

*MILFORD CITY COUNCIL*  
MINUTES OF MEETING  
*June 11, 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, June 11, 2012.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, 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 7:06 p.m.

INVOCATION AND PLEDGE

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

APPROVAL OF MINUTES

Motion made by Mr. Brooks, seconded by Mr. Pikus to approve the minutes of the May 7, May 14 and May 29, 2012 Council Meetings as presented. Motion carried.

RECOGNITION

No special guests were present to be recognized.

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.

Mr. Brooks noted the increased number of felony arrests which is a sign of our times.

CITY MANAGER REPORT

Mr. Carmean presented the following report:

*ADMINISTRATION*

*The City Planner and our Code enforcement personnel have moved back into the lower level and the public seems to be adapting to the change in locations without too much difficulty. I still believe that the planning and zoning functions, as well as the code enforcement, would be better housed in our public works area. However, I do realize the importance of utilizing our space here at city hall.*

*ELECTRIC*

*We are ready to start construction on our substation connection to Delmarva Power. This connection point is located next to the Solid Waste Facility on Rt. 113. The work will be started as soon as I get council approval on the bid. This bid will*

*be introduced at this meeting. The other matter that must be addressed is the line that runs from the planned substation to this connection point needs some right-of-ways from either DELDOT or Delmarva Power. I think that we will be able to negotiate with Delmarva Power for the right-of-way. Once this is accomplished we will be able to begin construction.*

#### *WATER AND SEWER*

*Work will begin shortly on the sewer lines on S. Walnut St. in the area of The Georgia House. This main is very suspect for causing a considerable amount of inflow and infiltration into our sanitary sewer system. This work was added to the I&I work done recently, because during that work this problem was discovered. Due to the original project coming in under budget, we are able to fund these additional repairs.*

*We are moving forward on the bid package for the Washington Street sewer pump station. The pumps, valves, and just about every other mechanical part are either about to fail or are failing. This would be an environmental disaster if this station had a large spill into the river. It is also an integral part of our sewer system. I will address this further at the June workshop.*

*We are hoping to begin demolition of the facility this fall but unable at this point due to the bridge work.*

*The well drilled behind city hall on our lot was successful. As a result, water will be piped downtown to the new treatment plant and back to the tower. Because the well does not take up the entire lot, the balance can still be used for additional parking.*

#### *STREETS AND SOLID WASTE*

*I realize I need to bring a yard waste plan and ordinance to the council for consideration and action. This is becoming a problem that our sanitation department cannot cope with under our present program. I have talked with my Public Works Director and Street and Solid Waste Superintendent about this subject. They have both worked on solutions, and hopefully I can also bring something to the council at the June workshop.*

*The plan is if you want yard waste picked up, a container will be provided. It will be picked up on alternate weeks from recycling. Presently, our crews are covering the entire town twice a week with no downtime. In the meantime, any citizen needing an additional pickup on off weeks can call the street department and accommodations made.*

It was confirmed there is no additional charge for the yard waste containers; Mr. Carmean explained that currently we have enough extra containers to provide those customers requesting that service.

The city manager also advised that our crews are now looking for hidden yard waste; if found, the customer could be fined \$500 for the first offense. There have been some instances, the trash, containing yard waste, was not picked up. He emphasized the importance of not mixing it with the regular trash.

Mr. Pikus asked if our customers were aware this is DSWA rules; Mr. Carmean stated yes, noting our crews have no problem picking it up. The problem is once it is discovered at the transfer station, the city is in violation of our agreement.

Mr. Carmean confirmed the southeast borings look good and a test drill will be done after a utility agreement is signed with the owner of Wickersham. He said that any potential property buyers of that property will be made aware of the water tower which should prevent any later problems.

Mr. Pikus moved to accept the city manager report, seconded by Ms. Wilson. Motion carried.

#### COMMITTEE & COUNCIL REPORTS

##### *Community Affairs*

Mr. Johnson reported on the 55<sup>th</sup> Annual Milford Memorial Hospital Fair held May 19<sup>th</sup>.

*Workforce Committee/Student Selection Subcommittee*

Ms. Wilson reported that they assisted in preparing twelve students interested in this work program for upcoming employer interviews. Currently, there are two companies participating.

She advised that mock interviews occurred today though she was unable to attend.

## COMMUNICATIONS

All documents included in packet.

## UNFINISHED BUSINESS

*City of Milford Interconnection Agreement**Facilities Study Agreement**Feasibility Study Agreement**System Impact Study Agreement*

Mr. Carmean advised the above four agreements are associated with the solar connection requested to the city's new substation on Milford-Harrington Road. He said the studies are required in order to proceed with the Sunolar project. At one point, he thought we would lose the project though they are again discussing the purchase of land from the city.

City Solicitor Rutt then explained the interconnection agreement is the main document. The facilities, feasibility and system impact study agreements tie into the interconnection agreement.

Mr. Pikus asked if every municipality signs an agreement with a solar farm; Mr. Carmean said this is unique to Milford noting a solar farm could have its own connection to the grid. In this case, they are coming on board with the city's new substation. He explained that DEMEC has a twenty-year agreement to buy energy and that every municipality has green energy requirements. However, this has an additional ten to fifteen year expectancy after the twenty-years. At that time, it could open the market to additional green energy buyers.

Mr. Rutt then reported that Sunolar will be producing electricity and selling it to the grids. Capacity wise, they are unable to be a separate provider to individual customers or other towns. In this case, the connection is through Milford's grid.

Mr. Carmean emphasized that Sunolar is unable to sell this power through Milford's system to another system though they are able to sell it to DEMEC, which is Milford's parent company.

The city manager then advised that when the system generates more electricity than is needed, the meter will run backwards and DEMEC will receive credit for the excess electricity.

Mr. Carmean confirmed that any savings will not be placed in electric reserves, but instead will go back to our customers.

Mr. Pikus moved to approve the innerconnection agreement and three subsidiary agreements (facilities, feasibility and system impact study agreements), seconded by Mr. Grier. Motion carried with no one opposed.

*Adoption of Resolution 2012-09/Approving Sale of City Land to Sunolar Power Company LLC*

City Solicitor Rutt advised the agreement for the sale of land was approved by city council in February. This resolution authorizes the mayor to sign the deed and documents needed to consummate the sale.

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

*Resolution of the Council of the City of Milford ("Owner")**Reaffirming Motion to Approve Sale of Land to Sunolar Power Company LLC ("Seller")*

*by Unanimous Roll Call Vote of City Council on February 13, 2012*

*Whereas, the City of Milford is the owner of certain real property situate in Milford Hundred, City of Milford, Kent County, State of Delaware, consisting of 21.694 +/- acres, as more particularly described in Exhibit A attached hereto; and*

*Whereas, the Purchaser desires to purchase from Seller, and Seller desires to convey to Purchaser a portion of the Milford Property, consisting of 11.215 +/- acres, as more particularly described in Exhibit B attached hereto.*

*NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILFORD THAT:*

- 1. The Charter of the City of Milford empowers City Council to sell, lease or authorize the sale or lease of any asset of the City.*
- 2. The property is not needed for municipal purposes and the public interest would be served by the sale of such property.*
- 3. The agreement with Sunolar Power Company LLC for the sale of property is in the amount of Five Hundred Forty-Three Thousand Nine Hundred Twenty-Seven and 50/100 Dollars (\$543,927.50).*
- 4. Said sale/purchase is subject to terms and conditions of the Agreement of Sale approved by City Council on February 13, 2012 and signed by the Mayor and attested by the City Clerk on February 17, 2012.*
- 5. The Mayor is authorized to execute on behalf of the city the deed and all other documents necessary to complete the transaction.*

*Attachments:*

*Exhibit A*

*Exhibit B*

Motion carried with no one opposed.

*Adoption of Ordinance 2012-10/Amends Electric Tariff by Eliminating Notice of Termination for Non Payment*

Mr. Carmean advised the city has less than 8,000 electric customers. Of that number, approximately 1,800 late notices are mailed each month. The estimated cost is \$1,500 considering postage, paper and printing costs. Those notices then have to be delivered to the Dover Post Office because Milford no longer takes bulk mail. As a result, a great deal of staff time is also involved in the process.

He further explained that when the disconnect list is created, our staff reviews it for discrepancies or unique situations. The billing staff will make every attempt to contact a customer who pays their bill on a regular basis. They will continue to provide these late notices for a couple months. In the meantime, we will ask customers to provide a phone number or e-mail address if they wish to be contacted. He is also working with Chief Hudson with a plan to use the police department's Code Red system as a tool for contacting disconnect customers in advance.

He said that payment history has revealed that a large number of people wait until they receive the disconnect notice before paying their bill. Hopefully, this will encourage those customers to make their payment on time.

Mr. Johnson asked if the notice will be clear so that all our residents understand and if it will be provided in Spanish as well. Ms. Wilson agreed and suggested Spanish or Haitian Creole; Mr. Carmean agreed to provide the information in additional languages.

Mr. Johnson moved to adopt the following ordinance, seconded by Mr. Pikus:

*An Ordinance to Amend the Regulations of the City of Milford by Revising Section 4, Payment Terms of Chapter 119, Electrical Standards-Rules and Regulations-of the City of Milford Code by Repealing the Requirement that Written Notices of Service Termination will be provided by the City of Milford if Payment is Not Received.*

*The City of Milford Hereby Ordains as follows:*

Section 1. *§4(E) of the City of Milford Electric Tariff is hereby amended by replacing "Late Payment Notice" with "AUTHORITY TO DISCONTINUE SERVICE FOR NON PAYMENT", repealing the first sentence in its entirety, adding "FOR NON PAYMENT to second paragraph and adding "SUCH TERMINATION OF SERVICE WILL BE WITHOUT WRITTEN NOTICE" as a new, third paragraph.*

#### *RULES AND REGULATIONS*

##### *Section 4 - Payment Terms*

##### *E. AUTHORITY TO DISCONTINUE SERVICE FOR NON PAYMENT*

*The City of Milford reserves the right to discontinue service FOR NON PAYMENT in accordance with provisions of these Rules and Regulations and the accompanying Tariff and/or take any other action permitted by law with respect to any Customer who fails to make full and timely payment of all amounts due the City.*

*(See Section 15-A-3).*

*SUCH TERMINATION OF SERVICE WILL BE WITHOUT WRITTEN NOTICE.*

##### Section 2. *Dates.*

*Adoption Date: June 11, 2012*

*Effective Date: June 21, 2012*

Motion carried.

#### *NEW BUSINESS*

##### *Noise Ordinance Temporary Waiver Request/Relay for Life/June 15-16, 2012*

Relay for Life Chair Lorna Petchey and Co-Chair Sarah Fox requested a temporary waiver to the noise ordinance to allow entertainment the night of June 15<sup>th</sup> and into June 16<sup>th</sup>.

Chief Hudson confirmed there have not been problems in the past.

Mr. Pikus moved to authorize the waiver as requested, seconded by Mr. Brooks. Motion carried with no one opposed.

##### *Introduction/Ordinance 2012-09/Amends 2008 Comprehensive Plan by Replacing Maps*

The Calhoun property, which is outside city limits, was purchased to construct a new electric substation. When the planning department was asked to begin the annexation process, it was determined the land was outside the growth boundary in our comprehensive plan. As a result, the comprehensive plan had to be amended and one step is the adoption of an ordinance by city council.

The amended maps were included in the packet for council review.

The ordinance was officially introduced; adoption is scheduled for the June 25<sup>th</sup> council meeting.

*Bid Award-Farmview Entrance, Roadway & Stormwater Pond/Electric Department*

Sealed bids were received, publicly opened and read on June 1, 2012 for construction of a Construction Entrance, Roadway and Storm Water Management Pond at Farmview which is the site of our new substation. Bids ranged from \$47,654 to \$139,311 with Swain Construction from Lincoln the lowest bidder.

Mr. Grier moved to award the bid to Swain Construction in the amount of \$47,654, seconded by Mr. Pikus. Motion carried with no one opposed.

*Adoption of Resolution 2012-07/Dedication of Portion of Lighthouse Estates Drive*

City Manager Carmean advised the portion of this road being accepted runs from Carpenter Pit Road to the Hampton Inn and is not actually part of Lighthouse Estates. The roads in the residential subdivision have not been completed and are not ready for dedication.

Mr. Carmean recalled when portions of streets in Hearthstone were dedicated and accepted before the development was completed. The city manager noted that the city will be accepting the entire road once it meets city specifications.

Chief Hudson confirmed that Carpenter Pit Road is in the county, remains state-maintained and there are still problems with the bridge.

The city manager confirmed we would have to plow the state-maintained road to get to this road which the city does on a regular basis.

Ms. Wilson moved to adopt the following resolution, seconded by Mr. Starling:

*ACCEPTING THE OFFER OF DEDICATION AND MAINTENANCE RESPONSIBILITY OF A PORTION OF LIGHTHOUSE ESTATES DRIVE*

*WHEREAS, on February 10, 2010, Pastor Royce Andrus on behalf of Lighthouse Christian Center submitted correspondence requesting the dedication of a portion of Lighthouse Estates Drive to the City of Milford; and*

*WHEREAS, it has become customary for the City of Milford to adopt a resolution upon the filing of a written request for a street dedication, however, that condition was overlooked at the time; and*

*WHEREAS, the City Engineer has determined that all required improvements to Lighthouse Estates Drive from the former Carpenter Pit Road to the Lighthouse Estates Subdivision Entrance/Hampton Inn were completed in accordance with city regulations; and*

*WHEREAS, the offer and acceptance of the dedication, completed in 2010, is being presented to council for record keeping purposes; and*

*WHEREAS, the portion of Lighthouse Estates Drive being dedicated for public use is highlighted on the attached map; and*

*NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Milford during a regular session of Council, by a favorable majority vote, confirms the acceptance of a portion of Lighthouse Estates Drive that was dedicated for public use into the City of Milford's street system and whereby the City of Milford officially assumes responsibility for the future maintenance and repair of that portion of Lighthouse Estates Drive.*

Motion carried.

*FY2011-2012 Budget Amendment/Administration/Elections*

It was noted that the amount budgeted was insufficient to cover the costs of two elections this year—the Washington Street Water Plant Referendum and our General Election.

Mr. Pikus moved to transfer \$1,174.19 from General Fund Reserves into 101-1210-414.10-10/Election-Salaries to cover the shortfall, seconded by Mr. Grier. Motion carried with no one opposed.

*Adoption of Resolution 2012-08/City of Milford 2012-2013 Fiscal Year Budget*

Finance Chairman Pikus then read the following prepared statement on behalf of the Finance Committee:

“The City of Milford Finance Committee consisting of Councilman Morrow, Councilman Grier and myself have worked very hard over the last thirty days, along with Finance Director Portmann and City Manager Carmean and the entire City Council during Finance Committee Meetings.

While working with each department of our city and reviewing their presented budgets, it was becoming increasing difficult to arrive at a balanced budget without continuing to remove funds from our reserve accounts. Particularly from our general fund reserve account.

This type of funding simply cannot continue. We have made as many cuts and eliminations of positions as possible. Our belts right now are as tight as can be. With our present structure our budget is not balanced. We collectively know it is not good government to pass a non-balanced budget. We cannot decrease our services whether it be public safety or any public service. We cannot decrease services to our citizens. If anything, we all look for ways to increase them and give better services.

Based on my previous comments, the Finance Committee is recommending that Mayor and City Council adopt the proposed presented budget for Fiscal Year 2012-2013 which includes a tax increase of eight cents per \$100 of assessed value. We then will have a balanced budget.

We are also recommending the amount of the tax exemption made available to our senior citizens of limited income and those who have qualified as of June 1st of this year, be doubled from its present amount.”

On behalf of the Finance Committee, Mr. Pikus moved that Resolution 2012-08 be adopted which approves the presented Fiscal Year 2012-2013 budget:

*ADOPTING THE CITY OF MILFORD  
FISCAL YEAR 2012-2013 BUDGET & CAPITAL PROGRAM*

*WHEREAS, the operating and capital budgets of the City of Milford for the Fiscal Year 2012-2013 were prepared and submitted to the City Council by the City Manager in accordance with Article VI/Financial Procedures of the City Charter; and*

*WHEREAS, the City Council was presented with the proposed budget after the Finance Committee made a comprehensive study and review during meetings on May 30, 2012 and May 31, 2012; and*

*WHEREAS, in the opinion of the City Council, the budget accurately, as possible, reflects the city's anticipated revenues and expenditures for the fiscal year beginning July 1, 2012 and ending June 30, 2013.*

*NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILFORD, that the City of Milford's Operating Budget for Departments shown under General Fund as Administration, Planning and Zoning, Code Enforcement and Inspections, Finance, Information Technology, Tax Assessment, Council, Police, Streets, Parks and Recreation and Engineering; and the Water Department, Sewer Department, Sanitation Department and Electric Department was adopted and approved as the budget of the City of Milford for Fiscal Year 2012-2013 in the following amounts:*

*Operations and Maintenance - \$35,934,735*

*Debt Service - \$2,170,720*

*Capital Program - \$1,009,075*

*Total Expenditures - \$39,114,530*

*A copy of said budget is on file in the Office of the City Clerk as was passed and adopted by the Council of the City of Milford on the 11th day of June 2012 by a 5-2 vote.*

Mr. Pikus also noted the tax bills will be mailed in August 2012 will reflect the new assessments.

Mr. Grier seconded motion.

Mr. Johnson asked the impact on our tax rate considering the roll-back rates; Mr. Pikus emphasized the preliminary estimate is our tax rate will drop from 46 cents down to 34 or 35 cents. The eight cents will be on top of that.

City Manager Carmean then provided a comparison on his home. He noted that his house went up 20 plus percent in value; with a ten-cent increase, he will pay less than \$100 in taxes. He agrees with Mr. Brooks there is still an impact on seniors and those with a limited income. That is the reason council proposed doubling the tax exemption for those seniors who qualify. This will reduce those assessments by \$40,000.

Mr. Rutt noted that Mr. Pikus' statement includes the double exemption as part of the budget. However, the ordinance is only being introduced this evening. Mr. Pikus confirmed his motion is only to adopt Resolution 2012-8 and the budget being proposed; Mr. Grier again seconded the motion.

Motion carried by the following 5-2 vote:

Mr. Johnson stated that he, like everyone else living in Milford, pays city taxes. No one is going to vote in favor of paying more. In the meetings, he said we did not talk about what we had in reserves or what else could be considered. He thinks that when taxes are raised, some sort of notice should be given. He agrees the budget needs to be balanced and we need the city to continue to work. At the same time, when an assessment is being done that will cause fluctuations in what people will pay, he personally does not want to go there. Therefore, he votes no although he acknowledges the amount of work that has been done. As far as the reserves, there are people around the table that believe we need a certain amount of reserves to keep the city safe from emergencies and that rainy day fund intact. However, our citizens do not always have the rainy day fund. He commends everyone for the work they have done. He said it is a fabulous job except for that little part. He stated he is voting no.

Mr. Grier said he votes yes. He recalled the two years of cutting and cutting and cutting just about anything possible just to balance the budget. This is the third budget he has been involved in and there is nothing more to cut. What was possible, has been cut. There are a couple things in the budget that are being cut. He feels the city needs to maintain its services and we do not want to cut the police. Everyone likes the services offered by the city. If taxes include a \$100 increase over the course of a year or twelve months, that is \$8 roughly a month though he understands that can be a stretch for some people. If people understood that not approving this tax increase could start affecting a person's way of life, some people would accept an \$8 or \$10 increase a month. The economic development position is not affected by the eight cents and is being paid from the proceeds from the Wawa sale which he is pleased with. He hopes that position will end up making the city money on the front end versus continuing to cut expenses and not being able to bring in any more revenue. He also feels that eight cents is better than ten cents which was originally presented. He fully supports the increase and votes yes.

Mr. Pikus said that as he previously indicated in the finance committee statement, when you are running a business, you cannot break your business. If we continue on the road we are now and continue to use general fund reserves, the city will end up possibly broke in a year. He said we keep taking, as we did this evening, a small amount, out of reserves. The rainy day fund is still needed. Several cities in Delaware are facing the exact same problem and some will bite the bullet and say it has to be paid for through taxes. If people continue to need and request services, the city has an obligation to provide them. The same services today cannot be provided for the same price they were five years ago. It is expensive. He noted the increase in gas prices and other items. He understands there are people on fixed incomes. He had several phone calls today about what council was doing. He said this is needed to continue providing good services. He said we are proud of our police department and our public works department. He said we have people who are working as hard

as they can and need them to continue. With good leadership, it will continue. He thinks that under good business, he must vote yes.

Mr. Brooks stated that first of all, he would like to thank the finance committee members who have worked hard and did an outstanding job considering how tight things are. He supports the budget. He spoke for a long time at one council meeting about the citizens he represents who are on a fixed income. He feels that if their home goes up \$30,000 and taxes go up eight cents, it will cost an additional \$80 to \$100 a year. Another issue is that city taxes are due in September and the county taxes are due the following month which creates a hardship on those with a fixed income two months in a row. He said that a lot of people are only taking their medicine half the time because they cannot afford to eat and take their medicine too. Now, the city is going to add a tax increase to their budget. He supports everything that has been done, but feels the money should come from reserves. Therefore, he votes no.

Mr. Morrow states that as a member of the finance committee, he also supports what had to be done. He agrees it is a very tough decision noting we have cut and cut. However, if this budget does not pass, we will be cutting services and maybe those things that have been talked about—solid waste, trash, recycling. He noted that our trash fee is \$23.50 which is very cheap compared to the county and other towns. There will be no recourse but to cut a police officer or another employee. He said we have already made some cuts and though we cannot go into that, he thinks we owe our citizens the service we are providing and not reduce them. He said we went over the budget and are below bare bones. The history of our tax increases since he has been on council are very minimal and less than the number of fingers on one hand. Initially, it was going to be a ten-cent increase but was decreased to eight cents. This is the right thing to do right now. It is a tough decision but council some times is required to make tough decisions and he votes yes.

Mr. Starling said as far as the workers in the city, the latest one and others, he does not think they should be laid off. He feels that when you cut someone, you cut a link in the chain which makes it weaker. He said if we pass the tax increase, that involves everyone including himself because he pays taxes too. He agrees that everyone is hurting. He said even the churches are hurting. His wife just came from conference and she now has a new charge at a lesser rate. They now have Milford and Harrington and it is just like starting over again. He said that unfortunately, everyone is hurting. He votes yes though it is difficult.

Ms. Wilson stated this is very difficult and everyone has spoken from their heart this evening. She thinks about the seniors in this town and has to sometimes think about herself. She struggled to pay her taxes this past year noting she has a two-person income but when one person is down, it can wipe you out. She said when you consider that, why would she want to raise her own taxes. But she is willing to do that because she does not want to give up services in a town she is very proud of. She does not think that anyone wants our employees to go through the hardship of not having jobs. She wants to keep our employees where they are in order to continue to provide the best services for our town. We do not want to layoff people but asked what other options we have. She is also faced with paying higher taxes. To her, that is a way to save her community and city government and allows the city to continue to function and keep the same standard of living that we have become accustomed to. Therefore, she votes yes.

Mayor Rogers complimented the committee for the job they have done. He did not want a tax increase. However, to continue with the quality of life we expect in Milford, there is no other choice because there is no other place to get the funding needed. There are more restrictions now than in years past and this is a tough time. He agrees with Mr. Brooks there are a lot of people living on a fixed income including himself that have no choice but to cut back. He hopes that the next piece of business will help some of our seniors. He does not want our quality of life to suffer and therefore, has to be supportive of this measure.

City Manager Carmean then stated that this is very tough. As Ms. Wilson alluded to, people are losing their jobs within the city. He realized during this budget process that in the last couple of years through attrition and layoffs, the public works department and electric department have lost twelve employees. He said it is now a matter of record that the budget has been passed. This budget includes at least one layoff and we still have to raise taxes eight cents. He agrees with Mr. Grier's statement that the economic development person should be hired in hopes he can bring more jobs to the city. However, that money was taken out of the Wawa surplus which can be used for economic development.

Mr. Carmean further stated that job will be a one year contract and not a government job we give someone with benefits. He said there are two candidates and he believes that one will accept the job under those conditions. After the twelve months, if council decides to add the position full-time, that can be done this time next year.

There was a comment from the public about an increase in value and on top of that, property owners are getting another increase which is like a double whammy.

*Introduction of Ordinance 2012-11/Senior Citizens Tax Relief/Exemption Increase*

Mayor Rogers noted the following ordinance is being introduced tonight. Mr. Pikus advised this ordinance has been discussed and for those citizens who qualify will receive an additional \$20,000 off their assessed value. He noted that social security income is not part of the salary equation which makes more people eligible.

He then introduced Ordinance 2012-11 which is scheduled for adoption at the next council meeting:

*AN ORDINANCE TO AMEND CHAPTER 204 OF THE CODE OF THE CITY OF MILFORD BY DOUBLING THE EXEMPTION FROM THE TAXATION OF ASSESSED VALUATION ON REAL PROPERTY FOR ELIGIBLE SENIOR CITIZENS*

*NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:*

*Section 1.*

*Amend Chapter 204, Taxation, Article I, Tax Relief for Senior Citizens by increasing the exemption of taxation of assessed property values provided to eligible property owners by striking \$20,000 and inserting \$40,000.*

*§204-1. - Conditions for senior citizen exemption on real property tax.*

*Every person 65 or more years of age having an income not in excess of \$15,000 per year, exclusive of social security and railroad pensions, and residing in a dwelling owned by him or her which is a part of his or her real property shall be entitled, on proper claim being made thereof, to exemption from taxation on ~~\$20,000~~ \$40,000 of assessed valuation of such real property, in the aggregate, and in the case of jointly owned property or property owned by husband and wife, such exemption shall be granted where the income of both does not exceed \$25,500 per year, exclusive of social security and railroad pensions.*

*Section 2. Dates*

*Introduction to City Council 06-11-12*

*(Projected) Adoption by City Council 06-25-12*

*Independence Commons Lot Sales/Real Estate Commission*

Mr. Pikus said he has received requests from local realtors expressing an interest in selling the lots in Independence Commons. He is not familiar with the rules and regulations associated with the purchase of the land which was funded through the State of Delaware.

He asked that this matter be researched by the city manager and city clerk to see if independent realtors are eligible to sell the land. He noted that selling these lots would result in additional revenues or funds to the city.

Mr. Grier recalled discussing this in the first Economic Development Committee meeting two years ago and it was determined by the city manager at that time, the state did not allow realtors to make a commission off the lots. Ms. Wilson agreed. Mr. Carmean said he originally received the \$1.6 million from the Bond Committee and agreed that one of the stipulations was that no profit was to be made by anyone on the lots which is the reason the rule was added that if a lot is sold and not developed, the city must buy it back for the same price and the buyer could not make money off it.

Mr. Carmean said he would favor this if it encouraged the sale of the lots.

It was noted the lots are advertised on the city website though Mr. Pikus said the realtors will advertise them at their expense. Their commissions would then be negotiable. He said if possible, he would like to give our realtors that opportunity; if not allowed, we must abide by the rules.

#### *Greater Milford Business Park/Deed Requirement/Condition Violations*

Mr. Morrow noted several lots were purchased when this park was first developed. There is a requirement that construction must commence within a certain time. Years have passed and nothing happened though it has been discussed several times. He asked that we proceed with taking action on those lots.

Mr. Carmean agreed the intent was to sell the lots, construct these buildings and bring new jobs to the city. A few of these lots are still vacant. He recalled council instructed the former city manager to contact the property owners and inform them the city will be taking the lots back.

He discussed the issue with one property owner who is willing to sell his lot back; however, he has paid taxes and maintenance costs for several years and wants to recoup some of those costs. He paid \$24,000 and the lot is now worth \$100,000 more.

Mr. Carmean will follow up with Mr. Rutt to consider the money he has paid in addition to any maintenance costs.

Ms. Wilson confirmed we will pay him the amount he paid the city as was agreed. Mr. Carmean stated yes that is in the agreement.

When asked if a motion was necessary, Mr. Rutt stated no, it only needs to be enforced.

#### FINANCE REPORT

Chairman Pikus reported that through the tenth month of Fiscal Year 2011-2012 with 83% of the fiscal year having passed, 79% of revenues have been received and 74% of the operating budget expended. However, we are still transferring funds from reserves noting there are two months left in this fiscal year.

Mr. Pikus moved to accept the April 2012 Finance Report, seconded by Mr. Morrow. Motion carried.

#### EXECUTIVE SESSION

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

*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.*

Mr. Pikus moved to go into Executive Session reference discussions on site acquisitions and legal matters, seconded by Mr. Johnson. Motion carried.

Chairman Pikus recessed the Finance Committee Meeting at 8:30 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 8:36 p.m.

#### *Executive Session Matter*

Mr. Pikus moved to approve and proceed accordingly with the purchase of the Louise Miles and the Robert Allen Jester properties as was discussed in Executive Session, seconded by Ms. Wilson. Motion carried by unanimous roll call vote.

ADJOURN

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

The Council Meeting adjourned at 8:47 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Terri K. Hudson". The signature is written in a cursive, flowing style.

Terri K. Hudson, MMC  
City Clerk/Recorder