

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
September 22, 2014

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, September 22, 2014.

PRESIDING: Mayor Bryan Shupe

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

City Manager Richard Carmean and Deputy City Clerk/ Recorder Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

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

AMENDMENT OF AGENDA

Mayor Shupe asked council for a motion to amend the agenda to add an emergency executive session reference a personnel issue.

EXECUTIVE SESSION

Pursuant to 29 Del. C. §10004(b)(9) Personnel matters in which the names, competency and abilities of individual employees or students are discussed.

Mr. Pikus moved to go into Executive Session reference a personnel matter, seconded by Mr. Brooks. Motion carried.

Mayor Shupe recessed the Council Meeting at 7:02 p.m. for the purpose of an Executive Session as is permitted by Delaware's Freedom of Information Act.

*Return to Open Session*

City Council returned to Open Session at 7:09 p.m.

RECOGNITION

No special guests in attendance.

COMMUNICATIONS

Mayor Shupe reminded council there will be a Community Affairs and Parks and Recreation Joint Committee meeting at 2:00 p.m. tomorrow, September 23<sup>rd</sup>.

## UNFINISHED BUSINESS

*Ratification/Comcast Cable Television Franchise Agreement*

Mr. Rutt advised he has yet to have any communication with the Comcast representative handling the agreement.

He did do some research on the federal (FCC) regulations that apply. He learned that the federal government changed the regulations to limit compensation that municipalities receive strictly to video services. They removed the internet, movies, etc. and left that in the hands of the cable provider. They also capped it at 5%.

The new agreement reduces what the city may receive as a franchise though they are allowing the maximum the FCC permits.

Mr. Rutt feels the only issue is the length of the contract which he plans to discuss with the representative.

When asked if the contract has expired, the solicitor explained the contract expires the end of November and Comcast would have to remove their cable and equipment if that occurred.

It was confirmed this is a nonexclusive franchise and any other interested cable provider has the ability to enter into an agreement with the city.

Mr. Pikus pointed out that other towns are receiving a higher percentage than Milford and specifically, Middletown. He said it was discussed publicly and he is unsure how they were able to get those rates.

Mr. Rutt emphasized that any contract or franchise agreement by federal law can be capped at 5% of the video portion which is the general television service. He added that it has been challenged and upheld by the Supreme Court that the internet, telephone and other services are not part of the video programming. The franchise fees can only be charged against cable television.

Mr. Brooks recalled that the previous cable company requested and needed approval of city council before they could increase customer rates.

Mr. Rutt said he will send out an e-mail regarding other agreements through the municipal attorney's internet where this type of information is shared.

## NEW BUSINESS

*Bid Award/Dump Truck/Street Department*

Mr. Carmean referenced the description of the vehicle and invoice included in the packet. The truck was purchased from one of the State of Delaware's approved vendors. The dealer agreed to sell the truck to the city at the 2014 price even though we are purchasing a 2015 model.

The purchase price will be \$53,312 which was included in this year's budget.

Mr. Brooks moved to approve the bid to purchase a 2015 truck from Winner Fleet in Cherry Hill, New Jersey in the amount of \$53,312, seconded by Mr. Morrow. Motion carried.

Mr. Mergner advised that some state and municipal entities in Maryland are trying to obtain state and/or federal funding to buy or convert their municipal vehicles to a split between gas/diesel and propane/gasoline. Right now, propane is approximately \$1 cheaper than gas which is significant when considering the cost per gallon.

He reported that Ford has a good program and some towns are looking at a program to convert their vehicles. He suggests that be considered when considering future vehicles.

Mr. Carmean said the city has some propane vehicles. He recalled purchasing propane-fueled police vehicles many years ago. He will have the public works director obtain prices on any future vehicles being purchased with that capability.

Mr. Gleysteen said that one of the problems with propane is gasoline stations. If the vehicle is local, propane can be purchased at Southern States. But traveling elsewhere can be a problem. Mr. Mergner explained the conversion system provides the ability to toggle back and forth between propane and gasoline.

Mr. Carmean said he had a propane tank installed when he had the propane-fueled police vehicles.

Mr. Mergner said with a card system, the cost is between \$40,000 and \$50,000 which includes everything. If the city is already set up, only a dispensing unit for the propane is needed which is different from a tank.

*DBF Proposal/Test Well Services/Seabury Water Treatment Facility*

Erik Retzlaff of Davis, Bowen and Friedel explained that last fall, the city entered into an agreement with Redner's to abandon well 9, which would allow them the ability to install their gas tanks. Another source of water in the area was then required. Well 9 was abandoned and an exploratory borehole drilled to identify the aquifers in the area. It was determined the best potential for production was at the depth of existing well 11 (Seabury Avenue Extended) which is 300 to 350 feet deep.

Mr. Retzlaff feels if it is redrilled, they should be able to replace the existing well which only pumps at 100 gallons a minute, with something more productive. As a result, well 11 would be abandoned and redrilled.

The other option for a new well would be to drill 550 plus feet which would be very costly. He emphasized that even a test well will be expensive because it would have to be steel.

Of the wells at the Seabury Avenue Facility, the most shallow is well 12, which is the biggest producer and pumps upwards of 420 gallons a minute.

Mr. Retzlaff explained this new well would become the next deepest well. A test well would be installed with a high flow stainless steel screen. The results would be immediate whether or not the new well would provide additional flow.

Mr. Pikus asked who will do the test well; Mr. Retzlaff stated AC Schultes of Delaware.

Mr. Pikus noted the cost of \$37,500; Mr. Retzlaff explained the cost is pretty typical for the scope of work being completed and slightly higher because a high flow, stainless steel screen has been added.

It was confirmed the cost of the work would be matched 50/50 per the agreement with Redners Market. Mr. Carmean recalled receiving \$200,000 from Redners for the project. Mr. Retzlaff advised the \$200,000 contribution from Redners is the maximum for all of the work needed to abandon and replace well 9. Overall the costs for the abandonment and replacement of well 9 will be closer to \$400,0000, which will be shared equally between the city and Redners.

Mr. Gleysteen asked the cost of the permanent well if this is successful; Mr. Retzlaff advised between \$150,000 and \$160,000.

Mr. Pikus moved to accept the DBF proposal in the amount of \$37,500, seconded by Mr. Gleysteen. Motion carried.

*FY 2014-2015 Budget Adjustment/Former PNC Bank/Billing Office Renovations/Reisinger Contract*

Terry Nelson of Donald E. Reisinger, Incorporated submitted the following proposal as requested by the city:

We are writing you at this time to submit our cost for additional work you requested. The work is to lower the entrance into the building by demolishing the wall lower to the existing floor elevation. The new exterior concrete work is to include a new trench drain, three new steps and a taller curb to allow for the pad to be lowered approximately 1'-6". Purchase and installation of a new hot dipped galvanized pipe handrail on each side of the new steps, new hot dipped galvanized guard rail with pickets at raised curb.

Provide a new entrance canopy over the new door per attached proposal. We are offering a credit for the interior floor framing which is not required. Our cost breakdown is as stated below:

Materials	\$6,817.00
Labor	\$3,432.00
Subcontractor Entrance Canopy	\$1,750.00
Credit for Floor Framing	-\$1,308.00
<u>Supervision</u>	<u>\$480.00</u>
Subtotal	\$11,221.00
GC OH 10%	\$1,122.10
<u>GC Profit 5%</u>	<u>\$617.16</u>
TOTAL COST	\$12,960.26

Mr. Carmean said that when it is raining, the canopy will prevent our employees from getting wet as they enter the building.

Mr. Brooks moved to approve the change order in the amount of \$12,960.26, seconded by Mr. Mergner. Motion carried.

*FY 2014-2015 Budget Adjustment/Employment Ad/Economic Development Fund Transfer/P&Z Budget*

A request to transfer funds from the Economic Development Fund (previous Wawa monies) to Planning & Zoning General Expense Account to cover costs of employment ads placed in the Delaware State News, Milford Chronicle, monster.com and American Planning Association publication in the amount of \$1,457.32 was presented to council.

The city manager advised the cost of the ads in the various publications required a slight increase than originally planned. As a result, an increase of \$624.20 is needed to cover the News Journal publication cost. He asked it be paid from the Economic Development Fund (previous Wawa monies).

Mr. Grier moved to transfer \$624.20 out of the Economic Development Fund into the Planning and Zoning budget, seconded by Ms. Wilson. Motion carried.

Mr. Brooks then noted the correct amount requested is \$1,457.32.

Mr. Grier moved to amend the prior motion by striking \$624.20 and instead transferring the requested amount of \$1,457.43, seconded by Ms. Wilson. Motion carried.

ADJOURN

Mr. Pikus moved to adjourn the Council Meeting, seconded by Mr. Grier. Motion carried.

Council meeting was adjourned at 7:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Terri K. Hudson". The signature is written in black ink and is positioned above the printed name.

Terri K. Hudson, MMC  
City Clerk/Transcriptionist

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
September 22, 2014

The City Council of the City of Milford met in Workshop Session on Monday, September 22, 2014 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

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

City Manager Richard Carmean and Deputy City Clerk/ Recorder Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

The Workshop Session convened at 7:46 p.m.

*USDA \$2 Million Loan/Referendum Issue/Water Projects*

City Manager Carmean reported that we should be notified in the near future that the Phase I money has been encumbered at the federal level. He then asked P.E. Hans Medlarz to report on Phase II which is planned for next year.

Mr. Medlarz reported that he has discussed this matter with USDA representatives Lisa Fitzgerald and Denise McLeish. He said the city will have the opportunity to receive some of the state's allocation from the US Department of Agriculture by the end of November. That will allow the city to get the second letter of conditions and only have one referendum instead of two.

Mr. Medlarz said he alerted Mayor Shupe and City Manager Carmean that it can become very confusing when a referendum involves more than one question. He is concerned there may be some ambiguity with the second phase if council delays the decision on phase one until the end of the year waiting for obligating document phase two to be presented. A single question could be posed as approval to borrow \$1.6 million in exchange for a \$3.6 million project which includes a \$2 million grant.

He explained that phase one and phase two questions could then be combined and handled in one sweep. The bond counsel will have to issue two separate bonds because it will involve two federal fiscal years.

Mr. Pikus said he was always under the impression this would only involve one ballot; Mr. Medlarz explained that if it did not come until next August, the city would not want to waste a year by sitting on the current allocation and not act on it. If there is an established need, we cannot pretend we do not have the need and not act on it.

Mr. Medlarz said the only reason it came in two phases was to maximize the grant contribution.

Mr. Carmean asked if the city's required loan amount changed; Mr. Medlarz confirmed the phase two loan amount has not changed. He explained that the city still contributes \$400,000 and the overall project scope and amount has not changed.

Mr. Medlarz said it is a very lucrative offer and a demonstrated need and believes an easily supported project.

The city manager said this is a two-phase project with the USDA. The city will end up with \$2 million in grants though we will have to spend money of our own.

Mr. Pikus said the key issue is how to phrase the question on the ballot; Mr. Carmean agreed.

It was noted that once we have more than 10,000 residents, the city will no longer be eligible for this type of funding. The city manager believes that we will be beyond that number by the next census.

Though the projects were included in the packet, Mr. Carmean will provide a better description of the items planned for the funding.

Mr. Carmean noted that Mr. Medlarz has been involved in this process for sometime because he will be overseeing this as our next city manager.

When asked the increase to our residents, Mr. Carmean said there is no expected tax or rate increase for the debt service. The city will receive \$2 million with no increase in the customer rates.

Mayor Shupe said that will help the cause when we go to referendum.

With no further business, the meeting adjourned at 7:59 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Terri K. Hudson". The signature is fluid and cursive, with a large loop at the beginning.

Terri K. Hudson, MMC  
City Clerk/Transcriptionist