

City of Milford



AGENDA

Monthly Council Meeting

March 10, 2014

Joseph Ronnie Rogers Council Chambers, Milford City Hall, 201 South Walnut Street, Milford, Delaware

7:30 P.M.*

COUNCIL MEETING

Call to Order - Mayor Joseph R. Rogers

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Proclamation 2014-02/Day of Recognition for National Service

Monthly Police Report

City Manager Report

Committee & Ward Reports

Communications & Correspondence

Unfinished Business

Adoption of Ordinance 2014-03/Sewer Code/Amends Chapter 185/Adds New Construction to Impact Fee Waiver
Adoption of Ordinance 2014-04/Water Code/Amend Chapter 222/Adds New Construction to Impact Fee Waiver
Adoption of Ordinance 2014-05/Amends Electric (Tariff) Rules & Regs/Adds New Construction to Impact Fee Waiver
Economic Development Incentives/Impact Fee Waiver Application*

New Business

Award of Bid/Mispiration Greenway Phase #22-1/Goat Island/Parks and Recreation
Adoption of Resolution 2014-07/Scheduling Spring Clean Up Week
State of Delaware/Mosquito Control Agreement
FY 2013/2014 Budget Adjustment/Attorney Fees-\$3.5 Million Bond Issue/Water Reserves**

Monthly Finance Report

Adjourn

This agenda shall be subject to change to include additional items including executive sessions or the deletion of items including executive sessions which arise at the time of the public body's meeting.

**SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT
NO LATER THAN ONE WEEK PRIOR TO MEETING; NO PAPER DOCUMENTS WILL BE ACCEPTED
OR DISTRIBUTED AFTER PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.**



Every day, in cities across America, national service is tackling tough problems and strengthening communities. On April 1, 2014, Mayors across the country will thank those who serve and recognize their impact on the Mayors Day of Recognition for National Service.



Mayors Day of Recognition for National Service: April 1, 2014



The nation's mayors are increasingly turning to national service as a cost-effective strategy to address city challenges. By unleashing the power of citizens, AmeriCorps and Senior Corps programs have a positive and lasting impact – making our cities better places to live. To spotlight the impact of national service and thank those who serve, mayors across the country will participate in the second-annual **Mayors Day of Recognition for National Service** on April 1, 2014. On this day, mayors will hold public events and use traditional and social media to highlight the value and impact of national service to the nation's cities. Last year, 832 Mayors representing nearly 100 million citizens participated in the inaugural Mayors Day of Recognition for National Service. The initiative is being led by the Corporation for National and Community Service; Cities of Service; the National League of Cities; and Mesa, AZ, Mayor Scott Smith, President of the U.S. Conference of Mayors.

National Service: A Resource for Cities

As the federal agency for national service and volunteering, CNCS annually engages five million citizens in service at more than 70,000 sites in 8,500 cities across the country. Through AmeriCorps, VISTA, NCCC, Senior Corps, the Social Innovation Fund, and other programs, CNCS leverages federal and private funds to support organizations that achieve measurable results where the need is greatest. A significant portion of this investment is focused on cities. Whether supporting food banks and homeless shelters, restoring city parks, building homes, providing health services, tutoring and mentoring students, and managing community volunteers, national service members help mayors tackle tough problems.

Why a Mayors Day of Recognition?

As solution-focused local elected officials, mayors have a unique role in this country. Mayors' focus on engaging citizens and meeting local needs matches CNCS's mission to improve lives, strengthen communities, and foster civic engagement. CNCS's priority on expanding economic opportunity to create sustainable and resilient communities directly aligns with the goals of mayors. A coordinated day of recognition presents a unique opportunity to spotlight the key role that national service plays in solving local problems and challenges. Participating in the day will highlight the impact of citizen service, show support for nonprofit and national service groups, and inspire more residents to serve in their communities.

What Happened Last Year?

On April 9, 2013, the first-ever Mayors Day of Recognition for National Service united Mayors across the country to spotlight the impact of national service and honor those who serve. Altogether, 832 Mayors in all 50 states and the District of Columbia, Guam, and Puerto Rico officially recognized the work that AmeriCorps members and Senior Corps volunteers are doing to make cities better and stronger. Together, these Mayors represent nearly 100 million citizens, or nearly one-third of all Americans. To learn how Mayors across the country recognized the day, visit our website at www.nationalservice.gov/mayorsforservice

What are the Goals of the Day?

- Highlight how mayors use national service to solve their local challenges
- Thank national service members for their commitment and impact
- Build public awareness about the value and impact of national service to the nation's cities
- Highlight the role that national service plays in recruiting and managing citizen volunteers to focus and amplify their impact
- Provide opportunities for mayors to communicate about the impact of national service to national policy-makers
- Generate press coverage and online discussion about mayors supporting service

Who Can Participate?

Mayors, city or county managers, or other chief executives of cities of any size.

How We Can Help

CNCS offers a variety of resources that can help Mayors learn about national service and volunteering in their cities expand the scope and impact of volunteering by their residents:

- The annual Volunteering and Civic Life in America report is the most comprehensive data on volunteering ever assembled, providing detailed information on volunteering trends and demographics in the U.S., all fifty states, and more than 150 major cities. Visit: www.volunteeringinamerica.gov
- Each year, CNCS produces National Service State Profiles that list all funding, projects, and participants in every state. CNCS will also produce profiles for cities in preparation for the Mayors Day of Recognition for National Service.

How Can Mayors Get Involved?

Mayors are encouraged to hold a public event, issue a proclamation or other form of recognition, and use traditional or social media to highlight the impact of national service. Here are several ways mayors can participate:

- Issue a mayoral proclamation naming April 1, 2014 as National Service Recognition Day
- Visit national service programs or projects in order to highlight their value to the city
- Create a Mayor's award for outstanding AmeriCorps and Senior Corps participants
- Invite national service programs (and their members and organization's board of directors) to City Hall for a public roundtable to discuss how they address city problems
- Issue a press release or report on the scope and impact of national service in your city
- Serve with a national service program as a "member" for a day to highlight the important work being done in their community
- Use Twitter, Facebook, and other social media outlets to thank national service programs and members serving in your community
- Write an op-ed about the unique contributions of national service your city
- Take a group photo with all national service members in your city

Where Can I Learn More?

To learn more or register your city to participate, go to www.nationalservice.gov/mayorsforservice or contact PJ Andrews, Office of Government Relations, 202-606-6613 or pandrews@cns.gov. You can also contact the CNCS Director in your state. A list of CNCS state offices can be found here:

<http://www.nationalservice.gov/about/contact/stateoffices.asp>

About CNCS

The Corporation for National and Community Service is a federal agency that engages more than five million Americans in service through its AmeriCorps, Senior Corps, Social Innovation Fund, and other programs, and leads President's national call to service initiative, United We Serve. For more information, visit NationalService.gov.

City of Milford



PROCLAMATION

2014-02

Mayors Day of Recognition for National Service

WHEREAS, service to others is a hallmark of the American character, and central to how we meet our challenges; and

WHEREAS, the nation's mayors are increasingly turning to national service and volunteerism as a cost-effective strategy to meet city needs; and,

WHEREAS, AmeriCorps and Senior Corps address the most pressing challenges facing our cities and nation, from educating students for the jobs of the 21st Century and supporting veterans and military families to preserving the environment and helping communities recover from natural disasters; and

WHEREAS, national service expands economic opportunity by creating more sustainable, resilient communities and providing education, career skills, and leadership abilities for those who serve; and

WHEREAS, national service participants serve in more than 70,000 locations across the country, bolstering the civic, neighborhood, and faith-based organizations that are so vital to our economic and social well-being; and

WHEREAS, national service participants increase the impact of the organizations they serve with, both through their direct service and by recruiting and managing millions of additional volunteers; and,

WHEREAS, national service represents a unique public-private partnership that invests in community solutions and leverages non-federal resources to strengthen community impact and increase the return on taxpayer dollars; and,

WHEREAS, AmeriCorps members and Senior Corps volunteers demonstrate commitment, dedication, and patriotism by making an intensive commitment to service, a commitment that remains with them in their future endeavors; and

WHEREAS, the Corporation for National and Community Service shares a priority with mayors nationwide to engage citizens, improve lives, and strengthen communities; and is joining with mayors across the country to support the Mayors Day of Recognition for National Service on April 1, 2014.

THEREFORE, BE IT RESOLVED, that I, Joseph Ronnie Rogers, Mayor of the City of Milford, do hereby proclaim April 1, 2014 as National Service Recognition Day, and encourage residents to recognize the positive impact of national service in our city, to thank those who serve; and to find ways to give back to their communities.

GIVEN under my Hand and Seal of the City of Milford this 10th day of March Two Thousand and Fourteen.

MAYOR JOSEPH RONNIE ROGERS

Attest:

Teresa K. Hudson, City Clerk

Milford Police Department



E. Keith Hudson
Chief of Police



400 N.E. Front Street
Milford, Delaware 19963

TO: Mayor and Members of City Council

FROM: E. Keith Hudson, Chief of Police

DATE: March 10, 2014

RE: Activity Report/February 2014

Monthly Stats:

A total of 496 arrests were made by the Milford Police Department during February 2014. Of these arrests, 132 were for criminal offenses and 364 for traffic violations. Criminal offenses consisted of 26 felonies and 106 misdemeanors. Traffic violations consisted of 70 Special Duty Radar, 3 Drunk-Driving charges, and 291 other.

Police officers investigated 46 accidents during the month (5 personal injury, and 41 property damage) and issued 136 written reprimands. In addition, they responded to 1,039 various complaints including city requests and other agency assistance.

Monthly Activities:

The School Resource Officer had handled a higher volume of complaints than normal. Corporal Masten provided the Central Academy Staff an Active Shooter/Lockdown Presentation.

A scheduled intruder lockdown drill was held on Friday as a follow up to his presentation.

During the month of February, the Milford Police Department K-9 Unit responded to 116 calls for service. The K-9 Unit was utilized during eight different incidents and also assisted the patrol division with a large violent crowd.

The unit was successful in three no-bite apprehensions. They conducted four sniffs for CDS (controlled dangerous substances). Located and subsequently seized as a result of the sniffs were four ounces of marijuana whose street value was \$1,120.

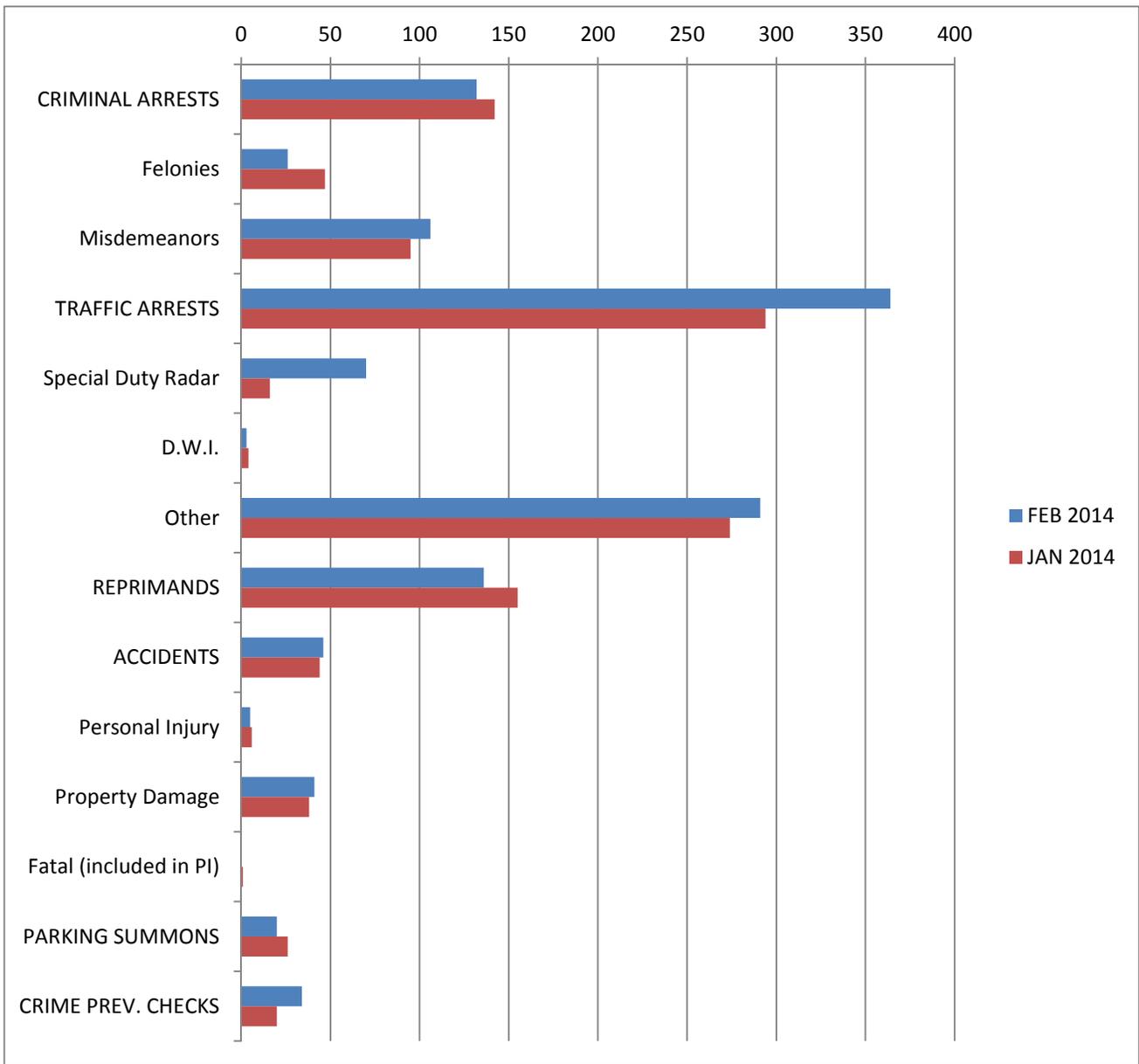
This year, we will again be participating in the Drug-Take-Back Event. This program gives people an opportunity to dispose of unused medicines in a safe, eco-friendly way. This year's event will take place on Saturday, April 26th at Milford Police Department.

The mandatory upgrade to our computers from Windows XP to Windows 7 is almost complete. Collins Business Systems will be here Tuesday morning to begin the installation of the new server for the recorder. This was also included in the changeover demand from DTI (Department of Technology and Information is the State of Delaware's central IT organization).

Two officers attended a two-day training seminar "Post Traumatic Stress Disorder" and two officers attended a two-day "Field Training Officer" seminar.

FEBRUARY 2014 ACTIVITY REPORT

	FEB 2014	TOTAL 2014	FEB 2013	TOTAL 2013
COMPLAINTS	1039	2167	1021	2070
CRIMINAL ARRESTS	132	274	84	250
Felonies	26	73	27	65
Misdemeanors	106	201	57	185
TRAFFIC ARRESTS	364	658	397	848
Special Duty Radar	70	86	24	141
D.W.I.	3	7	5	10
Other	291	565	368	697
REPRIMANDS	136	291	151	307
ACCIDENTS	46	90	48	98
Personal Injury	5	11	6	12
Property Damage	41	79	42	86
Fatal (included in PI)	0	1	0	0
PARKING SUMMONS	20	46	20	41
CRIME PREV. CHECKS	34	54	32	52
FINES RECEIVED	\$ 6,383.29	\$ 13,038.53	\$ 11,427.19	\$ 21,949.21





DELAWARE SOLID WASTE AUTHORITY

Board of Directors

Richard V. Pryor

Chairman

Ronald G. McCabe

Vice Chairman

Theodore W. Ryan

Timothy P. Sheldon

Tonda L. Parks

Gerard L. Esposito

Gregory V. Moore, P.E.

Pasquale S. Canzano, P.E., BCEE
Chief Executive Officer

Richard P. Watson, P.E., BCEE
Chief Operating Officer

February 12, 2014

Richard Carmean
City of Milford
P.O. Box 159
Milford, DE 19963

Dear Richard:

Enclosed please find the City of Milford's numbers for the month of January 2014.

**January 2014
Weight in Pounds**

MARSHALL STREET

SINGLE-STREAM TOTAL	OIL GALLONS
19,721	300

MILFORD COMMONS

12,678	
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Sincerely,

Rich Von Stetten
Sr. Manager of Statewide Recycling

C:\RVS\RD correspondence\cityofmilford.doc

Christie Murphy

Attachments: City of Milford Curbside Totals

1128 S. Bradford Street, P.O. Box 455, Dover, Delaware 19903-0455
Phone: (302) 739-5361 Fax: (302) 739-4287

CITIZENS' RESPONSE LINE: 1-800-404-7080

www.dswa.com

Printed on Recycled Paper

**CITY OF MILFORD CURBSIDE RECYCLING
JANUARY 2014**

Date Out	Trans Num	MT Label	DT Label	Bill Acct Name	Net TN
1/2/2014	758202	7100-RC Single Strea	7000-Recommunity	City of Milford	4.13
1/2/2014	758205	7100-RC Single Strea	7000-Recommunity	City of Milford	5.14
1/3/2014	758262	7100-RC Single Strea	7000-Recommunity	City of Milford	4.6
1/3/2014	758263	7100-RC Single Strea	7000-Recommunity	City of Milford	5.22
1/9/2014	758718	7100-RC Single Strea	7000-Recommunity	City of Milford	3.7
1/10/2014	758769	7100-RC Single Strea	7000-Recommunity	City of Milford	3.52
1/10/2014	758770	7100-RC Single Strea	7000-Recommunity	City of Milford	2.53
1/16/2014	759370	7100-RC Single Strea	7000-Recommunity	City of Milford	4.3
1/16/2014	759373	7100-RC Single Strea	7000-Recommunity	City of Milford	4.72
1/17/2014	759436	7100-RC Single Strea	7000-Recommunity	City of Milford	4.34
1/17/2014	759437	7100-RC Single Strea	7000-Recommunity	City of Milford	3.72
1/24/2014	760053	7100-RC Single Strea	7000-Recommunity	City of Milford	1.62
1/27/2014	760202	7100-RC Single Strea	7000-Recommunity	City of Milford	1.58
1/27/2014	760203	7100-RC Single Strea	7000-Recommunity	City of Milford	1.11
1/30/2014	760457	7100-RC Single Strea	7000-Recommunity	City of Milford	3.25
1/31/2014	760501	7100-RC Single Strea	7000-Recommunity	City of Milford	2.88
1/31/2014	760502	7100-RC Single Strea	7000-Recommunity	City of Milford	5.28
				TOTAL	61.64

*City of Milford's
Annual Community Prayer Breakfast
Honoring Mayor Joseph "Ronnie" Rogers*



Milford Senior Center's Crystal Room

111 Park Avenue

Milford, Delaware 19963

\$15.00 per person

Saturday, March 29, 2014

7:30 a.m.

Guest Speaker is the Rev. Paul Isaacs

*Community Prayer Breakfast Scholarship
to benefit:*

Milford Senior Center

*For tickets and/or more information call
Milford Senior Center at (302) 422-3385 or
Milford City Hall at (302) 424-3712*

**DELAWARE LEAGUE OF LOCAL GOVERNMENTS
MONTHLY DINNER MEETING
FEBRUARY 27TH, 2014
DOVER DOWNS HOTEL
4th FLOOR, DIAMOND ROOM #1
1131 NORTH DUPONT HIGHWAY
DOVER, DELAWARE**

SOCIAL HOUR: 6:00 P.M. - 6:45 P.M.
 OPENING: 6:45 P.M. - 7:00P.M.
 DINNER: 7:00 P.M. - 7:30 P.M.
 PROGRAM: 7:30 P.M. - 8:00 P.M.

PROGRAM

Safety Leadership & the Importance of a Culture of Safety for Your Employees: presented by Frank Dobson, President of the Delmarva Safety Association. "The **Delmarva Safety Association (DSA)** is non-profit organization who, through education, promotion and advocacy in safety, reduces injuries, occupational illnesses and economic losses in the workplace and communities on the Delmarva Peninsula." Bring your supervisors and managers to take advantage of this excellent training opportunity.

NEXT MEETING: THURSDAY MARCH 27TH, 2014

Special diets can be accommodated with 24 hours notice

WE MUST HAVE YOUR RESERVATIONS NO LATER THAN February 14th, 2014

Mail To: Delaware League of Local Governments
 P.O. Box 484
 Dover, Delaware 19903

Telephone: 302-678-0991 Fax: 302-678-4777 Email: gwright@udel.edu

_____ will have _____ attendees
 (Municipality/County/Agency)

PLEASE LIST THE NAMES OF THOSE ATTENDING

<u>Name</u>	<u>Title</u>
_____	& _____
_____	& _____
_____	& _____
_____	& _____
_____	& _____
_____	& _____

- () Check enclosed for () dinners @ \$30.00 each
- () Please direct bill the Municipality/County/Agency
- () Payment will be made at the door
- () Enclosed for () dinners @ \$30.00 each

Ordinance 2014-03/Sewer Code

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8, Ordinance 2010-17, 2011-16, 2012-19 and 2013-10 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, it is the City of Milford's desire to extend the waiver of sewer impact fees for an indefinite period of time; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of sewer impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt sewer impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by indefinitely extending the deadline with the following conditions:

~~D. The sewer impact fee described in Subsection C shall be waived for permits issued for repairs and rehabilitation of existing structures.~~ The sewer impact fee described in Subsection C shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014. The waiver shall be for a maximum of 5 EDUs per project. The city will continue to collect the impact fee charged by Kent County. ~~Waiver does not apply to new construction.~~

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(2) shall remain in effect.

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

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

§185-24 D (1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

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

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

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

§185-24 D (2) Any commercial structure that does not receive a certificate of occupancy in accordance with ~~this schedule~~ §185-24 D (1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction February 24, 2014

Adoption March 10, 2014

Effective March 20, 2014

Ordinance 2014-04/Water Code

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9, Ordinance 2010-18, Ordinance 2011-17, Ordinance 2012-20 and 2013-11 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of water impact fees for an indefinite period of time; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of water impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt water impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by indefinitely extending the deadline with the following conditions:

§222-31 I. ~~The water impact fee described in §222-31H shall be waived for permits issued for repairs or rehabilitation of existing structures.~~ The water impact fee described in §222-31H shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014. The waiver shall be for a maximum of 5 EDUs per project. ~~Waiver does not apply to new construction.~~

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect.

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

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

§222-31 I. (1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

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

To encourage new business and the expansion of existing businesses, the business must

create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

§222-31 I. (2) Any commercial structure that does not receive a certificate of occupancy in accordance with ~~this schedule~~ §222-31 I. (1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction February 24, 2014

Adoption March 10, 2014

Effective March 20, 2014

Ordinance 2014-05/Electric Tariff/Appendix B

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10, Ordinance 2010-19, Ordinance 2011-18, Ordinance 2012-21 and 2013-12 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of electric impact fees for an indefinite period; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of electric impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt electric impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

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

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

~~E. The electric impact fee established under this Appendix shall be waived for permits issued for repairs or rehabilitation of existing structures.~~

The electric impact fee established under this Appendix shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014.

~~Waiver does not apply to new construction.~~

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

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

(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

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

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

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

(2) Any commercial structure that does not receive a certificate of occupancy in accordance with ~~this schedule~~ Subsection E(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction February 24, 2014

Adoption March 10, 2014

Effective March 20, 2014



ECONOMIC INCENTIVE APPLICATION

Instructions: Please read the entire application prior to completing it and please complete this application in its entirety and return one copy to the Building Inspector. This application is not a commitment for waivers, rate reductions or funds, nor does it obligate the City of Milford, Delaware in any way.

Date: _____

General Information

A. Ownership Information

Owner of Record: _____
Mailing Address: _____ City/State/Zip: _____
Phone: _____ Email: _____

B. Business Information

Company Name or D/B.A: _____
Federal Employer Identification Number (EIN): _____
Mailing Address: _____ City/State/Zip: Milford, DE 19963
Phone: _____

C. Applicant Information

Applicant Name: _____ Title: _____
Mailing Address: _____ City/State/Zip: _____
Phone: _____ Email: _____

Job Creation Information

Currently Employed	Employees to be Maintained	New Employment	To Be Relocating to Milford	Total Employees
_____	_____	_____	_____	_____

Project Information

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	If the applicant is not the owner, does the applicant lease the project site or any buildings on the site? If yes, when does the lease expire?
Location of Project: _____			Milford, DE 19963	

List each item of **new** equipment to be acquired in the project. If more space is necessary, ignore this space and attach a list formatted like below.

Description	On Order?	Date Ordered	Price	Date to be Received
	Yes / No	/ /	\$	/ /
	Yes / No	/ /	\$	/ /
	Yes / No	/ /	\$	/ /
	Yes / No	/ /	\$	/ /
	Yes / No	/ /	\$	/ /

List each item of **used/existing** equipment to be acquired in the project. If more space is necessary, ignore this space and attach a list formatted like below.

Description	Date Purchased	Price	Location
	/ /	\$	
	/ /	\$	
	/ /	\$	
	/ /	\$	
	/ /	\$	

Employment Impact

Indicate the number of Milford based full time people that will be employed by the applicant at the end of the first, second and third year period after the project has been approved for incentives. All projections should be accurate, conservative and achievable since employment projections may become part of the financing agreements with the City. Include existing, new and relocated jobs.

Type of Employment	Number of Full Time Employees One Year After Incentives	Number of Full Time Employees Two Years After Incentives	Number of Full Time Employees Three + Years After Incentives
Professional or Managerial			
Engineering or Skilled Labor			
Unskilled & Semi Skilled			
TOTALS			

Provide titles that correspond to the newly created or relocated jobs as a result in part of the incentives, together with estimated annual wages for each title. If more space is necessary, ignore this space and attach a complete list formatted like below.

Job Titles	Job Type	# of Jobs	Estimated Min Wages	Benefits Included
	Professional or Managerial		\$	Yes / No
	Engineering or Skilled Labor			
	Unskilled & Semi Skilled			
	Professional or Managerial		\$	Yes / No
	Engineering or Skilled Labor			
	Unskilled & Semi Skilled			
	Professional or Managerial		\$	Yes / No
	Engineering or Skilled Labor			
	Unskilled & Semi Skilled			
	Professional or Managerial		\$	Yes / No
	Engineering or Skilled Labor			
	Unskilled & Semi Skilled			

Certifications and Notarization to Applicants

CERTIFICATION -- Eligibility for financial assistance from Milford, Delaware is determined by the information presented in this application and in the attachments. Any change in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the Building Inspector before taking any action which would change the status of the project as reported herein.

To the extent permitted by Delaware's Freedom of Information Act, all information contained in this application or obtained by the City of Milford in investigating or considering this application will be kept confidential, except for disclosure to the City of Milford Council, to the staff and attorney of the Council, and except for disclosures made at the public hearing of the Council and in any published notice of such hearing.

I, the undersigned, being duly sworn upon my oath say:

1. The Applicant as listed is the recipient of the funds.
2. The Applicant hereby agrees, if this application is approved, to comply with all federal, state, and local laws affecting the grant to be issued and the operation of the proposed project. As part of this agreement, the Applicant agrees to use its best efforts in good faith to meet all employment projections set forth herein and to give the first opportunity of employment to qualified Milford residents for all unskilled and semi-skilled workers employed by the applicant. The Applicant agrees to report to the Authority, no later than August 31 of the year following the start of its operation of the project, the total number of its unskilled and semi-skilled employees and the number of its unskilled and semi-skilled employees who were residents of Milford at the time of their employment.
3. The Applicant hereby acknowledges and agrees that the City reserves the right to and may disclose any information contained in this application and its supporting documents to the City of Milford Council, to the staff and attorney of the Council, at any public hearing held on this application by the Council, in any published notice of such hearing, and that this application is subject to the Delaware Freedom of Information Act.
4. The Applicant hereby agrees that any officers, employees, agents or attorneys of the City of Milford Council may have access to and copy any and all information in any form pertaining to Applicant, including, but not limited to, tax returns and information from tax returns as used in 30 Del. C. §368, in the custody of any State of Delaware, or other State, department, agency, instrumentality, division, office, board, bureau, council, commission, committee, panel or "public body," as that term is defined in the Delaware Freedom of Information Act, 29 Del. C. § 10002(a), including, but not limited to, the Departments of Finance, State, Labor, and Natural Resources and Environmental Control of the State of Delaware, the United States Environmental Protection Agency, the United States Department of Labor, the National Labor Relations Board or any other agency of the federal government having custody of information deemed pertinent by the City of Milford Council, their staff or attorney in evaluating Applicant's application for assistance.
5. This application, with all attachments & exhibits, is the product of diligent and reasonable investigation that I have either overseen or been personally involved.
6. I have carefully read this application, including all attachments and exhibits, and the information contained in this application, including all attachments and exhibits, is true, accurate and complete to the best of my information and belief.
7. I am a "high managerial agent" of the Applicant, as defined in Del. C. §284(b), and I am acting within the scope of my employment and in behalf of the Applicant.
8. I understand that if I have intentionally made a false statement in this application, or someone else has made a false statement herein that I know or believe to be false, I am subject to criminal prosecution. Further, the Authority, at its option, may terminate its financial assistance.
9. I understand the Authority may also request additional information from the applicant.

