Village implemented the use of the VMA Cover Sheet during 2019. Therefore, transactions taking place prior to implementation, but included in the sample were not accompanied by the VMA Cover Sheet.

There was one instance (a component of check #1072 to Global Industrial) where the invoice was not included, but a description of services provided was properly approved.

- b. All 29 checks were signed by two authorized check signers.

In one instance, there was no check to be signed as the payment selected in the sample was an automatic withdrawal for analysis fees to Truist Bank and ADP. No exceptions noted for this attribute.

- c. All disbursements were properly recorded in the general ledger to expense classification and period.
- d. All payments cleared the bank statement in a timely manner. No exceptions noted for this attribute.
- e. The Village does not have a vendor contract in place for one of the vendors selected in the sample. The Village pays this vendor as invoices are received.

Recommendations – In general, the disbursement control procedures appear to be operating effectively and as management intended. However, we recommend stricter adherence to the use of the VMA Cover Sheet. Utilization of the VMA Cover Sheet provides written documentation of the authorization, budgetary categorization, description and disposition of each expenditure. We also recommend stricter adherence to the use of vendor contracts. If a scenario arises where the Council deems the formal vendor contract unnecessary, formal documentation of the Council's decision should be stored in place of the vendor contract. To maintain continued control of a process, every transaction should require the same documentation procedures. Exceptions to the rule may undermine the integrity of the control.

We also discussed credit card usage with the current Village Manager. We want to emphasize the importance of the review and approval process for credit card payments. By their very nature, credit card purchases may occur without prior authorization of the Council

and are susceptible to abuse if not properly monitored. Currently, credit card statements are paid using the same approval process as other invoices. We recommend that credit card statements be attached to all invoices or receipts for charges included on the statement, indicating their review of all the charges listed on the statement took place prior to the Bill.com payment. Simply approving the statement balance is insufficient to monitor activity. Transactions, including all charge slips, should also continue to be reviewed for appropriateness. Inclusion of the receipts and invoices with the statement upon submission to Bill.com will provide documentation that the details of the statement were reviewed in addition to the approval to pay the balance. In addition, the Council may want to consider the available credit for each card so that unauthorized purchases may be limited to a set amount and activating automatic notifications for transactions over a set amount greater than the typical purchase.

Cash Receipts:

Current Control Process and Procedures - Village staff will collect any checks received via mail or in person and make a copy of the check received. The copies are attached to either an email notification or other supporting documentation from the payer describing the purpose of the deposit. The original check is stamped "for deposit only" and stored in a lockbox in a locked drawer in the office until it is ready for deposit. Typically, within one week of receipt, Village staff take the checks to Suntrust (Truist) Bank for deposit. The Suntrust (Truist) deposit ticket is scanned and attached to the copy of the check(s) and supporting documentation. The deposit ticket, check copies, and support are all emailed to the external accountant, who records the transactions in the Village's general ledger to generate a deposit summary. The deposit summary totals deposits made on that date and is also attached to the packet.

Funds may also be received electronically. Electronic funds from the County such as property taxes are deposited into the Suntrust (Truist) account. The Village receives statements from the County detailing the deposit received by the Village. The statement is sent to the external accountant who records the deposit and attaches the generated deposit summary. Electronic funds received from the State of Maryland are tracked using the Village's online access to the Comptroller of Maryland website (Compnet – one stop vendor inquiry), which details all of the deposits the Village receives from the State. Deposits received from the State are deposited into the Village's MLGIP account.

Procedure Performed - We examined 30 deposits for the period July 1, 2019 through the date of fieldwork of March 7, 2020 for the following criteria:

- a. Traced each selected deposit to a supporting deposit slip.
- b. Traced through the general ledger, noting the deposit was recorded to the proper account and in the proper period.
- c. Traced the deposit to the bank statement in a timely manner.
- d. Traced to supporting documentation indicating the source and reason for the deposit.

Findings: For the sample of 30 deposits selected, we noted the following:

- a. We were able to trace each deposit to the associated deposit slip when applicable (there are no deposit slips associated with direct deposits to the MLGIP investment account from the State) with the exception of one permit fee. We were able to view that the permit fee was deposited to the bank account and recorded in the general ledger appropriately.
- b. We traced each deposit through the general ledger, noting the deposit was recorded to the proper account and in the proper period.
- c. We examined supporting documentation indicating the source and reason for 29 of the selected deposits. We noted one deposit recorded to permit fees where the source was not noted. The memo for the transaction indicated the source was unknown. This is the same transaction mentioned in finding "a."
- d. We traced each deposit to the bank statement and that the deposit was made in a timely manner.

Recommendations - In general, the cash receipt control procedures appear to be operating effectively and as management intended. Since cash is so readily subject to error and mishandling, effective control of checks, currency, and other cash items should begin at the time of receipt and continue through deposit, custody, and disbursement.

In an effort to formalize Village procedures regarding cash receipts, we recommend creating a receipt cover sheet, similar to the cover sheet for disbursements. The cover sheet should include the source of the deposit, the reasoning for the deposit, and the budget category where the receipt should be recorded. This will limit the number of instances where a check is received and deposited without knowing what the deposit is for.

Per discussion with the Village Manager and our review of receipt transactions, it appears that the Village rarely receives cash payments. Cash is the asset most vulnerable to misappropriation. Rather than documenting additional procedures to mitigate this increased risk, it could be advantageous for the Village to issue a public statement that cash payments will no longer be accepted.

In order to maintain adequate segregation of duties, bank deposits should be completed by an individual outside of the accounting and cash receipt process. This means that although the Village now employs a Manager, a Council member should continue depositing checks at the bank. This way, the person who receives the payment and issues the customer a receipt, the person who records the transaction to the general ledger, and the person depositing funds at the bank are separate individuals. This helps to limit the chance that one individual could commit fraud. Additional individuals involved in the process will increase internal oversight over cash receipts.

Payroll

Current Control Process and Procedures - The Village's payroll is administered by ADP. All employees are paid via direct deposit. Prior to the hiring of Mr. Anderegg (Village Manager), the external accountant initiated payroll processing with ADP. The Village Manager has resumed responsibility of initiating payroll processing. ADP payroll summaries are received by the external accountant who breaks down the summary to show the salary vs. payroll tax breakdown for both the general government and the police department (two officers on payroll). These are the amounts that correspond to the ACH withdrawals on the Suntrust (Truist) bank statement. The external accountant records the payroll entries using the ADP payroll report. Each payroll summary is initialed by the external accountant indicating their review and the date payroll was recorded to the general ledger. Pay rates are determined by the Council. Each employee's offer letter details their pay rate structure and is kept in the employee's personnel file. Timesheets for police officers are kept via an Outlook calendar. Time is assumed to align with the office employee's employment contract unless time-off is requested.

Procedure Performed - We examined 10 payroll transactions for the following criteria:

- a. Trace payroll recorded in general ledger to the ADP summary report, noting the transactions were recorded to the proper general ledger accounts and in the proper period.
- b. Reviewed ADP summary report for the external accountant's signature indicating his review.
- c. Traced pay rates per the ADP report to the authorized pay rate per the employee's personnel file.
- d. Traced payroll through the bank statement, noting payments cleared the bank statement in a timely manner.

Findings: We examined 10 payroll transactions during the period July 1, 2019 through the date of fieldwork of March 7, 2020 for the following criteria:

- a. We traced all 10 payroll transactions through the general ledger, noting payroll was recorded to the proper accounts and in the proper period.
- b. We traced all 10 payroll transactions to the ADP summary report, noting the report was signed by Mr. Baden indicating his review.
- c. We traced all pay rates per the ADP summary reports to payrate authorizations with the exception of police officers.

Per discussion with the Village Manager, the Village was aware of the payrate increase from \$45.00 per hour to \$60.00 per hour and the Council approved the increase. We were able to view email correspondence approving the rate increase. However, formal documentation of the pay rate increase was missing.

- d. We traced all 10 payroll transactions to the bank statement, noting payments cleared the bank statement in a timely manner.

Recommendations - In general, the payroll procedures appear to be operating effectively and as management intended. Employee/Police officer personnel files should be kept for each individual and contain the offer letter as well as any pay increases or changes to pay structure with documentation of approval by the Village Council. Although the Council was aware of the increase to Police officer wages, it is important to have the increase documented with approval. Per discussion with the Village Manager, he intends to draft a letter for the employed police officers stating their wage for the calendar year as it will be re-evaluated each year in regards to duties performed and comparison to other municipalities in the area.

Currently, there are no timesheets to accompany the payroll summary reports. Hours worked for police officers are documented via an outlook calendar. Due to the size of the Village, it is assumed employees are working the agreed upon hours unless otherwise stated. We recommend that timesheets be maintained for all employees and attached to each payroll summary report prior to Council approval for that period. Timesheets may be kept electronically (such as via Outlook Calendar), but digitally signed by the employee attesting to their hours worked and sent to either the Village Manager or Council for their approval prior to processing.

Currently, all payroll payments are electronically deducted from the main checking account of the Village. Since the Village relies on a third party to process payroll, it is possible that fraudulent payroll of a large magnitude could be processed and electronically transferred to another bank account before the Village Council was aware of the transaction. To combat this potential threat, the Village should consider opening a payroll bank account with an imprest balance no larger than the typical payroll run. This would limit the Village's exposure to a fraudulent payroll transaction to the balance of the account.

As part of each payroll run, the Village Council should request and review a "payroll change report" which would document any changes to employees (added or deleted) or their pay rates as a way to monitor any unauthorized changes to the system. When payroll changes appear on the report, this report should be signed by the reviewing Council member and maintained in the Villages records.

Additional Considerations

Bonding of Employees - The Village should continue to bond all employees who have access to cash and other liquid assets. This will add an additional layer of protection against employee theft and dishonesty, while providing the Village with compensation in the event of property loss due to acts of the employee. Policies are typically inexpensive and readily available from insurance carriers. Currently, all employees are bonded with exception to the newly hired Village Manager.

Formal Documentation of Policies and Procedures - We recommend that the Village institute a program to methodically identify and document its significant operational and accounting processes. Processes include activities and procedures involved in repeatable operational or accounting transactions or events, such as hiring new employees, paying invoices, processing payroll, recording cash receipts, preparing journal entries, etc. Documenting a process involves identifying and gaining an understanding of the events or transactions that

trigger performance of the process, the automated or manual procedures used in performing the process, the person or position responsible for performing the procedures, the source documents used or generated, the procedures for approval and review and correction of any errors detected, and the financial or operational entries or reports summarizing the result of the process. Documentation may include policy manuals, process models, flowcharts, job descriptions, documents, and forms, and can be in paper form or electronic files.

Holiday Funds – During the Winter holiday season, residents contribute funds to the Village’s Holiday Fund. These checks are deposited into the Suntrust (Truist) checking account to be held until the Winter Holidays. The deposits are tracked using a separate general ledger account (this account appears as a revenue account in the general ledger but is appropriately reported as a liability account on the financial statements). In December, the Village disburses these contributions directly to Waste Management employees working for the Village. The Village uses a predetermined allocation schedule to determine the percentage of total holiday contributions received throughout the year for each employee based on the Waste Management employee’s job title. This allocation is approved by the Village Council. Direct payments to Waste Management employees are paid via checks written directly from the Suntrust (Truist) checking account rather than Bill.com. These checks are signed by two authorized check signers. Since Holiday Fund disbursements are not accompanied by an invoice, the approval for Holiday Fund disbursements is limited to approval of the allocation schedule on file and the physical signing of the checks. A more formalized procedure which ensures that appropriate funds are directed to appropriate parties should be put in place.

Refundable Construction Bonds – Throughout the year, various construction projects may disrupt the Village’s right-of-way (ROW). The Village collects bonds from the construction companies that are refundable when the Village building inspector certifies that the ROW has been restored. When bond funds are received, they are deposited into the Suntrust (Truist) checking account. These funds are appropriately recorded to “Refundable Deposits” liability account in the general ledger. The refundable bond receipts follow the same procedures as ordinary receipts. When the building inspector certifies the ROW has been restored, the Village Manager sends the certification to the external accountant, accompanied by the VMA cover sheet. Payment is made via Bill.com where it is approved by Council members. The Village should continue to take care that appropriate funds are held and refunded.

This report is intended solely for the information and use of the Village Council of the Village of Martin’s Additions and is not intended to be and should not be used by anyone other than those specified parties.

Weylich, Cronin & Serra, LLC

May 6, 2020
Hunt Valley, MD

TO: The Council at the Village of Martin's Additions

FROM: Doug Lohmeyer

DATE OF MEMO: May 5, 2020

SUBJECT: Building Administrator's Report

3506 Bradley Lane.

Demolition and building permit applications were submitted to the Village office. The staff has initially reviewed the information. Waiting for MCDPS approval. The resident's information meeting is on hold.

7204 Chestnut St.

The Village issued the building permit on April 3, 2019. The construction of the additions is ongoing. A variance was previously granted for those additions. The applicants have requested a Village Building Permit extension, which extends the permit until July 4, 2020.

A "Stop Work Order" was issued on Monday, March 9th.

The applicant submitted a second variance application for the same rear addition side yard setback on April 29, 2020. The staff has reviewed the application. A Council hearing has been scheduled for May 18, 2020

7210 Chestnut St.

The Village issued their building permit on Oct. 11, 2018. The applicant estimates the project will be completed in 2 to 3 months. The Village building permit has been extended.

The County has closed their building permit but the sediment control permit is still open. Once they close that permit, we will do a final inspection and if everything is acceptable, the Village Building Permit can be closed.

7200 Delfield St.

The property owners (a partnership) has applied for a Village demolition and building permit for a new house. The MCDPS is reviewing their application. The Village staff has

completed the initial review of the application and submitted their comments of the applicant. A resident information meeting has not been scheduled.

7200 Summit Ave.

On April 28, 2020, the homeowners submitted a Variance Application for the front and rear setbacks in order to construct a new porch and bay window at the front of the existing house and an addition on the north (right) side of the house. The staff has reviewed the application and submitted comments to the owner and the architect. The Variance hearing has not been scheduled.

3412 Taylor St.

The Village original building permit was issued on Feb. 4, 2019. The house construction is ongoing. The applicant has raised the elevation of the house because of a high ground water condition. The height survey indicated the new roof peak is 6 inches higher than what the Village Code permits.

The Village Building Permit has been extended. The contractor expects to receive the final inspection from MCDPS this week.

3407 Thornapple St.

The Village issued their building permit on May 30, 2019. Work has begun on the new house construction. The applicant has submitted a "Wall Check", which indicated the new house is in conformance with the approved site plan and the Village Code.

The applicant has been advised that their building permit will expire in May and they are preparing a request for the extension.

Miscellaneous Items

The staff is presently working with the following properties:

1. The MSHA has responded to the Village's letter regarding water ponding at the Village street intersections along Brookville Rd. They plan on making improvements to the intersections at Bradley, Quincy, and Cummings this summer.
2. The staff has spoken to several homeowners about proposed improvements to their property.

Ordinance No.: 2020-3-2
Introduced: March 19, 2020
Adopted:
Effective Date: July 1, 2020

THE VILLAGE OF MARTIN'S ADDITIONS

SUBJECT: AN ORDINANCE TO ADOPT A BUDGET FOR FISCAL YEAR
JULY 1, 2020 TO JUNE 30, 2021.

WHEREAS, Local Government Article, Section 5-202 of the Maryland Code grants to the legislative body of every incorporated municipality in Maryland, including the Village of Martin's Additions, general power to pass such ordinances not contrary to the Constitution of Maryland, or public general law, as they may deem necessary in order to assure the good government of the municipality, to protect and preserve the municipality's rights, property, and privileges, to preserve peace and good order, to secure persons and property from danger and destruction, and to protect the health, comfort and convenience of the citizens of the municipality;

WHEREAS, Maryland Code, Local Government Article, Section 5-205, as amended, authorizes the legislative body of each municipal corporation in the State of Maryland to spend money for any public purpose and to affect the safety, health, and general welfare of the municipality and its occupants;

WHEREAS, Section 501 of the Charter of the Village of Martin's Additions authorizes the Village Council to pass such ordinances as it may deem necessary for the preservation of the property, rights, and privileges of the Village and its residents;

WHEREAS, the Village Council introduced the following Ordinance in public session assembled on the 19th day of March, 2020;

WHEREAS, the Village Council, after proper notice to the public, considered the following Ordinance at a public hearing held on the 7th day of May, 2020;

WHEREAS, prior to adopting this Ordinance, the Village Council held a public meeting on the 7th day of May, 2020 to adopt tax rates for the forthcoming fiscal year and, by the attached Resolution, adopted the tax rates for the forthcoming fiscal year; and

WHEREAS, the Village Council finds that the foregoing Ordinance would assure the good government of the municipality, protect and preserve the municipality's rights, property, and privileges, preserve peace and good order, secure persons and property from danger and destruction, and protect the health, comfort and convenience of the citizens of the Village of Martin's Additions, and is necessary for the preservation of the property, rights, and privileges of the Village and its residents.

NOW, THEREFORE, the Village Council does hereby adopt the foregoing Ordinance.

BE IT ORDAINED AND ORDERED, this 7th day of May, 2020, by the Village Council, acting under and by virtue of the authority given it by the Maryland Code and the Village Charter, that the attached Budget be and is hereby adopted.

AND BE IT FURTHER ORDAINED AND ORDERED, by the Village Council, acting under and by virtue of the authority granted to it by the Maryland Code, and the Village Charter, that:

- (1) Pursuant Maryland Code, Local Government Article, Section 5-205(b)(4), the Village Council may spend money for a purpose different from the purpose for which the money was appropriated or spend money not appropriated in the attached Budget if approved by a two-thirds vote of the Village Council;
- (2) If any part or provision of this Ordinance is declared by a court of competent jurisdiction to be invalid, the part or provision held to be invalid shall not affect the validity of the Ordinance as a whole or any remaining part thereof; and
- (3) This Ordinance shall take effect on the 1st day of July, 2020.

ATTEST:

THE VILLAGE OF MARTIN'S ADDITIONS

Katya Hill, Secretary

Tiffany Cisna, Chair
Village Council

	FY2020 (amended)	FY2021 (proposed)	Change
Revenues			
4010 · Permit Fees	15,000	12,000	-3,000
4020 · Cable TV Franchise Fees	8,000	12,500	4,500
4040 · County Revenue Sharing	26,800	26,800	0
4050 · Highway Users Fees	30,000	30,000	0
4060 · Income Tax	650,000	650,000	0
4080 · Personal Property Tax	4,500	4,500	0
4090 · Real Property Tax	15,000	15,000	0
4095 · Utility Property Tax	15,000	15,000	0
4100 · Holiday Fund	8,000	9,000	1,000
4110 · Interest	50,000	40,000	-10,000
4136 · WSSC - Street Work	79,014	0	-79,014
Total Revenue	901,314	814,800	-86,514
Expenditures			
5010 · Office Expenses	17,500	12,000	-5,500
50xx · Financial processes audit	6,000	0	-6,000
50yy · Cyber-security audit	8,000	0	-8,000
5025 · Office Furniture & Equipment	2,000	2,000	0
5030 · Insurance	8,000	8,000	0
5040 · Printing & Mailing	5,000	5,000	0
5050 · Dues & Subscriptions/Conference	10,000	10,000	0
5055 · Storage Rental	4,000	4,500	500
5060 · Office Lease	32,000	32,000	0
5065 · Telephone	4,000	3,000	-1,000
5070 · IT	20,000	7,500	-12,500
5080 · Holiday Fund	8,000	9,000	1,000
5110 · Managerial & Office Salaries	135,000	111,200	-23,800
5120 · Payroll Taxes & Benefits	25,000	16,000	-9,000
5210 · Accounting & Auditing	39,000	44,000	5,000
5222 · Building Review & Permits	50,000	45,000	-5,000
5224 · Enforcement & Oversight	18,000	18,000	0
5226 · Municipal Operations	18,000	18,000	0
5230 · Legal	65,000	40,000	-25,000
5240 · Police	40,000	45,000	5,000
5244 · Traffic Engineering	7,000	7,000	0
5246 · Records Retention & Disposal	1,500	1,500	0
5247 · GIS Update	13,000	10,000	-3,000
5310 · Street Lighting - PEPCO	3,000	3,000	0
5322 · Street Cleaning - Fall/Spring	15,000	35,000	20,000
5324 · Street Maintenance - Other	7,500	7,500	0
5326 · Leaf Vacuuming	20,000	0	-20,000
5349 · Snow Removal Services	20,000	30,000	10,000
5410 · Waste Collection & Recycling	130,000	130,000	0
5420 · Leaf Bags	15,000	16,000	1,000
5425 · Recycling Bins	1,000	1,000	0
5510 · Tree Maintenance & Replacement	32,000	32,000	0
5630 · Tree Planting Initiatives	2,000	2,000	0
5518 · Right-of-Way Landscaping	23,000	10,000	-13,000
5520 · Community Events	35,000	35,000	0
5530 · Website	4,250	0	-4,250
Total current expenses	843,750	750,200	-93,550
Net (revenues – current expenses)	57,564	64,600	7,036
Designated Reserves			
5805 · Walkability	500,000	500,000	0
5810 · Streets	500,000	500,000	0
5814 · Other Capital Projects	500,000	500,000	0
5820 · Auditor Recommended Reserve	1,000,000	1,000,000	0
Total Reserves	2,500,000	2,500,000	0

Resolution No.: 2020-3-3
Introduced: March 19, 2020
Adopted:
Effective Date: July 1, 2020

THE VILLAGE OF MARTIN'S ADDITIONS

SUBJECT: A RESOLUTION TO APPROVE LEVYING A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF SECTION 6-203 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED

WHEREAS, Section 6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), grants authority to municipal corporations to levy a tax on personal property, land, and improvements thereon, within the municipal corporation; and

WHEREAS, the Village of Martin's Additions is a municipal corporation within the meaning of Section 6-203 of the Tax-Property Article; and

WHEREAS, pursuant to Section 703 of the Village Charter, the Village Council has the authority to levy a tax on all real property in the Village at the rate determined in accordance with Section 703 of the Village Charter; and

WHEREAS, pursuant to Section 601 of the Village Charter, the Annual Meeting of the residents of Martin's Additions was held on the 7th day of May, 2020 after due notice and advertisement of the time and place of the meeting and said notice included the proposed budget for 2020-2021 and the proposed tax rates to be levied upon real and personal property; and

WHEREAS, after due deliberation and consideration of all information and testimony presented to the Village Council, the Village Council finds that the proposed tax rates on real and personal property will serve the best interests of the Village.

