

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 11, 2011

A Public Hearing was held in Council Chambers on Monday, July 11, 2011 to take comment on an update to the 2008 Comprehensive Plan by adding the Southeast Master Plan. This will provide a more detailed plan for land use including build-out calculations, detailed planning for the provision of infrastructure and services including timing, phasing and funding, partnerships and collaborative planning among different levels of government and a more predictable plan to address items necessary for implementation and commitments, agreements and time frames. The area covered is located in the Southeast Neighborhood, including lands east and west of State Route 1 and incorporates a number of existing and developing subdivisions.

PRESIDING: Mayor Joseph Ronnie Rogers

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

City Manager David Baird, Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

City Solicitor David Rutt, Esquire

Amended 2008 Comprehensive Plan to Include the SE Master Plan

Adoption Ordinance 2011-15

Mayor Rogers called the Public Hearing to order at 7:05 p.m.

City Planner Gary Norris reported to council on the most recent activities of Milford's Southeast Plan.

He advised that on June 16th, the Planning Commission held a meeting for public input for the Southeast Master Plan. At that time, residents expressed concern about the possibility of being annexed into the city. Mr. Norris explained the city is not pursuing annexations in the southeast planning area; however, any petition from a property owner would be reviewed for consideration.

At that presentation, one of the recommendations was to educate the Chamber of Commerce about the Southeast Master Plan because of the large area designated for employment. Mr. Norris responded by stating that our Economic Development Director Richard Carmean is familiar with the plan and is working on some employment possibilities for that area.

Concerns were also expressed relating to the transfer of development rights. The city planner reiterated that for the Master Plan and Transfer of Development Rights Programs to work, any land annexed into the city in the southeast planning area would have to be annexed as R-1.

Another comment referenced the other neighborhoods in the comprehensive plan and a question was asked if other master plans were being considered. Mr. Norris said that is an option for council to consider once this master plan is adopted.

Other suggestions were made for the city to keep track of the number of residential units constructed in the southeast planning area to see if the projection of 2% per year held true which Mr. Norris was planning to do.

There was also a question about the need for a water tower in the southeast planning area. The city planner responded by explaining the extra service in that area is needed for fire protection and should one of the older towers go down, it would provide backup and looping of the city's water services.

Prior to that, on May 21st, the planning commission for the City of Milford held an official public hearing. Major comments included annexation concerns specifically from Sapp Road residents who do not want to be annexed into the

city. Transfer development rights was also discussed with concerns expressed about sending areas. Mr. Norris again explained that in order for that program to work, there needs to be a sending and receiving area and that any land annexed in that area must be annexed in as R-1 and R-2.

Mr. Pikus asked the response of the residents once Mr. Norris explained our annexation procedure; the city planner stated there is still concern and those property owners remain adamant they do not want to be annexed.

Mr. Norris then emphasized that transportation improvements will be made to many of the roads. Once the upgrades are completed, speed limits would increase and additional traffic can be expected as well as possible congestion.

He added that DNREC had recommendations in relation to buffers near Cedar Creek though there are some requirements already in place by the state agencies.

Public utilities will also need to be constructed in the southeast planning area.

Mr. Norris then reviewed the responsibilities of the state agencies. DelDOT, in cooperation with developers and development, through tax increment and financing programs, will improve the roadways. The Department of Agriculture will oversee the transfer of development right's program. DNREC has recommendations regarding environmental protection along Cedar Creek and the source water protection areas.

He then advised the planning commission held another public hearing on June 21st, in addition, is the public hearing before city council this evening.

When adopted, Mr. Norris advised this will amend the Certified Comprehensive Plan for the City of Milford.

David Edgell, Office of State Planning, then addressed council stating that one of his roles in this project has been to compile information into the document. As the editor, he has received the written comments. He considers the comments to be simple clarifications and updates and nothing that would alter the basic goals, objectives and recommendation in the document. Mr. Edgell suggests that when council adopts the plan, these changes would be made to the final publication so the correct information is available.

Mr. Edgell then advised the document has been sent to a professional editor for grammar and punctuation changes. He also received written comments from Carol Bason of the University of Delaware who has helped with the land use model which includes a series of maps that depicted the various land uses. She read through the document with a primary focus on the chapter related to the model and clarified the terminology and language necessary for the software that is trademarked.

Mr. Edgell reported there were questions about the utility improvements. Randy Duplechain of Davis, Bowen and Friedel provided cost estimates regarding the sewer and water improvements that will be incorporated into the document. Additional comments received from Gary Norris were added to the utility improvement chapters.

Written comments were received from DNREC and in particular, Fish and Wildlife, that were not integrated into the original DNREC set of comments. Though lengthy, some minor points will be added to the DNREC section. He advised the DNREC section did encompass those comments with the exception of one or two clarifying points related to the importance of the Atlantic White Cedar species of trees in that area and fish and wildlife protection.

Another set of comments was also received from DNREC that asked questions about source water protection. After a review, those answers were fully covered in the Certified 2008 (as amended) City of Milford Plan. However, a map reference will be added to the document.

Mr. Edgell also received some written comments from Bruce Allen of DelDOT with final updates to the transportation chapter. Those updates were limited to more up-to-date graphics and pictures of the various intersection improvements shown in their chapter and some clarifying text.

Mr. Edgell concluded by stating that any other changes that council directs will be implemented into the final document.

Mayor Rogers then opened the floor to public comment.

Howard Webb of 5536 Cedar Neck Road asked who is going to administer the TDR Bank; Mr. Norris answered the Department of Agriculture.

Mr. Webb then stated that this type of planning is light years ahead of what Milford has been doing. However, unless the rest of the city is brought on, it will have minimal impact. He said that most of us will not live long enough to see the impact anyway because it is a slow progressing type of planning though he agrees it is a good start. It puts the city in control of the planning instead of the developer deciding where things should go.

He concluded by stating the entire city needs to be brought up to one standard and if not, he is unsure how this will work because there will be different standards.

No one else from the public had any comments and the hearing was closed.

Mr. Brooks then questioned the increase of speed limits caused by road improvements; Mr. Norris clarified that as the existing county roads are improved, there will be increases in speed due to upgraded conditions which will allow vehicles to travel faster. He further explained that currently, a road may have a 25 mile per hour speed limit, but when it is upgraded with ditches on either side removed and its lanes widened, that speed limit could be justifiably increased to 35 miles per hour.

When asked how this plan would impact the balance of the city, Mr. Norris explained it could have an indirect impact but not a direct impact. As an example, if the employment center is developed, there is the potential for housing in other neighborhoods. Those residents would also shop and eat in restaurants in other areas of the city.

City Manager Baird then noted that because there is a master plan in place, it makes it more attractive in making an investment to develop or redevelop in Milford. The goal is to allow an easier and quicker process for interested developers to move through the planning and approval process so that more activity can take place in Milford. However, to expedite the applications in this manner, the project must fit in the approved plan.

Mr. Brooks asked who pays for the road upgrades; Mr. Baird stated that is DeIDOT's responsibility. However, as the improvements are needed, some type of tax increment/financing or special development could be established so that developer contributions could help leverage state dollars. He explained that most will depend on timing and whether the improvements are needed in advance of any development. The state would then need to move those roads up on the list and bear the brunt of those costs though opportunities for partnership could be considered between the state and the developer.

Mr. Baird then acknowledged the effort put into the Comprehensive Plan and Southeast Master Plan by City Planner Norris. He also thanked David Edgell and Director Connie Holland of the Office of State Planning, Mark Davis from the Department of Agriculture and those that assisted from DNREC.

Mayor Rogers advised the final draft will be presented at the July 25, 2011 Council Meeting at which time it can be adopted.

With no further business, the Public Hearing was adjourned by Mayor Rogers at 7:27 p.m.

Respectfully submitted,



Terri K. Hudson, CMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 11, 2011

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 11, 2011

PRESIDING: Mayor Joseph Ronnie Rogers

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

City Manager David Baird, 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 7:27 p.m.

INVOCATION AND PLEDGE

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

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Gleysteen to approve the minutes of the June 6, June 9, June 13 and June 27, 2011 Meetings as presented. Motion carried.

RECOGNITION

No one was in attendance to be recognized.

POLICE REPORT

Police Committee Chairman Morrow presented the monthly report on behalf of Chief Hudson noting the increase in overall stats in 2011. Chief Hudson concurred stating that traditionally, officers become even busier during the warm weather months.

Mr. Pikus moved to accept the Monthly Police Report, seconded by Mr. Starling. Motion carried.

CITY MANAGER REPORT

Mr. Baird then read portions of the following report into record:

Solid Waste & Recycling

In 2010, SB234 was signed into law and part of the legislation establishes diversion rates of 50% by January 1, 2015 for Municipal Solid Waste being disposed of at the landfill. The tables below compare the City's diversion rate by month with the same period of the previous year as well as year to date and annual totals.

	Solid Waste	Curbside Recycling	Igloo Recycling	Yard Waste	Total	Diversion Rate
May 2010	406.54	32.45	41.40	0	480.39	15.3%
May 2011	370.75	37.41	40.08	46.21	494.45	25.0%

	Solid Waste	Curbside Recycling	Igloo Recycling	Yard Waste	Total	Diversion Rate
2009	4,684.38	442.44	545.68	-	5,672.50	17.4%
2010	4,630.47	450.12	505.82	37.49	5,632.39	17.6%
2011(YTD)	1,649.04	199.18	201.71	138.8	2,188.73	24.7%

Impact Fee Waivers

Since the waiver of impact fees was implemented in June 2010, the City has waived \$200,387 in fees. This waiver has allowed property owners in Milford to retain this money and has helped to support a total investment of \$11,190,883 (based on building permit values) during the months of June 2010 through June 2011.

Wawa Property Sale

The City is proceeding with the sale of the Wawa property on NE 10th Street. Mr. Burton has informed us that he will not be exercising his right of first refusal on the property which puts Wawa in position as purchaser for the price of \$1.2 Million. We are currently working with Wawa on the subdivision plan that will separate the parcel into three pieces, one will be maintained by the City for the water tower and the remaining two will be conveyed to Wawa. The subdivision will need to be approved through the City's normal subdivision process and settlement will occur following that approval and the 30-day appeal period. It is anticipated this will be in late September or October.

Washington Street Water Plant & Billing Office

The initial building program for the billing office at the Washington Street site has been completed and we are projecting 4,000 square feet is needed for billing. Early indications are the site could accommodate this size footprint which would allow us to add additional floor space on the second floor to be used for future space and to continue our current lease arrangements with the Chamber of Commerce and Downtown Milford. We will continue to keep the Council and the Public Works Committee updated on our progress.

Electric Substation Project

The City has acquired the Fordmill Property and will be discussing the additional acquisitions needed during an Executive Session on July 11th. We continue to coordinate with Delmarva Power and are working to meet a schedule that will allow the interconnection work to be completed during the Fall. If we are not able to meet this schedule, the work will have to be pushed into the Spring and that may cause a delay in our final delivery of the project.

You will begin to see activity on the Fordmill site involving the pouring of concrete pads for the transformer, the installation of the transformers and fencing around the substation area.

Downtown Lighting Project

City Electric crews are continuing the refurbishment of the street light poles and light heads in the downtown area. They will be completing the final section on NW Front Street in the coming weeks which will bring the project to a close. The new light head are energy efficient LED lights and were paid for with a grant from the US Department of Energy. The LED lights are projected to save the City's general fund approximately \$2,300 annually in energy costs.

Electric Utility Rate Comparison

Residential Rate @ 1,000 kWh

Del Co-Op	\$121.31	0%	-20%
Lewes	\$137.37	13%	-10%

<i>Dover</i>	<i>\$141.61</i>	<i>17%</i>	<i>-7%</i>
<i>New Castle</i>	<i>\$152.13</i>	<i>25%</i>	<i>0%</i>
<i>Delmarva Power*</i>	<i>\$152.15</i>	<i>25%</i>	<i>0%</i>
<i>Middletown</i>	<i>\$154.74</i>	<i>28%</i>	<i>2%</i>
<i>Milford</i>	<i>\$155.27</i>	<i>28%</i>	<i>2%</i>
<i>Smyrna</i>	<i>\$158.48</i>	<i>31%</i>	<i>4%</i>
<i>Clayton</i>	<i>\$162.70</i>	<i>34%</i>	<i>7%</i>
<i>Newark</i>	<i>\$163.98</i>	<i>35%</i>	<i>8%</i>
<i>Seaford</i>	<i>\$164.45</i>	<i>36%</i>	<i>8%</i>

Mr. Gleysteen asked how the city plans to meet the 50% diversion rate for solid waste by 2015. Mr. Baird said there is a need to promote the recycling more. There is still a lot of yard waste that is not being collected and dumped in various areas. Because it is the most labor intensive and most costly, that will need to be considered over the next couple of months.

He plans over the next couple years to provide more education to our customers. A large number of containers have been delivered though not all those customers are utilizing that service. However, he believes it is within the 40-50% range. In the meantime, the campaign should encourage more participation.

Mr. Gleysteen asked what will occur if we do not make the 50% rate by that time; Mr. Baird said there are no penalties in the legislation so it is unclear at this time.

Mr. Brooks asked how the other towns are doing, Mr. Baird said he has not seen any stats. Even if he did, he would be reluctant to provide the information because everyone may be reporting it differently. He feels that some of the beach towns may be factoring the trash they are collecting from their public areas which may skew the numbers. Milford is not yet collecting recycling in the multi-family areas because private haulers are being used in those areas. The private haulers are not obligated to provide the recycling service so we do not see those numbers. As a result, the numbers vary.

The city manager also pointed out there are very few towns in Delaware still collecting trash. Most have outsourced that service over the years. Milford provides the service at a lower rate than the private haulers while providing some additional flexibility to meet the public needs.

Mr. Starling asked if the solid waste collectors receive comparable salaries with other towns and services. The city manager said that when the salary comparison was done three years ago, they were evaluated against other municipalities and private haulers. They were competitive at that point and the city has kept those salaries up with pay adjustments over the past few years that many towns and haulers were unable to provide. He believes their pay remains competitive.

Mr. Baird then reported that Milford has fallen to the middle of the pack in electric rates as is the normal trend during the summer. Some of that drop is due to rate changes in other towns and specifically, the City of Lewes.

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

COMMITTEE REPORT

Economic Development Committee

Chairman Grier reported the Advisory Panel met last week and decided the business survey should be mailed on July 18th with a one-week turnaround. A number of property owners have agreed to put messages on local marquees as a reminder.

He asked council to encourage business owners to look out for the surveys in the green envelopes donated by First State Manufacturing and complete and mail them back as quickly as possible.

Mr. Grier advised that Harvey Kenton resigned from the panel due to other commitments and a replacement is needed. The panel's preference is for a representative of the financial community. The consensus was to appoint Bryan Warnock to that seat.

He noted there may be another opening in the next couple weeks.

Mr. Grier moved to appoint Bryan Warnock from WSFS to the Economic Development Advisory Panel, seconded by Mr. Pikus. Motion carried by unanimous roll call vote.

Public Works Committee

Chairman Brooks reported the Public Works Committee met on June 28th and discussed the Washington Street Water Plant and Southeast Second Projects. A presentation related to the sidewalk and utility projects was given by representatives from Davis, Bowen and Friedel.

Mr. Gleysteen noted that part of the discussion related to sidewalks not being maintained by the property owners. He recommends the city considering the transfer of the sidewalk responsibility from the homeowner to the city. In that manner, sidewalk improvements could be better coordinated over the next ten to fifteen years. He believes that would result in a better overall appearance and a more walkable community.

Mayor Rogers said he will put that in the hands of the public works committee for further review. He also asked the city solicitor to review the associated liability issues with the city taking over ownership.

Mr. Brooks recalled that he and former Councilman Clifford Crouch were members of a Sidewalk Subcommittee whose purpose was to rewrite the sidewalk ordinance. That ordinance established a sidewalk fund to assist property owners with sidewalk repairs.

Mr. Gleysteen asked if a property owner was ever forced to repair their sidewalk. Mr. Baird said it has been hit or miss as far as compelling homeowners to make improvements. If we receive a number of complaints, the city will intervene but has never actively gone out and identified problem areas that property owners were required to repair.

Mr. Starling then referenced the Northwest Front Street Condemnation situation which Mr. Baird reported is still in court.

COMMUNICATIONS

Communications included in packet.

UNFINISHED BUSINESS

I&I Project/Bid Award

Mr. Baird recalled that this project was bid in May during which time the numbers came in over budget at more than \$3 million. The bid was brought to council and rejected as a result. The project was then rebid through the URS Corporation.

City Engineer Mark Mallamo explained the project was rebid into one general contract and two specialty contracts. The total price dropped \$750,000 from the initial bid.

A summary of the bids are as follows:

Sanitary Sewer Rehabilitation - Phase 1
Contract Number SS-11-02
Open Cut

On July 1, 2011 at 10:00 a.m., bids were received at City Hall for the above referenced project. Teal Construction, Incorporated submitted a bid in the amount of \$986,000.00, A.P. Croll & Son, Incorporated submitted a bid in the amount \$1,112,276.75, Bunting and Murray Construction Corporation submitted a bid in the amount \$1,123,850.48 and JJID, Incorporated submitted a bid in the amount \$2,336,850.00. The URS review was limited to the bidders' technical capabilities and whether they supplied a responsive bid. Based on the review, it is recommended that Teal Construction, Incorporated be awarded the contract for SS-11-02 in the amount of \$986,000.00.

RE: Sanitary Sewer Rehabilitation - Phase 1
Contract Number SS-11-03
Cured-In-Place Pipe - Main

On July 1, 2011 at 10:00 a.m., bids were received at City Hall for the above referenced project. Insituform Technologies, Incorporated submitted a bid in the amount of \$277,932.10 and Pipevision Products, Incorporated submitted a bid in the amount of \$457,891.00. The URS review was limited to the bidders' technical capabilities and whether they supplied a responsive bid. Based on the review, it is recommended that Insituform Technologies, Incorporated be awarded the contract for SS-11-03, Cured-In-Place Pipe-Main in the amount of \$277,932. 10.

RE: Sanitary Sewer Rehabilitation - Phase 1
Contract Number SS-11-04
Cured-In-Place Pipe - Laterals

On July 1, 2011 at 10:00 a.m., bids were received at City Hall for the above referenced project. Musson Brothers, Incorporated submitted a bid in the amount of \$1,098,595.00, BLD Services, LLC submitted a bid in the amount \$986,520.00 and B. Frank Joy, LLC submitted a bid in the amount of \$1,094,800.00. The URS review was limited to the bidders' technical capabilities and whether they supplied a responsive bid. Based on the review, it is recommended that BLD Services, LLC be awarded the contract for SS-11-04 Cured-In-Place Pipe-Laterals in the amount of \$986,520.00.

Mr. Mallamo then advised that he received the URS Corporation proposal for the construction, inspection and management services of the project that totals \$225,000. He explained the importance of their expertise and in particular in the cured-in-place pipe liners which has never been done in Milford.

Mr. Pikus asked how much this will eventually save the city. He noted that currently we are processing groundwater that is being sent to Kent County; Mr. Mallamo explained it is difficult to answer because the city did not have enough money in the budget to complete all the work identified. Previous jobs that URS have handled in this region have seen as much as a 40% reduction though they will not make that claim in advance. He expects an approximate 25% reduction in inflow which should be a reasonable buy back to the city. Though we need to maintain it, we will definitely save overall operating costs.

Mr. Baird added that the Kent County program will provide EDU credits for any infiltration and inflow that is removed which will be an additional savings.

Mr. Mallamo's concerns are the sewers that are cracked and ready to fail but require open trench work. They will need to be cut out, removed and replaced. Should they fail, there will be no service and emergency work will be needed. Some of the work needed is routine maintenance that needs to be done citywide. They anticipate the new plastic pipes being installed will last fifty to one hundred years.

When asked about mapping of the sewer lines, Mr. Mallamo confirmed that everything is on AutoCAD with maps as backups. He reported there is also a GIS system that allows a person to zoom in on a particular manhole and pull up an inspection report. That system is updated as the work is done.

In addition, the sewer, water and electric lines have been exported from CAD into a file that can be overlaid onto Google Earth and can be shared with the entire staff.

All programs are backed up on the city network as well.

Mr. Gleysteen asked if there could be problems with the coordination of three contracts. Mr. Mallamo agreed that three contracts will be more difficult to manage and the reason they were initially bid and combined into one project. More effort will be needed in the construction phase as a result of the three contracts. However, the timing and release of the contracts will attempt to eliminate those conflicts to prevent them from working in the same place at the same time.

He explained that all three contractors are aware of the other work being done and have jointly attended prebid meetings where each project was discussed.

Mr. Mallamo emphasized there will be streets closings, traffic controls and detours associated with the project that will be an irritant to our residents.

The city engineer verified they are 180-day contracts. The project should start in approximately one month as the contracts and bonding issues are addressed.

Mr. Baird verified the city will provide street closing lists through our website and the media.

After reviewing the bids, Mr. Brooks expressed concern that the highest bid was more than double the lowest bid and wanted to ensure the project could be completed for the lesser amount. Mr. Mallamo assured council that references were closely checked and Insituform is one of the premier companies in cured-in-place liners and has been doing this longer than any other firm in the country.

Mr. Baird informed council that four awards are needed which includes the engineering services contract to URS in the amount of \$225,000.

City Solicitor David Rutt recommended deferring the URS award because it was not on the agenda and not included in the packet which prevented council from reviewing the contract. Mr. Baird stated that will delay the contract unless council provides some sort of a commitment. He will inform them though it will be their decision whether to proceed and take that risk.

Mr. Rutt pointed out it will also be a risk for the city noting Delaware Law requires items to be placed on the agenda in order to take action. He understands the agenda states I&I bid award, but the packet includes the three construction bids and nothing related to the engineering portion. He stated the URS approval is something that could be later challenged.

Mr. Baird suggests that city council state their intent without a vote which may be enough for URS to proceed. Mr. Rutt recommends it be stated the intent is to award the bid to URS, pending the contract review by city council. However, city council and the public have the right to review the document as is normal protocol.

Mr. Pikus moved to award the Sanitary Sewer Rehabilitation Open Cut, Contract SS-11-02 to Teal Construction in the amount of \$986,000.00, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

Mr. Brooks moved to award the Sanitary Sewer Rehabilitation Cured-In-Place Pipe/Main Contract SS-11-03 to Insituform Technologies, Incorporated in the amount of \$277,932.10, seconded by Mr. Starling. Motion carried by unanimous roll call vote.

Mr. Pikus moved to award the Sanitary Sewer Rehabilitation Cured-In-Place Pipe/Laterals Contract SS-11-04 to BLD Services LLC in the amount of \$986,520.00, seconded by Mr. Starling. Motion carried by unanimous roll call vote.

Mr. Pikus then stated that pending the review of the proposal and its placement on the next council agenda, it is councils' intent to award the bid for contract administration and inspection services for the I&I Project to URS Corporation, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

Mr. Baird then noted the project budget was \$3 million; the total cost of the three construction contracts awarded and the URS engineering contract is \$2,475,452.00. He recommends the funding come from the bond proceeds sold last month for the sewer project.

Tyler Technology Proposal Review/Paul Miller/Project Supervisor

The city manager advised that he and Mr. Darsney have been in touch with the Tyler Technology representative, Paul Miller, over the past couple of weeks, sharing the comments expressed by council.

Mr. Miller of Tyler/CLT then introduced himself stating he works in the mid-Atlantic area. He oversaw Milford's project in 2002 noting a lot of changes have occurred since that time. He recalled they began that project with no data and nothing computerized. At that time, they went door to door, measured every property, listed the property characteristics, entered them into a computer system, placed values on each property for the purpose of assessment, sent notices to taxpayers, had informal meetings with taxpayers and then created the official notices.

Mr. Miller said the goal in 2002, as it is today, is to lessen the long term costs because of the requirement to assess every ten years. He explained that when you go from nothing to a computerized program with data, the records and data are expected to be maintained from 2002 until the next reassessment. At that point, the updated values are needed which is less expensive and less intrusive to the public. He explained it may be not as encompassing as the job last time, but it is not as they hoped was proposed ten years ago.

Mr. Miller then explained some of the factors. He said the real estate market has changed more than anything he has ever seen. From 2002 through today, there has been a large incline and then a drop off. On top of that, land use changes, mainly through annexations, also changed the city dynamics. Other than Milford and Smyrna, Mr. Miller does not work in any community that almost doubled in size during that time frame.

He recalls there were approximately 3,200 parcels last time compared to 5,700 now. With that becomes appraisal challenges because the main goal of an assessment is to maintain equity. He explained there are methods to track and value these properties, but when you inject outside factors such as time, that will affect it. The parcel count grew from 3,200 to 5,700. The city assessor needs to decide how he is comfortable handling this. He must choose whether to mail people a notice saying we are doing a re-valuation and not go door to door, reset the tables place values, mail values to the taxpayers, then hold hearings and provide the new assessments.

Mr. Miller said that is a small scope of work and had this been a nice stable no-grow time period with the market relatively flat, the city may have been able to get away with it.

He said the other factor is Mr. Darsney has not been in this position over that ten-year period. Mr. Miller is very impressed with his knowledge and grasp of the profession. He said assessors speak a different language and talk about equity and comparing things. Prior to Mr. Darsney, they worked with Randy Westergren whom they had little contact with after the re-valuation other than maintaining the software.

He explained that Mr. Darsney coming on board was another factor that caused the city, and in particular Mr. Darsney, to request the scope of the project be more encompassing. Mr. Miller said that if we fast forward ten years from now and Mr. Darsney leaves, though another person is trained using the same methodology, he images the scope at that time could be less and there would not be a need to go door to door.

Mr. Miller then explained the scope. Brochures will be mailed to every property owner though that was not part of the request. However, he feels that is necessary because they will be going door-to-door and that will provide some advanced notice. They will then visit every property with the associated property record card that contains the current data. They will knock on every door in the city and request to go inside. However, it is the decision of the property owner whether they let them in to see the interior of the house. If they are home, they will also request to measure the outside of the house. This verifies the data that is available.

He explained that not every property owner gets a permit for every piece of work done to their home. During that phase, they will discover any changes that have occurred or any errors on the property card. They will then mail a data mailer

to each house which is the second interaction as they inform the public they are revaluing the property and provide the information. It will say that if anything is incorrect, please contact them for an appointment to make the corrections.

He added they do not always take the public's word and may need to ask for an inspection.

During this time, they will be in constant communication and work closely with Mr. Darsney. It will be his decision where they draw the lines.

While this is occurring, Mr. Miller said that house sales are being reviewed over the last three years though the focus is on recent sales. With the current market, there will be some difficulty because of the lack of information and sales. They will also apply any kind of time trend the local market has. The tables are currently set to reflect the 2002 values and will be reset to the January 1, 2012 value for each property.

Notices will then be mailed and they will meet with any taxpayer who wishes. They will listen to their concerns and exchange information about the property. At that time, they will go back out and reinspect if necessary.

Mr. Miller said the goal will be to complete the entire process by March 31, 2012 and the assessments made official April 1, 2012. The city will then start their annual Supplemental Appeal process at which time they will provide three days of support for any large appeal that Mr. Darsney is unable to handle by himself.

Mr. Pikus then stated that ten years ago, the city purchased software and programs that were state of the art and it was implied at that time, it would be an easy update in 2012. Since 2002, there have been 700 new units built. Building permits were provided for each of the new units. The city had someone handling this until 2008. At that time, the city hired a full-time assessor. He asked if updates can be done using the information available from the building permits.

Mr. Miller responded by stating that for re-valuation, the base premise is to take a date which this year will be January 1, 2012. On that date, everything in the entire city will be valued. For the next ten years, everything including new properties, annexed properties and improvements will be valued on January 1, 2012.

He said that neither Mr. Westergren nor Mr. Darsney would change tables and instead would use the 2002 value even if it were new construction. Prior to the software programs, there was only paper or property cards. With the software, they will go into the tables and adjust the rate. If a lot in 2002 was worth \$25,000 and is now worth \$40,000, only the rate will be changed.

He explained that Mr. Darsney has difficulty with the methodology Mr. Westergren used. When a new parcel is created or annexed or a 100-lot subdivision is approved, each of those individual properties needs to be input into the computer. The computer system is relying upon the person to do this consistently.

Mr. Miller confirmed he is an appraiser adding there is no Delaware license for assessors though he is licensed in Pennsylvania and New Jersey. He said there are thirty years between re-valuations in Pennsylvania so they often involve different assessors. He explained that if these assessors did everything the same, it would be a much smaller project. However, even when an assessor does something just a little different is reason for a larger scope.

Mr. Miller stated that Mr. Darsney is responsible as an assessor to determine the amount of work needed to create equity in Milford. If he were here only a couple years, Mr. Miller would also recommend the scope that was requested.

It was also pointed out that the re-valuation in Dover just completed was much larger. Mr. Miller compared it to selling in bulk and when selling a larger re-valuation, the price typically comes down. Milford's price per parcel is lower than Dover. Dover bid the project two years ago and they are a client who already has the data. They have many more complex commercial properties including Dover Downs, Dover Mall, Blue Hen Mall in addition to the colleges. Therefore, the dynamic was bigger so their price was higher.

He is aware they were the only bidder in Milford and thinks the price will hold the test.

Mr. Pikus then noted the boom that started around 2000 and in the market that began to bottom out in 2006-2007. He asked if errors were found and corrected during the downtime that followed. Mr. Miller then explained, using a 20-lot subdivision (as an example) that may have been annexed in 2004. He said that subdivision creates 20 new properties assessed at \$40,000 each. If Mr. Darsney discovered an error or felt the assessment was low, he does not have the ability to change those assessments until the re-valuation or until the parcel changes in some manner. He advised that assessments are only set during a re-valuation or should something change. If a home is built on one of those lots, the assessment can then be changed.

He stated that the assessor would be constantly chasing the market beginning in 2002, then chasing it down in 2009.

Mr. Miller stated that with all due respect, Mr. Darsney does not have the expertise to analyze sales and adjust land tables to be able to match the market.

He stated that with a room full of realtors, each will have a different opinion of the home's value. What Tyler is charged with is time-tested methods that meet the standards in this industry. They test the sales and expose them to the public and defend them.

Mr. Miller agrees that changing the tables is not a problem, but deciding what a market can be is difficult.

When asked how long it would take to add 700 new parcels to our records; Mr. Miller said he is unsure though they have a production rate when they have a card in their hand and the data collectors are going door to door. That rate also depends on the housing stock. In a suburban area, he would expect them to do 20 to 25 a day; a rural area will be different. His data collectors do not answer phones and are out in the field in the morning and continue all day.

Mr. Miller confirmed that 15 to 20 houses a day can be accomplished adding if they are going door-to-door, all they are doing is data collection.

When asked if the software and computer programs we purchased can be used by other companies, Mr. Miller stated yes noting that should another bidder be willing to do the work and learn, Tyler would provide them the necessary training.

Mr. Miller said there has been a movement in Delaware to require all three counties to re-value and have the state pay for the implementation of the software. He noted that the majority of their work is earned through the bidding process. He feels that if the price given to Milford is compared to similar towns, it will be determined it is a fair price.

Mr. Gleysteen said his concern is about moving forward. He asked how the costs can be minimized ten years from now considering the software we are using now was purchased ten years ago and will the twenty-year-old software be able to be transferred into a new system.

Mr. Miller responded by stating they have multiple software solutions as do their competitors. The city will have multiple options when the time comes to replace the software. He said it will be costly for a municipality this size and currently, he does not feel that is justified. He is also unable to answer the question in relation to ten years from now. Milford uses Universe Software and most Universe clients use it longer than ten years. Unfortunately, he is unable to say if software replacement will be needed at that point.

Mr. Gleysteen asked if we have received any software upgrades since its original purchase; Mr. Miller said he believes they provide software support and handle any needed changes. He added that Milford is on continuing annual support which includes any upgrades that become available. However, he is unsure if Milford has taken advantage of that which would keep it current.

Mr. Gleysteen confirmed that upgrades will continue to be provided in the future; Mr. Miller states yes. He reported their newest program is World which was developed in 1989; Universe was developed in 1985.

Once this project is behind him, Mr. Miller said that Mr. Darsney plans are to take small steps with new construction and to begin tracking the marketplace. He believes that if he was here in 2002, the job would be smaller because he would

be comfortable with the work that was done prior to him. However, another assessor cannot be asked to bless the methodology of how things were handled prior to him.

He also noted the IAAO (International Assessors Association Organization) has standards and though they leave some discretion to the assessor, they prefer a field visit every six years and Milford is outside of that scope.

Mr. Gleysteen asked if Tyler offers an audit service every so often to ensure we are keeping track of the progress. Mr. Miller indicated yes noting they also offer new construction services. He said that when Mr. Westergren was leaving and before Mr. Darsney was hired, Mr. Darsney called Mr. Miller regarding the new construction Tyler (CLT) picked up in Smyrna. He asked how if Tyler could handle the new construction in Milford.

Mr. Miller stated he has discussed it enough with Mr. Darsney to believe he understands it, which is why he suggested he do it. He said a new home is only part of what an assessor does. For example, people often get permits for a siding job (as an example) and end up doing much more which is why it needs to be inspected. However, it is not overwhelming and he is confident Mr. Darsney can handle it.

He said that Mr. Darsney then requested training and the city paid Tyler for five days of training.

Mr. Miller pointed out this is a partnership and they hope to be able to continue the relationship. They are able to provide a number of services. He recalled the county paying them \$3 a parcel to help with part of their last re-valuation. However, they managed it themselves and hired approximately fifteen people. They ran a report and found every property that had not been inspected in the previous five years. They would be willing to do that in Milford as well noting Tyler is the best of the best and is proposing a great rate for Milford.

Mr. Pikus then asked for clarification about whether Milford has a contract to come back and see what is going on every five years. Mr. Miller confirmed that had never been done. If properly trained, Mr. Miller indicated that would not be needed. He advised that Mr. Darsney had discussed some IAAO courses in the future. In that manner, he would be capable of running the stats.

In addition, Mr. Miller stated that if Milford wants a consultant, they can do that as well. However, Mr. Darsney is unable to say that because he has been here three years and is unable to bless the past ten years considering the IAAO standards.

Mr. Miller said all he can state is there were two different people that maintained this system over that ten-year period. He is unable to report if it was not updated or kept current throughout that time period. The scope of work requested by the city is for a door-to-door re-valuation with an additional 2,500 parcels. To lower the fee, he said the scope would need to be reduced which means the door-to-door was not necessary. The assessor needs to be comfortable with the manner in which the information is collected to ensure every taxpayer in Milford pays their fair share and not a penny more or a penny less.

Mr. Miller said he would have answered a different scope had the city requested it.

Mr. Morrow asked Mr. Baird who made the determination that the system was not kept current. Mr. Baird said there were a number of factors in that decision. Mr. Darsney shared the information with Mr. Baird. He said the decision was based on property values over the past couple of years, the amount of rapid growth we encountered and the fact we had a contractual assessor and are unsure of the methodology used during his term with the city. He said they also considered the track record of the assessor in other communities which raised a lot of questions.

Mr. Baird said that is when it was decided to guarantee the accuracy versus doing a smaller scope of work. It ensured the end result would be a product that we could be confident in. That is how the scope was developed in the form of a more detailed re-valuation.

Mr. Miller said he has only worked with Tyler clients Smyrna and Dover and the scope has been the same. He believes Seaford and Delmar both went out to bid with the door-to-door scope but neither of them use Tyler. Smyrna also has a ten-year cycle which he believes was last completed in 2005. However, Tyler maintains their data because Smyrna does not have an assessor on staff. Dover has an assessment office with three people but went out with the same specs.

Mr. Miller asked for a possible time frame for the approval. He advised they have a real estate appraiser that lives in Smyrna who is licensed in Delaware as a real estate appraiser that he has earmarked for this project. However, for the next couple of weeks, he will be working in Massachusetts. He would like to start the project during the warmer months though the photos will probably be taken in the fall when there is less foliage.

Mr. Baird agreed that in order to get everything completed by this time frame next year, the project should start in early to mid August. The city manager informed Mr. Miller that as soon as a decision is made, we will proceed.

Mr. Miller left at this time.

Mayor Rogers asked councils' pleasure.

Mr. Gleysteen stated he is convinced it needs to be done. To him, Tyler appears to be a reputable company and he understands the need for the scope as has been described.

Mr. Gleysteen moved to award the proposal to Tyler Technologies for \$261,200, seconded by Mr. Johnson. Motion passed by a vote of 6-1.

Mr. Grier stated he votes yes but with an emphasis that strong management of the data is needed over the next ten years and that all available upgrades should be utilized to lessen the cost in 2022.

Mr. Pikus votes no stating that he has a problem with the manner in which the bid was handled and the method in which the property records appear to have not been maintained. He feels it needs to be corrected.

Mr. Gleysteen votes yes stating that in addition to the recommendations stated, he suggests a periodic audit be done to ensure it is being kept up and that our costs are minimized during the next reassessment.

Mr. Brooks votes yes but he is not pleased with the entire manner in which it was handled. He still has questions why no other company bid the project. However, he also understands the reassessment is required every ten years. He said the bid was advertised and only one company responded. He is also unhappy with what council was told ten years ago compared to what has occurred this year.

Mr. Morrow agrees with Mr. Brooks and wishes we had received another bid so council would have some comparisons. However, he also understands the challenges of rebidding the project. He agrees with Mr. Grier that things need to be correctly put into place and that it must be reviewed every three to five years to ensure the work is being done. He said that ten years from now, the current (city) assessor could retire and council will hear the same spiel again. He cannot guarantee the cost will ever go down, but is very unhappy with the entire system at this point, but will vote yes.

Mr. Starling votes yes and adds that someone needs to work on this continuously over the next ten years and not wait until the next reassessment. He agrees that someone is needed to come in and check on the system on a regular basis and at least every three years or so because it appears that has not been done since 2001. Because we have only one bid, there are no other options which he feels is a problem.

Mayor Rogers suggested that some rules be put in place, which the city manager can handle, then return to city council with a follow up. Mr. Baird agreed.

Planning Commission Vacancy

Item deferred until the July 25, 2011 Council Meeting.

City of Milford Ward Boundaries/Realignment

Mr. Baird recalled the maps being presented at the last council meeting adding the minimal feedback received was positive. If council is ready to proceed with the maps as proposed, an ordinance will be prepared for introduction at the

July 25, 2011 meeting. That would begin the formal process whose timeline would ensure they would be in place for the city's 2012 general election.

Mr. Brooks confirmed the new boundaries meet all of the charter requirements; Mr. Baird stated it does.

Mr. Pikus moved to proceed with the realignment as is being presented.

Mr. Johnson then noted that ward one appears to be one of the fastest growing wards with the largest number of people. He said that in three to four years, ward one may have a couple hundred more residents. He suggests it be made smaller to allow for the potential growth.

Mr. Brooks pointed out there are a number of developments that have been approved in all four wards. Not knowing which will be the first to build still needs to be determined and could impact the numbers in any of the four wards.

Mr. Baird agreed there are large residential projects on the table in each of the four wards. Mr. Gleysteen also noted the potential for a fifth ward if needed.

Mr. Baird recommends we proceed with the boundaries shown on the map to allow for the preparation of the ordinance.

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

NEW BUSINESS

Planning Commission Reappointments/Replacements

Matter deferred until the July 25th City Council meeting.

Bid Award/Compact Track Loader/Electric Department

Sealed bids were received, publicly opened and read on June 22, 2011 for a Compact Track Loader. The following two bids were received:

<i>Bidder</i>	<i>Truck Bid</i>	<i>Manufacturer</i>	<i>Trade In Value</i>	<i>TOTAL</i>
Burke Equipment Company	\$44,653.05	2011 Bobcat	\$9,000.00	\$35,653.05
Alban Tractor Company	\$48,391.00	2011 Caterpillar	\$7,500.00	\$42,952.00

A letter from Rick Carmean indicates he reviewed the bids and recommends acceptance of the proposal offered by Burke Equipment Company in the amount of \$35,653.05.

Mr. Baird advised this item was approved in the capital improvements budget adopted by city council in June.

Mr. Brooks moved to award the bid to Burke Equipment in the amount of \$35,653.05, seconded by Mr. Starling. Motion carried with no one opposed.

FINANCE REPORT

Chairman Pikus reported that through the eleventh month of Fiscal Year 2010-2011 with 92% of the fiscal year having passed, 93.37% of revenues have been received and 86.38% of the operating budget expended.

Noting the budget is in great shape due to good, fiscal management, Mr. Pikus moved to accept the May 2011 Finance Report, seconded by Mr. Grier. Motion carried.

Executive Session

Mr. Pikus moved to go into executive session, pursuant to 29 Del. C. §10004(b)(2) preliminary discussions on site acquisitions for any publicly funded capital improvements, seconded by Mr. Grier. Motion carried.

Mayor Rogers recessed the regular Council Meeting at 9:08 p.m. to go into a closed session.

Return to Open Session

Council returned to open session at 9:18 p.m.

Calhoun Farms LP and Geyer Land Purchases

Mr. Pikus moved to enter into and ratify the contract with Calhoun Farms in accordance with its terms as discussed, to be paid by bond proceeds. Mr. Grier seconded; motion carried by unanimous roll call vote.

Mr. Pikus moved and seconded by Mr. Grier, to enter into and ratify the contract with Bruce and Susan Geyer in accordance with terms as discussed, to be paid by electric reserves. Motion carried by unanimous roll call vote.

ADJOURN

With no further business, the Monthly Meeting was adjourned by Mayor Rogers at 9:19 p.m.

Respectfully submitted,



Terri K. Hudson, CMC
City Clerk/Recorder