

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 9, 2012

On July 9, 2012 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall and in accordance with Article VII §7.06, City Council acted as a Board of Revision and Appeal to hear property owners protesting their ten-year reevaluation as presented by Tyler Technologies.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen,
Owen Brooks, Jr., 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

The Public Hearing was called to order by Mayor Rogers at 7:35 p.m.

Paul Miller of Tyler Technologies was present. He stated that Delaware is a great area because the property taxes are low and values are fairly strong. Typically, there are only a few appeals which means the vast majority of property owners are in agreement.

John T. Lynch
118 Rock Ledge Court
Unit 5701-A
Hearthstone Manor
Tax Parcel 3-30-15.00-084.09
Current Assessment: \$140,500
Requested Assessment: \$125,000

Mr. Lynch was not present.

Mr. Miller reported that the proposed value is 23% less than the November 2010 purchase price of \$182,000. He noted that the market has leveled off since 2010 and believes this is a conservative assessment.

Mr. Johnson asked where the prior assessment of \$123,600 came from; he noted that the unit was only built within the last two years. Mr. Miller explained that is the value the assessor placed on the unit in 2010 at the time of new construction though it was based on the 2002 values. He further explained that any new construction coming in between dates when actual assessments are done is calculated on what the unit was worth at the time of the prior assessment.

Mr. Carmean clarified that \$123,600 is the price the buyer would have purchased the unit for in 2002; that same condo would cost \$184,000 in 2010.

Mr. Miller explained that until the next assessment, you are always trying to draw the numbers back to the previous date. In that manner, all like properties are valued the same.

Mr. Grier moved to accept the assessment placed by Tyler Technologies in the amount of \$140,500, seconded by Mr. Gleysteen.

Mr. Gleysteen stated the current assessment of \$140,500 appears to be fair for this property.

Motion carried by unanimous roll call vote.

*Mike A. Priola, Jr. Trustee
3801D S. Sagamore Drive
Unit 3804-D
Hearthstone Manor
Tax Parcel 3-30-15.00-084.08
Current Assessment: \$144,000
Requested Assessment: \$125,000*

Property Owner Mike Priola was present. He noted that in November 2011 he had an appraisal done by an appraiser from Frederica and in April 2012, another appraisal was performed by an appraiser from Ocean City, Maryland. Both came in at \$125,000. Since that time, he received an assessment from the city showing its value at \$144,000. He purchased the property in 2005 for \$181,300 though it was assessed at \$120,700. He said comparable units in the area have sold from \$120,000 to \$140,000.

Mr. Priola met with Tyler Assessor Ryan Zuck who told them there was a discrepancy in the square footage of approximately 175 feet. He then sent another representative out to speak with Mr. Priola who felt its value should remain at \$144,000.

The owner feels it is worth about \$125,000 due to the economic times. He also noted that the property is only a condo and there is no land so that should not be considered.

The city manager was asked by Mr. Pikus the difference if the tax rate were based on the old rate of 46 cents. Mr. Carmean stated approximately \$15 a year.

Mr. Priola stated that his tax bill should not increase because his property is worth less.

Dan Marabello pointed out Mr. Priola was given an incorrect estimate. He explained that is \$20,000 or 200 times 40. He said it would be closer to \$100.

Mr. Miller recommended that council not get into tax rates because the point of this hearing is to ensure the values of these properties are correct despite the tax rate. Council agreed that only the values would be discussed.

Mr. Miller asked council to consider the comparables. He noted that 3101B E Brookmyer Drive sold for \$146,400, 3501B North Sagamore Drive is listed for \$139,500 and 4002G Sagamore Drive is listed at \$139,900. The properties listed were part of Mr. Priola's private assessments.

He further explained that though Mr. Priola has argued that the land is not owned by the individual property owner, a condominium complex or townhouse community is valued differently than a single family home. The price the condos sell for is reflective of where it is, how it is laid out and any associated amenities. They are only trying to capture what the unit would sell for regardless of the land situation.

Mr. Johnson said he is aware that documents are not allowed to be distributed during a council meeting, but asked if he was able to provide an information sheet to Mr. Miller. City Solicitor Rutt explained to Mr. Johnson that he is becoming an advocate as opposed to a member of this board. The charter requires council members sit as the appeal body. By presenting something into the record, Mr. Johnson is becoming an advocate for the appellant as opposed to being an impartial board member who is required to hear the appeal and make a decision.

Mr. Rutt stated he is unfamiliar with any situation where a board that hears the appeals also acts as an advocate on the appeal and reiterated Mr. Johnson is unable to submit the document.

Mr. Johnson then asked how Tyler values condos in Hearthstone.

Mr. Miller explained that any condominium is just like any residential or commercial property. They consider the sales in the neighborhood. He understands the person is only buying the condo and nothing outside. He emphasized that this property sold for \$181,300 with no land. An adjustment cannot be made because there is no land. He made the point that the market speaks in that sale price. The market says the condo is worth \$181,300.

Mr. Johnson argued that was not the price in 2012 and this is a new assessment; therefore, it should not have been considered. He asked what \$181,300 has to do with this assessment. Mr. Miller agreed noting that they consider recent sales. When the appraiser looks at the condo, he considers what a person would be willing to pay for it. The sale price is based on location, size, the roadway it is on, etc. An appraiser uses the same information.

Mr. Miller said that if council wishes to adjust the value, \$125,000 is a low value and it should fall somewhere between \$130,000 and \$135,000 considering the information Mr. Priola has presented.

Mr. Johnson then asked if Tyler considered current sale prices at Hearthstone at the time of the appraisal; Mr. Miller stated yes and actually all of the properties. He stated he does not have that information with him. Mr. Johnson confirmed that one of Mr. Miller's appraisers handed the actual revaluation.

Mr. Brooks feels that Tyler hired this firm to do the reassessment. They have provided a figure; Mr. Priola obtained two appraisals on his own. He said it is difficult for council to make a change as they are not real estate professionals. He recalled a similar situation when the city hired a certified appraiser to obtain a value. The compromise was based on that assessment and our assessor's assessment.

Ms. Wilson referenced Mr. Miller's comment that \$130,000 to \$135,000 is appropriate. Mr. Brooks understands but is concerned if that happens, what about the other fifty or so homeowners who feel their condos may need adjusting. Ms. Wilson pointed out they missed the deadline; Mr. Brooks agreed but emphasized that he wants to be fair to everyone.

Mr. Gleysteen stated that Mr. Priola is requesting his appraisal be reduced to \$125,000 and has two appraisals to back that up. The appraised value on this condo is basically the same as the selling value which appears to be equitable. Mr. Miller noted the previous appeal and how all six comparables closely matched. The difference is the value dropped 23% since 2005; the previous property owner purchased it in 2010. Therefore, Mr. Miller feels Mr. Priola has more of a case which is what he based his recommendation on. Mr. Priola actually purchased his condo after which the market dropped though it stabilized for the most part in 2010.

Mr. Pikus pointed out that some of these condos are selling, more or less, on a number of factors including how quickly the sale needs to happen or whether it is a foreclosure or short sale. He agrees that it can be slightly adjusted though Mr. Pikus agrees with Mr. Brooks that Tyler is the professional and it should not be decreased to \$125,000. He has no problem adjusting it to \$135,000.

It was also agreed, as Mr. Brooks stated, that once we start adjusting the assessments, council could be sitting here for days reviewing each appeal. He does not want someone else feeling as though they were treated unfairly. Though the deadline has expired for the appeal, if the value is adjusted, there must be justification.

Mr. Pikus moved to reduce the Priola assessment to \$135,000, seconded by Ms. Wilson. Motion carried by the following 6-1 roll call vote:

Mr. Johnson votes no stating that \$130,000 was another number recommended. He is aware of prices in Hearthstone at this particular time. He asked who the expert is and noted that two Delaware appraisers came up with \$125,000 and the city appraiser assessed it at \$144,000. These people are aware of the current market value and his vote is no.

Mr. Grier votes yes stating this is a happy medium.

Mr. Pikus votes yes because of his previous statements.

Mr. Gleysteen votes yes and feels it is a reasonable compromise.

Mr. Brooks, Mr. Starling and Ms. Wilson all vote yes.

Jacob H. Roosa III
(Roosa Revocable Trust)
903 Roosa Road
Tax Parcel MD-16-174.17 01 06 01
Current Assessment: \$35,000
Requested Assessment: \$12,000

Mr. Roosa was not present.

City Solicitor Rutt advised that Del Code §1106 (Assessment of Land Used for Agricultural, Horticultural or Forestal Purposes) states that a municipality shall use the county assessment, regardless of any election under §1101 of this title, for all property within a municipality whose value has been assessed by the county pursuant to §8328-8337 of Title 9 for its agricultural, horticultural or forestal use.

The solicitor explained that if he has a farmland assessment value from Kent County, Delaware Code requires the municipality to utilize that assessment for the purposes of its tax base.

Mr. Miller offered to follow up with Kent County on the farmland assessment issue.

Mr. Rutt confirmed that council has the option to postpone action to allow time for researching whether the site is assessed as agricultural land. Mayor Rogers agreed.

The solicitor also advised that state code says that if the property is within a school district that lies within two counties, as Milford does, his assessment rate is the lower of the two counties. With this property in Kent, if Sussex has a lower assessment rate for agricultural land, he would receive the lower rate.

There was a question as to whether this property was subdivided from the main parcel.

Mr. Pikus moved to postpone action on this issue until some additional information is received. Ms. Wilson seconded motion. Motion carried.

Judith B. Smith
15 E. Green Land
Orchard Hill
Tax Parcel 3-30-11.00-519.00
Current Assessment: \$197,200
Requested Assessment: \$185,700

Judith Smith's son, Kevin, submitted a copy of a Power of Attorney to present his mother's case.

Mr. Smith stated that his parents bought their house in September 2011 for \$210,000. Tyler's assessment was \$197,200 and at first glance, he thought it was within reason. He then looked at adjacent properties.

He explained that his house is a single story rancher with a cross-base basement. In comparison, 13 East Green Lane has the same acreage, basement style, 480 additional square feet, one additional bedroom and half bath. The assessed value was \$13,000 lower. Also considered was 14 East Green Lane which has .03 additional acres, a full basement, 536 additional square feet and one additional bedroom and half bath. The assessed value is \$600 lower. The last comparison is 12 East Green Lane whose acreage is .03 acres more, with a full basement, 510 additional square feet and one additional bedroom

and half bath. It was assessed at \$1,000 less than the Smith home.

Mr. Smith requested the assessment be lowered to \$185,700 based primarily on the next door property at 13 East Green Lane.

Mr. Miller responded by explaining the typical protocol is not comparing assessment to assessment because if there is an error on the neighboring property on the low side, that will exacerbate itself. Therefore, appeals are handled one at a time.

He emphasized that this property sold just days before the evaluation date for \$210,000 and the assessment is at \$197,600.

When asked the difference in the values of the properties, Mr. Miller said he cannot substantiate the differences due to Mr. Smith just providing him a comparison document. Typically a rancher with square footage close to a two-story is worth more money because one story living appeals more to older people. Overall, one story living is more in demand than two-story homes.

Mr. Miller explained that \$13,000 (5%) difference is nothing when considering assessments. The ability to provide an assessment within 10% is a great feat. Less than 10% is even greater; anything above 10% could be bad if it involved a subdivision though it is reasonable in a rural area.

He emphasized that the International Association of Assessing Officers (IAAO) standards say that differences of 5% or lower should be questioned because it is that difficult. They deal with ranges and Mr. Miller is very comfortable with a \$13,000 difference in a neighborhood where homes average \$200,000. He agreed that the larger square footage typically is more valuable; however, the value on this property is already \$13,000 less than what they purchased the property for just a month before the assessment.

It was also noted that Mr. Smith did not challenge any of the data items.

Mr. Gleysteen moved to accept Tyler Technology's appraisal of \$197,200, seconded by Mr. Pikus. Motion carried by a roll call vote of 6-1.

Mr. Johnson stated that he believes there may be questions about the varied values in the neighborhood where larger homes have lower values and votes no.

Mr. Grier votes yes based on the price of the home in September for \$210,000 and assessed value a month later for \$197,200 which he feels is extremely fair.

Mr. Pikus votes yes based on previous comments. He reiterated that Tyler Technologies are the experts in the assessment field. In this case, the comparable sale price is also considered. Therefore, he votes yes.

Mr. Gleysteen votes yes and feels this is a fair appraisal noting the purchase price is only \$13,000 higher than this appraisal.

Mr. Brooks votes yes for the same reasons that Mr. Grier and Mr. Gleysteen stated.

Mr. Starling votes yes.

Ms. Wilson votes yes for the same reasons as have been stated.

Dara M. Gelof/Hello Masu LLC

107 N. Walnut Street, 109 N. Walnut Street, 111 N. Walnut Street - MD-16-183.10-03-76.00-000

113 N. Walnut Street - Undeveloped Lot - MD-16-183.10-03-75.00-000

115 N. Walnut Street - MD-16-183.10-03-74.00-000

107-111 N. Walnut Street - Current Assessment \$157,500 - Proposed Assessment \$105,000

113 N. Walnut Street - Current Assessment \$41,300 - Proposed Assessment \$25,000

115 N. Walnut Street - Current Assessment \$133,300 - Proposed Assessment \$100,000

Property Owner Dara Gelof of Los Angeles was present. She explained the properties are across from the M&T Parking Lot on Walnut Streets. Her parents purchased the properties in 2003 and she inherited them a year ago. Both her parents passed away by 2008 and the property was tied up in the estate process until March 2011.

She pointed out to city council that though Tyler Technology may be the professional, but because of the number of things they are doing, they are bound to make mistakes. The reason for the appeal process is to try to catch those. In her opinion, the property owners are the experts. She is here to point out a big mistake they made.

From 2003 until 2008, the properties were not well maintained by her father. His rentals were always low-end units. Prior to that, they were not well maintained due to its owners living in Maryland.

She explained that these properties are mixed residential and commercial properties and contain eight total rentals. Most of the renters had left without paying rent or were evicted. Only two businesses remain--Sombar Accounting Firm and the Mind and Body Consortium who is slowly expanding.

Ms. Gelof noted that both properties are run down and need a lot of work. The homes are both historic homes that were built in the 1840's. Her plans are to make the proper repairs to entice good quality renters who will care about the property.

An appraisal was done in 2008 at the time of her father's death. An optional six-month appraisal was also done. On all three properties, both appraisals came in at \$265,000.

The appraisals were based on comparables and the income value.

She reported that she has put a lot of money into these properties since the appraisal. She feels there is an argument about the 2008 value because the market has declined since that peak.

Ms. Gelof has had a very difficult time getting tenants because she does not rent to just anyone off the street who is looking for a room to rent. She looks forward to participating in the Milford Revitalization Project. She has done a considerable amount of work which includes refinishing floors, painting and landscaping. She has replaced two oil boilers and converted to more efficient propane. She hopes to do additional work once she gets some more tenants.

She explained these are old houses that no one wants. Some of the repairs would substantiate a small increase from the \$265,000 appraisal.

The total value by city appraisers was approximately \$325,000. Theoretically, she stated that she could sell it for \$325,000 to \$350,000 though not in their current condition. She feels if the comparables were conditioned on the fact that these historic homes need a lot of work.

Another point made by Ms. Gelof is the fact these are mixed use commercial units which makes comparisons to other properties more difficult. The comparables she found were homes that had been sold at auction and no one wanted to purchase. In reviewing them, she found no justification to the increased value.

She said it is a slap in the face because she has a decrepit property she is trying to fix. At the same time, she is being reassessed at a higher value that she feels is completely unsupportable. It should have been the other way around and she should instead receive an incentive because she is putting everything into these properties that she can. She feels it is a complete disincentive to think they will have property taxes on top of what is needed for them to become reasonable income

properties.

Mr. Pikus confirmed these properties actually stretch from Walnut to Washington Streets. Ms. Gelof said that is true for the other two homes on that block as well. Mr. Pikus said these properties could front both Walnut and Washington Streets. Ms. Gelof agreed that she would have to add on.

She said her goal is to make them more commercial units but currently there is no potential for income due to their condition.

When asked the purchase price of the properties in 2003, Mr. Miller reported the three properties were purchased for \$235,000.

Mr. Pikus asked if the value was based on the land; Mr. Miller explained that one-third of the value is land and two-thirds is building. He said the rental market in Milford is not a poor one. There is plenty of supply and demand and there are no market conditions limiting Ms. Gelof from renting the units. The fact that two units are rented is similar to someone saying they have a four-bedroom home but only use three bedrooms. Therefore, it should not be included in the value.

Mr. Miller also noted that Ms. Gelof's appraisal report states it contains nine units. Ms. Gelof responded though it was inaudible due to her speaking from the audience.

Mr. Miller referenced Ms. Gelof's estate appraisal noting that typically they are on the low end. In this marketplace, Mr. Miller said they are finding appraisals for first and second mortgages which are on the conservative side because banks are trying to protect their aspects today. When comparing Ms. Gelof's appraisal and consider the potential rental income, with the current interest rates and low risk factor in Milford as far as rental properties, a cap rate of between 10 and 11% would be reasonable.

He would suggest the best way to value this property is probably as rentals because that is how they are currently configured.

Ms. Wilson stated that though she is compassionate to Ms. Gelof's needs, council cannot consider hardships when comparing assessments. She agrees the city is trying to promote rehabs and renovations particularly in our downtown areas. However, the buildings are what they are and are based on a number of factors that our assessors have considered.

Ms. Wilson then made a motion to accept the assessment as presented by Tyler of all three properties, seconded by Mr. Starling. Motion carried by unanimous roll call vote.

Adjourn

Mayor Rogers closed the public hearing.

Mr. Miller stated he will follow up on the Roosa farmland tax status.

The hearing adjourned at 8:50 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL

MINUTES OF MEETING

July 9, 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, July 9, 2012.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., 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 7:13 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 30, May 31, June 11, June 14 and June 25, 2012 (Public Hearing and Council Meeting) 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, Ms. Wilson moved to accept the police report as submitted, seconded by Ms. Wilson. Motion carried.

Mr. Brooks noted that over the past three months, felony arrests have doubled. Ms. Wilson agreed noting that Milford continues to grow and that activities have increased which confirms the need to prepare for future growth of both our community and our police department.

CITY MANAGER REPORT

Mr. Carmean presented the following report:

ADMINISTRATION

I have had the repairs made to the lower level of city hall. We have replaced the drywall that was removed in order to locate the source of the water leaking into the area. I have also had some of the sidewalk and landing removed and replaced due to the settling of certain sections. These sections would have eventually caused water runoff to contribute to structural problems.

I have met with several businesses from outside our community to discuss the possibility of them bringing their companies to Milford. Councilman Grier has attended some of the meetings, and has helped sell the fact we are indeed interested in having them establish their firms here.

I would like to have council vote on a proposal for the outsourcing of our mail processing in August for a September start-up. I believe this will be truly advantageous for our billing department by easing the storage needs, personnel time, mailing location issues and equipment costs. Lewes and Middletown have been using this service for just a short period, but are very satisfied. There will not be large savings monetarily, but there will be benefits as mentioned including no longer tying up our meter technicians who were used to handle running the postage machine and taking the mail to Dover.

ELECTRIC

The electric crews have been busy keeping up with damages to our system due to the recent storms. Three (3) transformers, twelve (12) fuses, and a fifty-foot pole in the vicinity of the Solid Waste Facility on Route 113 have been replaced. Our system, due to the upkeep and constant improvements, continues to serve our customers with minimal disruptions in service.

We have started construction of our Tap Station located at the south end of Route 113. This is the location that our proposed 138 transmission line will connect to Delmarva. This is the connection that will feed our substation on Route 14 once it is constructed.

I will meet with Delmarva Power tomorrow in hopes of resolving some shared poles needed along the railroad tracks. If no agreement can be made, we will go between the Hammond property and Kentucky Fried Chicken, then onto Route 113.

WATER AND SEWER

Work has started on the Watergate subdivision on Marshall Street. We have notified the new developer that there are several things that must be done before we can issue Certificates of Occupancy to the units already constructed. During the time the project sat idle, manhole covers and storm water grates have been stolen from the subdivision. There are also some other infrastructure changes as well as site work requirements that need to be addressed before further construction.

I am working with DBF and the Wickersham developers on a utility agreement between the city and the developers. If the agreement is satisfactory for the requirements of the city, it will be signed after our solicitor approves it. This agreement will allow the city to drill a test well on the property, and if it proves successful Wickersham will donate several acres to the city as the future site of a water storage tower and treatment plant. This is an ideal site for this project since it is located close to our most southern limits, and we should have very few concerns brought to us by neighbors.

Design and planning are moving along for our plans to totally rebuild the water plant at South Washington Street. As I have reported, this includes an additional well that has been placed on the city-owned vacant lot across from city hall rear parking area. This well has received USDA approval even though it is not located at the water treatment site. I would expect early to late fall for the bidding for construction to take place.

I am planning to advertise for bids on the Southeast Milford Water Main Extension down Wilkins Road under Route 1 to the east. This system will be part of the new tower and treatment facility planned for that area. This will provide water to loop our system, increased water pressure and water to future development east of Route 1.

STREETS

We will be meeting with DELDOT representatives next week to discuss the Washington Street Bridge. This project is already late starting. I am assuming we will receive solid information as to the beginning and completion of the replacement of this bridge at the meeting.

I do not expect a big impact on businesses due to the entrances on either end of the street. However, it will increase traffic downtown.

Mr. Johnson asked for a ballpark time for the test well drilling on the Wickersham property; Mr. Carmean said he plans to have the agreement signed by the end of the week and is in the process of scheduling the drilling.

It was noted there is a Surge Protector Program offered by the city electric department for a \$3 fee. This can potentially save appliances should a home be struck by lightning during a storm.

Mr. Carmean advised that the meter department is also offering an Electrical Savings Seminar on July 25th at 1:00 p.m. in the council chambers.

Ms. Wilson noted that Church Street was recently repaved and looks much better.

TEMPORARY RECESS

Mayor Rogers temporarily recessed the council meeting in order to hold the Board of Revision and Appeal due to the Tyler Representative Paul Miller arriving. Meeting recessed at 7:35 p.m.

RETURN TO COUNCIL MEETING

The meeting resumed at 8:50 p.m.

COMMITTEE & COUNCIL REPORTS

Economic Development Committee

Chairman Grier advised that the ordinance waiving a portion of impact fees for new construction expired June 30th. He will create a new plan which he will provide council at a future meeting.

A committee meeting will be scheduled within the next couple of weeks.

COMMUNICATIONS

The city manager advised there will be an art presentation tomorrow night from 4 p.m. to 6 p.m. They have invited the mayor and council to attend if available.

UNFINISHED BUSINESS

Ordinance 2011-28/Chapter 193-Solid Waste/Yard Debris

Mr. Carmean advised that after the introduction of this ordinance last month, he was informed of another code that impacted the proposed changes. Therefore, the public works director needed some additional review. He will then present the amended ordinance at the next meeting.

Joe Palermo, 5 Misty Vale Court, Meadows at Shawnee, stated he and the city manager have discussed the fact that this will create a problem for the HOA's in Milford. They cannot put the containers in their garage and already have a garbage and recycling pail. Most of the residents in Meadows at Shawnee purchased 32 gallon pails for this purpose and this will add a fourth pail.

He said unless an enclosure is built on the side of their homes, the containers must be inside. Anyone that parks their vehicles in their garage is limited.

There is a meeting planned for Thursday to discuss this problem.

Washington Street Sewage Pump Station/DBF Proposal

Erik Retzlaff of Davis, Bowen and Friedel advised this is a continuation of the presentation given at the workshop two weeks ago. The pumping station is beyond its usable life and major repairs are needed. DBF presented the proposed to the city manager for the authorization to proceed.

Mr. Brooks said this was part of a referendum which was approved by the citizens and needs to proceed. Mr. Brooks moved for approval of the DBF Proposal (\$118,450 total), seconded by Mr. Pikus.

Mr. Gleysteen asked what construction stakeout services are as noted under exclusions and additional services.

Mr. Retzlaff explained that would be needed to install the pipeline outside the actual footprint of the building. For example, if a sewer main was laid out, they would have to stake out manhole to manhole or in the case of a water main, where the valves would go. In this case, there may be some additional work related to the interconnection of the bypass. It is a construction phase service which would be the responsibility of the contractor. If the city chose for DBF to provide that information to the contractor, those fees are outside their original proposal.

Motion then carried by unanimous roll call vote.

NEW BUSINESS

Introduction of Ordinance 2012-12/Chapter 1-General Provisions/Standard Late Fee

The following ordinance was introduced:

WHEREAS, the City of Milford recognizes a need to amend various fees from time to time.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS AS FOLLOWS:

Section 1. Chapter 1, General Provisions, Article II-General Penalty, of the Code of the City of Milford is hereby amended by adding a new section, Standard Late Fee, to read as follows:

§1-12. - Standard Late Fee

Unless otherwise indicated in the Code of the City of Milford, all unpaid monies due the City of Milford are subject to a penalty of 1% per month for each month or fraction thereof during which said money remains unpaid.

Section 2. All other fees and late fees established in the Code of the City of Milford shall remain unchanged.

*Section 3.**Dates.*

Introduction: July 9, 2012

Adopted: July 23, 2012

Effective: August 2, 2012

The city manager advised that Finance Director Jeff Portmann requested this ordinance because there is no penalty or late fee for paying after the due date in a number of instances. For example, one person pays twelve months after their stormwater management pond bill is sent every year because there is no penalty. Grass cutting bills is another example.

He noted that 1% is very low end and some charge 2% per month and higher.

Some bills, such as utilities have late fees written that specific code.

Mr. Pikus then asked if 1% is sufficient; Mr. Carmean said we will begin with 1% and may increase later if it is needed.

The ordinance is scheduled for adoption at the July 23rd meeting.

National League of Cities/Annual Dues

Mr. Wilson moved for approval of the \$1,117 annual dues to National League of Cities, seconded by Mr. Starling.

Motion carried by the following 6-1 vote:

Yes-Johnson, Grier, Pikus, Brooks, Starling, Wilson
No-Gleysteen

Mr. Gleysteen votes no because he does not believe the city gets enough value from National League of Cities when compared to the fee.

Delaware League of Local Government/Annual Dues

Mr. Pikus moved for approval of the annual dues in the amount of \$4,000, seconded by Mr. Brooks. Motion carried unanimously.

MONTHLY FINANCE REPORT

Chairman Pikus reported that through the eleventh month of Fiscal Year 2011-2012 with 92% of the fiscal year having passed, 88% of revenues have been received and 81% of the operating budget expended.

He said that overtime is being watched heavily. In addition, some tweaks may be needed in the budget periodically depending on unexpected circumstances.

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

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

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

Mayor Rogers recessed the Council Meeting at 9:02 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 9:20 p.m.

Executive Session Matter

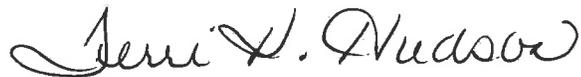
Mr. Pikus moved for approval to change the job classification grade for the police chief position from 16 to 17, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

ADJOURN

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

The Council Meeting adjourned at 9:21 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