

# City of Milford



## AGENDA

Council Meeting

July 28, 2014

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

7:00 P.M.

### **PUBLIC HEARING-POSTPONED\***

Matthew and Jennifer Feindt/Minor Subdivision & Conditional Use  
303 Pierce Street, Milford, Delaware/Tax Map MD-16-183.10-04-012.00

### **COUNCIL MEETING**

Call to Order-Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Recognition

Communications

Reminder/FOIA Workshop-August 11, 2014

Unfinished Business

Adoption of Ordinance 2014-07/Matt Feindt & Jennifer Fiendt/Conditional Use

Appointment of Planning Commissioner

New Business

Alcohol Permit Requests/Special Events/Downtown Milford, Incorporated (Change of Dates)

Greater Kent Committee/Semi-Annual Dues

Adoption of Resolution 2014-11/Authorizing Signatures for Banking Services

Comcast Cable Television Franchise Agreement

Independence Commons & Business Park Land Sale Proceeds/General Fund Reserves/Economic  
Development Funds/Restricted Use

Bid Award/Valve Exerciser Unit/Water Department

Bid Award/North Washington Street Improvements Project\*\*

Adjourn

### **WORKSHOP**

Call to Order-Mayor Bryan Shupe

DBF/Washington Street Water Treatment Facility Relocation

DBF/USDA Borrowing Possibilities/Referendum

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.**

# City of Milford



## AGENDA

Monthly Council Meeting

August 11, 2014

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

5:30 P.M.

Workshop - FOIA Training

COUNCIL MEETING

Call to Order - Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Monthly Police Report

City Manager Report

Committee & Ward Reports

Communications & Correspondence

Unfinished Business

New Business

Monthly Finance Report

Adjourn

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**SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT  
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## PUBLIC NOTICE-ORDINANCE REVIEW

Notice is hereby given the following ordinance is under review by the City of Milford Planning Commission and City Council and Public Hearings have been scheduled as indicated.

### Ordinance 2014-07

Matt Feindt on behalf of Legal Owner Matthew & Jennifer Fiendt for a Conditional Use

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILFORD, DELAWARE APPROVING A CONDITIONAL USE TO ALLOW A SINGLE FAMILY SEMI-DETACHED DWELLING IN AN R-2 DISTRICT AT 303 PIERCE STREET, MILFORD, DELAWARE. TAX PARCEL MD-16-183.10-04-12.00

Whereas, the City of Milford Planning Commission reviewed the conditional use application at a Public Hearing on May 20, 2014; and

Whereas, the conditional use application will be considered by City Council at their June 23, 2014 meeting; and

Whereas, Ordinance 2014-07 will be reviewed by the Planning Commission on July 15, 2014 and a recommendation made to City Council; and

Whereas, Milford City Council will hold a Public Hearing on July 28, 2014 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 Conditional Use for a single family semi-detached dwelling as herein described.

Now, Therefore, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, Matt Feindt on behalf of Legal Owner Matthew & Jennifer Feindt is hereby granted a Conditional Use Permit in accordance with the application, approved plans and any conditions set forth.

Section 2. Construction or operation shall be commenced within one year of the date of issuance of the permit or the conditional use becomes void.

Section 3. Dates.

Introduction to City Council: 06-23-14

Planning Commission Review & Public Hearing: 07-15-14

City Council Review & Public Hearing: 07-28-14

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

Ordinance 2014-07 is scheduled for adoption, with or without amendments, at the scheduled City Council Meeting on Monday, July 28, 2014. Should you have questions, please contact Milford City Hall at 302-424-3712 Extension 308.

## Chapter 57-Planning Commission

### § 57-1. Establishment.

There is hereby established, pursuant to 22 Del. C. § 701 et seq., the Milford Planning Commission.

### § 57-2. Membership; terms of office.

The Commission shall consist of nine members to be appointed by the Council. The term of each member so appointed and confirmed shall be for three years, except that of the members first appointed, three shall be appointed to a term of three years, three shall be appointed to a term of two years and three shall be appointed to a term of one year.

### § 57-3. Removal; vacancies.

Any member of the Planning Commission may be removed for cause, after a public hearing, by the Mayor with the approval of the City Council. A vacancy occurring otherwise than by expiration of term shall be filled for the unexpired term in the same manner as an original appointment.

### § 57-4. Ex officio members.

The Mayor and City Manager shall be ex officio members of the Planning Commission and may exercise all of the powers of the regular members; provided, however, that an ex officio member may not hold an office on the Commission and shall have no right to vote on matters coming before the Commission.

### § 57-5. Salaries and compensation.

All members of the Commission shall serve without compensation but may be reimbursed for actual expenses incurred in connection with their official duties.

### § 57-6. Officers; staff; custodian of records.

The Commission shall elect annually a Chairman and Secretary from among its own number and may employ experts, clerical help and other assistants. The Commission may appoint a custodian of its Comprehensive Plan and records, who may be the City Manager or other employee of the Council.

### § 57-7. Rules of procedure; meetings; records.

The Commission shall adopt its own rules of procedure and determine the times of its meetings and methods of notice thereof. All meetings of the Commission at which any official action is taken shall be open to the public, and all records of the Commission shall be public records.

### § 57-8. Powers and duties; reports.

The Milford Planning Commission shall have all the powers and authority vested in municipal planning commissions under the provisions of Title 22, Delaware Code, Chapter 7, subject to the same conditions and limitations set forth therein at the effective date of this chapter. The Planning Commission shall report at each monthly meeting of the Council and shall present copies of its minutes of the preceding month.

# CITY OF MILFORD

## PLANNING COMMISSION MEMBERS

---

James F. Burk, Chairman

Appointed: 11/08

Term Expiration: 08/31/15

Marvin C. Sharp

Appointed: 09/08

Term Expiration: 08/31/15

Archie J. Campbell

Appointed: 10/09

Term Expiration: 08/31/16

William J. Lane

Appointed: 08/10

Term Expiration: 08/31/15

Kerri B. Fry

Appointed: 08/11

Term Expiration: 08/31/2016

W. Ed Holloway

Appointed: 01/12

Term Expiration: 08/31/2014

*Vacant*

Term Expiration: 08/31/2016

Deborah A. O'Neill

Appointed: 10/12

Term Expiration: 08/31/2014

Rae M. Mims

Appointed: 12/12

Term Expiration: 08/31/2014

Please mail correspondence to:

**Planning Commission**

c/o Planning Department

201 S Walnut St

Milford, DE 19963

Official Use Only

Application Number \_\_\_\_\_ Approved \_\_\_\_\_ Date \_\_\_\_\_

APPLICATION FOR A GROUP GATHERING LICENSE  
TO SELL AND DISPENSE ALCOHOLIC LIQUOR AT A GATHERING OF PERSONS

Provide: Federal I.D. Number 51-0364402  
Date of Affair 8/2/2014  
Hours of Affair 11-12M

TO: Office of the Alcoholic Beverage Control Commissioner  
Carvel State Office Building, 820 French Street  
Wilmington, DE 19801  
(302) 577-5222

I, Melissa Pingue, being the Manager or Person-in-Charge  
(Manager/PIC's Name)

(PIC) of a gathering of persons where alcoholic liquors are to be sold, on behalf of and in the name of

Downtown Milford Incorporated (302) 839-1180 Riverwalk Farmers Market  
(Name of Organization/Party) (Phone Number) (Name of Event)

am applying for a license to sell alcoholic liquor defined in the Liquor Control Act. I hereby solemnly swear to perform any and all duties and obligations required by said Act, and further certify that I am familiar with the requirements of said law. I also understand that the license, if granted, shall be valid only for the time, period, location, and event specified in this application.

1. Applicant's/Organization's Address: 207 S. Walnut Street Milford, DE 19963

1(a) License to be mailed to: Downtown Milford Inc. P.O. Box 12 Milford, DE 19963 or  
Emailed

to: director@downtownmilford.org dmanabello@verizon.net

2. Manager/PIC's Address: 20420 Pingue Drive Milford DE 19963  
Day Phone - (302) 222-2106 Evening Phone - (302) 424-4595

3. Location of premises wherein license is to be used:

Riverwalk Park on South Walnut Street Milford, DE 19963  
(Bldg./complex/Park Name) (Street) (City) (State) (Zip Code)

4. I agree to obtain alcoholic beverages from either a Delaware licensed retailer or wholesaler authorized to provide such alcoholic beverages.

5. It is understood, under penalty of law, that alcoholic beverages shall not be sold, served or dispensed to any person in attendance at this gathering that is under 21 years of age or who appears intoxicated.

6. It is understood that the sale of alcoholic beverages are not permitted between the hours of 1:00 a.m. 9:00 a.m.
7. I agree to sell the alcoholic beverages for consumption on the premises where sold only except that it is permissible for me to sell up to 10 gallons for off premise consumption by way of a raffle or auction, live or silent.
8. It is understood that alcoholic beverages remaining on the premise that are not opened, may be returned to the licensed wholesaler or retailer from which they were purchased or donated, within 30 days of the date of the gathering.
9. I submit \$5.00 dollars in payment of full license fee at the rate of \$5.00 for one or two days, and \$2.00 per day for each day thereafter, Sundays and Holidays as defined in Title 4 Section 709, require an additional \$5.00.

Walter Egan (Signature of Applicant)      Market Master (Title)      (302) 222-2160 (Phone Number)

I understand, and approve, that the above applicant is making application for a license from the Office of the Alcoholic Beverage Control Commissioner to store alcoholic liquor for resale and consumption on the premises and limited off-premises consumption, during the above scheduled event located at:

207 S. Walnut St. Milford DE 19963 (Complete Address for Event)      08/02/2014 (Date(s) of Event)

11 - 1pm (Hours of Operation)

DAN MARABELLO (Signature of Owner of Hall/Home, Landlord or Rental Agent)      ( ) (Title)      ( ) (Phone Number)  
~~XXXXXXXXXXXX~~ (Alternate Contact Person)      (302) 424-3722 (Phone Number)  
~~302-839-1180~~ (Phone Number)

**PLEASE COMPLY WITH THE FOLLOWING REQUIREMENTS:**

1. Organizations (other than #2 below) must submit current IRS Tax Form 990, or IRS Department of Treasury letter granting an exemption from federal income tax under Section 501(c)(3)
2. If a candidate, political organization, or party, you must submit proof of current registration with the Delaware Department of Elections.
3. The applicant must submit a floor plan of the area to be licensed. The floor plan must include all seating, bar area, entertainment and liquor storage
4. The completed application along with the proof of non-profit status, floor plan and the appropriate fee, must be **submitted no less than ten (10) days** prior to the date of the event. Timely submission will allow sufficient time for consideration by the OABC Commissioner.



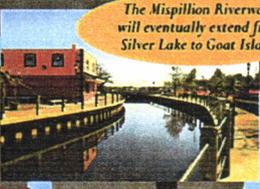
River Town.

Art Town.

Home Town.



Historic Parson Thorne Mansion, home of Milford's co-founder, dates to the 1730's

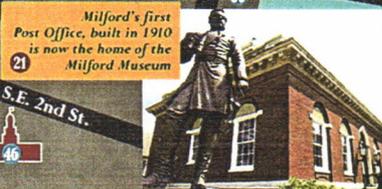


The Mispillon Riverwalk will eventually extend from Silver Lake to Goat Island



The four-masted schooner, the Albert F. Paul was built in 1917 by William G. Abbott Shipyard, Milford

Milford has a long history of shipbuilding, from the 1700's up to WWII with seven shipyards active downtown at its peak.



Milford's first Post Office, built in 1910 is now the home of the Milford Museum

**Key**

- Downtown Milford
- Info Kiosk (you are here)
- Parking
- Saturday Farmers' Market (seasonal)
- Heritage Mural Project
- Riverwalk

map is not to scale

Goat Island (proposed nature trails)

**EVENT LOCATION**

*Key*



Beaches

Official Use Only		
Application Number _____	Approved _____	Date _____

**APPLICATION FOR A GROUP GATHERING LICENSE  
TO SELL AND DISPENSE ALCOHOLIC LIQUOR AT A GATHERING OF PERSONS**

Provide: Federal I.D. Number 51-0364402  
 Date of Affair OCT 18, 2014  
 Hours of Affair 11AM - 1 PM

**TO: Office of the Alcoholic Beverage Control Commissioner  
 Carvel State Office Building, 820 French Street  
 Wilmington, DE 19801  
 (302) 577-5222**

I, DANIEL MARABELLO, being the Manager or Person-in-Charge  
(Manager/PIC's Name)  
 (PIC) of a gathering of persons where alcoholic liquors are to be sold, on behalf of and in the name of

Downtown Milford Inc (302) 839 1180 RIVERWALK FARMERS MARKET  
(Name of Organization/Party) (Phone Number) (Name of Event)

am applying for a license to sell alcoholic liquor defined in the Liquor Control Act. I hereby solemnly swear to perform any and all duties and obligations required by said Act, and further certify that I am familiar with the requirements of said law. I also understand that the license, if granted, shall be valid only for the time, period, location, and event specified in this application.

1. Applicant's/Organization's Address: 207 S. WALNUT ST. MILFORD, DE. 19963

1(a) License to be mailed to: DOWNTOWN MILFORD, INC. 207 S. WALNUT ST. MILFORD, DE. 19963 or  
 Emailed to: ~~DIRECTOR @ DOWNTOWN MILFORD, DE.~~  
dmarabello@verizon.net

2. Manager/PIC's Address: 1 WINDY DR., MILFORD, DE. 19963  
 Day Phone - (302) 424 3722 Evening Phone - (302) 424 3722

3. Location of premises wherein license is to be used:

RIVERWALK PARK on SOUTH WALNUT ST. MILFORD, DE. 19963  
(Bldg./complex/Park Name) (Street) (City) (State) (Zip Code)

4. I agree to obtain alcoholic beverages from either a Delaware licensed retailer or wholesaler authorized to provide such alcoholic beverages.
5. It is understood, under penalty of law, that alcoholic beverages shall not be sold, served or dispensed to any person in attendance at this gathering that is under 21 years of age or who appears intoxicated.
6. It is understood that the sale of alcoholic beverages are not permitted between the hours of 1:00 a.m. 9:00 a.m.



River Town.

Art Town.

Home Town.



Historic Parson Thorne Mansion, home of Milford's co-founder, dates to the 1730's



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- Downtown Milford
- ◆ Info Kiosk (you are here)
- P Parking
- 🍏 Saturday Farmers' Market (seasonal)
- 🎨 Heritage Mural Project
- 🌊 Riverwalk

map is not to scale

↑ N

**Greater Kent Committee  
 101 W. Loockerman St  
 Suite 1B  
 Dover, Delaware 19904**

**Dues Invoice**

Richard Carmean  
 Town of Milford  
 201 S. Walnut Street  
 Milford, DE 19963

Date	Invoice #
7/10/2014	1546

		Terms	Due Upon Receipt
Description		Amount	
Annual Program Support x 1/2 (July through December)			750.00

**We now accept credit cards! Please include your account number with card type and expiration date along with the invoice if you select this method of payment. Thank you.**

<b>Total</b>	<b>\$750.00</b>
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**If you would like to also make a donation to the Greater Kent Committee please include with your payment and a receipt will be mailed to you for tax purposes**

<b>Payments/Credits</b>	<b>\$0.00</b>
<b>Balance Due</b>	<b>\$750.00</b>

# City of Milford



## Resolution 2014-11

### *Authorizing Signatures for Banking Services on Behalf of the City of Milford*

WHEREAS, the City of Milford Investment Policy includes the investment of funds with banking institutions and investments in the State of Delaware Investment Pool, and the purchase and sale of U.S. Treasury and Agency Securities; and

WHEREAS, the banking institutions, brokerage firms, trust companies and other various financial institutions require an Authorizing Resolution for the opening of accounts and for purchasing, selling, transferring, assigning and handling securities.

NOW, THEREFORE IT RESOLVED, by the Mayor and Council of the City of Milford, that the Finance Director is hereby authorized to open accounts with banking institutions and purchase, sell, transfer, assign and handle securities and that he is authorized to sign all related forms.

BE IT FURTHER RESOLVED that the transactions in these accounts be carried out with one signature; and that the following office holder is authorized for such purposes, until further notice:

Jeffrey Portmann, Finance Director

Approved and adopted this 28<sup>th</sup> day of July 2014 by a majority vote of Milford City Council.

Mayor Bryan W. Shupe

City Clerk \_\_\_\_\_

CABLE FRANCHISE AGREEMENT  
BETWEEN  
CITY OF MILFORD, DELAWARE  
AND  
COMCAST OF DELMARVA, LLC

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## **FRANCHISE AGREEMENT**

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the City of Milford, Delaware (hereinafter, "City" or "Franchising Authority") and Comcast of Delmarva, LLC (hereinafter, "Franchisee").

The City having determined that the financial, legal, and technical ability of the Franchisee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Franchisee for the construction, operation, and maintenance of a Cable System on the terms and conditions set forth herein.

### **SECTION 1 - Definition of Terms**

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§ 521 - 631 (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future, words used to refer to the masculine include the feminine, and words in the plural number include the singular number. The word "shall" is mandatory and "may" is permissive. Words not defined in the Cable Act or herein shall be given their common and ordinary meaning.

1.1. "Cable Service" or "Service" shall mean the one-way transmission to Subscribers of Video Programming or other Programming service and Subscriber interaction, if any, which is required for the selection or use of such Video Programming or other Programming service.

1.2. "Cable System" shall mean a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the Franchise Area, and as further defined under Section 602 (7) of the Cable Act.

1.3. "City" shall mean Comcast of Delmarva, LLC.

1.4. "Customer" or "Subscriber" shall mean a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee's express permission.

1.5. "Effective Date" shall mean \_\_\_\_\_ 2014.

1.6. "FCC" shall mean the Federal Communications Commission, or successor governmental entity thereto.

1.7. "Franchise" shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

1.8. "Franchise Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.

1.9. "Franchise Area" shall mean the present legal boundaries of the City of Milford, as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means during the term of the Franchise, as per the requirements set forth in Section 13.12 of this Agreement.

1.10. "Franchising Authority" shall mean the City of Milford or the lawful successor, transferee, designee, or assignee thereof.

1.11. "Franchisee" shall mean Comcast of Delmarva, LLC.

1.12. "Gross Revenue" shall mean revenue derived by the Franchisee from the operation of the Cable System in the Franchise Area to provide Cable Service, calculated in accordance with generally accepted accounting principles ("GAAP"). Gross Revenue includes monthly basic cable, premium and pay-per-view video fees, installation fees and subscriber equipment rental fees. Gross Revenue shall not include program launch support payments, revenue from advertising and home shopping, refundable deposits, late fees, investment income, nor any taxes, franchise fees, or other fees or assessments imposed or assessed by any governmental authority. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with generally accepted accounting principles, provided however, that all or any part of any such actual bad debt that is written off, but subsequently collected, shall be included in the Gross Annual Revenues in the period so collected.

1.13. "Person" shall mean any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Franchising Authority.

1.14. "Public Buildings" shall mean those buildings owned or leased by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

1.15. "Public Way" shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, park or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise Area, which shall entitle the Franchisee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee's Cable System over poles, wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

1.16. "Standard Installation" shall mean the standard one hundred twenty-five foot (125') aerial Drop connection to the existing distribution system.

1.17. "Video Programming" or "Programming" shall mean the programming provided by, or generally considered comparable to programming provided by, a television broadcast station.

1.18. "Video Service Provider" or "VSP" shall mean any entity using the public rights-of-way to provide multiple Video Programming services to subscribers, for purchase or at no cost, regardless of the transmission method, facilities, or technology used. A VSP shall include but is not limited to any entity that provides cable services, multi-channel multipoint distribution services, broadcast satellite services, satellite-delivered services, wireless services, and Internet-Protocol based services.

## **SECTION 2 - Grant of Authority**

2.1. Franchise Grant. The Franchising Authority hereby grants to the Franchisee a non-exclusive Franchise authorizing the Franchisee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and other related property or equipment as may be necessary or appurtenant to the Cable System, and to provide such services over the Cable System as may be lawfully allowed.

2.2. Term of Franchise. The term of the Franchise granted hereunder shall be fifteen (15) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement and the Cable Act. This Franchise shall be automatically extended for three (3) additional terms of five (5) years each unless either party notifies the other in writing of its desire to enter renewal negotiations under the Cable Act at least one (1) year before the expiration date of the then-current Franchise Agreement, whether it be the initial term or a subsequent extended term.

2.3. Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Cable Act [47 U.S.C. §546], as amended.

### **SECTION 3 – Construction and Maintenance of the Cable System**

3.1. Permits and General Obligations. The Franchisee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. The issuance of such permits shall not be unreasonably withheld or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. Notwithstanding the requirements herein, Franchisee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

#### **3.2. Conditions of Street Occupancy.**

3.2.1. New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable advance written notice from the Franchising Authority (which shall not be less than thirty (30) business days) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing,

the Franchising Authority shall notify Franchisee of such funding and make available such funds to the Franchisee.

3.2.2. Relocation at Request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.

3.2.3. Restoration of Public Ways. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, the Franchisee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance.

3.2.4. Safety Requirements. The Franchisee shall undertake all necessary and appropriate efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in substantial accordance with applicable FCC or other federal and state regulations. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5. Trimming of Trees and Shrubbery. The Franchisee shall have the authority to trim trees or other natural vegetative growth encroaching or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall be responsible for any collateral, real property damage caused by such trimming.

3.2.6. Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable System transmission and distribution facilities underground, provided that such underground locations are actually capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or

underground. Nothing in this Agreement shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.2.7. Undergrounding and Beautification Projects. In the event all users of the Public Way relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Franchisee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Franchisee's relocation costs shall be included in any computation of necessary project funding by the municipality or private parties. Franchisee shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. In the event that public and/or private funds are not available, Franchisee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.

#### **SECTION 4 - Service Obligations**

4.1. General Service Obligation. The Franchisee shall make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least thirty (30) occupied dwelling units per mile with aerial cable or sixty (60) residential occupied dwelling units per mile in areas with underground cable and is within one (1) mile as measured in strand footage from the nearest point on the Cable System trunk or feeder line from which a usable cable signal can be obtained. For purposes of this section, a home shall be counted as a "dwelling unit" if, and only if, such home is within two hundred seventy-five (275) feet of the public right of way. Subject to the density requirement, Franchisee shall offer Cable Service to all new homes or previously unserved homes located within one hundred and twenty-five (125) feet of the Franchisee's distribution cable at the standard installation rate. Should, through new construction, an area within the Franchise Area meet the density requirements, Franchisee shall provide Cable Service to such area within one year after it confirms that the density requirements have been met following notice from the Franchising Authority that one or more residents has requested service.

The Franchisee may elect to extend service to areas that do not otherwise qualify to receive service under this section if any resident or group of residents agree in writing to pay to Franchisee the cost of construction, including materials, labor, and the total cost of any easement(s) necessary to accomplish the proposed line extension. One half of the cost of construction shall be paid to the Franchisee prior to engineering and the balance shall be paid prior to installation.

4.2. Programming. The Franchisee shall offer to all Customers a diversity of Video Programming services in accordance with federal law.

4.3. No Unfair Discrimination. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Franchisee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Franchisee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee are satisfied. Nothing contained herein shall prohibit the Franchisee from offering bulk discounts, promotional discounts, package discounts, or other such pricing strategies as part of its business practice.

4.4. New Developments. The Franchising Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require the developer, as a condition of issuing the permit, to give the Franchisee access to open trenches for deployment of cable facilities and at least ten (10) business days written notice of the date of availability of open trenches.

4.5. Prohibition Against Reselling Service. No Person shall resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

## **SECTION 5 - Fees and Charges to Customers**

5.1. All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Before any new or modified rate, fee, or charge is imposed, the Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law.

## **SECTION 6 - Customer Service Standards; Customer Bills; and Privacy Protection**

6.1. Customer Service Standards. The Franchising Authority hereby adopts the customer service standards set forth in Part 76, §76.309 of the FCC's

rules and regulations, as amended. The Franchisee shall comply in all respects with the customer service requirements established by the FCC.

6.2. Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (i) is not misleading and (ii) does not omit material information. Notwithstanding anything to the contrary in Section 6.1, above, the Franchisee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622 (c) of the Cable Act [47 U.S.C. §542 (c)].

6.3. Privacy Protection. The Franchisee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

## **SECTION 7 - Oversight and Regulation by Franchising Authority**

7.1. Franchise Fees. The Franchisee shall pay to the Franchising Authority a franchise fee in an amount equal to five percent (5%) of annual Gross Revenues received from the operation of the Cable System to provide Cable Service in the Franchise Area; provided, however, that Franchisee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each first, second and third calendar quarter (i.e., May 15, August 15, November 15) and sixty (60) days after the close of the calendar year (last day of February). Each franchise fee payment shall be accompanied by a report prepared by a representative of the Franchisee showing the basis for the computation of the Franchise Fees paid during that period.

### **7.2. Franchise Fees Subject to Audit.**

7.2.1 Upon notice pursuant to Section 13.2 herein, during Normal Business Hours at Franchisee's principal business office, the Franchising Authority shall have the right to inspect the Franchisee's financial records used to calculate the Franchising Authority's franchise fees; provided, however, that any such inspection shall take place within two (2) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

7.2.2. Upon the completion of any such audit by the Franchising Authority, the Franchising Authority shall provide to the Franchisee a final report setting forth the Franchising Authority's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Franchisee shall have thirty (30) days from the receipt of the report to provide the

Franchising Authority with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Finally Settled Amount." For purposes of this Section, the term "Finally Settled Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Franchisee as a result of any such audit. If the parties cannot agree on a "Final Settlement Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

7.2.3. Any "Finally Settled Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Franchisee within thirty (30) days from the date the parties agree upon the "Finally Settled Amount." Once the parties agree upon a Finally Settled Amount and such amount is paid by the Franchisee, the Franchising Authority shall have no further rights to audit or challenge the payment for that period. The Franchising Authority shall bear the expense of its audit of the Franchisee's books and records.

7.3. Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have the right to, at its sole cost and expense and upon reasonable prior written notice and in the presence of Franchisee's employee, periodically inspect the construction and maintenance of the Cable System in the Franchise Area as necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement.

7.4. Technical Standards. The Franchisee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. § 76.601 et seq. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with such altered, modified or amended standards within a reasonable period after such standards become effective. The Franchising Authority shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC rules.

7.5. Maintenance of Books, Records, and Files.

7.5.1. Books and Records. Throughout the term of this Franchise Agreement, the Franchisee agrees that the Franchising Authority may review the Franchisee's books and records regarding customer service performance levels in the Franchise Area to monitor Franchisee's compliance with the provisions of this Franchise Agreement, upon reasonable prior written notice to the Franchisee pursuant to the provisions of Section 13.2 herein, at the Franchisee's business office, during Normal Business Hours, and without unreasonably interfering with Franchisee's business operations. All such documents that may be the subject

of an inspection by the Franchising Authority shall be retained by the Franchisee for a minimum period of twenty-four (24) months.

7.5.2. File for Public Inspection. Throughout the term of this Franchise Agreement, the Franchisee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

7.5.3. Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to those employees, representatives, and agents of the Franchising Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Franchisee to be competitively sensitive. Franchisee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchising Authority's representative. In the event that the Franchising Authority has in its possession and receives a request under a state "sunshine," public records, or similar law for the disclosure of information the Franchisee has designated as confidential, trade secret or proprietary, the Franchising Authority shall notify Franchisee of such request and cooperate with Franchisee in opposing such request.

## **SECTION 8 – Transfer of Cable System or Franchise of Franchisee**

8.1. Neither the Franchisee nor any other Person may transfer the Cable System or the Franchise without prior written notice to the Franchising Authority. No prior notice shall be required, however, for: (i) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, (ii) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation, or (iii) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership. Within thirty (30) days of receiving a notice of transfer, the Franchising Authority may, in accordance with FCC rules and regulations, notify the Franchisee in writing of the

additional information, if any, it requires regarding the legal, financial, and technical qualifications of the transferee or new controlling party.

## **SECTION 9 - Insurance and Indemnity**

9.1. **Insurance.** Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Comprehensive General Liability Insurance and provide the Franchising Authority certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials, agents and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of One Million Dollars (\$1,000,000.00) for bodily injury or death to any one person, and One Million Dollars (\$1,000,000.00) for bodily injury or death of any two or more persons resulting from one occurrence, and One Million Dollars (\$1,000,000.00) for property damage resulting from any one accident. Such policy or policies shall be non-cancelable except upon thirty (30) days prior written notice to the Franchising Authority. The Franchisee shall provide workers' compensation coverage in accordance with applicable law. The Franchisee shall indemnify and hold harmless the Franchising Authority from any workers compensation claims to which the Franchisee may become subject during the term of this Franchise Agreement.

9.2. **Indemnification.** The Franchisee shall indemnify, defend and hold harmless the Franchising Authority, its officers, employees, and agents acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that arise out of the Franchisee's construction, operation, maintenance, or removal of the Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Franchisee written notice of its obligation to indemnify and defend the Franchising Authority within ten (10) business days of receipt of a claim or action pursuant to this Section. The Franchising Authority agrees that it will take all necessary action to avoid a default judgment and not prejudice the Franchisee's ability to defend the claim or action. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

9.2.1 Franchisee shall not be required to indemnify the Franchising Authority for negligence or misconduct on the part of the Franchising Authority or its officials, boards, commissions, agents, or employees, including any loss or claims related to PEG access Channels in which the Franchising Authority or its designee participates, subject to Applicable Law.

## **SECTION 10 - System Description and Service**

10.1. System Capacity. During the term of this Agreement, the Franchisee's Cable System shall be capable of providing Video Programming with reception available to its customers in the Franchise Area in accordance with the Cable Act.

10.2. Cable Service to School Buildings. Upon request, the Franchisee shall provide, at no cost to the Franchising Authority, Basic Cable Service and Standard Installation at one (1) outlet to each public and private grade school (K-12) building, not including "home schools," located in the Franchise Area within one hundred twenty-five (125) feet of the Franchisee's distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. For the purposes of this Section, the term "school" means an educational institution that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., as amended, and does not include "home schools."

10.3. Cable Service to Governmental and Institutional Facilities. Upon request, the Franchisee shall provide, at no cost to the Franchising Authority, Basic Cable Service and Standard Installation at one outlet to each Public Building located in the Franchise Area within one hundred twenty-five (125) feet of the Franchisee's distribution cable. No charge shall be made for installation or service, except that Franchisee may charge for installation beyond one hundred twenty-five (125) feet aerial distance of the cable plant and service for more than one (1) drop in each building. Public Buildings are those buildings owned or leased by the Franchising Authority for municipal government administrative purposes, and shall not include buildings owned by Franchising Authority but leased to third parties or buildings such as storage facilities at which government employees are not regularly stationed.

## **SECTION 11 - Enforcement and Revocation Proceedings**

11.1. Notice of Violation or Default and Opportunity to Cure. In the event the Franchising Authority believes that the Franchisee has not complied with the material terms of the Franchise, it shall notify the Franchisee in writing with specific details regarding the exact nature of the alleged non-compliance or default.

11.1.1. Franchisee's Right to Cure or Respond. The Franchisee shall have forty-five (45) days from the receipt of the Franchising Authority's written notice: (i) to respond to the Franchising Authority, contesting the assertion of non-compliance or default; or (ii) to cure such default; or (iii) in the

event that, by nature of the default, such default cannot be cured within the forty-five (45) day period, initiate reasonable steps to remedy such default and notify the Franchising Authority of the steps being taken and the projected date that the cure will be completed.

11.1.2. Public Hearings. In the event the Franchisee fails to respond to the Franchising Authority's notice or in the event that the alleged default is not remedied within forty-five (45) days or the date projected by the Franchisee, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority that is scheduled at a time that is no less than ten (10) business days therefrom. The Franchising Authority shall notify the Franchisee in writing of the time and place of such meeting and provide the Franchisee with a reasonable opportunity to be heard.

11.1.3. Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such public hearing, determines that the Franchisee is in default of any material provision of the Franchise, the Franchising Authority may: (i) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to damages, or seek other equitable relief; or (ii) in the case of a substantial default of a material provision of the Franchise, initiate revocation proceedings in accordance with the following:

(a) The Franchising Authority shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of non-compliance by the Franchisee, including two or more instances of substantial non-compliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the non-compliance. The Franchisee shall have ninety (90) days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a response from the Franchisee or upon receipt of the response does not agree that the allegations of non-compliance have been or will be resolved, it may then seek revocation of the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request revocation of the Franchise.

(b) At the designated public hearing, the Franchising Authority shall give the Franchisee an opportunity to state its position on the matter, present evidence and question witnesses, in accordance with the standards of a fair hearing applicable to administrative hearings in the Commonwealth of Pennsylvania, after which it shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the

record and a written transcript shall be made available to the Franchisee within ten (10) business days. The decision of the Franchising Authority shall be in writing and shall be delivered to the Franchisee by certified mail. The Franchisee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchising Authority “de novo” and to modify or reverse such decision as justice may require.

11.2. Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called “technical” breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

11.2.1. in instances or for matters where a violation or a breach of the Franchise by the Franchisee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

11.2.2. where there existed circumstances reasonably beyond the control of the Franchisee and which precipitated a violation by the Franchisee of the Franchise, or which were deemed to have prevented the Franchisee from complying with a term or condition of the Franchise.

11.3. No Removal of System. Franchisee shall not be required to remove its Cable System or to sell the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof [47 U.S.C. §621 (b)].

## **SECTION 12 – Competitive Equity**

12.1. Purposes. The Franchisee and the Franchising Authority acknowledge that there is increasing competition in the video marketplace among cable operators, direct broadcast satellite providers, telephone companies, broadband content providers and others; new technologies are emerging that enable the provision of new and advanced services to residents of the Franchise Area; and changes in the scope and application of the traditional regulatory framework governing the provision of video services are being considered in a variety of federal, state and local venues. To foster an environment where video service providers using the public rights-of-way can compete on a competitively neutral and nondiscriminatory basis; encourage the provision of new and advanced services to residents of the Franchise Area; promote local communications infrastructure investments and economic opportunities in the Franchise Area; and provide flexibility in the event of subsequent changes in the law, the Franchisee and the Franchising Authority

have agreed to the provisions in this Section, and they should be interpreted and applied with such purposes in mind.

## 12.2. New Video Service Provider.

12.2.1. Notwithstanding any other provision of this Agreement or any other provision of law, if any Video Service Provider ("VSP") (i) enters into any agreement with the Franchising Authority to provide video services to subscribers in the Franchise Area, or (ii) otherwise begins to provide video services to subscribers in the Franchise Area (with or without entering into an agreement with the Franchising Authority), the Franchising Authority, upon written request of the Franchisee, shall permit the Franchisee to construct and operate its Cable System and to provide video services to subscribers in the Franchise Area under the same agreement and/or under the same terms and conditions as apply to the new VSP. The Franchisee and the Franchising Authority shall enter into an agreement or other appropriate authorization (if necessary) containing the same terms and conditions as are applicable to the VSP within sixty (60) days after the Franchisee submits a written request to the Franchising Authority.

12.2.2. If there is no written agreement or other authorization between the new VSP and the Franchising Authority, the Franchisee and the Franchising Authority shall use the sixty (60) day period to develop and enter into an agreement or other appropriate authorization (if necessary) that to the maximum extent possible contains provisions that will ensure competitive equity between the Franchisee and other VSPs, taking into account the terms and conditions under which other VSPs are allowed to provide video services to subscribers in the Franchise Area.

12.3. Subsequent Change in Law. If there is a change in federal, state or local law that provides for a new or alternative form of authorization for a VSP to provide video services to Subscribers in the Franchise Area, or that otherwise changes the nature or extent of the obligations that the Franchising Authority may request from or impose on a VSP providing video services to subscribers in the Franchise Area, the Franchising Authority agrees that, notwithstanding any other provision of law, upon Franchisee's written request the Franchising Authority shall: (i) permit the Franchisee to provide video services to subscribers in the Franchise Area on the same terms and conditions as are applicable to a VSP under the changed law; (ii) modify this Agreement to comply with the changed law; or (iii) modify this Agreement to ensure competitive equity between the Franchisee and other VSPs, taking into account the conditions under which other VSPs are permitted to provide video services to Subscribers in the Franchise Area. The Franchising Authority and the Franchisee shall implement the provisions of this Section within sixty (60) days after the Franchisee submits a written request to the Franchising Authority. Notwithstanding any provision of law that imposes a time or other limitation on the Franchisee's ability to take

advantage of the changed law's provisions, the Franchisee may exercise its rights under this Section at any time, but not sooner than thirty (30) days after the changed law goes into effect.

12.4. Effect on This Agreement. Any agreement, authorization, right or determination to provide video services to subscribers in the Franchise Area under Sections 12.2 or 12.3 shall supersede this Agreement, and the Franchisee, at its option, may terminate this Agreement or portions thereof, upon written notice to the Franchising Authority, without penalty or damages.

### **SECTION 13 - Miscellaneous Provisions**

13.1. Force Majeure. The Franchisee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such non-compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

13.2. Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the Franchising Authority:

City of Milford  
201 South Walnut Street  
Milford, Delaware 19963  
Attention: City Manager

To the Franchisee:

Comcast of Delmarva, LLC  
1301 McCormick Drive, 4<sup>th</sup> Floor  
Largo, MD 20774  
Attention: Government Affairs Department

With copies to:

Comcast Cable  
8098 Sandpiper Circle  
Baltimore, MD 21236  
Attention: Government Affairs Department

And to:

Comcast Cable Northeast Division  
676 Island Pond Rd.  
Manchester, NH 03109  
Attention: Government Affairs Department

13.3. Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchising Authority and the Franchisee and supersedes all prior or contemporaneous agreements, ordinances, representations, or understandings -- whether written or oral -- of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.

13.4. Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

13.5. Governing Law. This Franchise Agreement shall be deemed to be executed in the State where the Franchise Area is located, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of such State, as applicable to contracts entered into and performed entirely within the State.

13.6. Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Franchisee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

13.7. No Third-Party Beneficiaries. Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

13.8. Captions. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

13.9. No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Franchisee may have under federal or state law unless such waiver is expressly stated herein.

13.10. Incorporation by Reference

(a) All presently and hereafter applicable conditions and requirements of federal, State and local laws, including but not limited to the rules and regulations of the FCC and the State where the Franchise Area is located, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein. All such general laws, rules and regulations, as amended, shall control the interpretation and performance of this Renewal Franchise to the extent that any provision of this Renewal Franchise conflicts with or is inconsistent with such laws, rules or regulations.

(b) Should the State, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchising Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.

13.11. Calculation of Time. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or during thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

13.12. Annexation. Upon 90 days written notice from the Franchising Authority, any additions of territory to the City, by annexation or other legal means, contiguous to the Franchise Area as defined in Section 1.9. above, the portion of any Cable System of the Company that may be located or operated within said territory shall thereafter be subject to all the terms of this Agreement as though it were an extension made hereunder.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the last date set forth below:

Attest:

Franchising Authority:

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

Franchisee:

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## REQUEST FOR BIDS

Sealed Bids will be received by the City of Milford, until 2:00 P.M. local time on Tuesday June 17, 2014 for the purchase of a Trailer Mounted Automatic Valve Exerciser Unit, at which time the bids will be opened publicly and read aloud.

The Trailer Mounted Valve Exercising Unit shall include an Extended Reach Valve Operator with Telescoping Valve Key, remote controller and GPS locator. The system shall be equipped with a minimum 27HP gasoline powered engine, a pressure washer, vacuum cleaning unit, a minimum 250 gallon spoils containment tank with hydraulic dump system, and a hydraulic pump kit for operating other tools.

The equipment specifications may be examined and/or obtained at the office of Davis, Bowen & Friedel, Inc., 23 North Walnut Street, Milford, Delaware, 19963, and (302) 424-1441.

The City reserves the right, as the interest of the City of Milford may appear, to reject any and all bids, to waive any informality or irregularity in bids received and to accept or reject any items of any bid.

By: City of Milford  
Richard Carmean  
City Manager

END OF SECTION

CITY OF MILFORD

Trailer Mounted Automatic Valve Exerciser Unit



Bid Opening: June 17, 2014  
 Location: City Hall  
 Milford, Delaware

**CERTIFIED BID OPENING RESULTS**

BIDDER	TOTAL BASE BID AMOUNT	<i>Add Alternates Total + Add Alternates</i>		
Mid Atlantic Waste Systems	46,170	13,710		(demo)
E.H. Wachs	49,750		62,734.21	48,825.00
A.P. Certified Testing	49,650		62,595.00	

CERTIFIED BY:

*[Handwritten Signature]*

CITY OF MILFORD



July 25, 2014

Michael R. Wigley, AIA, LEED AP  
Randy B. Duplechain, P.E.  
Charles R. Woodward, Jr., LS  
W. Zachary Crouch, P.E.  
Michael E. Wheedleton, AIA  
Jason P. Loar, P.E.  
Ring W. Lardner, P.E.  
Gerald G. Friedel, P.E.

City of Milford  
201 South Walnut Street  
Milford, Delaware 19963

Attn: Mr. Richard Carmean  
City Manager

RE: Valve Exercising Machine  
Milford, Delaware  
DBF # 052A019

Dear Mr. Carmean:

Enclosed please find the tabulation of the bids received on June 17, 2014, for furnishing a Trailer Mounted Valve Exercising Machine. We have reviewed the bids received and also consulted with Public Works staff regarding review of the equipment specifications and the selection of the alternate bid items. Based on this review we recommend award to the low bidder, THC Enterprises, Inc. of Easton, Maryland, in the amount of \$57,390.00. This recommended award amount is based on the following:

Base Bid Amount:	\$46,170.00
Aluminum Job Box Alternate:	\$ 800.00
Auxiliary Light Bar Alternate:	\$ 950.00
GPS Valve Locator Alternate:	<u>\$ 9,470.00</u>
Total:	\$57,390.00

Should you have any questions or need additional information, please feel free to contact our office.

Sincerely,



Randy B. Duplechain P.E.  
Principal

cc: Brad Dennehy  
Eugene Helmick

*Michael R. Wigley, AIA, LEED AP  
Randy B. Duplechain, P.E.  
Charles R. Woodward, Jr., LS  
W. Zachary Crouch, P.E.  
Michael E. Wheedleton, AIA  
Jason P. Loar, P.E.  
Ring W. Lardner, P.E.  
Gerald G. Friedel, P.E.*

April 28, 2014

City of Milford  
201 South Walnut Street  
Milford, Delaware 19963

Attn: Mr. Richard Carmean  
City Manager

RE: **Miscellaneous 2014 Street Improvements Project**  
Milford, Delaware  
DBF # 052A163

Dear Mr. Carmean:

Enclosed please find a tabulation of the bids received for the above-referenced project. This project consists of miscellaneous concrete and asphalt pavement work on the following streets:

Street 1: N.E. 5<sup>th</sup> Street (North Walnut St. to North Washington St.)  
Street 2: North Washington Street (6<sup>th</sup> St. to Rehoboth Boulevard)  
Street 3: N.E. 7<sup>th</sup> Street (North Walnut St. to North Washington St.)  
Street 4: Park Avenue (North Washington to Front Street)  
Street 5: New Street (South Walnut St. to Wilbur St.)  
Street 6: Claude and Lemuel Streets (Mispillion Elementary School to Lovers Lane)  
Street 7: Bridgeham Avenue (S.E. 3<sup>rd</sup> St. to S.E. 2<sup>nd</sup> St.)

The contracts for Streets 1, 2, 4 and 7 were separated into two contracts in an attempt to obtain the most competitive pricing. Contract A was for the asphalt pavement portions of the project and Contract B was for the concrete portions of the project. The contractors were given the option of bidding either Contract A or Contract B or both Contracts A and B. As shown in the bid tabulation four bids were received for Contract A, however no bids were received for Contract B.

Therefore, in an effort to complete at least a portion of the project work we contacted the Contract A low bidder, Jerry's Inc., to obtain a price from them to perform the concrete work associated with Streets 1 and 7. Please note that no concrete work is required on Streets 3, 5 and 6. Based on the bids received and our subsequent discussions with Jerry's Inc., we recommend award of the following streets to Jerry's Inc. for the total estimated amount of \$134,788.40

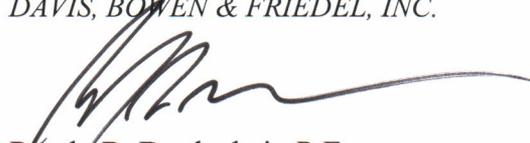
Mr. Richard Carmean  
April 28, 2014  
Page 2

Street 1: N.E. 5 <sup>th</sup> Street	\$11,827.40 \$12,069.75 (Concrete)
Street 3: N.E. 7 <sup>th</sup> Street	\$16,317.50
Street 5: New Street	\$35,871.75
Street 6: Claude and Lemuel Streets	\$32,369.00
Street 7: Bridgeham Avenue	\$25,783.00 <u>\$ 550.00</u> (Concrete)
Total Recommended Award Estimate:	\$134,788.40

This award should be contingent on confirming with the City's Finance Department that sufficient Municipal Street Aid Funds are available to cover the above recommended amount.

If you have should have any questions or need additional information, please feel free to contact our office.

Sincerely,  
*DAVIS, BOWEN & FRIEDEL, INC.*



Randy B. Duplechain P.E.  
Principal

cc: Brad Dennehy  
Tim Webb

**CITY OF MILFORD  
MISCELLANEOUS 2014 STREET IMPROVEMENTS PROJECT**



Contract: 052A163

Bid Date: April 10, 2014

**BID RESULTS**

Item No. & Description	Size/Depth	Unit	Est. Qty	Jerrv's Inc.		George & Lynch, Inc.		Zack Excavating		Del-Mar-Va Paving Co.		
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	
<b>CONTRACT A</b>												
<b>STREET 1 - N.E. 5th Street (North Walnut Street to North Washington Street)</b>												
A1-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$175.00	\$175.00	\$545.00	\$545.00	\$412.50	\$412.50	\$1,500.00	\$1,500.00
A1-2	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2"	SF	7000	\$0.23	\$1,610.00	\$0.48	\$3,360.00	\$0.55	\$3,850.00	\$1.20	\$8,400.00
A1-3	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	110	\$80.84	\$8,892.40	\$84.18	\$9,259.80	\$90.00	\$9,900.00	\$90.00	\$9,900.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10	\$15.00	\$150.00	\$82.58	\$825.80	\$100.00	\$1,000.00	\$130.00	\$1,300.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	40	\$10.00	\$400.00	\$69.00	\$2,760.00	\$120.00	\$4,800.00	\$30.00	\$1,200.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	10	\$60.00	\$600.00	\$178.00	\$1,780.00	\$160.00	\$1,600.00	\$298.00	\$2,980.00
Total Bid Amount Contract A Street 1:					\$11,827.40		\$18,530.60		\$21,562.50		\$25,280.00	
<b>CONTRACT A</b>												
<b>STREET 2 - North Washington Street (6th Street to Rehoboth Boulevard)</b>												
A2-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$1,110.00	\$1,110.00	\$2,710.00	\$2,710.00	\$2,940.00	\$2,940.00	\$1,500.00	\$1,500.00
A2-2	Min. Six Foot Wide Taper-mill of Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2" max	LF	4000	\$1.19	\$4,760.00	\$1.72	\$6,880.00	\$1.50	\$6,000.00	\$5.00	\$20,000.00
A2-3	Adjust Manhole Frame and Cover to Proposed Grade	---	EA	12	\$550.00	\$6,600.00	\$1,142.00	\$13,704.00	\$1,000.00	\$12,000.00	\$945.00	\$11,340.00
A2-4	Adjust Valve Box to Proposed Grade	---	EA	7	\$120.00	\$840.00	\$402.00	\$2,814.00	\$500.00	\$3,500.00	\$945.00	\$6,615.00
A2-5	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	850	\$68.63	\$58,335.50	\$70.18	\$59,653.00	\$90.00	\$76,500.00	\$88.00	\$74,800.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	30	\$15.00	\$450.00	\$63.54	\$1,906.20	\$100.00	\$3,000.00	\$130.00	\$3,900.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	30	\$10.00	\$300.00	\$65.48	\$1,964.40	\$120.00	\$3,600.00	\$140.00	\$4,200.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	50	\$60.00	\$3,000.00	\$186.00	\$9,300.00	\$160.00	\$8,000.00	\$298.00	\$14,900.00
Total Bid Amount Contract A Street 2:					\$75,395.50		\$98,931.60		\$115,540.00		\$137,255.00	
<b>CONTRACT A</b>												
<b>STREET 3 - N.E. 7th Street (North Walnut Street to North Washington Street)</b>												
A3-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$240.00	\$240.00	\$744.88	\$744.88	\$570.00	\$570.00	\$1,500.00	\$1,500.00
A3-2	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2"	SF	10000	\$0.23	\$2,300.00	\$0.44	\$4,400.00	\$0.55	\$5,500.00	\$0.85	\$8,500.00
A3-3	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	150	\$80.85	\$12,127.50	\$85.25	\$12,787.50	\$90.00	\$13,500.00	\$82.00	\$12,300.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10	\$15.00	\$150.00	\$76.48	\$764.80	\$100.00	\$1,000.00	\$130.00	\$1,300.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	60	\$10.00	\$600.00	\$61.74	\$3,704.40	\$120.00	\$7,200.00	\$30.00	\$1,800.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	15	\$60.00	\$900.00	\$171.10	\$2,566.50	\$160.00	\$2,400.00	\$298.00	\$4,470.00
Total Bid Amount Contract A Street 3:					\$16,317.50		\$24,968.08		\$30,170.00		\$29,870.00	
<b>CONTRACT A</b>												
<b>STREET 4 - Park Avenue (North Washington Street to Front Street)</b>												
A4-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$350.00	\$350.00	\$824.00	\$824.00	\$912.00	\$912.00	\$1,500.00	\$1,500.00
A4-2	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2"	SF	16000	\$0.21	\$3,360.00	\$0.42	\$6,720.00	\$0.55	\$8,800.00	\$0.85	\$13,600.00
A4-3	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	240	\$76.40	\$18,336.00	\$82.90	\$19,896.00	\$90.00	\$21,600.00	\$105.00	\$25,200.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10	\$15.00	\$150.00	\$78.64	\$786.40	\$100.00	\$1,000.00	\$130.00	\$1,300.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	20	\$10.00	\$200.00	\$64.72	\$1,294.40	\$120.00	\$2,400.00	\$30.00	\$600.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	25	\$60.00	\$1,500.00	\$152.60	\$3,815.00	\$160.00	\$4,000.00	\$298.00	\$7,450.00
Total Bid Amount Contract A Street 4:					\$23,896.00		\$33,335.80		\$38,712.00		\$49,650.00	
<b>CONTRACT A</b>												
<b>STREET 5 - New Street (South Walnut Street to Wilbur Street)</b>												
A5-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$1,110.00	\$1,110.00	\$1,283.00	\$1,283.00	\$1,224.68	\$1,224.68	\$1,500.00	\$1,500.00
A5-2	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2" max	SF	2015	\$1.61	\$3,244.15	\$1.93	\$3,888.95	\$1.50	\$3,022.50	\$5.00	\$10,075.00
A5-3	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	420	\$69.03	\$28,992.60	\$77.52	\$32,558.40	\$90.00	\$37,800.00	\$80.00	\$33,600.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	15	\$15.00	\$225.00	\$77.58	\$1,163.70	\$100.00	\$1,500.00	\$130.00	\$1,950.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	20	\$10.00	\$200.00	\$63.64	\$1,272.80	\$120.00	\$2,400.00	\$30.00	\$600.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	35	\$60.00	\$2,100.00	\$166.82	\$5,838.70	\$160.00	\$5,600.00	\$298.00	\$10,430.00
Total Bid Amount Contract A Street 5:					\$35,871.75		\$46,005.55		\$51,547.18		\$58,155.00	
<b>CONTRACT A</b>												
<b>STREET 6 - Claude Street (Mispillion Elementary School to Lovers Lane)</b>												
A6-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$520.00	\$520.00	\$1,274.00	\$1,274.00	\$1,257.45	\$1,257.45	\$1,500.00	\$1,500.00
A6-2	Min. Six Foot Wide Taper-mill of Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility (Claude Street)	2" Max	LF	660	\$1.20	\$792.00	\$1.64	\$1,082.40	\$1.50	\$990.00	\$5.00	\$3,300.00
A6-3	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility (Lemuel Street)	2"	LF	13500	\$0.23	\$3,105.00	\$0.41	\$5,535.00	\$0.55	\$7,425.00	\$0.85	\$11,475.00
A6-4	Adjust Manhole Frame and Cover to Proposed Grade	---	EA	2	\$550.00	\$1,100.00	\$1,145.00	\$2,290.00	\$1,000.00	\$2,000.00	\$575.00	\$1,150.00
A6-5	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	350	\$70.22	\$24,577.00	\$74.46	\$26,061.00	\$90.00	\$31,500.00	\$89.00	\$31,150.00
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	15	\$15.00	\$225.00	\$75.22	\$1,128.30	\$100.00	\$1,500.00	\$130.00	\$1,950.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	25	\$10.00	\$250.00	\$55.68	\$1,392.00	\$120.00	\$3,000.00	\$30.00	\$750.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	30	\$60.00	\$1,800.00	\$166.58	\$4,997.40	\$160.00	\$4,800.00	\$298.00	\$8,940.00
Total Bid Amount Contract A Street 6:					\$32,369.00		\$43,760.10		\$52,472.45		\$60,215.00	

CONTRACT A												
STREET 7 - Bridgeham Avenue (S.E. 3rd Street to S.E. 2nd Street)												
A7-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1	\$380.00	\$380.00	\$957.00	\$957.00	\$1,026.00	\$1,026.00	\$1,500.00	\$1,500.00
A7-2	Rotomill Existing Asphalt Pavement and Haul and Stockpile Millings at Public Works Facility	2"	SF	18000	\$0.20	\$3,600.00	\$0.40	\$7,200.00	\$0.55	\$9,900.00	\$0.85	\$15,300.00
A7-3	Furnish & Install Hot Mix Asphalt, Type C	---	Ton	270	\$73.90	\$19,953.00	\$75.34	\$20,341.80	\$90.00	\$24,300.00	\$96.00	\$25,920.00
Contingent Items (To be Completed at the Direction of the Engineer)												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10	\$15.00	\$150.00	\$76.48	\$764.80	\$100.00	\$1,000.00	\$130.00	\$1,300.00
C1-2	Load, Haul, Install and Compact Millings for use as Undercut, as directed	---	CY	20	\$10.00	\$200.00	\$63.64	\$1,272.80	\$120.00	\$2,400.00	\$30.00	\$600.00
C1-3	Furnish & Install Hot Mix Asphalt, Type B, as directed	---	Ton	25	\$60.00	\$1,500.00	\$177.10	\$4,427.50	\$160.00	\$4,000.00	\$298.00	\$7,450.00
Total Bid Amount Contract A Street 7:					\$25,783.00		\$34,963.90		\$42,626.00		\$52,070.00	
TOTAL BASE BID AMOUNT CONTRACT A:					\$221,460.15		\$300,495.63		\$352,630.13		\$412,495.00	
CONTRACT B												
STREET 1												
B1-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1		\$0.00		\$0.00		\$0.00		\$0.00
B1-2	Remove & Dispose of Existing Curb	Varies	LF	80		\$0.00		\$0.00		\$0.00		\$0.00
B1-3	Remove & Dispose of Miscellaneous Concrete Flat Work	Varies	SF	300		\$0.00		\$0.00		\$0.00		\$0.00
B1-4	Furnish & Install Vertical Curb	---	LF	80		\$0.00		\$0.00		\$0.00		\$0.00
B1-5	Furnish & Install Concrete Sidewalk	4"	SF	225		\$0.00		\$0.00		\$0.00		\$0.00
B1-6	Furnish & Install Concrete Sidewalk	6"	SF	75		\$0.00		\$0.00		\$0.00		\$0.00
B1-7	Saw Cut, Remove and Dispose of Concrete Gutter	---	LF	100		\$0.00		\$0.00		\$0.00		\$0.00
Contingent Items (To be Completed at the Direction of the Engineer)												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
C1-4	Undercut, Furnish, Install & Compact Crusher Run Stone, as directed	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
Total Bid Amount Contract B Street 1:					\$0.00		\$0.00		\$0.00		\$0.00	
CONTRACT B												
STREET 2												
B2-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1		\$0.00		\$0.00		\$0.00		\$0.00
B2-2	Remove & Dispose of Existing Curb or Curb and Gutter	---	LF	250		\$0.00		\$0.00		\$0.00		\$0.00
B2-3	Remove & Dispose of Miscellaneous Concrete Flat Work	Varies	SF	1500		\$0.00		\$0.00		\$0.00		\$0.00
B2-4	Furnish & Install New Curb and Gutter	---	LF	250		\$0.00		\$0.00		\$0.00		\$0.00
B2-5	Furnish & Install Handicap Ramp	6"	SF	1200		\$0.00		\$0.00		\$0.00		\$0.00
B2-6	Furnish & Install Truncated Domes	---	SF	180		\$0.00		\$0.00		\$0.00		\$0.00
Contingent Items (To be Completed at the Direction of the Engineer)												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
C1-4	Undercut, Furnish, Install & Compact Crusher Run Stone, as directed	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
Total Bid Amount Contract B Street 2:					\$0.00		\$0.00		\$0.00		\$0.00	
CONTRACT B												
STREET 4												
B4-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1		\$0.00		\$0.00		\$0.00		\$0.00
B4-2	Remove & Dispose of Existing Curb or Curb and Gutter	---	LF	150		\$0.00		\$0.00		\$0.00		\$0.00
B4-3	Remove & Dispose of Miscellaneous Concrete Flat Work	Varies	SF	750		\$0.00		\$0.00		\$0.00		\$0.00
B4-4	Furnish & Install New Curb and Gutter	---	LF	150		\$0.00		\$0.00		\$0.00		\$0.00
B4-5	Furnish & Install Handicap Ramp	6"	SF	750		\$0.00		\$0.00		\$0.00		\$0.00
B4-6	Furnish & Install Truncated Domes	---	SF	100		\$0.00		\$0.00		\$0.00		\$0.00
Contingent Items (To be Completed at the Direction of the Engineer)												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
C1-4	Undercut, Furnish, Install & Compact Crusher Run Stone, as directed	---	CY	10		\$0.00		\$0.00		\$0.00		\$0.00
Total Bid Amount Contract B Street 4:					\$0.00		\$0.00		\$0.00		\$0.00	
CONTRACT B												
STREET 7												
B7-1	Mobilization/Demobilization (Max. 3% of Total Bid Contract)	---	LS	1		\$0.00		\$0.00		\$0.00		\$0.00
B7-2	Remove & Dispose of Existing Curb	Varies	LF	10		\$0.00		\$0.00		\$0.00		\$0.00
B7-3	Furnish & Install Curb and Gutter	---	SF	10		\$0.00		\$0.00		\$0.00		\$0.00
Contingent Items (To be Completed at the Direction of the Engineer)												
C1-1	Furnish, Install & Compact Select Backfill, as directed.	---	CY	5		\$0.00		\$0.00		\$0.00		\$0.00
C1-4	Undercut, Furnish, Install & Compact Crusher Run Stone, as directed	---	CY	5		\$0.00		\$0.00		\$0.00		\$0.00
Total Bid Amount Contract B Street 7:					\$0.00		\$0.00		\$0.00		\$0.00	
TOTAL BASE BID AMOUNT CONTRACT B:												





CITY OF MILFORD

NORTH WASHINGTON STREET MISCELLANEOUS CONCRETE PROJECT



Contract: 052A163  
 Bid Date: July 17, 2014

**BID RESULTS**

					Shea Concrete		Sams Construction		Mitten Construction		Smith's Concrete	
Item No. & Description		Size/ Depth	Unit	Est. Qty	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
A1-1	Mobilization/Demobilization (Max. 3% of Total Bid)	---	LS	---	---	\$1,220.00	---	\$2,062.50	---	NO BID	---	NO BID
A2-1	Remove and Dispose of Existing Curb or Curb and Gutter	---	LF	250	\$10.00	\$2,500.00	\$12.00	\$3,000.00				
A1-3	Remove and Dispose of Miscellaneous Concrete Flat Work	---	SF	1500	\$4.75	\$7,125.00	\$10.00	\$15,000.00				
A1-4	Furnish & Install New Curb and Gutter	---	LF	250	\$40.00	\$10,000.00	\$55.00	\$13,750.00				
A1-5	Furnish & Install Handicap Ramp	6"	SF	1200	\$18.00	\$21,600.00	\$24.00	\$28,800.00				
A1-6	Furnish & Install Truncated Domes	---	SF	180	\$38.00	\$6,840.00	\$45.00	\$8,100.00				
<i>Contingent Items (To be Completed at the Direction of the Engineer)</i>												
C1-1	Furnish, Install & Compact Select Backfill, as Directed	---	CY	10	\$22.00	\$220.00	\$40.00	\$400.00				
C1-2	Undercut, Furnish, Install & Compact Crusher Run Stone, as Directed	---	CY	10	\$35.00	\$350.00	\$95.00	\$950.00				
<b>TOTAL BID (ITEMS 1 - 13)</b>						<b>\$49,855.00</b>		<b>\$72,062.50</b>				



Michael R. Wigley, AIA, LEED AP  
Randy B. Duplechain, P.E.  
Charles R. Woodward, Jr., LS  
W. Zachary Crouch, P.E.  
Michael E. Wheedleton, AIA  
Jason P. Loar, P.E.  
Ring W. Lardner, P.E.  
Gerald G. Friedel, P.E.

July 23, 2014

City of Milford  
201 South Walnut Street  
Milford, DE 19963

Attn: Mr. Richard Carmean  
City Manager

RE: North Washington Street Improvements Project  
Milford, Delaware  
DBF # 052A163

Dear Mr. Carmean:

Enclosed please find a tabulation of the bids recently received for the concrete work associated with the North Washington St. Miscellaneous Street Improvements project. **We have reviewed the bids received for the concrete work and recommend award to the low bidder, Shea Concrete Ltd., for the estimated amount of \$49,855.00.**

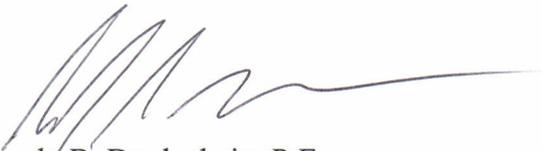
Also enclosed is the bid tabulation from the previously bid Miscellaneous 2014 Street Improvements Project. As you may recall, only asphalt prices were received when this project was bid this past April. On April 28<sup>th</sup> City Council voted to award five of the seven street projects to Jerry's Inc. One of the two street projects that was not awarded at that time was Street 2 - North Washington Street paving since it was determined that the cost of the concrete work associated with this street would exceed the amount that could be awarded without obtaining competitive bid pricing. We have recently discussed this project with Jerry's and they have agreed to hold their previously bid North Washington Street paving prices. **Therefore, we recommend award of the North Washington Street asphalt paving work to the low bidder, Jerry's Inc., for the estimated amount of \$75,395.50.**

Please note that the award of these two projects should be contingent on confirming with the City's Finance Department that sufficient project funds are available to cover the above recommended amounts.

Mr. Richard Carmean  
July 23, 2014  
Page 2

If you should have any questions or need additional information, please feel free to contact our office.

Sincerely,  
*DAVIS, BOWEN & FRIEDEL, INC.*

A handwritten signature in dark ink, appearing to read 'Randy B. Duplechain', with a long horizontal flourish extending to the right.

Randy B. Duplechain, P.E.  
Principal

Enclosures

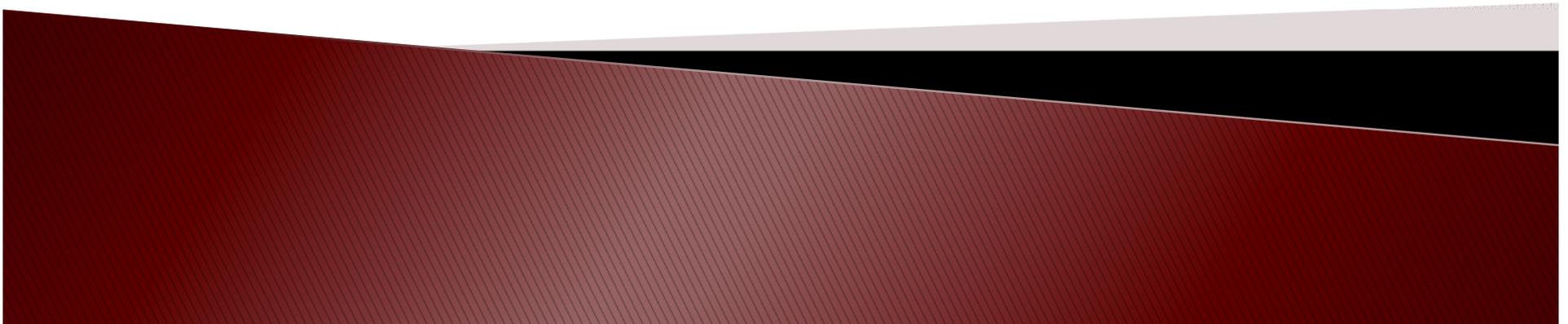
cc: Brad Dennehy  
Tim Webb

City Council

Meeting

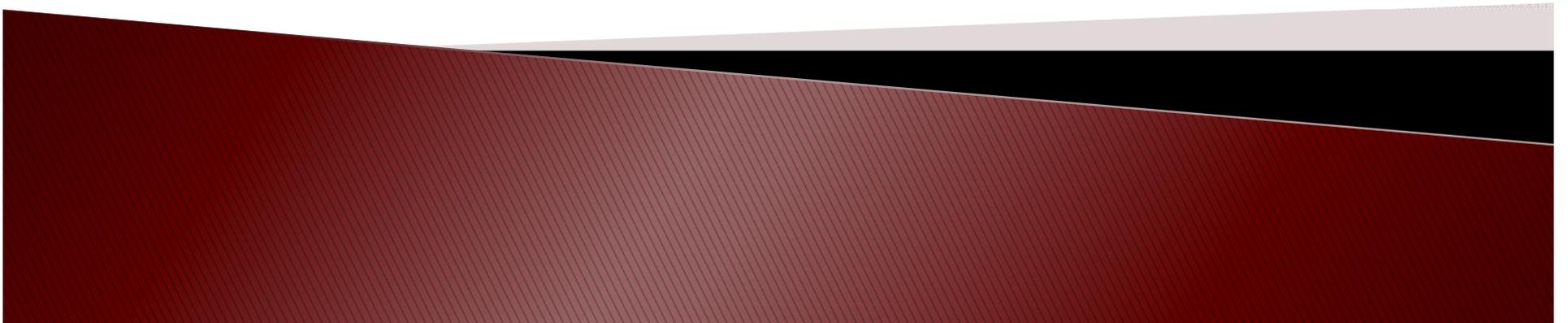
**City of Milford**

July 28, 2014



# Washington Street Water Treatment Plant Replacement Project

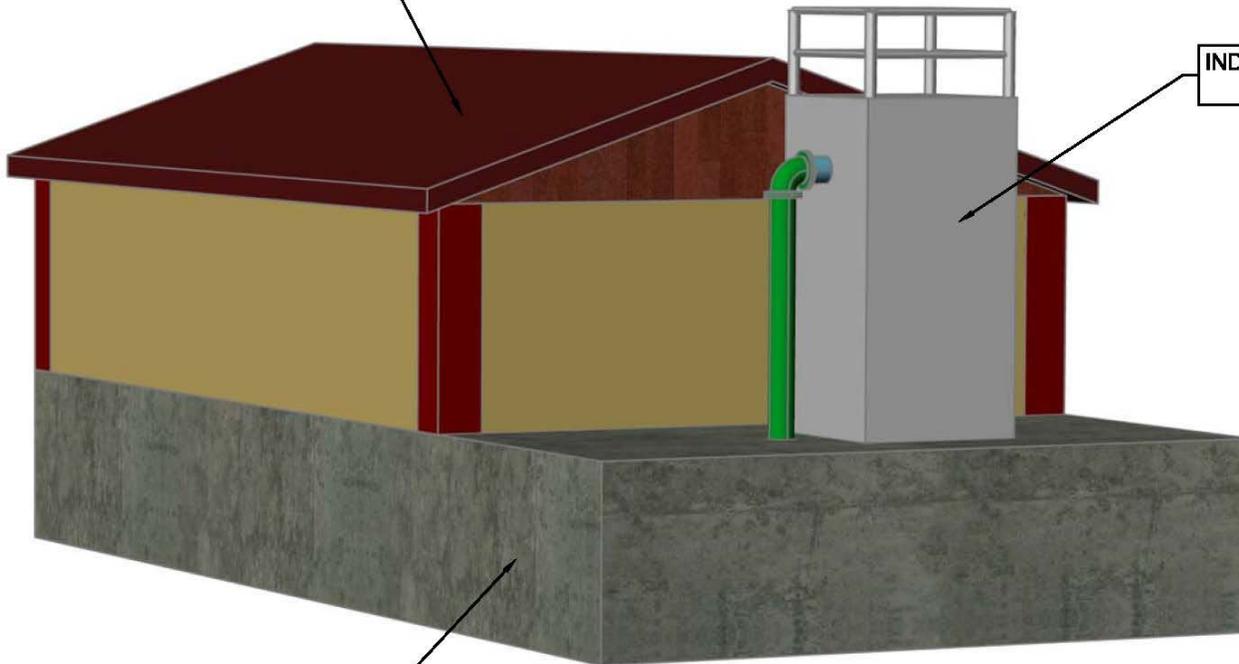
## Potential Relocation Discussion



# Plant Schematic

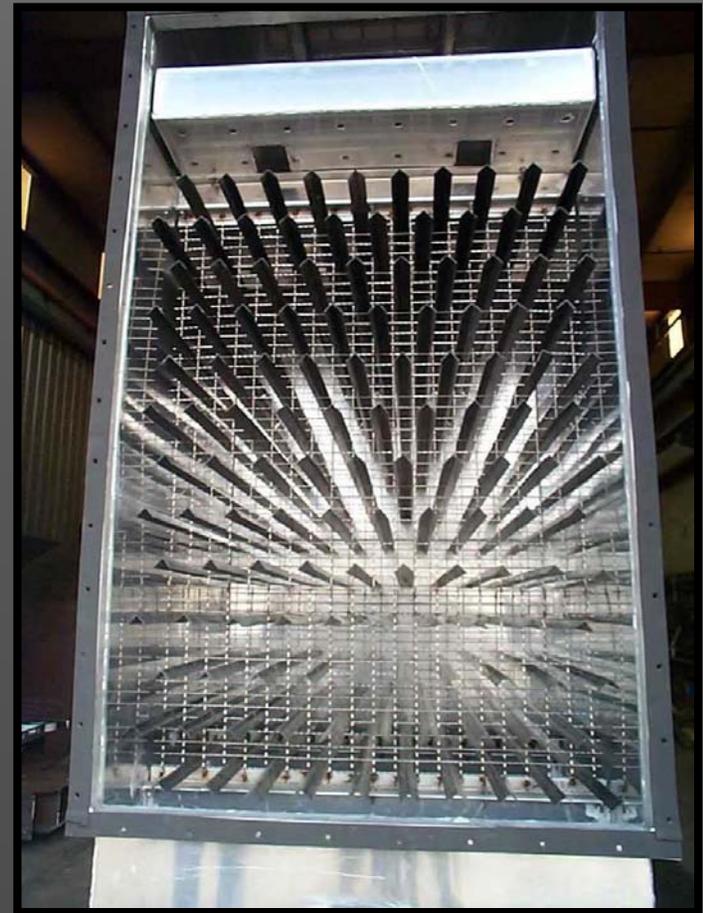
TREATMENT BUILDING  
FOR PUMPS, PIPING, ELECTRICAL,  
CHEMICAL TREATMENT STORAGE  
& INJECTION EQUIPMENT  
25' WIDE x 30' LONG  
x 9.5' WALL HEIGHT  
APP. 13.5' TALL AT ROOF PEAK

INDUCED DRAFT AERATOR  
7' x 7' x 15' TALL



CONCRETE RESERVOIR  
APPROXIMATELY 25' WIDE  
x 45' LONG x 8' TALL

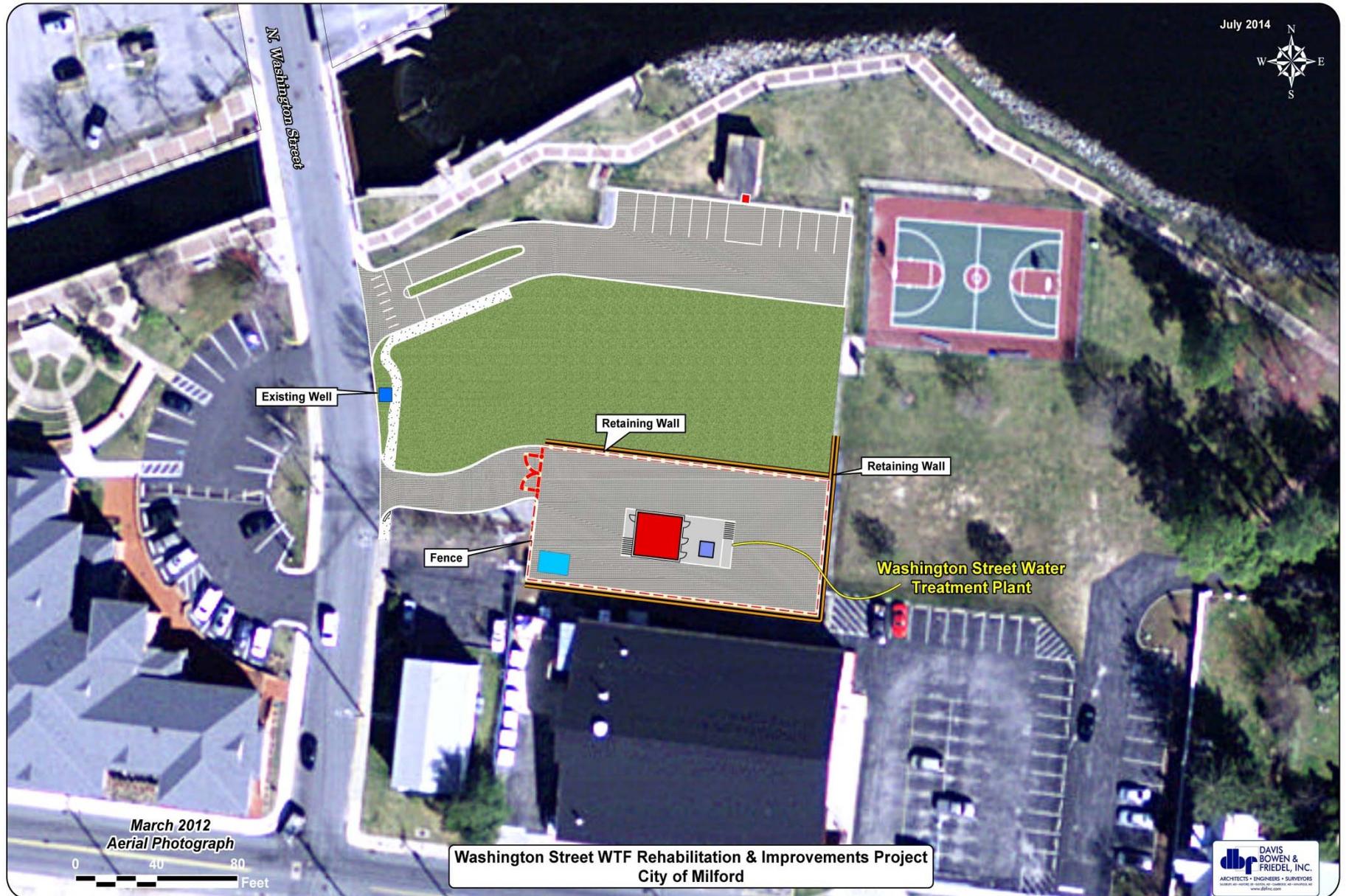
# Aerator Equipment



# Location as Originally Proposed

- ▶ Plant at same location as the existing
- ▶ Electrical Service & Emergency Generator at Site to Serve New Water Plant & Sewage Pumping Station

# PLAN VIEW RENDERING – PLANT AT PREVIOUS SITE



## BUILDING RENDERING – PLANT AT PREVIOUS SITE



# PLAN VIEW RENDERING - PLANT AT PREVIOUS SITE - TANK SITE IMPROVEMENTS



# Proposed Relocation

- ▶ Plant at Elevated Storage Tank Site
- ▶ Existing Site already used for Water Facility
- ▶ Larger Park
- ▶ Reservoir can be buried, unlike at other site
- ▶ Additional Generator Needed at Old Plant Site for Power to Well 1 & Sewage Pumping Station

# PLAN VIEW RENDERING – PLANT AT TANK SITE



BUILDING RENDERING - PLANT AT TANK SITE - VIEW FROM WASHINGTON STREET



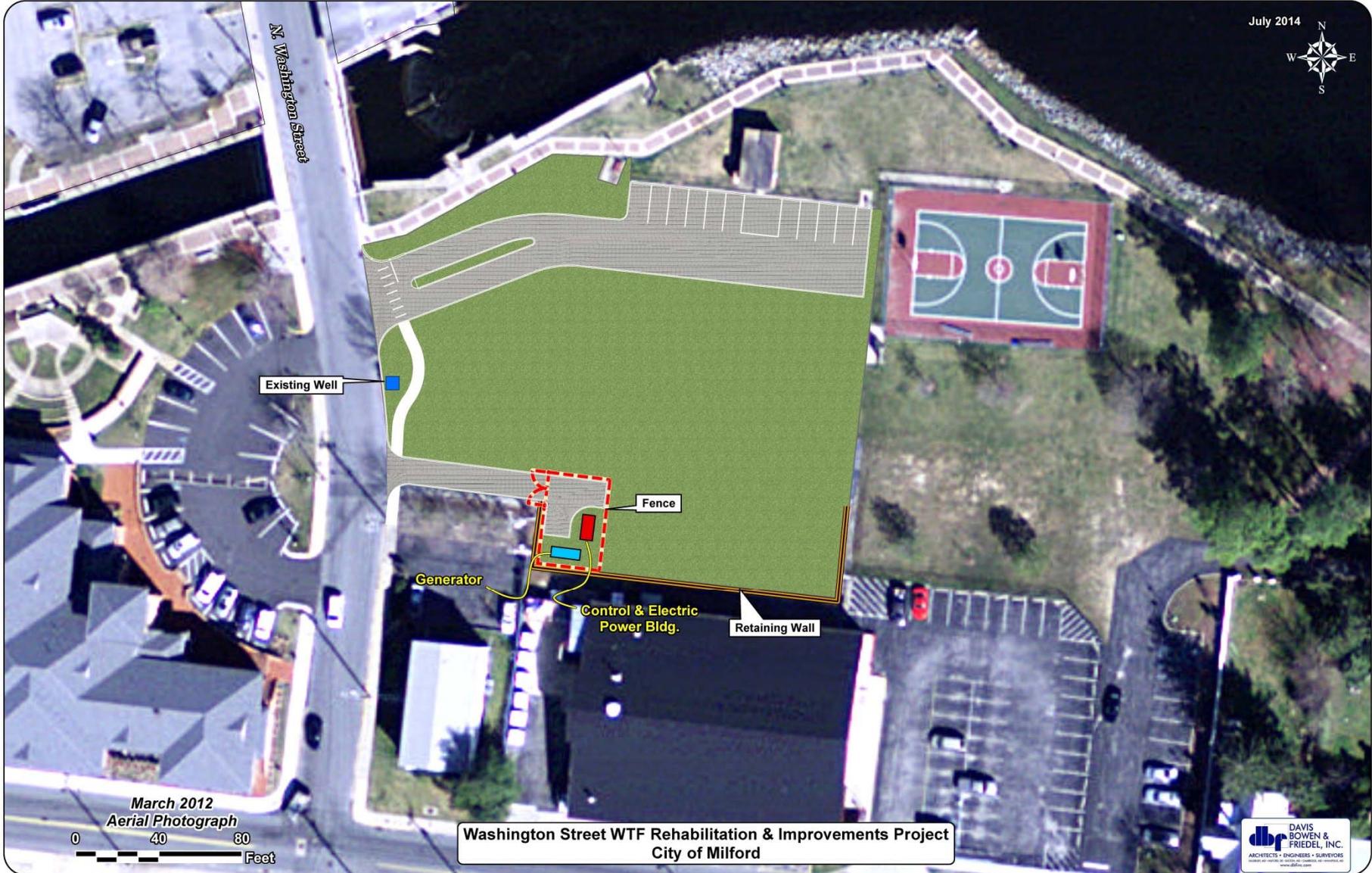
BUILDING RENDERING – PLANT AT TANK SITE – VIEW 1 FROM WALNUT STREET



BUILDING RENDERING – PLANT AT TANK SITE – VIEW 2 FROM WALNUT STREET



# PLAN VIEW RENDERING - PLANT AT TANK SITE - PREVIOUS SITE IMPROVEMENTS



# Original Project Scope

- ▶ Replacement Well at Existing Plant Site
- ▶ Administration Building

# OVERALL PROJECT SCHEMATIC - ORIGINAL APPLICATION



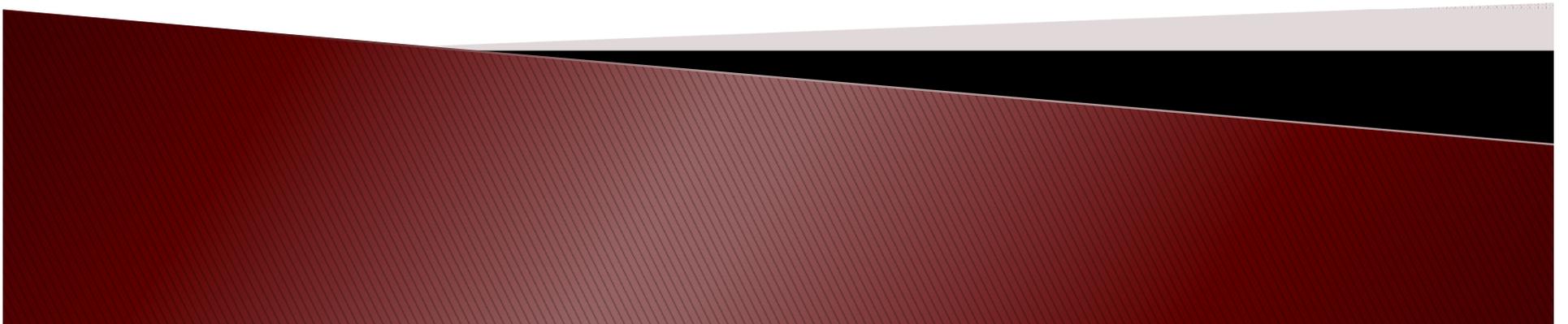
# Modified Project Scope including Relocation of Plant

- ▶ Production Well at Remote Site due to Contamination
- ▶ Additional Raw Water Main to New Well Location
- ▶ No Administration Building
- ▶ Replacement of Existing Well House at Tank Site
- ▶ Relocation of Water Main feeding Elevated Storage Tank

# OVERALL PROJECT SCHEMATIC – AS CURRENTLY PROPOSED



# USDA Funding Possibilities



# USDA Funding Possibilities

- ▶ USDA Rural Development approached DBF as they have funding but not enough projects
- ▶ USDA willing to provide grant funds to entice Milford to pursue improvements projects
- ▶ Projects to be funded over 2 years to maximize Grant
- ▶ Based on the Affordability of City Utility Rates, only the Sewer Utility is eligible for Grant Funds. Water Utility is not.
- ▶ \$2,000,000 Grant
- ▶ \$2,000,000 Loan – 40 Year Term, 2.375% Interest Rate (Currently)

# Proposed Year 1 Projects

<b>\$2,000,000</b>	<b>Total Project Costs</b>
\$ 400,000	System-Wide SCADA Instrumentation & Programming Upgrades
\$ 525,000	North Street Pump Station Rehabilitation
\$ 325,000	Fisher Avenue Pump Station Rehabilitation – Phase 1
\$ 450,000	South Milford Pump Station Upgrades – Phase 1
\$ 300,000	Lighthouse Estates Pump Station Improvements

# Proposed Year 2 Projects

<b>\$2,000,000</b>	<b>Total Project Costs</b>
\$ 850,000	Fisher Avenue Pump Station Rehabilitation – Phase 2
\$ 400,000	N. Shores Pump Station Rehabilitation
\$ 750,000	I & I Sewer System Repairs

# System-Wide SCADA Instrumentation & Programming Upgrades

- ▶ SCADA (Supervisory Control And Data Acquisition)
- ▶ City has a SCADA System in Place – Not Integrated for Best Use with Sewer System
- ▶ Annunciate Alarms For Pump Malfunctions to Avoid Overflows or Burning Up Pumps
- ▶ Monitor Amount of Water Pumped, Time Pumps Run Each Day
- ▶ Utilize Data to Identify Average (Dry) Day Amounts for Flow & Run Time
- ▶ Any Deviation from Average Day Signifies Issue at Station, i.e. Check Valve Not Closing, Debris Clogging Pump
- ▶ Compare Against Wet Day Amounts to Identify Areas Greatest Impacted by Inflow & Infiltration

# North Street Pump Station Rehabilitation



- ▶ Located at Intersection of Rte. 113 & North St. (Opposite old Dickinson Medical Center)
- ▶ 37 Years Old
- ▶ Constructed Circa 1977
- ▶ Valves Inside Wet Well with Raw Sewage
- ▶ No Means of Bypassing Flow in Case of Pump Failure
- ▶ Project Initiated in 2007
- ▶ Project Placed on Hold Due to Lack of Funding

# Fisher Avenue Pump Station Rehabilitation – Phase 1

- ▶ 25 Years Old
- ▶ Constructed circa 1989–90
- ▶ City's Largest Pumping Station
- ▶ Phase 1 Includes Replacement of Existing Generator & Odor Control System (which is obsolete & no longer serviceable)



# South Milford Pump Station Upgrades – Phase 1



- ▶ First Step in Expansion of Sewer System to Accommodate Growth in SE Area
- ▶ Additional Capacity to be Added Via Larger Pump Impellers & Associated Upgrades

# Lighthouse Estates Pump Station Improvements

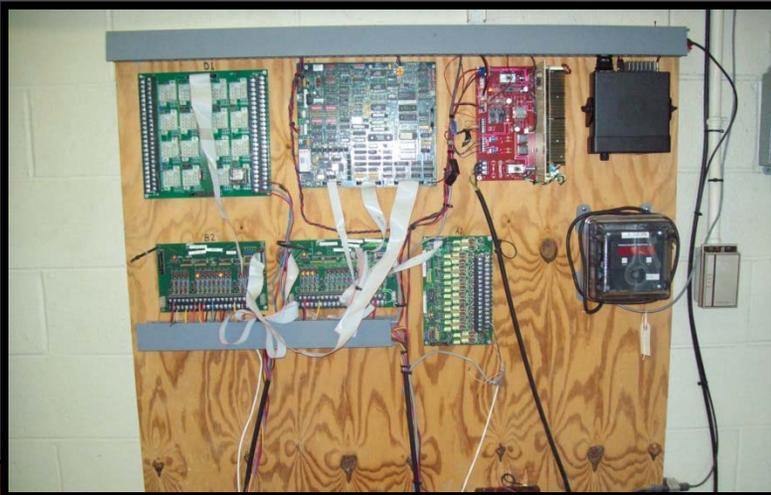
- ▶ Constructed circa 2007
- ▶ Station Discharges Directly into Main from Milford to Kent County WWTP
- ▶ During Periods of Heavy Rain, Pumps are NOT Large Enough to Overcome Pressure in County Forcemain & Station Overflows



# Fisher Avenue Pump Station Rehabilitation – Phase 2

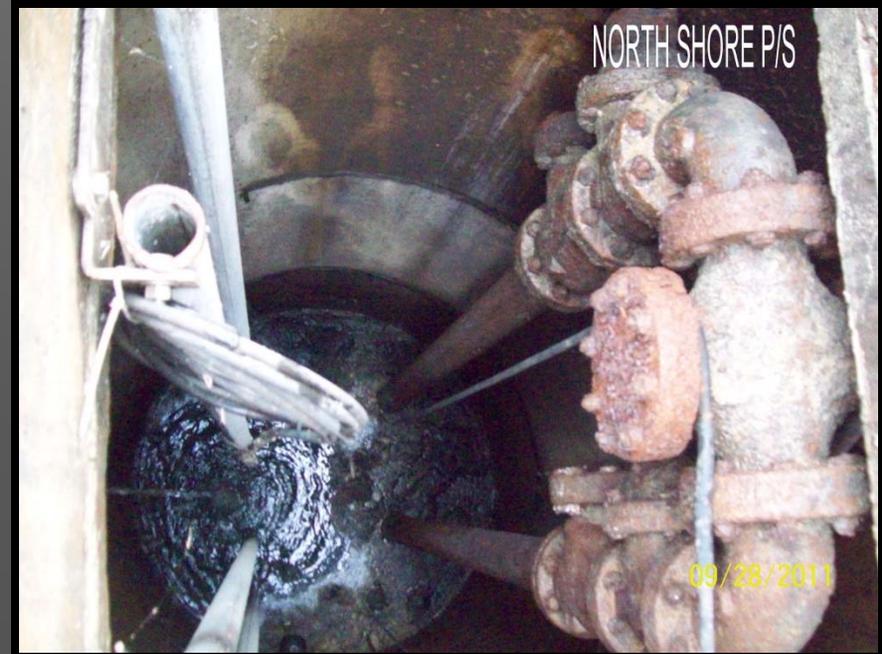


- ▶ 25 Years Old
- ▶ Constructed circa 1989–90
- ▶ City's Largest Pumping Station
- ▶ Phase 2 Includes Remainder of Rehabilitation Work Including Replacement of Pumps, Valves, Electrical, Etc.



# N. Shores Pump Station Rehabilitation

- ▶ 38 Years Old
- ▶ Constructed circa 1976
- ▶ Located at Entrance Off of Rte. 113 to North Shores Development
- ▶ Only Serves Annexed Property in Development
- ▶ Shut-Off & Check Valves Located Inside Wet Well with Raw Sewage
- ▶ No Means of Bypassing Flow in Case of Emergency



# I & I Sewer System Repairs



- ▶ First Phase of Recommended Repairs Complete With Significant Amount of I & I Still Entering System
- ▶ Estimated Annual Cost of Infiltration & Inflow to System = \$150,000

*MILFORD CITY COUNCIL*  
MINUTES OF MEETING  
*June 17, 2014*

The Finance Committee of Milford City Council met in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware, on Tuesday, June 17, 2014 to discuss the proposed FY 2014-2015 Budget.

PRESIDING: Chairman S. Allen Pikus

IN ATTENDANCE: Committee Member Garrett Grier III and Douglas Morrow, Sr.

MAYOR & COUNCIL: Mayor Bryan W. Shupe

Councilpersons Dirk Gleysteen, Owen Brooks, Jr. and James Starling, Sr.

STAFF: City Manager Richard Carmean, Police Chief Keith Hudson & City Clerk Terri Hudson

Finance Director Jeff Portmann

*FY 2014-2015 City of Milford Budget*

Chairman Pikus called the meeting to order at 5:15 p.m. for a review of the proposed Fiscal Year 2014-2015 City of Milford Budget.

City Manager Carmean explained that e-mails were sent out to the department heads and Chief Hudson. They started with the exact budget numbers last year; the only numbers he and Mr. Portmann were interested in were reductions and/or additions. This made the process much simpler than in past years.

He explained that Finance Director Portmann handles the insurance, unemployment, workman compensation, gas, oil, and similar line items based on previous histories.

Chief Hudson advised that the FY13-14 police budget was \$4,397,915 and the total budget proposed for FY14-15 is slightly increased at \$4,431,470 or \$34,000.

The chief said there are very few changes. Salaries went up slightly and associated overtime and benefit line items remained about the same though some decreased. The majority of the operating budget line items were close to the previous year or remained the same.

Mr. Pikus asked how much has been spent in training this year. He recalled one year increasing and the next year decreasing that amount. Chief Hudson advised that currently \$17,564 has been spent. Mr. Pikus asked if the \$35,000 budgeted is needed this year.

The chief explained that ammunition has to be purchased out of the training budget. There has been a significant increase in ammunition which is the result of material and labor cost increases and several years of wartime. Because of that, the demand continues to outweigh the supply and it can sometimes take approximately a year to get the ammunition.

He noted there are also a number of certifications required in police work. More times than not, that type training is not offered within the state. There are additional costs associated with out-of-state training.

Mr. Portmann explained that the budget includes a 2% increase in salaries which effects all departments. Unemployment compensation is up from \$13,000 to \$21,000 due to the state increasing unemployment costs. The rate increased from \$310 per person to \$490 a person statewide. That line item will increase each department as a result.

Also mandated by the state, workman compensation increased from \$120,000 to \$138,000. The finance director reported that the average increase is 14% and will be reflected in each of the department's budget.

Mr. Portmann also noted that though gas and oil increased in price, overall it slightly decreased from \$95,000 to \$85,000 which could be a reflection of a number of factors including training sites. The chief added that the amount of gasoline used

is really unpredictable and many things can affect it even on a daily basis.

It was confirmed that two vehicles will be purchased as is the norm. At one time when the city manager was police chief, council decided to hold off purchasing new police vehicles and it ended up costing more money over the next several years.

Mr. Pikus referenced the request for \$50,000 for CAD and law enforcement records/server replacement.

Chief Hudson explained they will replace two servers purchased in 2007 and 2008. This includes \$32,000 for services related to the installation and setup. The purpose of the change is to prepare for future upgrades. The current version is 9.0 and software is 10.2 with 11.0 due this summer. The software provides backup in the event of catastrophic failure. Upgrades to the mapping software, database software and virtual machine software are included.

He reported that our IT Manager Wes Banasan agrees with the upgrade. It was noted that Lieutenant Huey is the department's IT officer though Mr. Banasan works with them and is available to handle matters as needed.

City Manager Carmean then reported that he is still negotiating with the police union and meetings cannot be scheduled with the Labor Attorney Gary Simpler until after July 4<sup>th</sup>. Therefore, he will not be able to provide any economic changes until the meetings conclude.

Mr. Pikus confirmed those negotiations will not be complete by the time the FY14-15 budget is presented. Mr. Carmean advised the next meeting is July 7<sup>th</sup>. He does not expect that to be the last meeting and anticipates several more before he is prepared to present their offer to city council.

Mr. Pikus said that will have to be taken into consideration and at the time, council will weigh any financial options.

Mr. Pikus thanked Chief Hudson for attending tonight's meeting.

City Manager Carmean then asked Finance Director Portmann to comment on the general fund.

Mr. Portmann then reviewed the general fund items. He referenced the Economic Development Funds line item which he recalled were approved as part of the five-year \$40,000 a year contract for Downtown Milford.

He reported that the city manager is adding the cost for a city planner/economic development position whose total budget is \$104,120 which includes pay, benefits and expenses such as a cell phone.

The real estate taxes were adjusted upwards to reflect the revaluation done in 2011. There is no increase in the tax rate, though the increase is from the adjusted property values.

Mr. Pikus noted that we budgeted \$3,556,965 this current fiscal year and asked how much more we received; Mr. Portmann advised that we are within 1% of that budgeted number which is uncollected. Eventually liens will be placed on those properties. He said that number has been very consistent for several years.

He advised that penalties were reduced by \$2,000 and real estate transfer tax police fund remains at \$500,000.

There is an increase in business and mercantile license revenues from \$5,000 to \$40,000.

According to Mr. Portmann, building permit revenues have decreased. He asked the city manager is there is a sunset on the waivers. Mr. Carmean explained we do not waive building permit fees; the only waiver council approved was for impact fees. He did add that some building permit fees were waived though the majority have been paid. The city manager believes that \$60,000 is a good estimate.

Mr. Pikus reported that as of April, building permits brought in \$42,000 though there was still two months left in the fiscal year. He confirmed Mr. Portmann is comfortable reducing that revenue line item from \$80,000 to \$60,000. Mr. Portmann believes the city will see a lot of activity in May and June though overall the fees are down considerably. He noted that the

previous year we collected \$101,000 and budgeted \$80,000. This year, we are between \$42,000 to \$43,000.

Mr. Portmann said he was conservative with the reduction to \$60,000 based on what has been paid even though he does not understand the significant drop in building permits this year. Mr. Carmean said there has been less new construction this year compared to the last couple years.

The finance director reported that planning and zoning fees increased from \$10,000 to \$15,000 this year and grasscutting revenues increased from \$5,000 to \$15,000. He advised that we have had some issues in the past collecting the grasscutting fees, but we are now doing a much better job.

Mr. Portmann noted the police fines have slightly decreased by \$15,000. He believes that can be attributed to training, particularly with the new officers and the SRO officers, which takes the officers away from patrol duty for the most part. Right now, we expect to collect about \$140,000 this year.

He reported the new revenue item added is for the two SRO officers funded by the school for \$200,000. Mr. Portmann advised that initially there were three officers, but the school reduced the number by one.

The finance director then noted there is very little change in miscellaneous revenue. Cable franchise fees are up by \$4,000.

The interdepartmental revenues remain the same and the electric transfer is unchanged at \$2.5 million for the twelfth year.

Mr. Pikus asked if it the city will be receiving additional revenues off the new water tower south of Milford. The city manager said he has been trying to get in touch with the group who want to build the cell tower by Knollac Farms. He has called them several times to encourage them to lease space on that tower.

Mr. Carmean anticipates the tower to be up and operating by late fall 2015.

Mr. Portmann then reviewed the city administration budget. He noted that the salaries and wage line item increased due to a new hire scheduled to begin in December.

Mr. Portmann said insurance is up slightly; the record retention line item increased from \$3,000 to \$5,000.

He stated that we hope we can keep legal expenses down to \$12,000 though that does fluctuate. Today, we have spent approximately \$9,000.

Mr. Pikus asked how the medical line item decreased by \$900. Mr. Portmann explained that medical costs vary based on a number of factors. An employee may select a different plan, a new employee may select the family plan and replace an employee with a single plan, a child turning 26 years of age is removed or a change in a spouse's employment can all impact our medical costs. As an example, our family plan is \$18,000 compared to \$6,000 to \$7,000 for single coverage.

Mr. Pikus noted that social security went up \$6,000. Mr. Portmann advised that the new person being hired will not have medical insurance though there are other increases in payroll items such as social security, unemployment, etc.

In the planning and zoning department, the planner/economic development position was added. In the previous year, a portion of the prior planner's wage was included which is why there is not a substantial increase in salaries and wages.

There have been more planning and zoning legal issues so that line item increased by \$2,500. A special training has been requested so that increased \$3,500.

The computer line item is to cover the cost of a computer for the new planner and replacement of the computer for the current employee in that department.

Mr. Pikus recalled purchasing a new computer for the former planner when he was hired; Mr. Portmann said that would make the computer approximately ten years old.

Mr. Gleysteen then asked to go back to revenues. He noted the SRO officer funded by Milford School District was originally budgeted at \$300,000. He confirmed the city received a check for \$300,000 and recalled a contract we had with the school for \$300,000. He feels we need to keep the \$300,000. As far as he is concerned, we need to have some talking to do with them before we refund the \$100,000. He thinks they are neglecting their civic responsibility as far as maintaining the school and he would be against refunding that fee until such time they do what is right with the middle school building.

Mr. Pikus asked if we have been approached to refund the amount. Mr. Carmean said he believes so adding that Chief Hudson has discussed the matter with him. Mr. Pikus said that council never agreed to refund that money. The city manager added that the school is contractually obligated to pay that and council has to let them out of the contract.

Mr. Pikus stated that it will stay as is right now until council takes further action.

Mr. Morrow recalled it being a Memorandum of Understanding and not a contract. Mr. Pikus said it was a contract and Mr. Carmean agreed it was a contract.

Mr. Portmann said he has a Memorandum of Understanding that spells out the terms including the payment.

Mr. Pikus said he recalled when they had the discussion with the school. The agreement was the city would supply the officers. Mr. Carmean said he thought we had an assurance for so many years. Mr. Pikus agreed adding it was for three years. The city manager said it actually involved actually hiring additional officers as well as the costs of training, equipment and uniforms.

Mr. Morrow reported that the third officer had not been put in the schools yet so it was not like we hired another person and they changed their mind. Mr. Pikus said we sent them to the academy though the third one dropped out.

Mr. Pikus feels we need to see where we stand legally stating that we agreed to our end of the bargain.

Mr. Carmean asked if any money was returned to them; Mr. Portmann noted that the chief's assistant is getting the numbers together to determine the costs of the third officer so that we can determine how much of the \$100,000 was spent. He confirmed the school did request the check because it was discussed with the chief, himself and Mr. Portmann during the budget meetings. Mr. Morrow confirmed that Chief Hudson informed him that some of the \$100,000 had been spent.

Mr. Carmean feels that the \$200,000 will work because if we hold them to the contract, we would simply increase that line item. Mr. Portmann agreed the salary and benefits would also have to be increased.

Mr. Gleysteen said he really does not want that money refunded until it comes before council.

Mr. Pikus pointed out we are still a little in limbo with this budget because we do not know what will happen with the union until after July.

Mr. Morrow added that council does not have to agree to things we cannot afford. He feels we are in control and the negotiators understand our limitations.

Mr. Carmean again referenced the contract and emphasized that this still leaves the school with three officers of which one the city pays for and the other two are paid for by the school.

The city manager confirmed it was a Memorandum of Understanding approved by council in 2013.

Mr. Pikus said to hold off refunding the school any money until we determine what the costs are.

Mr. Pikus then continued a review of the remaining budget.

In the code and inspection budget, Mr. Portmann noted there are no special requests except for demolition money. He explained that typically when demolitions are done, they request a budget adjustment from council. They do not like putting

money in demolitions in case it is not spent. In that case, it can be used elsewhere.

He referenced last year's budget, where \$4,000 was budgeted and \$23,000 was spent after council approved the expenditure. This year, they anticipate at least two demolitions and have requested \$13,000.

Mr. Pikus asked for confirmation that those funds will come back to us through the sale of the property through liens. Mr. Carmean states yes the city will lien those properties so we will be reimbursed those fees.

Mayor Shupe asked about the addition of a second code official adding that he does not see it in the budget. He said that is one of the things he talked about. He recalled the year we raised the rental fees. Mr. Pikus explained we increased a fee for all renters and any property owner who rents pay a \$50 fee per unit. Mr. Carmean believes it is \$25 per unit.

Mr. Pikus asked if the additional code official was considered. Mr. Carmean stated yes Mayor Shupe had requested that be added but there is no money to cover the cost.

Mayor Shupe said that fee is still being collected even though we do not have the additional code official. Instead, the money is being transferred to the general fund.

He asked the estimate on the salary and benefits; Mr. Carmean estimates \$70,000 plus. Mr. Brooks confirmed that includes a vehicle, insurance costs, cell phone, etc.

Mr. Portmann and Mr. Carmean both agreed a vehicle would be needed. Mr. Portmann said a comparable budget right now would be in the mid \$90,000 range. They need to look at some additional items including associated training.

Mr. Brooks asked exactly what the current officials do. Mr. Carmean stated that Don Williams is the building inspector and CC Dennis is a code official who handles the grasscutting, yard issues, etc. Mr. Dennis will cover for Mr. Williams when he is off. However, there are structural inspections and other duties Mr. Dennis is not qualified to handle. In those cases, an engineer from Davis, Bowen and Friedel is called.

Mr. Pikus asked if Mr. Williams ever handles code enforcement; Mr. Carmean said he has done that. He confirmed that Mr. Williams was hired as Milford's Code Official and when former City Manager David Baird promoted Brad Dennehy to Public Works Director, Mr. Williams was given the building inspector position. Mr. Dennis was in the code department at that time.

Mr. Carmean said he was not here when all those changes were made, but recalled the city had a couple code officials during the building boom. Then the city hired a third person for that department who was laid off.

Mr. Brooks feels the rental fees should fund the second code official. Mr. Portmann recalled when a second code official was hired but within two weeks of his hiring, council voted to lay off four employees which included him.

Mr. Pikus agreed noting we had a \$260,000 shortfall that year. Either taxes had to be increased or four employees laid off. The code official laid off was the newest person hired. Council had to decide whether to keep the employee or raise taxes. He said we chose not to raise taxes and felt these four employees were not essential at that time.

Mr. Pikus asked how much has been brought in by the rental fees; Mr. Portmann said approximately \$85,000 total. Mr. Brooks asked what happened to the third vehicle that code official used. Mr. Portmann does not believe we purchased a third vehicle adding that he was only here two weeks.

Mr. Pikus feels we can consider this at a later date. It was agreed council would revisit the potential to add an additional employee to the department at some point in the future.

The finance director then referred to the city hall cost allocation whose costs are shared by council, city administration, IT and planning and zoning. He said there are very few changes with the exception of the electric and fuel oil which can be attributed to the increase in the cost of fuel oil.

The finance department budget was then reviewed. Their contract services line item increased \$7,000. Mr. Portmann reported that he has hired an outside bookkeeping firm to handle the city's monthly bank reconciliation. The employee that previously handled that duty was transferred to the billing department as their supervisor. Anyone reconciling bank accounts cannot handle cash, write checks or take deposits which also eliminates his staff.

Mr. Pikus confirmed that the employee transferred to billing was previously paid from the IT department. Mr. Portmann stated yes, she was actually the IT/software specialist. However, she handled those duties for Mr. Portmann because she was not involved in any of the duties that would conflict with that position.

Mr. Portmann explained that the contractual bookkeeper spends approximately fourteen hours a month at \$40 an hour reconciling the accounts.

He then reviewed the IT department budget which has had little change other than the increase in salaries received by all departments. Software maintenance is an annual fee that increases each year. He explained that can mainly be attributed to the HTE/Sungard program which is the backbone of the city software and whose cost is approximately \$86,000.

IT Manager Wes Banasan has submitted a capital request for \$85,000 to replace the cisco switch which is eight years old and beyond maintenance. The new equipment will be good for ten years and our speed will increase from 1GB to 10GB.

Mr. Pikus asked if the \$317,000 allocated for the PNC building includes any IT work. Mr. Carmean said that Mr. Banasan will have to add the IT needs and security equipment. The \$317,000 only included the pneumatic tubing required for the drive-thru window.

When asked if that is included in the IT budget, Mr. Portmann advised it was added to the electric department under their capital budget. He confirmed it will cover the IT work, furnishings and alarm and video security system.

The finance director noted that the IT capital budget does include a new firewall which is the security system for all city computers.

Mr. Portmann then referenced the council budget slightly decreased. The contributions remained the same. Milford Museum requested \$42,000 though \$26,000 was allocated.

Mr. Gleysteen asked where \$32,000 in cemetery revenues comes from; Mr. Portmann explained that is the money the cemetery provides on a quarterly basis for grasscutting. Parks and recreation submits a bill to the cemetery four times a year which is paid out of their perpetual fund. Mr. Carmean advised that when the city took over the cemetery, the city received approximately \$500,000 in investments that can only be used for maintenance.

Mr. Gleysteen questioned if the \$32,000 completely funds the grasscutting operations; Mr. Pikus explained that the city supplements it. Mr. Carmean said we receive a little money from the sale of the cemetery plots though that is usually no more than \$30,000.

Mr. Pikus then read the request from Doctor Don Abrutyn, Treasurer and Commissioner of Milford Museum asking an award of \$42,000 to support the budget for the fiscal year 2014-15. This assessment is based on two aspects of the annual budget—one for the projected costs of utilities, fuel, archives, supplies and technology needs whose costs are more than \$38,000. In addition, \$30,000 is needed for the executive director's salary. The letter stated that in the past, the executive director had been funded through a capital fundraising campaign. However, this year, they lost their largest donor (Richard Johnson) who had provided a third of the funding. The balance of the budget will be raised through state grant-in-aid, private donations and a continuation of the executive director's fundraising campaign.

Mr. Pikus explained that the city provides \$26,000 and they are requesting \$42,000 which is an additional \$16,000.

Mr. Starling asked if we have the additional money; Mr. Portmann advised that he is presenting a balanced budget which means there is no additional money. Mr. Gleysteen feels it needs to be kept at \$26,000. Mayor Shupe agrees it needs to be kept at \$26,000 though we can keep their request in mind should we find an additional \$16,000.

Mr. Pikus agrees the contribution should remain at \$26,000 and referenced Mayor Shupe's comment that if we find some additional money, we will reconsider. Concluding, he stated the recommendation of the finance committee will be to leave the contribution as is.

Mr. Portmann reviewed the billing and collections budget noting that contract services are down from \$42,000 to \$3,000. A consultant was hired in the previous budget and his contract will not be renewed. The \$3,000 is a request to add the billing department to the code red system which is an emergency notification system the police use.

The city manager believes that most of council has subscribed to the code red system at the police department where notifications are provided during emergency situations. This will give the billing department the ability to do provide utility or general announcements when needed.

Mr. Pikus noted the increase is in vehicle labor and vehicle maintenance and repairs and asked if there are a lot of repairs considering they only have one vehicle. Mr. Portmann advised that because one of the meter readers was added to that department which adds one more vehicle. When the meter department of three employees was disbanded, one went to the billing department, one was transferred to the water department and the third transferred to the electric department. The finance director pointed out the insurance increase in the billing department's budget. He explained that is the result of adding the former PNC building to our insurance policy.

Mr. Portmann advised that five computers will be replaced in that department in conjunction with the move to the PNC building. Mr. Pikus said he was under the impression that any work needed at the PNC building would be reflected in the electric department. Mr. Portmann explained the wiring will but the computers are an actual expense of the billing department and will come from the same funding they always have.

Mr. Pikus then asked if they all need to be replaced; Mr. Carmean explained that their computers are used a lot and emphasized the IT Manager made the recommendation. Mr. Pikus noted that Mr. Banasan does not ask for many new items so they must be needed.

Mr. Gleysteen then asked if the city really gets \$5,000 worth of value from our billing rate consultant. Mr. Carmean said yes and explained that he does the computations on the PPCA every month and tracks the city's expenditures versus our revenues. He also makes projections of what is needed. Mr. Gleysteen agreed.

When asked, the city manager said he has never seen a time when we had to raise electric rates in the middle of the year though he tracks and makes recommendations on the purchase power cost adjustment.

Mr. Carmean said we are also very close to providing a brand new electric tariff for council to adopt. The previous tariff was outdated and we have been working on that for sometime.

The city manager noted that the cost of mailing has decreased and there have been some real successes as a result of some changes in the billing department the last year or so. Mr. Carmean said he changed the monthly due date from one to four dates and four disconnect dates each month. The outsourcing of the bills has also been a great improvement and has freed up a great deal of our employees time. He will continue to consider other changes and hope to implement them in the near future. He said our overall customer service has improved a great deal this past year alone. The number of complaints received has dropped drastically due to some changes he made in that department. Anything from the manner in which the billing staff answers the telephones to the way they deal with customers has improved.

Mr. Portmann continued their department review noting that gas and oil costs have increased because of the addition of the meter reader and the additional vehicle. He said he does not know anyone else at public works who uses their vehicle more.

Electric and water have been added to the billing department with the anticipation of their move to the PNC building though we have no idea what those expenses will be until we actually move in.

The charges for credit card fees increased approximately \$8,000 because more customers are using credit cards.

Mr. Pikus asked which bank we use or is that all fees combined; Mr. Portmann explained this is not a bank but AMS (Automatic Merchant Service) who is the terminal used for the various credit cards.

Mr. Pikus informed the finance director that they will negotiate those fees; Mr. Portmann explained it is an annual contract that expires in February. He added we do have some other credit card terminals that have expressed an interest as well.

Mr. Pikus pointed out that we have a lot of money going through and it is worth negotiating. He does this every year and is able to see a reduction in those fees. He said the fee has increased though he understands we are using it more. In the streets and grounds division, Mr. Portmann noted that contract services are up from \$7,500 to \$57,500. Street Superintendent Webb has requested \$40,000 for a new street patching program. The finance director reported it was contracted out with Jerry's Paving in Milford. Mr. Carmean said we still have work to be done and have started addressing these patch jobs now that the weather has turned around. Some curb and sidewalk work will also be done. Because of the increase in the work load, Public Works Director Dennehy felt the benefits of contracting that work out outweigh overburdening the street department employees.

Mr. Portmann noted there is also \$10,000 included for porcelain berry spraying. Mr. Carmean said this is a problem and there is nothing we can do other than spray in hopes of getting rid of it.

Mr. Pikus asked if this is a problem on our land or private property; Mr. Carmean said it is everywhere. It needs to be addressed and is particularly bad around the Penn Fountain Walkway where it has killed several trees. He said if someone has a bag case in their backyard and cannot get rid of it, it spreads like wildfire. The birds then go in, eat the berries and it becomes even worse. This will allow us to contract Bill Pike and his brother again. They have been very successful addressing this in the past.

In previous years, there was \$7,500 budgeted to cover the contractual costs. Mr. Carmean pointed out that we found chemicals stored at our warehouse last year that were able to be used. They are now gone and the reason it has increased to \$10,000 which will cover the Pike's contract as well as the chemicals.

Mr. Portmann noted the other increase is for snow and ice removal and the cost of replenishing those materials. Mr. Carmean reported that because the school district did not have the materials ordered and in stock this past winter, the city let them use some of the salt we had stockpiled. Street Superintendent Tim Webb informed him we have only received 60 tons back though he is staying on top of that and will get the other 40 tons back and into our salt sheds.

Mayor Shupe asked where the transfer to the public works fund come from. Mr. Portmann said the public works budgets will be reviewed tomorrow night. The allocation is for the two employees who work on behalf of the streets and grounds. The total public works budget (consisting of the public works director and his assistant) is broken out and paid for by each department that uses the building.

A capital request for \$20,000 was submitted for the street department for bird netting above the shop and truck bay. Mr. Portmann recalled a similar net was installed in the solid waste area last year because birds are a problem in these storage areas.

Two capital requests were submitted for a (1) regular dump truck for \$60,000 and a (2) full-size dump truck for \$160,000. After meeting with Street Superintendent Tim Webb, it was determined that only the regular dump truck was needed this year.

Also included in the street capital budget is the Airport Road paving project in the amount of \$350,000. The city manager is also submitting a request for CTF funding (Community Transportation Funds) from our legislators. The balance will be paid from Municipal Street Aid. The proposal needs to be presented to council for final award/approval before funds can be paid from this account.

The city manager predicts the city will receive less municipal street aid and CTF funding this year.

Mr. Carmean said that it has been recommended that we also add sidewalks and bike lanes to Airport Road. He feels the

city cannot afford to do that so we may do a mill and overlay and restripe it.

Mr. Brooks agrees that it is one of the most heavily used roadways in Milford and in his opinion needs to be completely rebuilt to accommodate the current traffic volume. He pointed out it used to be a secondary road but is now a thruway to Walmart, Wawa, the business park and even a cut thru for beach traffic to get to the Milford-Harrington Highway. The city manager noted there are actual areas where the base has failed and more detailed work is needed.

The last department reviewed was Parks and Recreation. Mr. Portmann explained that salaries and wages increased by adding a half year of Gary Emory's salary after he retires. Mr. Carmean said we will be advertising for a P&R Director with the intent to get that person hired and in place by January 1<sup>st</sup>. Mr. Emory will be staying a few months to work with the new director. He feels the new director will need direction on completing the Goat Island project and the riverwalk and park system.

Mr. Portmann then continued the review noting that the maintenance and repair of facilities increased from \$70,000 to \$75,000 which includes the upkeep of Goat Island.

P&R will also replace and purchase a computer and server.

The department submitted a capital request of \$20,000 for a new mower and trailer, \$80,000 for Goat Island north board and \$40,000 for a public restroom for the Can-Do Playground.

Mr. Pikus stated that Mr. Emory informed him he had grant money to pay for those projects. Mr. Portmann stated that we are budgeting half or \$40,000 of the \$80,000 public restroom project costs. State Representative Kenton is providing \$10,000 from his CTF funds and \$30,000 will be received from the Rotary Clubs. The city's portion is \$40,000.

Mr. Carmean said the restrooms will be a new stainless steel type and cleaning can be done by hosing them down. They will be locked from dusk to dawn.

He said that Mr. Emory also wants to add two stainless steel public bathrooms at the Washington Street Treatment Facility.

Mr. Brooks and Mr. Pikus recalled the public bathrooms next to Milford Police Department many years ago that were destroyed in one year. Mr. Brooks said they were so filthy no one could use them. He does not believe we will be able to keep up with the maintenance needed for a public bathroom. He said there was constant damage to the toilet and sink. He understands the need but questions the maintenance emphasizing the problems associated with the previous bathrooms and they were adjoined to the police department.

Mr. Pikus agrees and suggests we contact Rehoboth to determine how much it costs to maintain their bathrooms. He is sure they have seasonal workers that maintain those restrooms which means we would need that to be funded each year. He agrees with Mr. Brooks and predicts they will be eventually destroyed unless someone is watching them the entire time they are open.

Mr. Gleysteen also agrees with Mr. Brooks adding that though it is needed, there is no possible way the city can maintain them.

Mayor Shupe pointed out the materials are different today and understands there is a stainless steel model that is being considered. However, he also agrees it will involve a great deal of maintenance though it is worth considering.

Mr. Carmean stated that the consensus of council is it would not be appropriate for the riverwalk area and asked about the one requested at the Can-Do Playground; Mr. Pikus feels it is more of a restricted group that uses that park although there will still be people stopping there to use it. He feels it will be a major maintenance issue and he has expressed his concerns to Gary Emory. He feels the parks and recreation employees will need to patrol it throughout the day. When he told Mr. Emory that, his answer was the police department can control it. He added that the police department is always his answer.

The city manager noted that Milford Library has had to lock the doors on their restrooms because people were destroying

them. They are now only available by requesting the key.

Mr. Pikus asked exactly where the city's \$40,000 come from; Mr. Carmean said it would be funded by our taxpayers. He agrees it will be a headache and we will have very little chance of catching someone tearing them up.

Mr. Pikus emphasized that public restrooms are always a headache. Mr. Brooks agreed and reiterated the problems with the ones attached to the old police department in the downtown area.

Mayor Shupe then referenced the \$84,000 allocated for the Goat Island boardwalk. He asked if that is required in year one for Goat Island to be functional or is it aesthetic or required; Mr. Carmean said a big portion of the wetland draw will be the boardwalk. Mr. Morrow asked if the city is receiving any funding for that project. The city manager is unaware of any matching funds affiliated with that project.

Mr. Pikus was under the impression from a conversation with Mr. Emory that he was receiving grant money for the boardwalk. Mr. Carmean will follow up.

Mr. Pikus announced we have completed the review of the General Fund portion of the budget. He said we anticipate a balance budget with no tax increase. We will continue the budget review tomorrow night of the public works department.

With no further business, the meeting adjourned at 7:43 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder

*MILFORD CITY COUNCIL*  
MINUTES OF MEETING  
*June 18, 2014*

The Finance Committee of Milford City Council met in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware, on Wednesday, June 18, 2014 to discuss the proposed FY 2014-2015 Budget.

PRESIDING: Chairman S. Allen Pikus

IN ATTENDANCE: Committee Member Garrett Grier III and Douglas Morrow, Sr.

MAYOR & COUNCIL: Mayor Bryan W. Shupe

Councilpersons Dirk Gleysteen, Owen Brooks, Jr., James Starling, Sr. and Katrina Wilson

STAFF: City Manager Richard Carmean, Police Chief Keith Hudson & City Clerk Terri Hudson

Finance Director Jeff Portmann

*FY 2014-2015 City of Milford Budget*

Chairman Pikus called the second budget hearing to order at 5:32 p.m. to continue the review of the proposed Fiscal Year 2014-2015 City of Milford Budget.

Finance Director Portmann then explained the public works budget is considered a cost allocation. He stated that the department is actually paid for by other departments and in this case, by the garage, water, sewer, solid waste, electric, streets and billing departments. He advised there are four different interservice funds which feed into other budgets.

Mr. Portmann noted there is a slight increase in the salary line item of the public works department that consists of the public works director and administrative assistant.

The public works contract services line item also increased from \$6,500 to \$10,000. They will be adding the code red emergency notification that the police department currently utilizes. The police department currently possess the software though there will be an annual license fees of \$3,500 to add public works. Other than that, there are only minor changes in the budget.

Mr. Carmean pointed out the decrease in the salary line item since FY12-13 due to the elimination of the engineer's position and the transfer of the utility locator.

Mr. Portmann referenced the new line item titled office equipment after they requested \$2,500 to replace their microwave and refrigerator. He explained the refrigerator is large enough to accommodate all personnel housed at the facility.

A capital request of \$6,000 was submitted for LED lighting for a truck bay to convert all lights at the public works facility to LEDs.

Mr. Pikus asked about the bird netting previously discussed and whether the LED lighting would work in conjunction with the netting. Mr. Portmann said he is unsure adding the netting request was from the street department. Mr. Pikus asked if the plan is to add the netting to all bays or just the side bay. Mr. Carmean said it is only needed in areas where dump trucks and other large vehicles are housed. The netting was added to the electric department bays last year.

Mr. Pikus then noted the seven interservice costs (broken out by department) that fund the public works department.

The solid waste budget was then reviewed. Mr. Portmann stated that the revenues reflect the elimination of the commercial trash business whose line item now shows zero. He said there is not a large increase in the residential trash collection though he believes the apartment complexes may have been billed under commercial and now are reflected in the residential service billings.

Mr. Portmann reported that DSWA is again offering the rebate program. That program was in place for many years though it was not offered the past couple of years and instead DSWA netted out the costs by paying \$4 a ton and reducing it by \$4. DSWA has reimplemented that program and the city has selected that option. As a result, the city will receive a check sometime in August for last year's landfill usage at \$4 a ton. Mr. Portmann estimates we will receive approximately \$13,500.

The finance director recalled there was \$200,000 in the FY13-14 fund balance to purchase a trash truck. This year there is \$51,545 which is the difference in revenues versus expenses and is actually a shortfall. The finance director explained that though we discontinued commercial trash service on December 31<sup>st</sup>, some customers continued to be served. As a result, he is still unable to provide any potential savings as a result of eliminating that service.

When asked about a possible rate increase, Mr. Portmann explained that at this point, it is still not possible to provide the landfill tonnage and vehicle maintenance, gas and oil savings associated with the elimination of the commercial services. At this point, he is reluctant to recommend raising rates until he can provide more concrete numbers.

Mr. Grier asked if rates can be increased in the middle of the year; Mr. Portmann stated yes adding that the city manager is considering a new yard debris collection program which may impact rates.

The city manager then confirmed that each customer is charged an additional fee on their utility bill for any extra trash beyond what is placed in the container.

It was noted the solid waste budget is lower in FY14-15 than in FY12-13 or FY13-14. The city manager said that is the result of eliminating an entire crew and driver.

The finance director referenced minor changes in the garage budget. The only notable increase is in the insurance line item. He advised that every other year we are billed for the gasoline tanks due to a two-year quote we receive (carriers do not provide a one-year quote). Next year we will not receive that bill.

The city mechanic has requested a replacement truck in the amount of \$40,000; his current truck is a 1998 pickup.

Mr. Portmann again explained that this is an interservice fund which zeros out. The cost of the garage is divided among the other departments. Every department is charged an hourly rate when their vehicles are worked on, similar to them being taken to a private business.

Mr. Pikus said he has heard that the garage needs some upgrades; Mr. Portmann referenced the request for \$1,000 that will be used for some minor improvements. Mr. Carmean added that overall, it is in good condition.

Mr. Brooks recalled that C&C Drywall asked to purchase some of the public works facility land. He asked the status; Mr. Carmean said it required some surveying and engineer work that the city had DBF handle. Originally they asked for more land than he was willing to sell, though he was able to offer them approximately fifty feet. It required our engineers to review the turn radius of the semi-tractor trailers to ensure they would be able to fully access that property to unload and exit.

Mr. Brooks asked if the money for the sale of the land will be put in the general fund or the public works budget; Mr. Portmann confirmed it will go back into general fund reserves. He recalled the city also recently repurchased a business park lot from Performance Devices. The city manager said there are several people interested in purchasing business park lots and he expects to sell several in the upcoming months.

The water and wastewater division revenues were then reviewed. Mr. Portmann reported it was a good year for both services. Water revenues increased \$250,000 and wastewater revenues increased almost \$300,000.

Mr. Carmean advised he will be providing Perdue with an incentive for job creation due to hiring three hundred additional employees for a new product they are producing. It will be similar to what was provided to Seawatch when they added over one hundred new jobs. A rebate on sewer and water on new loads will be given for a certain number

of years.

Mr. Pikus asked the formula used for the economic incentive rebate for utilities and whether it involves a certain number of employees. Mr. Carmean explained that a certain number of employees must be hired and both Seawatch and Perdue maxed out. He emphasized that it only impacts the amount used above the previous three-year history.

Mr. Portmann explained that the Kent County Cost adjustment is the actual cost to the city for sewer. The increase from \$1,464,000 to \$1,700,000 is a result of additional consumption and a pass-thru.

There is a decrease in salaries because employees are now divided between the water and sewer departments.

Less money was requested in the main line item which was reduced from \$75,000 to \$30,000 because a large project was completed last year. Chemicals increased by \$25,000 due to a new water chlorination unit at the Tenth Street facility. That involves more chemicals which creates an increase in that line item.

Mr. Morrow asked if someone comparison shops for chemicals periodically pointing out that is a very competitive industry. The city manager advised that is the responsibility of the warehouse manager who shops around for the best prices of the items we purchase. He will confirm that and follow up with council at the next meeting.

Mr. Portmann advised that \$55,000 has been spent through May on chemicals this year. Mr. Pikus agreed it is important to shop around considering only \$25,000 was budgeted and it looks like we will end up \$40,000 over budget.

The finance director then noted there is some old water debt "1992 Cab Bonds" coming back this fiscal year. He reported this bond issue had a couple years when no payments were due. Now that they have reached their maturity date, payments of \$420,000 must be paid over the next four years. The 1992 bonds are also in the sewer budget.

The normal style bond (general obligation) pays principal and interest over a certain time frame. He explained that CAB bonds are Capital Appreciation Bonds and similar to a United States Savings Bond.

Capital requests of \$70,000 were submitted for a valve exerciser (\$25,000) and portable generator (\$45,000). The portable generator is part of Homeland Security Grant. It was supposed to be a 50/50 match but the grant has since been reduced by 12% and we will now only receive \$35,000.

Mr. Pikus said he recalls there were a number of generators at public works that were not being used. Mr. Carmean said he is unsure of any not being used though he agrees there is a lot of equipment that is stored at the facility.

The other capital request is for infrastructure in the amount of \$277,000.

Mr. Portmann then referenced a Davis, Bowen and Friedel document showing the current and five years of capital projects. He noted that Year 1 is the fiscal year being reviewed (FY14-15).

He noted there is \$600,000 earmarked for the Southeast Milford Tank, Well and Treatment facility which will complete the USDA project. The finance director explained that money has not been requested because the work has not been bid out completely. When that is done, the bid will be presented to council for final approval.

Mr. Brooks asked if this was part of the approved \$5 million 2008 referendum; Mr. Portmann stated yes adding that project is presently \$600,000 over the \$5 million though we do not have the final numbers as of this date.

Mr. Carmean said he added the water main extension east of Route 1 though that was not included in the referendum.

Mr. Portmann then referenced the Southeast Front Street Distribution Capital Project. Last year council approved \$320,000 for the water portion. A number of connections were discovered and needed to be replaced.

Also requested was \$25,000 for a valve exerciser and \$45,000 for a portable generator that was already discussed.

The finance director advised that a capital request of \$7,000 for the Kenton Water Treatment Facility fiber connectivity upgrade, \$15,000 for a security fence and \$200,000 for monitoring and process control upgrades was also submitted. The city manager explained the well facility behind Kenton Crate and Pallet is off line. The \$200,000 will cover the cost of placing all wells, tanks and pumps onto a SCADA system. They can then be monitored and automatically controlled from computers.

Mr. Brooks recalled the valve exerciser equipment was originally part of the \$3.5 million project originally planned to go to referendum. Mr. Carmean does not believe that was tied in with that project. Mr. Brooks stated that it was discussed when the project was explained; Mr. Portmann agreed.

Mr. Portmann recalled council approving the \$75,000 Washington Street Tank Improvement Project approximately eight months ago. The water department is postponing the \$125,000 distribution system GIS database for one year. The \$15,000 Preliminary Hydrant Flushing Assistance was also funded this current year so no new money has been requested.

The water capital requests total \$347,000.

In the sewer budget, Mr. Portmann again noted the slight decrease in salaries because of half the cost of employees is now divided between the water and sewer departments as was previously discussed.

The I&I treatment increased from \$450,000 to \$550,000 due to overspending the previous two years. Mr. Portmann reported that \$550,000 to \$600,000 was spent during that time.

A \$2.2 million I&I project was done a couple years ago though it did not bring the results expected.

Mr. Grier asked if we have seen any savings; Mr. Carmean stated no. Mr. Portmann then recalled that five years ago our I&I costs were up to \$800,000. That year we had a great deal of snow and rain which resulted in our worst year. He said there have been some improvement but not to the degree anticipated.

He further noted that they are going to do some final tallies to submit to Kent County for rebates. At that point, we will actually know the results based on the flow calculations which are being tracked.

Mr. Pikus asked if we do regular smoke tests to determine any problems in suspected areas. Mr. Carmean said not on regular basis. He added that we do test the Northwest Front Street and Truitt Avenue areas. However, he suspects there is more of an I&I problem in the Masten Business Park.

Mr. Carmean believes there are a lot of homes in the Truitt Avenue area with sump pumps. Years ago, sump pumps were placed in the sewer lines though that is difficult to control because we cannot enter a home suspected of that. However, that does not account for the entire amount of inflow.

The finance director then advised that the debt service is reduced slightly which is a reflection of what he referenced earlier with the water bonds. The debt stream was reduced when the 2011 issue was planned; a reduction will be seen over the next couple years.

Capital requests include \$130,000 for a vehicle and \$427,500 for infrastructure. He referenced the Davis, Bowen and Friedel handout reflecting \$17,000 for the Southeast Second Street manhole replacement. Also, \$325,000 is budgeted for the Fisher Avenue Pump Station Rehabilitation. Mr. Carmean compared this to the smaller pump station on Washington Street that cost over \$1 million adding that Fisher Avenue is a much larger operation.

Mr. Portmann noted that \$15,000 was requested for security at the Lighthouse pump station, \$3,000 for North Street fiber connectivity, \$45,000 for a grinder at the Silicato Pump Station, \$12,500 for pump station hoist replacements and \$130,000 for a sewer vacuum truck. He said budgeting that truck over the next three years was also discussed. Of that, \$130,000 will be allocated this year and \$125,000 the next two years. The truck will then be purchased in 2016.

When questioned, Mr. Portmann reported there is \$1.7 million available in sewer reserves.

Mr. Grier likes the idea of funding an expensive piece of equipment over a three-year period. Mr. Pikus agreed.

Mr. Portmann noted that during the boom when we were receiving more revenue than was needed, we were adding funds to the reserve accounts. However, that has not happened the past four years. Presently, the money we are bringing in is not enough to cover the water and sewer operations and capital in its entirety.

The city manager said we will need to review our water rates next year and consider an increase in order to start building our reserves.

Mr. Portmann then continued reviewing the sewer capital requests which included \$35,000 for the Northwest Milford Sewer Study which was just approved. It was moved from the proposed budget to the current year as a result.

He noted the estimated cost for the Lighthouse Estates Force Main Replacement was \$350,000 though it might be accomplished for \$50,000.

Mr. Carmean said we are presently running a four-inch line on the east side of Route 1 into a large Kent County main. In a rain event, the pipe is full of water that is flowing north. We cannot break the pressure going north with the current four-inch line and pumps. The perfect solution is to run a new force main across Route 1, across the school and other private properties to tie into the city's gravity collection system along Route 113. That cost is approximately \$350,000. However, until there is more growth, he believes we can handle it with a larger pump which would cost \$50,000.

Mr. Portmann referenced the last capital request of \$5,000 for the model stimulation which is duplicated each year through year five.

In the electric department, the finance director noted there is no change in electric rates. There was over \$1 million in projects last year and this year there will be approximately \$200,000.

They requested \$15,000 for maintenance and repairs to the building which includes painting the interior. The city manager added some additional funds because when the billing staff relocates to the PNC building, he wants that room restored to its original condition.

The city manager also spoke to Chief Hudson and offered the room for staging for any special investigations. Their vehicles can pull in the gate and the police can use the room for a briefing. He said it can also be used for training for city staff.

Mr. Carmean recognizes the fact that the city is very limited when a meeting room is needed. He hopes to utilize it again for that purpose.

The finance director then pointed out the distribution line item increased from \$250,000 to \$300,000. That was reduced the last couple years and a budget adjustment was needed a couple months ago by approximately \$60,000. Though \$300,000 is the average, there was more spent this fiscal year.

Mr. Portmann referenced the insurance line item noting that last year their substation insurance increased by \$25,000 because of terrorism as it did across the nation. The \$20,000 increase this year is the result of adding the new substation, a solar field in the business park lot and a number of other items.

When questioned, Mr. Portmann advised that liability insurance cost \$266,000 last year for all departments and \$82,000 was for the electric department.

Gas and oil costs increased due to the transfer of the meter reader into that department.

Mr. Pikus referenced the training budget of \$19,725 and asked if the lineman training is done in Salisbury. Mr. Carmean advised that we send our lineman to North Carolina for training. Mr. Portmann said they have spent much less the past couple years.

Mr. Pikus asked if that can be reduced noting that is a considerable difference. Mr. Carmean explained that one of the key employees in the department retired this year. Someone was promoted into his first class lineman position, a second class lineman was moved to first class, a third class to second, etc. Because everyone was promoted, a groundsman was hired. Training is required for each person taking a new position and three to four will be sent to North Carolina to train.

Mr. Portmann confirmed they spent \$3,700, \$3,300 and \$4,300 the past three years; Mr. Pikus said we may want to consider adjusting that amount.

The finance director then pointed out there is a new line item for \$16,300 for software maintenance for the auto cad and licensing fees. The licensing fee is \$15,100 and metering software is \$1,200. He explained the auto cad system is a new computerized drawing of our system.

Mr. Carmean then noted that with the new radio system bought last year, there have been many concerns expressed about the locations of our employees. They can now be tracked on a GIS system. In addition, the valve information will be added to a GIS system once that project is completed.

The finance director stated that the debt service dropped to zero on the 2000 Bond Debt Principal and is down to \$35,000 in interest. That was the result of council recently approving the buyback of the \$2.6 million balance. Mr. Portmann anticipates the bonds will be paid off by the end of August.

In capital, there is \$100,000 allocated for the new billing officer (former PNC building). Mr. Carmean advised this will cover the cost of the furniture, security equipment and cameras, audio equipment, computers and any other items not included in the construction contract. A cooling system is also required for the computer equipment room. He made the number high enough to cover the costs without coming back to council for additional money.

Mr. Pikus pointed out that council has discussed adding a security system to city hall though that has not been done yet. He encouraged the city manager to add the security noting that he often comes in and there may only be one or two people here. The city manager agreed but stated he does not know how to proceed.

Mr. Pikus recommends a camera system as was discussed several years ago. Mr. Carmean said the camera might help and could prevent something from happening adding that council meetings are wide open to an occurrence as well.

Ms. Wilson recommends considering a metal detector and agrees with Mr. Morrows' concerns. Mr. Carmean stated that in city hall, we do not encounter the agitated people that the billing office gets. However, he agrees adding that the best case scenario is we have three female employees here which is not an ideal arrangement.

Mr. Morrow pointed out a camera system can be purchased much cheaper today emphasizing that it is really needed at city hall. Mr. Carmean said it is not in the budget but he agreed to take a look at it. Mr. Morrow and Mr. Pikus both stated that it has been in the budget in past years. Mr. Pikus feels that it is councils' obligation to see that is done.

Mr. Grier believes that seven cameras can be purchased for approximately \$3,000. That would include a video feed to the police department.

Mr. Carmean reiterated that he will look into it though it is not included in the budget. He pointed out that we are in better shape with fiber optic to add the video streaming.

Mr. Portmann continued his review noting there is \$11,000 allocated for a wire puller that was approved last year. The bids came in at \$6,600 and though they had \$5,500 budgeted last year, the electric department has requested an additional \$11,000 for that item.

He noted the projects line item of \$187,435 is broken out on a handout. Of that amount, \$100,000 is for the Delaware Route 1 (old substation) replacement control cabinet, replacement of 138 switches and repainting. Included is \$87,435 allocated for the Horseshoe Drive North/South loop replacement needed due to some ongoing issues with underground utilities.

The last item is a transfer of \$44,380 to electric reserves.

Mr. Carmean explained that in the FY13-14 electric budget, there was \$704,000 allocated for vehicles. One of those trucks was just bid out and the other is a 100-foot bucket truck that would be used for the 100-foot galvanized poles recently installed. He recalled several discussions about whether the 100-foot truck would be used on a regular basis and if we should instead contract the truck through another company when needed.

Mr. Carmean agrees we have used a lot of our reserves noting that the electric substation ended up costing \$1.2 million more than planned. Therefore, he agrees we do not need to buy the truck at this time.

Mr. Pikus recommends that when we need a truck of that size, we considering leasing one at a cost of \$200 to \$300 a day. He noted that other utility companies lease these trucks by the month for approximately \$3,000. The closest truck is in Bridgeville. He feels we could lease it, as needed, for many days when compared to the \$300,000 cost. In his opinion, it is tough to justify purchasing a \$300,000 truck when we do not use it on a regular basis.

The city manager said the tallest bucket truck we presently have is 75 feet and added it is a newer vehicle. He reported that the department has purchased several new bucket trucks recently and one is a four-wheel drive.

Mr. Carmean said we may be able to purchase a used bucket truck in good condition for \$65,000 to \$75,000 and emphasized it would only be used once in a great while.

Mr. Pikus summarized the budget hearings noting that we have completed the budget reviews for the entire city. He said the final budget will be prepared by the finance director and the finance committee will provide its recommendation at the next council meeting. At that time, he expects council to adopt the resolution approving the budget which is a balanced budget with no tax increase.

Mayor Shupe then recalled the rental fees raised whose intent was to pay for the code official. He asked how long he was employed; Mr. Portmann said two weeks. Mayor Shupe noted that position was never refilled and the funds continue to be placed in the general fund. He asked to consider putting that code official back on the streets noting that the money is still there. He asked what is needed in this budget for that to happen.

Mr. Pikus said there is currently a code official and building inspector in that department. He recommends the city manager review the situation and the job descriptions of both employees and determine what needs to be done.

The city manager recalled Mayor Shupe talking to him about this many months ago. It has given him some thought and there are a couple things he is considering and one is a personnel transfer.

Mr. Morrow is concerned about the trash situation and that the residents who are putting out significant amounts of trash need to be addressed. Mr. Carmean believes the trash crews are revered in this town but the expectations our customers have on trash are ridiculous. He said people think there are just no restrictions. Mr. Morrow agrees adding that the city should continue to pick up large items but those people need to be charged for it.

Ms. Wilson advised that since our last meeting when this was discussed, trash crews are now picking up additional items. Mr. Carmean confirmed that he had Public Works Director Dennehy direct them to pick up extra bags so long as it is not cumbersome.

Mr. Gleysteen then asked for the time line on the police department negotiations. Mr. Carmean said there is no time line and they have not presented the economic issues and whether they want more pay or benefits. They are meeting again on July 7<sup>th</sup> at which time those items will be discussed.

The city manager pointed out the city has nothing in the revenue stream to do much for the police and any increases they are expecting will require a tax increase. He said there is no place to get extra money and he expects it could cost another \$150,000 or \$200,000 that we do not have.

Mr. Carmean informed Mr. Gleysteen that he had hoped to have the negotiations completed by the time the budget was passed.

The city manager then pointed out that this is not Chief Hudson nor his staffs' problem. He is dealing with the rank and file and there is not much Chief Hudson can do as far as limitations.

Mr. Gleysteen asked the expiration date of the current contract; Mr. Carmean said July 1<sup>st</sup> which means the police will be without a contract within a couple weeks. He said that unions have become so commonplace that the legislators have proposed a new bill that will allow a department with three or more officers to unionize. Prior to that, a department had to have seventeen officers to legally unionize.

He emphasized the irony with the legislation is that the state police cannot legally unionize.

With no more questions, Mr. Pikus moved to proceed with the budget as presented and to adjourn the meeting, seconded by Mr. Morrow. Motion carried.

The Finance Committee Meeting adjourned at 6:54 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder