

City of Milford



CITY COUNCIL AGENDA

July 13, 2015 - 7:00 P.M.

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

PUBLIC HEARING

USDA City Borrowing/\$1.6 million General Obligation Bond/Bonds to Finance Sewer System Improvements
Adoption/Resolution 2015-09/Final Authorization USDA Loan/Sewer Project
Adoption/Resolution 2015-10/USDA Sewer Loan/Scheduling Special Election
Adoption/Resolution 2015-13/Authorize Indebtedness for Improvements to Sewer System

COUNCIL MEETING

Call to Order - Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Tribute 2015-19/Mourning the Death of Councilman S. Allen "Skip" Pikus

Monthly Police Report

City Manager Report

Committee & Ward Reports

Communications & Correspondence

Unfinished Business

New Business

Introduction of Ordinance 2015-07/Perdue Real Estate Holdings Inc/Change of Zone

Appointment of Special Board of Election/Sewer Improvements Project Referendum

Approval/CB&I Contract/Change Order 4/Elevated Storage Tank

Adoption/Resolution 2015-11/Annexation Committee Investigation/Key Properties Group

Adoption/Resolution 2015-12/Annexation Committee Investigation/Key Properties Group

Adoption/Resolution 2015-14/Declaring City Council Vacancy, Scheduling Special Election & Authorizing Deadlines**

Appointment of Special Board of Elections/Special Election/2nd Ward Vacancy**

Monthly Finance Report

Executive Session-

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

Police Contract

Salary Issue

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.

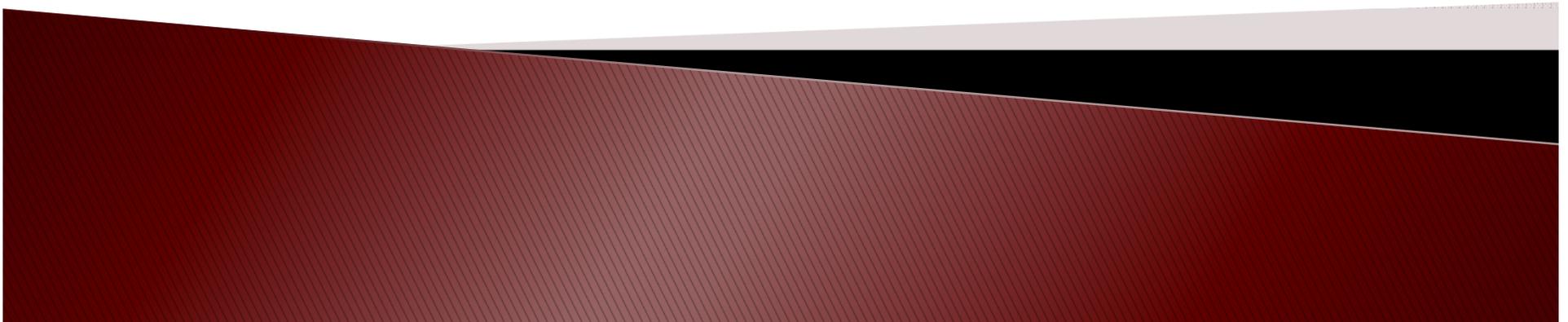
SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT NO LATER THAN ONE WEEK PRIOR TO MEETING;
NO PAPER DOCUMENTS WILL BE ACCEPTED OR DISTRIBUTED AFTER PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.

052915 062315 063015 070115 *070715 Late Addition by City Solicitor **070815 Late Addition (Emergency Action)

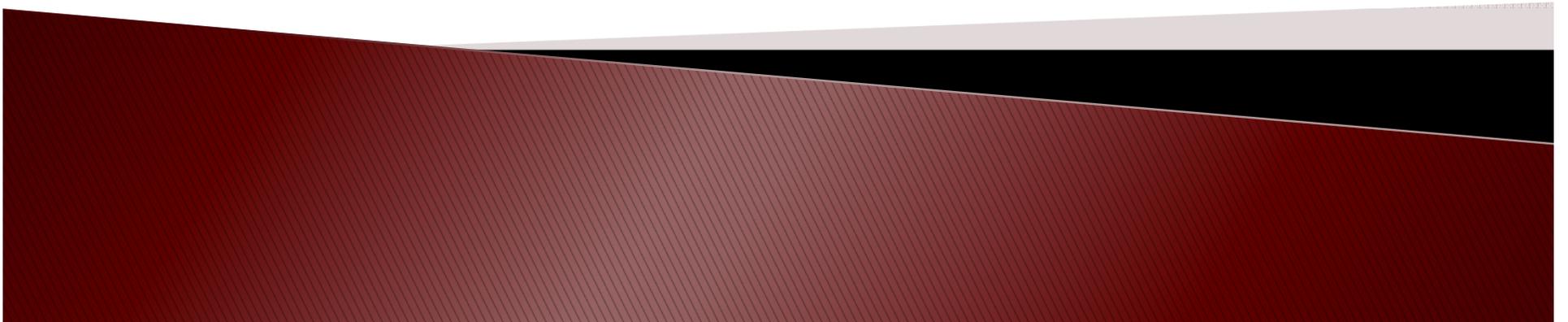
PUBLIC HEARING
PRESENTATION

City of Milford

July 13, 2015



Miscellaneous Sewer System Improvements Project



Scope of Proposed Project

- ▶ Monitoring System Improvements
- ▶ Transmission System Improvements
- ▶ Collection System Improvements

Need for Project

- ▶ Age of Existing Facilities
 - Approximately 45% of Collection System is more than 35 years old
 - Four (4) of the City's sixteen (16) pumping stations are more than 25 years old and in need of significant repairs.
- ▶ Poor Condition of Collection System Facilities can lead to Inflow & Infiltration (I&I) into the system.
- ▶ Poor Condition of Transmission System Facilities could potentially result in an overflow, discharging raw sewage into the local environment.

Collection System Needs

- ▶ Collection System comprised of Sewer Mains, Manholes and Service Laterals to Customers
- ▶ I&I is water entering the Collection System that is not accounted-for by customer usage
- ▶ Over the three-year period from 2011-2013, the City billed its users for only 73% of the water sent to the Kent County Regional Treatment Plant for treatment and disposal.
- ▶ The City paid Kent County for 138% of metered customer usage.

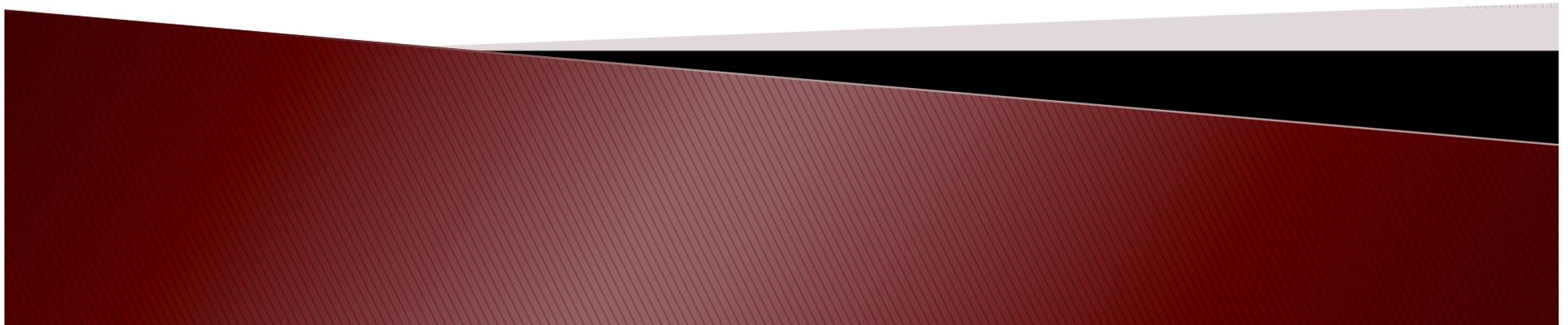
Transmission System Needs

- ▶ Transmission System comprised of Pumping Stations & Discharge Force mains
- ▶ Improvements to Transmission Facilities Monitoring and Alarm Systems (SCADA)
- ▶ Rehabilitation and Improvements to older pumping facilities to reduce risk of potential overflow
- ▶ Evaluate information gathered by monitoring improvements to determine areas greatest impacted by I&I during periods of excessive rainfall

Proposed Project Budget

\$ 400,000	Monitoring System Improvements
\$ 2,850,000	Transmission System Improvements
\$ 750,000	Collection System Improvements
\$ 4,000,000	PROJECT TOTAL

USDA Rural Development Project Funding Package



Terms of USDA Funding Offer

- ▶ City's application for funding assistance was approved by USDA Rural Development and a funding offer issued
- ▶ Project is being funded out of 2 USDA annual allotments to maximize amount of Grant money to City

First Allotment

- ▶ Project Budget: \$2,000,000
- ▶ City to contribute \$400,000 from Sewer Reserves
- ▶ City to borrow \$600,000 loan with 40-year term at a maximum interest rate of 2.375%
 - Annual debt service: \$23,401
- ▶ USDA to provide the remaining \$1,000,000 to the City in the form of a **GRANT**

Second Allotment

- ▶ Project Budget: \$2,000,000
- ▶ City to borrow \$1,000,000 loan with 40-year term at a maximum interest rate of 2.125%
 - Annual debt service: \$37,362
- ▶ USDA to provide the remaining \$1,000,000 to the City in the form of a **GRANT**

Summary of Funding Offer

- ▶ TOTAL Project Budget: \$4,000,000
- ▶ City to contribute \$400,000 from Sewer Reserves
- ▶ City to borrow \$1,600,000 loan with 40-year term
 - \$600,000 at maximum interest rate of 2.375%
 - \$1,000,000 at maximum interest rate of 2.125%
- ▶ USDA to provide the remaining \$2,000,000 to the City in the form of a **GRANT**

Financial Impacts to City

- ▶ \$60,763 annual debt service
- ▶ Primary source for debt service payments will be the City's impact fees account
- ▶ Secondary source for repayment would be operating revenues or reserves
- ▶ Additional source for repayment would be from recovered income generated by reducing unaccounted-for (I&I) water entering system
- ▶ **NO SEWER RATE INCREASE NEEDED TO REPAY DEBT**

QUESTIONS???



United States Department of Agriculture

Rural Development

September 23, 2014

Delaware/Maryland
State Office

1221 College Park
Drive, Suite 200
Dover, DE 19904

Voice: (302) 857-3625
Fax: (855) 389-2243

Mr. Richard Carmean
City of Milford
201 South Walnut Street
Milford, DE 19963

RE: Notice of Obligation
City of Milford
Sewer System Improvements

Dear Mr. Carmean:

I am pleased to notify you that your application to Rural Development for the above named project has been approved and financial assistance in the amount of a \$600,000 loan and \$1,000,000 grant has been obligated as of September 23, 2014.

Enclosed for your records is a copy of the completed Form RD 1940-1, "Request for Obligation of Funds." This approval and funding will provide you with the needed funds to improve the sewer system that is over 25 years in age located in the City of Milford.

Helping rural America develop sustainable communities and improve the quality of life is the goal of USDA Rural Development. We are pleased to be able to participate with you on this project to improve your local community.

A Business and Community Programs Specialist will be contacting you in the near future to further process your financial assistance. If you have questions, please contact Ms. Denise MacLeish, Director of our Community Programs at 302-857-3625.

Sincerely,

William A. McGowan Ed.D
State Director
Delaware/Maryland

Enclosure

Lf/lms

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

REQUEST FOR OBLIGATION OF FUNDS

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 07-003-*****0177		LOAN NUMBER 92-07	FISCAL YEAR 2014
2. BORROWER NAME Milford, City of 201 South Walnut Street Milford, DE 19963		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME Delaware	
		5. COUNTY NAME Sussex	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - A/IAN 4 - HISPANIC 5 - A/PI	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - NOTE ONLY OR CHATTEL ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY BONDS 8 - RLF ACCT	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 1 - MALE 2 - FEMALE 3 - FAMILY UNIT 4 - ORGAN. MALE OWNED 5 - ORGAN FEMALE OWNED 6 - PUBLIC BODY	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 2 (See FMI)	15. TYPE OF PAYMENT 4 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 2 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 068 (See FMI)	20. PURPOSE CODE 1	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/CHECK REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN \$600,000.00		25. AMOUNT OF GRANT \$1,000,000.00
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR 09-12-2014	28. INTEREST RATE 2.3750 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR 09-23-2014		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date _____, 20 14

[Signature]
Richard Carmean, City Manager
(Signature of Applicant)

Date _____, 20 _____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

[Signature]
(Signature of Approving Official)

Typed or Printed Name: William A. McGowan, Ed.D.

