

The Fruitland City Council met in Regular Session at City Hall on Tuesday, June 13, 2017 at 7:30 p.m. with the following members present:

President Darlene Kerr, Treasurer Gloria Ortiz, Councilor Roland Palmer and Councilor Mark Miciotto.

Also present at the table were:

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

Our guests included:

Public Works Director Mike Gibbons, Katherine McAllister, Dana Stauffer and Tom Robinson.

President Kerr called the regular Council meeting to order at 7:30 p.m. and welcomed all in attendance. Treasurer Ortiz offered prayer and all recited the Pledge of Allegiance.

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

Treasurer Ortiz delivered the May Treasurer's Report. For May 2017, the City recorded \$264,547 in revenues, including \$75,000 of income taxes. The total billed revenues for the fiscal year are \$6.9 million, including real estate taxes and four quarters of utility billing. The City incurred \$509,048 of expenses for the month including \$67,000 to pay off a loan. The total expenses for the fiscal year to date are \$6 million. The net deficit for the City for the month of May is \$244,502 and the net income for the fiscal year to date is \$918,575. **Councilor Miciotto moved to accept the Treasurer's Report as presented. Councilor Nichols seconded and the motion passed on a vote of four to zero.**

Chief Phillips gave the Police and Code Enforcement reports.

City Manager Psota advised that the USSSA tournament is scheduled July 12 -29th at the park, and National Night Out is scheduled for August 1st also at the park.

Public Works Director Gibbons gave an update of the ongoing projects within the City.

UNFINISHED BUSINESS

1. **Paid Bills**

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

2. **Morris Street Drainage and Paving Project Update and Contract Approval**

Public Works Director Gibbons advised that the soil borings have been received and were good on the Carey property for drainage. Katherine McAllister will be working on plans to engineer the rain garden on the Carey property.

3. **Water Treatment Upgrade/Well Update**

Public Works Director Gibbons stated that a test well will be placed at the Water Treatment Plant that will also be the location of the future production well. Monitoring wells will be placed on the other side of Morris Mill pond; some existing wells will be used. Advanced Land and Water is continuing their study.

4. **City Hall Exterior Rehab Bid Approval**

Public Works Director Gibbons stated that the City had advertised for bids in the Daily Times for the rehab of the exterior of City Hall. Two bids were received with Allstate Construction being the low bidder for a total of \$ 44,900. **On a motion made by Councilor Miciotto to award the City Hall exterior rehab to Allstate Construction not to exceed \$49,500 including the 10% contingency, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

5. **Cedar Commons Public Works Agreement**

City Solicitor Mitchell advised that a developer, Amber Ridge II, LLC, is interested in buying 15 lots in Cedar Commons Development. Amber Ridge II, LLC has been before the Planning Commission to obtain what work will need to be completed in order to build on the lots. Also Katherine McAllister from GMB has reviewed the scope of work that would need to be completed. City Solicitor Mitchell and the Council have reviewed the Public Works Agreement. **On a motion made by Councilor Palmer to allow Council President Kerr to sign the Cedar Commons Public Works Agreement once the term 3 years has been changed to 5 years, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

6. **Other**

Councilor Miciotto advised that he had previously spoken with Chief Phillips regarding the parking issue on Hayward Avenue. Councilor Miciotto and Chief Phillips would not be opposed to having no parking at all on both sides of Hayward Avenue. A discussion followed among the Council and was decided that this matter will be tabled until the July meeting, so the Council can research further.

7:40 p.m. Public Hearing- Fiscal Year 2017-2018 Budget

President Kerr asked Deputy Treasurer Swift to present the Fiscal Year 2017 – 2018 Budget.

Deputy Treasurer Swift presented the proposed budget in writing and reviewed each section of the same stating the following:

a. **Sanitation**

In the Sanitation Department all fees will remain the same, with no increase as presented on page 5 of the budget. **On a motion made by Treasurer Ortiz to approve the Sanitation Department Budget and Fees for Fiscal Year 2017 – 2018 as presented, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.**

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

Deputy Treasurer Swift advised in the Water Department, there were no changes in the user fees for the upcoming year as presented on page 2 of the Budget. On pages 4 and 5 of the budget, it explains the late fee and reconnect charge that is changed this year. The late charge will be added as of the due date not the cut off day and will remain at \$25.00, the reconnect charge for disconnect of nonpayment will be \$50.00 instead of \$25.00. **On a motion made by Councilor Palmer to approve the Water Department Budget and Fees for Fiscal Year 2017 -2018 as presented, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

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

The rates and service fees for the Sewer Department are listed on page 2 of the budget and also page 5. There are no changes in the user or any other fees for the upcoming year. **On a motion made by Councilor Palmer to approve the Sewer Department Budget and Fees for Fiscal Year 2017 – 2018 as presented, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

d. **Adopt General Operating Budget Rates and Fees**

Deputy Treasurer Swift advised the rates for the General Fund are on page 3 of the Budget.

The Real Estate Tax has decreased to \$0.9465 per \$100 assessed value.

The Military Veteran's Tax Rebate of \$50.00 will still be offered and those who have previously filed do not need to file again. **On a motion made by Treasurer Ortiz to approve the Real Estate Property Tax Rate for Fiscal Year 2017 – 2018 as presented, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.**

The Personal Property Tax Rate will remain the same at \$1.92 per \$100 assessed value. **On a motion made by Councilor Palmer to approve the Personal Property Tax Rate for Fiscal Year 2017 – 2018, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

The Mobile Home Park Tax will remain the same at 15% of gross monthly charges (Excluding Tax). **On a motion made by Treasurer Ortiz to approve the Mobile Home park tax Rate for Fiscal Year 2017-2018 as presented, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.** Deputy Treasurer Swift advised that there

were no other changes to the General Fund fees and Charges.

i. Adopt General Operating Budget in its Entirety

Deputy Treasurer Swift advised that on page 6 and 9 of the Budget is the breakdown by Departments. There are no major changes other than a decrease in projects that the Highway department is doing. **On a motion made by Councilor Miciotto to approve the General Operating Budget for Fiscal Year 2017 – 2018 in its entirety as presented, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

e. Adopt Capital Improvements Budget

Deputy Treasurer Swift advised on page 10 of the Budget the Capital Improvements plan projects are listed. The cost is broken down per project. **On a motion made by Councilor Palmer to approve the Capital Improvements Budget for Fiscal Year 2017 – 2018 as presented, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

f. Adopt Five-Year Capital Improvement Plan

Deputy Treasurer Swift stated on page 11 is the five year Capital Improvement Plan. As there were no questions, **on a motion made by Councilor Miciotto to approve the Five –Year Capital Improvement Plan for Fiscal Year 2017-2018 as presented, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.**

*****Budget is available online or at City Hall*****

City Manager Psota advised that a letter will be sent to all residents and property owners regarding the changes to the budget and highlighting the \$25 fee for water bills.

NEW BUSINESS

1. Memorial Benches/Paver Brick Fundraiser – Fruitland Little League

Tom Robinson, a board member of the Fruitland Little League, approached the Council regarding approval to have benches and pavers in the park. The Little League would like to host a fund raiser selling memorial benches and pavers and they will provide all the maintenance that would be needed. After 10 years the benches would be returned to the purchasers. Council President Kerr stated if vandalism occurred or maintenance was needed it would be Fruitland Little League’s responsibility and not the City’s. Mr. Robinson clarified that yes, Fruitland Little League will take care of it. The Council agreed that Fruitland Little League could proceed with the fundraiser once a contract was obtained between the City and Fruitland Little League. Mr. Robinson will obtain more information and make contact with Public Works Director Gibbons, City Manager Psota and City Solicitor Mitchell. City Manager Solicitor suggested that the City and Little League split the cost of preparing the contract.

2. CIS Server Purchase Ratification

Chief Phillips stated that one of the main computer servers at the Police Department was not properly working. The information from that server was transferred to another server at the Police Department until a new server could be purchased. Chief Phillips had received approval to purchase a new server, however the cost has increased to \$12,021 with labor and installation and he is asking to ratify the price. City Manager Psota advised that this is a sole source. **On a motion made by Councilor Miciotto to ratify the purchase of the CIS Server in the amount of \$12,021 from Vantage Point as the sole provider as determined by City Manager Psota, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

3. Wicomico County/City of Fruitland Emergency Water Usage Agreement

City Manager Psota stated that this is an annual agreement that is ratified each year between Wicomico County and the City of Fruitland. The purpose of this agreement is to provide an understanding between these two parties regarding their roles an expectations in planning for and responding to disaster/extraordinary situations in Wicomico County. It can be anticipated that there may be a need to address emergency water supplies for some County residents due to both human made and natural disaster. **On a motion made by Councilor Miciotto to allow Council President Kerr to sign the Wicomico County/City of Fruitland Emergency Water Usage Agreement as outlined by City Manager Psota, seconded by Treasurer Ortiz, the motion was passed by a vote of four to zero.**

4. W.L.M. & C. Auditor Engagement Letter Approval

Deputy Treasurer Swift advised that he has received the upcoming audit engagement letter for year ending June 30, 2017 from Wigglesworth, Layton, Moyers and Chance. The audit will begin in August and should be completed no later than November 1st. The cost should not exceed \$30,000. City Manager Psota, City Solicitor Mitchell and Deputy Treasurer Swift have all reviewed the letter and it is their recommendation that City Manager Psota sign. **On a motion made by Councilor Palmer to approve the Auditor Engagement Letter to be signed by City Manager Psota as the exempt source, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

5. City Health Insurance Renewal

City Manager Psota stated that City Health Insurance for employees renews on August 1st. This will be the third year that the City enters into a partially self funded plan. The charter exempts insurance from bidding requirements. Due to low claims this year, there is a reduction in the total bottom line stop loss number. City Manager Psota requests authority to renew the health care plan with the same benefits as this year, with no cost increase to the employee, renew with Hollister as the broker, Integra as the administrator of the plan for Cigna Health Network, quoted at \$489,112. Additionally Guardian, which provides vision and dental insurance quoted at \$33,592 for the vision and dental plan. He is also requesting that any documents or contracts from Hollister, Guardian, Integra or Cigna be signed by him after review if warranted by the City Solicitor. **On a motion made by Treasurer Ortiz to renew the City Health Insurance with no increase to employee, same benefits, renew with Hollister as the broker, Integra as the administrator of the plan for Cigna Health Network and Guardian, and allow City Manager to sign any or all papers after review by City Solicitor, Councilor Palmer seconded, and the motion was approved by a vote of four to zero.**

6. Budget Amendments

Deputy Treasurer Swift read Resolution 9-2017 and Resolution 10-2017. Resolution 9-2017 amends the General Fund Budget and Resolution 10-2017 amends the Utilities Fund Budget. **On a motion made by Councilor Miciotto to approve Resolution 9-2017 as read by Deputy Treasurer Swift, seconded by Councilor Palmer, the motion was approved by a vote of four to zero. On a motion made by Councilor Palmer approve Resolution 10-2017 as read by Deputy Treasurer Swift, seconded by Councilor Miciotto, the motion was approved by a vote of four to zero.**

7. Annual Planning Report

City Solicitor Mitchell advised the annual planning report was prepared by Administrative Assistant Powell and reviewed and approved by the Planning Commission and now needs to be sent to the Maryland Department of Planning. City Solicitor Mitchell read the report. **On a motion made by Treasurer Ortiz to approve the Annual Planning report to be signed by Commission Chairman Leland Bonneville, seconded by Councilor Palmer, the motion was approved by a vote of four to zero.**

8. Other

Public Works Director Gibbons advised that the bladder tank on the Geo-thermal heat pump at City Hall needed replacing. While completing the work it was determined that the submersible well pump needs replacing. Public Works Director Gibbons had received two bids at this time with Daisy Well Drilling being the lowest bidder at \$ 3078. This would include a pump, new motor and the wire to the motor with a two year warranty. **On a motion made by Councilor Miciotto to replace the submersible pump not to exceed \$3100, seconded by Treasurer Ortiz, the motion was approved by a vote of four to zero.**

Public Comment/General Discussion

Pastor Dana asked who she needed to contact to be able to participate in National Night Out, Chief Phillips advised for her to call him.

With no further business to discuss or comments, **on a motion made by Councilor Palmer to adjourn at 8:56 p.m., seconded by Councilor Nichols the motion passed by a vote of five to zero.**

Raye Ellen Thomas
Raye Ellen Thomas / City Clerk
Approved, July 11, 2017