Name of Applicant: _____ Title: _____
Signature of Applicant: _____ Date: _____

Notary Information

State of _____ County of _____

Signed and sworn to (or affirmed) before me on: ____ / ____ / ____ by _____
(Representative of Applicant, not Notary)

[SEAL]

Name of Notary Public
My Commission Expires: _____

To be advertised

Delaware State News – Monday 12/30/13 and Monday 1/6/14

-----Advertisement for Bids-----

Sealed bids for **Mispillion Greenway Phase #22-1, GOAT ISLAND Nature Trail** the project generally consists of Demolition, Site work, Raised Boardwalk, on Helical Piles, Quarry Dust Path, Site Amenities & plantings and Add Alternates #1, #2 & #3, located in Milford, Delaware, will be received by the City of Milford, **City Hall Council Room, 201 South Walnut Street, Milford, Delaware, 19963, until 11:00 a.m. on Thursday January 23rd, 2014 where bids will be opened and read aloud.**

A mandatory pre-bid meeting will be held at Milford Parks & Recreation Building, 207 Franklin Street, Milford, Delaware at 11:00 a.m. Thursday January 9th, 2014 for the purpose of establishing the listings of subcontractors and to answer questions.

Attendance of this meeting is mandatory for bidding on this contract.

3 copies of the Sealed bids shall be addressed to the City Clerks Office, Milford City Hall and delivered to Milford City Hall, 201 South Walnut St., Milford, DE 19963.

The outer envelope should be clearly labeled: **“Sealed Bids Mispillion Greenway, Goat Island Nature Trail, Phase #22 -1, do not open”**. Prevailing wage rates as described by Delaware Law, must be adhered to where applicable.

Contract Documents may be obtained from the Landscape Architect, upon receipt of non-refundable \$60.00 deposit per set (plus \$10. non-refundable mailing charge) if requested to mail to Contractors. Checks are to be made payable to “Landscape Architectural Services, LLC”. The Landscape Architect can be reached at 302-284-4578. These documents will be made available starting Monday January 6th, 2014.

Each bid must be accompanied by a bid security equivalent to ten percent of the bid amount and all additive alternates. A 100% Performance Labor & Materials Payment Bond shall be submitted by the successful bidder. The City of Milford reserves the right to reject any and all bids and to waive any informalities therein. The City of Milford may extend the time and place for the opening of the bids from that described in the advertisement, of not less than five calendar days notice by certified mail, facsimile or email to those bidders receiving plans.

End of Advertisement of Bids.

Bid Opening Summary
Mispiration Greenway Phase 22, Goat Island Nature Trail Phase 1
Thursday January 23, 2014

Bidder's Name	Addenda			Subs List	Non Collusion	Bid Bond	Base Bid	Add Alternates				Total
	#1	#2	#3					#1	#2	#3	#4	
Conventional Builders	✓	✓		✓	✓	✓	490,002.14	11,680	113,750	101,500	4,300	
Road Site Construction DBA Clean Cut Interlocking Pavers	✓	✓		✓	✓	✓	465,951	3,000	48,472	49,500	2,500	
First State Crane												
Avon Corporation												
Kent Construction Inc.												
Ram Jack of the Tri States, Inc.												
Johnson Builders, LLC												
Kuhn Construction				✓	✓	✓	527,000	7,600	145,330	209,780	3,500	
Dissen & Juhn												
A-Del Construction												
Thompson and Sons, LLC												

City of Milford
Attn: Mr. Richard Carmean, City Manager
Bid Results: Goat island Nature Trail, Mispillion Greenway Phase 22 – 1
Page 1 of 2



**LANDSCAPE
ARCHITECTURAL
SERVICES, L.L.C.**

Matthew T. Spong, R.L.A., ASLA
Trisha Sawicki, ASLA

City of Milford
201 South Walnut Street
Milford, DE 19963

Attn: Mr. Richard Carmean, City Manager

February 28, 2014

Re: Goat Island Nature Trail
Mispillion Greenway Phase 22 – 1
Bid Award Analysis & Recommendation

Dear Richard,

Advertisement for bids for this project were placed in the Delaware State News Public Notices and run on 12/30/13 and 1/6/14. On 1/9/14 there was a mandatory pre-bid meeting, it was held at the City of Milford parks Department. Bids were due on Thursday January 23, 2014 at 11:00 a.m. at the City Hall Council Room.

The bid price solicited from contractors was requested as follows:

BASE BID: provide all labor, materials and equipment for : Demolition, sediment & erosion control, site work, raised boardwalk on helical Piles, quarry dust path, seeding and Add Alternates.

The (4) add alternates were:

- Add alternate #1: add 2” type “C” asphalt paving in lieu of quarry screen trail paving.
- Add alternate #2: add north raised boardwalk (see sheet #9 of the drawings).
- Add alternate #3: add overlooks A, B & C (see sheet #10 of the drawings).
- Add alternate #4: add park identification sign per sketch Addendum #1.

- (9) General Contractors attended the pre-bid meeting that was mandatory for General Contractors to bid on this project. A walk through of the Phase #1 project was conducted by Gary Emory and myself on 1/13/14.

On 1/23/14 (3) general contractors submitted bids with the required bid forms, bid bonds, subcontractors list, etc.

The following bids were received:

1. Road Site construction, Inc. DBA/ Clean Cut Interlocking Pavers, Lewes, DE	
Base Bid	\$465,951.
Add Alternate #1	3,000.
Add Alternate #2 (N/A).....	48,472. (withdrawn)
Add Alternate #3 (N/A).....	49,500. (withdrawn)
Add Alternate #4	2,500.

City of Milford

Attn: Mr. Richard Carmean, City Manager

Bid Results: Goat island Nature Trail, Mispillion Greenway Phase 22 – 1

Page 2 of 2

2. Conventional Builders, Inc., Houston DE

Base Bid	\$490,002.14
Add Alternate #1	11,680.00
Add Alternate #2	113,750.00
Add Alternate #3	101,500.00
Add Alternate #4	4,300.00

3. Khun Construction Co., Hockessin DE

Base Bid:	\$ 527,000.
Add Alternate #1	7,600.
Add Alternate #2	145,330.
Add Alternate #3	209,780.
Add Alternate #4	3,500.

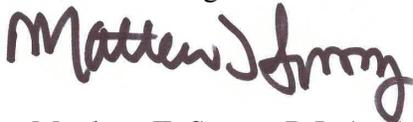
The low bidder is Road Site Construction , Inc., DBA Clean cut Interlocking Pavers, Inc..

After a discussion with Gary Emory, Parks & Recreation Director and meeting with the apparent low bidder, Clean Cut Interlocking Pavers on 2/17/14 and 2/25/14 to clarify the number of helical piles shown on the bid documents it is my recommendation that the base bid for construction for \$465,951. be revised to a base bid of 447,351. (see unit price list dated "revised 2/24/14 from Road Site Construction, DBA Clean Cut Interlocking Pavers Inc.) and Add Alternate #4, supply and install a park ID sign for \$2,500 for a total Phase #1 contract award of \$449,851., be awarded to Road Site Construction , Inc. DBA Clean Cut Interlocking Pavers, Inc.

NOTE: our estimate for construction of this Phase 1 was \$500,000. Funding is available for the phase 1 project for \$520,000. \$500,000. will cover the cost of the Phase 1 construction base bid and Park ID sign and a contingency should cover any unforeseen conditions that may arise. The additional \$20,000. will cover the costs for Landscape Architectural Services, LLC, our GeoTech and Structural Engineers to assist the City with contract administration and construction monitoring during the phase 1 construction.

Please review this information and contact me if you have any questions.

With Best Regards,



Matthew T. Spong, R.L.A., A.S.L.A., Principal
X.C. Mr. Gary Emory, Director, Milford Parks & Recreation
Ms. Terri Hudson, City Clerk

P.S. Copies of the actual bid forms from all bidders and Road Site Construction Inc. DBA Clean Cut Interlocking Pavers are being mailed under separate Cover.

P.O. Box 293, Dover, DE 19903
e-mail: matt@las-llc.net

phone: 302-284-4578 fax: 302-284-0301
website: www.las-llc.net

City of Milford



Resolution 2014-07

SPRING CLEAN-UP WEEK

Now, Therefore, Be It Resolved by the Mayor and Council of the City of Milford, in Council met:

WHEREAS, it is desirous to promote the general cleaning of the City of Milford and improve its overall beauty to the maximum enjoyment and benefit of all citizens and visitors; and

WHEREAS, we are fortunate to live in a community so abundantly blessed with natural assets that we have a continuing responsibility to preserve our environment by keeping it clean, healthy and in order by organizing and carrying out clean-up and fix-up projects which will enhance, restore and maintain the beauty of all properties; and

WHEREAS, all maintenance and clean-up debris, including large and bulk items, shall be placed for curbside pickup in order to exemplify cleanliness and beauty.

NOW, THEREFORE, I, Joseph R. Rogers, Mayor of the City of Milford, by the power vested in me, do hereby proclaim the week of March 31, 2014 to April 4, 2014 "Spring Clean-Up Week" in the City of Milford; in the case of inclement weather, "Spring Clean-Up Week" will be extended through April 11, 2014.

IN WITNESS WHEREOF, I hereunto set my hand and caused the Seal of the City of Milford to be affixed this 10th day of March 2014.

Mayor Joseph R. Rogers

City Clerk _____



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
& ENVIRONMENTAL CONTROL
DIVISION OF FISH & WILDLIFE
89 Kings Highway
Dover, Delaware 19901

OFFICE OF THE
DIRECTOR

City of Milford
P.O. Box 159
201 S. Walnut Street
Milford, DE 19963

January 23, 2014

Re: Do you want State Mosquito Control services in your city/town next year?

Dear Sir or Madam:

It's now time for you to think about the start of another mosquito control season, involving our program now inquiring about whether your city or town might again want to receive (or might newly want to receive) the State's mosquito control services for the upcoming year (2014). By mid-March, 2014 the **Delaware Mosquito Control Section** will once again start its statewide spring woodland control program (to control larval mosquitoes breeding in wet woodlands). We'll then be performing from early April into early November our usual range of other statewide efforts to control these pests and public health menaces, which can originate from coastal tidal marshes, freshwater wetlands, and within developed or domestic settings. As such, **we now want to know if your city or town wants to participate in our control program for the upcoming year**, and to receive at no cost to your municipality the State's mosquito control services.

Potential problems if for some reason you choose not to sign up

In addition to our usual concern for mosquito nuisance problems and their quality-of-life and economic impacts, plus our traditional concern for possible transmission to humans or horses of highly virulent Eastern Equine Encephalitis (EEE), this upcoming season also carries the specter for the quite probable continued occurrence of a relatively new mosquito-borne disease problem given much publicity over the past decade, being West Nile Encephalitis (WNE). While WNE might not be as sickening or deadly a problem as EEE, it will probably more frequently occur, and still be quite problematic for some people who contract this virus.

It's important to understand that if at this time your municipality chooses not to participate in the Section's program, then in event of your sudden change of mind, perhaps due to intolerable nuisance or disease problems sometime during the upcoming year, the Section might *not* be able to take control actions until all the agreements and procedures contained herein are fulfilled by your city or town. This can then slow down or even preclude the Section's ability to take or deliver timely response actions.

What you need to do to participate

Delaware's good nature depends on you!

In order to best serve the public, the Delaware Department of Natural Resources and Environmental Control (DNREC) has developed and adopted the enclosed **Mosquito Control Spray Policy** to govern applications of insecticides, with particular emphasis on the spraying of aerially- or ground-applied adulticides (insecticides to kill adult mosquitoes), and to a lesser degree for aerially- or ground-applied larvicides (insecticides to kill immature mosquitoes in their aquatic stages), within incorporated cities or towns. Aerial spraying of adulticides or larvicides might be done by fixed-wing aircraft or helicopter. Ground application of adulticides will be done by truck-mounted sprayers (a.k.a. "foggers"). Ground application of larvicides might be done by truck-mounted sprayers, backpack sprayers, or hand tosses. We are not requesting your endorsement for our ability to undertake ground applications of larvicides, but we are for all types of aerial spraying for adulticiding or larviciding, as well as for ground applications of adulticides.

The Spray Policy requires annual consent by municipalities before the Section will undertake certain types of needed insecticide spraying within a city or town's jurisdictional boundaries; provides for contact persons to represent both the municipality and the State; allows through a municipality's own devices for identification of "No-spray zones" for adulticides (if any); and addresses mosquito control in event of a declared public health emergency. This annual consent can be indicated by completing and returning to the Section the enclosed "**Municipality Endorsement**" form. There is also the option on the endorsement form to indicate that your city or town does not wish to participate. We would greatly appreciate your returning the endorsement form in either case. Without receiving the endorsement signed in some manner by the time requested, the Section will assume that your city or town does **not** wish to participate in the upcoming year's control program.

Please note that just by your signing and returning the Municipality Endorsement form it does **not** mean that you then automatically receive **all** of our mosquito control services whenever needed without any further actions on your part. Converse to this and as a specific exception (exclusive of a public health emergency that Mosquito Control might recognize), and as described in our Spray Policy (see Section III-4 on page 5), **each and every time** that you want Mosquito Control to undertake any adulticide spraying (to control adult mosquitoes), done by us either via ground-based or aerial applications within or over areas in your municipality's jurisdiction, **your municipality's designated Mosquito Control contact person** (as you will have indicated on the Municipality Endorsement form, or alternatively it could be some other appropriate city or town official) **must contact the Mosquito Control Section and request such adulticiding**. Please note that there can be occasions when we might recommend to your city or town that such type of spraying be undertaken (based on technical information that our program collects), and whereby we advise you that your municipality then officially requests that we take such spray actions. However, in many instances it will be more a matter of your first contacting us on an **event-by-event** basis that you want Mosquito Control to adulticide (which could be determined by your municipality as being necessary or desirable for us to undertake via several avenues, such as your hearing from your citizens or constituents about intolerable local mosquito infestations, or by other means or devices that your city or town might have at your disposal).

The Mosquito Control Section also requires all participating municipalities **to prepare and sign a waiver on official city or town letterhead stationery** permitting spray application by low-flying aircraft, in order to comply with Federal Aviation Administration (FAA) regulations. Additionally, we have included a map of your city or town's area that was made from a pertinent section(s) of a USGS 7-1/2" topographic map(s), **for your municipality to delineate its current incorporated boundaries**; and for you **to also indicate and delineate requests for adulticide No-spray Zones (if any)** in regard to adulticide aerial spraying, adulticide ground spraying, or both.

Information about the products we use

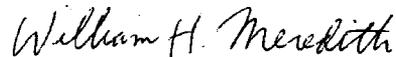
Starting back in 2009 to better conserve paper and reduce costs, we stopped mailing to you as points-of-information any paper copies of the insecticide product labels and Material Safety Data Sheets (MSDS) for the insecticides mentioned in our enclosed Spray Policy, which constitute the range of products that we might use this upcoming season. These written materials, although technical in nature, can provide a wealth of information to any concerned individuals regarding an insecticide's safety for human health, wildlife or the environment. And of course we only use EPA-registered products for the purpose at-hand, safely done in full accordance with federally-approved label instructions. However, we still want you to have ready access to this technical information, which we're now providing via a CD included in this packet. Please also note that as we started to do in 2011, we now prefer to send our daily Spray Announcements to you via e-mail, rather than via fax as in the past, doing this to conserve both staff time and paper. We have also included a copy of our public information handout ["Mosquito Control in Delaware"], which you can reproduce and use however you see fit.

If your city or town wishes to participate in the Section's mosquito control program next year, please sign and return **by no later than March 7 (Friday), 2014** (about 6 weeks from now):

1. the enclosed Municipality Endorsement;
2. an FAA waiver letter giving us permission to aerially spray over your city/town, written on your city/town letterhead;
3. the enclosed USGS topo map, where you have drawn your municipality's current boundaries and indicated any requested No-spray Zones.

Your response should be mailed to: **Delaware Mosquito Control Section, Division of Fish and Wildlife, DNREC, 89 Kings Highway, Dover, DE 19901**. If you have any questions, please call Taja Jones at 302-739-9917, and if she isn't available then ask for me. Thank you for your cooperation.

Sincerely,



William H. Meredith, Ph.D.
Environmental Program Administrator
Delaware Mosquito Control Section

encl: Mosquito Control Spray Policy (for your information)
CD copy of product labels and Material Safety Data Sheets (MSDS)
Municipality Endorsement form (for your signing and returning)
"Mosquito Control in Delaware" (an informational handout)
USGS topo map (for your indicating municipal boundaries and returning)

MOSQUITO CONTROL SPRAY POLICY

The Delaware Mosquito Control Section (Division of Fish and Wildlife, Department of Natural Resources and Environmental Control) utilizes an Integrated Pest Management (IPM) program to control mosquitoes in Delaware.

I. CONTROL METHOD PRACTICES AND PRIORITIES

The Department's (DNREC's) first preference for control is to use environmentally-sound source reduction techniques such as Open Marsh Water Management (OMWM) for saltmarsh mosquito control, managing or manipulating water levels in high-level coastal impoundments so as to disrupt the mosquito's life cycle, or stocking of larvivorous fishes in stormwater basins, backyard ornamental ponds, beaver ponds, etc. Such biological controls are effective in controlling an estimated 95 percent of mosquitoes breeding in areas treated with source reduction. The Department has a long-term program for implementing such approaches and is carrying out this program as time and resources permit. However, source reduction techniques are not suitable for some mosquito producing habitats, and in some cases landowners will not permit the Department to undertake the activities needed for source reduction purposes. In such circumstances, other control measures must then be employed.

The second preference for control is selective application of environmentally-compatible, EPA-registered larvicides (products designed to kill mosquitoes while they are still in the concentrated aquatic life stage) applied to the areas where mosquitoes breed. Aerial larviciding by fixed-wing aircraft or helicopters is usually not practiced directly over residential or developed areas, but ground-applied larvicides are frequently used to treat roadside ditches, flooded fields, used tire piles, abandoned swimming pools, woodland pools, median strip swales, lawn puddles, etc. in urban areas or suburban communities. Aerial larviciding by fixed-winged aircraft or helicopter is primarily used to treat freshwater wetlands, flooded woodlands, or coastal salt marshes or tidal wetlands, and is done only as warranted based upon intensive field surveys of larval occurrence, distribution and abundance. To be effective, larvicides must be applied during a very restricted period in the mosquito's aquatic phase of development. However, unfavorable weather or tidal conditions may prevent effective larvicide applications during this period. Larvicides routinely used in the recent past have included organophosphates such as temephos (Abate); but there is now a tendency to move toward third-generation larvicides, including juvenile growth hormone mimics such as methoprene (Altosid), bacterial insecticides such as Bti (VectoBac, Aquabac, Teknar), or spinosad (Natular). We also make some local use of mono-molecular film larvicides (Agnique, Arosurf). These products may be either liquid or granular formulations. All larvicide products are applied according to federal, EPA-approved label specifications, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

When unfavorable larviciding conditions occur or larviciding has been unsuccessful, it might be necessary to resort to adulticiding (the term used to describe spraying practices to control adult mosquitoes). This type of spraying always occurs via a liquid formulation which ultimately becomes a fog or vapor. This is not to be confused with larviciding, which is often done via a dry/granular formulation. The adulticides used for the control of pestiferous mosquito species (e.g. organophosphates such as naled, or synthetic pyrethroids such as permethrin, resmethrin or sumithrin, or etofenprox) are EPA-registered insecticides, which (like the larvicides) have demonstrated minimal human health or environmental risks, and as such can be sprayed over or within populated areas. The EPA has determined that all the mosquito control insecticides applied by the Mosquito Control Section can be used to kill mosquitoes without posing unreasonable risks to human health, wildlife or the environment (but this is not to say that

there are no risks at all). Once again, all adulticide products are applied according to federally, EPA-approved label specifications, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). The Department will keep abreast of any EPA announcements that would suggest that a pesticide of choice (larvicide or adulticide) might present greater risks to human health or the environment than previously thought, and certainly comply with any new EPA requirements affecting the use of individual pesticide products.

When adulticides have to be used, our first choice is to apply them aerially by fixed-wing aircraft or helicopter within or immediately adjacent to mosquito-breeding areas, immediately after the adult mosquitoes have emerged. This tactic is more effective and less expensive than spraying adulticides over widespread areas after the adults have dispersed. However, before newly-emerged adults migrate to upland zones, the time period available to achieve satisfactory control on or near their breeding habitats is even shorter than for larviciding.

In some cases, however, all of the above controls are inadequate to control mosquito populations prior to their movements into developed areas. In such cases, adulticiding in populated areas might have to be done, particularly if nuisance problems become intolerable or there is the chance of spreading mosquito-borne diseases. These adulticides might be applied aerially (by fixed-wing aircraft or helicopter) or by ground using truck-mounted sprayers.

This spray policy primarily addresses the issues of insecticide applications in populated areas, with an emphasis on adulticide use whether by aerial or ground applications. The best available scientific information from the EPA and product manufacturers, plus independent research by the University of Delaware and other sources, leads us to conclude that the products we use, and the manner in which we use them, pose no unreasonable risks to the public (human health), wildlife or the environment. The EPA's product-labeling process reflects the permitted use and safety precautions that pesticide applicators must adhere to. The EPA, in order to designate a product's approved use, has to complete a risk assessment, and has to determine that the final end use possesses extremely low human health or environmental risks when applied in accordance with federally-approved label instructions, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

II. ADULTICIDING IN POPULATED AREAS

The decision to spray for mosquitoes in populated areas depends upon two forms of evidence indicating that mosquito populations are unacceptably high. The first form is physical evidence obtained in populated areas from professional analyses of adult mosquito light-trap data (where available) for population abundance and species composition, or upon adult mosquito landing rate counts. Light-trap counts in populated areas exceeding 25 adult females per night of pestiferous species, or landing rate counts averaging three (3) or more adults per minute in populated areas, indicate a nuisance condition substantially lowering the quality-of-life, as well as an enhanced possibility for mosquito-borne disease transmission. Except when there are additional reasons to believe that some mosquito species may be presenting a significant public health risk, no spraying will be conducted unless physical or complaint evidence suggests that spraying is warranted.

The second form of evidence is public complaints in populated areas, resulting in requests for spraying coming from either individuals, civic or homeowners associations, or local city or town officials within incorporated municipalities. To the extent practicable the Section will investigate in the field the need for a spray response based on the physical evidence previously described, collected in manner as can be practicably obtained in the field in consideration of

mosquito species-specific diurnal/nocturnal activity patterns, sampling limitations, and staff or equipment logistical constraints. The Mosquito Control Section will decide whether spraying is warranted on the basis of physical evidence alone; or by the merit, as determined by the Section, of a municipal request; or by the number, merit and pattern, as determined by the Section, of citizen complaints directly received by the Section. **[In regard to public requests for adulticide spraying coming from incorporated areas, the Section requires that citizen requests for spraying during an infestation be coordinated and conveyed to the Section by phone through a designated municipal official.]**

III. PROTOCOLS FOR ADULTICIDING INCORPORATED MUNICIPALITIES

1. Mosquito Control Municipality Spray Endorsement

On an annual basis, each incorporated municipality (city or town) desiring aerial adulticiding or aerial larviciding will prepare and sign a waiver on official municipal letterhead permitting spray application of insecticides by low-flying aircraft for treatments to be done by the Delaware Mosquito Control Section or its contractors, in order to comply with Federal Aviation Administration (FAA) regulations.

Before the start of the pest season (by early or mid-March), the municipality will also acknowledge and agree to through a signed endorsement the Mosquito Control Spray Policy's provisions, in order to allow and request the Mosquito Control Section to spray as warranted either all or portions of areas within the municipality's jurisdiction in accordance with this Spray Policy. Return of the signed endorsement requesting spraying will be needed for the Section to spray by fixed-wing aircraft, helicopter, or truck-mounted sprayer or fogger any adulticides or larvicides within a municipality's borders, with exception of aerial spraying of larvicides over coastal tidal wetlands, and with exception of ground application of larvicides to tidal or non-tidal wetlands or other aquatic breeding sites by truck-mounted sprayers or hand application methods. [In regard to these last two situations, approval from municipalities is *not* necessary for the Section to aerially treat coastal tidal wetlands with larvicides, nor to make ground applications of larvicides in tidal or non-tidal wetlands or other aquatic breeding sites.] Without receipt of this signed endorsement, the Section will assume that the municipality does not want any aerial adulticiding or non-tidal wetland aerial larviciding, nor any truck-mounted spraying of adulticides, within their jurisdiction during the current pest season (mid-March through mid-November). If a municipality does not sign and return the endorsement before start of the pest season, it must be kept in mind that any change of thought resulting in a municipality to then request spraying later in the season cannot be honored until the endorsement is signed and returned to the Section, which in many cases might slow down or even prohibit the Section's ability to provide timely treatment, even in response to severe nuisance problems or potential disease outbreaks.

2. Adulticide No-Spray Requests and No-Spray Zones

The Mosquito Control Section will not spray those municipality areas delineated by the municipality, and agreed to by the Section, to be zones where: 1) no aerial adulticide can be applied; or 2) areas where no ground adulticide can be applied; or 3) areas where neither method of adulticiding can be done. *Residents/property owners within an incorporated municipality desiring not to be included in the aerial or ground adulticide program must make such requests known by contacting their local municipal government officials.* The decision to request or authorize a No-spray zone within a municipality, and the consequences for doing such, are entirely the responsibility of a municipality's officials. It is anticipated that such No-spray zones will not be sought by municipalities for non-residents or non-property owners (i.e. not applicable to casual visitors or tourists). The municipality, after accounting for factors given in Section 3

below (for sizes of No-spray zones), will prepare maps of No-spray zones that were requested by their citizens and approved by the municipality, and submit these maps to the Mosquito Control Section for review and concurrence. Please note that it is important that the locations and sizes of each No-spray zone within a municipality be identified each and every year, as there will be no automatic carryover of No-spray zone designations from previous years. The Section will review the submitted maps and inform the municipality in writing (by U.S. Mail or e-mail) of its concurrence. If concurrence cannot be given by the Section for the proposed No-Spray zones because of technical or logistical problems, the Section will then meet with municipal officials to resolve these problems. If a municipality wishes to modify the No-spray zone designations after the pest season has started (i.e. after mid-March), the municipality may request such modification from the Section, but should understand that the Section will need at least two weeks advance notice in order to comply with the requested modification.

With exception of a declared public health emergency by appropriate State-level agencies, it must be understood that within a municipality the decision to adulticide for mosquito control purposes or not to spray is totally up to municipal officials, who have to weigh several factors in making this decision, to then possibly be followed by requesting the Mosquito Control Section's treatment services. These officials have to consider the impacts of intolerably high mosquito populations on quality-of-life factors and local economies, along with the possibility of mosquito-borne disease transmission, weighed against very negligible risks to human health or the environment when using EPA-registered adulticides in manner prescribed by the EPA, plus perhaps aircraft noise issues occasionally associated with aerial applications. If a resident or visitor to an incorporated city or town has a problem with this municipal decision, their complaint or grievance should be taken up with the municipality, not with the Mosquito Control Section. If a resident or visitor's complaint or problem involves aircraft noise or other operational issues for how spraying was done, exclusive of concerns or issues dealing with pesticide exposure, the municipality should, in consultation with the Mosquito Control Section, attempt to directly address these issues with the resident or visitor making such complaint. If the complaint or problem concerns pesticide exposure, which in many cases is quite unavoidable in responding to a municipality's request for adulticiding over or within populated areas, the Mosquito Control Section will assist a municipality in technically addressing a complaint or issue raised by a resident or visitor. However, it must be kept in mind that the Section applied the adulticide at the municipality's request, in conjunction with the Section also independently investigating to the extent practicable that the adulticiding was warranted.

3. Sizes of No-Spray zones

Because of technical constraints, a No-spray zone for aerial adulticiding must involve an area having a radius of about 500 feet outward from or around the residence in question (amounting to about 18.0 acres in size), and a No-spray zone for ground spraying must involve an area having a radius of about 300 feet outward from or around the residence in question (amounting to about 6.5 acres in size). Operationally, in almost all cases it will probably **not** be necessary for the No-spray zone be much larger than these minimums (in order to avoid treating the residence where no spraying has been requested), but the final determination of the size of the No-spray zone will be made by the Section on a case-by-case basis.

It must also be recognized by the local municipalities that certain configurations or densities of No-spray zones might also prohibit adulticide spraying to an extent greater than the mere summation of individual No-spray zones. It must also be kept in mind that in many locations the creation of a No-spray zone for an individual residence will preclude adulticide treatment for many neighbors or nearby residences who desire pest relief -- this situation is a dilemma that the local municipality must resolve.

4. Requests for Adulticide Spraying within Municipalities

A city or town each year signing and returning an annual endorsement form does **not** mean that a municipality then automatically receives **all** of our mosquito control services whenever needed without any further actions on the city's or town's part. Converse to this and as a specific exception (and exclusive of a public health emergency that Mosquito Control might recognize), **each and every time** that a municipality wants Mosquito Control to undertake any **adulticide** spraying (to control adult mosquitoes), done by Mosquito Control either via ground-based or aerial applications within or over areas under a municipality's jurisdiction, **then the municipality's designated Mosquito Control contact person** (as indicated by the city or town on the endorsement form), or some other appropriate city or town official, **must first contact the Mosquito Control Section and request such adulticiding**. Please note that there can be occasions when Mosquito Control might recommend to a city or town that such type of spraying be undertaken (based on technical information that our program collects) and whereby we advise that the municipality then officially requests that we take such spray actions, but in many instances it will be more a matter of the city or town first contacting us on an **event-by-event** basis to request that Mosquito Control performs some adulticide spraying (which could be determined by a city or town as being necessary or desirable for Mosquito Control to undertake via a municipality hearing from its citizens or constituents about intolerable local mosquito infestations, or by other means or devices that a city or town might have at its disposal).