Date Approved: 9-12-2014

Title: State Director DE/MD

38. TO THE APPLICANT: As of this date 09-23-2014, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



United States Department of Agriculture

Rural Development

April 29, 2015

Delaware/Maryland
State Office

1221 College Park
Drive, Suite 200
Dover, DE 19904

Voice: (302) 857-3625
Fax: (855) 389-2243

Mr. Hans Medlarz, City Manager
City of Milford
201 South Walnut Street
Milford, MD 19963

RE: Notice of Obligation
City of Milford
Sewer System Improvements Phase II

Dear Mr. ~~Medlarz~~ ^{Hans}:

I am pleased to notify you that your application to Rural Development for the above named project has been approved and financial assistance in the amount of a \$1,000,000 loan and \$1,000,000 grant have been obligated as of April 29, 2015.

Enclosed for your records is a copy of the completed Form RD 1940-1, "Request for Obligation of Funds." This approval and funding will provide you with the needed funds for the improvement of the City of Milford sewer system.

Helping rural America develop sustainable communities and improve the quality of life is the goal of USDA Rural Development. We are pleased to be able to participate with you on this project to improve your local community.

A Business and Community Programs Specialist will be contacting you in the near future to further process your financial assistance. If you have questions, please contact Ms. Denise MacLeish, Director of our Community Program at 302-857-3625.

Sincerely,

William A. McGowan Ed.D
State Director
Delaware/Maryland

Enclosure

cp/lms

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WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date 4/27/2015, 20 15

Hans Medlarz, City Manager

(Signature of Applicant)

Date _____, 20 _____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

William McGowan

(Signature of Approving Official)

Typed or Printed Name: William A. McGowan, Ed.D

Date Approved: 4/29/2015

Title: State Director, Delaware/Maryland

38. TO THE APPLICANT: As of this date _____, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

RESOLUTION 2015-09

RESOLUTION GIVING FINAL AUTHORIZATION OF A LOAN TO THE CITY OF MILFORD, DELAWARE, OF UP TO \$1,600,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE SEWER 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 aggregate principal amount of \$1,600,000 in order to: (i) partially finance the construction costs associated with the City's approved improvements, rehabilitations, upgrades and repairs to its sewer system, including the addition of a sewer supervisory control and data acquisition (SCADA) system instrumentation, pump stations upgrades and removal of external inflow and infiltration sources; and (ii) pay the costs of issuance of a bond or bonds securing the Loan (as hereinafter defined) (collectively, the "Project");

WHEREAS, the City has applied for a loan (the "Loan") through the United States Department of Agriculture – Rural Utilities Service (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department has issued a Letter of Conditions dated September 10, 2014, as amended April 27, 2015, to lend the City up to \$1,600,000 in the maximum aggregate principal amount for the Project for a period of forty (40) years, with an interest rate for the first partial loan of \$600,000 not-to-exceed 2.375% and an interest rate for the second partial loan of \$1,000,000 not-to-exceed 2.125%;

WHEREAS, in addition to the Loan, the City also expects to receive a grant from the Department to help finance the Project in an amount up to \$2,000,000, and the City must directly contribute \$400,000 of its Sewer Fund Reserves towards the Project before utilizing Loan and grant funds from the Department;

WHEREAS, pursuant to a Resolution adopted on June 8, 2015 (the "Initial Resolution"), the City gave notice of its intention to borrow up to \$1,600,000 through the issuance of a general obligation bond or bonds of the City for the Project and established a public hearing on the matter for July 13, 2015; and

WHEREAS, having conducted the public hearing on July 13, 2015, after notice, as required and in accordance with the Charter, the Council of the City (the "City Council") hereby determines to give its final approval to proceed with the borrowing and the Loan.

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

1. Pursuant to Article 8 of the Charter, the City Council hereby resolves to give its final authorization and approval to proceed with the Loan and to borrow an amount of money not to exceed \$1,600,000 to fund the Project.

2. Details of the Loan are as follows:

Amount of Loan: Total principal amount not to exceed \$1,600,000.

Rate(s) of Interest: The interest rate for the first partial loan of \$600,000 shall not exceed 2.375% and the interest rate for the second partial loan of \$1,000,000 shall not exceed 2.125%.

Manner of Securing the Same: The City will borrow the funds through the issuance of a general obligation bond or bonds of the City to partially 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 or bonds.

Manner of Paying or Funding: The bond or bonds shall be paid or funded from sewer impact fees, sewer fund operating revenues and tax revenues of the City in the order of priority as stated.

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 improvements, rehabilitations, upgrades and repairs to its sewer system, including the addition of a sewer SCADA system instrumentation, pump stations upgrades and removal of external inflow and infiltration sources.

Such costs, including the costs of issuance of the bond or bonds, are estimated not to exceed \$4,000,000 and are expected to be paid for by the Loan and a grant from the Department and a direct contribution from the City.

ADOPTED AND RESOLVED this 13th day of July, 2015.

By: _____
Name: Bryan W. Shupe
Title: Mayor

(CITY SEAL)

Attest: _____
Name: Teresa K. Hudson
Title: City Clerk

CERTIFICATE OF CITY CLERK

The undersigned, City Clerk of the City of Milford, Delaware, HEREBY CERTIFIES that:

The foregoing Resolution giving final authorization and approval to borrowing a sum of money was duly moved and seconded and adopted by a majority vote of the City Council of said City at a duly called and convened public meeting of said Council held on July 13, 2015; and that the roll of the City Council was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
Douglas E. Morrow, Sr., Vice-Mayor	
Katrina E. Wilson	
Garrett L. Grier III	
S. Allen Pikus	
Owen S. Brooks, Jr.	
James O. Starling, Sr.	
Christopher H. Mergner	
James F. Burk	

and that such Resolution and the votes thereon have been duly recorded in the minutes.

WITNESS my hand and seal of the City this 13th day of July, 2015.

(CITY SEAL)

Teresa K. Hudson
City Clerk

RESOLUTION 2015-10

RESOLUTION AUTHORIZING THE ISSUANCE BY THE CITY OF MILFORD, DELAWARE, OF UP TO \$1,600,000 MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND OR BONDS TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE SEWER 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 aggregate principal amount of \$1,600,000 in order to: (i) partially finance the construction costs associated with the City's approved improvements, rehabilitations, upgrades and repairs to its sewer system, including the addition of a sewer supervisory control and data acquisition (SCADA) system instrumentation, pump stations upgrades and removal of external inflow and infiltration sources; and (ii) pay the costs of issuance of the Bonds (collectively, the "Project");

WHEREAS, the City has applied for a loan (the "Loan") through the United States Department of Agriculture – Rural Utilities Service (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department has issued a Letter of Conditions dated September 10, 2014, as amended April 27, 2015, to lend the City up to \$1,600,000 in the maximum aggregate principal amount for the Project for a period of forty (40) years, with an interest rate for the first partial loan of \$600,000 not-to-exceed 2.375% and an interest rate for the second partial loan of \$1,000,000 not-to-exceed 2.125%;

WHEREAS, in addition to the Loan, the City also expects to receive a grant from the Department to help finance the Project in an amount up to \$2,000,000, and the City must directly contribute \$400,000 of its Sewer Fund Reserves towards the Project before utilizing Loan and grant funds from the Department;

WHEREAS, pursuant to a Resolution adopted on June 8, 2015 (the "Initial Resolution"), the City gave notice of its intention to borrow up to \$1,600,000 through the issuance of a general obligation bond or bonds (collectively, the "Bonds") of the City for the Project and established a public hearing on the matter for July 13, 2015; 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 June 8, 2015, 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 \$1,600,000, to fund the Project.

2. Pursuant to Article 8 of the Charter:

Amount of Borrowing: Total principal amount not to exceed \$1,600,000.

Rate(s) of Interest: The interest rate for the first partial loan of \$600,000 shall not exceed 2.375% and the interest rate for the second partial loan of \$1,000,000 shall not exceed 2.125%.

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

Manner of Paying or Funding: The Bonds shall be paid or funded from sewer impact fees, sewer fund operating revenues and tax revenues of the City in the order of priority as stated.

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 improvements, rehabilitations, upgrades and repairs to its sewer system, including the addition of a sewer SCADA system instrumentation, pump stations upgrades and removal of external inflow and infiltration sources.

Such costs, including the costs of issuance of the Bonds, are estimated not to exceed \$4,000,000 and are expected to be paid for by the Loan and a grant from the Department and a direct contribution from the City.

3. The City Council hereby orders that a **Special Election be held on September 1, 2015 (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 7:00 a.m. and shall close at 7:00 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.

ADOPTED AND RESOLVED this 13th day of July, 2015.

By: _____
Name: Bryan W. Shupe
Title: Mayor

(CITY SEAL)

Attest: _____
Name: Teresa K. Hudson
Title: City Clerk

CERTIFICATE OF CITY CLERK

The undersigned, City Clerk of the City of Milford, Delaware, HEREBY CERTIFIES that:

The foregoing Resolution proposing borrowing a sum of money and ordering a Special Election was duly moved and seconded and adopted by a majority vote of the City Council of said City at a duly called and convened public meeting of said Council held on July 13, 2015; and that the roll of the City Council was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
Douglas E. Morrow, Sr., Vice-Mayor	
Katrina E. Wilson	
Garrett L. Grier III	
S. Allen Pikus	
Owen S. Brooks, Jr.	
James O. Starling, Sr.	
Christopher H. Mergner	
James F. Burk	

and that such Resolution and the votes thereon have been duly recorded in the minutes.

WITNESS my hand and seal of the City this 13th day of July, 2015.

(CITY SEAL)

Teresa K. Hudson
City Clerk

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE _____

OF THE _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS_____
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

pursuant to the provisions of _____; and**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

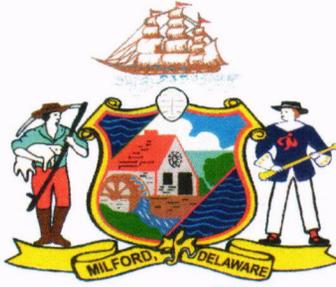
I, the undersigned, as _____ of the _____

hereby certify that the _____ of such Association is composed of _____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting by the vote shown above, I further certify that as of _____ , the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

City of Milford



TRIBUTE 2015-19

*Mourning the Death of Councilman S. Allen "Skip" Pikus
Distinguished Citizen and Devoted Member of this Community*

WHEREAS, S. Allen Pikus died on Monday, July 6, 2015, at the age of 74;

WHEREAS, S. Allen Pikus served as a Milford City Council member from 1973 to 1981, 1990 to 1996 and from 2010 to the present time;

WHEREAS, As chair of the Finance Committee for the City of Milford, he fully engaged in the annualized budgeting process in cooperation with the Finance Director, City Management and City Department Heads; he assisted in setting long-term financial goals with an emphasis on working capital and cash reserve funds to ensure the continued financial health of the City of Milford;

WHEREAS, During his esteemed tenure, S. Allen Pikus also served as a member of key Council Committees including the Police and Annexation Committees;

WHEREAS, a longtime businessman, S. Allen Pikus will forever remain present in the lives of those he touched;

WHEREAS, S. Allen Pikus will truly be memorialized through the countless Milfordians whose lives have been made better, in ways both large and small, thanks, in part, to the ordinances he introduced and the causes he championed;

WHEREAS, S. Allen Pikus' death leaves an irreplaceable void with his family and friends and on the city council;

WHEREAS, he is survived by three sons David and his wife Katherine, Stephen and his wife Gretchen, Eric and his wife Pixie, brother Rubin and grandchildren Madeline, William, Dalton, Emma Rose, Alec, Lauren and Benjamin, all of whom felt privileged to be a part of his life and who rejoiced in his many achievements;

WHEREAS, S. Allen Pikus leaves behind a legacy which will long endure the passage of time and will remain as a comforting memory to all he served and befriended.

NOW, THEREFORE BE IT PROCLAIMED, that I, Bryan W. Shupe, by virtue of the authority vested in me as Mayor of the City of Milford, hereby dedicate this hour, as lasting gratitude for his exemplary life, the good he did, the things he taught and the inspiration we garnered, and urge our citizens to take a moment to pause and reflect on the life of S. Allen "Skip" Pikus and express deepest condolences to his family.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford, in the State of Delaware to be affixed this Ninth day of July in the Year of our Lord Two Thousand and Fifteen.





Mayor Bryan W. Shupe

Attest 

City Clerk Teresa K. Hudson

Milford Police Department



E. Keith Hudson
Chief of Police



400 N.E. Front Street
Milford, Delaware 19963

MEMORANDUM

TO: Mayor and Members of City Council

FROM: E. Keith Hudson, Chief of Police

DATE: July 13, 2015

RE: Activity Report/June 2015

Monthly Stats:

A total of 635 arrests were made by the Milford Police Department during June 2015. Of these arrests, 182 were for criminal offenses and 453 for traffic violations. Criminal offenses consisted of 48 felonies and 134 misdemeanors. Traffic violations consisted of 181 Special Duty Radar, 1 Drunk-Driving incidents and 271 other charges.

Police officers investigated 55 accidents during the month and issued 103 written reprimands. In addition, they responded to 1222 various complaints including city requests and other agency assistance.

Monthly Activities:

SRO Unit

**Corporal Masten and Pfc. Bloodsworth attended the Boys and Girls Club Kids Fest. A police car was displayed and handouts given to the children who attended.

**Corporal Masten assisted Milford Senior High School with completing their mandated "Tabletop" exercise.

**Corporal Masten spoke to a camp at Avenue Preschool about safety and the equipment in a police car. Each child received a reflective clip for clothing, pencil and police badge stickers.

**Corporal Masten gave tours of the Police Department to four groups from Kent & Sussex Industries.

**Corporal Masten spoke to three separate groups participating in a summer program at Banneker Elementary on bicycle safety. Many bike helmets and bike locks were provided to the attendees, along with other safety related items.

The SRO Unit ended their book drive giving out just shy of 700 books for distribution to area children.

The Community Policing Unit under the supervision of Corporal Masten, has been preparing for the Annual National Night Out on August 4, 2015 in the Bicentennial Park.

K-9 Unit-June 2014 Report

*Responded to 174 calls for service

*Utilized in 18 different incidents

*Utilized 3 times as a precautionary presence on suspects known to have fight or flight risks

*Assisted patrol unit with 8 large violent crowds

*Conducted 2 tracks (both on armed felony robbery suspects)

*Conducted 2 perimeter assignments (S.O.G.)

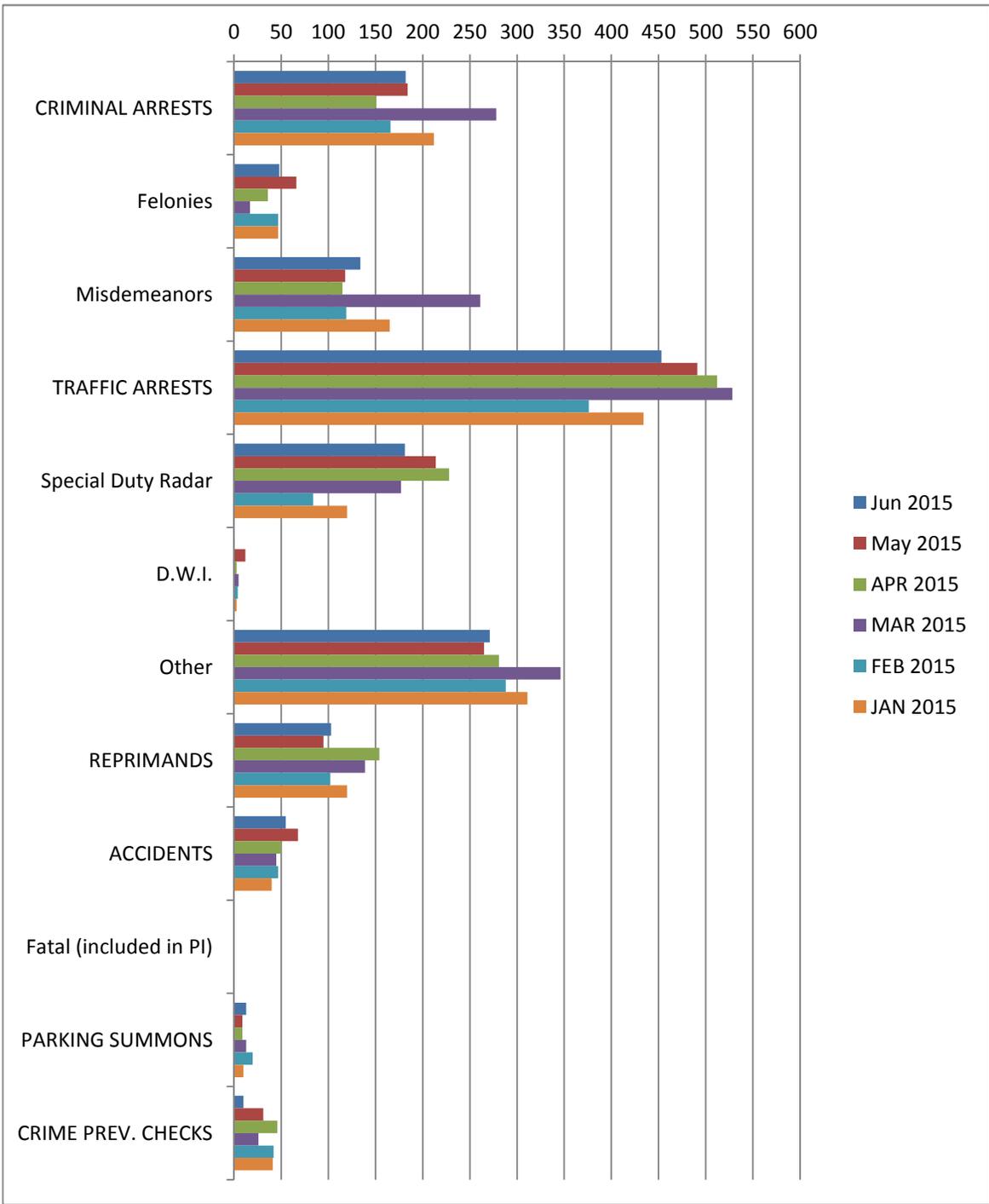
*Conducted 1 area search

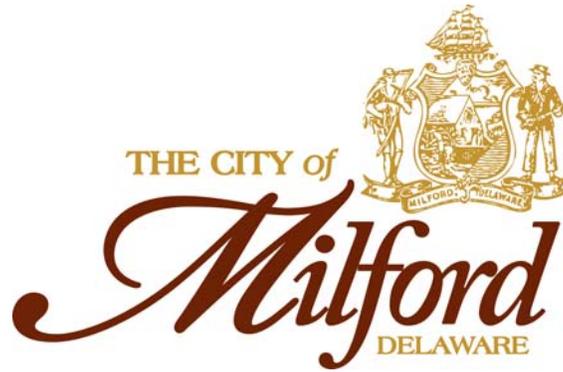
The following items of evidence were located and/or seized as a direct result of the K-9 Unit's area searches:

Conducted 2 sniffs for CDS resulting in 2.7 grams of marijuana (\$54.00 street value) seized

JUN 2015 ACTIVITY REPORT

	Jun 2015	TOTAL 2015	Jun 2014	TOTAL 2014
COMPLAINTS	1222	7196	1230	7117
CRIMINAL ARRESTS	182	1173	215	1038
Felonies	48	261	44	251
Misdemeanors	134	912	171	782
TRAFFIC ARRESTS	453	2794	485	2943
Special Duty Radar	181	1004	164	1110
D.W.I.	1	28	6	26
Other	271	1762	315	1809
REPRIMANDS	103	713	176	853
ACCIDENTS	55	305	54	276
Fatal (included in PI)	0	0	0	1
PARKING SUMMONS	13	74	23	112
CRIME PREV. CHECKS	10	196	61	275
FINES RECEIVED	\$ 8,751.97	\$ 57,017.54	\$ 11,054.27	\$ 60,545.22





ELECTRIC DEPARTMENT
(302) 422-1110 FAX (302) 422-1117

180 VICKERS DRIVE
MILFORD, DE 19963

www.cityofmilford.com

To: Jeff Portmann, Finance Director
Rick Carmean, Electric Superintendent

From: Jennifer Anderson, Electric Operations Manager

Date: 7/10/2015

Re: June 2015 Work Report

-
- The Electric Department completed (27) Work Orders/ Trouble Service Calls in June, and has in progress (9) Work Orders still open at the end of the month.

Electric

- 6/2/15 1:00 p.m. Rick, Jenn, Hans, and Rob met with Scott Lynch of DEMEC in regards to solar legislation and procedures. Scott discussed the importance of implementing a City Permit, and recommended we start requiring permits as we are the only municipality in DEMEC that does not require solar installation companies to apply for a permit before installing solar panels on dwellings.
- 6/5/15 12:00 p.m. Rick met with Mark Carlson from Martel in regards to a new City-wide phone system.
- 6/9/15 9:00 a.m. Rick, Jenn, and Steve Z. met with Fernando Barbosa of Solar City to explain our procedures and expectations in regards to the influx of solar installations within the City.
- 6/9/15 Rick, Timmy B., Keith K., Steve Zeveney, Hans Medlarz, Eric Retzlaff, and Rick Skilton of Tank Care met in regards to relocating the Washington St. Water Tower Fire Siren.
- 6/10/15 Fire Siren was taken down by crane.
- 6/10/15 Electric Crew changed out a transformer at the old Burton's location for routine maintenance.
- 6/15/15 Electric Crew changed out poles for the West Thompsonville Rd. project (DELDOT) and also changed out 4 transformers.
- 6/12/15 Relay for Life at Middle School-Crews made up pedestals and placed them for the event.
- 6/12/15 Electric Crew built pedestal for Fire Siren Relocation.
- 6/17/15 Removed dead tree that was entangled in electric lines at 7 Rogers Dr.
- 6/22/15 Electric Crews pulled new wire into the south side of Horseshoe Drive due to age of wire and existing maintenance issues/concerns.

- 6/22/15-6/26/15 Rick and Steve Z attended Metering School in South Carolina.
- 6/23/15 Fire Siren was put up, completing project.
- 6/25/15 Electric Crews changed out a transformer at S. Horseshoe Drive.
- 6/26/15-6/29/15 Trouble/Service man repaired 30 malfunctioning street lights throughout the City.
- 6/30/15 Electric Crews changed out a transformer at 642 N. DuPont Hwy for routine maintenance.

Miss Utility Locates

- There were (104) Miss Utility locates completed in June for the Electric and Water Departments.

Council Update June 2015

Streets

- Street crews are continuing to finish up on concrete work throughout the City.
- State hot mix patches complete with the exception of S.E. 2nd Street.
- Section of Bridgeham Ave. to be repaired by Jerry's Paving. Timmy will be setting up a meeting to discuss the project with contractor. He would like to have this done by the end of August before school starts.
- In the process of filling Pat Maloney's position,
- Getting ready to order a new dump truck off State contract as was approved through the new budget.

Solid Waste

- Continuing to see improvements in Bulk, Excess Trash and Loose Yard Waste city wide
- Many residents have called concerning the removal of the recycling dumpsters on Marshall Street that are owned by DSWA, I have been referring the calls to DSWA.
- We are in the process of stocking our Trash, Recycling and Yard Waste container inventory for the year to replace damaged containers and for new customers.

Water/Wastewater

Located and fixed clean out on sewer lateral at 401 Truitt Avenue.

Tree removal at Seabury well site.

Meter pit replaced on North Washington Street.

Pump removed at Days Inn Wastewater Station.

Grass mowed at various water and wastewater sites



Milford
Parks & Recreation
Department

MEMO

TO: Mayor and Council
City Manager

FR: Brad Dennehy
Director of Parks & Recreation

DA: July 7th, 2015

RE: Monthly update from the Parks and Recreation Department

Mayor and Council,

At the request of the City Manager here are a list of activities over the past month from the Parks & Recreation Department.

- Maintenance of the parks is on-going with a busy spring and early summer due to the large amount of rainfall we have received.
- A good amount of growth was cut back along the Chaney-Wilmont riverfront in preparation for the Robert Messick Fishing tournament which by all accounts was a success.
- Parks and Recreation provided trash service for the Brewfest which was well attended.
- 300 Petunias were planted in a number of municipal flower beds around town.
- A 500 gallon spray tank was rigged up by P&R staff from a donated tank to assist in watering of flowers.
- Almost 100 cubic yards of playground mulch was added to the Can-Do playground and the playground at Marvel Park.
- Additional fertilizer was installed both at the soccer fields and the Dog Park.
- P&R oversaw the removal of a large tree at the Milford Community cemetery.



Milford
Parks & Recreation
Department

- The Director (BD) attended a Rotary meeting and accepted a \$1000 check on behalf of P&R from the Milford Rotary, which will be put towards the purchase of a replacement lifesaving ring for the Riverwalk.
- Summer Playground day camp is underway. The five week program continues for two more weeks. We are at capacity of 65 participants in grades 1-6. The camp is held at Mispillion Elementary school with many fun activities and excursions.
- Both Tennis and Field Hockey camps were held in June with strong numbers in attendance, the second sessions are scheduled for later this month.
- Due to the closing of the outdoor pool at the Rookery North at Shawnee, a new pool rental agreement was worked out with Hearthstone manor owners and their HOA. The first session is almost sold out and begins on Monday July 13th.
- A 3 day soccer clinic was held for youth 1st-6th grade with good attendance.
- Field preparation has begun for the Men's slow-pitch softball league which starts the week of July 13th. This involves converting one of the fields from a baseball field to a softball field (removing the mound and realigning the base, etc.).

As always, if you require further information please don't hesitate to contact me.

Thank you.

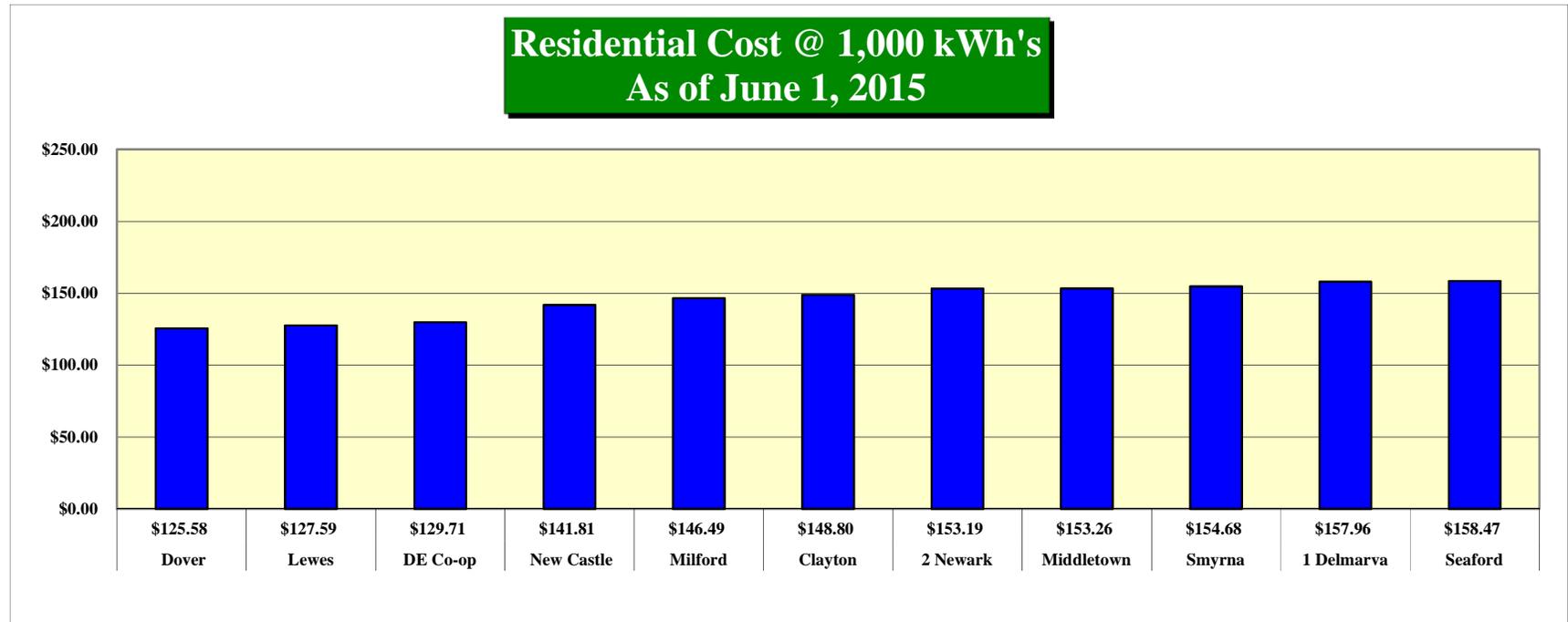
**Selected Area Utilities
Summer (June - September)**

RESIDENTIAL RATE COMPARISON @ 1,000 kWh

		DE COOP	DPL
		<u>% Difference</u>	<u>% Difference</u>
<u>Dover</u>	\$125.58	<u>-3.2%</u>	<u>-20.5%</u>
<u>Lewes</u>	\$127.59	<u>-1.6%</u>	<u>-19.2%</u>
<u>DE Co-op</u>	\$129.71	<u>0.0%</u>	<u>-17.9%</u>
<u>New Castle</u>	\$141.81	<u>9.3%</u>	<u>-10.2%</u>
<u>Milford</u>	\$146.49	<u>12.9%</u>	<u>-7.3%</u>
<u>Clayton</u>	\$148.80	<u>14.7%</u>	<u>-5.8%</u>
² <u>Newark</u>	\$153.19	<u>18.1%</u>	<u>-3.0%</u>
<u>Middletown</u>	\$153.26	<u>18.2%</u>	<u>-3.0%</u>
<u>Smyrna</u>	\$154.68	<u>19.3%</u>	<u>-2.1%</u>
¹ <u>Delmarva</u>	\$157.96	<u>21.8%</u>	<u>0.0%</u>
<u>Seaford</u>	\$158.47	<u>22.2%</u>	<u>0.3%</u>

¹ Approximate. DP&L's transmission capacity charge is based on each individual's Peak Load Contribution (PLC) to the overall transmission load
Each customer has a unique PLC that changes every January

² City of Newark begins Summer Rates in April



**Selected Area Utilities
Summer (June - September)**

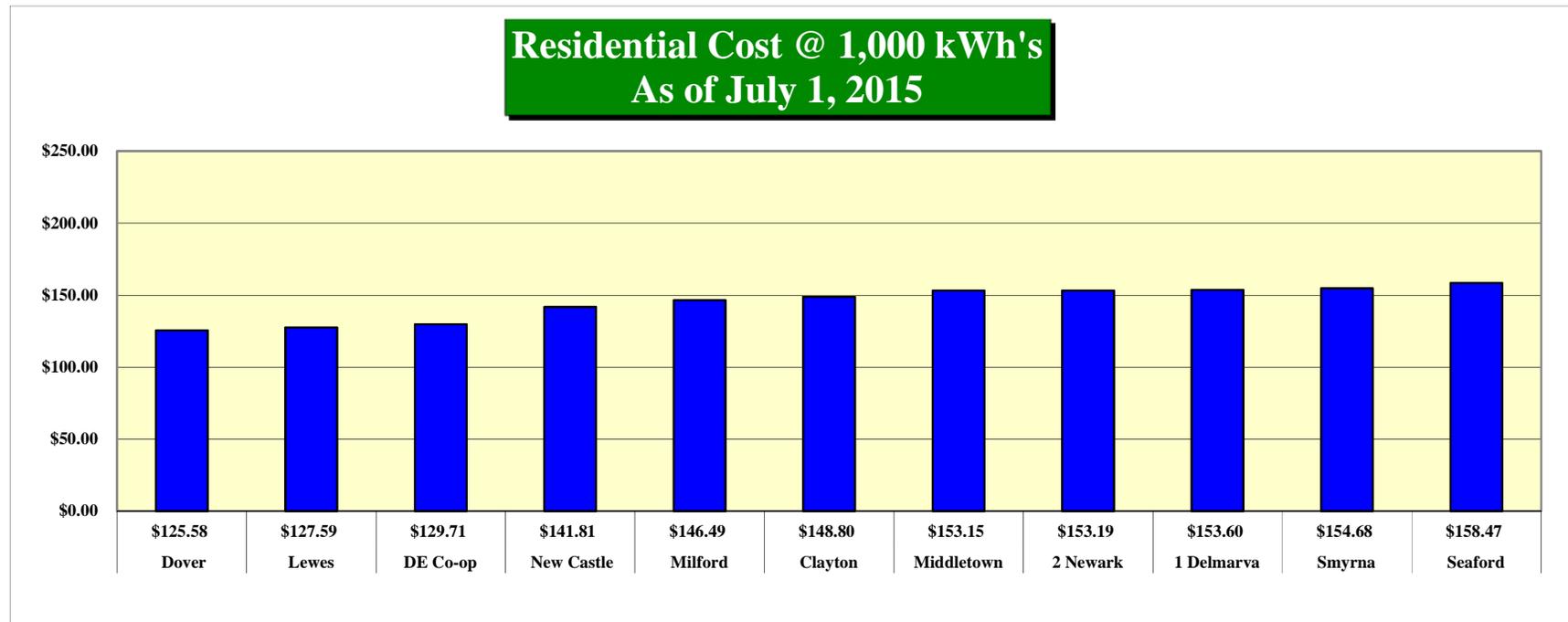
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<u>New Castle</u>	\$141.81	<u>9.3%</u>	<u>-7.7%</u>
<u>Milford</u>	\$146.49	<u>12.9%</u>	<u>-4.6%</u>
<u>Clayton</u>	\$148.80	<u>14.7%</u>	<u>-3.1%</u>
<u>Middletown</u>	\$153.15	<u>18.1%</u>	<u>-0.3%</u>
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¹ Approximate. DP&L's transmission capacity charge is based on each individual's Peak Load Contribution (PLC) to the overall transmission load

Each customer has a unique PLC that changes every January

² City of Newark begins Summer Rates in April



From: David Evertsen [mailto:devertsen@municipalsolutions.org]
Sent: Thursday, July 2, 2015 12:11 PM
To: Hudson, Terri
Cc: Portmann, Jeffrey; 'David Rutt'
Subject: RE: Revised Novak Group Documents

Teri -

Please pass this communication along to the Council.

First, thank you for the opportunity to provide a proposal. These proposals take a lot of work and we take great care in them to make sure they meet a client's specific needs. So thank you for taking time to review and consider our services. I have had time to look at their proposal, and although you have already selected them, I wanted to share a few thoughts for future consideration.

Second, in reviewing a copy of their (revised) proposal. While their price was lower, they did not emphasize as much effort in areas which we have found are very important to the client including the use of a national personal and professional network, extensive advertising and highly detailed background checks. There is more to a proposal than price.

Third, we submitted a sample of a comprehensive search report – including the internet and background check – in our materials...and we saw nothing similar from them. Unlike our comprehensive (a) internet pre-screening and (b) semi-finalist background checks, employment and education verification, we have found the practice of waiting until the finalist is selected to do background checks (references, media, criminal, education, etc.) to be dangerous as a client can select a candidate who has issues that are not publicized which won't be identified until checking is completed. Having a former Senior FBI agent on our team helps increase confidence on our background searches, and we haven't seen any other firms completing as detailed checks for the price we are quoting. We have seen many searches go wrong, when the client (or media) finds out the guy has a sexual harassment issue or felony conviction until a year or two later. While our background checks cost more – it directly allows us to assure that the candidate is above reproach and will indeed be there two years down the road. Another disadvantage of background checks in the late stages, is the client / candidate must wait until the background checks are done and the candidate may take another job in the interim. Having been given the opportunity to present our proposal, we would have articulated this important point.

Finally, allowing them to copy our guaranty is – in a word - disappointing. Granting one firm the opportunity to amend their bid and not extending the same courtesy to the other is also disappointing. Our attention to detail in addition to our national personal and professional network of more than 6,500 public administrators is what makes our 2-year guaranty stick. Had we been given that opportunity, we would have articulated this point and could have offered some additional value as well.

Thanks again for giving us the opportunity to propose. We wish you success in the search.

PS – Municipal Solutions provides Interim Public Managers for various Department Head positions. If you ever need additional interim support or a sounding board on a variety of topics, please let us know.



David A. Evertsen, CEO & Principal

Office: (928) 220.2611 | **Mobile:** (623) 207.1309

Web: www.MunicipalSolutions.org | **Twitter** @MunSolutions

LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: Hudson, Terri [<mailto:thudson@milford-de.gov>]
Sent: Wednesday, July 01, 2015 3:53 PM
To: devertsen@municipalsolutions.org
Cc: Portmann, Jeffrey; David Rutt
Subject: FW: Revised Novak Group Documents

Mr. Evertsen:

Please see attached proposal/agreement approved by council Monday evening.

Do not hesitate to contact me with any additional requests.

Sincerely,

Terri

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

Telephone 302-424-3712 Ext. 303
Fax 302-424-3558

From: David Evertsen [<mailto:devertsen@municipalsolutions.org>]
Sent: Wednesday, July 1, 2015 9:45 AM
To: Medlarz, Hans
Cc: Portmann, Jeffrey; 'David Rutt'; Hudson, Terri
Subject: RE: Revised Novak Group Documents

Thanks Hans,

I don't need a copy of the agreement, only the proposal.

Thanks



David A. Evertsen, CEO & Principal

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LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: Medlarz, Hans [<mailto:HMedlarz@milford-de.gov>]

Sent: Tuesday, June 30, 2015 4:09 PM

To: David Evertsen

Cc: Portmann, Jeffrey; 'David Rutt'; Hudson, Terri

Subject: RE: Revised Novak Group Documents

Good morning again David:

Your request for the Novak's Group proposal is duly noted. Once it is executed the City Clerk Ms. Hudson will forward you a copy.

Regards, Hans

From: David Evertsen [<mailto:devertsen@municipalsolutions.org>]

Sent: Tuesday, June 30, 2015 9:54 AM

To: Medlarz, Hans

Cc: Portmann, Jeffrey; 'David Rutt'

Subject: RE: Revised Novak Group Documents

Hi Hans –

Nice to hear from you.

Quite honestly, I hoped the Council would have approved the proposals on their face, rather than allowing a firm a second 'bite of the apple'. Today Delaware experience beat out the experience of having conducted 100s more national searches. Fortunate for them.

Thanks for the candor and honesty.

Best of luck in your new adventures.

PS – please send me a copy of Novak's proposal.



