

MILFORD CITY COUNCIL
MINUTES OF MEETING
September 10, 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, September 10, 2012.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, 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 7:02 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. Brooks to approve the minutes of the August 2, 9, 13, 20 and 27, 2012 Committee and Council Meetings as presented. Motion carried.

RECOGNITION

Mayor Rogers presented the following proclamation for adoption:

Proclamation 2012-15/Family Day

WHEREAS, the use of illegal and prescription drugs and the abuse of alcohol and nicotine constitute the greatest threats to the well-being of America's children;

WHEREAS, 17 years of surveys conducted by The National Center on Addiction and Substance Abuse at Columbia University have consistently found that the more often children and teenagers eat dinner with their families the less likely they are to smoke, drink and use illegal drugs;

WHEREAS, frequent family dining is associated with lower rates of teen smoking, drinking, illegal drug use and prescription drug abuse;

WHEREAS, the correlation between frequent family dinners and reduced risk for teen substance abuse is well documented;

WHEREAS, parents who are engaged in their children's lives – through such activities as frequent family dinners – are less likely to have children who abuse substances;

WHEREAS, family dinners have long constituted a substantial pillar of family life in America.

NOW, THEREFORE, I, Joseph Ronnie Rogers, Mayor of the City of Milford, do hereby proclaim September 24, 2012:

'Family Day – A Day to Eat Dinner with Your Children'

and urge all citizens to recognize and participate in its observance.

s/Mayor Joseph Ronnie Rogers

Mr. Pikus moved to adopt the proclamation, seconded by Mr. Johnson. Motion carried.

Carlisle Fire Company

President Marvin Sharp of Carlisle Fire Company commented on its enhancement fund adopted by the city in 2005. He agrees it is a great tool when construction is hot; however, it is only a temporary fix. Unfortunately, after the homes are built and the population continues to grow, there is a need for more funding.

He said as the population gets older and retires, many become an asset. He hopes many of those residents will volunteer at the fire company, not only to fight fires, but to assist with fundraisers and paperwork. However, they eventually become a liability to the fire company as a result of increased fire calls.

President Sharp then discussed the need for a fire hydrant program, regulated under NFPA rules. Whenever a fire hydrant is opened, the fire company is required to notify the city (authority that maintains them). Fortunately, City Water Department Employee Steve Ellingsworth is a member of the fire company who takes care of the notification. Without him, the city would be required to respond each time.

He then reported that the Delaware Volunteer Firefighters Association will honor Casey Sharp, Tom Cahall, Samantha Wright, Shane Casper, Michael Edwards and Larry Jarrell on Thursday morning as a part of its annual conference at the Sheraton Hotel in Dover.

He recalled they were previously recognized by Carlisle Fire Company for saving two people from a burning home near Milford Little League this summer.

Carlisle Fire Company's Glen Gillespie will also be installed as President of the Delaware State Fire Chiefs' Association.

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 Mr. Pikus. Motion carried.

CITY MANAGER REPORT

Noting he has received continuous complaints as a result of the tax bills recently sent out, Mr. Carmean feels the majority of our property owners disregarded the letters they received from Tyler Technology explaining changes and increases/decreases in their new assessments.

The following report was then presented by the city manager:

SEWER AND WATER

I met with Randy DuPlechain from DBF to discuss any possible water upgrades for the future after I was notified we may have a limited opportunity to get USDA funding for projects involving our water infrastructure. We have been asked by Baltimore Air Coil to consider extending water to their plant because of failed wells at their location. We would initially fund the work, but Baltimore Air Coil (BAC) would reimburse the city over a set number of years. I have directed DBF to submit a request for funding to the USDA.

(Mr. Gleysteen arrived at this time.)

Several years ago, the city extended sewer services to BAC when their septic failed. This allowed them to increase their number of employees from 135 to 400 plus. The city has not charged the 1.5 x rate that is charged to other out of town customers.

Another possible project would be a total servicing and needed upgrade and repairs to our entire hydrant system. They have not been flushed on a regular basis to ensure they are in proper working condition and to maintain a fresh water supply by getting rid of any sediment. He emphasized it is costly to pull a hydrant and replace the valve.

I am also considering upgrades and improvements to our water SCADA (System Control and Data Analysis) system. SCADA is a computer system that monitors and controls our wells. Presently, our pumps are not being controlled by SCADA which means when the water tower lowers to a certain rate and the program kicks on, all the pumps kick on which results in equipment failing more rapidly than it should. The intent is to add the capability of controlling individual pumps.

Once a decision is made on which item(s) to apply for, I will bring that information back to council.

(Mr. Gleysteen confirmed the city is not on a preventative maintenance schedule; the city manager said no. He added there are roughly 1,800 hydrants in the city. Mr. Gleysteen suggested this be worked out with Carlisle Fire Company.

Mr. Carmean explained that over the years, the fire company has had difficulty trying to open various hydrants. That is when it came to Mr. Carmean's attention we did not have a flush maintenance program. He said a similar situation occurred at the sewer pump station on the river. One of the problems with failing or old equipment is the valves are not kept loose and working. As a result, we fear turning a valve off if a bypass is needed.

He said that for sometime, the public works director has been working on a flushing program. Mr. Pikus received a call sometime ago from a citizen who was concerned with a dead-end hydrant in his area because no one had been out there to flush it in several years. Years ago, it was done on a regular basis because of the rust and other materials that could potentially end up in the water. That is why the flushing program is now being developed.

Mr. Gleysteen asked if the city or fire department is better suited to perform the program; Mr. Carmean stated that city staff has the experience needed and is definitely more suited.

Mr. Gleysteen asked the time and cost involved to replace a hydrant valve; Mr. Carmean said to check all 1,800 may require in excess of \$2 to \$2.5 million. There are other concerns such as sidewalk repairs, ground maintenance, etc.

Mr. Gleysteen is very concerned the city does not already have a preventative maintenance program; the city manager said that is why Mr. Dennehy is now working on it and we are doing what can be done with our current budget.

Mr. Brooks hopes that \$2.5 million is high and that a majority of the hydrants are working correctly; Mr. Carmean noted that \$2.5 million is the worst case scenario and Mr. Dennehy believes that at least 40% will not require any work.

Mr. Brooks emphasized the importance of routine maintenance on fire hydrants. The city manager agreed noting that a certain number should be done each week.)

(Mr. Pikus recalled that a few years ago, we lost pressure in our water tower and our water plants were forced to shut down temporarily. He asked what action was taken at that time to prevent that from occurring again. Mr. Carmean explained that was when we initially purchased the SCADA system; now when that occurs, a signal is sent to city water staff informing them of the problem.)

The utility agreement with the Wickersham property owners has been accepted. We have done the test boring at that location and the results were promising. Now that the agreement is in place, we can do the actual test well. As I have stated before this is an excellent location for several reasons. I think the most important reason is the fact we will not hear complaints from neighboring property owners about having a tower in their vicinity, but it also is a geographical location that serves our delivery system in the southeast excellently. This will involve 2.5 to 3 acres of their land. They

will save money by having the city installing this water tower on their property. Some consideration may be needed on some connection fees.

The repairs and replacement of our sewer and storm water systems on North Walnut Street were to be completed by September 6, 2012. The base work has been completed on the street repairs though it may be spring before the topcoat is applied. It is important to get this work done before we get struck by a major storm. Property owners in the disturbed areas have, for the most part, been very understanding with the disruption to their businesses. Some have complained of a loss of business, but as I have explained, if we had not done the work on our schedule they could have faced complete shutdowns when the system failed totally.

(Mr. Pikus expressed concern that because this is a patchwork repair, should it begin to sink, will DeIDOT return and repatch the area. He is confident that will happen with the winter weather approaching. Mr. Carmean assured council it will be maintained by the state even if the base coat begins to break up. He plans to overlay a much larger area than just the section being repaired and specifically from the intersection to the bridge area.

He confirmed the green arrows in this area are related to the Washington Street Bridge project and mark the conduits which protects our utilities.)

ELECTRIC

It appears as if the solar project is once again moving forward. I expect to go to settlement shortly on the 10+ acres the city is selling to the developers. There are several reasons for delays. The last hurdle has been our inability to guarantee a date of completion of the substation. Delmarva Power and the city are very close in our negotiations of right-of-ways and pole purchases. I would still like to see the station built by the end of the calendar year.

Upon completion, this will be the largest solar farm on the east coast.

This past spring one of our linemen left for another position. It was decided to replace the lineman position for a groundsman position for the time being. The groundsman is basically a helper for the crew, and in particular a person to assist a working lineman. The person hired is a licensed electrician and is close to receiving his Master Electrician certification. I made a deal that the city will help him pay for the rest of his courses to get his master's certification which will eventually be a cost savings to the city. Once that is obtained, he can be an even more valuable resource to our department. The electric department has cut personnel by five employees over the last few years and the department is managing to continue keeping our lights on with very few outages.

(Mr. Johnson asked if we have an employment agreement confirming the groundsman will remain with the city for a certain number of years if we invest in his education; Mr. Carmean stated yes. However, we also offer training to all our employees. The agreement requires him to stay two years. Should he leave at the end of one year, he is required to reimburse the city 50%. After two years, there is no reimbursement.

Chief Hudson advised the police department has a similar policy related to training; Mr. Carmean noted that this policy mirrors the police department policy and is citywide.

The city manager then reported that he is keeping an eye on electric overtime though it is much less compared to what it used to be. He attributes that to our updated system which has resulted in less call-ins. At the same time, there are fewer employees to select to work scheduled overtime. In the past, the lowest paid employees came in for disconnects or weekend work that was needed. Most recently, an electric crew was needed over the weekend at the construction site next to the Peebles Store to prevent other businesses from having to shut down. This allowed the work to be done when the other stores were closed.

He explained that only the higher paid employees were available over the weekend. Mr. Carmean said the overtime was higher as a result of not having as many lower-paid employees to choose from. He said in some cases, they may need a supervisor on the job with the experience in case something happens.

He said if council still wants more cuts in the electric department, he will review it. When he came back as city manager, he found the electric department was already down three or four employees.)

STREETS

We are continuing to work toward getting our Southeast Front Street overlay started. There are numerous changes needed prior to the actual street improvement. The locator has been working toward locating and marking all the lines that need repair or replacing. I have been assured we are still going to receive funding from the state for handicap accessibility improvements on the sidewalks, and funding assistance for the overlay. I would like to improve and replace sidewalks on both sides of the street, but we simply do not have the funding.

We have completed repaving on Church Street, Masten Circle, Bridgeman Avenue and Wilkerson Terrace. We are also contemplating doing North Washington Street from 6th Street to Rehoboth Boulevard.

Mr. Gleysteen referenced the Marshall Street closing. He stated that when he looked at the culverts, it did not appear as though there were problems. He asked the reason for shutting them down and replacing them. Mr. Carmean advised that DelDOT informed the city the work had to be done. The city manager confirmed the city has nothing to do with the work and it is a complete DelDOT project.

Mr. Carmean explained there is a lot of work DelDOT does the city is not normally privy to. For example, the State of Delaware owns many streets in Milford and we cannot change a sign on them, make an area no parking or do anything without their permission. However, we are totally responsible for those streets and have to plow the snow and handle any repairs. At the same time, we receive no municipal street aid for them.

Though he looked for it for many years, he finally obtained a copy of the 1963 agreement Milford signed with DelDOT that outlines what we can and cannot do.

Mr. Starling questioned a program through the State of Delaware where three or four months rent is provided free and some funding was provided to the applicant to upgrade buildings. Four towns were mentioned and Milford was one. Mr. Carmean said he will try to determine the program being described, though council members thought it may be a Community Development Block Grant Program.

Mr. Starling also expressed concern about the multiple ways vehicles cross Route 113 on North Street Extended. In particular, he referenced vehicles crossing onto North Street from the southbound lane of the highway when another vehicle is traveling north and entering North Street. He said there are approximately six different ways to maneuver that area. He asked if we can get that area marked similar to the end of Church Street so it is obvious which way to cross, turn, etc.

He said it is especially a problem when multiple cars are crossing Route 113.

The city manager advised it will need to be coordinated through DelDOT. However, in a number of cases, DelDOT gives the city permission to paint the roadways. He will follow-up with Street Superintendent Tim Webb.

Ms. Wilson questioned the security camera that is currently inoperable on the old social services building. Chief Hudson advised Ms. Wilson the police department is working on that. He explained that at this point, it is only a matter of moving it to a different location on that building. They have been working on them to determine what they feel are the best angles. They now need to coordinate with the owner of the building.

Mr. Carmean directed Chief Hudson to contact the electric department to assist with the project.

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

COMMITTEE & COUNCIL REPORTS

Community Affairs Committee

Chairman Johnson noted that another successful Riverwalk Freedom Festival was held this past weekend. It appeared there were more people at the Friday fireworks than in the past when it was held on a Saturday. Mayor Rogers agreed and Mr. Brooks pointed out the weather was perfect.

COMMUNICATIONS

All correspondence included in council packet.

UNFINISHED BUSINESS

Adoption/Ordinance 2012-14/Property Tax Rollback and Increase

Mr. Pikus advised the tax increase was approved in June. Our finance department calculated the rollback rate with the increase which is reflected in this ordinance.

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

WHEREAS, the 2011/2012 fiscal year property tax rate for the City of Milford is \$.46 per hundred of assessed value and the total assessed value of property as of July 1, 2011 was \$778,980,803; and

WHEREAS, upon the completion of the 2012 city-wide reevaluation, the total assessed value in 2012/2013 is found to be \$1,003,188,103; and

WHEREAS, Delaware State Law 22 Delaware Code Section 1105 (b) requires municipalities to calculate a "rolled-back" tax rate so as to provide the same tax revenue as was levied during the prior fiscal year and to state that the percent, if any, by which the property tax rate to be levied exceeds the "rolled-back" property tax rate.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF MILFORD:

That the City of Milford "rolled-back" tax rate is \$.38 per hundred of assessed value, and the 2012/2013 tax rate is to be set at \$.46 per hundred of assessed value, the increase over the rolled-back tax rate being 21%.

Dates:

Adoption: September 10, 2012

Effective: September 20, 2012

Motion carried by the following 6-1 vote:

Yes-Pikus, Gleysteen, Brooks, Morrow, Starling, Wilson

No-Johnson

Mr. Johnson stated his vote is consistent with his previous vote related to the same matter.

Mr. Brooks recalled that at the June meeting, he voted no because it increased the 46-cent rate to 54 cents. With the rollback, it remains at 46 cents despite the fact that the values of many homes increased as his did. However, he also understands the city needs the money to budget the balance. Therefore, he votes yes.

NEW BUSINESS

Approval of FY2012-13 Budget Transfer/Public Works/Solid Waste Reserves/Yard Waste Containers

Mr. Carmean advised the new budget does not include funding to purchase new yard waste containers. Though we have not yet kicked this program into high gear, we have delivered containers to those who requested one.

Finance Committee Chair Pikus confirmed he spoke with the finance director. Mr. Portmann agreed with City Manager Carmean that instead of taking the money from reserves, it can be paid from the cash account. This will leave the CD in the reserve account which was just reinvested at a higher rate for the next five years.

Mr. Pikus moved to transfer \$24,251.40 from Trash Fund Cash Balance to Expense Account # 204-4040-432-61-11 to pay for the new 95-gallon roll-out yard waste containers.

Mr. Gleysteen pointed out that the point of increasing our property taxes was to prevent budget transfers throughout the year to pay for anticipated items such as this.

Mr. Johnson asked if we have a need for almost 500 containers; Mr. Carmean advised we have approximately 500 containers already in stock. He expects 1,000 customers to request containers though the number could be higher.

Mr. Gleysteen then seconded the motion. Motion carried by unanimous roll call vote.

Introduction of Ordinance 2012-16/Animal Code/Leash Law Amendment

City Manager Carmean introduced the following ordinance for adoption at the next meeting:

ORDINANCE NO. 2012-16

Section 1. An Ordinance to amend the Code of the City of Milford, Chapter 79-Animals.

Section 2. Article I, §79-1 (Terms Defined) is hereby amended by adding the following definition:

ARTICLE I - Definitions.

§ 79-1. - Terms defined.

ANIMAL- Dog, cat and any species of mammals except human beings.

Section 3. Article II, §79-2 (Running at large; Exceptions), §79-3 (Identification tag, violations and penalties) and §79-4 (Leash required; Exceptions) is hereby amended as follows:

ARTICLE II - Control of Dogs, Cats and Other Animals

§ 79-2. - Running at large; ***Exceptions.***

A. It shall be unlawful for any person or persons to permit any ~~dog or cat~~ animal owned, kept, maintained or in the custody or control of such person or persons to run at large either upon the public streets, sidewalks, highways, alleys or thoroughfares of the City of Milford or upon private property of any other person or persons ***without permission of the owner of that property or of the person in possession of that property.***

(1) Exceptions:

(a) Such restriction shall not apply to cats.

(b) Such restriction shall not apply to dogs owned by the Milford Police Department or other law enforcement agencies and maintained as police K-9 units while under the custody and control of the trainer or handler.

§ 79-3. - Identification tag; violations and penalties.

~~A. Every person who owns, controls, harbors, possesses or keeps any dog or cat over the age of six months in the City of Milford shall procure an identification tag for said animal. Within 15 days after an animal reaches the age of six months, or within 15 days after any animal over the age of six months is acquired or brought into the City, its owner shall procure an identification tag for said animal. Any owner who fails to procure such an identification tag within the time allowed shall be subject to a fine of not less than \$25 nor more than \$300. The identification tag shall contain the name, address and telephone number of the owner of the animal.~~

§ 79-3 - Dog license required.

A. The owner or lawful possessor of any dog shall obtain a license for his dog pursuant to the licensing requirements of the county in which the owner or lawful possessor resides. License must be kept current. Any owner or possessor who fails to comply with the provision of the applicable county shall be subject to a fine of not less than \$25 nor more than \$300.

B. The owner of the ~~dog animal~~ shall affix or cause to be affixed to said ~~dog animal~~ the identification tag *associated with the license required in Section § 79-3A. hereinabove mentioned*, and Said ~~dog animal~~ shall thereafter, at any and all times, have attached to it said identification tag.

§ 79-4. - Leash required; *Exceptions.*

A. No ~~dog, cat or other~~ animal shall be permitted in or upon any public street, sidewalk, alley, park, parkway or other public place in the City or in or upon any property belonging to said City unless said animal is on a leash and is under the complete control of the person owning or, at the time, in possession of said animal.

~~(1) Exception:~~

(1) Exceptions:

(a) Cats.

(b) Feral cats that have been trapped, spayed or neutered and re-released are exempt from Subsection A. Each cat would be ear-tipped, clearly identifying it as a product of the Kent County SPCA Feral Cat TNR Program.

B. Notwithstanding anything in this article to the contrary, no person shall be compelled to keep any ~~dog, cat or other~~ animal in his possession on a leash while in or upon any public street, alley, parkway or other public place in the City if, at the time, said animal is securely confined in an automobile.

Section 4.

Dates.

Introduction: September 10, 2012

Adoption (Projected): September 24, 2012

Effective (Projected): October 10, 2012

It was noted this is a simple ordinance removing the requirement that cats must be on a leash.

Dedication of City Right-of-Way/Mispillion Landing/DBF

The following request was received from Paul Simeone, Unity Development Corporation:

We are the owners of Mis pillion Landing (Tax Parcel # MD-16-183.07-01 -27.01) located on the south side of Northeast Front Street (KCR 409). The project received site plan approval on November 18, 2011 and the plan was subsequently recorded on February 14, 2012. As part of the approvals, DelDOT requires our project to complete entrance improvements to include a deceleration lane and by-pass lane. In order to accomplish the required improvements, we are required to obtain right-of-way with a width of 15-feet over a portion of the City's property (identified as Tax Parcel MD-16-183.07-01-15.00) which fronts along Northeast Front Street as shown on the enclosed map. The area of the acquisition is approximately 166 square feet.

We are requesting your consent to dedicating the required right-of-way to the State of Delaware, Department of Transportation. In consideration of this dedication, we will be paving most of this dedication in conformance with the approved plans. Furthermore, our office will pay for all costs in preparation and recording of the easement (i.e., engineering and legal expenses). It is our understanding that based on an informal conversation with the City the City will entertain our request for right-of-way dedication. If the City is willing to discuss and/or accept the above offer, please advise as soon as possible and we will prepare the necessary documentation for your review and approval. If the City is not willing to discuss and I or accept the above offer, please let us know this as well, and we will communicate your decision to DelDOT.

City Manager Carmean advised the location is across from Kenton Crate and Pallet Company on Northeast Front Street east of Rehoboth Boulevard. In order to begin construction of the residential subdivision, DelDOT is requiring a deceleration and bypass lane.

Mr. Pikus noted that the memo states that most of the dedicated area will be paved; he prefers they pave the entire area. He asked if they will pave the entire 166 square feet; Mr. Carmean confirmed that DelDOT will require that and believes it is 120 feet in length.

The city manager reported the subdivision will consist of affordable multi-dwelling units. At one time, townhouses and condos were planned; affordable, government-subsidized housing will now be built. It will not be Section 8 housing though he expects it will be geared more toward elderly citizens.

Mr. Carmean advised that the neighbor across the street complained that no one was cutting the grass at this site. Once construction begins, code enforcement will no longer have to deal with it.

The city manager confirmed the city will own the roadway and Unity Development will simply add a deceleration and bypass lane.

Ms. Wilson moved that the city grant permission for 166+/- square feet of MD-16-183.07-01-15.01 on Northeast Front Street (CR 409) be improved for use as a right-of-way as described in the letter dated May 9, 2012, seconded by Mr. Morrow. Motion carried by unanimous roll call vote.

Adoption of Ordinance 2012-19/Sewer Code/Chapter 185/Impact Fee Exemption (Amended)

Mr. Carmean recalled waivers for sewer, water and electric impact fees be extended as has been previously discussed. The ordinance was amended by restricting the waiver to properties being rehabbed, renovated or improved. New structures will not qualify.

Mr. Gleysteen moved for adoption of Ordinance 2012-19, seconded by Mr. Pikus:

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

Increase redevelopment of underused buildings and sites.

(3) Increase rehabilitation, upgrade, and adaptive reuse of existing buildings.

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8, Ordinance 2010-17 and 2011-16 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011 and 2012 when compared to those same periods in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend the period to waive sewer impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by extending the deadline to June 30, 2012 as follows:

D. The sewer impact fee described in Subsection C shall be waived for all permits issued FOR REPAIRS OR REHABILITATION OF EXISTING STRUCTURES between SEPTEMBER 20, 2012 AND JUNE 30, 2013. The waiver shall be for a maximum of 5 EDUs per project. The City will continue to collect the impact fee charged by Kent County during this period. WAIVER DOES NOT APPLY TO NEW CONSTRUCTION.

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(2) shall remain in effect through the extended deadline of June 30, 2013.

§185-24 D (1) To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Sewer Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 EDU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 EDU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 EDU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 EDU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

§185-24 D (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Motion carried.

Adoption of Ordinance 2012-20/Water Code/Chapter 222/Impact Fee Exemption (Amended)

Ms. Wilson moved to adopt Ordinance 2012-20, seconded by Mr. Gleysteen:

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9, Ordinance 2010-18 and Ordinance 2011-17 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011 and 2012 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend the period to waive water impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by extending the deadline to June 30, 2012 as follows:

§222-31 I. The water impact fee described in §222-31H shall be waived for all permits issued FOR REPAIRS OR REHABILITATION OF EXISTING STRUCTURES between SEPTEMBER 20, 2012 and JUNE 30, 2013. The waiver shall be for a maximum of 5 EDUs per project. WAIVER DOES NOT APPLY TO NEW CONSTRUCTION.

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect until the extended deadline of June 30, 2013.

§222-31 I. (1) To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Water Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 EDU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 EDU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 EDU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 EDU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

§222-31 I. (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Motion carried.

Adoption of Ordinance 2012-21/Electrical Standards/Chapter 192/Impact Fee Exemption (Amended)

Ms. Wilson moved to adopt Ordinance 2012-21, seconded by Mr. Starling:

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10, Ordinance 2010-19 and Ordinance 2011-18 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011 and 2012 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend the period to waive electric impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

— Section 1. Appendix B-Electric Tariff-Rules and Regulations shall be amended by extending the deadline for the waiver of Electric Impact Fees.

Section 2. Rules and Regulations, Section 3-Customer Advance Usage/Impact Fees and Deposits, Subsection E(1) is hereby amended as follows:

E. The electric impact fee established under this Appendix shall be waived for all permits issued FOR REPAIRS OR REHABILITATION OF EXISTING STRUCTURES between SEPTEMBER 20, 2012 AND JUNE 30, 2013. WAIVER DOES NOT APPLY TO NEW CONSTRUCTION.

(1) To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Electric Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 ESU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 ESU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 ESU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 ESU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 ESU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

(2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Motion carried.

Adoption of Ordinance 2012-22/Taxation/Chapter 204 (Amended)

This ordinance was also amended and the abatement is restricted to structures being rehabbed or renovated and new construction does not qualify.

Ms. Wilson moved to adopt Ordinance 2012-22, seconded by Mr. Pikus:

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

— WHEREAS, it is recognized that financial incentives are an effective means of encouraging individuals and corporations to invest in the City of Milford; and,

WHEREAS, investment within the City of Milford creates opportunities for temporary and permanent employment, expands the City's tax base, and increases the use of City utilities; and

WHEREAS, on May 24, 2010, Milford City Council enacted Ordinance 2010-7 which initially provided a one year tax exemption for improvements on any property located within the City of Milford; and

WHEREAS, additional extensions were approved through the enactment of Ordinance 2010-16 and Ordinance 2011-19 which represents the City of Milford is doing all it can to help stimulate an economic recovery.

NOW, THEREFORE THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 204 of the Code of the City of Milford, entitled Taxation, is hereby amended to include a new Article to read as follows:

ARTICLE II-EXEMPTION OF NEW IMPROVEMENTS ADDED TO PROPERTY

§ 204-6. - Eligibility for new improvement exemption of real property taxes.

The exemption shall apply to any improvement to any property (residential, commercial, industrial, etc.) located within the City limits that results in an increase in the improvement assessment as contained in the City's general assessment records.

THE EXEMPTION SHALL ONLY APPLY TO THE INCREASE IN ASSESSED VALUE RESULTING FROM SUBSTANTIAL REHABILITATION, RENOVATION OR IMPROVEMENTS OF EXISTING PROPERTIES (RESIDENTIAL, COMMERCIAL, INDUSTRIAL, ETC.) LOCATED WITHIN THE CITY LIMITS. NEW CONSTRUCTION DOES NOT QUALIFY.

The building permit for the said improvements must be submitted to the City prior to June 30, 2012. THE BUILDING PERMIT FOR THE SAID IMPROVEMENTS MUST BE ISSUED PRIOR TO JUNE 30, 2013 AND SHALL BE VALID FOR A PERIOD OF ONE YEAR. The exemption shall be based on the change in the improvement assessment value only. The land assessment is not eligible for exemption under this article.

§ 204-7. - Amount of the exemption.

The amount of the exemption shall be determined by subtracting the improvement assessment value prior to the new construction VALUE OF CONSTRUCTION PER THE BUILDING PERMIT from the improvement assessment value following the new construction.

§ 204-8. - Application of the exemption and limitations.

The dollar amount of the exemption shall be multiplied by the property tax rate in the first full tax year following the issuance of a certificate of occupancy by the City. The dollar amount of the exemption shall be limited to a maximum of \$1,000 for residential properties and limited to a maximum of \$5,000 for all other properties. The exemption shall only be good for one year immediately following the issuance of a certificate of occupancy.

§ 204-9. - Appeals.

An aggrieved taxpayer may appeal from the disposition of an exemption claim in the same manner as is provided for appeals from assessments generally.

§ 204-10. - Due date for payment of property taxes.

Property taxes shall be payable on or before September 30th of each year.

§ 204-11. - Penalties.

To every tax not paid after the said date established in § 204-10, there shall be added and collected a penalty, for each month that the said tax remains unpaid. A penalty of one percent per month, or fraction thereof, shall be charged on all unpaid property taxes. City Council, by resolution, may impose a date later than that established in § 204-10 for the additional and collection of penalties.

Motion carried.

Introduction of Ordinance 2012-18/Chapter 58/Police Enhancement

Mr. Morrow advised the intent and purpose mirrors that of the Carlisle Fire Company Enhancement Fund established in 2005. He said there is a need for funds to pay the increased costs of police services, equipment and facilities associated with new growth and development. He noted there has been a substantial decrease in the transfer tax account over the years.

He emphasized this will not affect our current property owners and only applies to new construction or modifications.

Mr. Pikus asked if the ordinance goes to public hearing; Mr. Carmean said yes, at the next meeting. Mr. Rutt noted the five ordinances adopted this evening did not have public comment.

Mr. Carmean said he personally supports the fee and wish it had been created twenty years ago.

Chief Hudson said this has been discussed among the Delaware Police Chiefs; many communities are doing the same thing or have similar plans.

Mr. Morrow introduced the following ordinance for adoption at the September 24, 2012 meeting:

*Amendment to City of Milford Code
Ordinance 2012-18*

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. An Ordinance to amend the Code of the City of Milford, Part I, Administrative Legislation, by adding a new Chapter 58 entitled Police Facilities and Equipment Development Impact Fee.

Section 2. Chapter 58-Police Facilities and Equipment Development Impact Fee

58.01 A Police Facilities and Equipment Development Impact Fee is being created for the purpose of assuring the impacts created by new construction and development activity in the City of Milford pay a fair share of the proportional facility and equipment costs. Such fee is required to maintain the existing level of police protection services needed to accommodate such development activity and defray attributable costs, while maintaining the existing level of services to all areas in the City of Milford. New construction and development activity within the City of Milford results in increased usage of residential, commercial, industrial and other affected properties, which thereby increases the facility and equipment requirements of the City of Milford Police services. New construction or development activity, without the payment of fees imposed by this section, would not be fair to the owners and occupants of existing buildings within the City of Milford.

*58.02 (A) Police Facilities and Equipment Development Impact Fee.
There is imposed a Police Facilities and Equipment Development Impact Fee on all new residential and nonresidential development.*

(B) Development Activity.

Any new construction or expansion of building, structure or any change of building or structure.

(C) Fund Established.

There is hereby established and created a fund of the city entitled "Police Facilities and Equipment Development Impact Fee Fund" and all revenues derived from and monies collected under this section, including accrued interest thereon, shall be deposited in such fund. The Police Facilities and Equipment Development Impact Fund is established for the sole purpose of providing monies for the acquisition, construction, and reconstruction of facilities and equipment needed for the police department in providing police protection services.

(D) Impact Fee.

The Police Facilities and Equipment Development fee will consist of a surcharge of .5% of the construction costs shown in the applications for building permits issued by the City of Milford. Said surcharge shall be paid to and collected by the City of Milford as are all other building permit fees.

58.03 Annual report and amendment procedures.

(A) Within one hundred twenty (120) days after the last day of each fiscal year, the Chief of Police shall prepare a report to the City Council incorporating the following items:

- 1. The police facilities and equipment commenced, purchased or completed utilizing monies from this Police Facilities and Equipment Development Impact Fee fund;*
- 2. The amount of fees collected;*
- 3. The amount of Police Facilities and Equipment Development Impact Fees in the fund; and*
- 4. Recommended changes to the Police Facilities and Equipment Development Impact Fee Ordinance, including, but not necessarily limited to changes to the Police Facilities and Equipment Development Impact Fee.*

(B) Based upon the report and such other factors as the City Council deems relevant and applicable, City Council may by majority vote, amend the ordinance which includes any increase or decrease in the amount of the impact fee.

Section 3. Dates.

Introduction: September 10, 2012

Adoption (Projected): September 24, 2012

MONTHLY FINANCE REPORT

Chairman Pikus reported that through the first month of Fiscal Year 2012-2013 with 8.3% of the fiscal year having passed, 7.6% of revenues have been received and 8.3% of the operating budget expended.

He noted that interest on our accounts has done well in July considering the current interest rate. He also agrees with Mr. Gleysteen that we need to reduce the number of budget requests to transfer monies from reserve and cash balance accounts. Mr. Brooks agrees with Mr. Gleysteen's concerns about the continual transfers from reserves and cash accounts.

Mr. Pikus stated he is pleased that electric revenues are up due to some hot weather recently experienced.

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

EXECUTIVE SESSION

Executive Session-Consideration of Condemnation of Easement for Public Use-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 potential litigation, seconded by Mr. Morrow. Motion carried.

Mayor Rogers recessed the Council Meeting at 8:04 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 8:20 p.m.

Adoption of Resolution 2012-14/Negotiate Installation of Additional Utilities or Authorize Condemnation Action/Key Property Group LLC

Mr. Gleysteen moved for adoption of Resolution 2012-14, seconded by Mr. Johnson:

WHEREAS, the City of Milford through a condemnation action acquired an easement for the installation of a sewer line over property owned by Key Property Group, LLC identified on Sussex County tax maps as Map and District 3-30-11 Parcels 6.01, 6.05, 84, 86, and 87; and

WHEREAS, a Certified Abstract of Record of Condemnation Proceedings was filed with the Recorder of Deeds in and for Sussex County in Miscellaneous Book 1073, page 74; and

WHEREAS, the City of Milford has determined that it is in the public interest to be able to install other public utilities within the same easement.

NOW, THEREFORE, BE IT RESOLVED that the City Manager is authorized to negotiate with Key Properties Group, LLC to purchase the right to install additional public utilities within the easement and if that fails, City Council authorizes the filing of a condemnation action in Superior Court to obtain said utility rights.

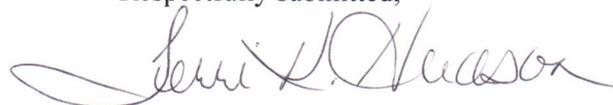
Motion carried by unanimous vote.

ADJOURN

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

The Council Meeting adjourned at 8:23 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder