

**VILLAGE OF MARTIN'S ADDITIONS
COUNCIL MEETING
7013 B Brookville Road, Chevy Chase, MD 20815
November 18, 2010 Minutes of Meeting**

COUNCIL MEMBERS AND VILLAGE REPRESENTATIVES PRESENT: Council Members Present: Richard Krajeck, Chris Mueller, Jill Filipczyk, Mike Zielinski. Village Manager: Jean Sperling. Asst. Manager: Deb Schmal. Attorney: Ron Bolt. Building Administrator Beal. Council member Alexander - Absent;

RESIDENTS PRESENT: Keith Allen, Natalie Neumann (Patch.com), Steve Schmal, Lynn and Natalie Welle, Sharon Hadary Coyle, Bill Catherwood, Ted Stoddard, Debbie and Henry Metzger.

CALL TO ORDER: Chairman Krajeck 7:30 PM

PRESENTATION OF FY 2010 AUDIT: Joe McCathran, LSWG

Chairman Krajeck welcomed Joseph M. McCathran, CPA with Linton, Shafer Warfield & Garrett, P.A. (LSWG), for the presentation of the FY 2010 Audit.

Mr. McCathran reported that LSWG performed the annual audit in accordance with acceptable standards for the Village of Martin's Additions and issued the report on October 14, 2010. LSWG found that the financial position for the year ending June 30, 2010 is in conformity with U.S. generally accepted accounting principles. The Audit Report includes a Management Discussion and Analysis prepared by the Village to summarize the year's results, which is a recent addition to the financial statement. The intention of this report is to simplify the more technical aspects of the audit for the general audience.

The separate Management Letter explains the responsibilities that LSWG has to obtain reasonable assurances that the financial statements are fairly presented and that there are no material errors. One indication of problems in an audit is the number and scope of audit adjustments the needed in an audit once the villages' numbers are provided to the auditors. LSWG essentially did not have to make any adjustments; they did reclassify one item of about \$14,000—a FEMA reimbursement that was posted against the snow removal expenses. There were no disagreements or difficulties in performing the audit.

Mr. McCathran provided a few highlights of the audit: total revenues for year (on the budget basis) of \$395,000 were about \$174,000 under budget (30% under budget). Expenditures were \$650,000 or \$304,000 under budget (or 32% under budget). The Village had budgeted a deficit for the year—using the existing fund balance—a drawdown of \$385,000 was planned but only \$254,000 was used. The budget drawdown was \$130,000 less than had been planned.

The big difference between budget and actual was income tax revenues; LSWG found that source of revenue has been volatile for all municipalities. Of the total shortfall in revenues, VMA was \$156,000 under budget in the account of income tax revenues; State Highway User Revenues were slashed by the state. All municipalities experienced the same revenue loss.

Key budget differences on the expenditure side include the category of general government under budget about \$16,000, public works was \$285,000 under budget, largely because street improvements were not executed. Revenues dropped about \$400,000 from almost \$800,000; again the biggest drop is in income tax. About a 50% drop this year, but last year we had about a 50% gain; almost everyone has been down over the past couple of years. Expenditures grew 12% in 2009-2010. The most significant source of expenses that every municipality experienced this past year was the increase in snow removal—about \$65,000 for Martin's Additions.

In summary, VMA is in generally good financial condition; net assets represent about 175% of one year's expenditures which is fairly typical of a municipality of our size. Total general fund assets are \$1,175,000 consisting primarily of cash in primarily conservative investments. Expenditures are well controlled by budget.

Krajeck thanked Mr. McCathern for the audit and report, who in turn praised the Village Accountant, Dan Baden, for his excellent accounting and record keeping. Normally with a small municipality the auditors have to do a lot of clean up, but Dan Baden does a terrific job before they start their audit. There were no questions.

MOTION TO ACCEPT FY 2010 AUDIT: Chris Mueller. 2nd: Jill Filipczyk ; Vote: All in favor.

RESIDENTS COMMENTS, CONCERNS & CONTRIBUTIONS

Sharon Coyle (Summit Avenue): This will be the last Council meeting that she will be attending as a resident of Martin's Additions and as an appointed member of the Elections and Ethics Committee. For 40 years she has been committed to the quality of life in this community and she has tried to contribute to that quality as much as possible. In preparing to move she came across a gavel given to her at the end of her last term on the Council and she presented the gavel to the Council, to be used as the gavel of the chairman on the Village Council. Chairman Krajeck received the gavel, noting that the timing couldn't be better since the current gavel just fell apart.

A Certificate of Appreciation was presented to Ms. Coyle that thanked her for her "lasting contributions for many years of service to the municipality of Martin's Additions as Council Member, Council Chairman and as a member of the Elections and Ethics Committee. Her support and record will endure in the history of Martin's Additions." Krajeck noted that Ms. Coyle has been the longest serving Chairman on the Council. The Village is also proclaiming the 3rd of December, 2010 as Sharon Hadary Coyle Day in the Village of Martin's Additions. Sharon has submitted a letter of resignation from the Elections and Ethics Committee, effective November 30, 2010. The Village presented a matted and framed picture of the Elections and Ethics Committee at the May 2010 Elections to Sharon.