For cities or towns in New Castle County and the northern half of Kent County, with the latter to involve all areas north of Camden-Wyoming on an east-west line that essentially includes all areas from south Dover north, extending on the west side from north of Marydel essentially along Rt. 8 into Dover and then eastward out to areas just north of Pickering Beach, the number to call is our **Glasgow office at 302-836-2555**. For cities or towns in all of the remainder of Kent County in its southern portions, including all of Camden-Wyoming, plus Marydel on the west and Pickering Beach on the east, along with all of Sussex County too, the number to call is our **Milford office at 302-422-1512**. Please refer to Mosquito Control's webpage on the DNREC website for more detailed delineations of the geographic jurisdictions for our Glasgow and Milford offices, at <http://www.dnrec.delaware.gov/fw/Services/Pages/MosquitoSection.aspx>

It should be emphasized that any requests for mosquito control spraying coming from residents or visitors in municipalities should **not** be made directly to the Mosquito Control Section, but rather should first go to the appropriate municipal official, such that the city or town can then decide based upon several types of possible inputs as to whether the city or town will then request our Section's control services. The Mosquito Control Section will not respond to such requests if coming to us directly from a resident or visitor in a municipality (although via various means we might still receive such requests), but rather will tell the caller upon hearing of their problem to now contact their appropriate municipal official. A resident or visitor experiencing mosquito problems in unincorporated areas of the counties can directly call the Mosquito Control Section, done both for our awareness and possible follow-up control actions.

Please note that the Mosquito Control Section is now examining a way for the public to possibly relay to us on-line via e-mail their mosquito complaints or requests for control services, in addition to still being able to provide or request such via calling the phone numbers cited above. As with phone contacts, and if we actually end-up accommodating on-line such e-mailed input regarding mosquito complaints or requests for control services, we will officially respond to such e-mail requests within incorporated municipalities only if sent by appropriate municipal officials. Residents or visitors in municipalities who want to communicate via e-mail their mosquito complaints or requests for services will have to do such via first sending their e-mails to their appropriate municipal officials. For any such e-mails that we might still receive from residents or visitors in municipalities despite our policy, we will then advise them to forward their e-mails to their appropriate municipal officials (just as for phone complaints or requests we then advise them to call their appropriate municipal officials). Residents or visitors in unincorporated areas of the counties who might want to convey via e-mail to us their mosquito complaints or requests for control services will be able to directly do so, using e-mail addresses yet to be determined by the Section (and whereby if we actually do this, we'll have one e-mail address for upstate mosquito problems handled by our Glasgow office, and another e-mail address for downstate mosquito problems handled by our Milford office). Appropriate municipal officials will also be able to use these e-mail addresses in lieu of their calling us for help or relief on behalf of their cities or towns.

5. Advance Notification of Spray

When there is a good probability that adulticiding operations are imminent within a municipality, to the extent practicable for sake of public notification the Mosquito Control Section will, for each adulticiding event (whether done by air or truck), do the following:

- 1) contact in advance by e-mail an appropriate government official and electronically provide via e-mail a spraying announcement sent to each affected municipality (please note that this e-mail contact is in contrast to our formerly sending such announcements via telefax, a practice that to save staff time and paper is now discontinued starting in the 2012 mosquito control season);
- 2) place a phone spraying announcement on a Mosquito Control Section recorder that citizens can call toll-free at 1-800-338-8181 to find out about the status of spraying;
- 3) on a statewide basis, contact over 12 local radio stations by e-mail and provide a spraying announcement, which the radio stations may or may not choose to broadcast (please note that this e-mail contact is in contrast to our formerly sending such announcements via telefax, a practice that to save staff time and paper is now discontinued starting in the 2012 mosquito control season);
- 4) post a similar spraying announcement on the Mosquito Control Section's (Division of Fish and Wildlife's) DNREC webpage, which the public can access via the Internet at <http://www.dnrec.delaware.gov/fw/Services/Pages/MosquitoSection.aspx> (go to "Mosquito Spraying Announcements" once you have accessed this webpage).
- 5) for anybody who wants to personally receive via e-mail up-to-date spraying announcements, they can subscribe to a Mosquito Control listserver that will automatically disseminate such announcements to them via the Internet (simultaneously done in conjunction with posting these spraying announcements on Mosquito Control's DNREC webpage) -- the sign-up for this

listserver can be accomplished by accessing the Mosquito Control webpage address given in item #4 above;

6) finally, immediately prior to aerial applications of adulticides, the treatment aircraft will briefly circle over pertinent areas within a municipality, to provide final notification or signal in the field of intention to spray.

Any additional notification of intent to spray is up to the participating municipalities to perform or offer, but it is probable that giving additional public notice going beyond what the Mosquito Control Section presently performs would not be very feasible or practicable to do.

To the extent feasible and practicable, with exceptions for health emergencies or when contending with unsettled weather conditions for spraying, such advance notification will be issued by the Mosquito Control Section at least four (4) hours before any adulticide spraying begins, and be done for every adulticiding effort within a municipality's jurisdiction.

The advance notification procedure for spraying described above will now also be followed for every *aerial* larviciding effort within a municipality's jurisdiction (in the past, such notice was routinely provided for spring woodland control aerial larviciding and other aerial treatments of freshwater wetlands, but was not done for aerial larviciding of coastal marshes). While aerial larviciding operations in treating wetland breeding sites usually do not involve spraying directly over people, the unfortunate terrorism events of September 11, 2001 have now greatly increased the public's concern and anxiety about possible bioterrorism incidents, which could occur (at least in theory) via pesticide spray delivery systems, so it is now prudent to ensure that municipal officials are fully aware in advance of any-and-all adulticiding (whether done by air or truck) or aerial larviciding within their jurisdictions. What will not be publicly announced will be truck-based spraying of larvicides (e.g. along roadside ditches) or hand-applied or back-pack larviciding done on foot (e.g. when treating localized breeding sites in small pocket marshes or in residential areas), since these types of activities are: 1) sometimes numerous and scattered; 2) are often not determined to be necessary until actually on-site; and 3) because of their carefully targeted applications to localized surface water (as opposed to the widespread spraying of adulticide aerosols over uplands or marshes by aircraft or truck, or the relatively widespread aerial spraying of larvicides over wetlands), such applications hardly generate any public awareness, concern or comment.

For sake of good communications, and to help other agencies respond to possible public inquiries about mosquito control spraying activities, advance notifications of spraying are also provided by the Mosquito Control Section via e-mail or telefax to the Delaware Emergency Management Agency (DEMA), to each county's 911 Emergency Call Center, and to the Delaware Department of Agriculture's (DDA) Pesticide Compliance Section and to the DDA's State Apiarist. The preference is to now provide such notification via e-mails.

Additionally, by a working agreement adopted in 2001 among the Mosquito Control Section, the DDA's State Apiarist, and the Delaware Beekeeping Association, for all aerial adulticide spray announcements the Mosquito Control Section now indicates via coded grid-block numbers (for a special map of Delaware) where aerial adulticide spraying activities are intended to occur. By the tri-party working agreement, it is incumbent upon commercial beekeepers to assume responsibility for their keeping up-to-date and for their being aware about locations where aerial adulticiding is soon intended, achieved by the beekeepers taking advantage of the various spray announcement devices mentioned above (i.e. toll-free phone calls, radio announcements, webpage postings, listserver e-mails). If a commercial beekeeper has a problem with where some spraying will soon occur, the beekeeper should then inform the Mosquito Control Section in timely manner about such concerns, so that appropriate spray measures can be taken by Mosquito Control to avoid or minimize any adverse impacts to beekeeping operations.

Since commercial beekeepers frequently move their bee colonies around in addressing crop pollination needs, and since the need for mosquito control spraying can be quite geographically variable and occur with relatively short notice, it is important that good two-way communications be maintained between Mosquito Control and commercial beekeepers, which adherence to the working agreement's protocols is intended to provide. The DDA State Apiarist distributes to each of Delaware's registered beekeepers a copy of the working agreement and the coded grid map.

6. Time of Spraying

To the extent feasible and practicable, adulticide spraying will be conducted at times which minimize direct human exposure (preferably early morning or late evening for aerial applications). During the summer peak "tourist season" from the Friday evening immediately before the Memorial Day weekend through the Monday evening of Labor Day weekend, aerial adulticide applications in the "coastal resort strip" from Lewes to Fenwick Island may be made on weekdays in the morning from 5:30 to 8:30 a.m. and in the evenings from 6:00 to 9:00 p.m., excluding the weekend that is defined here as Friday evenings through Monday mornings (and through Monday evenings on holiday Mondays of 3-day "weekends"). The "coastal resort strip" itself may be viewed as extending landward of the Atlantic Ocean coastline from Lewes to Fenwick Island a distance of up to about 5 miles inland, as well as about 2 miles landward of the primary bayshores composing the Inland Bays. Exceptions to not aerially adulticiding the coastal resort strip between Friday evening and Monday morning can occur at special request (in writing) from a municipality, or in event that inclement weather or other circumstances prevent timely, effective adulticiding at other times, whereby only the Friday evening to Monday morning weekend period is left for timely, effective spray application. Aerial adulticide applications will only be made when weather conditions comply with product-label spraying requirements (e.g. clear visibility and winds no more than 10 mph). Outside the coastal resort strip area, the weekend exclusion for adulticide spraying will not apply, but the daily time slots for spraying will still apply. An exception to the desired early morning and evening times for aerial spraying can occur when unusual weather conditions (e.g. fog, excessive wind, temperature inversions) preclude applications at the desired times, and yet the mosquito situation is so bad that spraying must still be performed that day, in which case spraying would also be permissible in the day between early morning and late evening. Ground applications of adulticides statewide may generally be done from early evening through the night into early morning on weekdays or weekends, except that municipalities within the coastal resort strip from Lewes to Fenwick Island during the summer peak "tourist season" will generally not receive ground adulticide applications on the weekends (defined as above); municipalities within the coastal resort strip still might be ground-sprayed on weekends at special request (in writing) of a municipality, or if inclement weather or other circumstances prevent timely, effective ground applications at other times. Ground applications will only be done when weather conditions comply with product-label spraying requirements.

7. Adulticides Used

The Mosquito Control Section may aeriually apply by twin-engine aircraft or helicopter at application rates up to those indicated below one or more of the following adulticides, with the choice of which product to use per spray event dependent upon the problem species to treat and other technical factors or local considerations:

- 1) Dibrom Concentrate (naled) applied at 0.10 lbs. AI/A, applied in ULV concentrated formulation of 1.0 oz./A, or
- 2) Trumpet EC (naled) applied at 0.10 lbs. AI/A, applied in ULV concentrated formulation of 1.2 oz./A, or
- 3) Scourge 18%+54% MF (resmethrin + PBO) applied at 0.007 lbs. resmethrin AI/A + 0.021 lbs. PBO AI/A, mixed with mineral oil, applied at a total volume of 3 oz./A (0.6 oz. Scourge 18-54/A plus 2.4 oz. mineral oil/A), or
- 4) Anvil 10+10 (sumithrin + PBO) applied at 0.0036 lbs. AI/A, applied in ULV concentrated formulation of 0.62 oz./A, or
- 5) Permanone 31-66 (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 6) Biomist 31+66 ULV (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 7) Kontrol 31-67 Concentrate (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 8) Evoluer 30-30 ULV (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 9) Aqualuer 20-20 (permethrin + PBO) applied at 0.0035 lbs. AI/A applied in ULV concentrated formulation.
- 10) Zenivex E20 (etofenprox) applied at 0.00175-0.0070 lbs. AI/A applied ULV in undiluted, concentrated formulation; or mixed with mineral oil and also applied ULV.

The following adulticides may be ground applied at application rates up to those indicated by truck-mounted Beecomist ULV (Ultra Low Volume) or London Fog ULV ground foggers:

- 1) Scourge 18%+54% MF (resmethrin + PBO) applied at a rate up to 0.007 lbs. resmethrin AI/A + 0.021 lbs. PBO AI/A, mixed with mineral oil, applied at a total volume of 3 oz./A (0.6 oz. Scourge 18-54/A plus 2.4 oz. mineral oil/A), or
- 2) Anvil 10+10 (sumithrin + PBO) applied at 0.0036 lbs. AI/A, mixed with mineral oil, applied at a total volume of 1.24 oz./A (0.62 oz./A Anvil 10+10 plus 0.62 oz. mineral oil/A), or
- 3) Permanone 31-66 (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or

- 4) Biomist 31+66 ULV (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 5) Kontrol 31-67 Concentrate (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 6) Evoluer 30-30 ULV (permethrin + PBO) applied at 0.0035 lbs. AI/A, mixed with mineral oil applied in ULV concentrated formulation, or
- 7) Aqualuer 20-20 (permethrin + PBO) applied at 0.0035 lbs. AI/A, applied in ULV concentrated formulation.
- 8) Zenivex E20 (etofenprox) applied at 0.00175-0.0070 lbs. AI/A applied ULV in undiluted, concentrated formulation; or mixed with mineral oil and also applied ULV.
- 9) Duet (prallethrin + sumithrin + PBO) applied at 0.0003-0.0008 lbs. AI/A for prallethrin component, plus 0.0012-0.0036 lbs. AI/A for sumithrin component, both applied as a packaged mix in ULV concentrated formulation.

The Mosquito Control Section will make accessible via CD to each incorporated municipality a copy of each adulticide's product label and its accompanying Material Safety Data Sheet (MSDS), provided for their informational purposes as part of annual Spray Policy packets sent to each municipality.

8. Larvicides Used

The Mosquito Control Section may apply at application rates up to those indicated one or more of the following larvicides aurally by twin-engine aircraft or helicopter, or from the ground using truck-mounted sprayers or hand application methods, with the choice of which product to use per spray event dependent upon the problem species to treat and other technical factors or local considerations:

- 1) Abate 4E (temephos) applied at 0.048 lbs. AI/A, applied at 1.5 oz. Abate 4E/A mixed with water to achieve a final application volume of 64 oz./A, or
- 2) Abate 5BG (temephos) applied at 0.1 lbs. AI/A, applied in granular formulation at 2 lbs./A, or
- 3) Abate 2BG (temephos) applied at 0.1 lbs. AI/A, applied in granular formulation at 5 lbs./A, or
- 4) VectoBac 12AS (Bti) applied at 32 oz./A, or
- 5) VectoBac GS or G (Bti) applied in granular formulation at 10 lbs./A, or
- 6) Aquabac XT (Bti) applied at 32 oz./A, or
- 7) Aquabac 200G (Bti) applied in granular formulation at 10 lbs./A, or
- 8) Teknar SC (Bti) applied at 32 oz./A, or
- 9) Teknar G (Bti) applied in granular formulation at 10 lbs./A, or

- 10) Altosid Liquid Larvicide (5% methoprene) applied at 0.013 lbs. AI/A, applied at 4 oz./A mixed with water to achieve a final application volume of 32 oz./A, or
- 11) Altosid Liquid Concentrate (20% methoprene) applied at 0.013 lbs. AI/A, applied at 1 oz./A mixed with water to achieve a final application volume of 32 oz./A, or
- 12) Altosid Pellets (methoprene) applied at 10 lbs./A, or
- 13) Altosid SBG (methoprene) applied in granular formulation at 10 lbs./A, or
- 14) Altosid Briquets (methoprene) applied at one briquet/100 sq. ft., or
- 15) Altosid XR Extended Residual Briquets (methoprene) applied at one briquet/200 sq. ft., or
- 16) Altosid XR-G (methoprene) applied in granular formulation up to 20 lbs./A, or
- 17) VectoLex CG (Bacillus sphaericus) applied in granular formulation at 20 lbs./A, or
- 18) Agnique MMF (nonionic surfactant) applied at 3 oz/1000 sq. ft., or
- 19) Agnique MMF G (nonionic surfactant) applied in granular formulation up to 21.5 lbs./A, or
- 20) Arosurf (nonionic surfactant) applied at 3 oz/1000 sq. ft., or
- 21) Natular 2EC (spinosad) applied at up to 2.8 oz/A, or
- 22) Natular G (spinosad) applied up to 9 lbs./A, or
- 23) Natular G30 (spinosad) applied in granular formulation up to 20 lbs./A, or
- 24) Vectolex WSP (Bacillus sphaericus) applied at 1 pouch/50 sq.ft.

The Mosquito Control Section will make accessible via CD to each incorporated municipality a copy of each larvicide's product label and its accompanying Material Safety Data Sheet (MSDS), provided for their informational purposes as part of annual Spray Policy packets sent to each municipality.

9. Public Health Emergencies

In the event of an Eastern Equine Encephalitis (EEE), St. Louis Encephalitis (SLE), or West Nile Encephalitis (WNE) public health emergency, jointly recognized by DNREC and the Delaware Division of Public Health, aerial or ground adulticiding might be carried out over municipalities that have not signed the Spray Policy endorsement agreeing to permit such activities, as well as spraying also possibly occurring in designated No-spray zones, ceasing when the public health emergency is terminated. In event of a public health emergency, general public health considerations to prevent or lessen serious disease problems must take precedent over individual desires to avoid a short-term exposure to an insecticide that is registered by the EPA for application over populated areas, with knowledge that such exposures will of course take place but which are of minimum risk to human health and safety. The Section will try to continue to observe to the extent feasible and practicable its policies on advance notification, timing of spraying, and type of insecticides used, but public health concerns during emergencies may necessitate deviations from these protocols, such as for application timing, for treating No-spray zones, etc.

IV. PROTOCOLS FOR ADULTICIDING UNINCORPORATED AREAS

The spraying of adulticides by aerial or ground application in unincorporated areas does not require a signed Mosquito Control Spray Policy endorsement such as is needed prior to spraying incorporated municipalities. Because of insurmountable practical and logistical problems in communicating with individual citizens or civic associations in unincorporated areas, the Mosquito Control Section must assume that timely and safe adulticiding is allowable and desired whenever pest populations become excessive or mosquito-borne disease potentially threatens. The Section will determine when and where adulticiding is necessary, based on physical evidence and in conjunction with complaints from individual citizens or civic or homeowners associations. Similarly, the Section's ability to use larvicides, whether applied aerially or by ground, will not require any signed endorsements for when spraying is done in unincorporated areas.

Requests for no spraying of ground or aerially-applied adulticides in unincorporated areas can be made by individual residents or property owners by directly contacting the Mosquito Control Section, to request a form for applying for No-spray zone consideration, which after completion should then be returned to the Mosquito Control Section at the address indicated on the form (note: to request the application form, contact the Mosquito Control Section at 302-739-9917; or write to Delaware Mosquito Control Section, Division of Fish and Wildlife, DNREC, 89 Kings Highway, Dover, DE. 19901; or you can download a copy of the form over the Internet, by accessing <http://www.dnrec.delaware.gov/fw/Services/Pages/MosquitoSection.aspx>, and then go to "Request a No-spray Zone application").

Please note that in situations in unincorporated areas where a local civic or homeowners association (HOA) exists that encompasses a residence for which a No-spray zone designation is sought, the Mosquito Control Section will then encourage and expect the No-spray zone request form to be submitted by an appropriate official or representative of the local civic or homeowners association, done on behalf of the resident making the No-spray zone request, with the resident helping to provide the appropriate official or representative for purposes of form completion the reason(s) or rationale behind the No-spray zone request and other pertinent personal information. Adhering wherever possible to this protocol will help ensure that the residents in a neighborhood or development represented by a local civic or homeowners association will then be aware of the No-spray zone request and its possible ramifications; and via the request form's submission by an appropriate official or representative, that the local civic or homeowners association is then in agreement or concurrence with a resident's request for a No-spray zone. This should then also assist a local civic or homeowners association to provide notice and explanations to their association's members who might then not receive pest relief services, resulting from a neighbor of theirs requesting and being granted a No-spray zone designation.

All such requests for No-spray zones must be made prior to March 1 for each pest season and must be made in writing using the approved form, which will request information such as name, address, and telephone number of the resident or property owner requesting no spraying, a map indicating the location of the property not to be adulticided, and the reason(s) for requesting the No-spray zone. The names, addresses and phone numbers of all residents or property owners that adjacently border a property where no spraying is requested must also be submitted by a person requesting a No-spray zone. This will assist the Mosquito Control Section in evaluating the No-spray zone request and in providing explanations to people who might then not receive pest relief services, resulting from their neighbor being granted a No-spray zone designation. Individuals must indicate whether they are requesting no aerially-applied adulticides, no ground-applied adulticides, or both. Similar as with No-spray zones established within incorporated

municipalities, the size of such zones for aerial adulticiding must involve an area having a radius of about 500 feet outward from or around the residence in question (amounting to about 18.0 acres in size), and a No-spray zone for ground spraying must involve an area having a radius of about 300 feet outward from or around the residence in question (amounting to about 6.5 acres in size). If the entire requested No-spray zone all fits inside the property of the person requesting such designation, then submitting information about neighboring residents or property owners will not be required.

This request for no spraying must be submitted each and every year using the approved form, as there will be no automatic carryover of No-spray zone requests from year to year. If an individual citizen or a local civic or homeowners association in an unincorporated area wishes to request a No-spray zone after the pest season has started (i.e. after mid-March), such requests may be submitted in writing to the Section similar to requests made prior to mid-March. However, due to the logistical problems in changing operational spraying procedures and advising contractors of revisions, the requester should understand that the Section will need at least two weeks advance notice in order to consider and review the request and to initiate procedural changes (if any).

Based upon the written requests for no spraying of adulticides, the Section will determine the need for and boundaries of No-spray zones and will notify the individual or a local civic or homeowners association of the Section's decision. When possible, the Section prefers that individual requests for no spraying in areas or neighborhoods that have local civic or homeowners associations be coordinated and conveyed in writing to the Section by the association prior to mid-March; however, individual requests can still be presented to the Section.

The application of adulticides in unincorporated areas will be similar to what is done in incorporated municipalities regarding times of spraying, insecticides used, and public health emergencies. However, in regard to providing advance notification of each spraying event, and because of insurmountable logistical problems, telephone calls or other personal contacts by the Section to individual citizens or local civic or homeowners associations will *not* be made. Nonetheless, concerned citizens can still inquire about the Section's intentions to spray by contacting, on a daily basis, the toll-free phone recording at 1-800-338-8181 or the Section's webpage posting at <http://www.dnrec.delaware.gov/fw/Services/Pages/MosquitoSection.aspx> (and go to "Mosquito Spraying Announcements" on the webpage), or they can subscribe to the Section's listserver to automatically receive such spray announcements via the Internet, and they can also be aware of pending spray operations by listening to any spray announcements that may be broadcast by local radio stations.

V. RESOLVING CONFLICTS IN UNINCORPORATED AREAS BETWEEN PERSONS REQUESTING NO SPRAYING vs. PERSONS WANTING PEST RELIEF VIA ADULTICIDING

Whenever possible, persons living in unincorporated areas who do not desire adulticiding will try to be accommodated by the Mosquito Control Section. However, conflicts sometimes arise when one or more nearby neighbors demand adulticiding for pest relief. Such conflict can arise either during the consideration or designation process for a No-spray zone or after a No-spray zone has been designated. When such conflict arises, the Section will attempt to resolve the disputes on a case-by-case basis, resulting in either continuation or resumption of adulticiding measures, modification of adulticiding measures, or stopping or continued cessation of adulticiding measures. Wherever local civic or homeowners associations exist that encompass a residence for which a No-spray zone might be sought, the Mosquito Control Section will then

also look to an appropriate association governing board or an association official to help make the determination whether to grant a No-spray zone designation. Having a local civic or homeowners association actually submit the No-spray zone request form on a resident's behalf also then indicates to the Mosquito Control Section that the ramifications of possibly not treating anywhere from about 6.5-18.0 acres within a neighborhood or development have been examined by the local association, and that the association is in agreement or concurrence to go forward in accommodating a No-spray zone. Value judgments of public health, safety, comfort and quality-of-life must be weighed against the health or other concerns of an individual requesting no spraying, with such judgments made either by the Mosquito Control Section, or by a local civic or homeowners association wherever such exist that pertinently apply. Individuals with special medical problems possibly attributed to pesticide exposure can obtain a physician's written opinion acknowledging pesticide sensitivity, and such people will be given special consideration by the Section to the extent feasible and practicable, with hopefully similar consideration also extended by a local civic or homeowners association wherever such exist that pertinently apply.

The Section will try to resolve all conflicts in a manner acceptable to all parties, including if requested helping a local civic or homeowners association also resolve such conflicts, but public health concerns possibly affecting many people (e.g. arbovirus encephalitis outbreaks) must take precedence over other considerations. For most individuals having health-related concerns involving adulticide exposures, such people can satisfactorily minimize their concerns by paying attention to the advance spray notification process, followed by their taking common-sense measures to minimize or avoid exposure (e.g. temporarily leave the spraying area, temporarily moving inside, temporarily closing windows and doors, etc.). However, please note that given the safety of the types of EPA-registered adulticides or larvicides that the Section uses, and how these products are then applied with very minimal human health risks, which for a vast majority of people no special precautions need to be taken to avoid exposure to the Section's operational spraying

VI. POLICY APPLICABILITY – TYPES OF SPRAY APPLICATIONS

This policy's requirements to request participation of incorporated cities or towns, and to give advance notice of intention to spray in incorporated cities or towns, is applicable to aerial applications of adulticides, as well as for ground application of adulticides when delivered by truck-mounted sprayers. Participatory consent by cities or towns is also needed for aerial applications of larvicides during the spring woodland control program or for aerial larviciding of other freshwater wetlands; but such participatory consent from municipalities is not needed for aerial larviciding over coastal tidal wetlands, nor for the ground application of larvicides by truck-mounted sprayers or hand or back-pack application methods. However, advance spraying notice of all aerial larviciding within municipalities will be given. This policy's requirements for the Mosquito Control Section to give advance notice to cities or towns of intention to spray is not applicable to ground applications of larvicides when delivered by truck-mounted sprayers or on-foot by back-pack sprayer, hand-held sprayer, or hand toss. [It must be noted that if a municipality desires only on-foot applications of insecticides that are done by hand or back-pack, and does not agree to aerial applications of insecticides nor to adulticide applications by truck-mounted sprayers, in many cases and locations it will then not be possible to provide satisfactory nuisance control or disease prevention.]

The spray policy is also applicable to insecticide applications that are made for mosquito control in unincorporated areas, in regard to many needs, matters or practices that are similar to what occurs in cities or towns; as well as providing some protocols that are specific or unique for adulticiding in unincorporated areas, where municipal government interactions are not possible nor applicable. Finally, requirements to follow this spray policy can be waived by DNREC during a declared public health emergency (see Section III-8).

VII. GENERAL EMERGENCY WAIVERS

The Department, for exceptional circumstances or during emergencies, may modify this policy on a case-by-case basis.

VIII. POLICY ADOPTION

This "Mosquito Control Spray Policy" is adopted as Delaware Department of Natural Resources and Environmental Control management policy, and supersedes any previous written or unwritten policies.

First formulated and adopted in February, 1990.

Latest revision = January 13, 2014.

MUNICIPALITY ENDORSEMENT

MOSQUITO CONTROL SPRAY POLICY

A. I hereby certify that the City or Town of Milford has received from the Delaware Mosquito Control Section (DNREC) for the year 2014 a copy of the Mosquito Control Spray Policy, as well as our latest CD containing product labels and Material Safety Data Sheets for the insecticides mentioned in the Spray Policy.

B. On behalf of the City or Town in regard to participating in and permitting the Section's mosquito control spray activities to occur this year (from March through mid-November) within our jurisdictional boundaries: (please check one):

_____ I agree to allow the Mosquito Control Section to undertake its spraying activities within the city or town, to be done in adherence to and per provisions of the Mosquito Control Spray Policy.

OR

_____ I do not request the Section's mosquito control spray services this year within city or town boundaries.

C. In event of agreeing to participate and permit mosquito control activities within the city or town, I have enclosed: 1) a USGS topographic map showing the municipal boundaries, as well as identifying and delineating on the map No-spray zones (if any); 2) a signed waiver prepared on official city or town letterhead permitting spray applications by low-flying aircraft.

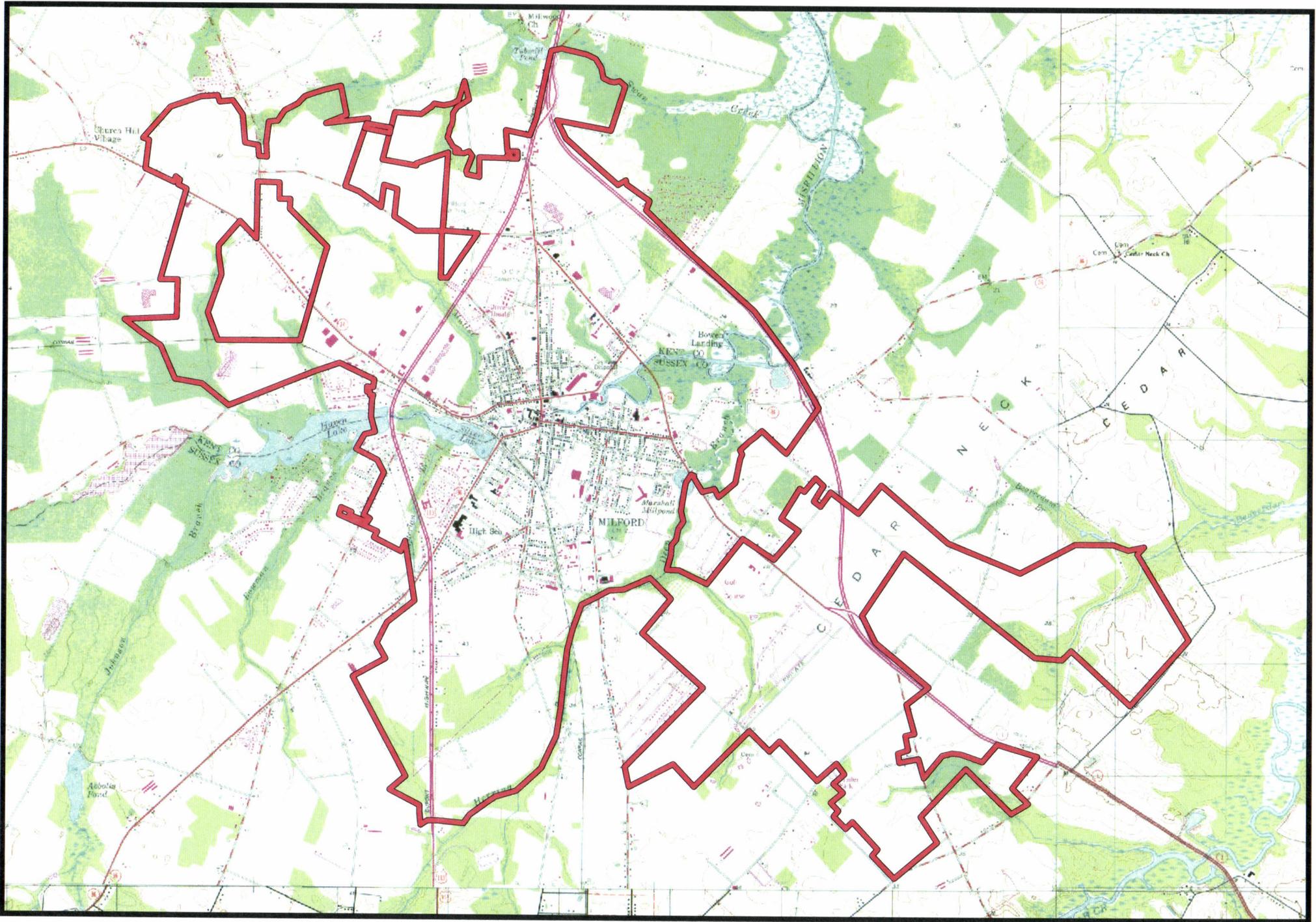
D. In event of agreeing to participate and permit mosquito control spraying within the city or town, the municipal contact person is _____ at phone number _____ and e-mail address _____.
As a second municipal contact, his/her alternate is _____ at phone number _____ and e-mail address _____.
The fax number for our municipality is _____.

E. Please note that the Mosquito Control Section now prefers to e-mail our daily Spray Announcements to you as opposed to sending them via fax. This will help us conserve both staff time and paper.

(Signature of city/town official)

(Title of city/town official)

(Date)



MILFORD



Town of Milford



Federal Identification Number: 23-1416352

Accounting Phone: 215-972-7708

www.saul.com

March 7, 2014

Teresa K. Hudson, MMC
City Clerk
City of Milford
201 S. Walnut Street
Milford, DE 19963

INVOICE NO. 11737214
004222.55930

RE: City of Milford, Delaware
\$3,500,000 Delaware Drinking Water SRF Loan (Not Closed)

FOR PROFESSIONAL SERVICES rendered by Timothy Frey, Silvia Shin and Frank Tynan, serving as counsel to the Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health & Social Services, Division of Public Health, in connection with the above-referenced loan to the City of Milford (the "City"), including advice and preparation of the documents related to the proceedings required to be taken by the City to borrow funds and issue a bond\$3,104.90

DISBURSEMENTS including long distance telephone calls, photocopying charges, copies of bond closing transcripts 0.00

TOTAL AMOUNT DUE\$3,104.90

INVOICE NO.: 11737214

WIRE INSTRUCTIONS:

Bank: PNC Bank NA
Philadelphia, PA

Bank ABA #: 031000053
Account Title: Saul Ewing LLP
Account #: 8610441299
Attn: Philip Henderson
215-972-8450

Text: C/M 004222.55930 (\$3,500,000 DWSRF Loan)

Centre Square West ♦ 1500 Market Street, 38th Floor ♦ Philadelphia, PA 19102-2186
Phone: (215) 972-7777 ♦ Fax: (215) 972-7725

DELAWARE MARYLAND MASSACHUSETTS NEW JERSEY NEW YORK PENNSYLVANIA WASHINGTON, DC

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: January 2014

Cash Balance - General Fund Bank Balance	\$3,305,020
Cash Balance - Electric Fund Bank Balance	\$4,385,871
Cash Balance - Water Fund Bank Balance	\$2,055,392
Cash Balance - Sewer Fund Bank Balance	\$493,477
Cash Balance - Trash Fund Bank Balance	\$373,717

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Solid Waste <u>Reserves</u>
Beginning Cash Balance	391,761	1,035,129	1,635,767	0
Deposits		55,676	48,582	
Interest Earned this Month	49	139	109	
Disbursements this Month	(5,491)		(41,667)	
Investments				250,000
Ending Cash Balance	\$386,319	\$1,090,944	\$1,642,791	\$250,000

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	2,284,147	5,085,166	3,455,047	10,551,933
Deposits				
Interest Earned this Month	135	299	203	812
Disbursements this Month			(2,050)	(4,949)
Investments	250,000			
Ending Cash Balance	\$2,534,282	\$5,085,465	\$3,453,200	\$10,547,796

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>
Beginning Cash Balance	1,125,880	\$773,286	\$302,564
Deposits			
Interest Earned this Month	54	\$39	\$15
Disbursements this Month			
Investments			
Ending Cash Balance	\$1,125,934	\$773,325	\$302,579

INTEREST THROUGH THE SEVENTH MONTH OF THE FISCAL YEAR:

General Fund	5,864	Water Fund	1,470
GF Capital Reserves	1,131	Water Capital Reserves	2,417
General Improvement Fund	281	Water Impact Fees	453
Municipal Street Aid	683	Sewer Fund	424
Real Estate Transfer Tax	862	Sewer Capital Reserves	1,697
Electric Fund	2,924	Sewer Impact Fees	328
Electric Reserves	5,219	Trash Fund	4,024
Electric Impact Fees	127		

TOTAL INTEREST EARNED TO DATE \$27,904

REVENUE REPORT

Page Two

58% of Year Expended

Date: January 2014	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Budgeted Fund Balance	161,840	100,000	161,840	100.00%
General Fund Capital Reserves	40,000	0	40,000	100.00%
Property Transfer Tax-Police	500,000	41,667	291,667	58.33%
Real Estate Tax	3,621,090	1,415	3,632,863	100.33%
Business License	35,000	12,200	25,825	73.79%
Rental License	85,000	38,850	75,650	89.00%
Building Permits	80,000	620	28,113	35.14%
Planning & Zoning	11,980	2,178	12,869	107.42%
Grasscutting Revenue	28,458	2,371	16,603	58.34%
Police Revenues	315,000	77,627	148,375	47.10%
Misc. Revenues	282,260	9,788	72,458	25.67%
Transfers From	3,215,480	267,956	1,875,696	58.33%
Total General Fund Revenues	\$8,376,108	\$554,672	\$6,381,959	76.19%
Water Revenues	2,715,000	225,322	1,602,827	59.04%
Sewer Revenues	2,385,670	202,150	1,417,742	59.43%
Kent County Sewer	1,464,600	143,446	1,006,958	68.75%
Solid Waste Revenues	1,303,000	108,955	767,628	58.91%
Electric Revenues	25,520,985	2,219,392	15,023,100	58.87%
TOTAL REVENUES	\$41,765,363	\$3,453,937	\$26,200,214	62.73%
YTD Enterprise Expense		50,856		
YTD Enterprise Revenue		62,093		
LTD Carlisle Fire Company Building Permit Fund		92,411		

EXPENDITURE REPORT

Page Three

Date: January 2014

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	355,220	\$38,970	240,890	67.81%	114,330
O&M	168,840	\$13,399	87,199	51.65%	81,641
Capital	0	\$0	0		0
Total City Manager	\$524,060	\$52,369	\$328,089	62.61%	195,971
Planning & Zoning					
Personnel	125,100	\$6,550	64,059	51.21%	61,041
O&M	43,820	\$1,236	28,111	64.15%	15,709
Capital	0	\$0	0		0
Total P, C & I	\$168,920	\$7,786	\$92,170	54.56%	76,750
Code Enforcement & Inspections					
Personnel	143,785	\$15,841	79,163	55.06%	64,622
O&M	68,388	\$24,891	41,717	61.00%	26,671
Capital	0	\$0	0		0
Total P, C & I	\$212,173	\$40,732	\$120,880	56.97%	91,293
Council					
Personnel	31,225	\$2,153	14,210	45.51%	17,015
O&M	46,150	\$3,243	23,123	50.10%	23,027
Council Expense	17,000	\$1,027	13,199	77.64%	3,801
Contributions	336,350	\$244,350	326,350	97.03%	10,000
Codification	4,000	\$792	2,146	53.65%	1,854
Employee Recognition	9,000	\$0	8,976	99.73%	24
Insurance	27,220	\$0	20,415	75.00%	6,805
Capital-Transfer to Reserves	61,840	\$0	61,840	100.00%	0
Total Council	\$532,785	\$251,565	\$470,259	88.26%	62,526
Finance					
Personnel	341,725	\$38,473	197,963	57.93%	143,762
O&M	52,465	\$3,605	26,473	50.46%	25,992
Capital	0	\$0	0		0
Total Finance	\$394,190	\$42,078	\$224,436	56.94%	169,754
Information Technology					
Personnel	176,860	\$12,269	64,532	36.49%	112,328
O&M	177,490	\$1,968	66,259	37.33%	111,231
Capital	50,000	\$0	29,257	58.51%	20,743
Total Information Technology	\$404,350	\$14,237	\$160,048	39.58%	244,302

EXPENDITURE REPORT

Page Four

Date: January 2014

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,791,065	\$387,401	2,038,507	53.77%	1,752,558
O&M	499,040	\$25,544	269,593	54.02%	229,447
Capital	107,810	\$0	107,498	99.71%	312
Total Police	\$4,397,915	\$412,945	\$2,415,598	54.93%	1,982,317
Streets & Grounds Division					
Personnel	438,755	\$54,649	231,194	52.69%	207,561
O&M	379,635	(\$152,007)	193,626	51.00%	186,009
Capital	55,000	\$0	0	0.00%	55,000
Debt Service	45,560	\$0	44,068	96.73%	1,492
Total Streets & Grounds	\$918,950	(\$97,358)	\$468,888	51.02%	450,062
Parks & Recreation					
Personnel	519,805	\$44,833	282,400	54.33%	237,405
O&M	245,151	\$10,475	175,557	71.61%	69,594
Capital	57,809	\$1,690	57,122	98.81%	687
Total Parks & Recreation	\$822,765	\$56,998	\$515,079	62.60%	307,686
Total General Fund					
Operating Budget	\$8,376,108	\$781,352	\$4,795,447	57.25%	3,580,661

EXPENDITURE REPORT

Page Five

Date: January 2014

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	300,425	\$37,463	175,187	58.31%	125,238
O&M	1,070,445	\$61,861	542,185	50.65%	528,260
Capital	525,000	\$0	3,761	0.72%	521,239
Debt Service	819,130	\$0	567,334	69.26%	251,796
Total Water	\$2,715,000	\$99,324	\$1,288,467	47.46%	1,426,533
Sewer Division					
Personnel	300,425	\$37,461	175,177	58.31%	125,248
O&M	1,063,445	\$72,597	681,692	64.10%	381,753
Capital	347,000	\$0	38,927	11.22%	308,073
Debt Service	689,400	\$12,735	524,152	76.03%	165,248
Sewer Sub Total	\$2,400,270	\$122,793	\$1,419,948	59.16%	980,322
Kent County Sewer	1,450,000	\$143,439	1,006,951	69.44%	443,049
Total Sewer	\$3,850,270	\$266,232	\$2,426,899	63.03%	1,423,371
Solid Waste Division					
Personnel	362,410	\$41,159	211,877	58.46%	150,533
O&M	775,590	\$53,689	453,721	58.50%	321,869
Capital	165,000	\$0	0	0.00%	165,000
Total Solid Waste	\$1,303,000	\$94,848	\$665,598	51.08%	637,402
Total Water, Sewer Solid Waste	\$7,868,270	\$460,404	\$4,380,964	55.68%	3,487,306
Electric Division					
Personnel	1,248,005	\$135,014	667,731	53.50%	580,274
O&M	1,625,800	\$554,008	1,317,046	81.01%	308,754
Transfer to General Fund	2,500,000	\$208,333	1,458,333	58.33%	1,041,667
Capital	1,005,950	\$0	4,161	0.41%	1,001,789
Debt Service	641,230	\$0	303,864	47.39%	337,366
Electric Sub Total	\$7,020,985	\$897,355	\$3,751,135	53.43%	3,269,850
Power Purchased	18,500,000	\$1,804,516	11,108,264	60.04%	7,391,736
Total Electric	\$25,520,985	\$2,701,871	\$14,859,399	58.22%	10,661,586
TOTAL OPERATING BUDGET	\$41,765,363	\$3,943,627	\$24,035,810	57.55%	17,729,553

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: January 2014

ACCOUNT	AMOUNT BUDGETED	MTD	58% of Year Expended		UNEXPENDED BALANCE
			YTD	YTD%	
Garage					
Personnel	79,700	8,600	45,752	57.41%	33,948
O&M	66,355	4,910	39,020	58.80%	27,335
Capital	0	0	0		0
Total Garage Expense	\$146,055	13,510	\$84,772	58.04%	61,283
Public Works					
Personnel	185,195	20,919	107,295	57.94%	77,900
O&M	200,915	12,554	71,441	35.56%	129,474
Capital	27,100	0	8,504	31.38%	18,596
Total Public Works Expense	\$413,210	33,473	\$187,240	45.31%	225,970
Billing & Collections					
Personnel	488,145	49,279	258,120	52.88%	230,025
O&M	241,020	17,351	151,669	62.93%	89,351
Capital	0	0	0		0
Total Billing & Collections	\$729,165	66,630	\$409,789	56.20%	319,376
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	74,475	6,785	44,511	59.77%	29,964
Capital	0	0	0		0
Total City Hall Cost Allocation	\$74,475	6,785	\$44,511	59.77%	29,964

ALL COSTS SHOWN ON PAGE 6 ARE ALSO INCLUDED IN THE VARIOUS DEPARTMENTS LISTED ON PAGES 3-5 OF THE EXPENDITURE REPORT WHO UTILIZE THE SERVICES OF THE DEPARTMENTS LISTED ABOVE. INTERSERVICE FUNDS ARE ENTIRELY FUNDED BY OTHER CITY DEPARTMENTS.

*MILFORD CITY COUNCIL
MINUTES OF MEETING
February 6, 2014*

A Meeting of the Annexation Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Thursday, February 6, 2014.

PRESIDING: Chairperson Katrina Wilson

IN ATTENDANCE: Committee Members: Councilman Douglas Morrow, Councilman S. Allen Pikus
and Planning Commission Chairman James Burk

City Clerk/Recorder Terri Hudson

Chairwoman Wilson called the Annexation Committee Meeting to order at 8:15 a.m. to review the petition submitted by Anna M. Legates and Jo Ann Currey:

*CITY OF MILFORD
Planning and Zoning Department
201 S. Walnut Street
Milford, DE 19963*

Attn: Mr. Gary Norris, AICP

Request - Petition for Annexation of Property

*Tax Map No. MD-00-174.00-02-27.00
Site Address: Carpenter Pitt Road and State Hwy 408A*

Ladies and Gentlemen:

We are requesting the above-referenced tax parcel be annexed into the City of Milford from Kent County, 6.48t +/- Acres, currently zoned AR.

General Location Description: The property is located east of DE Route One, situated between State Hwy 408-A (east) and Carpenter Pitt Road (north). The parcel is contiguous to lands within the City of Milford (north).

The reason for our request is to bring the property into compliance with the City of Milford's Comprehensive Plan. We are applying for C-3 Zoning, Highway Commercial, which is consistent with Milford's Plan.

An enclosure titled 'Reasons to Annex - Supplementary' provides additional rationale. We believe there are many potential benefits to the City of Milford represented by this application.

Also enclosed are the annexation application, land use application cover sheet, sealed survey, deed, legal description, two aerial maps indicating the features of our unimproved land with abutting properties and roadways and a map from the comprehensive plan. A check for the required fees is attached.

We extend a special thank you to City employees who assisted us, in person or by telephone, as we assembled the required documents. Your knowledge, guidance, and patience are appreciated.

Representing the City of Milford, Senior Planner Debbie Pfeil of URS advised that she has reviewed the application as requested. She reported that the property is requesting to come in as vacant land so there is no proposal or recommendation for land use. If this was a developed project proposing specific things at a site plan, more detail would be required.

Ms. Pfeil reviewed the petition noting the property consists of approximately 6.481+/- acres in Kent County. It fronts both County Road 408A to the east and Carpenter Pit Road to the north, both of which are maintained by the State of Delaware. Access approval would be required from DelDOT at the time of development.

Storm water management on the parcel will be controlled by the Kent County Soil Conservation District at the developer's expense.

The area proposed to be annexed is currently zoned A-R (Agricultural Residential) under the Kent County Zoning Ordinance. The applicant requests the property be zoned C-3 (Highway Commercial) under the City of Milford's Zoning Ordinance. Proposed development is unknown and is currently a vacant lot.

The area proposed to be annexed would be connected to the city sewer system and treated at the Kent County Regional Sewer Authority. All costs for utility extensions will be at the expense of the developer; upon completion, utility lines would be transferred to the city for incorporation into the city's wastewater system. Wastewater capacity cannot be guaranteed until a final site plan has been approved by the Milford Planning Commission or a subdivision application has been approved by Milford City Council.

The area proposed to be annexed would be connected to the city water system. All costs for utility extensions to this property will be at the expense of the developer. Upon completion, the utility lines will be transferred to the city for incorporation into the city water system. Water capacity cannot be guaranteed until a final site plan has been approved by the Milford Planning Commission or a subdivision application has been approved by Milford City Council.

Building permits will be required and scheduled impact fees are to be remitted to the city at that time.

The electric department has three-phase electric currently serving Lighthouse Estates and running down Carpenters Pit Road.

The Department of Transportation will most likely require a traffic impact study based on commercial trip generations and further require entrance permits for the property. The developer will pay the related costs.

Ms. Pfeil advised the traffic impact study (TIS) threshold was lowered about two years ago so the majority of commercial projects require a traffic impact study. When this project goes for a TIS, she recommends the city meet with the applicant and DelDOT to discuss the surrounding neighborhood connection areas and increased traffic.

The area north of this parcel is zoned mixed use and the Hampton Inn is zoned C-3.

The U.S. Army Corp of Engineers will control provisions under Section 404 of any wetlands on the parcel though the applicant has not determined wetlands exist at this time. Map Figure 3 titled "Natural Features" in the 2008 Comprehensive Plan do not delineate wetlands on this site. However, that will need to be determined prior to the site plan review.

The parcel is located in a poor recharge area. The developer will have to comply with the excellent recharge area requirements and conform to the provisions of that code. According to Map 3A "Natural Features" of the 2008 City of Milford Comprehensive Plan, the property is not located in a Well Head Protection Area.

The area proposed to be annexed is located east of Delaware Route 1 and between County Road 408A (east) and Carpenter Pit Road (north). Lands to the north and located in the City of Milford have been developed as Lighthouse Estates subdivision and zoned R-3 (multi-family). Lands to the west and east are out of the city limits with scattered single family home sites and vacant parcels. They are all zoned A-C (agricultural conservation) under the Kent County Zoning Ordinance.

She wanted to bring one parcel to the attention of the annexation committee. Parcel 5-00-174.00-02-27.01 is not within city limits and is directly to the west of this property. City limits are across the highway and to the north. This annexation could create an enclave, which is considered a 'pocket'. During the planning process, she anticipates the state will negatively comment on the creation of a pocket. All the other properties will be within the legal boundaries of the city with the exception of this piece.

If and when they are ready, the city should encourage that property owner to annex once the utilities are in place which typically prompts people to annex.

The Carlisle Fire Company currently provides fire protection and ambulance service. Police protection is primarily provided by the Delaware State Police with assistance from the Milford Police Department. Upon annexation, the Milford Police Department would become the primary police agency.

The State Fire Marshal's Office would regulate construction issues relating to fire protection.

The state will review Milford's Comprehensive Plan when the plan of services is provided. The property has been in the City Urban Growth Boundary since the 2008 plan and is titled "Future Land Use". It is further identified in the Neighborhood-North Map Figure 14A and Map 10.

Ms. Pfeil explained that the city has recommended if and when this property wants to annex, it should be designated Highway Commercial or C-3.

She noted that this is general planning information for consideration. When the annexation is reviewed by the state, state law would apply. She recalled the concern expressed by state officials regarding development east of Route 1. The property is in the growth area of the comp plan certified by the state in 2008.

Ms. Pfeil felt there was a need to add a new section entitled Strategies for State Policies and Spending in the annexation report. She explained the property is State Strategy Level 3 which is an area the state does not want to invest a lot of money in. She stressed the importance of Milford being aware of this and noted that the property located to the north is in Level 1. Level 1 is an area where the state wants growth and development and where they are willing to spend money. This is generally where services, utilities and infrastructure are found.

She clarified that Investment Level 3 falls into two categories. The first category covers lands that are long-term growth plans of the county and municipalities where development is not necessary to accommodate expected population for five years. In these instances, development in Investment Level 3 may be least appropriate for new growth and development in the near term.

Ms. Pfeil wants the city to understand that because this is in the state's 2010 plan which trumps the city's 2008 comp plan. It is important the state is aware there has been an investment and that utilities and infrastructure exist at the property to the north which is classified as Level 1. Because this property abuts that, it does not make sense that this property would remain a Level 3. To change that state strategy is difficult though it is important the state is made aware this does not make sense for the City of Milford.

She also reported that when state strategies are considered for updating, they are supposed to honor the comprehensive land use plans. In 2010, the state strategies did not honor Milford's comp plan as being in the growth area for these specific properties. The three lands in the enclave area do not match the state strategy and should have followed the city's plan. Ms. Pfeil is ready to represent Milford at the state level when needed.

When asked what the state could say, Ms. Pfeil predicts the state will say it is Level 3 which is out of play because they feel it is not the right location for development. As a result, they will not put any state resources into it and she has not seen any state resources put into these areas in a long time. As far as roadways and utilities, that is the responsibility of the developer.

In this case, she is sure the city will receive a comment back. Unfortunately, their state strategies did not follow the municipality's adopted plan. For the other communities she represents, she took the state strategy map when they asked for comments, reviewed these items very carefully. She made sure the state strategies matched the boundaries of her clients because once it is adopted, it is final.

The bottom line is Milford's current comprehensive plan, which is signed by the governor, does not match the state strategies.

Since this property is currently under consideration for development at this time and there are no specific plans, we cannot sell the potential. Ms. Pfeil feels there is the potential for jobs, transfer taxes and development.

She stated that the only sustainable revenue is the current assessment of \$244,804, which has an annual property tax liability of \$1,126. Presently, the gain to the city would be property taxes. However, when this property is developed, there will be a much larger advantage.

Advantages to the city are as follows:

- * The property would be within the planning area of the City of Milford.
- * The City would receive revenues (property tax, real estate transfer tax, building permits, etc.) if and when the property becomes developed.
- * Potential for additional water, sewer, and electric customers (at the developer's cost).
- * Identified within the Urban Growth Boundary Area of the 2008 Comprehensive Plan.
- * Consistent with the Future Land Figure of the 2008 Comprehensive Plan
- * Increases the amount of development opportunities within the city limits, which have the potential to spur other economic benefits to the city.

At this time, Ms. Pfeil is unable to find any disadvantages. She initially felt the enclave could be a disadvantage though it is not a disadvantage to an annexation. This is in her report only because we should consider other future annexations of the property.

The recommendation, based on the issues and comments discussed in this report, is approval of the application. The annexation is consistent with the comprehensive plan use and the property is contiguous (by a roadway). Any changes to the property are subject to the approval of the city planning commissioner and city council. The property would be served by city electric, water and sewer at the expense of the developer. It should be clarified the utilities are not available to the site.

Ms. Pfeil highly recommends an executed annexation agreement prior to the final approval by city council.

The municipal annexation plan of services is usually submitted after consideration by the city council. However, the plan of services takes 30 calendar days and she recommends the plan be submitted as soon as possible for consideration.

Ms. Pfeil confirmed the land is vacant and not being farmed. The majority of the property is wooded.

She recommends the property be annexed with the C-3 zone.

Through the planning process, Ms. Pfeil was unable to find any disadvantages.

She emphasized the need to have an executed annexation agreement. She explained that the developer will bear the cost of the infrastructure which is typically unknown at this stage. She agrees that every jurisdiction/municipality would love the ability to install water and sewer in the ground for free to bring in new commercial or new residential property. However, that will need to be worked out among those properties being served through grants, loans and borrowing powers. The utilities are put in the ground not to only serve one property. Instead, it will be installed to serve the capacity of the area. Ms. Pfeil said the more people that will have access, the better it is for everyone.

The annexation agreement will provide the city a recorded document outlining the cost to the developer. If the city ever came up with funding mechanisms or grants or loans, which can be rare though they are sought all the time in engineering and planning, that can be considered above and beyond what is in the agreement. At this point, it is very important that it be clear that there is nothing in the budget to cover the costs of an annexation and services and that is not something borne by the taxpayers of the city.

Ms. Pfeil said the report is ready to go to the state for comments. She is also prepared to represent Milford for any concerns of the state with the discrepancies with the state strategies.

When asked for comments, Planning Commission Chair agrees with Ms. Pfeil's presentation adding it is a reasonable request. The next step would be to present the annexation/zoning request to the planning commission.

Mr. Burk agrees with Ms. Pfeil's comments that the city proceed with the annexation. Mr. Morrow agrees and Mr. Pikus stated this is a no-brainer and only advantageous to the city.

Ms. Wilson said the applicants would like this to be a smooth and quick process. Their intent is to be good neighbors to the city and they are in for the long haul. They are no prospects and no hidden agenda. When someone becomes interested in the property, the owners want to make sure they will fit in with the City of Milford.

She also emphasized that the City of Milford does not go out and seek annexations. Instead, we like for our neighbors to approach the city with that intent as was done in this case.

Ms. Pfeil asked to make a comment. She said she is sure that Milford's City Council and Planning Commission have had ethical training. She stated she is required to state this for the record. This application is going through due process. She would recommend that the annexation is not discussed off the record with the applicant, annexation committee and council and planning commission. This allows fair due process and by handling in this manner, it cannot be contested or result in any potential litigation in the future.

She emphasized that comments made outside the due process meeting can be contested for litigation in the future.

The planner wants on record the potential consequences of any talk outside a formal meetings. She stressed that she is not accusing anyone in particular but needs it stated for the record.

It was noted this parcel would become part of the Third Ward.

Mr. Morrow moved to accept the report as given by Ms. Pfeil and that the city proceed with the annexation, seconded by Mr. Pikus. Motion carried by roll call vote.

With no further business, the Annexation Committee Meeting adjourned at 8:51 a.m.

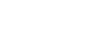
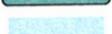
Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/ Recorder

Milford Comprehensive Plan

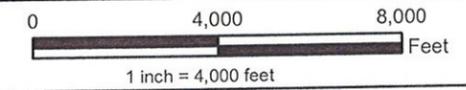
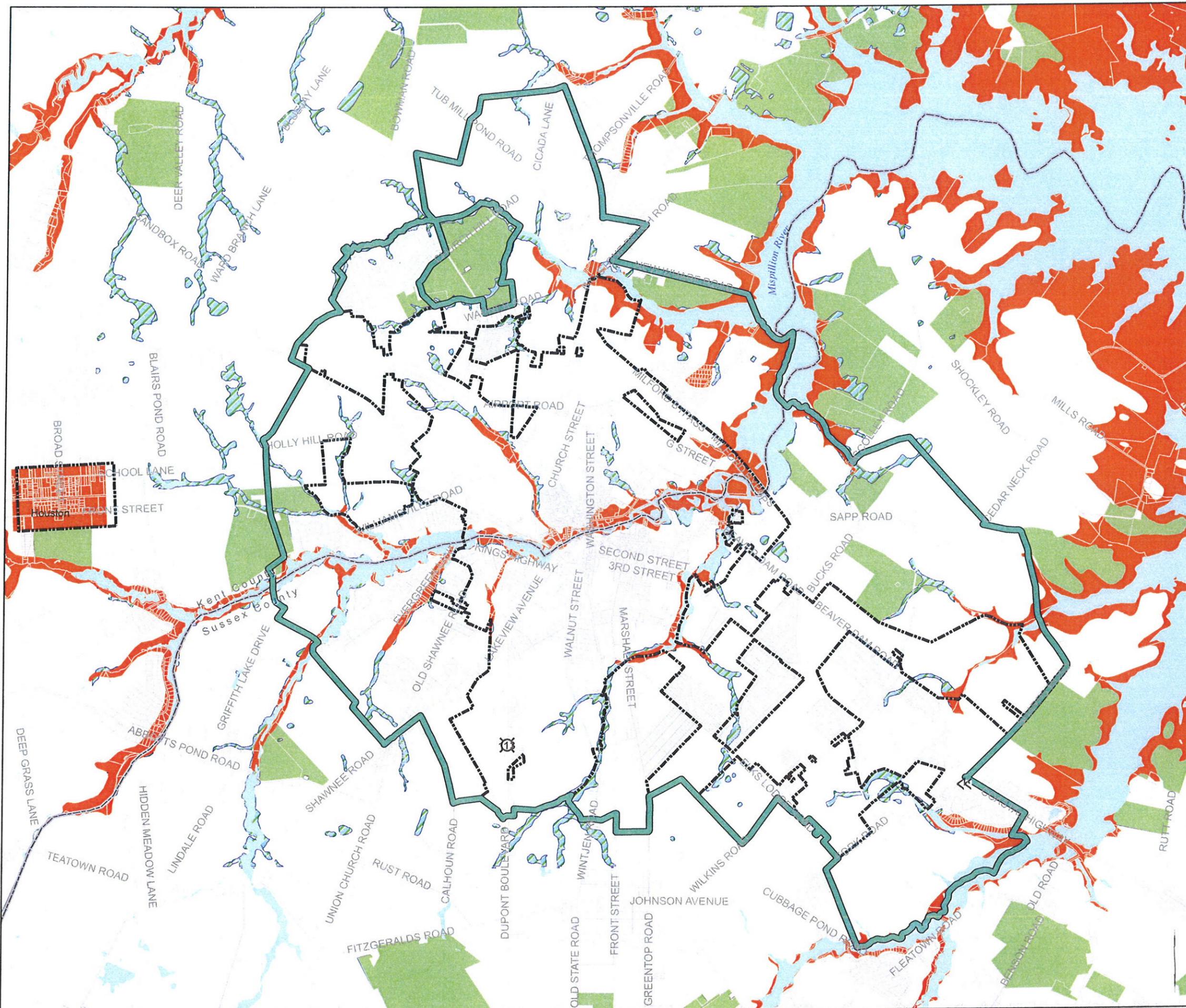
Figure 3 Natural Features

Legend

-  Parcel
-  City Boundary
-  County Boundary
-  Urban Growth Boundary
-  Water

Natural Features

-  100 Year Floodplain
-  Wetland
-  Agriculture District/Easement



Data Sources:
 Roads - DelDOT
 State, County, Municipal Boundaries - State of Delaware
 Floodplain - FEMA
 Wetlands - National Wetlands Inventory
 Agricultural Easement and Districts - State of Delaware

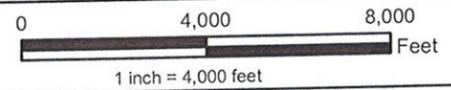
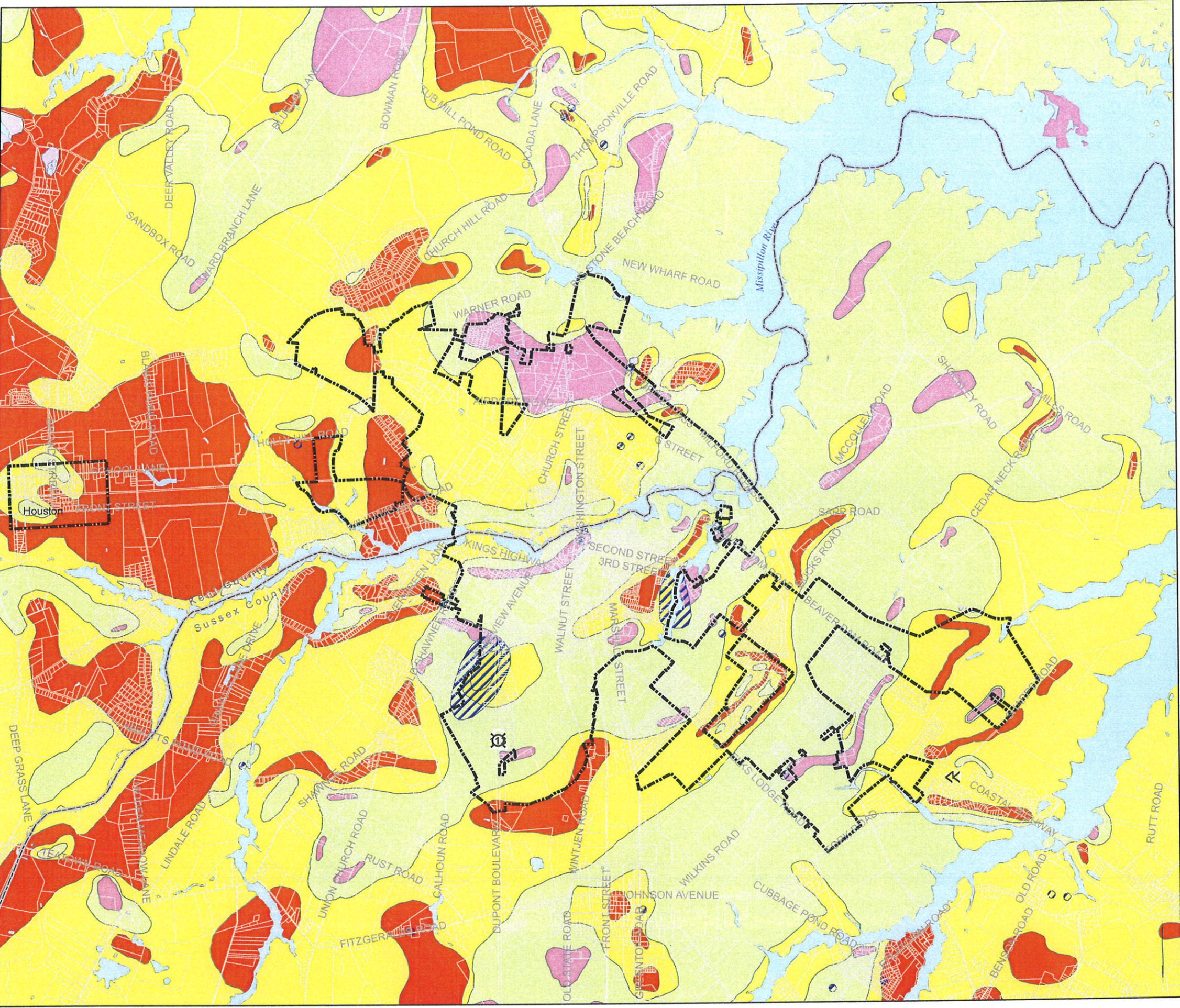
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 November 3, 2008

Milford Comprehensive Plan

Figure 3A Natural Features

Legend

- Parcel
 -  City Boundary
 -  County Boundary
 -  Water
 -  Well Head Protection Area
- ### Recharge Areas
-  Excellent
 -  Good
 -  Fair
 -  Poor
 -  Water/Marsh/Swamp Area
 -  Borrow Pit/Fill Area



Data Sources:
 Roads - DelDOT
 State, County, Municipal Boundaries - State of Delaware
 Well Head Protection Areas, Recharge Areas - DNREC

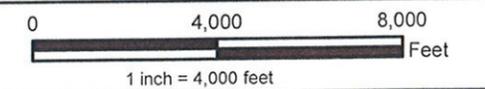
Milford Comprehensive Plan

Figure 10 Future Land Use

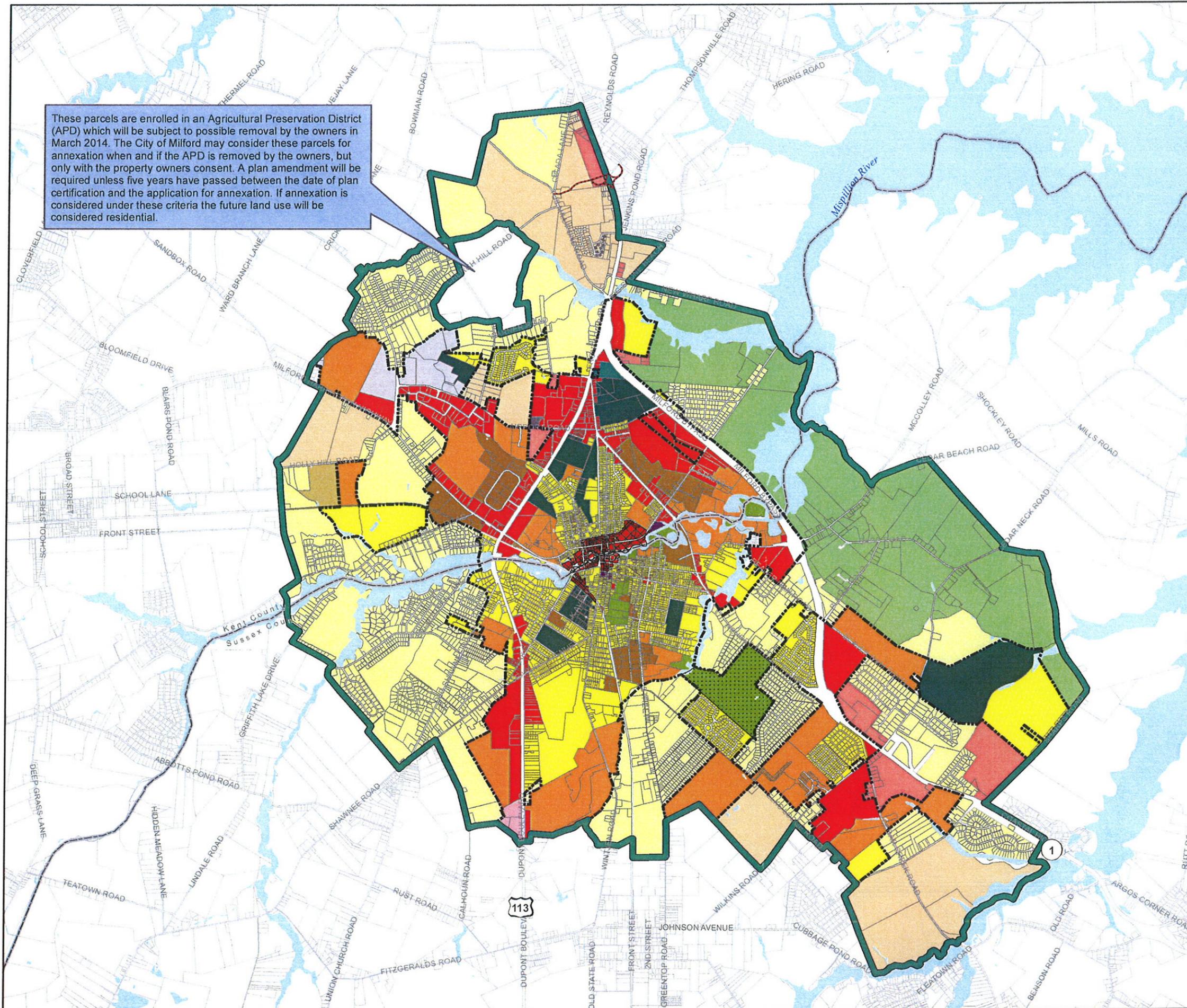
These parcels are enrolled in an Agricultural Preservation District (APD) which will be subject to possible removal by the owners in March 2014. The City of Milford may consider these parcels for annexation when and if the APD is removed by the owners, but only with the property owners consent. A plan amendment will be required unless five years have passed between the date of plan certification and the application for annexation. If annexation is considered under these criteria the future land use will be considered residential.

Legend

-  City Boundary
-  County Boundary
-  Urban Growth Boundary
-  Water
-  Downtown
- Future Land Use**
-  Business Park
-  Government
-  Employment
-  Highway/Commercial
-  Proposed Highway/Commercial
-  Industrial
-  Institutional
-  Low Density Residential
-  Proposed Low Density Residential
-  Moderate Density Residential
-  Proposed Moderate Density Residential
-  Open Space
-  Proposed Institutional
-  Proposed Open Space
-  Transfer Station
-  Proposed Employment
-  Privately Owned
-  Proposed Thompsonville Intersestion



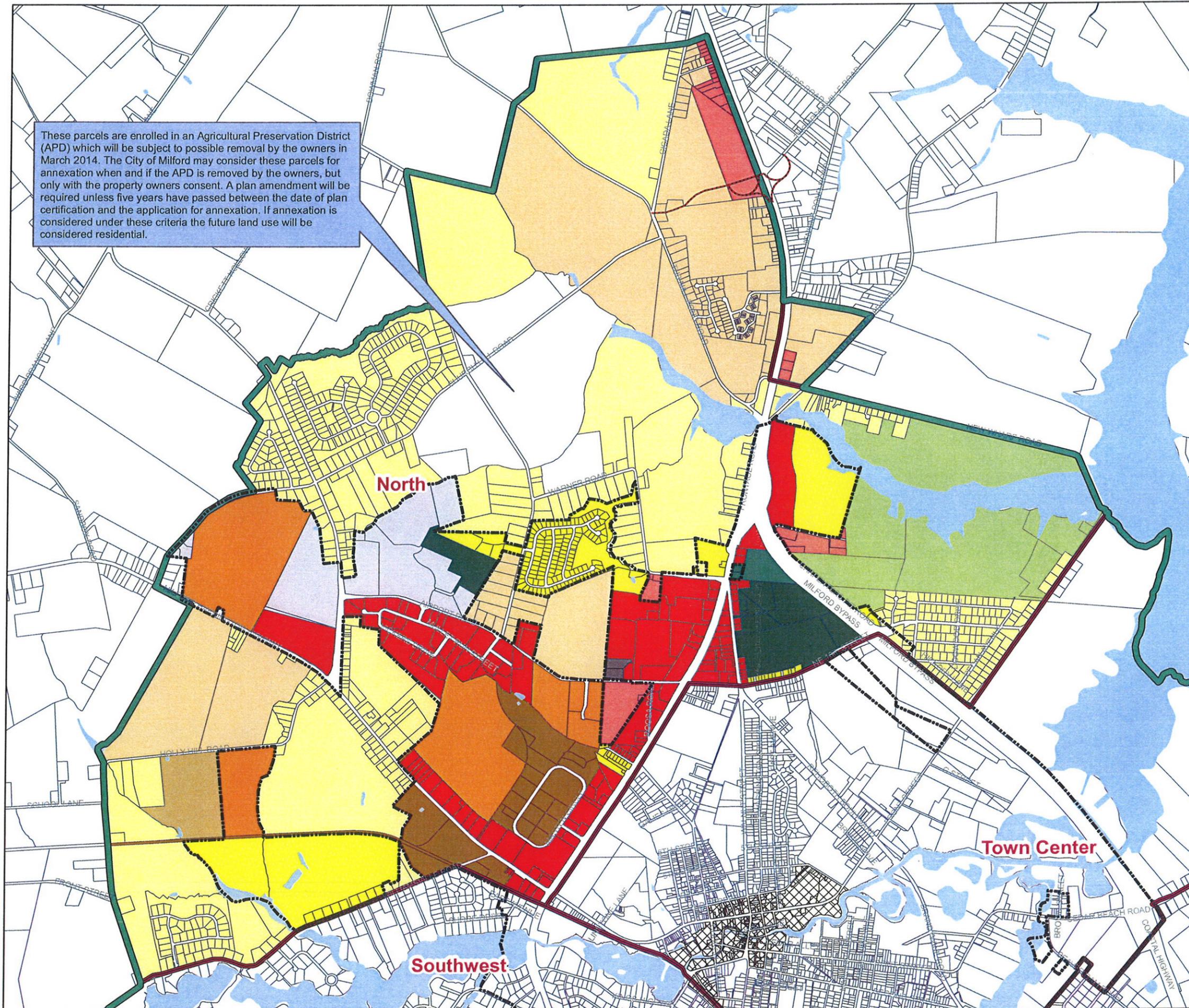
Data Sources:
 Roads - DELDOT
 State, County, Municipal Boundaries - State of Delaware
 Future Land Use - City of Milford



Milford Comprehensive Plan

Figure 14A Neighborhood Map - North

These parcels are enrolled in an Agricultural Preservation District (APD) which will be subject to possible removal by the owners in March 2014. The City of Milford may consider these parcels for annexation when and if the APD is removed by the owners, but only with the property owners consent. A plan amendment will be required unless five years have passed between the date of plan certification and the application for annexation. If annexation is considered under these criteria the future land use will be considered residential.

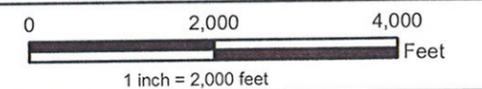


Legend

- City Boundary
- County Boundary
- Urban Growth Boundary
- Water
- Neighborhood Boundary
- Downtown

Future Land Use

- Business Park
- Government
- Employment
- Proposed Employment
- Highway/Commercial
- Proposed Highway/Commercial
- Industrial
- Institutional
- Low Density Residential
- Proposed Low Density Residential
- Moderate Density Residential
- Proposed Moderate Density Residential
- Open Space
- Proposed Institutional
- Proposed Open Space
- Transfer Station
- Proposed Thompsonville Intersestion



Data Sources:
 Roads - DELDOT
 State, County, Municipal Boundaries - State of Delaware
 Future Land Use, Neighborhood Boundaries - City of Milford

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 10, 2014

The Milford City Council held a Public Hearing on Monday, February 10, 2014 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on the matter of:

City Council has been advised that up to \$3,500,000 is required to finance the construction costs associated with the city's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and pay certain administrative and other costs incurred in connection therewith. The City Council of the City of Milford hereby proposes to the electors that the city borrow an amount of money, not to exceed \$3,500,000. The borrowing is expected to be accomplished through an SRF package offered by the Delaware Department of Health and Social Services at an annual interest rate of 1.5% for a period of twenty (20) years.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, 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

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Rogers called the Public Hearing to order at 7:03 p.m.

City Manager Carmean announced that he invited DBF Engineer Erik Retzlaff to answer any questions the public may have. Mr. Retzlaff will also provide a brief overview of the borrowing, the reason for the borrowing and the impact to our customer fees. Following that, city council and the public can ask questions of Mr. Retzlaff.

Mr. Carmean said that though it is not on the agenda, he recommended Mr. Retzlaff discuss the problems that have arisen at the Tenth Street Water Plant.

Mr. Retzlaff then provided a synopsis noting that the purpose of the hearing is to discuss the potential borrowing of \$3.5 million for water system improvements in Milford.

The project is a threefold project.

The first item is maintenance and repair of faulty isolation valves throughout the system. The city has approximately 2,500 water valves. Unfortunately, we do not know which valves work or are inoperable. When water mains have had breaks, we have had separate service lines that leaked and it could take up to four to six hours to find the correct valves to shut off. In addition, we do not know where all of them are. We need to go around the entire system and determine those that work and what they shut off. When a valve is in a fixed position for sometime, it doesn't always move easily. It needs to be broken free and if it breaks during the process, it will need to be replaced.

Mr. Retzlaff described the project as a large undertaking that, based on the costs and available funding, could take more than twenty years to complete. If we chose to handle it in that manner, it would take twenty years to get to all the valves that required maintenance. By the time the project is completed, we would need to start over again.

The proposed option would allow us to address all the valves at one time and then develop a routine maintenance schedule where work orders could be generated. In that manner, we would make sure the valves are properly working through a weekly or monthly schedule.

The second component of the project involves additional production and improvements to the treatment facilities. Presently, the Washington Street facility is completely down and is being reconstructed. Two of the other facilities were built around 1987 and are in need of improvements. The newest is at the Kenton facility.

Mr. Retzlaff explained that one of the plants built in 1987 is under producing. There are four wells and one is being recommended for abandonment because it is in a shallow and confined aquifer. With that well out of service, there is not much water coming to that facility. The city has already paid a significant amount of money to construct the facility and we need to find a way to continue to utilize it rather than replace it. We are already in the process of searching for additional water to feed the plant. Once we are able to find the additional water, treatment upgrades will be needed.

Some minor repairs are also needed to the facility on Tenth Street that is approximately 27 years old.

Mr. Retzlaff then informed council of a problem that occurred on this date at the largest producing facility on Tenth Street. He emphasized that a portion of the money being borrowed would be used to upgrade some of the older facilities and in this case, the largest facility in use.

The aerator contains stacked trays with wooden slats. The water comes down and falls through the various slats and trickles down into droplets. Air is used to prevent a free-fall. Today, air was coming out of the fan that sits at the bottom. When the aerator was opened, it was discovered that all the slats had collapsed and were at the bottom of the structure. Right now, the structure is being temporarily bypassed with permission of the Office of Drinking Water. Another way to relocate the chemical injection points must be found or the wooden slats will need to be replaced.

Mr. Retzlaff advised this was part of the routine maintenance that would be addressed in the project. Unfortunately, that time table had to be moved up.

He assured council that would be resolved though it will take some time.

The third component of the project is to integrate the SCADA system which would allow the various components to be monitored. Water flow, reservoir levels, pipe pressure and other factors can be tracked for any potential problems. The facility producing the least expensive water can also be determined which would allow more focus being placed on that particular facility.

He feels we will also need some redundancies throughout the system. Right now, with one facility down and the largest in a bypass mode, we are susceptible to not being able to meet our demand. The scope of the project was to make those upgrades necessary to put us in a good, safe position to do maintenance and accomplish the other goals.

Mr. Retzlaff emphasized the interest rate offered is 1.5% and that rates have significantly increased since we received the offer from the state. He said we could end up needing more than the \$3.5 million though it is a good start. This will involve an increase to the water users of approximately \$13.50 to \$14.68 per year. The average residential customer will see an increase of \$1.18 per month.

He said the loan will be paid solely by Milford's water customers.

On the other hand, Mr. Retzlaff explained that if something were to break in an emergency situation, it would cost a great deal more to repair. He believes it is better to do this now on our own terms.

Ms. Wilson confirmed this has been planned and asked how long the project has been on the table; Mr. Retzlaff advised the first application was submitted in March of 2013. A binding commitment letter was presented to the Public Works Committee in August.

She referenced the problem at the Tenth Street facility and asked if that was a part of the original scope of work; Mr. Retzlaff stated yes part of the original scope of the project was to make upgrades to some of the facilities. The problem that occurred today simply increased the time table needed for the upgrades.

Ms. Wilson asked if the city manager and finance director have both agreed to what is being presented and if everything is in order.

The city manager reported that the city was offered a low interest rate thanks to the work of DWSRF Administrator Heather Warren. The city manager began to review the work that was needed and then prioritized the projects. During the budget process, the public works director, finance director and he considered handling this in a different way if we did not have to borrow the money. They also considered our employees doing the work. He said a major portion of this money will be spent on valve replacements and related work. As Mr. Retzlaff pointed out, Mr. Carmean said our in-house crews would take twenty years to look at all the valves and make the repairs.

Mr. Carmean said that after a lot of discussion, they decided that hiring a contractor to come in to do the work would be more appropriate. He referenced the number of valves beneath Route 113. Twisting the valves and finding they do not work could be done. But if a valve were to break during the process, the road would need to be cut immediately to access the valve. This would also require our public works department to keep different sized valves on hand for replacements. The road paving would then need to be completed in a short amount of time. Our personnel would not be able to handle those type repairs.

As a result, the three of us decided this would be the best approach to take.

If the citizens prefer handling this another way, they will have to consider other options. However, the city manager feels this is the only quick way to address the problem.

The city manager agrees with Mr. Retzlaff that some of the money would go toward our treatment facilities for upgrades and repairs. Temporary fixes can be done that will not impact the quality or quantity of the water should another problem occur as did the one at Tenth Street today.

After Mr. Carmean explained the situation, Ms. Wilson said it sounds to her like we are fortunate to still have the offer on the table. However, she wants assurance we can accomplish what is necessary to do and that Finance Director Jeff Portmann is comfortable with what is being proposed including the loan and paybacks as well as the city manager's approval.

Mr. Carmean stated yes and explained this is a customer free-driven debt. A standard water customer based on national averages would see an increase of \$1.18 a month.

Mr. Retzlaff explained it is broken down based on the average of Milford's residential billings. Mr. Carmean emphasized that his bill is not average because he uses more water than an average customer. He may see an increase of \$25 a year.

Mr. Retzlaff pointed out that the scope of work included in this project is work the city will have to do over the next three to five years. The treatment facilities are going to need to be upgraded and rehabbed. Presently, they are struggling to find ways to isolate the different systems. It was difficult to determine which valves had to be shut off to complete the Southeast Front Street project. Some go six blocks out though that would be fixed once the project is complete. What was uncovered today on Tenth Street was on a five-year time table though that now needs to be accelerated.

Mr. Retzlaff referred to various pictures (attached) of the Tenth Street facility aerator and associated equipment. He explained the water comes down from the top, then down through a series of wooden slats and out the bottom. Also noted was the blower that pushes the air back up against the water and strips the contaminants out.

He explained that this is not a required treatment to stay in compliance; instead, it is more aesthetic and an odor and taste related treatment. Because it can be blended, the facility does not have to be shut off should it need to be bypassed.

He referenced the blower and where water was coming in about two inches deep. Also noted was the discharge pipe which is beneath the tower.

Bolts were removed from the access panel. The wooden slats collapsed and were sitting in the bottom. Pressure built up due to the water coming in that was unable to get out and was eventually released through other openings.

Mr. Retzlaff said there is a substantial amount of missing wood that ended up in the reservoir.

A photo depicting the area of the chemical injection and discharge from the aerator was also shown. The chemical point will need to be relocated or another means found for a partial bypass to ensure the water does not back up.

Mr. Retzlaff reiterated that upgrades at this facility were included in the original scope of the project.

Mr. Pikus said that Mr. Retzlaff alluded to the Southeast Front Street project. He asked if funds were built into that project to replace any impacted valves. Mr. Retzlaff confirmed that some valves will be replaced as part of that project which is included in the funding.

He emphasized how difficult it is to estimate the cost of the balance of the valve repair/replacement because of the unknowns.

Mr. Pikus asked if this is the last time the city will see the interest rate at 1.5%. Mr. Retzlaff said the rates are based on national interest rates. They were at zero at one point. Unless there is another financial crisis, he predicts we will not see this low rate again. He added that the current rates are close to 4%.

Mr. Pikus feels that borrowing the money at 1.5% is a no brainer.

Mr. Gleysteen said that once this work is completed, a preventive maintenance program needs to be in place. He asked if we are stacked to do that; Mr. Carmean said no adding that we will need to hire another water department employee. He said we can get a valve exerciser to use on the valves.

The city manager said we can always use another employee. He said there are storm drains that need to be cleaned regularly and a lot of maintenance done routinely. We don't have the personnel to handle it at this time.

Mr. Carmean advised that Mr. Portmann is a great numbers man but felt we should try the ten or twenty-year program. He believes that everything Mr. Portmann says about money but is unsure if the finance director understands the full scope of what could happen out in the streets when turning the valves and breaking them off. He, along with Mr. Portmann and Mr. Dennehy discussed the matter and Mr. Portmann finally said it should be taken to referendum and the money borrowed.

The city manager said that Mr. Portmann did not realize what could happen if one of the valves was snapped off.

Mr. Gleysteen asked if the valve exerciser can be used on fire hydrants or if that requires a different piece of equipment; Mr. Carmean is unsure but does not believe it is the same. He pointed out that we have always had good maintenance on our fire hydrants. We have a longtime fireman who is second in command at our water department. He is a big proponent of keeping the hydrants turned and operating though there are a few that need turning.

Mr. Retzlaff described the valve exerciser as a motor that spins the valve open and closed. It has gates that come down and clear the path which allows it to seep properly against the pipe. There are isolated ones throughout the system and a main valve that feeds the hydrant. A different device called a hydrant diffuser is used so that when you open the hydrant up, water can be more easily directed versus washing out everything around it.

The valve exerciser works the valves up and down while the packing in the top is kept lubricated so it will work when needed.

Mr. Retzlaff reported that a 10-inch valve requires 38 full rotations with a wrench to open.

Mr. Brooks agrees noting that it sounds like routine maintenance would pay for itself. Mr. Carmean feels adding another person to exclusively handle valve exercising would pay dividends.

Mr. Carmean said he even considered hiring another three-person crew before agreeing to spend the \$3.5 million. However, that would involve cutting the streets and digging a hole. The problem is if one of the valves goes down, there will be a

number of people without water for a very long time. We would then have to hire someone to do the concrete work, street work and paving work. He does not believe this could be accomplished in house.

Mr. Brooks added that one of the big problems is that no bypasses have been established. If they were in place, this project would be much simpler.

Mr. Carmean recalled someone with a leak or a main leak requires four, five or six blocks shut down in order to fix the leak. The city manager asked council to decide whether or not to proceed. He noted that the city has had very good luck with referendums for borrowing. We will try and work with the city solicitor or whichever attorney handling this to make sure we are given some flexibility in case something happens. He recalled the money that was allocated for the billing office in the last referendum. Because we came across a better deal, we were able to use that money for other improvements.

He will ask that this be written in the same manner; that will allow the city the flexibility to do something similar should it need to be changed.

Mayor Rogers asked if there are any more council comments or questions.

Mr. Brooks recalled a Public Works Committee Meeting that was held in August when this was discussed.

Mayor Rogers then opened the floor to the public.

Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, stated that approximately eight months ago, a statement was made that he wants to bring to everyone's attention. The city manager indicated we had 1,800 or 1,900 fire hydrants and 60% were inoperative. Because of that, he feels this is a step in the right direction. Like the rest of the country, our infrastructure is deteriorating to a point where it is a matter of safety and health and wellness and this should be done as quickly as possible.

Mr. Carmean said that is a good point and referenced the new well at Seabury Avenue, the new tower south of town with the well and treatment, the water plant reservoir and new well for this tower. He pointed out some really grand improvements have been made to our water system as well as improvements to our sewer collection system. There will be treated water and water in the tower that we are unable to get to the customers. He emphasized this will strengthen the whole backbone of our system.

Bob Connelly of 107 Barksdale Court, Hearthstone Manor, stated that two points bother him. First, we are going to bond and every water user in the city is going to pay the costs of this. He said if he is right, he questions all the impact fees that have been forgiven all these years and whether there would be sufficient money in the treasury to pay this without going to bond.

Mr. Connelly then pointed out that later this evening, council is going to discuss extending and forgiving additional impact fees. His understanding is the purpose of impact fees is to protect the users from spreading the cost to every taxpayer versus those who are creating a need for the new systems.

Mr. Carmean said the actual forgiveness of impact fees has not been a long, long program. Mr. Connelly asked if has been at least three or four years; Mr. Carmean said yes, three or four years. He said a lot of the impact fees that were forgiven were residential. Tonight he wants to discuss just commercial and job creation. If we had not had the residential impact fee program, we would have had another \$500,000 to \$600,000 that could be used. He said we like to keep \$1 million in that reserve account which we have.

He continued by explaining that if we had not forgiven impact fees, we would have more money but we would still have to borrow money to do the program in one fell swoop.

Mr. Connelly stated that what we were afraid of then was that this would be passed onto the consumer rather than paid by the developers. He pointed out that what was said then has come true and now we are going to extend the period for impact fees again. He concluded by stating he does not understand.

Mayor Rogers then asked for additional comments or questions. No one responded. The mayor closed the public hearing at this time.

Adoption of Resolution 2014-04 Authorizing Borrowing

Mr. Pikus moved to adopt Resolution 2014-4, seconded by Mr. Gleysteen:

RESOLUTION GIVING FINAL AUTHORIZATION FOR THE BORROWING OF FUNDS THROUGH THE ISSUANCE OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD.

WHEREAS, the City of Milford, Delaware (the "City") pursuant to Article 8 of 72 Del. Laws Ch. 148, as amended (the "Charter") proposes to borrow an amount not exceeding the maximum principal amount of \$3,500,000 in order to: (i) finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and (ii) pay certain administrative and other costs incurred in connection therewith (collectively, the "Project");

WHEREAS, the City has applied for a loan through the Delaware Department of Health and Social Services (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department, in conjunction with the Delaware Department of Natural Resources and Environmental Control, has issued a commitment letter dated September 17, 2013, to lend the City, from the Delaware Drinking Water State Revolving Fund, up to \$3,500,000 in the aggregate principal amount for the Project at an annual interest rate of 1.5% for a period of twenty (20) years;

WHEREAS, pursuant to a Resolution adopted on January 27, 2014, the City gave notice of its intention to borrow up to \$3,500,000, with the aforementioned terms, through the issuance of a general obligation bond (the "Bond") of the City for the Project and established a public hearing on the matter for February 10, 2014; and

WHEREAS, having conducted the public hearing, after notice, in accordance with Article 8 of the Charter, the Council of the City (the "City Council") hereby determines to give its final authorization to proceed with the borrowing.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Milford, Delaware, as follows:

Pursuant to Article 8 of the Charter and after a public hearing conducted on February 10, 2014, after notice, all in accordance with the requirements of the Charter, the City Council hereby gives its final authorization and resolves to proceed with borrowing from the Department an amount of money not to exceed \$3,500,000, at an annual interest rate of 1.5% for a period of twenty (20) years, to fund the Project. The City will secure the borrowing through the issuance of a general obligation bond of the City and the full faith and credit of the City will be pledged to pay the principal of and interest on the Bond. The City Council shall provide in its budget and in fixing of the rate of tax, or otherwise, for the payment of principal of and interest on the Bond.

s/Mayor Joseph R. Rogers

Motion carried by unanimous roll call vote.

Adoption of Resolution 2014-05 Scheduling Special Election

Ms. Wilson moved to adopt Resolution 2013-05, seconded by Mr. Starling:

RESOLUTION PROPOSING THE ISSUANCE BY THE CITY OF MILFORD, DELAWARE, OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED

WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD AND ORDERING A SPECIAL ELECTION IN CONNECTION THEREWITH.

WHEREAS, the City of Milford, Delaware (the "City") pursuant to Article 8 of 72 Del. Laws Ch. 148, as amended (the "Charter") proposes to borrow an amount not exceeding the maximum principal amount of \$3,500,000 in order to: (i) finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and (ii) pay certain administrative and other costs incurred in connection therewith (collectively, the "Project");

WHEREAS, the City has applied for a loan (the "Loan") through the Delaware Department of Health and Social Services (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department, in conjunction with the Delaware Department of Natural Resources and Environmental Control, has issued a commitment letter, dated September 17, 2013, to lend the City, from the Delaware Drinking Water State Revolving Fund, up to \$3,500,000 in the aggregate principal amount for the Project at an annual interest rate of 1.5% for a period of twenty (20) years;

WHEREAS, pursuant to a Resolution adopted on January 27, 2014 (the "Initial Resolution"), the City gave notice of its intention to borrow up to \$3,500,000 through the issuance of a general obligation bond (the "Bond") of the City for the Project and established a public hearing on the matter for February 10, 2014; and

WHEREAS, having conducted the public hearing, after notice, and having adopted a resolution authorizing the Loan, all in accordance with Article 8 of the Charter, the Council of the City (the "City Council") hereby determines to proceed with the proposed borrowing and hereby orders a Special Election to be held not less than thirty (30) nor more than sixty (60) days after the aforementioned public hearing, for the purpose of voting for or against the proposed borrowing, all in accordance with the Charter.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Milford, Delaware, as follows:

1. Pursuant to the Initial Resolution and after a public hearing conducted on February 10, 2014, after notice, and following adoption of a resolution authorizing the Loan, all in accordance with the requirements of the Charter, the City Council hereby resolves to proceed with borrowing an amount of money, not to exceed \$3,500,000 to fund the Project.

2. Pursuant to Article 8 of the Charter:

Amount of Borrowing: Total principal amount not to exceed \$3,500,000.

Rate of Interest: The interest rate for the Loan shall be 1.5%.

Manner of Securing the Same: The City will borrow the funds through the issuance of a general obligation bond of the City to finance the Project and the full faith and credit of the City will be pledged to pay the principal of and interest on the Bond.

Manner of Paying or Funding: The City Council shall provide in its budget and in fixing of the rate of tax, or otherwise, for the payment of principal of and interest on the Bond.

Purpose for Borrowing: The City Council hereby finds that the Project constitutes the following, which is a permitted purpose for which money may be borrowed under Article 8 of the Charter:

Finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental

water supply facilities and associated treatment upgrades to replace older, failing equipment. Such costs, including the costs of issuance of the Bond, are estimated not to exceed \$3,500,000.

3. The City Council hereby orders that a Special Election be held on March 29, 2014 (the "Special Election") for the purpose of voting for or against the proposed borrowing. The Special Election shall be conducted at the Milford City Hall, 201 South Walnut Street, Milford, Delaware, 19963, and the polls shall open at 12:00 p.m. (noon) and shall close at 8:00 p.m. Such Special Election shall be held not less than thirty (30) nor more than sixty (60) days after the aforementioned public hearing and adoption of the resolution authorizing the Loan.
4. At such Special Election, every person who would be entitled to vote at an annual election if held on that day shall be entitled to one vote.
5. The City Council hereby directs that notice of such Special Election be posted and published as required by the Charter, Article 8.04 by:
 - (i) Posting notices thereof in five (5) public places in the City at least two weeks prior to the day fixed for the holding of the Special Election; and
 - (ii) Publishing a copy of such notice once each week during those two (2) weeks immediately preceding that week during which the day fixed for the holding of the Special Election shall fall in a newspaper generally circulated in the City.
6. Pursuant to Article 8 of the Charter, the Special Election shall be conducted by an Election Board (the "Board of Election") whose members shall be appointed or selected in the same manner and they shall have the same qualifications as provided in the case of annual elections of the City.
7. The Board of Election shall count the votes for and against the proposed borrowing and shall announce the result thereof. The Board of Election shall make a certificate under their hands of the number of votes cast for and against the proposed borrowing, and shall deliver the same, in duplicate, to the City Council, one copy of the certificate shall be entered in the minutes of the next meeting of the City Council, and the other copy shall be filed with the papers of the City Council.
8. Pursuant to Article 8 of the Charter, the City Council shall hereby cause the notices of the Special Election to be published and/or posted as provided herein and by the Charter and to take such other actions as are necessary or appropriate and in the best interest of the City to effectuate the resolutions adopted above and the requirements of the Charter.

s/Mayor Joseph R. Rogers

Motion carried by unanimous roll call vote.

With no further business, Mayor Rogers adjourned the Public hearing at 7:39 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

Attachment: Photos of NE Tenth Street Water Treatment Facility



Aerator Shell



Blower



Access Panel Removed



Slats Falling Apart



Removing Slats Bottom of Aerator



Chemical Injection

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 10, 2014

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, February 10, 2014.

PRESIDING: Mayor Joseph Ronnie Rogers

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

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

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:39 p.m.

INVOCATION & PLEDGE

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

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Brooks to approve the minutes of the January 13 and January 27, 2014 Council Meetings as submitted. Motion carried.

RECOGNITION

No special guests in attendance.

MONTHLY POLICE REPORT

Police Committee Chairman Morrow presented the police report on behalf of Chief Hudson. Mr. Pikus moved to accept the police report, seconded by Ms. Wilson. Motion carried.

CITY MANAGER REPORT

Mr. Carmean read into record the following report:

Administration

The designed changes for our billing office project in the PNC building have been submitted to the Fire Marshal's office for approval. I will move this design along to the bidding stage and then bring those bids before Council.

Streets & Solid Waste

The process of discontinuing our commercial trash service is moving ahead. This will only apply to customers who require a dumpster. We will continue to offer commercial pickup to those who desire two 90-gallon cans and will provide the same number of recycling containers. As you recall, this has become necessary due to the State's mandate that commercial recycling must be provided to customers. It was determined that we could not offer that service within our fee structure.

The cost of dumpster pickups is prohibitive. Unfortunately, it has been determined our residential customers are supporting

the commercial side of the business. The cost of commercial trash would need to be increased substantially to pay for itself and the reason we are discontinuing that service.

I want to mention the excellent job our employees did during our recent winter storms. The Street Department is responsible for clearing snow from the streets, but there is a great deal of time and effort spent removing snow from our own facilities. Parking lots and sidewalks controlled by the City also have to be cleaned. The crews apply salt and sand to intersections and walkways. I want to recognize all the employees that help get this done. Our solid waste crews help with streets and try to keep our trash collection on schedule.

After several weather related delays, Southeast Front Street has started to move ahead with all the planned repairs to sidewalks, infrastructure and street surface.

Irv Ambrose has been requesting this road and sidewalk project be done for a number of years. He confirmed today that the crews officially started work as they were in the area of his home in the 200 block.

I know it is not necessary to point out the widespread problem of potholes in our streets. The crews are addressing this as quickly and completely as possible. The hot-mix asphalt plants are not open this time of year so we use cold patch for the repairs. As soon as warm weather arrives, our crews will be making the permanent repairs.

Sewer & Water

The freezing temperatures have caused our water department some challenges. While we have experienced some freezing of our lines, it is the customers who have had the most use of our water employees. They were busy on several days assisting customers by disconnecting water to residences and businesses which had pipes burst within their homes and buildings.

I continue to work with DBF to move the planned southern water tower toward construction. We are close to finalizing the acquisition of the property for the tower. The easements were already obtained. The sewer extension from Wilkins Road to our southern limits is also being planned and designed.

Milford Housing is preparing to develop and will be paying a portion of the sewer and water extension costs with the Wickersham development.

COMMITTEE & WARD REPORTS

Annexation Committee Report/Anna M. Legates & JoAnn L. Currey

Annexation Committee Chairwoman Wilson reported the committee met February 6th to discuss the request. She advised that Planner Debbie Pfeil, representing the City of Milford, provided the committee with a very thorough review. The property owners were also in attendance.

Chair Wilson then gave a brief synopsis of the review noting the Annexation Committee is recommending proceeding with the annexation.

The following report was then presented to council:

TO: Mayor Ronnie Rogers & City of Milford Council Members

FROM: Annexation Committee

DATE: 02/06/14

REF: Annexation Committee Report

A public meeting was held in Council Chambers on February 6, 2014 to consider the annexation request for lands described as:

*Property Owner: Anna M. Legates and JoAnn L. Currey
Location: East of Delaware Route 1 between County Road 408A (east) & Carpenter Pit Road (north)
Size: 6.481 +/- Acres
Existing Zoning: AR-1: Agricultural Residential
Proposed Zoning: C-3
Tax Map and Parcel Number: MD-00-174.00-02-27.00*

APPLICANT

A petition by the property owners was submitted on December 16, 2013 to annex 6.481 +/- acres into the corporate limits of the City of Milford.

LOCATION

The property is identified as Kent County tax parcels MD-00-174.00-02-27.00 and would be located in the Third Ward of the City of Milford.

STREETS

The property fronts both County Road 408A to the east and Carpenter Pit Road to the north, both of which are maintained by the State of Delaware. Access approval will be required from DelDOT. The parcel is currently vacant.

DRAINAGE

Storm water management on the parcel will be controlled by the Kent County Soil Conservation District at the developer's expense.

ZONING

The area proposed to be annexed is currently zoned AR in Kent County under the Kent County Zoning Ordinance. The applicant requests the property to be zoned C-3 Highway Commercial under the City of Milford's Zoning Ordinance. Proposed development is unknown, currently a vacant lot.

SEWER

The area proposed to be annexed would be connected to the City of Milford's sewer system and then be treated at the Kent County Regional Sewer Authority. All costs for utility extensions to this property shall be completed at the expense of the developer and upon completion, the utility lines transferred to the City for incorporation into the City's wastewater system. Wastewater capacity cannot be guaranteed until a final site plan has been approved by the Milford Planning Commission, or a subdivision application has been approved by the Milford City Council, building permits issued, and the scheduled impact fees are remitted to the City.

WATER

The area proposed to be annexed would be connected to the City of Milford's water system. All costs for utility extensions to this property shall be completed at the expense of the developer and upon completion, the utility lines transferred to the City for incorporation into the City's water system. Water capacity cannot be guaranteed until a final site plan/subdivision has been approved by the Planning Commission/City Council, building permits issued, and the scheduled impact fees are remitted to the City.

ELECTRIC

The Electric Department has 3 phase electric currently serving Lighthouse Estates and running down Carpenters Pit Road.

TRAFFIC

The Department of Transportation will most likely require a traffic impact study based on commercial trip generations and further require entrance permits for the project. The developer will pay the related costs.

ENVIRONMENTAL ISSUES

The U.S. Army Corp of Engineers will control provisions under Section 404 of wetlands on the parcel. The applicant has not determined if wetlands are on the property at this time, however according to Map Figure 3 titled "Natural Features" in the 2008 Comprehensive Plan there are not wetlands shown on this site. This parcel is located in a poor recharge area. The developer will have to comply with the Excellent Recharge Area Ordinance of the City of Milford and conform to the provisions of this ordinance. According to Map 3A Natural Features, of the 2008 City of Milford Comprehensive Plan, this property is not located in a Well Head Protection Area.

AREA LAND USES

The area proposed to be annexed is located east of Delaware Route 1, between County Road 408A (east) and Carpenter Pit Road (north). Lands to the north are located in the City of Milford, developed as Lighthouse Estates subdivision, and zoned R-3. Lands to the west and east are out of the City's limits with scattered single family home sites/vacant on parcels of land and are zoned AC under the Kent County Zoning Ordinance. Parcel 5-00-174.00-02-27.01 is directly west of this property and this annexation would create an enclave to the City limits.

FIRE AND POLICE

The Carlisle Fire Company, Inc. currently provides and would continue to provide fire protection. Police protection is primarily provided by the Delaware State Police with assistance from the Milford Police Department. Upon annexation, primary police service would be provided by the City of Milford Police Department. The Carlisle Fire Company would provide ambulance service. The State Fire Marshal's Office would regulate construction issues relating to fire protection.

COMPREHENSIVE LAND USE PLAN

The City of Milford's Comprehensive Plan identifies this property within the City Urban Growth Boundary on Map Figure 10 titled "Future Land Use". It is further identified in the Neighborhood-North as shown on Map Figure 14A titled "Neighborhood Map-North". The property is recommended in the Comprehensive Plan as Highway Commercial or C-3.

STRATEGIES FOR STATE POLICIES AND SPENDING

This property is located in State Strategies Level 3; however, the property located to the north is in Level 1 according to the 2010 plan. Investment Level 3 is described as: Investment Level 3 Areas generally fall into two categories.

1. The first category covers lands that are in the long-term growth plans of counties or municipalities where development is not necessary to accommodate expected population growth during this five-year planning period (or longer). In these instances, development in Investment Level 3 may be least appropriate for new growth and development in the near term.

2. The second category includes lands that are adjacent to or intermingled with fast-growing areas within counties or municipalities that are otherwise categorized as Investment Levels 1 or 2. These lands are most often impacted by environmentally sensitive features, agricultural-preservation issues, or other infrastructure issues. In these instances, development and growth may be appropriate in the near term, but the resources on the site and in the surrounding area should be carefully considered and accommodated by state Agencies and local governments with land-use authority.

PROPERTY TAXES AND OTHER ECONOMIC CONSIDERATIONS

According to Christine Crouch, Deputy City Clerk for the City of Milford, there are no farmland assessments or preservation districts on the parcels under consideration. The site, as surveyed is 6.481 acres, at the requested C-3 zoning district, with no subdivision approval would have an assessment estimate of \$244,804 and an annual tax liability of \$1,126. It is anticipated that the property taxes, after development, will increase on this property and the City would benefit from the revenues received from building permits and real estate transfer taxes. Construction costs as well as user service fees cannot be determined at this time, as the applicant has not proposed a project to assess.

ADVANTAGES TO THE CITY

- 1. The property would be within the planning area of the City of Milford.*
- 2. The City would receive revenues (property tax, real estate transfer tax, building permits, etc.) for activity on the property.*
- 3. Potential for additional water, sewer, and electric customers.*
- 4. Identified within the Urban Growth Boundary Area of the 2008 Comprehensive Plan.*
- 5. Consistent with the Future Land Figure of the 2008 Comprehensive Plan*

6. *Increases the amount of development opportunities within the City limits, which have the potential to spur other economic benefits to the City.*

DISADVANTAGES TO THE CITY

N/A

RECOMMENDATION

Based on the issues and comments discussed in this report, the Annexation Committee of the City of Milford recommends APPROVAL of the application, following a 4-0 vote, with the following comments:

1. *Annexation is consistent with the "Comprehensive Land Use Plan".*
2. *Property is contiguous to existing City Limits.*
3. *Any changes to the property are subject to review by the City of Milford Planning Commission and/or City Council.*
4. *Property will be served by City Electric, Sewer, and Water at the expense of the developer. At present, these utilities are not available to the site.*
5. *An executed Annexation Agreement is required prior to final City Council approval.*
6. *The Municipal Annexation Plan of Services to be submitted to the Office of State Planning as soon as possible.*

The property should be annexed with the following zoning classification: C-3

*s/Council Representative/Committee Chairman Katrina Wilson
s/Council Representative Douglas Morrow
s/Council Representative S. Allen Pikus
s/Planning Commission Chairman Jamie Burk*

COMMUNICATIONS & CORRESPONDENCE

Ms. Wilson announced that February is Black History Month adding she is pleased to be an African American and is very proud of the achievements of her forefathers who paved the way for her to be able to serve her community in this capacity, along with Mr. Starling.

UNFINISHED BUSINESS

Milford Community Parade Committee/President Charles Gray/Traffic Control Expenses

Milford Community Parade President Charles Gray said he is requesting two items this evening.

He confirmed the date of the 2014 parade to be Wednesday, October 15, 2014. He recalled several years ago council granting approvals for any future parades to be held on the third Wednesday in October.

Mr. Gray then discussed financial assistance. He explained that in 2012, the Washington Street bridge was under construction. DelDOT approached the police department and parade committee to advise the community parade and the homecoming parade were in danger of being canceled because of the amount of detours created by the bridge work on Washington Sweet.

According to Mr. Gray, Milford High School's advisor asked DelDOT how they could allow the homecoming parade and not allow the Milford Community Parade because of the detours. Because of that conversation, DelDOT decided they were going to do whatever was necessary to ensure both parades went uninhibited for 2012. He said they required signs at the traffic patterns on Route 14 to help direct traffic around the parade.

Mr. Gray said at that time, DelDOT had discussed this with the police department and felt it was adequate with the signage they had to get through that quick interaction. The Milford Parade Committee thought that was only a one-year requirement because of the detour construction. When the police department submitted the application to DelDOT for 2013, DelDOT came back and said that electronic signs were needed for traffic safety.

He advised that the lieutenant at the police department informed Mr. Gray that DelDOT asked to meet with the parade committee. Mr. Gray said that two weeks before the parade, they were finally able to connect the dots when DelDOT came to a parade committee meeting and informed them the signs were needed. He stated that DelDOT would not tell the Milford Community Parade they were going to stop the parade, but they did say that because of public safety, the signs were needed.

The Milford Parade Committee then put out a request for funding because of the request from the state. He advised that two message board signs were going to cost \$1,000. In that process, DelDOT's representative agreed, because of the short time line, to reduce the cost to \$500. Mr. Gray then said there are businesses who are willing to help. So the committee went out to look for partners and came up with one that only charged \$450. He said the challenge was their budget was already spent because they found this out only two weeks before the parade. They then had to find another avenue for funding. Through a radio station, they were able to get that commitment quickly and that many of the sponsors were from outside the city.

Mr. Gray reported that signs are required for traffic safety and traffic control. He said they have had a partnership with the police department in that area. Therefore, he is requesting the police department, along with the City of Milford, cover the costs of the signs for the parade.

According to Mr. Gray, DelDOT has now made this part of their policy and the matter will not go away. He emphasized the cost is something they did not anticipate.

Chief Hudson said the police department was aware of this mandate which had been in place for sometime. His understanding is the DelDOT's representative informed the parade committee of this requirement the previous year.

Ms. Wilson recalled a very informative meeting with DelDOT's Traffic Specialist Mike Rivera. At that time, Mr. Rivera made sure the police committee and city manager were aware of these requirements. He also advised them he had been meeting with the various organizations who hold these events to make sure they understood the requirements.

Mr. Gray said they got the impression it was only required in 2012 because of the construction of the bridge and it would not be required the following year. He said the parade committee requests the police department handle crowd control and road barriers. Therefore, it seems fitting the police department pay the costs of these signs.

Ms. Wilson stated that Mr. Rivera emphasized at the meeting that this is a requirement in every city in Delaware. He provided information and was very descriptive in what was needed.

Mr. Morrow confirmed this is required for all events impacting state streets or requiring street closings and not just the Milford community parade. Chief Hudson reiterated that Mr. Rivera has also met other organizations to explain these mandates. Anytime there is a street blocked for a length of time, detour signs are required to show the altered traffic pattern and amended routes.

Chief Hudson confirmed the police department has always handled the DelDOT permit process for the community parade. All other organizers of events handle their own permits.

Mr. Gray said it makes sense because this parade covers a large part of the city and law enforcement handles any necessities needed for the permit.

Ms. Wilson asked for clarification that Mr. Gray is asking the city to fund the cost of these signs; Mr. Gray stated yes, only the signs. He said they have come before council every year asking for financial assistance for the parade in general. This is something specifically related to a policy that DelDOT has now adopted.

Mr. Pikus again asked Chief Hudson if every special event requiring different routes would need this type signage; Chief Hudson stated yes. Mr. Pikus feels that if we do this for one event, we would have to do it for all the events.

Mr. Pikus asked what the police department spends on the parade on an average. Chief Hudson reported approximately \$5,000 annually.

Mr. Gray said that though they indicated this is required for every event, the street use permit goes through the state and the state decides whether signs are needed. He is aware the signs were put up for the 5k but does not believe they were required for the homecoming parade. He thinks the requirements may also be based on the length of time the roads are closed and a detour would have to be used.

He noted that they even discussed Walnut and Route 14 intersection with DelDOT. They were informed that on one occasion, traffic was stuck in town and it could have been let through the middle of the parade between entries.

Mr. Pikus asked if we can find out how other communities handle this.

Chief Hudson explained that Mike Rivera has discussed this matter with the police committee, DMI and the Chamber of Commerce. He stated that DelDOT assisted DMI with signage as a result of the Eat in the Street road closing. However, they were also informed this would be a requirement for future events. DelDOT's Representative Mike Rivera also pointed out that DelDOT does not normally rent out their equipment and signs. This was offered as a courtesy the first time only.

Mr. Pikus confirmed that in the future, the organizer is responsible for the costs of this equipment.

Mr. Pikus felt this is an unknown because we do not know how many times a year this would have to be done. Mr. Gray advised they were able to rent the sign for \$450. The state had agreed to bring their signs down for \$500 though it is normally \$1,000 (\$500 per sign). He said that considering the amount of work the city does with contractors, the city could get a better deal.

Mr. Gray confirmed that two signs are needed—one on Route 14 and one at North Route 113 just inside the bypass at city limits. The sign is required because of the traffic using Route 14 to get from the west side to the east side. In the case of Eat in the Street or the Holiday Stroll, Route 14/Front Street remains open. When the parade goes through the east-west corridor, east/west traffic is shut off.

Mr. Gleysteen asked if signs are required if the parade has breaks. Mr. Gray stated yes because they are for the general safety of anyone traveling in the area. He said the signs are now required because of a 5k in Bethany Beach where a state legislator was caught in traffic and no signs were in place warning drivers or providing detour information.

Mr. Gleysteen asked if the parade could be stopped for ten minutes to allow traffic access. Mr. Gray explained that would not make a difference. Mr. Gleysteen referenced the high school parade which is 20 or 30 minutes long. They are not required to have signs. Mr. Gray emphasized that this year's homecoming parade was 40 minutes.

Mr. Gray further explained that when Mr. Rivera met with them, he wanted to know more about the parade and in particular, its length in order to determine how long Route 14 would be closed. He said on an average, it is closed for an hour. The beginning of the parade route to the end adds another 30 minutes or so. However, the total time the road has to be closed is about an hour.

Mr. Starling asked if now that the committee is aware of this, is it possible to put this in their budget. He agrees that once the city pays for one parade, the other will expect it as they should. We could end up with five or six events that may require signage. Those costs would add up quickly.

Mr. Grier suggested the parade committee again use the radio station to help raise funds.

Mr. Gray said they could but were looking for a stronger connection with the city. However, they are willing to take the suggestions and move forward.

Mayor Rogers agrees they should do that. Mr. Grier then pointed out our local media was present and could assist with this matter as well. He agrees that if we provide signs for one organization, it is only fair to do it for everyone.

Mr. Gray said he appreciates the support of the city and feels there is a great partnership in place. He thanked council for their time.

FY 2013-2014/Budget Adjustment/Funding Source/Parks & Recreation Land Purchase/216 SE Second Street

Mr. Carmean recalled that Parks and Recreation Director Gary Emory requested the purchase of additional land in the area of their building. The purchase was approved but no funding source designated. In speaking with our finance director, he recommends using electric reserves as was done for the PNC Bank though the majority of our billing activities involve electric. He said that fund was also used for the down payment of the land for the future police department. He also recommends this be paid from electric reserves.

Mr. Grier moved that \$24,000 be paid from electric reserves to cover the costs of the recent land purchased for parks and recreation, seconded by Ms. Wilson. Motion carried.

NEW BUSINESS

FY 2013-2014 Budget Adjustment/Kent County Profile & Sussex County Profile/Chamber of Commerce Project

Mr. Carmean reported that the Chamber and City joined efforts to buy a full-page ad in each of the county profiles. He feels this is an appropriate use of the economic development money (former Wawa account). The chamber's share is \$1,510 (\$755 each).

After some discussion, Mr. Grier moved to pay \$2,389.50 from the economic development fund (Wawa account), seconded by Mr. Pikus. Motion carried.

Introduction of Ordinance 2014-01/Annexation/Anna M. Legates & JoAnn L. Currey/Change of Zone

Ms. Wilson introduced the following ordinance for later adoption:

ORDINANCE 2014-01

*Annexation/Lands belonging to Anna M. Legates & JoAnn L. Currey
Tax Parcel MD-00-174.00-02-27.00-00001
6.481 +/- Acres
Current Zone AR-1/Proposed Zone C-3*

An Ordinance to Amend the Zoning Designation of the parcel of land, under the ownership of Anna M. Legates & JoAnn L. Currey, Tax Parcel MD-174.00-02-27.00-00001, situated east of Delaware Route 1, between County Road 408A (east) and Carpenter Pit Road (north), upon its annexation into the City of Milford through the adoption of a resolution by the majority members of Milford City Council.

WHEREAS, the land hereinafter described is contiguous and adjacent to the City of Milford and the owner, thereof, has petitioned City Council to annex the same into the City of Milford, and

WHEREAS, it appears to the Mayor and City Council of the City of Milford, Delaware, that the hereinafter described property will be annexed and become part of the City of Milford and that a zoning classification is required, and

WHEREAS, the land owned by the City of Milford is presently zoned by Sussex County as "AR-1" (Agricultural Residential District), and

WHEREAS, City Council referred the zoning of the affected territory to the Planning and Zoning Commission for a report and recommendation and after a due hearing on February 18, 2014 as provided by law, the Planning and Zoning Commission made its recommendation to City Council, and

WHEREAS, following a Public Hearing held on February 24, 2014 and consideration of the recommendation of the City Annexation Committee, City Council has determined the proper classification under the zoning ordinance of the City of Milford for the property to be annexed.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

That the following described land situated in Sussex County, Delaware, to wit:

Tax Parcel No. MD-00-174.00-02-27.00-00001

All that certain tract, piece and parcel of land, lying and being situate in Milford Hundred, Kent County, and the State of Delaware, as depicted on a survey prepared by Bob Nash Associates, Inc., dated 30 July 2013, fronting on the northeasterly right-of-way line of State Highway Route 408A, at sixty (60) feet wide, and a twelve (12) foot wide access, adjoining lands now or formerly of David A. & Jean W. Morgan, lands now or formerly of Carl J. & Cindy L. Popelas, lands now or formerly of Robert E. & Edgar W. Cannon, and lands now or formerly of J. & R. Scarborough, Inc., being more particularly described as follows, to wit:

Beginning at a found iron pipe at a corner for lands now or formerly of David A. & Jean W. Morgan, and at a point on the northeasterly right-of-way line of State Highway Route 408A, at sixty (60) feet wide, said point being distant 2,600 feet, more or less, from the right-of-way intersection of N.E. Tenth Street; thence running with said right-of-way line of 408A and deflecting right along a 2,173.85 foot radius curve, the chord of which bears North 31 degrees 55 minutes 29 seconds West 230.82 feet, an arc distance of 230.93 feet to a found concrete monument at a corner for lands now or formerly of Carl J. & Cindy L. Popelas; thence proceeding with said Popelas lands the following two (2) courses and distances:

- 1) South 76 degrees 35 minutes 48 seconds East 340.28 feet to a set capped rebar, and*
- 2) North 13 degrees 21 minutes 42 seconds East 208.72 feet to a set capped rebar on line of a twelve (12) foot wide access,*

thence running with said access road South 76 degrees 39 minutes 47 seconds East 600.00 feet to a set capped rebar on line of lands now or formerly of Robert E. & Edgar W. Cannon; thence proceeding with said Cannon lands South 03 degrees 41 minutes 11 seconds West 337.35 feet to a found iron pipe on line of lands now or formerly of J. & R. Scarborough, Inc.; thence continuing with said Scarborough lands North 86 degrees 05 minutes 27 seconds West 487.62 feet to a found iron pipe at a corner for aforementioned Morgan lands, thence running with said Morgan lands, the following two (2) courses and distances:

- 1) North 02 degrees 23 minutes 45 seconds East 130.08 feet, and finally,*
- 2) North 89 degrees 11 minutes 34 seconds West 396.68 feet to the place of beginning,*

CONTAINING 6.481 acres of land, more or less.

Upon final approval of its annexation into the City of Milford, as classified under the Zoning Ordinance of the City of Milford, shall be zoned henceforth as C-3 (Highway Commercial District).

Public comments will be taken on the matter at the February 24th public hearing.

*Consideration of Water Code Amendment/Impact Fee Waiver/Add New Construction
Consideration of Sewer Code Amendment/Impact Fee Waiver/Add New Construction
Consideration of Electric Tariff Amendment/Impact Fee Waiver/Add New Construction*

Mr. Carmean stated that as of December 13, 2013, city council amended the water, sewer and electric codes by removing the waiver for impact fees for businesses or commercial entities. He said he constantly meets with people who are asking

what incentives are being offered to expand or bring a business here. When the waiver was in place, Mr. Carmean spoke with several entities who proceeded with their plans. They are now prepared to build. At the time, nothing was signed and no deals were made. However, they are ready to begin construction and the reason he is bringing this back before council.

Mr. Grier confirmed he is referring to the ordinance that allows up to five EDU's be waived based on the number of new jobs created. Mr. Carmean stated yes and read the following requirements:

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

Mr. Morrow confirmed this must be tied into new jobs.

Mr. Grier noted that the waiver only applies to rehabs or older buildings. The intent was to encourage people to buy vacant buildings and renovate them. Mr. Carmean agreed but pointed out the city gets very little in the way of renovations.

Mr. Gleysteen then asked what is presented as proof of the new jobs before the credit is provided. Mr. Carmean said we will need to set up an agreement, similar to the agreement done for incentives on new loads. A history is completed and incentives are then based on expansion or new jobs. We keep spreadsheets and files, along with a signed agreement to ensure the business lives up to their end of the bargain at the time the waiver is granted.

These waivers will be handled in the same manner according to Mr. Carmean.

It was then asked how we ensure the number of new jobs are retained; Mr. Carmean said it is just a matter of trusting the person you talk to. He pointed out the city does not have the staff to go out and inspect payrolls. We can have them sign an agreement or if something comes to our attention that they have not lived up to the agreement, we would then address it possibly through billing. The agreement would be in place so the city could take action against them and we could then address the fees that were waived.

The city manager said the one business he is speaking with is a franchise many people in Milford want. He does not think that corporation would mislead him by giving him an incorrect number of new jobs being created.

Mr. Grier confirmed that an agreement is signed before the waiver is provided; Mr. Carmean said we will have to get some kind of a contractual agreement and did that with the new load fees/electric rebate.

He referenced earlier comments regarding the loss of impact fees over the years. He recalled one of our council members brought the same issue up last year when the ordinance was changed. Mr. Grier agrees that is a concern.

Mr. Carmean said he is bringing this before council because he wants to tell the people he brought it back for reconsideration. He will then report the outcome when asked.

Mr. Pikus confirmed this conversation applies only to commercial; Mr. Carmean stated yes. Mr. Pikus said that all the new businesses locating in the shopping centers are looking for relief from impact fees. Mr. Grier pointed out that they are mainly tenants and they would not have to pay impact fees. Mr. Carmean agreed that anyone leasing the building does not pay impact fees.

Mr. Carmean said that during the boom, things were different. At that time, developments had to pay for all their infrastructure that was later turned over to the city. He noted that we have stuck by that religiously. If a developer on the outside wanted to run sewer to their property, they paid for it.

The city manager reviewed that and it appears we have waived another \$500,000 in impact fees for residential development though we no longer do that.

Mr. Shupe asked if it would be to our benefit to require some sort of documentation from the applicants. He does not like the idea that we simply assume they are providing us with a correct number by word of mouth. Mr. Carmean does not think it will be difficult to track the people that are initially hired. However, this must be followed for three years and in some cases, the business could pull up stakes and move out of town. Trying to collect the money in those situations could be difficult.

He reiterated we do not have the personnel to go out and visit Perdue or Seawatch and count heads.

Mr. Shupe said he feels we should have some documentation of payroll or something similar; Mr. Rutt stated that cannot be done legally because it involves personnel.

Ms. Wilson suggested that the business be required to submit a document that needs to be certified each year. The city could then compare numbers. A letter would be sent stating their employment numbers must remain in accordance with the agreement. Mr. Morrow agrees it should be tied into the agreement they are signing at the time of the waiver.

Mr. Grier feels there will not be a lot of businesses that meet this criteria. He also agrees it needs to be done once a year. He agrees with Ms. Wilson that they be required to sign off on the number of people they employed last year and a comparison can be done each subsequent year.

Mr. Carmean said it could be handled in that manner which is similar to our property rental process.

He then asked if council really feels someone would not locate in Milford over \$25,000 in impact fees. That was a point made last year about residences and whether that is really a factor if someone is interested in developing here.

Mr. Brooks recalled Mr. Carmean stating that when Chick Fil-A initially came to Milford to talk with him, they were informed they would receive the waiver. Since then, the impact fee waivers have expired. Mr. Carmean agreed the ordinance was changed since they were provided that information. He said all they did at that point was ask what Milford could offer them and they did not specifically ask about impact fees though someone gave them the information.

The city manager said when he was the Economic Development Representative for the city, impact fees were being waived and new load incentives were in place. He explained that a new load applies when someone moves here as a new customer. We are able to negotiate a three-year break on the new load. The city makes a small profit and the business gets a break for three or four years.

Mr. Carmean said it worked well with a couple larger industries in Milford.

Mr. Brooks recalled that Chick Fil-A has already been through the planning commission process and are already approved. Mr. Carmean agreed adding they are currently prepared to pull their building permits.

Mr. Carmean said he talked to several council members after they read their packets. He wants to point out that should it cost the city money to get to a certain site or if more equipment is needed, the business is required to pick up those costs. What cannot be determined is when there will be major problems. Extensions and new growth can be planned and denied or approved. But when something unexpected occurs and you need \$2.5 million, it will be difficult to handle. That can be a danger with waiving impact fees.

Mr. Gleysteen said his dilemma is council just voted to ask the citizens for a \$3.5 million loan they will be paying. In the meantime we are giving certain businesses a break to come to Milford. He wonders if we need to borrow \$3.5 million, which is a cost to every person in Milford and do we have our rate structure for water and sewer at the correct amount to support initiatives such as waiving impact fees.

Mr. Carmean said for several years, we increased our fees to the point we were able to put a certain amount of money into our reserves every year. Just as we discussed with trash, we get to the point where the reserves begin to dwindle which is a signal to revisit the fees or services to determine if we can cut corners elsewhere. That is the decision council needs to make. They must decide if it is worth bringing jobs and retail to the city that a lot of the citizens might want. Compare that

to the fact we are not building up our reserves anymore.

Mr. Gleysteen asked the benefit this program had last year. Mr. Carmean said we had maybe three businesses who decided to proceed with construction because the waivers were in place. He is aware of one doctor that built a new facility in our business park and brought in another professional to work in that building. That business brought eight or nine new jobs to Milford. They would not have been done at this time because they preferred to wait another three or four years. Instead they proceeded because of the savings in impact fees.

Mr. Carmean reported that many businesses pay \$35,000 to \$40,000 in impact fees. They also have to pay county impact fees which the city takes the blame for.

Mr. Gleysteen stated that he is unsure how we get the most advantage from this program if we do not have an economic development director and are not really promoting it. Mr. Carmean said it is by word of mouth adding that people are calling here all the time. The city does not have a planner right now and he feels we need both or preferably, a person who is qualified to do both jobs. He feels strongly a good planner can sell economic development.

Mr. Grier feels the problem is three or four years ago, we gave away impact fees to residential developers. We are not doing that anymore. If the waiver was only given to two or three businesses that resulted in 25 to 40 new jobs last year, it was worth it. He also agrees with the rehab requirement because we want to turn those older, rundown facilities into nice, modern buildings with new siding and roofs.

Mr. Carmean agreed that we could continue this with rehabbed or renovated commercial sites. Mr. Grier said then he is in favor of it.

Mr. Pikus noted that building permit fees are way down; Mr. Carmean agreed. Mr. Pikus said there are communities in New Jersey and Pennsylvania who are offering free taxes for ten years to entice new business to their cities.

Mr. Grier verified the city is no longer waiving fees for any residential development; Mr. Carmean said we have not done that for a long time. Mr. Grier said we need to incur those impact fees to pay for future growth.

Mr. Carmean said the other incentive is the new load incentive. As an example, we have a new industry in Milford that is adding a new product to their line. They are hiring in excess of 200 new employees. As a result of the added production, their use numbers will increase substantially.

Mr. Grier agrees with Mr. Gleysteen that we have no one selling incentives. Mr. Carmean said he will put hiring that position on the next agenda but it cannot be done tonight. Mr. Grier believes that was done six months ago. Mr. Pikus asked if it was approved; Mr. Carmean recalled that council only approved a part-time position.

Mr. Grier asked if the motion should be to amend the ordinance. Mr. Carmean said it would read like it did before the change in December.

City Solicitor Rutt stated that the city manager is requesting council waive impact fees for new construction and that is what the motion should be.

Mr. Grier asked if that means new construction on residential or commercial because he prefers commercial only.

Mr. Grier asked how the three businesses took advantage of the waiver last year; Mr. Carmean explained that was before the ordinance was changed in December 2013.

Mr. Carmean advised that if council wants the ordinance brought back, the public would then have the right to comment. He will provide a background of how the impact fees got to where they are today.

Mr. Morrow asked how this amendment should be handled. Mr. Carmean said the city solicitor told him that council needs to make new construction eligible for waivers. However, the job creation criteria will still apply. Mr. Morrow said he

thought the city manager wanted to leave it the same.

The solicitor said the ordinance states the waiver does not apply to new construction but council has been discussing the difference between residential and commercial. To clarify, the waiver would state it applies only to new commercial.

Mr. Grier then moved to proceed with the ordinance amendment process. However, Solicitor Rutt stopped Mr. Grier stating this should be handled through an ordinance change and the first step is its introduction. He said a vote cannot be taken tonight because it is on the agenda for discussion only.

Mr. Grier said a new ordinance needs to be drafted to reflect this only applies to new commercial construction.

The ordinance will be introduced at the next council meeting.

2014 City of Milford Board of Elections

Mr. Brooks moved to appoint the following residents to the 2014 City of Milford Board of Elections:

Boone, Karen	402 N.E. Fourth Street
Leuthauser, Joanne	509 Ashley Way
Fox, Phyllis	200 E. Clarke Avenue

Mr. Morrow seconded motion. Motion carried.

City of Milford Water Tower Logo (Wickersham site)

Mr. Carmean advised the bids are being prepared for the new water tower off Route 1. The design will be the same as the Tenth Street tower. There have been a number of suggestions for the logo including a ladybug, the DMI branding, Milford Buccaneer, etc. The design will be included in the bid package.

Council agreed the Milford branding with Buccaneers should be replicated as was done on the Tenth Street tower. However, the lettering should be larger to ensure it can be read from Route 1.

Mr. Grier asked that the lettering be placed on the appropriate sides to ensure it is legible by drivers on Route 1.

MONTHLY FINANCE REPORT

Finance Committee Chairman Pikus reported that through the sixth month of Fiscal Year 2013-2014 with 50% of the fiscal year having passed, 54% of revenues have been received and 48% of the operating budget expended.

He noted the trash fund balance is getting smaller every month. However, that has corrected by eliminating all commercial dumpster collections.

Mr. Pikus noted that the city has not received the documentation on real estate transfer taxes from Sussex or Kent County to add in the \$48,582. That should be added to \$1,635,000 which bring that account up to date. Those documents were not received until January 6, 2014 because of the holidays.

He said that even though interest remains low, Mr. Portmann is still receiving about 4.5% interest on our money.

Building permits are down about 20% so we need to do something to increase that. The ordinance amendment discussed should help.

Mr. Grier moved to accept the December 2013 Finance Report, seconded by Mr. Gleysteen. Motion carried.

ADJOURN

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

Meeting adjourned at 8:39 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 19, 2014

A Meeting of the Public Works Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Wednesday, February 19, 2014.

PRESIDING: Chairman Owen Brooks, Jr.

IN ATTENDANCE: Committee Members-Councilman Bryan Shupe & Dirk Gleysteen

City Manager Richard Carmean and City Clerk/Recorder Terri Hudson

Chairman Brooks called the meeting to order at 3:30 p.m.

He recalled at the last council meeting council approved a \$3.5 Million Bond Issue to pay for Water Improvements in the city. This meeting was called to revisit the matter. He then turned the meeting over to City Manager Carmean.

Mr. Carmean explained that at the meeting, some concern was expressed about the impact fee waivers that have occurred the past couple years. The following day, he asked Finance Director Jeff Portmann how much money we have not collected though he was informed it was not tracked in that manner. Mr. Carmean said that the only way we can determine that is to go through every building permit for the entire time frame we have waived impact fees. Unfortunately, that is a lot of work for our staff.

Mr. Carmean threw out a number out of \$500,000 and Mr. Portmann said he doubts we lost that much. He then informed the city manager that we have \$1.2 million in an account which he keeps separately.

The city manager then explained that impact fees are used for new construction. Impact fees are paid so if something is needed in the future, we could pay for that with the impact fees. He also recalled stating that during the budget meetings, Mr. Portmann, Public Works Director Dennehy and Mr. Carmean considering using some of our reserves for this project.

Mr. Shupe scheduled a meeting with Mr. Carmean to discuss several issues. He discussed this matter with Mr. Shupe who told him he wished the city could do something other than raise our water rates again. He asked Mr. Carmean if he had looked at other funds that may be available. In addition, some of our larger users had asked the impact on their fees.

The city manager then determined there was \$2.6 million in our reserves. Mr. Carmean recalled that in 2006, he convinced city council to raise water rates because we had not had a water rate increase in ten years. At that time, he had our engineers do a presentation on the present and future needs of the city. The current need was a new water tower in the southeast section of the city, additional treatment and water main work.

A referendum was then held for a substation, water tower, treatment plant and some sewer issues. The city borrowed \$15 million for those projects. It included \$5 million for water improvements.

At that time of the referendum, Mr. Carmean was able to tell the public we can borrow the money, particularly from the water and electric, build a substation, do the infrastructure work we need in the southern area and not raise taxes. He said after he thought about it, the rates had already been raised for future needs. After the rates were raised in 2006, he said that Mr. Portmann can confirm that when that money came in, instead of just leaving it in the checking account, he placed it in our investment accounts.

He said when you consider the \$1.8 million received from increased rates, \$2.6 million in regular reserves and \$1.2 million in infrastructure, that totals almost \$6 million.

Mr. Gleysteen asked if the \$1.8 million is the difference in the old and new rates over the eight years; Mr. Carmean stated yes. The city manager advised that Mr. Portmann explained that the first couple of years, he put the money into the general revenue account in a checking account. But nothing was happening with the project. The fund continued to build because it was not needed for any reason and our regular rates were sufficient. We always felt like that money should go toward that project for debt service. That is why we had enough in the raised rates to pay the debt service for the tower project

without raising the rates.

The city manager said they discussed it at length with Mr. Shupe and Mr. Brooks. Mr. Brooks felt it should be presented to the public works committee.

Mr. Carmean stated that yesterday, he spoke with each committee member individually. He said it boils down to the fact that the city has the money to do these projects. As a result, he recommends we leave the \$1.2 million in place for future needs generated by growth. This allows us to use the \$1.8 million received from the increased rates since 2006 and \$2.6 million in water reserves.

Mr. Gleysteen said it sounds good to him and alleviates his concern that our rates may not be high enough because the impact fees are supposed to do exactly this. In addition, we can also use some of those monies as incentives to attract businesses to town. It appears to him the money is in place from our rate structure and impact fees to do handle both.

If this committee agrees to this recommendation and city council decides they are comfortable using the \$1.8 million, it is the sound thing to do according to Mr. Carmean. He verified that the rates we had in place at the time of the referendum would pay for the debt which is still the case. What happened is that the finance director separated those funds out and we have not had any debt service because the \$5 million has not been borrowed from USDA. Once the project is complete, the rates will cover the cost of the debt service and no rate increase will be needed.

Mr. Carmean reiterated this is a sound and smart way to complete the projects.

Mr. Brooks confirmed that Mr. Carmean is recommending we leave the \$1.2 million in impact fees and use \$3.5 million out of the \$4.4 million. Mr. Carmean agreed noting that we can earmark \$3.5 for these projects. Mr. Brooks pointed out that will still leave almost \$1 million in water reserves.

Mr. Carmean also pointed out that anytime you borrow money from the USDA, federal prevailing rates must be paid. In some cases, we do not get the bang for the buck. For example, a flag person is paid \$38 an hour. By paying for this project with city funds, we will save a great deal of money because our bids will be based on normal wages versus using federal or state funds. In that case, a flagger may be paid \$17 an hour. He pointed out this would be another benefit of paying for this project from city funds.

Mr. Shupe stated that even though council has made a decision, he thinks it is great we went back and continued with due diligence to see if there was another answer. He feels that looking this over and seeing those debt services is the right answer. This will protect our residents from unnecessary rate increases.

Mr. Carmean advised there is one industry in town that uses 250,000 gallons of water every year. They are currently expanding by another 25% so this could have a huge impact.

He also pointed out that we may need some additional money due to increasing costs within all our departments. He said we really do not have short term capital. He estimates we will need a five or six-cent increase. He said the 29 cents needed to pay the \$3.5 million debt service and this 6-cent increase would have resulted in a 35-cent increase. Paying out of the city coffers will be a substantial savings to big industrial users. Residential customers will also appreciate not having an increase if we can kick it down the road and still keep everything moving.

Mr. Brooks pointed out the other advantage Mr. Carmean spoke to him about is the ability to start the project much sooner. If not, nothing could be started until after the referendum at the end of March.

The city manager confirmed the matter has been put on the agenda. It can be discussed and a decision made by city council. We can then proceed with the work.

Mr. Carmean said there is also an argument that the 1.5% is a great rate that we may not see again. He is unsure if we will see it again, but no one knows at this point and is possible. He said our finance director does not feel it is enough to offset the funds that already exist. We are not making a lot of money on those funds so we are just as well off utilizing that money for this project.

Mr. Gleysteen said if we are only making a .25 or .50% on investments, it should be used. Mr. Carmean pointed out we are making .15% right now. Mr. Gleysteen noted that the spread is over a percentage so we would still be losing even with that rate.

The city manager said that Mr. Portmann hopes to buy some government bonds at 1.5% in the future and we would break even. However, he must then invest that money in five-year blocks.

He said if the public asks why we voted on it, the city manager feels it is simple. That money was compartmentalized. Until he looked at it and realized we could use the \$1.8 million and possibly the \$1.2 million. But that would be a little more questionable because it was portrayed as being used for future growth so the people here already would not have to pay for the tower.

Mr. Gleysteen confirmed that DBF is clear on the different projects. For example, it should be clear that prevailing wages will not apply and the bid package should indicate such. If bid in the other manner, we are going to see higher numbers.

Mr. Carmean said that will not be a problem. Many employees of larger contractors are very happy when they receive prevailing wages. The problem is they are back to normal wages with the next project. Most projects do not involve prevailing wages and are private contracts except the larger ones through the state. He explained the bids will go out just like the remodeling bid on PNC banks where we will get more work done for a lot less money because prevailing wages do not apply.

Mr. Shupe confirmed Mr. Carmean wanted a motion.

Mr. Shupe made a motion that the public works commission recommend to city council that the funding to pay for the water improvements be paid from the debt services and reserves instead of moving forward with the referendum. Mr. Gleysteen seconded the motion. Motion carried unanimously.

Mr. Carmean believes this is a positive move for the city. He pointed out that Milford is one of most financially secure towns in the State of Delaware. He does not believe we are putting anything at risk when keeping almost \$2 million when considering the impact fees and what is left from these projects. However, he does not believe the project will cost as much as anticipated.

The city manager stressed this is a responsible way of handling these costs. If something catastrophic occurred within our water infrastructure, we would have to take money from somewhere and take care of it instantaneously. If we got in trouble, we could use the impact fees though he prefers keeping them separate and clean if possible.

Mr. Brooks recalled that during the ice storm in 1994, the city had to use more than \$4 million in reserves which was later reimbursed by FEMA.

He thanked the committee members for taking time to attend the meeting and agreeing to what has been proposed.

With no further business, Mr. Brooks moved to adjourn, seconded by Mr. Shupe. Motion carried.

The Public Works Committee meeting adjourned at 4:06 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 24, 2014

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, February 24, 2014.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, 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

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 8:17 p.m.

INVOCATION AND PLEDGE

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

RECOGNITION

No special guests in attendance.

COMMUNICATIONS

Included in packet.

UNFINISHED BUSINESS

FY2013-2014 Budget Adjustment/Can-Do Playground/Contract Increase

DBF Associate Erik Retzlaff submitted the following proposal amendment to the Can-Do Playground Original Contract:

The City of Milford previously signed our proposal for engineering services related to the Can-Do Playground project. Although the fees were all presented as estimated amounts, the City Council approved the attached proposal with a not-to-exceed amount of \$28,000.00. During the construction of the project, it became necessary for our office to provide additional services for stakeout and other construction phase services to complete the project. These services were identified as additional services in the original proposal and, as such, were not included in the original estimate.

Our office was requested to perform said additional services noting that additional funds were available within the grant from the Delaware Land Water Conservation Trust Fund and the fundraising budget from the Milford Rotary Club. At the conclusion of the construction of the project, the fees for services rendered reached \$42,872.75. Per an agreement with the Milford Rotary Club, Davis, Bowen & Friedel credited \$7,789.50 of those fees as a contribution to the project, thus reducing the total fee for engineering services to \$35,083.25.

The costs for the additional services beyond the originally estimated amount of \$28,000.00 can be paid out of the grant from the Delaware Land Water Conservation Trust Fund and contributions from the Milford Rotary Club, without any

further contribution from the City of Milford. However, as the engineering proposal was between the City of Milford and Davis, Bowen & Friedel, Inc., the City Council must approve the increase from \$28,000.00 to \$35,083.25.

Mr. Carmean explained that additional work was needed at the site which resulted in the project exceeding almost \$15,000 the amount approved by city council. To date we have paid \$28,038.00. Approval is needed to increase the contract another \$7,083.25. State funds and the Rotary Clubs are sharing the remaining half owed.

Ms. Wilson moved to approve the increase in the Can-Do Playground agreement of \$7,083.25, seconded by Mr. Starling. Motion carried.

NEW BUSINESS

Permission to Convey Original City Seal/Milford Museum

City Clerk Hudson reported that Milford Museum has asked if the city would be willing to turn the original city seal, created in 1937, over to them.

A lot of recent research has been done on the city seal and flag by the museum. During several conversations with Barbara Jones of the museum, the city clerk did confirm the original seal had been kept at city hall. Ms. Jones asked if we be willing to turn the seal over to them. Though it was agreed that would be appropriate, the city manager and clerk felt it should be presented to city council for a decision to be made.

Mr. Starling moved that the original City of Milford seal be conveyed to Milford Museum for permanent storage, seconded by Mr. Morrow. Motion carried.

Introduction of Ordinance 2014-02/Abolishing Metering Department

Mr. Carmean introduced Ordinance 2014-02 noting that he established the Meter Department in 2005.

AN ORDINANCE ABOLISHING THE METER DEPARTMENT OF THE CITY OF MILFORD, DELAWARE

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Acting pursuant to Article IV Section 4.09 of the City of Milford Code, Action Requiring an Ordinance, the Meter Department of the City of Milford, is hereby abolished.

Section 2. All previous functions, obligation and duties of the City of Milford Meter Department are hereby transferred and conveyed to the City of Milford Water/Wastewater Departments and Electric Department, to be overseen by the Director of Public Works for the City of Milford.

Section 3. No contracts or liabilities in force shall be affected by such abolition, but the Public Works Department shall in all respects be the lawful successor of the department so abolished.

Section 4. Employees of the abolished departments are hereby transferred to the service of the Water/Wastewater Departments and Electric Department without impairment of their retirement, leave or seniority rights and benefits.

Section 5. Dates.

Introduction February 24, 2014

Adoption March 10, 2014

Effective March 20, 2014

He recalled that when the meter department was created, we had gone from 12 units to 350 units a year being built. We were setting a number of meters and there was a need to expand the number of metering personnel.

He said at one time, there were six employees in the department. Since then, things have slowed down and through attrition, we are now down to two meter readers. We have since acquired radio read meters which also eliminate the need for additional personnel.

As a result, he has decided to put the remaining two employees back into the departments they were in prior to the creation of a separate department in 2005. The actual readers will report to the billing supervisor as they did previously. The meter tech will report to Electric Superintendent Rick Carmean. One of the two meter techs does part-time reading when needed.

Mr. Pikus asked the status of electronic metering; Mr. Carmean said he met with representatives from Siemens. They are working on a proposal for Smart Metering. That could cut costs on our end and we will no longer need to send our employees out in the field to disconnect and reconnect. Instead it will be handled from a computer either in the office or from someone's home if after hours.

He believes that our policy that we will not turn utilities on until someone pays can also be eliminated. If we are able to turn it on electronically at night, there will not be much electricity generated between that time and the next morning. The customer will be required to pay their bill by 8:30 a.m. or disconnected again.

The ordinance is scheduled for adoption at the March 10, 2014 meeting.

Introduction of Ordinance 2014-03/Sewer Code/Amends Chapter 185

Introduction of Ordinance 2014-04/Water Code/Amend Chapter 222

Introduction of Ordinance 2014-05/Electric Tariff/Amends City Code Appendix B/Electric Rules & Regulations

City Manager Carmean introduced the following ordinances:

Ordinance 2014-03/Sewer Code

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8, Ordinance 2010-17, 2011-16, 2012-19 and 2013-10 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, it is the City of Milford's desire to extend the waiver of sewer impact fees for an indefinite period of time; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of sewer impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt sewer impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by indefinitely extending the deadline with the following conditions:

D. The sewer impact fee described in Subsection C shall be waived for permits issued for repairs and rehabilitation of existing structures. The sewer impact fee described in Subsection C shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014. The waiver shall be for a maximum of 5 EDUs per project. The city will continue to collect the impact fee charged by Kent County. Waiver does not apply to new construction.

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(2) shall remain in effect.

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

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

~~§185-24 D (1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.~~

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

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

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

~~§185-24 D (2) Any commercial structure that does not receive a certificate of occupancy in accordance with this schedule~~ §185-24 D (1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates
Introduction February 24, 2014
Adoption March 10, 2014

Effective March 20, 2014

Ordinance 2014-04/Water Code

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9, Ordinance 2010-18, Ordinance 2011-17, Ordinance 2012-20 and 2013-11 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of water impact fees for an indefinite period of time; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of water impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt water impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by indefinitely extending the deadline with the following conditions:

§222-31 I. The water impact fee described in §222-31H shall be waived for permits issued for repairs or rehabilitation of existing structures. The water impact fee described in §222-31H shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014. The waiver shall be for a maximum of 5 EDUs per project. Waiver does not apply to new construction.

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect.

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

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

§222-31 I. (1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

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

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

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

§222-31 I. (2) Any commercial structure that does not receive a certificate of occupancy in accordance with this schedule §222-31 I. (1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction February 24, 2014
Adoption March 10, 2014
Effective March 20, 2014

Ordinance 2014-05/Electric Tariff/Appendix B

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

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10, Ordinance 2010-19, Ordinance 2011-18, Ordinance 2012-21 and 2013-12 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of electric impact fees for an indefinite period; and

WHEREAS, as a result of decreasing construction activity on older buildings and to assist new commercial entities, the City Manager is requesting the prohibition of the waiver of electric impact fees for new commercial construction be removed; and

WHEREAS, City Council hereby grants the city manager permission to exempt electric impact fees for new commercial construction beginning March 20, 2014.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

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

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

E. The electric impact fee established under this Appendix shall be waived for permits issued for repairs or rehabilitation of existing structures.

The electric impact fee established under this Appendix shall be waived for permits issued for COMMERCIAL repairs, rehabilitation and NEW CONSTRUCTION beginning MARCH 20, 2014.

Waiver does not apply to new construction.

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

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

(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

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

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

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

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

c) Annual certification to assure the commercial customer remains compliant with the written agreement.

d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

(2) Any commercial structure that does not receive a certificate of occupancy in accordance with this schedule Subsection E(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates
Introduction February 24, 2014
Adoption March 10, 2014
Effective March 20, 2014

Mr. Carmean recalled asking council to waive some additional impact fees for new development. Currently the ordinance only permits impact fees be waived on rehabs, upgrades and/or reuses of existing buildings.

The city manager referenced an earlier statement made by Planner Debbie Pfeil that if something new is built, the building or developer is responsible for the costs to expand utilities. He said the impact fees can only be granted when new jobs

are created. If there is a cost for additional treatment or to build an additional sewage station/well, those costs will be paid by the developer. In most cases, Mr. Carmean explained that a small restaurant or business will not impact our utility system.

The city manager feels that waiving one impact fee for the creation of five to nine new jobs is appropriate. It maxes out at five impact fees so no one can receive any higher waiver.

He said he has been asked about the policing of this ordinance and the three-year agreement. Mr. Carmean feels there needs to be some trust between the applicant and the city. He said we do not have the staff to check the records of each business to ensure compliance.

Mr. Carmean is willing to work with the city solicitor to come up with some type of form to verify these businesses meet the criteria. If there appears to be a problem, we will send someone out to check it out.

Mr. Grier recommends a form be used adding that he filled one out for DEDO (Delaware Economic Development Office) for a similar program. It was a simple form asking for the number of employees anticipated for the upcoming year. The business owner then signs off and returns the form.

Mr. Carmean said he has used the waiver to get businesses to build now versus waiting a few years. A dentist recently built in the business park though she had not planned to construct her facility for some time. Because of the impact fee waiver, she proceeded with her construction plans and her office is up and running. She brought in another practitioner and together they have created multiple medical jobs.

He said the developer of Chick Fil-A has continued to ask about the waivers. Though they may have developed anyway, Mr. Carmean has no problem granting them some free EDUs.

Ms. Wilson pointed out it is a nice welcoming to our town.

Mr. Pikus asked how many jobs they will bring; Mr. Carmean said he is unsure and had to get this through before he talks to their representative.

*Authorized City of Milford Bond Issue/\$3.5 Million Water Improvements
Reconsideration/ Resolution 2014-04 Authorizing Borrowing (Approved 02-10-14)
Reconsideration/Resolution 2014-05 Scheduling Special Election (Approved 02-10-14)*

Public Works Committee Chairman Brooks advised the city manager spoke to him and a Public Works Committee meeting was then scheduled last Wednesday. At that time, Mr. Carmean reviewed the water projects and the \$3.5 million bond issue that will be voted on by residents at a referendum on March 29, 2014. Mr. Brooks then referenced the minutes in the packet for council to review.

Mr. Carmean then explained the city was offered a good interest rate on the \$3.5 million from the Delaware Water State Revolving Fund. He said it was a good opportunity to borrow money to complete a big project. Since then, there has been some concern expressed about impact fees. He talked with Finance Director Portmann about the amount that was waived. They believe there was \$500,000 or \$600,000 lost on impact fees though he does not believe it is that high. In order to come up with an exact number, Mr. Portmann informed him would need to pull every building permit during that period. At the same time, he learned we have a \$1.2 million in the impact fee line. This coincided with Councilman Shupe calling a meeting with him to discuss several issues. At that time, he expressed concern about raising rates because of the school referendum scheduled in March.

Mr. Carmean said that is when he called Public Works Committee Chairman Brooks and a meeting was scheduled. Mr. Carmean said there have been some conspiracy theories in the last couple weeks that the city has secret funds though we

do not. He explained that though the monthly finance report is simplistic, it contains every account including revenues, bank accounts and expenditures. He then referenced the December 2013 Finance Report pointing out the following numbers:

Cash Balance - Water Fund Bank Balance \$1,997,716
 Ending Cash Balance - Water Capital Reserves \$5,085,166
 Ending Cash Balance - Water Impact Fees \$1,125,880

The city manager said when you add those up, you have to ask yourself why there is so much in the impact fees. He would like to see the impact fees left alone because we always planned for those funds to pay for some expansion or some work associated with providing more of a service.

He explained the reserve account contains \$5 million and recalled the policy established by council in 2003 or 2004 that we would keep a \$1 million in water and sewer reserves for emergencies. Mr. Carmean feels that it should be higher considering today's dollar but does not believe it should be \$5 million.

He said that in 2006, we started discussing a referendum to borrow money to build a water tower and treatment plan for the southeast area of Milford. At that time, water fees were raised to cover the debt service.

Mr. Carmean said that Mr. Portmann was surprised as time passed that the water tower had not been built. He agrees it has taken seven years to get to the bidding stage but the water tower will now be built. He said it was not necessary to spend the fees on debt service so Mr. Portmann kept the money in the bank balance (checking account) for a while. To receive some interest, he would move the extra money at the end of each fiscal year into our reserves in order to earn interest.

Mr. Carmean said he and Mr. Portmann always agreed that when the tower was done, we would be ready to sign with the USDA to start repaying the debt service. We did start the debt payment and began drawing on the mains. At that time, we could have made a case this would have been debt that we would have paid for seven years if the tower had been built. We were going to give council the option of taking a reasonable portion of what was collected and begin paying on the USDA principal instead of borrowing the whole amount during the final phase.

The city manager then referenced the following document:

WATER REVENUES AND RESERVES

Water Fund Bank Balance \$1,997, 716.00
Water Capital Reserves \$5,088,281.00
Water Impact Fees \$1,125,823.00

The Water Fund Bank Balance is basically a checking account from which we draw monies for small capital projects, vehicles, and equipment for the operations of the Water Department. From time to time the Finance Director will move excess funds from this account, which pays no interest, into our Reserves in order to get some interest on the money. Expected expenditures in 2013-2014:

- \$305,000.00 *infrastructure*
- \$220,000.00 *equipment*
- \$200,000.00 *+/- debt service*

Water Capital Reserves are for large capital projects with a long life expectancy. These projects are expected to provide infrastructure or equipment which will be utilized for 20-40 years. Reserves are to be maintained at a \$1,000,000.00 balance for any unexpected emergencies. Expected expenditures in 2013-2014:

- *S.E. Front St. Infrastructure* \$480,000.00
- *Well 9* \$200,000.00

This will leave about \$4.3 million in reserves. Subtract the needed \$3.5 million required for stated projects and we will have \$800,000.00 in reserves. However, by using our own funds for the work needed we will save about 20% by not having to pay prevailing wages. That could mean a savings of \$600,000.00. The interest not paid on the \$3.5 million loan would amount to \$500,000.00.

He noted the amounts in the water revenues account and water fund bank balance. Of that, Mr. Carmean said that this year, there are \$725,000 in expenditures locked in. After we determine what else needs to be paid this year, Mr. Portmann would move the balances, for the most part, into the reserves. As a result, we will end up with approximately \$800,000. That can also be put in reserves and used for the water project.

Mr. Carmean reported that we would have paid approximately \$500,000 over the twenty years in interest.

The city manager is asking council to revisit the matter and consider voting not to proceed with the referendum. Mr. Morrow added that it was his understanding the city would save approximately \$1 million by not borrowing the money; Mr. Carmean stated yes, probably.

Mr. Carmean said if asked why this was not done to begin with, most of the money was somewhat earmarked for those items. Whether we paid on the principal of the new tower or as was discussed at the last budget hearings in April or May of 2013, a tower will be needed in the northwest section of town. We do not have great pressure in that area. But in projects like this, a developer or builder will have to pick up some of those costs.

The city manager has been in conversation with Baltimore Air Coil (BAC) about their water supply problem. The city is considering running a main to BAC though they will pay the majority of the costs. In the future we will need a water tower so we could borrow \$3.5 million to do these projects in lieu of spending reserves. Then we could spend the reserves on the water tower. Rethinking the whole thing, it was agreed to go to referendum on the tower. That would add another 27 or 29 cents to a thousand.

Mr. Pikus asked if there is a chance of borrowing at the 1.5% interest rate again; Mr. Carmean said he is unsure and doubts it.

The city manager emphasized we had plans for the reserves and now reconsidering those projects.

Mr. Brooks confirmed it was a 29-cent increase per thousand; the average residential customer would have seen an increase of \$1.18 per month. He also realized that the large industrial users would be hit very hard.

Mr. Carmean agreed stating that we discussed how we were going to work with businesses and getting new jobs to Milford. He realized that some of our water-dependent industries such as Perdue buy a quarter of a billion gallons of water each year. Adding this increase to their costs is a big hit to an industry like Perdue.

Ms. Wilson said this would hinder those industries; Mr. Carmean said yes adding it is ok if the city has to do this. However, if we can get by, he sees no reason to jeopardize ourselves as far as reserves. There was nothing wrong with the other plan because we will at some point need these projects in the northwest area of Milford.

He pointed out that the tower being built in the southeastern area of Milford has taken seven years. Fortunately, everyone has had water and there has not been a major fire or drought.

Mr. Carmean noted that the Public Works Committee consists of Councilman Gleysteen, Councilman Shupe and Chairman Brooks. Mr. Carmean asked for Mr. Brooks to make a motion.

Mr. Brooks stated that in lieu of the comments heard tonight and the conversation at the public works committee meeting, he moved to rescind Resolution 2014-04 granting final approval to borrow the \$3.5 million originally approved, seconded by Mr. Shupe:

RESOLUTION 2014-04

RESOLUTION GIVING FINAL AUTHORIZATION FOR THE BORROWING OF FUNDS THROUGH THE ISSUANCE OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD.

Motion carried by an 8-0 unanimous roll call vote with the following statements:

Mr. Shupe votes yes stating that if we can do this with reserves, we should not put this on the backs of the taxpayers. He said it is our duty, even after we have made a decision to look for a better option.

Mr. Grier votes yes for similar reasons stated by Mr. Shupe. He said we have the money in reserves and if we need the money for future projects, we can consider a referendum at that time. Right now instead of raising rates, we can use the money we have.

Mr. Pikus said he provides a finance report every month. Our reserves are important and our borrowing power is based on the amount of reserves. He recalled at one meeting the city manager said we are one of the healthiest cities in the State of Delaware. Mr. Pikus agreed we are extremely healthy and in good shape financially. He said there is \$5 million in reserves and council just approved a subdivision off the Milford-Harrington Highway this evening that will add many new houses and require more water. Therefore, we cannot wait another six or seven years down the road to build another tower because water lines will then cost almost \$4 million.

Mr. Pikus said he is stickler, along with the city finance director, of maintaining good reserves. He feels we need good reserves and using those monies will not require any increases. He wants good reserves but also wants to support our taxpayers and not place any more burdens on our senior citizens who cannot afford what they are paying now. He will vote yes but is reluctant. He would prefer seeing our reserves remain healthy.

He always states that 'we are healthy, not wealthy' and he prefers to 'stay healthy'. He believes that using those reserves will hit us if we have any emergencies and will reduce our reserves to less than \$2 million. A major project would burn those reserves up in no time.

Mr. Pikus said we would then have to go to referendum. He feels we will not be able to borrow at this rate again as we were told. He feels the city engineer will back him up that we will not see the 1.5% rate again. To him, that is almost a gift.

Mr. Gleysteen stated he votes yes and he has no reservations. He thinks we are very fortunate to be in the position we are in where we can do this the old-fashioned way from our savings. The 1.5% interest is attractive but when you take into account we will not have to be pay the prevailing wage will save a great deal of money on this project.

Mr. Gleysteen said also finding out about this fund alleviates a big concern he had when we initially voted for this project. Our rates will remain as they are and we can continue to upgrade our infrastructure and at the same time use incentives to attract new businesses by granting waivers. It appears we are in a good position and votes yes.

Mr. Brooks votes yes. He felt from the beginning was we had the money to pay for the upgrades. He agrees this will help the citizens, the city and especially help our large industries.

Mr. Morrow votes yes stating he voted yes for it and will vote to rescind that vote. Anytime we have the opportunity to

save the citizens in Milford a million dollars we should take that chance. In this case, we have the money in the bank. To him that is a good way to go.

Mr. Starling votes yes and agrees with everyone's comments.

Ms. Wilson votes yes. She likes being transparent to the public. Our residents appreciate when we show them what we do and how it is done. To her that is really important. Because of ongoing questions and the proper format, this came about. She trusts the committee and emphasized the years of experience that Mr. Brooks has. She trusts his recommendations knowing that he crosses every T and dots every I. He keeps every report and evaluates what has been done over the years. She very much appreciates that. She knows it is not easy for some people to acknowledge that we did not initially make the right decision. However, she likes the idea of backing up and reevaluating the situation. She also feels if we have the money, we certainly want to spend it the right way. No one wants more debt and having not to borrow money is even better.

Mr. Brooks then moved to rescind Resolution 2014-05 proposing the issuance of bonds of up to \$3.5 million and ordering a special election for our citizens to make that determination, seconded by Mr. Shupe:

RESOLUTION 2014-05

RESOLUTION PROPOSING THE ISSUANCE BY THE CITY OF MILFORD, DELAWARE, OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD AND ORDERING A SPECIAL ELECTION IN CONNECTION THEREWITH.

Motion carried by a unanimous vote.

Mr. Brooks then thanked the city manager and the public works committee for reconsidering this matter. He also thanked council for their action this evening.

Mr. Carmean then reported that we will start work with the USDA funds in the amount of \$5 million approved by a referendum to do the Southeast Milford Water Project. That project includes the water tower and treatment facilities. He said the present rates increased in 2006 cover the cost of that debt. The rates will not need to be increased again to cover those costs.

ADJOURN

With no further business, Ms. Wilson moved to adjourn the council meeting, seconded by Mr. Starling. Motion carried.

The Council Meeting adjourned at 8:54 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 24, 2014

The City Council of the City of Milford met in Workshop Session on Monday, February 24, 2014 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, 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

COUNSEL: City Solicitor David Rutt, Esquire

The Workshop Session convened at 8:52 p.m.

False Alarm Ordinance Options

Solicitor Rutt recalled the conversation regarding false alarms and the concerns expressed by Paul Mills of Mills Brothers and Kevin Reading of Abbotts Grill. Mr. Rutt believes the current alarm ordinance is a criminal code which makes it difficult to have a fine imposed and ultimately ends up in the Justice of the Peace Court.

He has reviewed some other false alarm ordinances/laws that exist. He explained there are numerous municipalities in Delaware that have a false alarm ordinance. The State of Delaware and the Town of Milton basically have the same ordinance. Each addresses the number of false alarms permitted before any type of penalty is assessed.

See below for options:

OPTION #1 (Milton, State)

§75-1 Definitions

FALSE ALARM - The activation of an alarm system without cause that forces the police, fire company or other emergency personnel to respond. "Without cause" does not include, for example, alarms caused by hurricanes, tornadoes, earthquakes, mechanical failures, malfunctions, or improper installations. However, during the course of the calendar year, an alarm user is [permitted to have three false alarms without the assessment of a civil penalty]. Beginning with the fourth [false] alarm [any false alarm shall be assessed a penalty according to the schedule identified in §75-4(A)].

§75-4 Violations and Civil Penalties

A. Any alarm user violating any provision of this article shall be subject to a civil penalty as set forth below for false alarms responded to by the Milford Police Department and/or the Carlisle Volunteer Fire Company within a calendar year.

Number of False Alarms	Civil Penalty per False Alarm
4-5	\$50
6-9	\$100
10-15	\$200
16 and over	\$250

B. Notice of Violation:

A notice of violation [shall/may] be sent by [Milford Police Department] to the alarm user for each false alarm. The notice shall contain the number of false alarm violations by that alarm user for the calendar year and the corresponding civil penalty being assessed, if any. The notice of violation may be issued by mailing such notice to the alarm user at the address where the alarm system is located [or registered].

C. Payment:

Persons electing to pay a civil penalty executed under this article shall make payments to the City of Milford within ___ days from the date the notice of violation was mailed.

[All penalties received by the City of Milford shall be transferred to the Milford Police Department].

[Any person agreeing to voluntarily pay the civil penalty under this provision thereby admits to the false alarm violation and waives any right to contest or appeal the validity of the violation or charge].

D. Procedure to Contest a Violation:

An alarm user receiving a notice of violation pursuant to this article may request a hearing to contest the violation by notifying, in writing, the [Milford Police Department/City of Milford/ _____] within ___ days of the date of the mailing of the notice. Upon receipt of a timely request for a hearing, a hearing shall be scheduled and the alarm user shall be notified of the hearing by first-class mail. The administrative hearing will be performed by [Board of Adjustment/ City Manager, Chief of Police, Mayor, Director, Mayor, other]. The hearing [will/will not] be informal.

E. Appeal of Administrative Hearing:

An alarm user [either party] may elect to appeal an administrative decision to the Justice of the Peace Court, which shall have exclusive jurisdiction to hear the appeal. An appeal to the Justice of the Peace Court shall be the final right of appeal.

F. Failure to Pay Civil Penalty or Successfully Contest the Violation:

If the alarm user fails to pay the civil penalty and/or to successfully appeal the civil penalty under the terms of this article, the City of Milford may enforce the civil penalty by civil action in the Justice of the Peace Court, including seeking judgment and execution on a judgment against the alarm user [note - a lien on the property may be an option, however many "alarm users" are tenants and not the owners].

OPTION #2

§75-1 Definitions (Same as Option 1)

§75-4 Violations and Civil Penalties

A. Any alarm user violating any provision of this article shall be subject to a civil penalty as set forth below for false alarms responded to by the Milford Police Department and/or the Carlisle Volunteer Fire Company within a calendar year.

Number of False Alarms	Civil Penalty per False Alarm
4-5	\$50
6-9	\$100
10-15	\$200
16 and over	\$250

B. Notice of Violation:

A notice of violation [shall/may] be sent by [Milford Police Department?] to the alarm user for each false alarm. The notice shall contain the number of false alarm violations by that alarm user for the calendar year and the corresponding civil penalty being assessed, if any. The notice of violation may be issued by mailing such notice to the alarm user at the address where the alarm system is located [or registered].

C. Payment:

Alarm users being issued a civil penalty with the notice of violation shall send payment to the [City of Milford] within [30] days from the date the notice was mailed.

[All payments for civil penalties that are received under this article shall be delivered to the Milford Police Department within ___ days after receipt].

D. Procedure to Contest a Violation

An alarm user who wishes to contest the validity of the false alarm violation under this article may contest the violation by appealing the decision to the Justice of the Peace Court, which shall have exclusive jurisdiction to hear the appeal.

E. Failure to Pay Civil Penalty or Successfully Contest the Violation

If the alarm user fails to pay the civil penalty within _____ days from the time the notice of violation was mailed, the City of Milford may enforce the civil penalty by any means available in law or equity, including but not limited to civil action in the Justice of the Peace Court, including seeking judgment and execution on a judgment against the alarm user.

REGISTRATION REQUIREMENT

(Optional)

§75-5 Alarm System Registration

(a) An alarm user shall not operate, or cause to be operated, an alarm system without first registering the alarm system. A separate alarm system registration is required for each alarm system site.

(b) The alarm system registration application form must be submitted to [person/MPD/City of Milford] within 30 days after the alarm system at a particular site has been activated or within 30 days after a transfer in possession of the alarm system. Failure to submit a timely application will result in a nonregistered alarm system. Use of a nonregistered alarm system shall [consider the first false alarm in a calendar year to be the fourth violation, with the civil penalty being assessed accordingly].

(c) Each alarm system application must include the following information:

- (1) The name, complete address (including apartment/suite number) and telephone numbers of the person who will be the registration holder and be responsible for the proper maintenance and operation of the alarm system;
- (2) The name and complete address of the alarm system site, the classification of the alarm system site as either residential (includes apartment, condominium, mobile home, etc.) or commercial, and the name, address and telephone number of the person responsible for that alarm system site;
- (3) For each alarm system located at the alarm system site, the classification of the alarm system (i.e. burglary, holdup, duress, panic alarms, etc.) and for each classification whether such alarm is audible or silent;
- (4) The mailing address, if different from the address of the alarm system site;
- (5) Any dangerous or special conditions present at the alarm system site;
- (6) The names and addresses of at least 2 individuals who are able to, and have agreed to:
 - a. Receive notification of an alarm system activation at any time and who can respond to the alarm system site and, upon request, gain access to the alarm system site and deactivate the alarm system if necessary; or,
 - b. Receive notification of an alarm system activation at any time and who has access to the alarm system user for purposes of deactivating the alarm system, if necessary.
- (7) Type of business conducted at a commercial alarm system site;
- (8) Signed certification from the alarm system user stating the following:
 - a. The date of installation, conversion or transfer of the alarm system, whichever is applicable;
 - b. The name, address and telephone number of the alarm system inspection company or companies performing the alarm system installation; conversion or takeover of the alarm system installation company responsible for providing repair service to the alarm system;
 - c. The name, address and telephone number of the monitoring company if different from the alarm system installation company;
 - d. That a set of written operating instructions for the alarm system, including written guidelines on how to avoid false alarms, has been left with the applicant by the alarm system installation company; and,
 - e. That the alarm installation company has trained the applicant in proper use of the alarm system, including instructions on how to avoid false alarms.

(9) Acknowledgment that any delay in law-enforcement authority response time may be influenced by factors including, but not limited to priority of calls, weather conditions, traffic conditions, emergency conditions, staffing levels, etc.

(d) Any false statement of material fact made by an applicant for the purpose of obtaining an alarm system registration shall be sufficient cause for refusal to issue a registration.

(e) An alarm system registration shall not be transferable to another person or alarm system site. An alarm system user shall inform the alarm system administrator of any change that alters any of the information listed on the alarm system registration application within __ days of such change.

Mr. Rutt said the ordinance also addresses the number of false alarms where a penalty would apply. In option one, the terms were changed to civil penalties. That allows a direct assessment by the city and eliminates the justice of the peace involvement.

The civil penalties mirror those of our current ordinance in terms of amounts.

He explained that the police department has been sending notices. The notice states the violation shall or may and Mr. Rutt assumes the ordinance should be worded 'shall be sent by'. He said that could be the police department or city hall though he the police department seems more appropriate because they receive the calls and track them.

Mr. Rutt further explained there are a couple of options for the payment of the penalty. The penalty could be paid directly to city hall in which case it would go into the general fund; or it could be paid to city hall and transferred to the police department. Council could decide which option is preferred.

It would then say that any person who pays the penalty admits to the violation.

Mr. Rutt said there is also a process in the ordinances on how to contest a violation. He noted the difference in the two alternatives (option 1 and option 2). One ordinance allows you to contest the violation to the city and the other allows you to contest the violation to the Justice of the Peace Court as is done with other violations.

If someone is notified they are in violation and has the right to pay the penalty within a certain number of days or ask in writing for an administrative appeal. The appeal could be to the police chief or city manager, or whoever the composition is of the administrative board. There would be a hearing to determine if the violation should not have a penalty because of a city power failure or if someone struck a pole that caused the electric to go out and set the alarm off. However, that cause would need to be something completely out of their ability to control. The board would then determine the outcome. If the alarm user is found guilty and they still wished to appeal, they could then file an administrative appeal to the Justice of the Peace Court.

Mr. Rutt feels that by the time it gets to that point, most people would pay the \$50 fine because that action requires a filing fee.

Mr. Rutt said there would also be a process that if the fine is not paid, it could become a lien on the property just like grass cutting, demolition and similar criteria that are not paid.

He advised that option 2 is the same without the appeal to a city board. Any appeal would go directly to the justice of the peace.

He is presenting two options that appear to be the ones most prevalent within the municipalities in the State of Delaware.

Once it is determined how to handle, he will proceed with the change.

Mr. Pikus asked if the alarm user appeals to the city, would it come before the entire council or just a committee. Mr. Carmean said it would be an appeal board and council could decide who sits on the board. Mr. Pikus suggested the board could consist of the police committee.

Mr. Brooks asked if the alarms have decreased since the representatives from Mills Brothers and Abbotts Grill came before council; Chief Hudson stated no, the number of alarms have not declined. However, there have been improvements with those two businesses.

The solicitor said another option that some municipal ordinances have is a registration requirement. Some municipalities require all alarm systems be registered though some only require commercial establishments to register. This would provide the police department with some applicable information. It also lets them keep track of any particular business whose alarm continuously goes off. It would allow the city to keep track of where the alarm systems are within the municipality. If the alarm user does not register and the alarm goes off, there are no 'free' false alarms (currently Milford has three) because it is an unregistered alarm. In this case, it would skip the first three free false alarms and go directly to the penalty phase.

Ms. Wilson confirmed the alarm companies notify the police department; Chief Hudson added that the police department has not received alarm signals directly for many years. Instead, the alarm user contracts through a private company who contacts the police department.

Ms. Wilson asked if the alarm company notifies the alarm user before the police are contacted as she believes that is a typical procedure in most cases. Chief Hudson agreed but pointed out that some alarm companies are set up to call the police department directly.

Mr. Rutt agreed that his alarm company calls him or the contact and informs them there is a problem. They then ask if the police should be dispatched.

The city manager said that Chief Hudson and he discussed this after he talked with Mr. Mills and Mr. Reading. According to Mr. Carmean, neither of them believe that eliminating the ordinance is an option. They understand the intent and agree it needs to be in place.

Mr. Grier stated there must be an incentive to correct an alarm problem. Eliminating the ordinance would do the opposite. Chief Hudson agrees the ordinance is needed as a deterrent and encourages maintenance and upkeep of the alarm system.

Mr. Gleysteen asked the average cost of responding to these false alarms; Chief Hudson said he does not recall the number this evening but does have the information. Mr. Gleysteen said when this is discussed again, will the fee schedule be considered or is the plan to only change the way we are administering the ordinance. He expressed concern about the cost of the alarms to the police department.

Mr. Rutt recommends changing the entire ordinance. He said if there is a need to tie the fine to the cost, the penalties could be higher. Mr. Gleysteen said we certainly want to recover our costs.

Mr. Carmean agrees the police are responding in a full out mode to an alarm which could result in a police officer getting hurt or the public pulling out in front of a police car in this situation. Chief Hudson agreed that responding to alarms is

a dangerous task for the police. They respond assuming the alarm is real and a crime is in progress. The city manager agrees that is as much a problem as the cost of responding. Chief Hudson said that was the reason for the ordinance when it was first implemented.

Mayor Rogers directed Chief Hudson and the city manager to review the ordinance and bring a recommendation back to council.

With no further business, the Council Workshop concluded at 9:07 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder