

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
August 12, 2013

The Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, August 12, 2013.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Douglas Morrow, Sr. and James Starling, Sr. & Katrina Wilson

City Manager Richard Carmean, Police Chief Keith Hudson and City Clerk/  
Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:01 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Gleysteen to approve the minutes of the June 11, June 12, June 25, July 8, July 22, July 31 and August 7, 2013 council, committee and public meetings as submitted. Motion carried.

RECOGNITION

No special guests were present.

MONTHLY POLICE REPORT

After Police Committee Chairman Morrow presented the monthly police report on behalf of Chief Hudson, Mr. Pikus moved to accept the report as submitted, seconded by Mr. Shupe. Motion carried.

CITY MANAGER REPORT

Mr. Carmean read the following report into record:

*ADMINISTRATION*

*I am happy to report we settled on the PNC property on Friday, August 2, 2013. I thank our solicitor for working with me to allow that to happen so quickly. I intend to immediately begin the process of making the changes needed to adapt the space to suit our billing operations. I will report a schedule for moving our billing office to that location as soon as I know the dates.*

*I don't feel the current setup lends itself to security for our employees. I plan to make some changes for councils' approval before we move forward.*

*ELECTRIC*

*Materials for our substation project are arriving by the truckload. We have started utilizing the warehouse space we recently rented and it has made the inventory of the materials easy to track. The project should be completed by late fall.*

*The staff has been working on the off-site printing and mailing of our utility bills. The first mailing of the new billing format was sent out on Friday, August 9, 2013. I have included an example of the bill. Mayor and Council can bring any changes they feel are necessary to my attention and we can institute those changes in the next cycle. I think the layout of the information to our customers regarding their usage and costs is clear and more informative than in the past. I added the return receipt at the bottom of the page which will help with automation on cashiering.*

*This has been an ongoing project for over more than a year. The majority of our residents will receive the redesigned bill tomorrow. It will be mailed approximately one day later versus when it had to be mailed from Dover.*

#### **SEWER AND WATER**

*The demolition is progressing very satisfactorily and the work should be completed ahead of schedule. We will be proceeding with the bidding process for the next phase of the project in the very near future which is the demolition of the water plant.*

*I was on site this morning during which time they uncovered some nasty materials from the old coal bins. I made an on-site decision it was not necessary to dig out some areas that would be needed had the billing department been built there. This will result in a substantial savings. The vacant property where the billing department was planned can now be easily utilized for a city parking lot. This parking lot can be used for the farmer's market or community festivals instead of the parking lot off Northeast Front Street.*

*I will be bringing the plan back before council to approve the changes from the original plan.*

Mr. Pikus asked if the water pumps are gone at the South Washington Street site; Mr. Carmean said everything is gone and the new pumps will be installed along the back of the lot.

Erik Retzlaff of Davis, Bowen and Friedel explained that the new building will actually be placed more toward the rear corner of the property closest to the Salvation Army which is further away from the street and river.

Mr. Pikus asked about the well in front of the building; Mr. Retzlaff noted that well #1 will remain. He explained the treatment process and pump have been removed. They will be completely rebuilt with the treatment system and facility.

Mr. Retzlaff further explained that the old pumps behind the building were pulled out and though they attempted to salvage the motors, the additional work needed was not cost effective in comparison to the new technology and more efficient pumps.

He reported that the demolition should be completed before the end of September.

He also noted that the bid had been awarded to drill the well on the site behind city hall. With the purchase of PNC, they will now be relocated to the tower site once some investigatory work is completed. The pipe will then be installed that will connect to the treatment facility. Currently, they are awaiting finalization on the location.

He anticipates at the earliest, this project being completed at the end of next year.

Mr. Carmean advised there was a huge savings by moving that well to the PNC site. The controls and equipment that had to be installed behind city hall already exist at the tower site. Some panels may be needed though that will be minor. In addition, the street behind city hall will not have to be disturbed.

The city manager said he would like to build a cupola around the well in place of the concrete slab that currently exists

in front of the new treatment plant site. He will bring those plans back before council for later approval.

In addition, he believes the parking lot can be built with the funds earmarked that were previously earmarked for the administrative building that is no longer needed.

*The Washington Street sewer pump station rebuild is also coming along on schedule. The bypass pumps are working with no problems of capacity even with the recent heavy rains. I am happy that these two much needed facilities are able to be moved forward at the same time, since being located so close to each other could have not allowed that to happen.*

When asked for comments on the new bill, Mr. Gleysteen commented it is very similar to Delaware Cooperative's bill.

Mr. Pikus moved to accept the city manager's report, seconded by Mr. Grier. Motion carried.

#### COMMITTEE & WARD REPORTS

Economic Development Chairman Grier advised his committee will meet this Thursday (August 15<sup>th</sup>) at 5:00 p.m. At that time, David Wilk of Innovation Park will make a presentation at his request.

Mr. Starling thanked Mr. Pikus after explaining the Food Bank had some food they were giving away. They were able to provide approximately 200 dinners to those in need.

#### COMMUNICATIONS & CORRESPONDENCE

Included in packet.

#### UNFINISHED BUSINESS

##### *FOIA Issues/Miscellaneous Meetings/Gatherings of City Council/Solicitor Rutt*

Mr. Rutt advised that Assistant City Solicitor James Sharp attended a previous council meeting at which time the FOIA matter was discussed. There was a suggestion that a workshop or meeting be scheduled to discuss FOIA.

He noted that the Delaware Attorney General's office has come down with some very important decisions that need to be relayed to council. In addition to FOIA, he recommends discussing meeting procedures and ethic issues. He recommends that in addition to council, the planning commission and board of adjustment members attend. He also recommends it be scheduled as a separate workshop with only these items to be discussed.

Mr. Pikus said it is important that council be made aware of what is happening in other towns. He feels a lot of FOIA problems are the result of the lack of information.

Mr. Pikus moved that the city manager schedule the meetings with the city solicitor and three bodies discussed, seconded by Mr. Shupe. Motion carried.

Mr. Rutt said Councilman Brooks had also raised a question about Delaware League, SCAT and other events where a quorum of council frequently attended. He referenced the calendar that Kent County Levy Court publishes on its website that lists any event where a quorum of levy court members was possible. The solicitor agrees that would provide sufficient notice to the public.

Mayor Rogers directed the city manager to select a date for an upcoming workshop.

*Approval of Revised Redner's Market Agreement (Gasoline Pumps)  
Approval of Redner's Market Escrow Agreement*

Mr. Carmean reported that Randy Duplechain from DBF has been negotiating with the Redner's representatives. They changed the original agreement previously approved by city council and wanted an escrow fund established. Today, they stated that if the project was not completed in six months, they would pull the escrow to prevent their monies from being held for an indefinite period. Mr. Duplechain explained the city is unable to accept a time line because at this point, we have no way of knowing how long it will take to complete the process.

He then read the latest e-mail sent by Mr. Duplechain:

*I just spoke to Redner's representative and their attorney. I think there has been a misunderstanding as to what constitutes project approvals. We have therefore agreed to work thru the language in both agreements in the next week or so and then place the issue on the next City Council meeting agenda in two weeks. Therefore, please remove the Redner's Agreement from tonight's agenda.*

Mr. Carmean asked that this matter be postponed with the hope it can be voted on at the next meeting.

Ms. Wilson moved to postpone action on the Redner's Agreement and Escrow Agreement until the next meeting, seconded by Mr. Starling. Motion carried.

#### *Approval of Boys & Girls Club Agreement/Athletic Field*

Mr. Carmean reported there were two separate agreements for the Boys and Girls Club and this one was overlooked. Mr. Rutt and he discussed this agreement earlier today noting a few concerns.

Mr. Rutt explained the agreement before council gives the Boys and Girls Club an exclusive license to use the soccer fields, athletic fields and playgrounds for a certain period of time. There is a playground currently under construction. A lot of the funding came from DNREC, various legislators and private foundations. Longwood Foundation contributed \$200,000 toward the project.

Some of the restrictions require the playground be full accessible at all times (considering it is in a public area). The condition in the agreement states the Boys and Girls Club has exclusive use of the park for twenty hours. He pointed out that if a child were to show up in a wheelchair and were told that by not being a member of the Boys and Girls Club, they could not use the equipment, the city would have a real problem. It could create issues with the Americans with Disabilities Act and also the funding agencies. Some of those agreements state that if there are violations, they can call the money back. Mr. Rutt feels the playground is large enough to accommodate the number of children who wish to use it with plenty of room to spare.

His concern is the wording 'exclusive access' to the fields and playgrounds.

Mr. Pikus noted that the Can-Do Playground belongs to the city and asked the reason for the contract. Mr. Rutt said he thought the field was fully accessible at all times for the Boys and Girls Club. The contract states it would be a reciprocal type of agreement that they could use the playground and field facilities. In turn, the city would be able to utilize their property or the club. It also discusses the use of parking spots, displays, maintenance, etc. They do not have to pay for the maintenance. However, they would be responsible for having their own equipment. To that extent, Mr. Rutt feels the agreement is appropriate. However, he has a major concern with the fact the club would have exclusive use and could deny someone.

The solicitor also pointed out the agreement states the Boys and Girls Club would indemnify and hold the city harmless if a child was hurt when using they were using it. He advised that the club is required to have insurance which benefits the city.

Mr. Pikus asked who wrote the agreement; Mr. Rutt said the first time he saw it was when he opened the council packet. Mr. Carmean is sure either the Boys and Girls Club or their attorney handled it.

Ms. Wilson recalls the original agreement dealt with the gymnasium, pool and locker room. Mr. Carmean said he learned that is now a separate agreement. We found out about the second agreement when the Boys and Girls Club questioned whether or not it had been signed. This is a new, second agreement that applies to the outside areas on the site.

Mr. Rutt also noted that the agreement states the city 'shall', at its own expense, construct an outdoor basketball court and beach volleyball court on the premises.

Mr. Pikus feels we need to take a closer look at the agreement. Mr. Gleysteen confirmed we are already paying \$29,000 to \$30,000 a year and are not getting that much more; now we are required to build additional courts.

Mr. Pikus explained the fee, which increased by a few thousand dollars, covers the use of the gym and pool. He does not understand why we are required to build basketball courts outside when they have them inside. We are already leasing the building.

Ms. Wilson does not recall ever talking about outside basketball courts and asked how that got in the agreement.

Mr. Pikus said there are too many unknowns and requests in this lease that we are unable to comply with especially related to funding issues. Mr. Carmean agreed and recommends we not sign the agreement.

Mr. Pikus moved to postpone action on the request, seconded by Ms. Wilson. Motion carried.

#### *DBF/Engineering/On-Call Services*

Mr. Carmean recalled the Public Works Committee meeting held last week during which time he discussed this matter. He noted that DBF has been our on-call engineering firm for many years. However, he was unable to find where formal action had ever been taken by city council.

He compared 'on-call' services to when the city clerk or the city manager has a legal question and contacts our city solicitor. In addition, our Public Works Director contacts DBF on a daily basis with engineering questions.

The city manager explained that when we abolished our in-house engineering position, we needed somewhere to go to get answers. Mr. Gleysteen asked what other firms are available as potential alternates. Mr. Carmean is familiar with URS and Century Engineering. Mr. Gleysteen asked if they are local; Mr. Carmean said they are not local and believes one is in Dover and the other in Georgetown. At this point, he did not look any further because we had a firm in town that he could call or walk to or that allowed Mr. Dennehy to stop at anytime. DBF can easily go to one of our projects to check things just as Erik Retzlaff did today at the water plant.

Mr. Gleysteen said he would like to know how their rate schedule compares to alternatives. Mr. Carmean said the last time he looked about three years ago, the rates were all about the same. The problem is if we hire another engineering firm, we have to send them to DBF for an answer the majority of the time.

Mr. Carmean also noted that with regard to the on-call situation, DBF has never nickel and dimed us by charging each time we talk to them. If we ask them to engineer a large project, we are charged their hourly fees as we should be.

He said that several years ago, we considered the outside engineering costs we were paying and decided to hire an on-staff engineer. But over the years, we continued to use their services.

Ms. Wilson feels it is appropriate to review their rates periodically. However, it sounds as though they are currently providing the best service for us right now.

Mr. Carmean pointed out that DBF is also the contractual engineer for a number of other municipalities. He is bringing that up because the other municipalities vet their costs too. If the other towns are happy, he is even more comfortable with their fees.

Mr. Retzlaff then informed council that DBF is the contractual on-call engineer for Georgetown, Rehoboth Beach, Selbyville and Bridgeville. They understand the difficult financial positions municipalities are in today. He advised that DBF's municipal rate schedules have not changed since 2006 though their rates for developers changed as recent as last year. Most of the engineering services are at the senior engineer level. Private development pays approximately \$190 an hour whereas the municipal rate for a senior engineer is \$135.

Mr. Retzlaff also understands the difficult position where a municipality is unable to afford a full-time engineer on staff.

Mr. Gleysteen then moved to approve DBF as our on-call engineering firm, seconded by Ms. Wilson. Motion carried.

*Water System Improvements/Drinking Water State Revolving Fund Loan (DWSRF)*

Mr. Carmean referenced the PowerPoint that he had Erik Retzlaff prepare for presentation to the Public Works Committee last week. One of the items discussed was the water system improvements and DWSRF loan. The city has been approved for a loan of up to \$3.5 million at 1.5%. Some of the projects we are able to fund through our reserves. If we can do the projects with this money, the reserves would still be available for the northwest water project that the city was unable to do the past six or seven years. He advised the water pressure is very low in the Baltimore Air Coil area and the city business park. The Tenth Street tower works well though most of the supply is centered on the center and opposite end of town.

He asked that council look toward the future by immediately starting the northwest project which will include a tower treatment facility, more storage and some underground piping.

Mr. Retzlaff advised that the application was prepared last year when they heard the drinking water and clean water state revolving funds were being combined. What was occurring was the sewer and stormwater project funding was being combined with the DWSRF program. As a result, we were able to obtain favorable funding offers similar to the Washington Street project where the city received \$1.4 in principal forgiveness with 1% on the remainder. Current sewer loans are upward of 4%. This is a program that tries to help municipalities do more work. As a result, he submitted an application to take advantage of those interest rates before they disappear.

After reviewing the needs of the city, they were able to find some items that need to be addressed. One is the city's distribution which involves 82 miles of water mains. Of that, 75% is less than 35 years old, 15 to 20% is between 35 and 75 years old and 5 to 10% is older than that.

He said the major concern right now is water valves. Without the ability to isolate different sections, any water main break would require the city to shut down several blocks. He explained that if a valve is stuck and there is an attempt to turn it, the valve will break. Depending on where they are located, a majority will have to be replaced. Those in the middle of Route 113 or on Front Street, which has eighteen inches of concrete beneath the road, are going to be very expensive to replace. The cost will vary and in cases where the road has to be shut down, could involve as much as \$30,000 worth of traffic control. In addition, \$10,000 to \$15,000 worth of pavement restoration could be required.

Mr. Retzlaff explained that this year, there was money earmarked to begin an exercise valve project this year. The work would then be done on a small scale over the next several years. However, because there are 2,500 valves in the city, it could take up to twenty years to finish. By the end of the project, the ones replaced in the beginning would need replacing again.

He feels if we can get a wrench on every valve and end up not having to replace a lot, there are also other needs in the water distribution and supply system that need to be addressed.

Some of the treatment facilities are upwards of 25 to 30 years old and upgrades are needed to bring them up to current standards.

Any money received will not go to waste though the bulk of that money is intended to be used for the valve replacement project and to get a handle on the city's distribution system.

Currently, the maintenance on the elevated storage facilities is slowly being brought up to speed. One of the largest treatment facilities is being built. Wells 4 and 5 is a newer facility and some work is needed to the Tenth Street and Seabury Avenue facilities. Outside of that, the only major component of the city's water system that will not be up to current standards would be the distribution system and this will address that.

Mr. Retzlaff said that in regard to the cost to our residents, he has reviewed the residential bills and found the average residential water bill is \$13.50. The increase on a monthly basis will increase to \$14.68 which is approximately \$1.20. This is a considerable savings considering the costs associated with a main break should a valve not be able to be shut down.

When asked how this relates to the valves on the fire hydrants, Mr. Retzlaff explained that is one of the benefits of doing the entire procedure. It would be a systematic approach to determine if the valves work. A couple surrounding valves would be shut off and the hydrant opened in their middle. This would determine if the hydrant valve was working.

There are weep holes in the base of the hydrant which allows it to drain so it is not full. Shutting it off allows you to determine whether or not that hydrant is active. If the valves are shut off that feed the hydrant and the hydrant is opened, that assures the valve works. If it is left open and the hydrant is opened, we can determine whether or not the other two valves will hold at the end.

Another benefit of doing it in this manner is that some kind of identifier can be assigned to each valve and the GPS coordinates.

Mr. Gleysteen recalled the city purchasing a mechanical valve turning machine for this project. Mr. Carmean confirmed the city already has a valve exercising machine. Mr. Gleysteen asked if that can be used for these other valves; Mr. Retzlaff said that is the equipment that is needed and if that has not been purchased, that cost can be absorbed into this project. Mr. Carmean reiterated that we already have a valve exerciser.

Mr. Pikus asked if that machine is used and the valves are unable to be turned, will that break the valves immediately; Mr. Retzlaff explained that sometimes the valve does not work because some of the gearing is broken. He said that often when the valve is completely shut, it will not actually shut. If it does not seep properly, it won't be water tight which is the purpose of the exerciser. They operate as a gate valve and the number of turns depends on the valve size.

Mr. Pikus confirmed this would be a \$3.5 million loan at 1.5% and the last loan we will get at this low interest rate. He asked if there is a time frame; Mr. Retzlaff said no, we are currently locked in at the 1.5% interest rate.

Mr. Pikus moved to authorize the city manager to explore and bring back to city council the steps needed to go to referendum, seconded by Mr. Gleysteen. Motion carried.

Mr. Carmean referenced the growing number of concerns over the city's hydrants and whether they are properly working. He said that through the year 2008, there was a hydrant flushing program in place. However, the program was dropped in 2009 after he retired.

The city manager reported the city has a long-serving fireman that works in the water department who has confirmed our water hydrants are working properly. What is not working are the valves. He does not believe our residents should be alarmed that if there was an alarm.

Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, then pointed out that according to the Delaware State Fire Code, all municipalities should inspect their fire hydrants on an annual code.

Mr. Gleysteen confirmed the 2,500 valves are more or less insulation valves. He asked if that is a lot and whether there is one for every two or three residences or businesses; Mr. Retzlaff reported they are determined by the number of street intersections. At every intersection, there are typically four valves and a minimum of two. He referenced a nearby intersection that had two valves. However, a larger water main was installed which extends to two additional valves.

Mr. Retzlaff advised that Georgetown is about 60% of the size of Milford. They have 1,600 valves which are in line with the number in Milford.

Mr. Gleysteen asked if we started from scratch, would we still have 2,500 valves; Mr. Retzlaff said no. This project will allow valves to be removed or added as needed. Sometimes a water main was put in at five feet and another main has to cross it. It is installed higher and when it ties into the two that may be next to one another, it could be off by a foot or two. The valve must be installed perfectly or the operating nut does not work.

Mr. Pikus referenced the number of new developments over the past eight years and asked what percentage of the 2,500 valves are new. Mr. Retzlaff estimates 400 emphasizing the bulk of the valves are in the downtown area. With multiple mains, there could be four to six valves in one intersection.

Mr. Pikus then stated that we are really talking about 2,000 valves that need attention; the others are new.

#### *Shawnee Acres Pump Station*

Mr. Carmean pointed out this is another item that was discussed at length at the meeting the other night. He said that sometimes in the future, we are going to reach a capacity problem in the southeast area of town because of the number of undeveloped areas there. He wants to get ahead of the game which requires replacing the pump station. He pointed out this would have to be done if we had a large entity come into this southeastern area that requires high capacity usage. That would impact the entire system.

The current Shawnee Acres pump station would be replaced with a larger one. More capacity could be obtained by replacing the pump, though that would not provide full capacity to that area and a larger station would still need to be built at some point.

He said there are also downstream improvements needed including 2,700 feet of force main to the gravity main.

The city manager said that council does not need to vote on this tonight; instead, he will be back to council with a recommendation. The pump station project is a two-year process. However, a large entity that was water and sewer dependent could be built as the improvements were being done. He suggested we use sewer reserves for this project noting the cost is almost \$1.2 million.

Councilman Shupe reported the Ward I residents understand there are developments out there that have not yet been developed and will possibly be developed in the future. This allows the city to get ahead by making sure we have the capacity needs for the undeveloped areas but also our current residents. If a large development comes on board that could potentially impact our current residences, we need to keep our current residents satisfied with capacity.

Mr. Carmean explained that our reserves were created by present and past rate payers. While we have the reserves to do the project up front, we would set up a district out there so that as the build out occurs, we will add an additional EDU fee to the permits to pay back this money. Wickersham is paying \$1.5 million to add a pump station and sewer line extension to West Shores where it will hook into our existing system at their own expense. As new developments take up the capacity, they are not going to pay us an additional \$600 to \$700 per EDU. We will not have that to pay back on

the debt. But if we extend this, we can look at the potential EDU's that are out there, divide it by the number of dollars it will cost and add that to our impact fees. Those funds would go back to reserves for future projects.

Mr. Gleysteen said we need to be careful about building this before there is a need. As soon as the additional capacity is built, it begins to deteriorate. He said it might be great to say to a developer that everything they need is in place, but the city needs to recoup its money. He feels we will begin to lose our investment if we do not have customers in place.

The city manager believes if we don't have it, the city will lose the impact fees of anyone who builds now. He said that the city can expect to pay the costs of heavy infrastructure repairs/replacements every thirty years which is why some of the force main and gravity main downstream needs to be replaced. He is unsure the deterioration will be that bad because it will not be used and the pumps should last longer.

Mr. Gleysteen asked if we are already recovering impact fees whether we have that or not; Mr. Carmean said we charge impact fees but we would also have a clear payback on the downstream and the increase in the size of the pump station. We are only charging impact fees of what has been done in past years and are not charging for the additional costs. He reiterated that should a large entity go out there, we may not be able to handle them. We may have to install larger pumps. Another 100 EDU's would require us to pull the pumps before they wear out and go ahead and build the larger vaults and bigger pump station.

Mr. Gleysteen then asked if with each development, the city would negotiate an additional impact fee for the new infrastructure; Mr. Carmean said it would be more than that. For each EDU, even if it was not a large project, an additional EDU fee would be added to cover these improvements.

Ms. Wilson said this is in line with our new thought process to be prepared for any new development that may be interested.

Mr. Carmean explained this is not like we are putting a line through an undeveloped property in hope a developer will come. This will be done for those that have already been approved. He said we do not have enough capacity for the developments that have already been approved by council. This will give us capacity for the developments we have plus guarantee the additional planned growth in the master plan area.

He could make a developer pay for the new infrastructure and then be reimbursed by future developments through an agreement. But in this case, the city will use our reserves to get the work done and not be involved with the developer collecting monies on our system.

The city manager advised that Wickersham will have an agreement on the \$1.4 million they are spending and anyone connecting into their main will need to reimburse Wickersham. The \$1.4 million improvements will only serve their property; however, the pump station will serve a lot of potential developments and properties.

Mr. Retzlaff added that the existing Shawnee Acres pump station is almost twenty years old. It is time to replace the pumps and some of the electrical equipment.

The other associated work downstream is about 2,700 feet of ten-inch force main which would only be needed at the time the other properties are developed. The majority of the time needed to replace the pumping station involves the pumping station itself. If the goal is to be shovel-ready so the utilities are ready when a development comes along, the pumping station could be replaced first and then the gravity sewer and force main upgraded as the development occurs. That project could be designed and ready to go. At the point it was needed, it would only take six to nine months to become a turnkey project.

Originally, there was a phase approach where capacity was going to be upgraded by simply replacing a pump. He said at this point, a new wet well and storage volume are being considered. Similar size pumps could be installed. This would allow a nine-month window versus two years should a developer come on board.

*DBF Proposal/Revised Southeast Front Street Rehabilitation Project*

Mr. Carmean advised that this project has been on going for sometime. This will at least get us to the point we can bid the project. He has met with DBF, DeIDOT and his staff. It looks like everything will be done as originally planned with the exception of the sidewalks because there is a \$200,000 shortfall. Should we come across some extra funding, we could then bid the sidewalk project.

The city manager explained that as this progressed, Councilman Gleysteen had asked to consider burying the overhead lines down Front Street. The project was set aside while that was considered. Because it was too costly, it was never approved. We have now started to do the overlay again which the State of Delaware is assisting financially.

We were then asked to consider some sidewalks on Columbia Street going down to the riverwalk. The failing stormwater system on the west end of the street was also being looked at. We wanted to prevent getting the overlay completed and having to cut into the street a month later.

At this point, Mr. Carmean said we are finally ready to proceed.

DeIDOT will provide some funding and sewer and water reserves will be used in addition to some general fund monies for the stormwater work.

He asked the project be approved, based on the proposal. When we get to the bidding process, we will be able to break out the amount that come from the different areas.

There have been some new requirements added since the project was originally started. However, all of DeIDOT's funds will be spent before any city money is used.

Mr. Retzlaff then reported that we had the original scope of work as was identified with DeIDOT approximately five years ago. At that time, they earmarked a certain amount of money. Since that time, the plans were prepared for the bidding process though we needed DeIDOT's feedback. They reviewed the plan and provided comments which are currently being addressed. They will revisit their funding amount because additional work is needed due to new ADA compliant handicapped ramp regulations. As a result, we are hoping to receive more money from the state than originally planned.

Currently, the work will be based on the funding received from DeIDOT.

He noted that the sewer improvements were part of the I&I study and recommended water improvements were due to the two water mains on Southeast Front Street and suggested stormwater utilities. An alternative option was added to replace all of the sidewalks. Once we have the actual construction numbers in hand, he will present them to council to make a decision.

Mr. Retzlaff hopes to have everything in place and begin advertising within the next month.

Mr. Pikus asked for confirmation the package is ready with the exception of funding the \$200,000 shortfall on the sidewalks. Mr. Retzlaff explained the shortfall is associated with the estimated construction cost. The bid could be less than \$200,000 but it may also be more. He emphasized the \$200,000 shortfall is based on the estimated construction cost to replace all sidewalks.

DeIDOT is providing \$860,000 and the city's share is approximately \$1.4 million. Mr. Pikus asked if that will come out of the reserve and general funds. Mr. Carmean said it will need to be divided and the sewer will be paid out of the sewer funds and water out of the water funds. The stormwater work will have to be paid from the general fund.

Mr. Carmean said he received a call from one of our legislators today. The city manager had asked for some money and the legislator directed him to find a \$40,000 street or sidewalk project for a swap-out. So he may come back and suggest we put the \$40,000 toward this project.

Mr. Pikus asked if there is a deadline on the DelDOT money; Mr. Retzlaff said there were some concerns though he is actively engaged with them. As a result, they are re-evaluating how much money they will contribute.

Mr. Carmean stated that part of the holdup was on DelDOT's part because of the time it took for them to review our plans.

Mr. Grier moved for approval of the proposal as presented, seconded by Mr. Morrow. Motion carried.

*DBF Expenses/Washington Street Water Tower Piping Improvements Project/Approval of Funding Source*

The city manager referenced the contract the city has with Southern Corrosion for water tower maintenance. The Washington Street water tower, which is next in line, may be skipped over temporarily because of some problems. The tanks need to be shut down and we have no way of doing that without some other improvements that area needed which will require additional engineering costs. He said there could be some engineering costs for the piping work that is required to shut down the treatment facility and water tower while Southern Corrosion is performing the maintenance.

Mr. Retzlaff explained this project is actually one of the reasons he provided some insight as to why we need to make sure these valves work. He explained the tank is fed by two directions. One of the valves is out on the street at Marshall Street and the other is on Walnut Street. He is unsure if either will hold and the tank will need to be shut down and completely drained. Right now we do not have that ability. This will allow us to inform Southern Corrosion that the tank is drained and no longer filling.

The cost of approximately \$100,000 is just to have all the equipment here. By removing the administrative building from the \$4 million Washington Street Replacement Project, this work can now be reimbursed under that project. This work is needed to make some safety improvements to the 1939 Washington Street tank to meet OSHA requirements. Right now, we are unable to weld on the tank until it can be drained and some equipment is added.

Mr. Retzlaff clarified the \$100,000 cost was based on worst case scenario though right now, they have no idea what they will find.

Mr. Carmean said that Finance Director Portmann reviewed the smaller invoices but suggested a projected number for approval so we are not coming back with every \$2,200 invoice. However, the intent is to pay these costs from the \$4 million Washington Street Replacement Project. In the meantime, the money will be paid from the water reserves and those monies reimbursed.

Mr. Pikus moved to authorize the cost of the tank repairs and associated improvements up to \$100,000 be paid from water reserves and the money reimbursed from the \$4 million Washington Street Replacement Project fund as recommended by the city manager, seconded by Mr. Gleysteen. Motion carried.

*DBF Expenses/PNC Bank Expenses/Approval of Funding Source  
Masten Realty PNC Appraisal/Approval of Funding Source*

Mr. Carmean recalled that council voted to purchase the PNC building. He is asking the repairs be paid from the electric reserves because the majority of the work done by billing is for electric.

The bills cover the costs of the architectural, structural, mechanical, electrical, plumbing and roof consultants. DBF brought these subcontractors in to assess the building. The two site evaluations were approximately \$13,000.

He requested the Masten Realty Appraisal invoice also be approved.

Mr. Carmean announced that the building and lands were purchased for \$600,000 though the appraisal came in at \$700,000. The purchase of this property eliminates the cost of the new administration building and saves \$1.8 million that can be put toward other projects.

Mr. Pikus moved to approve payment of the DBF invoices and Masten Realty invoice from electric reserves, seconded by Mr. Shupe. Motion carried.

## NEW BUSINESS

### *FY 2013-2014 Budget Adjustment/Water Department*

Steve Ellingsworth of the City of Milford Water Department requested \$49,000 for the water meter budget that was overlooked when the new budget was prepared. As a result, he is requesting \$49,000 be transferred from the water reserves into his O&M budget.

Ms. Wilson moved to approve the budget transfer, seconded by Mr. Shupe. Motion carried.

### *St. John's Oktoberfest/Fundraiser/Permission to Sell Alcohol*

The following request was received:

*The St. John's Oktoberfest will be held Friday, October 4th from 6 p.m. to 10 p.m. and Saturday, October 5th from 10 a.m. to 6 p.m.*

*In the past the city has graciously allowed us to block off a portion of School Place in front of the church and down toward the Middle School. By doing this we are able to eliminate congestion in front of the church.*

*In keeping with the tradition of German Oktoberfests we will have a beer booth. In addition, we have applied for the appropriate license from the state to do that.*

Mr. Gleysteen moved to approve the request as submitted, seconded by Mr. Pikus. Motion carried by the following 7-1 vote:

Yes-Shupe, Grier, Pikus, Gleysteen, Brooks, Morrow, Wilson  
No-Starling

### *Adoption of Resolution 2013-17/Scheduling Board of Revision and Appeals/Property Tax FY2013-14*

Mr. Grier moved for approval of the following resolution, seconded by Mr. Pikus:

*WHEREAS, the provisions of Article VII, Section 7.06 of the Charter of the City of Milford state that Council shall cause a copy of the General Assessment to be hung in two public places in the City of Milford and there to remain for the space of ten days for public information; and*

*WHEREAS, attached to said copies shall be notice of the day, hour and place that Council will sit as a Board of Revision and Appeal for said General Assessment.*

*NOW, THEREFORE, BE IT RESOLVED, that on Monday, the 26th day of August 2013 at 7:00 p.m., the City Council of the City of Milford will sit as a Board of Revision and Appeal for the 2013-2014 General Assessment.*

*s/Mayor Joseph R. Rogers*

Motion carried.

### *Approval of Milford Police Department & Milford School District/MOU/School Resource Officers*

Chief Hudson referenced the Memorandum of Understanding Agreement between Milford School District and Milford Police Department. This matter was discussed early this year and the agreement has been approved by the Milford School Board.

He confirmed the MOU has been reviewed and approved by City Solicitor Rutt; Mr. Rutt agreed. He noted the cost of the additional officers will be paid by the school district.

Mr. Starling moved to approve the MOU as presented and associated budget amendments, seconded by Mr. Shupe. Motion carried.

*CTF Funding /Swap-Out/Senator Colin Bonini/Milford Food Bank  
CTF Funding/Swap-Out/Representative Jack Peterman/Carlisle Fire Company  
Transfer of \$50,000 from General Fund /Fund Balance Funds to General Fund Reserve Account*

City Manager Carmean recalled that in the past, various legislators have done a swap-out of Community Transportation Funds (CTF) with the city. Two projects included the Can-Do Playground and Boys and Girls Club Parking Lot.

Senator Colin Bonini wanted to assist Milford Food Bank on their \$3.2 million Capital Campaign for the expansion of their building. He asked to do a legislative swap out where he will use \$100,000 of his CTF monies which can only be used for transportation improvements. In turn, the city will cut a check for \$100,000 to the food bank which Mr. Carmean recommends be transferred from the General Fund Bank Balance.

Mr. Carmean advised there is only \$180,000 over the minimum \$1 million balance required in the General Fund Reserve. There is \$161,000 in the General Fund/Fund Balance that has not been earmarked. Therefore, the city manager requests \$100,000 be paid from that account. The \$100,000 from Senator Bonini will be put toward the Airport Road project.

Also, Representative Peterman, Representative Kenton and Senator Simpson want to provide Carlisle Fire Company a total of \$11,000 to purchase some equipment. That will also be paid from their transportation funds and the city will receive \$11,000 for some Washington Street improvements. That leaves \$50,000 in the General Fund/Fund Balance though Mr. Portmann recommended we transfer that into the General Fund Reserve and close that account out.

In that manner, all three of those things will be taken care of.

Mr. Pikus said it is a customary thing to do noting the city does this often with legislative funds being given to various organizations. He explained it as a pass-thru from the legislators to the various organizations.

Mr. Pikus moved to authorize the expenditure from Senator Colin Bonini to be paid to Milford Food Bank. Those monies would be a swap-out in the amount of \$100,000. Motion seconded by Mr. Gleysteen. Motion carried.

Mr. Pikus moved to authorize the expenditures from Representative Peterman, Representative Kenton and Senator Simpson to Carlisle Fire Company. Those monies would be a swap-out and \$11,000 used for road improvements. Motion seconded by Mr. Gleysteen. Motion carried.

Mr. Grier moved to transfer the additional \$50,000 out of the General Fund/Fund Balance into the General Fund Reserves, seconded by Mr. Pikus. Motion carried.

#### MONTHLY FINANCE REPORT

Chairman Pikus reported that through the twelfth month of Fiscal Year 2012-2013 with 100% of the fiscal year having passed, 103.45% of revenues have been received and 99.67% of the operating budget expended.

He noted the ending figures for the year are accurate. We may have some additional funds that may need to be deducted due to receiving bills the first of July though they were June expenditures.

Over the year, revenues were up, particularly in building permits which is 80% over budget. Interest rates are low though we ended the year with sufficient reserves which have now been earmarked.

Mr. Pikus moved to accept the June 2013 Finance Report, seconded by Mr. Morrow. Motion carried.

Dan Marabello of 1 Windy Drive, Meadows at Shawnee, stated that subject to audit, he asked to verify that, including the favorable increase in revenue and the under utilization of the budget on the expense side, the positive cash flow for the year was almost \$2 million; Mr. Carmean answered yes.

#### EXECUTIVE SESSION

*Pursuant to 29 Del. C. §10004(b)(9) Personnel matters in which the names, competency and abilities of individual employees or students are discussed (EDD Position)*

*Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation (City Lease Agreement)*

Mr. Grier moved to go into Executive Session reference discussions on personnel and legal advice, seconded by Mr. Pikus. Motion carried.

Mayor Rogers recessed the Council Meeting at 8:34 p.m. for the purpose of an Executive Session as is permitted by Delaware's Freedom of Information Act.

#### *Return to Open Session*

City Council returned to Open Session at 9:06 p.m.

Mr. Pikus moved to authorize the city solicitor to proceed with the letter as was discussed in executive session, seconded by Mr. Gleysteen. Motion carried with no one opposed.

#### ADJOURN

With no further business, Mr. Pikus moved to adjourn the Council Meeting, seconded by Mr. Grier. Motion carried.

The Council Meeting adjourned at 9:07 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Recorder