

**FRUITLAND CITY COUNCIL
TUESDAY, JUNE 8 2010
MINUTES**

The Fruitland City Council met in regular session at City Hall on Tuesday evening, June 8, 2010 at 7:30 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 Solicitor Andrew C. Mitchell Jr., Chief of Police Michael J. Phillips, Deputy Treasurer Amy B. Caton, Public Works Director P. Cooper Townsend, Director of Public Utilities Joseph P. Derbyshire, Code Enforcement Officer Joe Vogel, Administrative Assistant Linda J. Powell, and City Clerk Diane C. Nelson.

Our guests included:

Dale m. Jones, Sr., Mac A. Dale, Mindy Bankert, Bob Marvel, James Stringer, Mildred Griswold, Philip and Norma Lea Culp, Joyce Jones, Les Katona, Sam Ennis, Ray and Barbara Mariner, Joe Jimmerson, Emil and Joann Kasper, Al and Lilly Herz, Kerry Nelson, Lee Whittington, Richard Lee Outen, John Bonas, Leland Bonneville, Earl Holland of the Daily Times, Brock Parker of Parker & Associates, Chuck Nichols, Robin Townsend, Ed Otter, and Brian Jones of the Fruitland Volunteer Fire Company.

President Olinde called the meeting to order at 7:30 p.m. and welcomed all in attendance. Treasurer Ortiz delivered the opening prayer, and all recited the Pledge of Allegiance.

President Olinde acknowledged receipt of the minutes of the Regular Meeting of May 11, 2010, calling for additions or corrections. As there were none, **Councilor Lokey moved to adopt all the minutes as presented; Councilor Tull seconded and the motion passed on a unanimous vote in favor.**

Treasurer Ortiz delivered the Treasurer's Report.

Cash on Hand 5/01/10	\$ 149,956.57
Deposits	569,710.34
Transfer from Savings	<u>100,000.00</u>
Subtotal	\$ 819,666.91
Disbursements	(535,775.02)
Transfer to Savings	<u>(250,000.00)</u>
Total Ending 5/31/10	\$ 33,891.89

Councilor Carey moved to accept the Treasurer's Report as presented. Councilor Tull seconded and the motion passed on a unanimous vote in favor.

City Clerk Nelson delivered the City Manager's Report which included upcoming meetings and events scheduled during the month of June 2010 and mention of the City's regular election to be held Monday, October 4, 2010. The seats now held by Councilors Olinde, Lokey and Tull will be up for contest and candidates may begin filing during the first full week of July; the 2010 Election Schedule will be available in its entirety on the City Website.

Chief Phillips delivered his report for the month of May 2010, noting fluctuations in crime statistics and service calls from prior periods; he acknowledged that the Fruitland Police Department had won in its category, the Maryland Law Enforcement "Chiefs' Challenge" Award, a program sponsored by the Maryland Chiefs of Police Association, the Maryland Sheriffs' Association and the Maryland State Highway Administration's Highway Safety Office, which recognizes excellence in traffic safety enforcement as well as an Agency's overall impact on public safety.

Code Enforcement Officer Vogel delivered his report for the month of May 2010 which included statistics for all types of correspondence, meetings, housing inspections, building permits, certificates of occupancy, code violations, and violation notifications.

Utilities Director Derbyshire reported on the status of the slip-lining project currently under way, which has significantly reduced leaks into the Sanitary Sewer System; he quoted statistics gathered over a Four (4) week period which supported a Thirty Percent (30%) reduction in flows of ground water leakage into the Sanitary Sewer System. He explained the significance of this reduction in terms of restoring capacity at the Waste Water Treatment Plant (WWTP), which increases Equivalent Dwelling Units (EDUs) available for new development. He concluded by indicating the ongoing departmental efforts which will always be necessary to reduce Inflow and Infiltration (I & I), which respectively represent leaks into the system from extraneous water sources and seepage into the system through faulty pipes.

UNFINISHED BUSINESS

1. Paid Bill Report

President Olinde acknowledged receipt of the paid bill report. As there were no questions, **on a motion made by Treasurer Ortiz that was seconded by Councilor Carey, the paid bills were approved as listed by a unanimous vote in favor.**

2. Adoption of Fiscal Year 2010-2011 Budget and Fees

President Olinde acknowledged that the Budget Public Hearing held in May 2010 elicited good input from the Public which led to good discussion and dialogue between the Council and Fruitland Citizens. He summarized combined Council, Staff, Auditor, and Citizen Efforts made since the May 2010 Council Meeting, to reduce proposed increases in this Year’s Budget; he made specific mention of those line items which had changed as a result of the aforementioned efforts.

President Olinde then began the budget adoption process with the Water Department Budget and Fees, detailing the major components which comprise the One Million One Hundred Seventy-six Thousand Dollars (\$1,176,000.00) of revenue that will balance the budget and in turn offset the same amount in listed expenditures.

a) Adopt Water Department Budget and Fees

President Olinde then presented the Water Rates and Fees imposed to balance the budget, which this year now include separate Residential and Non-Residential Categories.

<u>Water Rates & Fees:</u>	<u>RESIDENTIAL</u> *	<u>NON-RESIDENTIAL</u> *
Base Rate-first 8,000 gallons (<i>minimum</i>):	\$70 per quarter **	\$85.00 per quarter **
Overage Rate per 1,000 gallons (<i>over minimum</i>):	\$2.00 per 1,000 gallons **	\$3.00 per 1,000 gallons **

* amended since 5/11/10 Budget Hearing

** Effective October 2010 Quarter

Water Annual Front Foot Assessment: \$.40 per lineal foot (*billed quarterly*)

On a motion by Councilor Tull that was seconded by Councilor Lokey, the Water Department Budget and Fees for Fiscal Year 2010-2011 were approved as presented by a unanimous vote in favor.♦

♦President Olinde acknowledged for the record that there was no discussion among Councilors regarding this motion.

President Olinde continued the budget adoption process with the Sewer Department Budget and Fees, detailing the major components which comprise the Two Million Two Thousand Six Hundred Dollars(\$2,002,600.00) of revenue that will balance the budget and in turn offset the same amount in listed expenditures.

Sewer Impact Fee: \$4,500.00 per Equivalent Dwelling Unit (EDU)

On a motion by Councilor Tull that was seconded by Councilor Lokey, the Sewer Impact Fee was adopted as presented for Fiscal Year 2010-2011 by a unanimous vote in favor.

e) **Adopt Capital Improvements Budget**

President Olinde continued the budget adoption process with the Capital Improvements Budget for Fiscal Year 2010-2011, commenting on specific projects listed and their impact on this Fiscal Year as well as subsequent Fiscal Years.

After discussion, **on a motion by Councilor Carey that was seconded by Councilor Lokey, the Capital Improvements Budget for Fiscal Year 2010-2011 was adopted as presented by a unanimous vote in favor.**

f) **Adopt Five-Year Capital Improvements Plan**

President Olinde continued the budget adoption process with the Five Year Capital Improvement Plan for Fiscal Years 2010-2015, noting that Preliminary Engineering for the Sludge Handling Project had been added in Fiscal Year 2010-2011 since the May 2010 Meeting.

On a motion by Councilor Tull that was seconded by Councilor Lokey, the Five-Year Capital Improvement Plan for Fiscal Years 2010-2015 was adopted as presented by a unanimous vote in favor.

President Olinde then announced that *"The 2010-2011 Budget is so approved."* The Council displayed consensus with that statement.

3. **Drug Policy –Update**

City Solicitor Mitchell summarized that of the original Four (4) person committee assigned to work on the Drug Policy only he and Councilor Lokey remained, as both City Manager McDonnell and Assistant to the City Manager/Special Projects Coordinator Nock had recently tendered their resignations. With Budget deliberations now concluded, Solicitor Mitchell anticipated meeting with Councilor Lokey to resume working on the Drug Policy, reporting back to Council as progress was made.

4. **New Police Building-Update**

Chief Phillips reported on the status of the plan review process, noting a minor delay experienced due to incomplete forwarding of all plans once submitted to the United State Department of Agriculture (USDA) for review.

5. **Tax Differential-Update**

At the May 2010 Meeting, President Olinde summarized the efforts and events surrounding the Tax Differential issue that ultimately led to the Council authorizing at its April 2010 meeting, a letter be sent to the Wicomico County Executive copied to the County Council stating Fruitland's case for the tax differential.; it has now been approximately Two (2) months with no response to the letter. President Olinde noted several of the in-kind, non-monetary methods which the City proposed the County consider as a means to appropriate the tax differential funds back to the City of Fruitland. President Olinde advised citizens that Fruitland would continue efforts to pursue the differential and would provide monthly updates regarding those efforts.

6. Award Asphalt and Concrete Needs Contracts

City Solicitor Mitchell summarized the bid process which led to the bid opening in May when it had been reported at the May Council Meeting that the usual Two (2) bidders had submitted quotes, N. R. Harrison for Asphalt Needs and Worth Construction for Concrete Needs. City Solicitor Mitchell and Public Works Director Townsend, after reviewing both contracts, recommended awarding each contract as bid for the respective Asphalt and Concrete Needs of the City of Fruitland.

On a motion by Councilor Tull that was seconded by Councilor Lokey and approved by a unanimous vote in favor, N. R. Harrison was awarded the City's Asphalt Needs Contract and Worth Construction the City's Concrete Needs Contract.

7. Energy Contract Extension-Update

President Olinde reported that although the Council had received updated information from both the current energy supplier and a prospective energy supplier, the Budget process had precluded scheduling a meeting to evaluate the new information prior to tonight's meeting; the Council would like more time to review the material and therefore table this issue until a later meeting.

On a motion by Councilor Tull that was seconded by Councilor Lokey and approved by a unanimous vote in favor, the Council tabled discussion of the Energy Contract Extension issue until the July 2010 Council Meeting.

8. Other

President Olinde acknowledged that the Council was moving forward in appointing a New City Manager, having held interviews as recently as last night; there was no further information to update at this time.

NEW BUSINESS

1. Rowens Mill – Final Plat Approvals-Brock Parker

a. Re-Subdivision of Lots 15-25

Brock Parker presented the Re-Subdivision request on behalf of Blair Rinnier and Rowens Mill, citing market conditions as the basis for the request that would allow Mr. Rinnier to offer more moderately priced and styled single family homes that would meet current market demand yet still maintain the original premise for the high end gated community. The Re-Subdivision of Lots 15 through 25 on Ringgold Road near the Community Building would accommodate several different single family home products while still remaining conforming lots; the Planning Commission approved the Final Plat as presented at its March 2, 2010 meeting.

On a motion by Councilor Lokey that was seconded by Treasurer Ortiz and approved by a unanimous vote in favor, the Council granted Rowens Mill Final Plat Approval for the Re-Subdivision of Lots 15 thru 25 as presented.

b. Re-Subdivision of Lots 37-52

Brock Parker presented a plat for the Re-Subdivision of Lots 37-52, which will transform "duplex" lots into "single family home" lots. He called attention to a minor revision in the Plat, subsequent to the Planning Commission granting Final Plat approval at its April 6, 2010 Meeting to the plans now before the Council. After confirming with Utilities Director Derbyshire that water meters had already been installed on the "duplex" lots, Mr. Parker inserted a slight break in property lines between Lots 47-48 and Lots 49-50

to allow for the installed water meters to be located on the property they service; Mr. Derbyshire clarified why this revision was especially appropriate and beneficial to the homeowner, given a homeowner's responsibility for water issues on his or her side of the meter. Councilor Lokey polled Planning Commission Chairman Bonneville for his opinion regarding the revision that had not been on the Plat reviewed and approved by the Planning Commission; Chairman Bonneville was in agreement with the revision and Councilor Lokey concurred.

On a motion by Councilor Lokey that was seconded by Councilor Tull and approved by a unanimous vote in favor, the Council granted Rowens Mill Final Plat Approval for the Re-Subdivision of Lots 37-52, with the minor revisions to lot lines between Lots 47-48 and Lots 49-50 as presented.

2. Recreation Commission

a. Agreement of Lease-Fruitland Falcons Football, Inc

Recreation Commission Chairman Kerry Nelson summarized that an insurance audit of the lease agreement determined that changing all references in the lease from "football" to "youth sports" would allow more comprehensive liability coverage for the organization, since the football program has evolved to encompass other sports programs in addition to just football. In discussing the change in terminology with City Solicitor Mitchell, extending the lease agreement was also discussed as a way to safeguard the organization's significant capital investment in the property as well as safeguard the continuity of the programs for community participants.

Solicitor Mitchell confirmed the several changes in the lease which include a change in the acreage, a change from football to youth sports, a change in the length of the lease, and changes where appropriate which reflect current persons involved with the lease at this time.

There being no discussion, **on a motion by Councilor Lokey that was seconded by Treasurer Ortiz and approved by a unanimous vote in favor, the Council approved the lease, contingent upon Solicitor Mitchell presenting a final copy of the lease for Council President Olinde's signature.**

b. Nominations for Appointment to the Recreation Commission

Recreation Commission Chairman Kerry Nelson presented the Recreation Commission's unanimous recommendations for appointment to the Commission, which included Kim Marshall for re-appointment, and Sheila Nichols and Samantha Miles as new appointees.

There being no discussion, **on a motion by Councilor Lokey that was seconded by Councilor Tull and approved by a unanimous vote in favor, the Council appointed the Three (3) nominees to the Recreation Commission as presented.**

Chuck Nichols noted from the audience that Boy Scout Toby Schramm has completed construction on Twelve (12) new picnic tables that have been placed near the New Pavilion at the Park.

3. Easton, Maryland Postal Service Processing and Distribution Facility-Discussion

City Clerk Nelson summarized the inherent issues with the possible closure of the Easton, Maryland Postal Service Processing and Distribution Facility in favor of moving operations to the Baltimore area, noting that the Fruitland City Council had been approached to lend their support in opposing the closure of the facility.

After discussion, **on a motion by Councilor Lokey that was seconded by Treasurer Ortiz and approved by a unanimous vote in favor, the Council approved the drafting of a letter under the signature of Council President Olinde in opposition of the closure of the Easton, Maryland Processing and Distribution Facility.**

4. Other

Treasurer Ortiz acknowledged receipt of a thank-you letter from the Wicomico County Housing Authority (WCHA) thanking Fruitland for representation at a recent open house held by the WCHA to showcase their current rehabilitation efforts on properties in the community, sharing excerpts of the letter pertinent to Fruitland.

City Solicitor Mitchell then offered a brief update on the tax-exempt status of the WCHA owned properties located in Fruitland.

President Olinde requested Solicitor Mitchell follow up the Tax Differential issue as addressed in the letter sent to County Executive Pollitt and to report his findings back to Council.

PUBLIC COMMENT/GENERAL DISCUSSION

Comments from the public included a question regarding Fruitland's Water and Sewer rates compared to other municipalities' rates, which generated discussion regarding Fruitland's Water/Sewer rates, facilities and operations compared to others' rates, facilities and operations.

President Olinde responded to questions posed by Sam Ennis regarding a software issue recently discussed in a Council Work Session that would allow for "stress analysis" to enhance and improve our Water/Sewer Rate Structure in setting minimum usage and overage fees for both Residential and Non-Residential users that would be equitable to all, and an issue regarding whether local businesses which have installed equipment to bottle and sell Fruitland Water to consumers, should be assessed a licensing fee to do so.

After identifying himself, Joe Jimmerson posed a question regarding Fruitland's funding strategies in support of the Five-Year Capital Improvements Plan, which generated discussion regarding grant funding options available and the timing and impact of State of Maryland cuts in funding to municipalities; mention was also made of the Audit Committee established earlier this year to deal with budgetary and financial issues in conjunction with review of the annual audit and Fruitland's efforts in concert with the Fruitland Economic Development Commission (FRED) and the Salisbury Wicomico Economic Development Commission (SWED) to bring new businesses to the community.

With no further business to discuss, **on motion made by Councilor Carey that was seconded by Councilor Tull and approved by a unanimous vote in favor, the meeting adjourned at 9:10 p.m.**

Diane C. Nelson
Diane C. Nelson, City Clerk
Approved, July 13, 2010 dcn