

MILFORD CITY COUNCIL
MINUTES OF MEETING
May 14, 2012

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, May 14, 2012.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr., James Starling, Sr. and Katrina Wilson

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

City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:03 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. Grier to approve the minutes of the March 26, 2012 Public Hearing and April 4, 9, 19 and 23, 2012 Council Meetings as presented. Motion carried.

RECOGNITION

Boy Scout Troop 116

Mayor Rogers acknowledged the boy scouts present at this evening's meeting. They are working toward a merit badge for citizenship in the community. As part of their requirements, they have to attend a city council meeting.

Scouts Wyatt Brisbane, Spence Mundorf, Connor Weaver, Robert Marsh, Christopher Fox, Dylan Hoffman, Charles Koehler, Brock Huey and Assistant Scoutmaster Edward Huey then introduced themselves.

Proclamation 2012-7/Police Memorial Day

Mayor Rogers presented the proclamation, accepted by Police Chief Hudson, recognizing this week as Police Week in the city. Peace Officers Memorial Day is also recognized as part of the nationally known week.

WHEREAS, the Congress and President of the United States have designated May 15, 2012 as Peace Officers' Memorial Day and the week in which it falls as National Police week; and

WHEREAS, the members of the law enforcement agency of Milford, Delaware play an essential role in safeguarding the rights and freedoms in Milford, Delaware; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of

their law enforcement agency, and that members of our law enforcement agency recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; and

WHEREAS, the men and women of the Milford Police Department unceasingly provide a vital public service.

NOW, THEREFORE, I, Joseph Ronnie Rogers, by virtue of the authority vested in me as Mayor of the City of Milford, Delaware, call upon all citizens of Milford, Delaware, and upon all patriotic, civic and educational organizations to observe the week beginning May 13, 2012 as Police Week during which time all of our people may join in commemorating law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens in the City of Milford.

I further call upon all citizens of Milford, Delaware, to observe May 15, 2012 as Peace Officers' Memorial Day in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this Fourteenth day of May in the Year of our Lord Two Thousand and Twelve.

COMMUNICATIONS

City Solicitor Rutt advised the Area Rotary Clubs will host a Groundbreaking Ceremony for the Can Do Playground scheduled to be built in Independence Commons. The ceremony is scheduled for 11 a.m. on Monday, June 11th at the Tony Silicato Memorial Park at 101 Delaware Veterans Boulevard.

MONTHLY POLICE REPORT

After presenting the monthly police report on behalf of Chief Hudson, Mr. Morrow moved to accept the police report as submitted, seconded by Mr. Brooks. Motion carried.

CITY MANAGER REPORT

Mr. Gleysteen arrived at this time.

Mr. Carmean presented the following report:

CITY HALL LOWER LEVEL

I have moved our Planning and Zoning employees back to the lower level. I intend in the near future to also move our enforcement and inspection employees back into the same area. My inspectors have expressed that they would like to remain in their present location at Public Works. Mr. Baird had moved all these staff members to the Public Works building after the last flooding incident, but now that we have apparently located the problem, I think they should all move back. These four employees interact on a daily basis and the public is better served by having them all together.

SEWER AND WATER

As I previously reported, the test well at our Washington Street treatment site failed due to hitting contaminants. After discussion with DBF engineers, I decided that because of past usages of that property, it would not be a good idea to disturb the area any further. I, therefore, ordered a test well be done on a vacant lot we purchased several years ago. This property is located directly across from the rear parking lot of city hall on South Washington Street. The preliminary results are better than our expectations. The water produced by this well, if the quality proves satisfactory,

will be sent down South Washington Street to our future treatment facility or I may recommend we actually build the treatment plant at the well site.

In the interest of our customers, a drive-in window is planned at the new billing office. If the treatment plant is added, it will be very tight. I will provide additional information as these decisions are made.

The test bore on the Wickersham site is very promising. The sand quality is much better than what we saw on the Hall site. I will be meeting with Gary Farrar next week to attempt to come to an agreement on a partnership to place the new water tower on his property.

The design for our water main to be located on Wilkins Road is moving along. This will be part of the system of our new tower and treatment project in Southeast Milford. The main will also be placed under Route 1 to serve the southeastern part of Milford limits. At a minimum, a sleeve will be added for later connections.

The inflow and infiltration project is almost complete. We are hoping for some positive cuts in the amounts of storm water and groundwater entering our sewer collection system. This should reduce the amount the sewer treatment costs to Kent County.

STREETS

We have finished our inventory of maintained roads within the city. This inventory decides our State Municipal Aid funding. The number of miles we are able to claim is 41.40. This amount is a little less than last year due to some roads claimed in Hearthstone Manor that have not been accepted by the city. This will mean about \$200,000 for the city street budget.

The Washington Street Bridge is still on schedule. We expect work to begin in early summer. We received a picture of the plaque that will be placed on the bridge to explain the historical significance of the structure.

ADMINISTRATION

Our Finance Director and I will begin our budget discussions with my department heads the week of May 14, 2012. I can only advise mayor and council that we are going to be facing a challenge stretching our revenue to cover our expenditures. Mr. Portmann and I will attempt to bring to the Finance Committee a budget that can be refined to make our financial situation work.

I, along with other DEMEC communities, met with Governor Markell to sign a memorandum of understanding regarding our electric revenue policies. The city clerk included a copy of the MOU in the packets. I will also need the council to approve the document.

Mr. Pikus moved to accept the city manager report, seconded by Mr. Brooks.

Mr. Gleysteen asked if there has been any change in I&I since we started the project; Mr. Carmean said the next readings will determine its success. Issues have been found outside the scope of the work. For example, manhole covers were set with incorrect gaskets which caused water to seep in them.

The city manager expects some reduction and will provide an update at the workshop this month.

He emphasized the numbers are greatly influenced by the amount of rainfall.

Motion then carried.

COMMITTEE & COUNCIL REPORTS

Committee Assignments

Mayor Rogers advised that committee assignments will remain as they were this past year due to no newly elected officials.

Thank You

Mr. Gleysteen thanked the city for sending his wife flowers this past week noting she was released from the hospital on Friday.

Fourth Ward

Mr. Starling asked the status of the Church Street paving project. Mr. Carmean said that is expected to begin shortly. He explained that the manhole covers were improperly set as far as the height. As a result, they had to be reset in order to be aligned with the milling and resurfacing to prevent another Tenth Street situation.

COMMUNICATIONS

Royal Farms

Mayor Rogers announced the grand opening of Royal Farms at 108 Silicato Parkway on May 17th at 10 a.m.

Comcast Correspondence

Mr. Pikus referenced the letter from Comcast announcing the \$1.99 charge per month for new digital adapter outlets and asked if that refers to the boxes previously advertised as 'free'. It was confirmed that the first two are free; customers will be charged for any additional outlets.

UNFINISHED BUSINESS

None to report.

NEW BUSINESS

Reserved Parking Request-Delaware Fitness & Pelican Bar

Kim Wingrove of Delaware Fitness and Brian Hahn of Pelican Bar, submitted a request asking that 27 parking spaces in the city parking lot at the Nelson Silicato Shopping Center at 200 Northeast Front Street be designated for use by their customers. The letter stated the parking lot fills up on a daily basis by people utilizing the Senior Center.

Mr. Pikus noted that parking lot was purchased with revenues from previous parking meters.

Mr. Pikus moved to put the matter into the hands of the Public Works Committee for a recommendation, seconded by Mr. Johnson.

Solicitor Rutt advised that property was owned by the Milford Parking Authority and was recently transferred back to the city when the authority was terminated. He explained that under the enumerated powers of the city in the charter, the city is able to exercise ownership of real property, which means buying, selling or leasing property. Chapter 215, which addresses parking, does not specifically address these parking lots. He believes an amendment to the parking ordinance may be appropriate that would require the city to enter into a lease with a business for designated parking spots.

Motion carried.

Sign Complaints/Zoning Ordinance/Public Discussion

Mr. Carmean advised that we are receiving an increased number of complaints from some residents about the appearance

of our community. The complaints were specific to business signs and related items. Code Enforcement responded by contacting these businesses who in turn have contacted us with their concerns. As a result, he rescinded any action code enforcement had done with the intent to defer further action until input was obtained from the planning commission and city council.

City Planner Gary Norris is recommending a subcommittee of himself, Planning Commission Chairman Chuck Rini and a member of city council address this matter. He would like the input of any council members with businesses prior to the matter being presented to the planning commission.

Mr. Carmean said he has discussed this item with Mr. Norris and recommends that Councilman Grier be part of this committee.

Mr. Norris will follow up with Mr. Grier as to a meeting date and time.

Solicitor Rutt reminded Mr. Norris the committee is subject to FOIA.

Kent Economic Partnership Joint Participation

Kent Economic Partnership Chairman Dennis Klima was present to address council. He advised it has been an ambition of his to work with economic development throughout the Kent County area which includes all of Central Delaware. He recalled that several years ago, the organization was modified from a committee of the chamber of commerce to a separate 501(c)3 corporation.

Recently, a change was made and though the 501(c)3 was kept, it was brought under the auspices of Kent County Levy Court.

Members of their board include the DEDO Director, Kent County Levy Court President and Administrator, Dover Councilman Jim Hutchison, Central Delaware Chamber President and other business leaders from the area.

Mr. Klima stated their goal is to expand their approach in an effort to do a stronger job by including the entire county and in particular, all municipalities. At their last board meeting, they learned the City of Milford intended to hire a full-time Economic Development Director. They felt that if a commitment had not been made, it may be worth taking the opportunity to share information about their efforts in economic development, beliefs and goals.

They are here to begin that discussion in hopes it will lead to additional discussions with the city to bind the two entities together. This would include involvement in their board as well as staff measures.

He then introduced Executive Director Jim Waddington.

Mr. Waddington referenced the Central Delaware Chamber of Commerce publication and emphasized it is Central Delaware and not just Kent County.

He then advised he has attended the Economic Development Advisory Panel meetings in Milford. He then reviewed the mission and goals of the Kent Economic Partnership. He noted the third goal is to provide seamless cooperation with other economic development entities and partnerships representing municipal, county, state, utility and nonprofit interests in their efforts to support and expand business opportunities in the Central Delaware Region.

Mr. Waddington said they have observed a very horizontal organization with economic development efforts. There are numerous entities with an interest in economic development and each does good work. However, by functioning together, they can be even more effective.

They want to work very strongly with economic interests in Sussex and New Castle Counties. In addition, they are working with local chambers and the Central Delaware Chamber.

He also referenced the Economic Profile for Kent County and asked that anyone with questions to contact him.

Mr. Pikus said that because Milford is in two counties and shares the same scenario as Smyrna, would the partnership only work with the Kent County side. He recalled the organization Forward Delaware Central through the Central Delaware Chamber of Commerce that Milford partnered with. In that situation, more focus was on northern Milford rather than the entire city.

Mr. Waddington said that after he was hired, he received an inquiry about some space that might be available in Delaware and required some height requirements. His first call was to David Hugg in Smyrna and his second call was to Richard Carmean who at that time was Milford's Economic Development Director. Mr. Carmean said he has an ideal spot though it is in Sussex County. Mr. Waddington does not see a distinction on county lines. He feels that if it is good for Milford, it is good for Central Delaware and good for Kent County as well. They spoke about the property in Sussex County and he does not see that as an obstacle.

Ms. Wilson feels the timing is very appropriate considering our intent to hire an Economic Development Director. She is wondering the difference in costs between hiring someone in Milford versus sharing a position with the partnership. Mr. Waddington said they discussed in their board meetings the fact they would like to develop additional capacity in the partnership office. It would definitely cost the city less money due to the hidden costs of creating or filling a new position such as benefits and other related expenses.

He complimented Milford stating the city is doing some great things. The old way of thinking that you need your own horse may be going by the wayside. He said that today there is a much more efficient sharing of information and pulling in resources if you can eliminate some of those distinctions.

Mr. Carmean advised that when he was Economic Development Director, monthly meetings were held here that included Mr. Waddington, Julie Wheatley from Sussex County Economic Development, Milford Chamber Director Jo Schmeiser, DMI President Irv Ambrose and DEDO Representative Melody Booker. He agrees that Milford is unique because of the two counties.

When asked about funding, Mr. Waddington said the discussions are preliminary though they have also had conversations about other towns having economic development professionals on staff. They are trying to figure out what to do in that capacity. Milford is in a search mode for someone in that position. He advised the concept is to provide an office focused on the entire county which would not require as many people as having those individuals working in each municipality. There would be a shared services benefit that would come out of this and where the same job could be done with fewer people.

Mr. Carmean advised that we are in the selection process and are down to three finalists. Currently, City Planner Gary Norris is doing backgrounds and no one has been promised the position. If council is in agreement, he recommends this matter be shifted to consider this option.

Mr. Grier said he is interested in seeing a proposal. He explained that part of the reason for hiring a director is an economic development study was done by Moran, Stahl and Boyer. The strategic plan recommends a director be hired to solely concentrate on Milford. He asked what happens if a company comes in who wants Milford or Dover. Having our own economic development director ensures Milford gets the first shot.

Mr. Waddington noted the importance of retaining businesses as well. He said that Friday, he along with a couple of Levy Court Commissioners representing the partnership will be touring Perdue because they feel it is an important existing employee who provides a number of jobs. They are concerned about what strategic threats are out there and want to hear their concerns. He emphasized the commitment they have made by determining each municipality's major employers and are trying to be responsive to their needs while providing assistance to retain and expand those businesses if becomes necessary.

Mr. Grier asked that Mr. Waddington provide him a proposal for review. He noted that a budget is currently being prepared which will be discussed the end of this month. The intent is to include funding for an economic development

director. Therefore, time is of the essence.

Adoption of Resolution 2012-04/Scheduling Board of Revision and Appeals/Property Tax FY2012-13

Mr. Pikus moved to adopt Resolution 2012-04, seconded by Mr. Starling:

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 9th day of July 2012 at 7:00 p.m., the City Council of the City of Milford will sit as a Board of Revision and Appeal for the 2012-2013 General Assessment.

s/Mayor Joseph R. Rogers

Introduction to Ordinance 2012-07/Chapter 230--Zoning Code/Article VI--Signs

City Planner Norris advised this ordinance is only being introduced.

The amendment addresses electronic messaging signs. He explained calls for a ratio of 4:8 which provides 32 square feet. A local sign company recommends that all EMB signs have a height of no less than a minimum of 2 feet, a maximum of 5 feet and that all EMB signs have a width no greater than a maximum of 12 feet and no larger than 32 square feet total.

As a result, this amendment will allow the square feet to remain the same, but provides greater height and width flexibility.

He advised this will be presented to the Planning Commission tomorrow night who will make a recommendation to council:

AN ORDINANCE TO AMEND Chapter 230--Zoning, Article VI--Signs, of the Code of the City of Milford.

The City of Milford hereby ordains:

Section 1. Amends §230-26-General Standards.

Section 2. Adds a New Paragraph 10 to §230-26(F)--EMB Signs which will read as follows:

(10) All EMB Signs shall have a height of no less than a minimum of two feet and no greater than a maximum of five feet. All EMB signs shall have a width of no greater than a maximum of twelve feet and shall be no larger than thirty-two square feet total.

Section 3. Amends Sign Chart by clarifying size restrictions of EMB signs in the C-3 zoning district (attached).

Section 4. Dates.

Introduction to City Council: May 14, 2012

Planning Commission Review and Public Hearing: May 15, 2012

City Council Review and Public Hearing: May 29, 2012

Section 5. The Ordinance shall become Effective no sooner than Ten Days after Adoption by City Council.

*Adoption of Resolution 2012-05/Copying & Fees Related to FOIA Requests
Adoption of Revised FOIA Request Form*

A law was enacted in 2011 that requires all public bodies to use a standard form for FOIA requests in Delaware. The form was established by the Department of Justice.

Title 29 of the Delaware code also requires each body to establish their own rules which involves fees that are charged. Because the former policy addressed our previous form, a new resolution needs to be adopted referencing the revised FOIA form.

Mr. Rutt recommended the resolution be adopted at the May 29, 2012 hearing.

FY2011-2012 Budget Adjustment/AMR Meter Project Final Upgrade/Electric Reserves (Meter Department)

The city manager recalled many years ago the city converted to radio read meters. He explained our large industrial customers have a very specific meter which cannot be traded out for radio read. In addition, a lot of those meters are in secured areas that are difficult to get to.

Over time, a retrofitted device was developed that can be placed on these large industrial and other time use meters. This is needed to meet the needs of weekly reads and will complete our system by allowing all meters to be radio read. As a result, a k-base meter upgrade is needed.

The cost to make the upgrade will be \$40,000.00 for both single and three phase services.

Mr. Pikus moved to approve funding for the k-base meter upgrade in the amount of \$40,000 from electric reserves and transferred into Capital Equipment for Electric Meters 223-6250-436-70-40 for payment. Mr. Grier seconded; motion carried unanimously.

Mr. Johnson asked if these businesses receiving these meters are paying a portion of these cost; Mr. Carmean said the tariff requires the city to provide our customers with meters. In addition, all residential customers were upgraded at no cost to them.

FY2011-2012 Budget Adjustment/Council/Appraisal Fees/General Fund Capital Reserves

Mr. Carmean advised that council directed him to get appraisals on four different properties. Masten Realty appraised the properties at a cost of \$3,700.

Mr. Pikus moved to approve the transfer of \$3,700 to pay Masten Realty out of General Fund Capital Reserves, seconded by Mr. Starling. Motion carried with no one opposed.

FY2011-2012 Budget Adjustment/City Hall/Basement Repairs/General Fund Capital Reserves

The city manager provided a bill to cover the costs of the initial work needed to identify the water problem in the basement. An estimate was also provided to continue the work. He noted there has also been some settlement in some of the sidewalks going into the basement. He thinks that will probably lead to further water damage.

He will provide the second estimate for approval at the next meeting.

Mr. Pikus moved for approval of \$2,340 to be paid from General Fund Capital Reserves to pay for the basement work, seconded by Mr. Gleysteen. Motion carried with no one opposed.

*Adoption of Resolution 2012-06/Authorizes DEMEC to Executive MOU with Governor
Memorandum of Understanding/Governor Jack Markell & DEMEC*

Mr. Carmean advised that as part of Governor Markell's economic plan and as an incentive to bring new jobs to Delaware, his intent was to lower municipal electric rates without shifting the costs to other essential services municipalities provide. This memorandum of understanding addresses the agreement made between the nine members of DEMEC and the governor after a couple of months of discussions.

Governor Jack Markell, DEMEC President and CEO Patrick McCullar and city officials of Newark, New Castle, Middletown, Clayton, Smyrna, Dover, Milford, Lewes and Seaford signed a Memorandum of Understanding this past week that addresses this shared commitment in making municipal energy rates more competitive for economic development purposes.

Under the Memorandum of Understanding, the nine DEMEC municipalities agree to lower retail electric rates by at least 10% over the next three years, authorize an economic development rate, or a process for permitting the negotiation of an economic development rate and agree to maintain for a five-year period beginning this fiscal year a limit on the transfer of revenues from electric into its general fund.

Mr. Carmean reported that all three items had already been done in Milford with a cap of \$2.5 million being placed on electric revenue transfers beginning in 1999.

Mr. Carmean noted that because of the time constraint, the MOU was signed on May 9th though a vote is still required by each municipality.

When asked how long we would need to comply, Mr. Rutt explained this is an MOU between DEMEC and the State of Delaware. Essentially, city council is endorsing or stating that Milford is behind the understanding. A memorandum of understanding is not an enforceable document unless everyone signs off on it and it is made legally binding. He noted that these MOU's can be amended and changed.

Mr. Carmean said that as a result of this, the governor and legislators will not seek to remove our right to be the only deliverer of services in our incorporated and service area. Otherwise, through new legislation, it could open our service areas and we could potentially lose our large customers.

He reported that we have purchased power into the future through DEMEC with Milford investing 14% ownership of the two quick fire generators. The second is scheduled to go on line in June. He feels it is very important we maintain control ownership of our system and comply with the agreement the governor's office made.

Mr. Carmean believes that most of our legislators understand that a bill passed that potentially cripples our electric could create our property taxes to double or triple. He feels that would not be a good idea for our state legislators as well.

Overall, he is in favor of this and is willing to continue to work to lower some of the rates of our larger users in order to keep our businesses, encourage expansions and bring in new businesses.

In the case of incentives to Seawatch, their real savings have been sewer and water with very little savings seen on the electric side.

He explained that the intent is that five years from now, these municipalities agree not to increase any transfer from electric revenues to the general fund.

Mr. Gleysteen stated that philosophically, he is opposed to this. To him, an MOU does not appear to be legally binding and the state can change their mind in the meantime. The fact is, the City of Milford has a balance that has been working between real estate taxes and electric revenues. We are fiscally responsible and have had no tax increases for a number of years.

On the other hand, Mr. Gleysteen pointed out the state has some significant unfunding liabilities that they have not been able to address. Yet, they are telling Milford to restrict our house. Though it is their right, he feels it is inappropriate and does not care for them stepping in and taking away our rights or methods of management that have worked.

Mr. Carmean agrees with Mr. Gleysteen. He said the fact is Milford is already doing these things with the exception of the five-year transfer. If council is comfortable with the five-year rate of transfer, then he is comfortable with everything else. He recalled council capping the \$2.5 million without going back for many years.

He noted that Milford has a right to make some profit on the electric. The people in Milford own the electric company which helps keep their tax rates down while we continue to provide great services.

Mr. Rutt clarified the transfer is locked for the first three years; during the last two years, if the city sees an uncompelling and unanticipated municipal financial need, it can be increased.

Mr. Pikus noted this program was somewhat political because of a potential problem in the northern areas of Delaware and in particular Newark and the University of Delaware areas. They are hoping to provide more enticing rates because that is the area where some of the largest industries in Delaware were lost.

Mr. Carmean then pointed out that the non-profits and state-owned buildings pay no taxes. The only thing the city receives is the small profit made on their electric. In Dover and Newark, Delaware State University and the University of Delaware create some problems for law enforcement and code departments even though they pay no taxes.

Mr. Gleysteen moved to disprove Resolution 2012-06; Mr. Pikus seconded motion.

When asked for questions, Mr. Pikus asked what happens if this motion does not pass. Mr. Rutt explained that Milford is a member of DEMEC and they are asking that each member approve it. It indicates that as long a DEMEC member is in compliance, the governor would actively oppose any effort to interfere with the exclusive right of the municipality to sell electric to the larger customers. He assumes that if Milford does not agree and one of the larger users later wanted to shop their electric to a third party, the governor would not step in and oppose it.

When asked if they could do that now, Mr. Carmean advised that the municipalities are excluded from deregulation. Mr. Rutt emphasized that if the member participates and agrees, the governor will actively oppose any effort to interfere as stated. If we do not agree, the governor may take the position that we did not sign on and he does not have to oppose it.

Mr. Gleysteen asked if any former governor has tried to enforce or control the manner in which municipalities generate their revenue. No one could recall this occurring.

Motion failed by the following 1-6 vote with one abstention:

No-Mr. Johnson votes no but thanked Mr. Gleysteen for his vote.

Mr. Grier stated he is happy the state is backing off from forcing Milford to sell their electric service. To him this is a gesture of good faith and good will. For the most part, Milford has already met the criteria and he votes no.

Mr. Pikus said he seconded the motion to get the issue on the floor, he has reservations about how our state government works today. Whether it can be trusted remains to be seen; however, this is not binding as stated by our solicitor and he votes no.

Mr. Gleysteen votes yes stating it is not binding by either the city or the state. There is very little sense to vote in favor of Resolution 2012-06. He thinks it sets a precedence for the state to come in and dictate to Milford in the future how we manage our electric department and in so doing it, impacts how we manage our real estates taxes. He does not want to go down that path and feels it is wrong to vote for the resolution.

Mr. Brooks said we have been doing this for thirteen years. When they came down to speak with the city manager, Milford was already doing these things. He feels by not passing this could hurt us in the long run. Therefore, he votes no.

Mr. Morrow abstained.

Mr. Starling and Ms. Wilson both voted no.

Mr. Grier moved to adopt Resolution 2012-06, seconded by Mr. Johnson.

Motion carried by the following 6-1 (and one abstention) vote:

Yes-Johnson, Grier, Pikus, Brooks

No-Gleysteen

Abstain-Morrow

Mr. Gleysteen stated we do not need a memorandum of understanding for something that is not legally binding when we continue to do the right things to attract economic development to the city.

Utility Bill Issues/Discontinuance of Late Payment Notice

The city manager recalled discussing changing from one monthly due date to four due dates and four disconnect dates done on a weekly basis. That procedure is in place and a notification letter is being prepared for our customers explaining the change and when to expect their bills and due dates.

He explained the downfall will be the first month. Our meter reads are based on wards and depending on your ward, a person may receive their next bill with two weeks of usage, three weeks and up to six weeks. Currently, the largest bill involves 31-32 days. Once the first billing cycle is complete, all bills should be back to normal.

Mr. Carmean said he is also considering hiring a company called Bill Trust who maintains the bills which includes printing and mailing the bills. There may be a small savings by using them though currently, the issue is the great deal of time involved in the process by non-billing personnel. Currently, we have city staff stuffing envelopes and traveling to the Dover Post Office for mailing because Milford Post Office no longer accepts bulk mailings. Unfortunately, this ties up our metering staff for hours and hours.

Currently the price to mail a bill is 41 cents; the price offered in this contract will be 35 cents.

Of our approximate 8,000 electric customers, he reported there are 1,800 paying their bills on line. The same 1,800 still receive a printed bill, a return envelope and postage on both. He believes a majority of those customers might opt to receive an on-line bill only which will be a substantial savings to the city.

He will provide further information and a comparison of costs at an upcoming council meeting.

He also explained that presently we mail out about 1,800 late notices which is another substantial cost. A lot of utility companies are no longer sending these notices. Our customers know they receive a bill and know when it is due. There is an option for e-mail notices for those with computers. Mr. Carmean recommends we no longer mail late notices in a cost reducing effort. This will also result in a savings of employee time and will again allow our meter employees to concentrate solely on their duties.

Before he did anything official, he wanted some direction from city council as this will require an ordinance amendment.

Mr. Grier supports the idea noting that he is unaware of any other bills where late notices are sent. You simply receive the next bill that shows the late fee. He also recognizes it will be a substantial savings in a couple areas.

Mr. Brooks moved to proceed with discontinuing the late notices and electric tariff change, seconded by Mr. Morrow. Motion carried with no one opposed.

The ordinance will be prepared for introduction at the May 29, 2012 meeting.

MONTHLY FINANCE REPORT

Chairman Pikus announced that the Finance Committee will begin their budget hearings on May 30th and May 31st at 5:30 p.m. He emphasized we are headed for another tight year and he anticipates even more work than was required the past two years. He encouraged all council members to attend noting the importance of a number of issues.

Mr. Pikus reported that through the ninth month of Fiscal Year 2011-2012 with 75% of the fiscal year having passed, 75% of revenues have been received and 69% of the operating budget expended.

Mr. Pikus moved to accept the March 2012 Finance Report, seconded by Mr. Gleysteen. Motion carried.

EXECUTIVE SESSION

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

Land Acquisition-Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements.

Mr. Pikus moved to go into Executive Session reference discussions on a personnel matter and site acquisitions, seconded by Mr. Grier. Motion carried.

Mayor Rogers recessed the Council Meeting at 8:35 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 9:15 p.m.

Executive Session Matter

Mr. Pikus moved to authorize the city manager to enter into negotiations with the owner of the Walnut Street property for a price of \$225,000 with some possible concessions, seconded by Mr. Grier. Motion carried by unanimous roll call vote.

Mr. Pikus moved to authorize the city manager to enter into negotiations with the owner of the Washington Street property for a price of up to \$55,000, seconded by Mr. Grier. Motion carried by unanimous roll call vote.

Mr. Pikus moved to authorize the city manager to enter into negotiations with the owner of the Northeast Front Street property, seconded by Mr. Grier. Motion carried by unanimous roll call vote.

ADJOURN

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

Meeting adjourned at 9:18 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder