

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
December 29, 2011

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Thursday, December 29, 2011.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

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

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

City Solicitor David Rutt

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 7:21 p.m.

INVOCATION AND PLEDGE

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

RECOGNITION

No special guests were in attendance.

COMMUNICATION

Mayor Rogers reminded council the next SCAT meeting is January 4, 2012 at Sussex Pines County Club in Georgetown.

UNFINISHED BUSINESS

*Adoption of Ordinance 2011-30/Chapter 119/Electric Tariff/Rate Reduction*

Mr. Pikus moved to adopt Ordinance 2011-30 as has been reviewed by the Economic Development, Finance Committee and City Council, seconded by Mr. Grier:

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF MILFORD, ELECTRIC TARIFF, CHAPTER 119, that establishes electric standards and rates for the City of Milford.

Section 1. The City of Milford Hereby Ordains that Electric Rates and Associated Matters are hereby amended to read as follows.

Section 2. The Service Classification Section is hereby amended by repealing the current rate schedules and replacing each class as noted:

Residential Service Schedule RES

C. Monthly Rates

CURRENT:

	Summer	Winter
	Billing Months	Billing Months
<u>Energy Charge</u>	<u>June through September</u>	<u>October through May</u>

First 5 kWh or less	\$4.00 flat charge	\$4.00 flat charge
Next 495 kWh	14.18 cents/kWh	13.00 cents/kWh
Excess kWh over 500	14.18 cents/kWh	13.00 cents/kWh

*PROPOSED:*

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
<u>Energy Charge</u>		

<i>First 5 kWh or less</i>	<i>\$4.00 flat charge</i>	<i>\$4.00 flat charge</i>
<i>Next 495 kWh</i>	<i>13.80 cents/kWh</i>	<i>12.80 cents/kWh</i>
<i>Excess kWh over 500</i>	<i>13.80 cents/kWh</i>	<i>12.80 cents/kWh</i>

Small General Service Schedule SGS

C. Monthly Rates

CURRENT:

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
Customer Charge	\$6.00/month	\$6.00/month
Energy Charge	15.30 cents/kWh	14.27 cents/kWh

*PROPOSED:*

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
<i>Customer Charge</i>	<i>\$6.00/month</i>	<i>\$6.00/month</i>
<i>Energy Charge</i>	<i>15.00 cents/kWh</i>	<i>14.00 cents/kWh</i>

Medium General Service Schedule MGS

C. Monthly Rates

CURRENT:

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
Customer Charge	\$7.00/month	\$7.00/month
Demand Charge	\$18.00/kW	\$10.50/kW

Energy Charge	9.00 cents/kWh	8.00 cents/kWh
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*PROPOSED:*

<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
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Customer Charge	\$7.00/month	\$7.00/month
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Demand Charge	\$13.95/kW	\$10.50/kW
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Energy Charge	8.00 cents/kWh	7.00 cents/kWh
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Large General Service Schedule LGS

## C. Monthly Rates

## CURRENT:

<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
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Customer Charge	\$18.00/month	\$18.00/month
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Demand Charge	\$14.40/kW	\$10.70/kW
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## Energy:

On-Peak	10.00 cents/kWh	9.00 cents/kWh
Off-Peak	9.00 cents/kWh	8.10 cents/kWh

*PROPOSED:*

<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
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Customer Charge	\$18.00/month	\$18.00/month
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Demand Charge	\$13.00/kW	\$10.50/kW
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## Energy:

On-Peak	8.00 cents/kWh	8.00 cents/kWh
Off-Peak	7.00 cents/kWh	7.00 cents/kWh

General Service Primary Voltage-GSP

## C. Monthly Rates

## CURRENT:

<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
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Customer Charge	\$21.00/month	\$21.00/month
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Demand Charge	\$12.20/kW	\$9.00/kW
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## Energy:

On-Peak	9.00 cents/kWh	9.00 cents/kWh
Off-Peak	8.00 cents/kWh	8.00 cents/kWh

*PROPOSED:*

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
<i>Customer Charge</i>	<i>\$21.00/month</i>	<i>\$21.00/month</i>
<i>Demand Charge</i>	<i>\$12.00/kW</i>	<i>\$10.55/kW</i>
<i>Energy:</i>		
<i>On-Peak</i>	<i>8.00 cents/kWh</i>	<i>8.00 cents/kWh</i>
<i>Off-Peak</i>	<i>7.00 cents/kWh</i>	<i>7.00 cents/kWh</i>

Special Contract Services-SCS.

## C. Monthly Rates

## CURRENT:

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
Demand Charge	\$11.50/kW	\$9.20/kW
Energy:		
On-Peak	8.50 cents/kWh	8.50 cents/kWh
Off-Peak	7.50 cents/kWh	7.50 cents/kWh

*PROPOSED:*

	<i>Summer Billing Months <u>June through September</u></i>	<i>Winter Billing Months <u>October through May</u></i>
<i>Demand Charge</i>	<i>\$8.00/kW</i>	<i>\$7.00/kW</i>
<i>Energy:</i>		
<i>On-Peak</i>	<i>8.00 cents/kWh</i>	<i>7.00 cents/kWh</i>
<i>Off-Peak</i>	<i>7.00 cents/kWh</i>	<i>7.00 cents/kWh</i>

## Section 3. Dates.

Introduction: December 12, 2011

Adoption: December 29, 2011

The new rates will be effective per the December 2011 consumption (with the exception of TOU's) but reflected in the bills mailed in January 2012.

City Manager Carmean noted that a comparison was done on a few of our larger customers. The comparisons included a medium general customer whose savings are expected between \$7,000 and \$8,000. Also included was one of the three

industrial customers who will see a substantial savings.

Most importantly, he noted our residential customers will also see a small savings that will make Milford much more competitive overall.

Motion then carried by unanimous roll call vote.

Mr. Morrow asked that the rate change be included in the message portion of the utility bill. Mr. Carmean advised that this month's message will pertain to the citizen's survey.

Mr. Brooks noted the reduced PPCA in the past monthly bill was due to DEMEC's credit of approximately \$200,000.

Mr. Carmean advised that the last couple years, the city has been putting a considerable amount of money into electric reserves. That is being reduced so there is still a chance the city may find this change costs more than expected and a minor adjustment may be required.

#### *DBF Proposal/Washington Street Water Plant*

Mr. Carmean recalled that at the last meeting, council approved the design phase of the Washington Street Water Plant project. He recalled the concerns relating to the bidding process which he feels have been addressed. As a result, he feels the best route is to allow Davis, Bowen and Friedel to continue with the administration and construction phases.

Mr. Brooks agrees that DBF should oversee the completed project noting we have discussed this for many years. Mr. Brooks then moved to approve the amended DBF proposal as submitted, seconded by Mr. Morrow.

Mr. Gleysteen then thanked City Manager Carmean and Heather Warren (DWSRF Program Administrator) for explaining that this type of project is ineligible for performance incentives.

Mr. Carmean added that the city will be paying prevailing wages on this project. He said the positive side is the people hired to do this work will receive a decent salary as a result. He noted that due to the efforts of Ms. Warren, the city is receiving a deal with \$1.4 million of principal forgiven.

He continued by stating that it will benefit the city to use the funds wisely but to also make the project as aesthetically pleasing as possible considering the new library and work that was completed on the Riverwalk.

Mr. Pikus asked if anything can be done with the pump in front of this facility. Erik Retzlaff of DBF was present and explained that he does not feel it would be feasible to abandon that well (#1) and redrill somewhere else. He noted that has been one of the city's most reliable and productive sources of water for almost one hundred years.

Mr. Brooks commented that most people are used to it and do not even realize it is there.

Motion carried by unanimous roll call vote.

Mr. Carmean then acknowledged the \$600,000 contingency fund included in the contract adding that we may run into an asbestos problem. He noted the value of the dollar we are receiving from the one percent interest rate to the partial forgiveness of principal and advised there is a good chance the city may receive another \$45,000 for this project.

Mr. Carmean said he will keep council apprised of any problems that may require the contingency funds be used. He also recommends that any remaining funds after the project is completed be used to make additional improvements. However, council will be part of that decision making.

Mr. Brooks noted we are saving money with the principal forgiveness; Mr. Gleysteen added that saving money is important

but spending it wisely is even more important. He said that was the purpose of his incentive discussion at the previous meeting. He reported that typically a government project costs more than the same project in the private sector. Mr. Gleysteen is trying to minimize that gap and brainstorming to that effort.

It was agreed that this would be discussed in workshop sessions when considering new projects.

Randy Duplechain of Davis, Bowen and Friedel then confirmed that aesthetically the facility will blend in with the character of the downtown area.

#### NEW BUSINESS

When asked about the status of the test wells, Mr. Carmean advised that once the permits are signed, they will be filed at DNREC for their approval. Once we receive approval, the driller will begin work. Mr. Duplechain anticipates this will take a month or hopefully less. Once the drilling is complete, a pump test is done though we will have to wait for the water quality results which can take a few weeks to a month. In all, it will take approximately two months.

#### ADJOURN

Mr. Grier moved to adjourn the council meeting, seconded by Ms. Wilson. Motion carried.

The City Council meeting adjourned at 7:44 p.m.

Respectfully submitted,



Terri K. Hudson, CMC  
City Clerk/Recorder

*MILFORD CITY COUNCIL  
MINUTES OF MEETING  
December 29, 2011*

Milford City Council held Public Hearings on Thursday, December 29, 2011 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on the following matters:

*The City of Milford, Delaware, in cooperation with the Sussex County Council, the Levy Court of Kent County, Delaware and Delaware State Housing Authority (DSHA) for the purpose of providing interested citizens the opportunity to comment on the municipality's application for funds under the Delaware Community Development Block Grant (CDBG) Program. This federally funded program provides grants amounting to \$2,000,000 to support community development activities in eligible local governments in Kent & Sussex Counties. A status report for Milford's FY11 projects is also planned.*

PRESIDING:           Honorable Joseph Ronnie Rogers

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

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

COUNSEL:           City Solicitor David Rutt

Mayor Rogers called the Public Hearing to order at 7:01 p.m. He then invited William Lecates, Director of Sussex County Community Development and Housing Office and Albert Biddle, Housing and Community Development Coordinator of Kent County to discuss the program.

Mr. Lecates began by explaining this is the annual and duly advertised joint public hearing for the Community Development Block Grant program administered through Kent and Sussex Counties. The purpose is to solicit and obtain citizen input on the program and the ability for Kent and Sussex Counties to apply for funding through the Delaware State Housing Authority on behalf of the City of Milford. The applications come from HUD to DSHA and each municipality has the right to apply for funding. The funding has been cut 16% in comparison to last year with approximately \$1.75 million allocated.

He explained that Delaware State Housing Authority has provided guidelines with the primary goal being housing rehabilitation of owner-occupied houses. Other eligible projects include the demolition of vacant and condemned single family structures and small infrastructure projects such as sidewalks, drainage, sewer and water improvements. However, such projects are further down the list and not priority items.

Mr. Lecates advised that in the past, both he and Mr. Biddle were able to acquire funding in both counties for Milford. In 2011, there are four projects totaling \$72,000 of which two will be started in the near future. Over the past ten years, Milford has received about \$680,000 for 46 projects.

Mr. Biddle then added that the program has not changed a great deal over the year; he commented that Milford is unique because they are able to draw from different counties. He emphasized the CDBG program is for low and moderate income persons and referenced the following income guidelines for FY12:

	30% OF MEDIAN	Kent County		30% OF MEDIAN	Sussex County	
		LOW	MODERATE		LOW	MODERATE
1 Person	13,050	21,700	34,750	12,900	21,500	34,300
2 Person	14,900	24,800	39,700	14,750	24,550	39,200
3 Person	16,750	27,900	44,650	16,600	27,600	44,100
4 Person	18,600	31,000	49,600	18,400	30,650	49,000
5 Person	20,100	33,500	53,600	19,900	33,150	52,950

6 Person	21,600	36,000	57,550	21,350	35,600	56,850
7 Person	23,100	38,450	61,550	22,850	38,050	60,800
8 Person	24,600	40,950	65,500	24,300	40,500	64,700

Mayor Rogers then opened the floor to comments or questions. No one responded. The mayor then declared the public hearing portion closed.

Mr. Lecates and Mr. Biddle then provided contact information for both offices. Mayor Rogers then acknowledged that Mr. Lecates is retiring and wished him well. Mr. Lecates advised that Brad Whalen will be the Acting Director effective January 1, 2012.

The mayor then thanked both gentlemen for the ongoing support of Milford noting the amount of the work that was done over the years with the help of their program.

Ms. Wilson asked if there is still a long waiting list; Mr. Lecates advised that Sussex County only has seven on their list and encouraged eligible persons to make application. He expects three to four may be coming off the list due to the available funding this year. He explained that is a strong point because Milford would bump the approximate thousand applicants who are on the scattered site waiting list.

Mr. Biddle added that Kent's list will be minimal as well. He encouraged people to contact them throughout the year noting this is not the only time they take applications. Because of the public hearing process and successful word of mouth by staff and council, they do not solicit names. He added that anyone needing assistance who may not qualify for their program should contact them because they often refer them elsewhere.

Mr. Biddle noted that Kent County did not receive any housing rehabs for the current year. Because the money is tight and shrinking somewhat, what they are seeing is that Sussex could be funded one year and Kent the next. However, that is not a policy.

City Manager Carmean will update the code and inspection officials to ensure they are providing this information to eligible homeowners.

Mr. Gleysteen moved for adoption of the Resolution 2011-15, 2011-16, 2011-17, 2011-18 and approval of the Citizen Participation Certificate of Assurance for Sussex County, seconded by Mr. Starling:

Resolution 2011-15  
Sussex County

ENDORSING PROJECT TO BE SUBMITTED TO THE DELAWARE STATE HOUSING AUTHORITY FOR FUNDING FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AUTHORIZING DAVID B. BAKER, SUSSEX COUNTY ADMINISTRATOR TO SUBMIT APPLICATION.

WHEREAS, the City of Milford resolves to apply for Community Development funds from the Delaware State Housing Authority in accordance with appropriate regulations governing Community Development Block Grants State of Delaware Program for Block Grants as contained in Sections 570.488-499 24 CFR U.S. Department of Housing and Urban Development; and

WHEREAS, the City of Milford has met the application requirements of (Attachment E Delaware Community Block Grant Program Policies and Procedures) Citizen Participation requirements; and

WHEREAS, Sussex County plans on accomplishing the requested projects with CDBG funds; and

WHEREAS, the City of Milford hereby agrees to allow Sussex County to accomplish the projects in the targeted areas of Milford; and

WHEREAS, the City of Milford and Sussex County are in agreement with this activity.

NOW, THEREFORE, BE IT RESOLVED by the City of Milford and Sussex County that they endorse and grant permission for the following activity:

APPLICATION: Rehabilitation/Infrastructure/Demolition

Total Infrastructure project cost is \$ \_\_\_\_\_, total CDBG grant request is \$ \_\_\_\_\_. Matching funds in the amount of \$ \_\_\_\_\_ will be provided by the City of Milford general funds. NOTE: To be used for Infrastructure projects only.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF A RESOLUTION PASSED BY THE CITY OF MILFORD, SUSSEX COUNTY, ON THE 29<sup>th</sup> DAY OF DECEMBER 2011.

*Council Members*

Steve Johnson  
Garrett Grier III  
S. Allen Pikus  
Dirk Gleysteen

Owen Brooks, Jr.  
Douglas Morrow  
James Starling, Sr.  
Katrina Wilson

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Joseph R. Rogers  
Mayor

Resolution 2011-16  
Requirement for Fair Housing  
Sussex County

WHEREAS, the City of Milford recognizes the importance of fair housing for the citizens of Milford; and

WHEREAS, the City of Milford supports the goals of the Federal Fair Housing Law.

NOW, THEREFORE, BE IT RESOLVED, that the City of Milford heartily encourages all parties involved in the renting, selling or financing of housing in the City of Milford to insure that no person shall, on the grounds of race, color, national origin or sex, be discriminated against or denied a fair and equal opportunity for housing; and

BE IT FURTHER RESOLVED, that the City of Milford, when acting as administrator of a Community Block Grant, is hereby authorized to take such actions as deemed necessary to affirmatively further fair housing in connection with the said Community Development Block Grant.

This RESOLUTION was passed by a majority of the Council of the City of Milford on December 29, 2011.

Mayor Joseph R. Rogers

RESOLUTION 2011-17  
Authorizes Levy Court of Kent County to Submit Application

The City Council of Milford, Delaware, hereby authorizes its Mayor Joseph R. Rogers, to submit the Fiscal Year 2012 Community Development Block Grant (CDBG) application and all understandings and assurances therein contained, and furthermore authorizes the Levy Court of Kent County to Act as the official representative of the City of Milford in connection with the submission of the Fiscal Year 2012 CDBG applicant and to provide such additional information as may be required. In the event the City of Milford's application is funded, the Levy Court of Kent County is hereby authorized to administer the funded application on behalf of the City of Milford.

This resolution was passed by a majority of the Council of the City of Milford on December 29, 2011.

Mayor Joseph R. Rogers

Resolution 2011-18  
Requirement for Fair Housing  
Kent County

WHEREAS, the City of Milford recognizes the importance of fair housing for the citizens of Milford; and

WHEREAS, the City of Milford supports the goals of the Federal Fair Housing Law.

NOW, THEREFORE, BE IT RESOLVED, that the City of Milford heartily encourages all parties involved in the renting, selling or financing of housing in the City of Milford to insure that no person shall, on the grounds of race, color, national origin or sex be discriminated against or denied a fair and equal opportunity for housing; and

BE IT FURTHER RESOLVED, that the Kent County Levy Court, when acting as administrators of a Community Block Grant for the City of Milford, is hereby authorized to take such actions as deemed necessary to affirmatively further fair housing in connection with the said Community Development Block Grant.

This RESOLUTION was passed by a majority of the Council of the City of Milford on December 29, 2011.

Mayor Joseph R. Rogers

Motion carried with no one opposed.

Resolution 2011-19  
CITIZEN PARTICIPATION  
CERTIFICATE OF ASSURANCE  
Sussex County

It is hereby assured and certified to the Delaware State Housing Authority that Sussex County, Delaware, has met application requirements of (Attachment E Delaware Community Development Block Grant Program Policies and procedures) citizen participation requirements, and that Sussex County has:

- 1) made available information concerning the amount of funds that may be applied for;
- 2) made known the range of activities that may be undertaken with these funds;
- 3) made known the fact that more applications will be submitted to the State of Delaware than can be funded;
- 4) outlined the processes to be followed in soliciting and responding to the views and proposals of citizens, communities, nonprofit agencies and others in a timely manner; and
- 5) provided a summary of other important program requirements.

The City of Milford has held a Public Hearing on December 29, 2011 with required notice for all citizens, including low and moderate income persons, to have an opportunity to present their views and proposals.

The City of Milford has by resolution and after one Public Hearing, endorsed this application.

Mayor Joseph R. Rogers

*Eric Dunn of Dunn Development, LLC on behalf of Walter N. Thomas II for the Preliminary Major Subdivision of 79.47 +/- acres with 512 residential units (384 apartments and 128 townhomes) in an R-8 District at 1335 Milford-Harrington Highway, Milford, Delaware. Tax Map MD-16-173.00-01-21.00; Tax Map MD-16-173.00-01-22.00*

Mayor Rogers reported that City Planner Gary Norris was advised on December 23, 2011 by Phillip Tolliver of Morris and Ritchie Associates they were requesting this application be postponed indefinitely.

The city clerk advised that when a new hearing is scheduled, the new date will be published and mailed to the appropriate property owners.

With no further business, the Public Hearing was adjourned by Mayor Rogers at 7:21 p.m.

Respectfully submitted,



Terri K. Hudson, CMC  
City Clerk/Recorder