

## Proposed 2009-2010 Budget for the City of Fruitland

FOR IMMEDIATE RELEASE  
Fruitland, Maryland  
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The Fruitland City Council will hold its annual public hearing on the 2009-2010 fiscal year budget at its regular meeting Tuesday, May 12, 2009. The City Council will approve the final budget at the June meeting.

Two separate funds, general operating and utility, comprise the budget. While the general operating fund budget is not final, the Council is pleased to announce that in these very tumultuous times no tax or rate increases are anticipated. Within the general operating fund, there are no salary increases for city staff, yet the city is not planning any furloughs or downsizing. The City is planning to construct a new building to house its police department on land it owns on South Division Street not far from City Hall and has budgeted \$2.5 million to pay the cost of design and construction. Included in that amount are funds to remodel the existing City Hall facilities to provide more space for the Finance Department and additional office space for use by other departments once the police department relocates to its new facilities.

The utility budget has proven to be much more challenging. The cost to operate full service water treatment and wastewater treatment plants continues to escalate. The cost of energy, chemicals and elevated standards imposed by Maryland Department of the Environment are the primary culprits which increase costs. Though the City hasn't increased water and sewer user fees in four years, the budget proposes significant increases in the upcoming two budget cycles.

For the 2009-2010 budget, the base user rate for the water utility is proposed to increase from \$45 per quarter to \$65 per quarter (8,000 gallons minimum). Water usage over the minimum will increase from \$1.25 per 1,000 gallons to \$1.50 per 1,000 gallons. The impact fee will increase from \$3,750 per Equivalent Dwelling Unit (EDU) to \$4,500 per EDU. The proposed budget does not call for a change to the \$0.40 per lineal foot annual front foot assessment.

Likewise, the base user rate for the sewer utility is proposed to increase from \$65 per quarter to \$95 per quarter (8,000 gallons minimum). Like water, the over minimum charge will be increased from \$1.25 per 1,000 gallons to \$1.50 per 1,000 gallons. The annual front foot assessment will be changed from \$1.38 per lineal foot to \$1.50 per lineal foot. Lastly, the sewer impact fee will be increased from \$3,750 per EDU to \$4,500 per EDU.

Council President Greg Olinde states "The City Council and staff are sensitive to the fact that these significant changes in the water and sewer utilities will impact our residents and wish they were not necessary in this economy. However, the City has delayed the increases for a number of years. At its core, the water/sewer utilities are designed to be enterprise funds. That is, the true cost of the utility should be paid for by the collection of

user rates and fees on an equal basis. The proposed increases are necessary to accomplish that goal.”

In general, base user rates and fees are utilized to pay for the operational cost of each utility. Front foot assessments pay for debt reduction. Impact fees are used to pay for capital outlay and/or debt used to pay for capital outlay for growth.