

The Fruitland City Council met in Regular Session at City Hall on Tuesday, June 14, 2011 at 7:30 p.m. with the following members present:

*President Richard Lee Outen, Jr., Treasurer Darlene Kerr, Councilor Raymond D. Carey, and Councilor Edwin A. Cowell*

Also present at the table were:

*City Manager Rick D. Konrad, Assistant City Manager / City Clerk Diane C. Nelson, Deputy Treasurer Amy B. Caton, Sgt. Christopher D. Shockley, and City Solicitor Andrew C. Mitchell Jr.*

Also present in the audience was:

*Public Works Director Joseph P. Derbyshire*

Our guests included:

*Bob Marvel, Amanda Pollack of George, Miles, and Buhr (GMB) and the Fruitland Chamber of Commerce, Chuck Nichols, Richard F. Tull, and John Bonas*

President Outen called the meeting to order at 7:30 p.m. and welcomed all in attendance; he then invited all to join him in reciting The Lord’s Prayer followed by The Pledge of Allegiance.

President Outen then acknowledged receipt of the minutes of the Regular Meeting of May 10, 2011 and the Special Meeting of June 1, 2011, calling for additions or corrections. As there were none, **Treasurer Kerr moved to adopt the minutes as presented; Councilor Cowell seconded and the motion passed on a four to zero vote in favor.**

**Treasurer Kerr** delivered the Treasurer’s Report.

Cash on Hand 5/01/11	\$ 100,834.70
Deposits	600,096.37
Transfer from Savings	<u>100,000.00</u>
Subtotal	\$ 800,931.07
Disbursements	(451,158.81)
Transfer to Savings	<u>(150,000.00)</u>
Total Ending 5/31/11	\$ 199,772.26

**Councilor Cowell moved to accept the Treasurer’s Report as presented. Councilor Carey seconded and the motion passed on a four to zero vote in favor.**

**City Manager Konrad** delivered the City Manager’s Report, which was followed by presentation of Departmental Reports from **Sgt. Shockley and Public Works Director Derbyshire.**

Of particular note in Departmental Reports was acknowledgement of Fruitland achievements at the recent Maryland Municipal League (MML) Convention, the possibility of equipment sharing between the County and local municipalities in an effort to deal with cutbacks in government and related services, recent notifications that Fruitland had been awarded grant funding for the Water Tower Rehabilitation Project\* and a Capacity Management Plan (Efficiency Study) for the Water System, recent notification from the Wicomico County Board of Education (WCBOE) to move forward with the Camden Interceptor Project, and an update on the status of the selection of the K-9 Dog for the Police Department.

*\*Solicitor Mitchell interjected that Council is aware that a Budget Amendment would be necessary when grant funding is finalized since the project was not put directly into the Budget for this Fiscal Year.*

**UNFINISHED BUSINESS**

**1. Paid Bill Report**

President Outen acknowledged receipt of the paid bill report. As there were no questions, **on a motion made by Councilor Carey which was seconded by Treasurer Kerr, the paid bills were approved as listed by a four to zero vote in favor.**

**2. Adoption of Fiscal Year 2011-2012 Budget and Fees – Action Item**

City Manager Konrad began the budget adoption process with the Water Department Budget and Fees, detailing the major components which comprise the Nine Hundred Ninety-One Thousand Three Hundred Dollars (\$991,300.00) of revenue that will balance the budget and in turn offset the same amount in listed expenditures.

**a. Adopt Water Department Budget and Fees**

Mr. Konrad then presented the Water Rates and Fees imposed to balance the budget, which remain the same as last year:

<u>Water Rates &amp; 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

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

Water Tap Installation Fee: \$4,200.00

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

Reconnect Charges for Water Services: \$25.00 for regular business hours  
\$50.00 for after hours, weekends and holidays

Late Charge for Water Accounts: \$25.00 fee for not paying by the stated deadline on bill

After discussion, **on a motion by Councilor Carey which was seconded by Councilor Cowell, the Water Department Budget and Fees for Fiscal Year 2011-2012 were approved as presented by a four to zero vote in favor.**

City Manager Konrad continued the budget adoption process with the Sewer Department Budget and Fees, detailing the major components which comprise the Two Million One Hundred Thirteen Thousand Four Hundred Dollars (\$2,113,400.00) of revenue that will balance the budget and in turn offset the same amount in listed expenditures.

**b. Adopt Sewer Department Budget and Fees**

Mr. Konrad then presented the Sewer Rates and Fees imposed to balance the budget, which remain the same as last year:

<u>Sewer Rates &amp; Fees:</u>	<u>RESIDENTIAL</u>	<u>NON-RESIDENTIAL</u>
Base Rate-first 8,000 gallons ( <i>minimum</i> ):	\$110 per quarter	\$135.00 per quarter
Overage Rate per 1,000 gallons ( <i>over minimum</i> ):	\$2.00 per 1,000 gallons	\$3.00 per 1,000 gallons

<b><u>Sewer Annual Front Foot Assessment:</u></b>	<b>\$1.50 per lineal foot (<i>billed quarterly</i>)</b>
<b><u>Sewer Tap Installation Fee:</u></b>	<b>\$3,300.00</b>
<b><u>Sewer Impact Fee:</u></b>	<b>\$4,500.00 per Equivalent Dwelling Unit (EDU)</b>
<b><u>Bay Restoration Fee†:</u></b>	<b>†Mandated by State of Maryland</b>
<b>Residential Accounts</b>	<b>\$7.50 per quarter</b>
<b>Commercial Accounts</b>	<b>Based on EDUs (\$7.50 minimum)</b>

After President Outen acknowledged Council’s successful efforts in maintaining Utility Rates and Fees with no increases this Fiscal Year and its commitment to examining the overall Utility Rate Structure in conjunction with Public Comment during the coming year, **on a motion by Treasurer Kerr which was seconded by Councilor Carey, the Sewer Department Budget and Fees for Fiscal Year 2011-2012 were approved as presented by a four to zero vote in favor.**

City Manager Konrad continued the budget adoption process with the General Operating Budget and Fees, detailing the major components which comprise the Six Million Four Hundred Thirty Thousand Dollars (\$6,430,000.00) of revenue that will balance the budget and in turn offset the same amount in listed expenditures.

**c. Adopt General Operating Budget**

Mr. Konrad then presented for vote the Rates and Fees imposed to balance the General Operating Budget, which remain the same as last year.

- i) **Adopt Personal Property Tax Rate:** \$1.76 per \$100 assessed value

As there was no discussion, **on a motion by Councilor Carey which was seconded by Councilor Cowell, the Personal Property Tax Rate for Fiscal Year 2011-2012 was approved as presented by a four to zero vote in favor.**

- ii) **Adopt Real Estate Property Tax Rate:** \$.80 per \$100 assessed value

As there was no discussion, **on a motion by Treasurer Kerr which was seconded by Councilor Carey, the Real Estate Property Tax Rate for Fiscal Year 2011-2012 was approved as presented by a four to zero vote in favor.**

- iii) **Adopt Mobile Home Park Tax Rate:** 15% of Gross Monthly Charges (*excluding tax*)

As there was no discussion, **on a motion by Councilor Carey which was seconded by Councilor Cowell, the Mobile Home Park Tax Rate for Fiscal Year 2011-2012 was approved as presented by a four to zero vote in favor.**

- iv) **Adopt Sanitation Fees:** \$44.25 per quarter (*Residential*)  
\$132.75 per quarter (*Commercial*)

As there was no discussion, **on a motion by Treasurer Kerr which was seconded by Councilor Cowell, the Sanitation Fees for Fiscal Year 2011-2012 were approved as presented by a four to zero vote in favor.**

- v) **Adopt Returned Check Fee:** \$35.00\*

*\*Solicitor Mitchell clarified that the Returned Check Fee applies only if the Payor responds to the City generated Notice to Pay, however if the City must pursue the Payor to recover the funds, then the City is limited by the State Statute which is considerably higher.*

As there was no discussion, **on a motion by Councilor Carey which was seconded by Treasurer Kerr, the Returned Check Fee for Fiscal Year 2011-2012 was approved as presented by a four to zero vote in favor.**

vi) **Adopt General Operating Budget in its Entirety**

After adopting the individual components of the General Operating Budget, **on a motion by Councilor Cowell which was seconded by Councilor Carey, the General Operating Budget for Fiscal Year 2011-2012 in its entirety was approved as presented by a four to zero vote in favor.**

d. **Adopt Capital Improvements Budget**

City Manager Konrad continued the budget adoption process by presenting the Capital Improvements Budget for Fiscal Year 2011-2012, commenting on specific projects listed and their impact on this Fiscal Year as well as subsequent Fiscal Years.

As there was no discussion, **on a motion by Treasurer Kerr which was seconded by Councilor Cowell, the Capital Improvements Budget for Fiscal Year 2011-2012 was approved as presented by a four to zero vote in favor.**

e. **Adopt Five-Year Capital Improvement Plan**

City Manager Konrad continued the budget adoption process by presenting the Five-Year Capital Improvement Plan for Fiscal Years 2012-2016, commenting on specific projects listed and acknowledging that listing projects on the Five-Year Capital Plan positioned the City to move forward with those projects should funding become available; he made special mention that Fruitland Police Vehicles are now going to be acquired through a Lease Program instead of a Capital Purchase.

After discussion, **on a motion by Councilor Cowell which was seconded by Treasurer Kerr, the Five-Year Capital Improvement Plan for Fiscal Years 2012-2016 was approved as presented by a four to zero vote in favor.**

*Prior to turning toward New Business, President Outen acknowledged Councilor Cowell's prior commitment at which time Councilor Cowell took his leave.*

**NEW BUSINESS**

1. **New Recreation Commission Members – Amanda Pollack, Lynn Creasy, Dizzy Bromley - Action Item**

City Manager Konrad presented the Recreation Commission's recommendation for the appointment of Amanda Pollack, Lynn Creasy, and Dizzy Bromley to the Commission, as Fruitland Chamber of Commerce Representatives on the Recreation Commission.

As there was no discussion, **on a motion by Councilor Carey which was seconded by Treasurer Kerr and approved by a three to zero vote in favor, Council appointed Amanda Pollack, Lynn Creasy, and Dizzy Bromley to the Recreation Commission, as Fruitland Chamber of Commerce Representatives on the Recreation Commission as presented.**

2. **Re-Subdivision of Lots 22A, 23A & 24A of Rowens Mill (Brock Parker)**

Brock Parker was not in attendance as anticipated, but given the straightforward nature of his minor Re-Subdivision request, coupled with the fact that this type of request historically comes before the Council as a courtesy even though the Planning Commission has jurisdiction over the matter, City Solicitor Mitchell summarized Mr. Parker's presentation to the Planning Commission at its June 7, 2011 Meeting, in which he requested to reduce the footprint of Lot24A by Twelve (12) Feet and to re-distribute those excess Twelve (12) Feet between Lots 23A and 22A to increase the footprint of each of those lots; all lots would remain conforming lots and water and sewer service have not yet been installed at any of the lots.

City Manager Konrad confirmed that there was no opposition presented at the June 7, 2011 Planning Commission Meeting when the Commission recommended approval to the City Council of the re-subdivision as requested.

There being no further discussion, **on a motion by Treasurer Kerr which was seconded by Councilor Carey and approved by a three to zero vote in favor, Council approved the Re-Subdivision of Lots 22A, 23A & 24A of Rowens Mill as presented.**

**3. Public Works Building Rehabilitation Project – Doors – Action Item**

City Manager Konrad acknowledged Council’s receipt of the bid tabulation for the Two (2) Overhead Doors with Electric Motors as well as the revised budget for the Public Works Building Rehabilitation Project which is being funded by insurance proceeds from the loss of the building in the fire at the Public Works Complex in January 2011, summarizing that RD Grier is the low bidder at Four Thousand Nine Hundred Dollars (\$4,900.00); Mr. Konrad then requested Council award RD Grier the bid.

After discussion, **on a motion by Councilor Carey which was seconded by Treasurer Kerr and approved by a three to zero vote in favor, Council awarded the bid for the Overhead Doors to RD Grier in the amount of Four Thousand Nine Hundred Dollars (\$4,900.00) as presented.**

**4. Other-Alternate Paving for New Police Building –Action Item**

City Manager Konrad summarized that there had been an Alternate Paving Bid included in the overall bid package for the impound area of the New Police Building and the driveway leading toward the impound lot. Plans presently show the area to be finished with CR-6 crushed run stone but allow for the Alternate Paving if the project budget permits. Mr. Konrad indicated that it would be wise to pave it now because it will have to be done eventually and the alternate paving bid at Thirty-One Thousand Two Hundred Dollars (\$31,200.00) is a good price; he requested Council permission to proceed with the Alternate Paving.

After discussion, **on a motion by Councilor Carey which was seconded by Treasurer Kerr and approved by a three to zero vote in favor, Council approved the Alternate Bid for additional paving as presented.**

**Public Comment/General Discussion**

Public Comments generated discussion on property upkeep ordinances, enforcement, issues with specific properties, and the potential outsourcing of City tasks associated with property cleanup, the status of the codification project, the tax differential issue with the County and possible scenarios which might recover the differential for Fruitland Taxpayers, and the County Tax Sale date and associated processes when a property is sold.

In closing, President Outen again acknowledged his satisfaction with the budget and reiterated Council’s commitment to evaluating the overall Utility Rate Structure in pursuit of a more equitable application of the rates across the board for everyone. He thanked all Fruitland employees for their good work, cost saving measures, and pursuit of grant funding which contributed to Council’s success in *holding the line* for this Fiscal Year’s Budget.

With no further Public Comment, General Discussion, or business to discuss, President Outen thanked all for attending prior to calling for a short recess at 8:45 p.m. to clear the Council Chambers so the Council could go into Closed Session to discuss personnel matters.

... ..

At 8:52 p.m. the City Council reconvened in open session with the following members present:

*President Richard Lee Outen, Jr., Treasurer Darlene Kerr, and Councilor Raymond D. Carey*

Also present were:

*City Manager Rick D. Konrad, Assistant City Manager/City Clerk Diane C. Nelson, and City Solicitor Andrew C. Mitchell Jr.*

There were no guests in the meeting.

**Then on a motion made by Treasurer Kerr which was seconded by Councilor Carey and approved by a three to zero vote in favor, Council moved to go into closed session to discuss personnel issues and seek legal advice.**

**On motion made by Councilor Carey which was seconded by Treasurer Kerr and approved by a three to zero vote in favor, Council reconvened in open session at 10:38 p.m.** where it was reported that while in Closed Session the Council along with the City Manager, Assistant City Manager/City Clerk, and City Solicitor had engaged in discussion regarding Personnel Issues including Leave Benefits, Hours Worked, and Educational Bonuses, and had received legal advice, with no action taken by the Council at this time.

With no further business to discuss, **Treasurer Kerr moved to adjourn. Councilor Carey seconded, and with a three to zero vote in favor, the meeting adjourned at 10:40 p.m.**

*Diane C. Nelson*

Diane C. Nelson, Asst. City Mgr. / City Clerk

*Approved, July 12, 2011 dcn*