David A. Evertsen, CEO & Principal

Office: (928) 220.2611 | **Mobile:** (623) 207.1309
Web: www.MunicipalSolutions.org | **Twitter** @MunSolutions
LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: Medlarz, Hans [<mailto:HMedlarz@milford-de.gov>]
Sent: Tuesday, June 30, 2015 2:28 PM
To: David Evertsen
Cc: Portmann, Jeffrey; David Rutt (dnrutt@mooreandrutt.com)
Subject: RE: Revised Novak Group Documents

Good morning David:

Last night Milford City Council had an opportunity to discuss the three (3) proposal before them. The Novak Consulting Group was the only with local Delaware experience and references. However both competitors offered a search performance guarantee. Council's motion reflected that background by selecting the Novak Consulting Group under the condition they would modify their proposal and offer a guarantee similar to Municipal Solutions, LLC, which was Council's second choice.

This morning the Novak Consulting Group submitted the revision which matches paragraphs 2. and 3. of your guarantee. No wordsmithing involved it is verbatim minus the "Act of God" exclusion. Under these circumstances the City will proceed with the Novak Group as approved by Council.

Thank you for submitting a solid proposal and giving the City great choices. Enjoy the rest of your stay in Firenze.

Regards, Hans
Hans Medlarz
Manager, City of Milford
hmedlarz@milford-de.gov
302.424.3712

From: David Evertsen [<mailto:devertsen@municipalsolutions.org>]
Sent: Tuesday, June 30, 2015 4:17 AM
To: Medlarz, Hans
Subject: RE: Appendix #2

Hans –

We'd really like to work with your Council...I hope we have the opportunity.

Please do not let Novak 'wordsmith' the language on the guarantee. Please make sure that it is a take-it or leave-it proposition using the language we proposed.

Thank you,



David A. Evertsen, CEO & Principal

Office: (928) 220.2611 | **Mobile:** (623) 207.1309

Web: www.MunicipalSolutions.org | **Twitter** @MunSolutions

LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: Medlarz, Hans [<mailto:HMedlarz@milford-de.gov>]

Sent: Tuesday, June 30, 2015 1:43 AM

To: David Evertsen

Subject: RE: Appendix #2

David, are you available for a call now? Hans

From: David Evertsen [<mailto:devertsen@municipalsolutions.org>]

Sent: Monday, June 29, 2015 7:40 PM

To: Medlarz, Hans

Subject: RE: Appendix #2

Forgot to mention...we also have an Interim City Manager service and currently have experienced City Managers available immediately!!!

I look forward to your call.



David A. Evertsen, CEO & Principal

Office: (928) 220.2611 | **Mobile:** (623) 207.1309

Web: www.MunicipalSolutions.org | **Twitter** @MunSolutions

LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: David Evertsen [<mailto:devertsen@municipalsolutions.org>]

Sent: Monday, June 29, 2015 8:08 PM

To: 'Medlarz, Hans'

Subject: Appendix #2

Importance: High

Hi Hans –

Thank you for the opportunity to propose. Please see our attached proposal including:

- Cover letter
- Draft Scope of Work / Engagement Letter
- Appendices:
 - A. Qualifications / Previous Search Assignments / Clients
 - B. Personnel Projects / Client List
 - C. Sample Brochure: Scottsdale City Manager
 - D. Sample Candidate Final Report (completed for each finalist)

The information we have provided is brief – and doesn't go into a lot of detail. We have a more detailed explanation of each phase and the Council be interested in speaking with us, we are happy to provide and discuss the phases in more detail. Please let them know that we are happy to amend the proposal / scope of work to suit their needs.

Please confirm receipt and keep me posted on next steps.



David A. Evertsen, CEO & Principal

Office: (928) 220.2611 | **Mobile:** (623) 207.1309

Web: www.MunicipalSolutions.org | **Twitter** @MunSolutions

LinkedIn: <http://www.linkedin.com/company/municipal-solutions-llc-ltd>

Looking to earn \$\$\$ or Consulting Credit? Ask us about our Customer Loyalty Program!

From: Medlarz, Hans [<mailto:HMedlarz@milford-de.gov>]

Sent: Sunday, June 28, 2015 12:09 AM

To: devertsen@municipalsolutions.org

Subject: RE: City of Milford, Recruitment Proposal

Good afternoon David,

Sending it via e-mail is totally acceptable. I apologize for the delayed response. We were experiencing some network issues.

Regards, Hans

From: devertsen@municipalsolutions.org [<mailto:devertsen@municipalsolutions.org>]

Sent: Tuesday, June 23, 2015 4:08 PM

To: Medlarz, Hans

Subject: Re: City of Milford, Recruitment Proposal

Hi Hans...thank you. Is sending it to you via e-mail.

Thanks,

David Evertsen, Principal

Municipal Solutions LLC
US: [\(623\) 207-1309](tel:6232071309)
International:[+39 327 938 6493](tel:+393279386493)

Inviato dal mio smartphone LG

----- Original message-----

From: Medlarz, Hans
Date: Fri, Jun 26, 2015 21:46
To: devertsen@municipalsolutions.org;
Cc: Bryan Shupe;
Subject: City of Milford, Recruitment Proposal

Good afternoon Dave,

just a friendly reminder regarding the requested proposal for assistance of Municipal Solutions in the City Manager's regional recruiting effort.

We will need your proposal outlining your scope of services, cost and time line prior to noon on Monday June 29, 2015 for consideration during the special Council meeting that night. Please call if you need any further information.

Hans Medlarz
Manager, City of Milford
hmedlarz@milford-de.gov
[302.424.3712](tel:302.424.3712)

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN the following ordinance is under review by the Milford Planning Commission and Milford City Council as indicated below:

Ordinance 2015-07

Perdue Real Estate Holdings Inc for a Change of Zone

AN ORDINANCE OF THE CITY OF MILFORD, DELAWARE to amend the zoning map of the City of Milford by rezoning 2.60 +/- acres of real property from C3 (Highway Commercial) to I2 (General Industrial) at N Rehoboth Blvd, Milford, Delaware. Present Use: Chicken processing Plan. Proposed Use: Same. Tax Map and Parcel: MD-16-183.00-01-01.00

WHEREAS, the City of Milford Planning Commission will consider the change of zone application at a Public Hearing on June 16, 2015; and

WHEREAS, Milford City Council will hold a Public Hearing on July 27, 2015 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a change of zone as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, tax map and parcel MD-16-183.00-01-01.00, owned by Perdue Real Estate Holdings Inc, located at N Rehoboth Blvd, is hereby zoned I2.

Section 2. An amendment to the Future Land Use Map of the Comprehensive Plan indicating the property as industrial zoned future land use will be adopted prior to the property record card being amended to indicate the I2 zoning.

Section 3. Dates.

Planning Commission Review & Public Hearing: June 16, 2015

City Council Introduction: July 13, 2015

City Council Public Hearing: July 27, 2015

Adoption: July 27, 2015

Effective: August 6, 2015

This ordinance shall take effect and be in force ten days after its adoption.

Additional information may be obtained by contacting the Planning Department at Milford City Hall at 302-424-3712 or by accessing the city website at www.cityofmilford.com.

Sewer Improvements Borrowing Referendum

September 1, 2015

Joanne Leuthauser
Carlene Wilson
Carole Mason

Date of Issuance: June 30, 2015	Effective Date:
Owner: City of Milford	Owner's Contract No.:
Contractor: CB&I, Inc.	Contractor's Project No.:
Engineer: Davis, Bowen & Friedel, Inc.	Engineer's Project No.: 052A138
Project: Elevated Storage Tank	Contract Date: June 13, 2014

The Contract is modified as follows upon execution of this Change Order:

Description: Change order for Verizon tank penetration installation.

Attachments: CBI email change order request.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>2,264,330.00</u>	Original Contract Times: Calendar Days Substantial Completion: <u>450</u> Ready for Final Payment: <u>480</u> days
Increase from previously approved Change Orders: \$ <u>6,073.61</u>	Increase from previously approved Change Orders No. 1: Substantial Completion: <u>45</u> Ready for Final Payment: <u>-0-</u> days
Contract Price prior to this Change Order: \$ <u>2,270,403.61</u>	Contract Times prior to this Change Order: Substantial Completion: <u>495</u> Ready for Final Payment: <u>525</u> days or dates
Increase of this Change Order: \$ <u>4,358.50</u>	Increase of this Change Order: Substantial Completion: <u>-0-</u> Ready for Final Payment: <u>-0-</u> days
Contract Price incorporating this Change Order: \$ <u>2,274,762.11</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>495</u> Ready for Final Payment: <u>525</u> days

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (if required)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Title: <u>Principal</u>	Title: <u>City Manager</u>	Title: _____
Date: _____	Date: _____	Date: _____

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

Randy Duplechain

From: Dan J Johnson <DJJohnson@CBI.com>
Sent: Monday, June 22, 2015 4:51 PM
To: rbd@dbfinc.com
Subject: SE Milford Tank - Verizon Tank Penetrations Cost Proposal

Randy,

Below are the costs associated with adding five penetrations for the Verizon antennas:

Engineering/Detailing costs to prepare tank drawings, bills, shop orders (10 MH @ \$95.00/MH)	\$ 950.00
Pipe material/weld wire/freight	650.00
Plant Fabrication (6 MH @ 85.00/MH)	510.00
Field labor/ equipment/ supplies cost (16 MH @ \$105.00/MH).....	<u>1,680.00</u>
Subtotal	
3,790.00	
OH/Profit (15%)	<u>568.50</u>
Total cost (CBI work).....	
\$4,358.50	

A total of two (2) 6" dia. heavy wall penetrations will be added through the tank bell. One (1) 6" dia. standard weight penetration will be added through each of the two interior platforms as well as through the access tube cover. No support brackets are included in this proposal.

If possible, please let me know by the end of the day tomorrow, 6/23/15, if this cost proposal is acceptable.

Thanks.
Dan



Dan Johnson
Project Manager
Tel: +1 (412) 380 4086
Cell: +1 412 860 5550
Fax: +1 (412) 380 4091
djohnson@CBI.com

CB&I
2790 Mosside Boulevard
Monroeville, PA 15146
United States
www.CBI.com



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June 12, 2015

City of Milford
201 S Walnut Street
Milford Delaware 19963

RE: Petition for Annexation of Property
Tax Map No.: 330-15.00-58.01 & 58.04
Site Address: 7254 Cedar Creek Road (58.01)
7272 Cedar Creek Road (58.04)

To Whom it May Concern:

We are requesting the above-referenced tax parcels be annexed into the City of Milford from Sussex County; 2.6± acres, currently zoned AR.

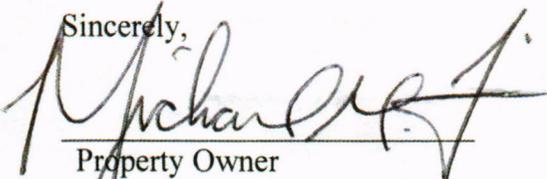
General Location Description: The property is located on the west side of Cedar Creek Road, situated between the DelDOT SR 1 access ramp (south) and Wilkins Road (north). The parcel is contiguous to lands within the City of Milford (west and south).

The reason for our request is the parcels are included in Bayhealth Medical Center's new Health Campus.

We are applying for Institutional Service District Zoning, which is consistent with Milford's Comprehensive Plan.

The annexation applications and supporting documents will be submitted by Bayhealth Medical Center as

Sincerely,



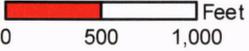
Property Owner



Witness



Digital Aerial Solutions, LLC

	Scale:  Feet 0 500 1,000	Title: <p style="text-align: center;">Proposed Annexation: Bayhealth Medical Center, Inc. Location Map</p>
	Drawn by: WRP Date: 07/01/15	
Filepath: Z:\GIS\GEO_PROJECT\Annexation_KeyPropertiesBayhealth.mxd		

Sussex County, Delaware - Zoning and Sales Information

PROPERTY DETAILS

- [General Information](#)
 - [Appraisal & Assessment Info](#)
 - [Sales Info](#)
 - [Map of Property](#)
-

General Information

District-Map-Parcel:

3-30 15.00 58.01

Owner(s) Names:

KEY , PROPERTIES GROUP LLC

Property Legal Description:

SW/RT 30
1101' SE RD 206

Billing Address:

610 MARSHALL ST
MILFORD , DE 19963

Land Use:

Residential, Single dwelling & lot

Zoning:

Agricultural/Residential

Town/Municipality:

-No Town or Municipality Specified-

Fire District(s):

Not Specified Fire District

Tax Ditch(es):

-No Ditch Records-

Sewer/Water**District:**

-No Sewer Records-

Watershed:

BROADKILL-SMYRNA

Sussex County, Delaware - Zoning and Sales Information

PROPERTY DETAILS

- [General Information](#)
 - [Appraisal & Assessment Info](#)
 - [Sales Info](#)
 - [Map of Property](#)
-

General Information

District-Map-Parcel:

3-30 15.00 58.04

Owner(s) Names:

KEY , PROPERTIES GROUP LLC

Property Legal Description:

SW/RT 30
891' SE/RD 206

Billing Address:

610 MARSHALL ST
MILFORD , DE 19963

Land Use:

Residential, Single dwelling & lot

Zoning:

Agricultural/Residential

Town/Municipality:

-No Town or Municipality Specified-

Fire District(s):

Not Specified Fire District

Tax Ditch(es):

-No Ditch Records-

Sewer/Water**District:**

-No Sewer Records-

Watershed:

BROADKILL-SMYRNA

City of Milford
RESOLUTION 2015-11

Annexation/Lands belonging to Key Properties Group, LLC
Tax Parcel No. 3-30 15.00 58.01
1.28 +/- Acres
Current Zone A-R/Proposed Zone I-S

COMMITTEE DIRECTED TO INVESTIGATE ANNEXATION

Whereas, a Petition, signed by the legal property owner and duly witnessed, requesting annexation into the City of Milford, situated west of Cedar Creek Road (SR 30) and south of Wilkins Road (CR 206), legally described as follows:

All that certain lot, piece or parcel of land, with improvements thereon erected, situated in the Cedar Creek Hundred, Sussex County, State of Delaware, lying on the westerly side of Cedar Creek Road (S.R. 30) and being bounded on the east by said Cedar Creek Road, on south by lands now or formerly of Louis J. & Shirley L. Renzi and on the west and north by other lands now or formerly of Key Properties Group, LLC, and as shown on a recent boundary survey prepared by Becker Morgan Group, Inc., in December of 2014 and being more particularly described as follows to wit:

Beginning at a point in line with the westerly right-of-way of Cedar Creek Road and a corner for this parcel and other lands of Key Properties Group Inc., said point being as measured from a set concrete monument at the southerly end of a daylight corner for the westerly right-of-way of Cedar Creek Road and southerly right-of-way of Wilkins Road the following three courses and distances along the westerly right-of-way of Cedar Creek Road; South 15°07'40" East 85.09 feet; thence along the arc of a circle curving to the right having a radius of 13,837.52 feet and an arc length of 694.73 feet, chord bearing and distance of said arc being South 13°41'22" East 694.65 feet to a set concrete monument; thence South 12°15'04" East 198.51 feet to point of beginning; thence continuing with the westerly right-of-way of Cedar Creek Road 1) South 12°15'04" East 209.89 feet to point at a corner for this parcel and lands of Louis J. & Shirley L. Renzi; thence running with said other lands of Renzi 2) South 77°49'10" West 265.77 feet to a found iron pipe with cap a corner for this parcel and other lands of Key Properties Group, LLC; thence with said lands of said lands of Key Properties Group, LLC the following two courses and distances 3) North 12°11'12" West 209.89 feet to found iron rod; thence 4) North 77°49'10" East 265.53 feet to the point and place of beginning, containing 1.2800 acres of land be the same, more or less.

has been submitted to the City Council of the City of Milford.

Now, Therefore, a Committee, composed of three (3) elected members of City Council and one (1) member of the Planning Commission has been appointed by the Mayor to investigate the possibility of annexing said property, said Committee to be comprised of Chair Katrina Wilson, Douglas Morrow, James Burk and Planning Commission Chairman Archie Campbell.

Be It Further Resolved, that said Committee shall submit a written report containing its findings and conclusions, including the advantages and disadvantages of the proposed annexation both to the City and to the property proposed to be annexed and said report shall further contain the committees' recommendations whether or not to proceed with the proposed annexation and the reasons therefor.

NOW, THEREFORE, I, Teresa K. Hudson, City Clerk of the City of Milford, do hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Milford at a Council Meeting held the 13th day of July 2015 by a majority vote.

City Clerk

City of Milford
RESOLUTION 2015-12

Annexation/Lands belonging to Key Properties Group, LLC
Tax Parcel No. 3-30 15.00 58.04
1.28 +/- Acres
Current Zone A-R/Proposed Zone I-S

COMMITTEE DIRECTED TO INVESTIGATE ANNEXATION

Whereas, a Petition, signed by the legal property owner and duly witnessed, requesting annexation into the City of Milford, situated west of Cedar Creek Road (SR 30) and south of Wilkins Road (CR 206), legally described as follows:

All that certain lot, piece or parcel of land, with improvements thereon erected, situated in the Cedar Creek Hundred, Sussex County, State of Delaware, lying on the westerly side of Cedar Creek Road (SR 30) and being bounded on the east by said Cedar Creek Road and on the south, west and north by other lands now or formerly of Key Properties Group, LLC and as shown on a recent boundary survey prepared by Becker Morgan Group, Inc., in December of 2014 and being more particularly described as follows to wit:

Beginning at a point in line with the westerly right-of-way of Cedar Creek Road and a corner for this parcel and other lands of Key Properties Group, LLC, said point being as measured from a set concrete monument at the southerly end of a daylight corner for the westerly right-of-way of Cedar Creek Road and southerly right-of-way of Wilkins Road the following two courses and distances along the westerly right-of-way of Cedar Creek Road; South 15°07'40" East 85.09 feet; thence along the arc of a circle curving to the right having a radius of 13,837.52 feet and an arc length of 683.14 feet, chord bearing and distance of said arc being South 13°42'49" East 683.07 feet to point of beginning; thence continuing with the westerly right-of-way of Cedar Creek Road the following two courses and distances 1) along the arc of a circle curving to the right having a radius of 13,837.52 feet and an arc length of 11.59 feet, chord bearing and distance of said arc being South 12°16'31" East 11.59 feet to a set concrete monument; thence 2) South 12°15'04" East 198.51 feet to a point at a corner for this parcel and other lands of Key Properties Group, LLC; thence with said other lands of Key Properties Group, LLC the following three courses and distances 3) South 77°49'10" West 265.53 feet to a found iron rod; thence 4) North 12°11'12" West 210.10 feet to a point; thence 5) North 77°49'10" East 265.29 feet to the point and place of beginning, containing 1.2802 acres of land be the same, more or less.

has been submitted to the City Council of the City of Milford.

Now, Therefore, a Committee, composed of three (3) elected members of City Council and one (1) member of the Planning Commission has been appointed by the Mayor to investigate the possibility of annexing said property, said Committee to be comprised of Chair Katrina Wilson, Douglas Morrow, James Burk and Planning Commission Chairman Archie Campbell.

Be It Further Resolved, that said Committee shall submit a written report containing its findings and conclusions, including the advantages and disadvantages of the proposed annexation both to the City and to the property proposed to be annexed and said report shall further contain the committees' recommendations whether or not to proceed with the proposed annexation and the reasons therefor.

NOW, THEREFORE, I, Teresa K. Hudson, City Clerk of the City of Milford, do hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Milford at a Council Meeting held the 13th day of July 2015 by a majority vote.

City Clerk

City of Milford



Resolution 2015-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILFORD, DELAWARE (“City Council”) DECLARING A VACANCY IN THE OFFICE OF CITY COUNCIL MEMBER AND CALLING A SPECIAL ELECTION TO FILL SUCH VACANCY FOR THE UNEXPIRED TERM; ESTABLISHING THE DATE AND TIME FOR CANDIDATE FILING DEADLINE AND VOTER REGISTRATION DEADLINE.

WHEREAS, Article IV Council Government-Composition, Qualifications, Vacancies and Procedure, of the Charter (“Charter”) of the City of Milford states that the Office of a Councilperson shall become vacant upon death, resignation or removal from office in any manner authorized by law, or ceases to be a lawfully registered voter of the City and a resident of the Ward in which he/she resided at the time of the election; and

WHEREAS, the Charter further states that at the time of the vacancy, if the remainder of the unexpired term is six months or greater than six months, the election authorities shall call a special election to fill the vacancy for the remainder of the unexpired term and the special election shall be held not sooner than twenty (20) days nor later than thirty (30) days following the vacancy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILFORD:

SECTION 1-VACANCY

Due to the recent death of Councilman S. Allen Pikus, the City Council does hereby declare a vacancy in the Office of City Council, Second Ward.

SECTION 2-SPECIAL ELECTION

The City Council orders a Special Election for the City of Milford, to be held on Wednesday, August 12, 2015 from 7:00 a.m. until 7:00 p.m. at Milford City Hall, 201 South Walnut Street, Milford, Delaware, for the purpose of electing a Second Ward Council Member to serve for the remainder of the unexpired term of that office. The candidate receiving a majority of the votes cast shall be declared elected to such office.

SECTION 3-SECOND WARD CANDIDATE DEADLINE

Interested qualified candidates from the Second Ward shall file a petition for the vacant seat no later than 4:30 p.m. on Monday, August 3, 2015.

SECTION 4-VOTER REGISTRATION REQUIRE/DEADLINE

To be eligible to vote in this Second Ward Special Election, qualified residents and property owners, determined by Article II Nominations and Elections of the Charter, who have not registered to vote in City of Milford elections must register at Milford City Hall, 201 South Walnut Street, Milford, Delaware, no later than 4:30 p.m. on Monday, August 3, 2015.

SECTION 5-ABSENTEE BALLOTS

Registered voters who wish to obtain an absentee ballot should contact Milford City Hall at 302-424-3712.

Mayor Bryan W. Shupe

Adopted July 13, 2015

City Clerk _____

BOARD OF ELECTION

August 12th Special Election

Joanne Leuthauser

Carlene Wilson

Carole Mason

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: May 2015

Cash Balance - General Fund Bank Balance	\$2,797,808
Cash Balance - Electric Fund Bank Balance	\$4,130,420
Cash Balance - Water Fund Bank Balance	\$1,930,199
Cash Balance - Sewer Fund Bank Balance	\$1,218,625
Cash Balance - Trash Fund Bank Balance	\$215,927

	<u>General Improvement</u>	<u>Municipal Street Aid</u>	<u>Real Estate Transfer Tax</u>	<u>Solid Waste Reserves</u>
Beginning Cash Balance	70,035	1,084,547	1,659,970	0
Deposits	327,819		22,179	
Interest Earned this Month	58	160	244	
Disbursements this Month	(6,885)	(4,599)	(41,667)	
Investments				250,000
Ending Cash Balance	\$391,027	\$1,080,108	\$1,640,726	\$250,000

	<u>GF Capital Reserves</u>	<u>Water Capital Reserves</u>	<u>Sewer Capital Reserves</u>	<u>Electric Reserves</u>
Beginning Cash Balance	741,543	5,376,491	3,116,665	4,899,371
Deposits		16,057	12,500	
Interest Earned this Month	144	446	263	439
Disbursements this Month	(448)		(41,135)	(1,134)
Investments	250,000			
Ending Cash Balance	\$991,239	\$5,392,994	\$3,088,293	\$4,898,676

	<u>Water Impact Fee</u>	<u>Sewer Impact Fee</u>	<u>Electric Impact Fee</u>	<u>Economic Development Fund</u>
Beginning Cash Balance	1,272,553.00	849,563	360,340	1,016,399
Deposits	3,229	1,706	1,800	
Interest Earned this Month				
Disbursements this Month				(\$168)
Investments				
Ending Cash Balance	\$1,275,782	\$851,269	\$362,140	\$1,016,231

INTEREST THROUGH THE ELEVENTH MONTH OF THE FISCAL YEAR:

General Fund	10,796	Water Fund	3,814
GF Capital Reserves	1,242	Water Capital Reserves	3,746
Municipal Street Aid	1,661	Sewer Fund	1,563
Real Estate Transfer Tax	2,320	Sewer Capital Reserves	2,220
Electric Fund	6,722	Trash Fund	6,288
Electric Reserves	3,706		

TOTAL INTEREST EARNED TO DATE \$44,078

REVENUE REPORT**Page Two**

92% of Year Expended

Date: May 2015	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Economic Development Fund	205,578	0	45,110	21.94%
General Fund Reserves	94,245	11,247	74,541	79.09%
Realty Transfer Tax-Police	500,000	41,666	458,333	91.67%
Real Estate Tax	3,769,010	12,588	3,699,001	98.14%
Business License	40,000	1,625	34,725	86.81%
Rental License	85,000	200	83,350	98.06%
Building Permits	60,000	2,269	53,830	89.72%
Planning & Zoning	21,737	3,341	16,449	75.67%
Grasscutting Revenue	23,000	7,600	22,000	95.65%
Police Revenues	502,000	21,415	418,850	83.44%
Misc. Revenues	267,460	6,218	161,779	60.49%
Transfers From	3,215,480	267,958	2,947,524	91.67%
Total General Fund Revenues	\$8,783,510	\$376,127	\$8,015,492	91.26%
Water Revenues	2,655,351	204,574	2,428,131	91.44%
Sewer Revenues	2,659,860	191,598	2,265,795	85.18%
Kent County Sewer	1,700,000	134,116	1,564,535	92.03%
Solid Waste Revenues	1,090,545	88,090	977,171	89.60%
Electric Revenues	24,669,500	1,713,494	23,463,891	95.11%
TOTAL REVENUES	\$41,558,766	\$2,707,999	\$38,715,015	93.16%
YTD Enterprise Expense	87,713			
YTD Enterprise Revenue	84,276			
LTD Carlisle Fire Company Building Permit Fund		108,722		

EXPENDITURE REPORT

Page Three

Date: May 2015

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	446,455	\$38,106	368,175	82.47%	78,280
O&M	191,608	\$9,798	121,913	63.63%	69,695
Capital	14,995	\$0	14,995	100.00%	0
Total City Manager	\$653,058	\$47,904	\$505,083	77.34%	147,975
Planning & Zoning					
Personnel	130,127	\$9,960	59,737	45.91%	70,390
O&M	81,568	\$5,577	38,833	47.61%	42,735
Capital	0	\$0	0		0
Total P, C & I	\$211,695	\$15,537	\$98,570	46.56%	113,125
Code Enforcement & Inspections					
Personnel	147,175	\$10,987	125,348	85.17%	21,827
O&M	60,900	\$3,772	30,670	50.36%	30,230
Capital	0	\$0	0		0
Total P, C & I	\$208,075	\$14,759	\$156,018	74.98%	52,057
Council					
Personnel	31,225	\$2,749	22,713	72.74%	8,512
O&M	44,712	\$4,309	43,417	97.10%	1,295
Council Expense	16,870	\$324	15,919	94.36%	951
Contributions	211,000	\$0	211,000	100.00%	0
Codification	4,461	\$704	4,459	99.96%	2
Employee Recognition	9,369	\$0	9,368	99.99%	1
Insurance	31,000	\$0	36,870	118.29%	(5,870)
REDLG Program	60,000	\$0	0	0.00%	60,000
Armory Expenses	18,050	\$61	11,198	62.04%	6,852
Total Council	\$426,687	\$8,147	\$354,744	83.14%	71,943
Finance					
Personnel	352,620	\$26,519	306,459	86.91%	46,161
O&M	61,065	\$2,536	40,679	66.59%	20,406
Capital	0	\$0	0		0
Total Finance	\$413,705	\$29,055	\$347,138	83.91%	66,567
Information Technology					
Personnel	181,080	\$8,604	99,875	55.16%	81,205
O&M	180,765	\$7,639	166,253	91.97%	14,512
Capital	85,430	\$0	84,818	99.28%	612
Total Information Technology	\$447,275	\$16,243	\$350,946	78.46%	96,329

EXPENDITURE REPORT

Page Four

Date: May 2015

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,811,255	\$288,718	3,283,183	86.14%	528,072
O&M	499,015	\$25,712	417,617	83.69%	81,398
Capital	121,200	\$120	70,581	58.24%	50,619
Total Police	\$4,431,470	\$314,550	\$3,771,381	85.10%	660,089
Streets & Grounds Division					
Personnel	442,810	\$28,421	346,885	78.34%	95,925
O&M	448,132	\$14,613	373,186	83.28%	74,946
Capital	82,343	\$0	74,444	90.41%	7,899
Debt Service	20,520	\$0	19,207	93.60%	1,313
Total Streets & Grounds	\$993,805	\$43,034	\$813,722	81.88%	180,083
Parks & Recreation					
Personnel	604,225	\$38,726	520,402	86.13%	83,823
O&M	251,515	\$13,799	224,011	89.06%	27,504
Capital	142,000	\$0	139,556	98.28%	2,444
Total Parks & Recreation	\$997,740	\$52,525	\$883,969	88.60%	113,771
Total General Fund					
Operating Budget	\$8,783,510	\$541,754	\$7,281,571	82.90%	1,501,939

EXPENDITURE REPORT

Page Five

Date: May 2015

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	281,615	\$22,703	248,153	88.12%	33,462
O&M	1,056,516	\$82,980	779,709	73.80%	276,807
Capital	347,000	\$0	25,000	7.20%	322,000
Debt Service	970,220	\$0	770,625	79.43%	199,595
Total Water	\$2,655,351	\$105,683	\$1,823,487	68.67%	831,864
Sewer Division					
Personnel	281,615	\$22,702	248,137	88.11%	33,478
O&M	1,194,475	\$71,106	984,475	82.42%	210,000
Capital	612,500	\$0	28,351	4.63%	584,149
Debt Service	571,270	\$0	420,628	73.63%	150,642
Sewer Sub Total	\$2,659,860	\$93,808	\$1,681,591	63.22%	978,269
Kent County Sewer	1,700,000	\$134,125	1,564,526	92.03%	135,474
Total Sewer	\$4,359,860	\$227,933	\$3,246,117	74.45%	1,113,743
Solid Waste Division					
Personnel	371,835	\$27,730	321,604	86.49%	50,231
O&M	718,710	\$44,050	606,192	84.34%	112,518
Capital	0	\$0	0		0
Total Solid Waste	\$1,090,545	\$71,780	\$927,796	85.08%	162,749
Total Water, Sewer Solid Waste	\$8,105,756	\$405,396	\$5,997,400	73.99%	2,108,356
Electric Division					
Personnel	1,210,610	\$81,387	1,003,766	82.91%	206,844
O&M	1,723,380	\$107,408	1,330,286	77.19%	393,094
Transfer to General Fund	2,500,000	\$208,334	2,291,667	91.67%	208,333
Capital	335,855	\$26,744	143,666	42.78%	192,189
Debt Service	399,655	\$0	302,060	75.58%	97,595
Electric Sub Total	\$6,169,500	\$423,873	\$5,071,445	82.20%	1,098,055
Power Purchased	18,500,000	\$1,501,725	17,761,623	96.01%	738,377
Total Electric	\$24,669,500	\$1,925,598	\$22,833,068	92.56%	1,836,432
TOTAL OPERATING BUDGET	\$41,558,766	\$2,872,748	\$36,112,039	86.89%	5,446,727

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: May 2015

92 % of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Garage					
Personnel	84,085	6,362	73,638	87.58%	10,447
O&M	69,965	1,648	53,976	77.15%	15,989
Capital	40,000	32,012	32,012	80.03%	7,988
Total Garage Expense	\$194,050	40,022	\$159,626	82.26%	34,424
Public Works					
Personnel	198,550	5,116	101,872	51.21%	96,878
O&M	201,160	12,467	139,019	69.11%	62,141
Capital	6,000	0	0	0.00%	6,000
Total Public Works Expense	\$405,710	17,583	\$240,691	59.33%	165,019
Billing & Collections					
Personnel	522,210	40,027	455,911	87.30%	66,299
O&M	229,785	19,073	195,638	85.14%	34,147
Capital	0	0	0		0
Total Billing & Collections	\$751,995	59,100	\$651,549	86.64%	100,446
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	61,530	2,923	47,608	77.37%	13,922
Capital	0	0	0		0
Total City Hall Cost Allocation	\$61,530	2,923	\$47,608	77.37%	13,922

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
May 26, 2015

The City Council of the City of Milford met in Workshop Session on Tuesday, May 26, 2015 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Chris Mergner, James Burk, Owen Brooks, Jr., Douglas Morrow, Sr., James Starling, Sr. and Katrina Wilson

City Manager Hans Medlarz, Police Chief Keith Hudson and City Clerk/
Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe convened the Workshop Session of Council at 8:09 p.m.

Ordinance 2015-06/City of Milford Code/Part II-General Legislation/Appendix B Electric Tariff-Rules & Regulations

City Manager Medlarz pointed out that the word tariff has a negative connotation; however, that is the manner in which the city code refers to it. Instead, it is a document outlining the rules and regulations of how we manage our electric system. Mr. Medlarz then explained how the city purchases power. The City of Milford is one of nine members of DEMEC (Delaware Municipal Electric Corporation) which is a joint action agency. As a member, Milford is part owner.

DEMEC's mission is to procure wholesale power for its members at a cost-effective rate. DEMEC's generates electricity from a portfolio of owned-generation assets and purchases electricity from other generators through staggers, short, medium and long term contracts. Before DEMEC, each member purchased power through individual bilateral agreements. Currently the power supply for DEMEC is partially self-supplied. All members have a stake in the Beasley Power Plant in Smyrna, Fremont Power Plant in Ohio and the Laurel Hill Wind Farm in Lycoming, Pennsylvania.

The city manager explained that DEMEC also has several solar facilities owned by DEMEC. He noted that Milford Solar Farm is not owned by Milford though DEMEC has exclusive power rights. DEMEC also has part ownership in the Dover Sun Park which is a solar-powered plant. Milford does own a very small solar facility though it is insignificant in terms of powers. This covers approximately 40%.

He explained an equal block of power is covered by long term contacts. They typically bid out power blocks in two or three year strips for its members. There is a small segment of power purchased on the market to cover the balance of the power needed.

Mr. Medlarz explained there are forces such as transmission costs that we have no control over. The power still needs to be wheeled to us unless we can produce the power behind the meter. The city manager said that is the reason the Beasley Power Facility in Smyrna is such an important unit. It carries no congestion charges on the transmission because we are producing it within our own confines of DEMEC. Otherwise, we have to pay congestive charges on top of the power prices from elsewhere in order to get it here.

The same applies to the wind farm but not true for solar should it come from Milford, Dover or Smyrna. If it is all generated behind the meter, there are no transmission charges.

He explained there is a power supply component but also a capacity component which is defined by the ability to produce. There are certain requirements under the PJM (Pennsylvania Jersey Maryland) who is the grid provider. PJM is one of the largest grid-regulating entities in the United States.

However, there are always power supplies in the PJM complaining we are not getting paid enough. The transmission people complain they are not getting paid enough but the end users say they are paying too much. As a result, these things are always in conflict.

Presently there is a request before the Federal Regulatory Commission which would change how we look at capacity and would increase the reliability requirement. An old coal fired power plant that can only be run 85% of the time could be affected by the new capacity mandate which requires that number be up to 98% or more. Otherwise, the facility will be shut down or significant improvements needed.

The DEMEC facilities must meet the new PJM power requirement of 40% or increase capacity. Unfortunately the approximate 55% not covered is what we will have to buy to increase capacity demand charges.

There are also issues relating to emissions. He noted that some of the EPA rulings which are currently being promulgated will impact coal fired power plants. If that happens, we will see increases for no other reason than some plants going off the grid.

When the board looks at these issues, the wholesale power purchase cost will increase over the next 24 months.

Mr. Medlarz said we have enjoyed some very stable prices due to way DEMEC manages the power portfolio. Though our prices have been stable, other forces are creating a problem. That is why city council will have to decide how to deal with the increases and whether to cut margins, cut transfers, pass it onto our customers or a combination thereof.

Tonight council will be reviewing language changes that have nothing to do with electric costs. Instead they have everything to do with how we rule and regulate our electric utility.

Mr. Medlarz informed council there is significant preventive maintenance on the turbines in Smyrna. Twice a year a borescope with a camera is used. Some problems were found and the units were taken out of service until the final analysis is determined. It was completely disassembled and while it is apart, additional preventative maintenance will be done. The cost will be \$800,000 to \$1 million expense which will be covered by reserve funds.

However, DEMEC will pass that on over the next few months in order to replenish those reserves.

However, if a cash call is needed, the city is required to pay 20% of the bill. Mr. Medlarz does not believe that is the case because the problem was caught in time.

Mr. Medlarz encouraged council members to attend the next DEMEC presentation in Smyrna and reported that no one attended the last one. They feel that two education sessions a year will be very beneficial to council members.

Mr. Mergner feels there is a great need to educate the public because there is a huge misunderstanding of how the city buys and supplies energy. He believes electric costs are the biggest issue he deals with his constituents.

He encouraged Mr. Medlarz to get this information out to the public and thanked the city manager for an explanation.

Mr. Medlarz said that once we have an actual decision to make on how to address the increased wholesale power costs, he would like to fill this chamber with interested citizens and ask their opinion on how the city should approach this. Mr. Burk recommends that be done before the increase, rather than after.

Mr. Mergner noted that many people see the solar panels on Route 14 and believe the city is creating the solar power. They do not understand why they are paying the rates they are as a result. As a councilman he did not understand it either adding he needs to spend more time with Mr. Medlarz emphasizing the importance of this matter.

Mr. Medlarz then explained that as the previous Kent County Engineer, the Kent County Wastewater Facility was, by far, the largest customer of Delaware Cooperative (Co-Op). He paid very close attention to this and those charges that cannot be controlled by the city and not controlled by Co-Op. Because the Co-Op has supply agreements in place with the Old Dominion Electric Cooperative, he is familiar with the facilities that Old Dominion controls.

The city manager assured council that Co-Op will be facing these market forces to a greater degree than DEMEC because of their structure. He predicts the gap shown in the residential comparison rates that are included in the council packet each month will be closing faster than expected. As these market forces impact each supplier, each will have to address it and he hopes the city is better prepared to deal with it.

Mr. Medlarz encouraged council to sit down with him and discuss the DEMEC plans and options.

He concluded the background portion of the meeting by stating that DEMEC and the City of Milford, in conjunction with Bayhealth, have a great opportunity that he does not want to slip by. He would love to be the project manager and something he would totally enjoy.

The city manager pointed out there are a couple other forces in place. He explained that Milford is really not pumping up our demand and has been pretty flat over the past five years. Very few customer classes are showing any increase. With a point one (.1) growth rate over five years, we are not growing out of the problem. He said that Smyrna does not have the problem Milford does. Smyrna's electric sales are constantly growing as well as Middletown. Milford is flat which leaves less options.

He pointed out that one of the biggest problems in Milford are delinquencies. Mr. Medlarz reported that delinquencies have risen \$50,000 a year and has reached almost \$700,000.

A breakdown was provided of the number of accounts in collection, written off, bankrupt, etc.:

Collection	1558
Business in Collection	44
Medical people	13 (low number)
Accounts Final	82
Turn off for N/P	27
Write Off	34
Bankruptcy	10 (Not inclusive)
Accounts transferred instead of collections	47
Disconnected	30

Some suggestions are included in the tariff in an attempt to bring these numbers down versus continuously growing.

This electric tariff, now referred to as Electric Rules and Regulations, has not been documented for almost ten years. Previous City Manager David Baird started working on it and after he left, some work followed by City Manager Carmean. When Mr. Medlarz came on board, Electric Superintendent Rick Carmean told him it the document was in dire need of change adding that the amendments were well overdue. He pointed out there are a lot of practices Milford is doing that are not included in the tariff which is a bad way of doing business.

At a minimum, we need to bring our practices in line with what staff has been told they can do in the past. Mr. Medlarz said right now the disconnect policy or how we operate, is out of line. The document has been made current with what is being done and also allows extended hours before disconnect days. It is an advantage to get the customer into customer service before the disconnect and not after as is currently being done. This would eliminate calls going to the police department which the city manager feels is inappropriate.

He believes that allowing customer service hours prior to a disconnect date will allow more opportunity for the customer to make arrangements. The goal of the city is not to collect the disconnect fees from the customer. We prefer the customer pay the bill to prevent the disconnect. Mr. Medlarz hopes this will motivate the customer by allowing extra time and/or arrangements to be made.

Mr. Brooks stated that in the past, the bills were always due the 15th. The way it is set up now, it is due on a different date every month. He noted that a lot of people live week to week and if they knew their bill was due the 15th each month, they always paid it. Now they procrastinate until it is due the third week of the month but they are not paid then.

Mr. Medlarz feels that could work under our budget billing process. The customer would receive the same bill each month. Mr. Brooks asked if the customers have been educated on that policy; the city manager said customer service is trying to get everyone who is delinquent off the delinquency cycle. If they have an agreement and the customer has not defaulted on the agreement, they prefer the customer remain on budget billing. There are only three dozen or so customers on budget billing. The city provides the customer with a budget billing service and the customer agrees to the conditions. If the customer decides not to pay the budget billing, they are no longer eligible for the program.

Mr. Brooks asked how keeping the office open at night helps someone who has not paid their bill on the due date; Mr. Medlarz explained that a lot of our customers know exactly how to work the system. They have figured out the due date and the disconnect date indicated on the disconnect notice. A number of customers do not even consider paying until they receive the disconnect notice.

In order to prevent them from being disconnected, this will give the people who work during the day few additional hours to take care of their bill before they are disconnected the following day. He hopes this will encourage our customer to work with us and prevent the disconnect altogether.

The amendment to the electric document will allow the extended hours and he is confident it will be money well spent.

Ms. Wilson said those on budget billing really like it. Mr. Brooks agreed adding that council asked for it for many, many years and it was finally approved in the past year or so.

The city manager also reported that currently, we automatically generate a refund. The majority of the refunds are very minor and \$15 or less. There is a great deal of staff time to process and generate the refunds and of ten, it is mailed to an address no longer valid. The refund comes back and is subject to escheat. The city then ends up giving them to the State of Delaware which makes no sense.

Mr. Medlarz is proposing a nominal fee of \$15 to cover our expenses with a requirement to provide your forward mailing address. That prevents mailing a \$13 check to an invalid address. He said the intent is not to raise revenue but to create an incentive for customers to come in and request an address change. They are more than likely to do that if they are receiving \$200 to \$400 back and will not problem paying a \$15 processing fee.

Councilman Burk agreed adding that most banks charge \$10 to cash a check these days.

Mr. Medlarz said if we already have to give this money to the state, he prefers not handling it twice.

The city manager said that currently, we still have meters on pedestals in remote locations. Customers will now be required to have all meters in the front of the house in order to accommodate AMR's. He and Electric Superintendent Rick Carmean are analyzing the process of transitioning from Automatic Meter Reading (AMR) to Advanced Metering Infrastructure (AMI) technologies.

Currently we have a ride-by technology in place. Every ten years the meters are supposed to be calibrated. Our next step is the AMI technology that includes the back haul that collects data on a wi-fi support network. The AMI project may be one of the next DEMEC projects because the other utilities are pursuing this as well.

Mr. Brooks said his meter is in the rear of the house and confirmed it will need to be moved to the front but because Mr. Brooks is on a corner lot, his may not have to be moved. Mr. Medlarz' meter is on a pedestal in the rear of his home and has to be moved.

Mr. Burk asked who pays for this relocation; Mr. Medlarz said the city pays for it because it is in the city's best interest to move them.

The city manager said that right now, our overall system power factor runs in the high 90's. We are above the threshold charged by our supplier. Our power still comes into the Delmarva Power transmission grid. They have a requirement of the power factors to prevent interfering with their transmission lines. The city is within that requirement.

Mr. Medlarz said that our customers are supposed to be within a 90% power factor. He explained that the reactive power has to be less than 10%.

He referred to several commercial customers and how they perform.

The city manager explained the intent is not to increase revenues adding this is insignificant but increases the parity on the grid. We need to be as close to 100% as possible and if we can get our customers as close to 95% versus the 90% mark, that will help systemwide.

This does not change the rates and he wants everyone to understand this benefit. Mr. Medlarz explained that US Cold Storage should be much better and there is no reason why they are at 83% and should be in the high 90's. The schools have made a lot of improvements over the years and each are in the 90's. He and Rick Carmean feel that for the city to run our system efficiently and to prevent falling below the Delmarva-required number, this is a market force we can control.

He also noted that other DEMEC members have higher power factor requirements that what was proposed:

City of Dover - 98.5%
City of Middletown - 98.5%
City of Seaford - 98%
City of Smyrna 98.5% Interconnection Slde/90% Retail Customer Side
Delaware Electric Cooperative - 90%

Their penalties are also higher than Milford. Dover, Middletown, Seaford and Smyrna are all at 98.5%. The Co-Op, being a majority residential load, is down at 90%, where Milford is right now. He hopes to steer Milford in the 95% range.

Currently the tariff contains a fixed formula of the purchase power cost adjustment. This is one of the most disliked formulas in the document and is not used as written. Right now, the city establishes a margin and a power purchase cost adjustment (PPCA) was added to achieve it. This way it is not covered in the document. He recommends the formula be removed or followed as written.

Mr. Brooks asked who made the decision to do it differently than how the tariff reads; Mr. Medlarz said he is unsure though he is willing to find out when that started.

The city manager said that council should only be looking at what kind of margin is needed. Over the years, the city pursued the PPCA to meet the expected margin. However, it is not codified in the tariff. If council does not believe there is a way to use a fixed formula, it should be determined at the time the budget is presented.

Mr. Medlarz is trying to make the document conform to our practices and also found that commercial and residential classes were being handled in different situations. He found that in the first few weeks on the job and instructed staff not to treat one classification different from the other one. He thinks it is just bad business. In his opinion, the notification is mailed regardless of the meter class and they will be disconnected. It should not make a difference who the owner or manager is. Simply put, if the bill is not paid, they should be disconnected.

Mr. Medlarz said that right now we do not have a notification requirement for a disconnect notice. There were some previous concerns expressed if it could create imminent danger to the property. The language was added that the city is not obligated though our staff makes significant efforts to notify people who are the owners of the property pending electric disconnect during inclement weather.

He also noted that we have an inclement weather policy and during freezing conditions, the city does not disconnect though that language currently exists.

Mr. Medlarz said that when he first came here, he learned of a customer who was essentially running a hidden business using a residential service. He found very large residential accounts that are over the 2,500 kW and in some cases 5,000-6,000 kW a house which is a large account. They were taking advantage of the fact we did not have a tier in the residential side.

He feels that once a residential customer hits that next tier, just as is done on the commercial side, it should kick the residential customer up to the next level. He pointed out that essentially, the city is supporting residents who are running a quasi business in their backyard.

Right now, the city manager wants to encourage more LED lights especially on the security and private lighting side. We really don't want any additional high pressure sodiums.

The city is working with DEMEC on a much broader program but this is the security and private lighting side.

Mr. Mergner asked if we are working on an incentive for businesses and commercial sites to switch over to LED lighting. Mr. Medlarz explained that is the next level and there is a state program sustainable energy utility (SEU) for that. The city cannot itself use the SEU but a business owner can approach the state.

The city plans that when we switch to the AMI metering system, we would be the local collectors on LED street lights. Approximately 15% of our street lights would be changed during that project. We still need to justify if that will work for the city.

Right now, DEMEC purchases large orders for all of their members. When the City of Milford only purchases one hundred LED lights for a few burned out lamps, we can get them through the DEMEC contract which is very favorable because of the bulk purchase.

Mr. Medlarz reported that currently we have customers who want services beyond the basic services. For example, our closest point of contact for meters should be on the corner of the house though the customer prefers to have it on the other side. It would then have to be routed around the house. The city is happy to provide that service as has been done in the past. Right now we have no charge for these additional services. If a customer requests service above and beyond the basic service, this new document will allow us to recover the additional costs while still being customer friendly.

A customer also has the right to decline the service once the price is determined.

The updated fee schedule in the appendix only has two big numbers according to Mr. Medlarz. It includes the \$15 refund request notice and rental deposit fee. Currently, a renter is required to pay a \$100 electric deposit. The big delinquency number is driven by circumstances beyond our control where renters leave and the city loses what they owe. In most cases it is much more than \$100 and typically \$300, \$400 or \$500. For example, someone has all intentions of moving and cannot afford to buy heating oil their last month. Instead they use a 1,000 watt heater in their house which increases to their electric bill to approximately \$500. They then walk away knowing there are no repercussions. They lose the \$100 deposit though it is worth it considering what they five times that amount. In the meantime, the city has to buy the wholesale power and distribute it but we are unable to recover it. That is the opposite end of the refund and this is for re-incurred costs.

He is recommending we charge the greater of two-twelfths of the average annual estimated bill or a minimum of \$250. However, if the property owner guarantees 100% payment in writing, the renter is not charged.

Any customer in good standing can always vouch for the renter and a form has been developed for those cases and is included in the document. He is attempting to do as much as possible to prevent the delinquent number from continuing to grow any larger.

Ms. Wilson asked about the electric accounts where the residents have documents from their physician stating that electric is needed for medical equipment. Mr. Medlarz assured her there have been no changes in that language adding that the utility has the right to limit the load to supply the power needed for the medical device.

The city manager emphasized we are very generous on how we calculate limitations. A load limiter is then placed on the meter and the resident is notified.

Ms. Wilson said there have been problems in the past with customers who were receiving that courtesy. Mr. Medlarz said the language is appropriate and does not need to be changed adding that we are operating under state statute though the city's rules are somewhat more lenient.

Mr. Medlarz pointed out that some people seem surprised that physicians add a time limit such as six months. The resident does not read the note though our customer service staff does. Unless an extension is provided by the physician, we would not know any different. He has talked about that with the customer service staff and informed them to point out to the customer there is a time limit notation.

Mr. Medlarz said this has been scheduled for a Public Hearing at the June 22, 2015 meeting.

Recommended Charter Review/Powers of Elected and Appointed Officials/Mayor Shupe

Mayor Shupe recommends this matter be postponed due to the absence of two councilmen this evening.

Adjourn

With no further business, the Workshop was adjourned by Mayor Shupe at 9:05 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 9, 2015

A Meeting of the Police 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, July 9, 2015.

PRESIDING: Chairman Douglas Morrow Sr.

IN ATTENDANCE: Police Committee Member Katrina Wilson

Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

Chairman Morrow called the Police Committee Meeting to order at 8:08 a.m.

EXECUTIVE SESSION

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

Ms. Wilson moved to go into Executive Session reference a contractual matter, seconded by Mr. Morrow. Motion carried.

Mr. Morrow recessed the Council Meeting at 8:07 a.m. for the purpose of an Executive Session as is permitted by Delaware's Freedom of Information Act.

Return to Open Session

Mr. Morrow moved to present the three options discussed in Executive Session for council consideration at the July 13, 2005 meeting, seconded by Ms. Wilson. Motion carried.

In the meantime, Chief Hudson will follow up with Mr. Portmann to determine any budgetary impact as a result of the potential options.

Mr. Morrow also asked that the information from the other municipalities be provided at the next council meeting as well.

ADJOURN

With no further business, Ms. Wilson moved to adjourn the Police Committee Meeting, seconded by Mr. Morrow. Motion carried.

The Police Committee Meeting was adjourned at 8:37 a.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder