

**FRUITLAND CITY COUNCIL
MONDAY, JUNE 8, 2009
SPECIAL MEETING
MINUTES**

The Fruitland City Council met in work session at City Hall on Monday evening, June 8, 2009 at 7:00 p.m. with the following members present:

*President Gregory J. Olinde, Treasurer Gloria J. Ortiz, Councilor Raymond D. Carey,
Councilor Theodore O. Lokey, and Councilor Richard F. Tull.*

Also present were:

City Manager John F. McDonnell, Deputy Treasurer Amy B. Caton, and City Clerk Diane Nelson.

President Olinde called the Work Session to order at 7:00 p.m. for the purpose of finalizing the Fiscal Year 2009-2010 Budget and incorporating any revisions into the written proposal prior to its presentation tomorrow evening at the June 9, 2009 Regular Session Council Meeting.

Since the Public Hearing that was held as prescribed on May 12, 2009, Maryland State Highway Administration (SHA) municipal funding to Fruitland was reduced by a little over Thirty-two Thousand Dollars (\$32,000.00); a budget adjustment is necessary to maintain a balanced budget for presentation at the June 9, 2009 Council Meeting.

(E)

President Olinde reviewed four (4) options relevant to budget adjustments that Council had received on May 29, 2009 from City Manager McDonnell.

- Increase the amount of surplus funds to be used
- Increase the projected property tax revenues
- Eliminate the Fuel Card Dispensing System by paying for it in the current Fiscal Year 2008-2009 Budget
- Eliminate the Fifteen Thousand Dollar (\$15,000.00) Contingency Line Item

After discussion that included which components of the project were slated for which budget year, verification of available funds in the current year budget to pay for the system, a brief synopsis of the new pump operation, and then a comparison between the current tracking system and the new computerized system, **consensus was to eliminate the Fuel Card Dispensing System at Forty thousand Dollars (\$40,000.00) by paying for it in the current Fiscal Year 2008-2009 Budget. Deputy Treasurer Caton will reduce Garage Capital Outlay Expenses from Forty Thousand Dollars (\$40,000.00) to Zero Dollars (\$0.00); State Highway Aid (SHA) and Surplus from Prior Years† Revenues will be reduced Thirty-three Thousand Dollars (\$33,000.00) and Seven Thousand Dollars (\$7,000.00)† respectively.**

† The Seven Thousand Dollar (\$7,000.00) Revenue reduction was eliminated during later discussion of the Drug Policy and associated implementation expenses in favor of increasing General Services Salaries/Benefits Expenses by Seven Thousand Dollars (\$7,000.00) to budget funds for implementation of the Drug Policy.

(E)

The next topic of discussion was Councilor Tull's May 22, 2009 memorandum to Councilors which President Olinde acknowledged all Councilors had received.

Councilor Tull elaborated on his concerns that included retention of police officers, protection of the salary increment system, and negative feedback from the Fruitland Fire Department because the City did not support or help underwrite their ambulance project; his proposal for dealing with these concerns included options for employees' salary increments as well as options for a nominal donation to the Fire Department.

Discussion included the source of funding for Councilor Tull's proposal options, the employees' expectations, other municipalities' feedback, and media trends regarding salary increments given the current state of the economy, the expectation of reduced assessments, the increase in homeowner foreclosure notifications received by the City, and the long standing land issues between the Fire Department and the City.

Councilors that had sat on previous Councils acknowledged that employees had historically been treated well by the Council during better economic times.

After discussion, Councilor Tull moved to donate Five Thousand Dollars (\$5,000.00) to the Fruitland Fire Department for their ambulance project; there was no second and the motion died.

Councilor Tull then moved to donate Two Thousand Dollars (\$2,000.00) to the Fruitland Fire Department for their ambulance project; there was no second and the motion died.

Councilor Tull moved to grant employees a one-half ($\frac{1}{2}$) year salary increment effective the first full pay period in January 2010; there was no second and the motion died.

Councilor Tull then moved to grant employees a one-fourth ($\frac{1}{4}$) year salary increment effective April 1, 2010; there was no second and the motion died.

Councilor Tull then moved to re-evaluate the salary increment issue in January 2010, hopefully with a unanimous vote in favor at that time to proceed with an increment; there was no second and the motion died.

(E)

The next topic of discussion was the Drug Policy and whether it was included in the Fiscal Year 2009-2010 Budget.

Discussion focused on the status of the project, proposals received, anticipated project costs and where those costs should be allocated, designating a clear budget line item for the drug policy expense, and expending the funds to implement the project only if the project is in the budget.

After discussion, consensus was to eliminate the Seven Thousand Dollar (\$7,000.00) Revenue reduction that was slated for Surplus from Prior Years Revenue during prior discussion of the Fuel Card Dispensing System in favor of increasing General Services Salaries/Benefits Expenses by Seven Thousand Dollars (\$7,000.00) to budget funds for implementation of the Drug Policy.

(E)

Deputy Treasurer Caton then previewed for Council the three (3) ordinances that City Solicitor Mitchell was preparing for the June 9, 2009 Meeting tomorrow evening that will authorize the City to borrow money for projects that the Council had previously authorized for prior years through year ending June 30, 2009, noting that these ordinances "clean up" all un-borrowed funds since December 2006; the parameters for borrowing will be specified at tomorrow night's meeting and then fine tuned for the Public Hearings that will be scheduled for the July 2009 Meeting.

- Hayward Avenue Reconstruction and Inflow and Infiltration (I&I) Project
 - Borrowing One Million Two Hundred Thousand Five Hundred Dollars (\$1,200,500.00)

- Three Police Vehicles and Utilities Dump Truck with Special Hook-Lift System for Sewer Department Use
 - Borrowing One Hundred Twenty Two Thousand One Hundred Dollars (\$122,100.00) for Police Vehicles
(less than the budgeted One Hundred Fifty Thousand One Hundred Dollars (\$150,100.00))
 - Borrowing Ninety-Five Thousand Nine Hundred Fifty Dollars (\$95,950.00) for the Dump Truck
(less than the budgeted Ninety-Seven Thousand Five Hundred Dollars (\$97,500.00))
- Fruitland's portion of the Salisbury-Fruitland Water System Interconnect
 - Borrowing One Hundred Twenty Five Thousand Dollars (\$125,000.00)
(less than the budgeted Two Hundred Twenty-Five Thousand Dollars (\$225,000.00))

(E)

Final discussion included the cost effectiveness and practicality of charging nominal expenses to the City's vendors' accounts payable versus expensing the nominal charges from the City's Petty Cash Fund and the employees that would be attending the upcoming Maryland Municipal League (MML) Annual Conference in Ocean City, Maryland.

City Manager McDonnell noted that the policy he had initiated eight (8) months ago, requiring department heads to obtain his pre-approval for expenditures exceeding Five Hundred Dollars (\$500.00) prior to incurring the expense, is still in place as a means to monitor City spending and to promote frugal spending for essential purchases only.

With no further business to discuss, on motion made by Councilor Lokey seconded by Treasurer Ortiz with a unanimous vote in favor, the work session adjourned at 7:52 p.m.

Diane C. Nelson
Diane C. Nelson, City Clerk
Approved, May 11, 2010 dcn