NOW, THEREFORE, be it:

RESOLVED: That the Village Council of the Village of Martin's Additions, pursuant to the authority granted by the Village Charter and Section 6-203 of the Tax-Property Article of the Annotated Code of Maryland, hereby levies a tax at the rate of five thousandths of a cent (\$.005) per One Hundred Dollars of assessable value (fair market value) on real property subject to taxation by the Village; fifty cents (\$.50) per One Hundred Dollars of assessed value of assessable personal property subject to taxation by the Village; and one dollar and forty-five cents (\$1.45) per One Hundred Dollars of assessed value of assessable utility property subject to taxation by the Village; and be it further

RESOLVED: That the tax levied hereby be certified to the County Council for Montgomery County, Maryland, and that Montgomery County, Maryland be, and hereby is, authorized and directed to collect and pay over said tax to the Village of Martin's Additions; and be it further

RESOLVED: That the Director of Finance for Montgomery County, Maryland be advised of this resolution.

I, Katya Hill, Secretary of the Village Council of the Village of Martin's Additions, hereby certify that the foregoing resolution was adopted by the Village Council at its meeting on 7th day of May, 2020.

Katya Hill, Secretary

**Village of Martin's Additions
Financial Report for April 2020
Arthur Alexander, Treasurer
May 7, 2020**

March 2020

	<u>Actual</u>	<u>Budgeted</u>
Revenues	\$ 665,119	586,393
Expenses (excluding capital projects)	630,677	701,458
Net Income (revenues minus expenses)	34,442	-115,065
Capital investment expenses	\$ 0	
Investment reserves (less expenditures)	1,500,000	
Emergency reserves	1,000,000	

Current assets less designated reserves \$409,954

Because of the uneven receipt of Village revenues and expenditures over time, we are running a small surplus while having budgeted a deficit as of this time of the year.

Income tax revenues received by the state will fall. However, we will not see that decline for several months. The next major income tax transfer to the Village from the state will occur the end of May. This distribution is based on the first quarter of calendar year 2020 from regular tax withholding and estimated taxes and will not reflect the current economic situation. Our June distribution will begin to reflect the current economic slowdown, but the really bad numbers will not arrive until next June, after taxes are filed.

From: Niles Anderegg, Village Manager
To: Village Council
Subject: Village Office Update
Date: 5/5/2020

The Office has been engaged in a number of different activities in support of the upcoming election including assisting the Election Committee by setting up the technology for the candidates' forum and communicating with the service provider to get residents their ballots. In addition, the Office has been working to improve some of its internal processes for paying invoices and tracking official paperwork.

The Village Office also successfully worked with the Internal Control Study consultants to bring their report to the Council for a presentation at the May 7th meeting. I have also been focusing on the FY2020 budget to ensure that the Village is in a good position heading towards the close of the fiscal year.

Cybersecurity

The Office is currently in the assessment phase of this review. I have had several conversations with the staff at Wildcard regarding our current hardware and software as well as the procedures we need to have in place to improve our security.

GIS Update

The Village Office provided feedback to Wallace Montgomery on its deliverables and is working with them to improve the data by adding information on streetlights and other elements to make the final product more useful to the Office.

Landscaping

This week the Village's landscaping contractor, Greensweep, will complete its work on the community garden at Cummings Lane and Brookville Road. This work includes installing a bench and trash can as well as a plaque in honor of former Village Chair Richard Krajeck.

Building Administration RFP

The RFP has been posted on the Village's website, the MML website, and the State of Maryland's procurement website. The RFP closes on May 7th. Currently, the Village has received one proposal.

ELECTION COMMITTEE REPORT: VMA Council Meeting May 7, 2020

The Election Committee is pleased to commend Niles Anderegg again for his very capable assistance with the staff support work as we handle the challenges of conducting this 2020 VMA Council election by mail during the Covid-19 pandemic.

We are now in the midst of the voting period. There are a lot of moving parts in the mechanics of any VMA election, and VMA is voting by mail for the first time here, but most of the components appear to be working well. The 600 residents on the VMA voter roll received their ballot packets on time, during the week of April 27 to May 1. The Village Manager and Election Committee chair implemented sound procedures to verify the voter roll and deal with any ballot issues as needed. We've been working together as a team to answer residents' questions, and we've only had about 15 requests for missing or replacement ballots.

More than 30 residents participated in the "Meet the Candidates" Community Forum on April 23. Residents also submitted about 20 questions in advance. Halie Soifer, one of our Election Committee members, did an excellent job of moderating the Forum by Zoom. Lorie Mitchell served as the time-keeper and Niles provided tech support. The topics ranged from current concerns about the pandemic, to better village communication options, VMA personnel procedures, environmental issues, and questions about a stronger ordinance to govern the installation of 5G networks. The audio is posted on the VMA website.

We also designed and produced the new 6-page special "2020 Election Section" for the May VMA newsletter. It contained the candidates' final public campaign statements and other important election information for voters, including the detailed information about voting by mail, all in one place in a clear and well organized format. Niles got the newsletter with the new Election Section out on schedule on Monday April 27. The Committee will consider doing a similar special election section again in the VMA newsletter next year.

The final date for residents to mail their ballots is next Friday, May 15. To be counted, the ballots must be received at the Electec processing center by 5 pm on May 22. The Election Committee will continue to post reminders and regular updates about the VMA election on Constant Contact, answer residents' and candidates' questions, and ensure accurate election information on the VMA website.

When Electec has completed the automated ballot vote-count, the Election Committee will meet to review the election report from Electec, evaluate any non-conforming ballots, certify the election, and announce the final voting results. We expect to have the election results by late May or early June.

One practical election-management note: The Election Committee had to handle a very large volume of work on April 23-24 because the schedule was so tightly front-loaded this year. In that 2-day period, the Committee had to:

- Edit and approve the first draft of the official ballot packet from Electec on 4/23;
- Compile and organize the final list of Community Forum questions from residents;
- Prepare the logistics for the Community Forum;
- Conduct the Forum by Zoom and call-in for the first time;
- Write and approve the Committee article for the 4/24 Weekly Wrap-Up, reporting on the Forum;
- Review and correct the final proofs of the official ballot packet on 4/24;
- Receive, confirm, and compile the candidates' final campaign statements on 4/24, after the Forum, to include in the new special newsletter section;
- And prepare the final "2020 Election Section" for the newsletter by COB on 4/24.

It would be advisable to spread out the timing of these events next year. Scheduling them so closely together imposed an unduly heavy workload on a small volunteer committee.

The Village Manager will conduct a final contract compliance review with Electec after the completion of the 2020 election. Electec made one significant error in processing the ballot packets – the company did not rotate the order of the candidates’ names on the ballot, as instructed. The president of the firm has apologized to the Village Manager for the mistake. Failing to do rotational name order on the ballot does not invalidate the election; the Maryland code of election law does not require rotational ballots. But it is considered a “best practice” to make elections fairer by preventing positional voting bias, and rotating the names is the standard procedure in VMA. The Village Manager and Election Committee chair have discussed this, along with a few other less important contract performance issues, and VMA will deal with this in the Manager’s detailed contract compliance review with Electec.

There was also some concern on the listserv about the election-related Resolutions adopted at the April 16 Council meeting. In the interest of full transparency, the Election Committee notes the following:

1. Yes, the Council did adopt the Election Committee chair’s recommended revision to Charter Resolution 2020-1 at the April 16 Council meeting. The Council corrected the language to maintain the independence of the Election Committee and make it clear that the Election Committee, not the Council, conducts the village elections.
2. The Election Committee did not approve or recommend the provision in Ordinance Resolution 2020-4-1 about canceling uncontested elections. That provision will expire in June 2020 and will have no effect on the 2020 election or any future VMA elections.
3. We expect that the Council will consult with the Election Committee before considering changes in the VMA election ordinance or the election section of the VMA Charter in the future.

Respectfully submitted by the Chair, 2020 VMA Election Committee, May 2020.