PUBLIC COMMENTS: ORDINANCE NO. 10-10-1 TO AMEND CHAPTER 7 of the Village Code, Section 7-204(a) and (b) Changes to Snow Shoveling Requirements.

Chairman Krajeck summarized the proposed changes to the requirements for clearing the sidewalks in the Village of snow to 24 hours after the cessation of snow from the current time of 12 hours. This is more practical and aligns us with County policy. The fine for not clearing the sidewalk would be set at \$100. In keeping with the requirements for public comments on proposed ordinances Krajeck asked for public comment:

Ted Stoddard (Turner Lane): Asked if the requirements applied to paths to the front door. They do not.

Steve Schmal (Summit Ave): Wanted to lend his support to this action of the Council and urged the Council to issue citations when necessary, having given residents encouragement to shovel their walks.

There was no further discussion. It was noted that the Council cannot vote on this ordinance until the December meeting because of the Charter requirements that 30 days must pass between the introduction of an ordinance and its passage and only 29 days have passed. It will be placed on the December agenda for Council action.

BUILDING ADMINISTRATOR'S REPORT: BEAL

Construction Project Status Report: November 18, 2010

- Chestnut Street, 7216. Plan Review Meeting was held for this project. Architect, builder present and five people attended. Demolition is complete. The plans meet all Martin's Additions requirements and are now under review by the County.
- Cummings Lane, 3502. Fence permit dispute appeal was "dismissed as withdrawn". The parties to the appeal entered into a settlement agreement. Beal explained that the village doesn't regulate where fences go, it regulates the permitting of fences—that is really a zoning issue. Property line disputes are between the private property owners and ~~get~~ **are** resolved by the Board of Appeals.
- Delfield Street, 7215. Sediment control plan being developed for the property—request made to county for approval. A Fence permit has been issued by the County; Martin's Additions has not yet issued the fence permit but has notified the neighbors. Alan explained that although the neighbor to the north has voiced an objection to the fence permit we have a valid survey and permit from the County and the Village permit should be issued—there is no justification for holding it up. The Council agreed that the permit should be issued.
- Summit Ave. 7308 A second fence permit was requested for completion of fence around property.
- Quincy Street 112. Garage/shed demolition and re-build. All permits issued. Construction underway.
- Delfield Street 7315. Work is progressing on this major addition and interior renovations.
- Delfield Street, 7316. Awaiting request for bond return. Reminder sent.
- Summit Ave., 7300. Awaiting confirmation of construction completion and request for bond return. Notice sent.
- Summit Ave., 7404. Construction continues.
- Turner Lane, 3517. Construction continues.

Discussion of Front Porches: Beal

At the site meeting for the 7216 Chestnut Street house demolition and new construction, the architect and the builder noted that a front porch would have made the house more consistent with the other houses on the street. They abandoned the front porch plan because Village building regulations include front porches in the lot coverage calculation and would reduce the interior space available. The architect suggested that the Village might want to reconsider including front porches in the calculation of lot coverage. He felt that any time there is a choice between interior space or a front porch, the interior space is preferred. The result could be plain frontages on new homes.

Chairman Krajeck asked if the Land Use Task Force had this debate as they developed the ordinances. Councilmember Zielinski noted that debate was related to front yard vegetative space--in order to encourage front porches, they were excluded from the calculation for front lot vegetative coverage, but not excluded from overall lot coverage. If the Village wants to encourage front porches they should be excluded from the definition of lot coverage. The regulations are encouraging them in one regulation—front yard coverage, but discouraging them in lot coverage; probably ought to be consistent. Beal suggested that the Council make a note of this and go back and address code changes in a more global way after further review of other aspects of the code over the next year.

Discussion of Fees for Certain Size projects. Beal

The construction project at 7315 Delfield Street has raised the issue of new building fees for certain size or type of projects. Although classified as remodeling, this project is essentially a new house. It complies with the regulations that a certain amount of the first floor exterior walls remain in place to define it as a remodel, but the fees from this project were already spent before this project even started, because of complication of the site, the pre-construction meeting and on-going site visits. Major remodels such as this one take just as much time as demolition and all new construction, if not more, but the Village doesn't recoup the costs associated with the project. The construction fee structure wasn't specifically set out to recoup those fees hour for hour—in some cases there is a cost of doing business for the Village, but projects like this cost us a lot.

Beal suggested that additional square footage fees could be developed but he doesn't have a recommendation at this time; but felt it is important to keep the fee structure simple. The Council agreed to examine whether the permitting fees should be brought into line with the cost to the Village and it sounds like this is one area that should be looked at. Sperling suggested that research be done to see what other municipalities are doing with their fee structure. Beal and Sperling will report the results of that research at the next meeting. In a later comment resident Welle suggested that volume-added, rather than square footage in a remodel be considered.

Quincy/Oxford Water Project Update:

A letter has been drafted and is ready to be distributed to the parties on Quincy and Oxford Street who will be tied into the auxiliary storm water system. Additional bidders for the work are still being sought. Although a list of possible service providers has not been fully developed, the Council felt that the letter could be distributed at least to the property which is making the biggest contribution to the water problem. It was agreed that additional information can be shared as it becomes available and that the letter and all permit forms would go to the property that is causing the greatest amount of trouble. Others will follow.

Lynn Welle (Oxford Street) noted that while this is a Village project it is the responsibility of the individual owners to set up the connection boxes. Krajeck responded that the Village is trying to provide some encouragement to get the project completed; if residents do not cooperate they can be fined for creating a public nuisance. The Council does not prefer the latter approach.

ACTION ON MINUTES OF OCT 21, 2010

Motion to approve: Mike Zielinski; 2nd: Jill Filipczyk; Vote: All in favor.

ACTION ON MINUTES OF EXECUTIVE SESSION OCT 21, 2010

Motion to Approve: Chris Mueller; 2nd Mike Zielinski, Vote: All in favor

FINANCIAL REPORT FOR OCTOBER Prepared by Arthur Alexander, Treasurer; presented by Richard Krajeck, Chairman.

Income for October was \$101,865. Expenses for the month totaled \$26,988. Expenses for first four months of fiscal year: \$119,195 (budgeted: \$150,936) Net Income: \$74,877. Reserve Account: \$951,389 (137% of average FY2009-11 actual or budgeted expenditures). For the first four months of the fiscal year, expenses have been running below the budgeted amounts, particularly in the category of professional services. Revenues have been higher than budgeted; property tax revenues are a bit above expectations, and income tax revenues from previous years' late filings were unexpected. So far, so good; but winter storms have not yet arrived.

Motion to approve the financial report: Jill Filipczyk; 2nd:Mike Zielinski; Vote: All in favor.

MANAGER'S REPORT

Utility Work:

WSSC is replacing the sanitary sewer lines on a section of Delfield Street and building out the lateral connections to each home that will allow for clean-out in emergencies. Raymond Street is next. The office is trying to keep residents informed. **Water leak, sewer problems:** Still waiting on repairs to intersection of Quincy, Raymond, Bradley and Brookville from WSSC.

PEPCO outages were reported on Tuesday 11/16 in mid-section of the Village. Pepco's response was quite prompt although they needed to come back 11/17. There were also outages overnight of 11/17 related to a storm and the northern section of VMA experienced flickering lights and about a 2 hour outage.

Village Maintenance:

Street Repairs: An insurance settlement presents an opportunity to piggy back with sidewalk repairs. Council members agreed to identify tripping hazards on the streets near their homes.

Waste Management- Last Yard waste pick-up will be December 13th. Pick up will resume 3 months later-March 14th. We have negotiated two Christmas tree pick ups on the first two Mondays in January and a special yard waste pick up on that 2nd pick up day in trade for no-pick up after Thanksgiving.

Tree Report- The Village is still waiting for **PEPCO** to do the work needed to remove the limbs from the power lines; once they complete their work we'll follow with the final pruning. **Four, possibly five trees (depending on price) are to be planted this week. They are:** 3414 Shepherd (Maple), 7200 Summit (Autumalis Cherry), 7320 Delfield, (Sweet Gum), 3411 Turner (Oak).

Snow Shoveling- Mark Peyton has offered a contract to shovel the Brookville Road sidewalks at an estimated cost of about \$2,500, or half of what we have budgeted. His hourly rate is \$40—less than Mulheron's prices--and he will use power equipment whenever possible to speed up the clearance and reduce our costs. Plus, he is already here plowing the streets. There is no additional charge for the sand and calcium chloride because he already has his supplies for the winter for the Village and felt there was enough to use for the sidewalk. This is a great opportunity to try something different. Mark is completely reliable and the Village gets great service from him. If he does not need to clear the streets because there is not enough snow—essentially a “dusting”—the Brookville Road residents will have to clear their sidewalks.

Administrative Work

State Highway Users report is due to the State on December 1st.

Winter Road Maintenance Class at the UMD Technology Center was attended by the Village Manager.

Holiday Fund letter is ready to go to the printer.

Resident Issues include (1) Parking line of sight on Thornapple-Want to remove parking place, and (2) Taylor Street Traffic—want to put in bigger stop signs—the Village traffic engineer, Joe Cutro, has made some recommendations about addressing these issues and the Council supports his recommendation.

Adjournment 8:45 PM: Motion to adjourn by Zielinski, 2nd Chris. Vote: All in favor.