



# Maryland Municipal League

## *State of the League Report*

July 1, 2008 – June 30, 2009

### *Getting/Saving/Seeking/***GREEN**

By Scott A. Hancock, Executive Director

MML's 2008-2009 President, Sidney A. Katz, Mayor of Gaithersburg chose "Going Green" as his signature initiative for his year at MML's helm. At the time of Mayor Katz' theme selection, the environmentally friendly "Green" was the conventional wisdom and all the rage. But the "Green" theme took on a new meaning during a very contentious 2009 legislative session as Maryland continued to face one of the worse fiscal crises in its history.



### Following *"The Green"(\$\$)*

Maryland's 2009 General Assembly session began with all the fanfare of a typical annual gathering of lawmakers. MML's President Katz was invited to join his fellow state dignitaries on the floor of the House chamber for the traditional opening day festivities. MML hosted its first "solo" opening day reception at the Maryland Inn where municipal officials, legislators and members of the O'Malley administration renewed friendships and discussed pending municipal legislative issues. The League was able to attract sponsors who made the event possible including the City of Gaithersburg, ACS, Motorola, Giant Food, The Traffic Group, Washington Gas, Funk & Bolton, Rural Maryland Council, Jakubiak and Associates, and M&T Bank.

Maryland lawmakers had hoped that the special session of 2007 and the grueling debates and tough decisions of the 2008 regular session would set the stage for a reasonably calm 2009 General Assembly. The failing national economy and the subsequent declining state revenues painted a bleak financial picture for Maryland in 2009. Baltimore City Councilman Jim Kraft, reprising his role as Legislative Committee Chair shepherded 50 MML positions on 2009 legislation. Of those 50 bills, 33 were supported or supported with amendment and of those 33 bills, 22

successfully passed the General Assembly. Of equal importance, of the 17 bills that MML opposed during the 2009 session, only one bill passed and it passed with amendments requested by MML to mitigate the impact of the bill on municipalities.

One of the biggest League legislative victories in 2009 was the result of a budgetary issue not foreseen at the beginning of the legislative session. Although the Governor's budget did not include cuts to local government funding, the fiscal year 2010 state budget as proposed by the House and Senate Budget Committees, did include suggested cuts in highway user revenues (HUR's) exceeding 30 percent for both fiscal year 2010 and 2011. In the end MML was successful in making the case that municipalities should not bear the full brunt of a sizeable two year reduction in municipal highway user revenues and the Budget Conference Committee subsequently agreed to return to municipal governments \$8 million of the \$12 million originally proposed to be cut.

MML's priority legislation to establish a task force to study municipal and county revenue structure did not pass but was replaced with a presiding-officers created legislative workgroup on state aid to local governments. The group will study the issue in depth over the 2009 interim period and is expected to actually continue their work beyond the 2010 election.

After several years of intense debate and advocacy on the part of MML and MACo, speed monitoring legislation (radar cameras) passed the House and Senate and will become effective October, 1 2009. Local governments will be permitted to establish speed monitoring systems and retain program revenues equivalent to 10% of a jurisdictions total revenues per year after covering the cost of operating the program. Speed monitoring cameras will be permitted in school and work zones.



## Geocaching



As part of the 2007-2008 initiative to bring visitors to MML's 157 municipalities, the MML Board approved the establishment of the MML Municipal Geocache Trail during the year. The trail was officially opened on January 1, 2009. 78 cities and towns participated in the debut of the project. Members of the Maryland Geocaching Society worked with participating cities and towns across the state to approve the contents of the municipal cache, help select a suitable location for hiding the cache, plot the cache map coordinates and write the description. Under

the rules established for the Maryland Municipal League Geocache Trail, the geocacher must discover at least two city/town geocaches in each of MML's 11 districts throughout the state to be eligible to receive a one-of-kind collectible coin. A passport, required to be stamped and validated upon the discovery of a city/town cache, was made available at participating Maryland State Visitors Centers. At the end of the Board year, MML Geocache Trail hits totaled more than 10,000, earning it rave reviews from geocachers and Geocache Society members from across the country. The program continues to be an unbelievable success drawing visitors to Maryland's cities and towns by the thousands. Kudos to the 2008-2009 Communications Committee and Chair Karen Hampton, Councilwoman from College Park, for all the hard work this year.

## Convention, 2009 -


Returning to the environmentally friendly "Green" that President Katz had envisioned when he selected his theme for year, MML's 2009 Convention Planning Committee, ably lead by Chesapeake Beach Councilman (now mayor) Bruce Wahl, for the second year in a row, implemented the theme with strong will and purpose. Traditional meeting bags and padfolios were made of recycled materials, paper handouts were significantly reduced, centerpiece decorations were tree saplings and convention pens were made of corn. Four towns asked for and received training grants to attend the 2009 convention this year. This is the fifth year that MML has accepted applications from eligible member towns for scholarships to allow up to two attendees per municipality to attend the convention. There were 1693 registered attendees MML's 2009 event, 220 exhibitors filling two exhibit halls and program content strong on helping municipalities deal with the fiscal crisis in Maryland. Once again, MML made a special opportunity for department heads and employees who would not normally attend the convention to visit the exhibitors on "Commerce Day". No advance registration was necessary and for a small fee member city staff was afforded the opportunity to network with representatives from a wide variety of companies and agencies that provide products and services to municipal government.



### Of Note:

- MML's Corporate Partner program entered its fourth year seeing nearly a 38% increase in participation and nearly 23% increase in revenue. FY 2009, MML was pleased to welcome Corporate Partners Avesis, Benecon Benefits

and Consulting Group, CIGNA Healthcare, Davenport & Company, LLC and LaserCraft, Inc. during the year from July 1, 2008 through June 30, 2009.

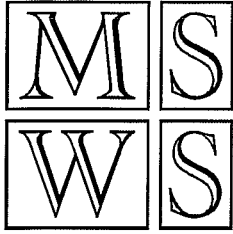
- The "If I were Mayor..." Essay Contest for 2009 drew a record 2895 entries representing 107 schools statewide. We were pleased to have Lieutenant Governor Anthony Brown recognize the 11 winners during the awards ceremony at the State House on May 12, 2009.
  - MML welcomed seven new Banner Cities in 2009 – Aberdeen, Frostburg, Oakland, Hampstead, Poolesville, Takoma Park and Salisbury. MML now has 27 Banner Cities statewide which recognizes commitment and involvement in the activities of the Maryland Municipal League.
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- The Academy for Excellence in Local Governance celebrated its tenth anniversary in November, 2008. Governor Martin O'Malley recognized the significant role of the academy in helping further educate elected and appointed officials and thereby strengthening the governance of our communities. MML is one of founding partners of the Academy.
  - MML began a new web-based compensation survey instrument during the year. Voluntary city/town participants in this valuable program can access inter-state and intra-state compensation data electronically during the year. Before the web-based program was launched, a similar labor intensive survey was completed every other year by the Institute for Governmental Service and Research at the University of Maryland with much assistance from MML staff.
  - New streaming videos publicizing the role of municipal government in Maryland and the activities of the Maryland Municipal League were produced during the year and posted to the MML website in November. This effort was in partnership with MML's Corporate Partner CGI Communications.

## **Staff Notes:**

- MML Director of Research and Information Management Jim Peck celebrated his twenty-fifth year during the report period. Jim was awarded the John Stutz Award by the National League of Cities for 25 years of Service to a State Municipal League during MML's annual convention in Ocean City.

- A new member to the MML family was added with the birth of Kara Barnes born to MML Legislative Assistant Jessica Barnes and her husband Tommy in July.
- I began my second year as the elected Regional Vice President for the International City County Management Association. This has been an honor that I have thoroughly enjoyed and has brought notoriety to the Maryland Municipal League. Maryland played host to the international ICMA Executive Board meeting in May 2009 in Annapolis.

The Maryland Municipal League enjoys credibility and respect at the highest levels of government. That achievement is due in large part to the municipal officials who have taken part in our many activities during the past year. Thanks to good teamwork and commitment, the Maryland Municipal League continues to *speak with one voice* on behalf of the 159 MML members. Thank you for your service to your association.



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October 8, 2009

To the Board of Directors of  
Maryland Municipal League, Inc.  
Annapolis, Maryland

In planning and performing our audit of the financial statements of Maryland Municipal League, Inc. as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Maryland Municipal League, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, we do not express an opinion on the effectiveness of the League's internal control.

However, during our audit we became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiency. We noted that general journal entries are not approved and not stored in a central location with supporting documentation. We recommend the adoption of a policy whereby journal entries will be reviewed and approved by the Executive Director. All entries should be initialed by the preparer and the individual approving them in order to attribute responsibility to the appropriate individuals. All journal entries should be accompanied by full explanation and by reference to adequate supporting documentation and stored together in a central location. This letter does not affect our report dated October 8, 2009, on the financial statements of Maryland Municipal League, Inc.

We will review the status of this comment during our next engagement. We have already discussed this comment and suggestion with various League personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

MULLEN, SONDBERG, WIMBISH & STONE, P.A

## STATUS OF PRIOR YEAR RECOMMENDATIONS

<u>Recommendations</u>	<u>Implemented</u>	<u>Not Implemented</u>	<u>Comments</u>
Management should review the League's document retention policy to make sure it complies with current federal and state laws and regulations.	•		
A formal conflict of interest policy should be established and signed annually by all board members and key members of management.	•		
The fraud awareness policy should be amended to include the rights of an individual who reports fraud (whistleblower policy).	•		

Maryland Municipal League, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2009

ASSETS		2009	2008
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 575,206	\$ 261,182
General fund investments		1,317,919	1,749,617
Special projects fund investments		111,997	187,663
Insurance rebates receivable		40,354	113,678
Other receivables		30,699	27,435
Prepaid expenses		10,270	14,020
Total current assets		2,086,445	2,353,595
<b>PROPERTY AND EQUIPMENT</b>			
Net of accumulated depreciation		1,576,423	1,596,807
Total assets		\$ 3,662,868	\$ 3,950,402
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 109,781	\$ 124,148
Accrued expenses		84,360	75,460
Security deposits		1,667	1,667
Deferred revenue		-	5,000
Capital lease payable		4,193	-
Note payable		44,881	47,952
Total current liabilities		244,882	254,227
<b>LONG-TERM LIABILITIES</b>			
Capital lease payable		14,442	-
Note payable		278,635	326,308
Total long-term liabilities		293,077	326,308
Total liabilities		537,959	580,535
<b>NET ASSETS</b>			
Unrestricted		1,757,747	1,959,168
Unrestricted - investment in property and equipment		1,238,465	1,222,547
Unrestricted - board designated		128,697	188,152
Total net assets		3,124,909	3,369,867
Total liabilities and net assets		\$ 3,662,868	\$ 3,950,402

The accompanying notes are integral part of these financial statements.