

The Fruitland City Council met in Regular Session at City Hall on Tuesday, January 10, 2017 at 7:30 p.m. with the following members present:

President Darlene Kerr, Councilor Roland Palmer, Councilor Charles Nichols and Councilor Mark Miciotto.

Also present at the table were:

City Manager John Psota, Chief Michael Phillips, Deputy Treasurer Mark Swift, City Clerk Raye Ellen Thomas and City Solicitor Andrew Mitchell.

Our guests included:

Public Works Director Mike Gibbons, Reverend Dana Stauffer, Katherine McAllister and Bunky Luffman from the Governor's Intergovernmental Affairs Eastern Shore Liaison.

President Kerr called the regular Council meeting to order at 7:30 p.m. and welcomed all in attendance. All recited the Lord's Prayer and the Pledge of Allegiance.

President Kerr acknowledged receipt of the minutes of the Regular Meeting of December and called for additions or corrections. As there were none, **Councilor Palmer moved to adopt the minutes as presented; Councilor Nichols seconded and the motion passed on a vote of four to zero.**

President Kerr delivered the December Treasurer's Report. For December 2016, the City recorded \$108,000 in revenues. The total billed revenues for the fiscal year are now \$5.1 million, including real estate taxes and two quarters of utility billing. The City incurred \$1,045,000 of expenses for the month, including \$180,000 of expenses for the Main Street and Brown Street paving projects and \$180,000 for the Maryland State Retirement contribution. The total expenses for the fiscal year to date are \$3.3 million. The net loss for the City for the month of December is \$930,000 and the net income for the fiscal year to date is \$1.7 million. **Councilor Miciotto moved to accept the Treasurer's Report as presented. Councilor Palmer seconded and the motion passed on a vote of four to zero.**

Chief Phillips gave the Police and Code Enforcement reports. During the Police report Chief Phillips told the Council that while Corporal Arnold was working tonight he stopped a vehicle from New York and seized 600 cartons of illegal cigarettes and \$2000.00 in cash.

As to the Morris Street project City Manager Psota stated that due to the holidays, he and Katherine McAllister from GMB had not been able to reach out to the property owners on Morris Street regarding the rain garden. They will be working on contacting them in the near future. Paving will be done in the spring from Leslie to Cedar. Councilor Palmer asked if the projects for Morris Street had already been approved by the Council. City Manager Psota stated that yes the engineering for the rain garden was approved and the paving was approved in the budget for FY 16 – 17. City Manager Psota advised that he had emailed Weston Young, Public Works Director of Wicomico County, in reference to the recycling bins, next to City Hall, stating that there were no objections from either the City or the Fruitland Volunteer Fire Company regarding relocating them to another location. Mr. Young advised that it would be placed on a list to be moved. City Manager Psota presented a list of the City's accomplishments for 2016.

Public Works Director Gibbons stated Main Street concrete work phase B, is complete. The road striping has been completed on South Brown Street and that paving is now complete. The Shady Lane water tower has been disinfected and is being filled this week, and should be on line by the middle of January.

Deputy Treasurer Swift stated that the annual financial audit, which was prepared by Wigglesworth, Layton, Moyers & Chance, P.C., was completed last quarter and concluded that the City continues to be financially strong. For the fiscal year ending June 30, 2016 the City's net financial position, which is all of the City's assets and infrastructure less outstanding debts and liabilities, was \$25,357,140 representing a 9.43% increase from 2015. In addition to the audit report, there is a written report called the auditors' communications, which is focused less on the numbers and more on the fiscal policies and procedures. The comments given in this report are separated into three different degrees of severity; material weaknesses which are the most severe, significant deficiencies are less severe and general comments are suggestions on ways to improve. In recent years the City has had 7 material weaknesses, 2 significant deficiencies

and 10 general comments. For the fiscal year 2015/2016 audit the City had 1 significant deficiency and 2 general comments. This not only shows the progress the Finance Department has made but also has saved time and money for the City as well as the auditors. This year's audit was completed a month earlier than 2015's and is the earliest the audit has been completed in over 30 years. It also represents a 45% decrease in audit fees from two years ago, and a 35% decrease from last year's audit. This efficiency has been due to the Finance Department streamlining processes and to better tracking of the City's financial state throughout the year.

UNFINISHED BUSINESS

1. Paid Bills

President Kerr acknowledged receipt of the paid bill report. **On a motion made by Councilor Palmer and seconded by Councilor Nichols the paid bills were approved by a vote of four to zero.**

2. Water Plant Upgrade

City Manager Psota stated that today was the deadline for request for qualifications (RFQ). Qualifications have been received from 4 engineering firms. They are GMB, NCS Engineers, Rauch Incorporated and Whitman, Requarat and Associates (WRA). A yet to be determined board will be assembled and the RFQ's will be evaluated and ranked with the results reported at the next Council meeting.

3. IT Discussion

Chief Phillips advised that he has a meeting scheduled with Vantage Point on Thursday January 12, 2017 to discuss contract terms and to plan for the transition. Chief Phillips will update Council at next meeting.

4. City Hall LED Sign Update

City Manager Psota stated that bids were due on January 5th. Three bids were received, and the lowest bid of \$19,950.00 was from Atlantic Sign. City Manager Psota would like to move forward with Atlantic Signs and also two upgrades. The upgrades should be under \$500.00. He is seeking approval for Atlantic Signs to furnish the sign and enter into a contract not to exceed \$20,450.00. **On a motion made by Councilor Palmer to approve the contract be awarded to Atlantic Sign with a \$500.00 upgrade not to exceed \$20,450.00, and authorizing City Manager Psota to sign contract, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

5. Comcast Fiber Optic Discussion

City Manager Psota reminded the Council that after a lengthy discussion at last month's Council meeting, approval was obtained to go forward with the Comcast proposal for bundling the City's phone line to offset the cost of Comcast providing fiber optic internet to the City. Since then, the City required additional time to finalize the agreement. Comcast provided an extension until January 18th. City Solicitor Mitchell advised that he has reviewed the fiber optic contract with only a few minor questions.

6. Small Cell Tower/Verizon

City Solicitor Mitchell stated there should not be an issue with the specific request from Verizon, due to it being on private property in place of an existing tower, and is under the height requirement. City Manager Psota will ask that a representative for Verizon attend the next Planning Commission meeting with specifications and plans. Separately, City Solicitor Mitchell advised that Mobilities, a small cell tower provider, has filed a petition with the Federal Communications Commission asking them address small cell tower issues.

NEW BUSINESS

1. Swear in New Police Officers

City Clerk Thomas administered the oath of office to Christopher (Keith) Newton and Patrick Hogan for their positions as Police Officers.

2. Resolution 1 – 2017

City Solicitor Mitchell proceeded to read resolution number 1- 2017. A resolution that specifically names those City employees and elected officials authorized by Council to act on behalf of the City in regard to its various and sundry bank accounts. The resolution identifies Darlene Kerr - Council President, Gloria Ortiz - Council Treasurer, John Psota – City Manager, Mark Swift – Deputy Treasurer and Sheila Dennis – Finance Coordinator as authorized signers. **On a motion made by Councilor Nichols to pass resolution 1 -2017 to be effective January 11, 2017 as read by City**

Solicitor Mitchell, seconded by Councilor Palmer, the motion was passed by a vote of four to zero.

3. **Check Signatures**

Deputy Treasurer Swift stated that also in the auditor's communications by Wigglesworth, Layton, Moyers and Chance was a recommendation that check signatures on the City's payments to vendors actually be done by those authorized by the Council and those who have reviewed the payment requests. Currently the checks are stamped with a stamp containing the signatures of the Council President and the Treasurer, although the reviewing may have been done by someone else. Two signatures are still required and the Council will continue to review all vendor payments at the end of each month. The request is to add the Deputy Treasurer, Finance Coordinator and the City Manager as signatories. The plan is to have stamps ordered with the signatures of those approving to sign. Upon receipt, the stamps will be kept under lock and key by each person until needed for use. **On a motion made by Councilor Palmer to name Sheila Dennis and Mark Swift to be the primary designated signers on vendor checks and to allow the City to obtain stamps for all authorized users and be secured as stated, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

4. **Budget Amendment Approvals**

Deputy Treasurer Swift stated that another auditors' recommendation is for the Council to make budget amendments throughout the year, by resolution, for unexpected revenue and expenses. This will exhibit that the City is being financially responsible throughout the year, not just budget time. Deputy Treasurer Swift advised that he will present a list of amendments, in resolution form, at the next Council Meeting.

5. **Request For Water Meter Purchase**

City Manager Psota and Public Works Director Gibbons gave the Council an overview of the City's current water meter situation. At issue is the increasing rate in which the batteries located in the meter heads are dying. There are approximately 2800 water meters in the City, most of which were replaced in 2003, and that they have lasted years past their estimated battery life. Approximately 800 have been replaced the past two years. At the current rate, approximately 150 are dying each billing quarter. Additionally the City has used its stock, including the 150 meters recently approved by the Council. A larger issue is the fact that the current meter heads we use with a battery life of 20 years are being phased out, industry wide, and new software will be needed to read the next generation meters. Council President Kerr asked if the 20 year meters going in the ground now will still be functional if the City goes with cellular or the upgraded meters. City Manger Psota advised that they would be, but they will require new software programs. Councilor Miciotto asked if purchasing the new meters would increase the water bill. City Manger Psota advised it would not raise rates. Public Works Director Gibbons provided clarification by explaining and demonstrating with a water meter, that it is not the meter itself that is failing; it is the meter head that contains an irreplaceable battery unit and sending unit. City Manager Psota advised that in the near future he and Public Works Director Gibbons would be providing the Council with a meter replacement plan, to include the possibility of switching to a cellular meter reading option. After discussion, City Manager Psota requested the approval to purchase 300 meters from NMA (Nation Meter Automation) for \$139.73 per unit and not to exceed \$42,000.00 **On a motion made by Councilor Miciotto to purchase 300 water meters from National Meter Automation not to exceed \$42,000.00 with money from the water reserve account, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.**

6. **North Brown Street One Way North Discussion**

City Manager Psota advised that he has received concerns from citizens regarding issues with North Brown Street. Specifically, the narrowness of the road, the increasing amount of traffic and the speeding of vehicles. As growth has expanded along South Brown Street to include the recreation fields, tournaments and Crown Sports Center, North Brown Street has become a busy conduit to these areas. Upon study and inspection by Public Works and the Police Department a possible remedy is to make North Brown one way heading north to St. Luke's Road. The Public Works Director will be checking with the Board of Education to see how it would affect the school buses. City Solicitor Mitchell advised that an ordinance would have to be approved in order to make North Brown Street one way. City Manager Psota follow up at the February Council meeting.

7. **Other**

Council President Kerr read a letter received from the Fruitland Community Center, written by Alexis Dashield,

thanking the Council for the recent donation.

Public Comment/General Discussion

Bunky Luffman announced his new position as Intergovernmental Affairs Eastern Shore Liaison. Mr. Luffman also stated that Delegate Anderton wanted everyone to know that he will be in the Legislation session that opens tomorrow. He will be pushing for highway revenue to be restored.

With no further business to discuss or comments, **on a motion made by Councilor Nichols to adjourn at 8:43 p.m., seconded by Councilor Palmer the motion passed by a vote of four to zero.**

Raye Ellen Thomas

Raye Ellen Thomas / City Clerk

Approved, February 14, 2017
