

MILFORD CITY COUNCIL
MINUTES OF MEETING
March 14, 2016

A Special Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, March 14, 2016.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Garrett Grier III, Lisa Peel, James Burk, Owen Brooks Jr., Douglas Morrow Sr., James Starling and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and
City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Special Council Meeting to order at 6:29 p.m.

EXECUTIVE SESSION

Mr. Grier moved to go into Executive Session reference below reason, seconded by Mr. Morrow:

Pursuant to 29 Del. C. §10004(b)(4) (Collective Bargaining Update)

Pursuant to 29 Del. C. §10004(b)(2) (Proposal/Sale of City Land)

Motion carried.

Mayor Shupe recessed the Council Meeting at 6:30 p.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

RETURN TO OPEN SESSION

City Council returned to Open Session at 7:18 p.m.

Teamsters Local 326 Contract

Mr. Morrow moved to authorize retaining the legal services of counsel to be used in further litigation, funded through the General Fund Reserve account as recommended in Executive Session, seconded by Mr. Starling. Motion carried.

City Land Sale

Mr. Grier moved to authorize entering into a contract of sale for the surplus property as discussed in Executive Session and those proceeds to be placed in the Economic Development fund, second by Mr. Mergner. Motion carried.

ADJOURN

With no further business, Mr. Burk moved to adjourn the Special Meeting, seconded by Mr. Mergner. Motion carried.

The Special Meeting was adjourned by Mayor Shupe at 7:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Terri K. Hudson". The signature is fluid and cursive, with a large initial "T" and "H".

Terri K. Hudson, MMC
City Clerk/Recorder

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CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:25 p.m.

INVOCATION & PLEDGE

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

APPROVAL OF PREVIOUS MINUTES

Motion made by Mr. Grier, seconded by Mr. Burk, to approve the minutes of the February 8, 2016, February 10, 2016 and February 22, 2016 council and committee meeting minutes.

RECOGNITION

Introduction of Milford Police Department K-9 Officer

Chief Brown recognized the department's newest Canine Unit. Following six months of training, Corporal Kirk Marino and his K-9 Partner Audie graduated from Wilmington's Police Department's K-9 Academy.

Corporal Marino is now a nationally certified K9 handler in patrol and drug detection with his Partner Audie.

Introduction of Miss Milford 2016

Mayor Shupe later recognized Rebecca Gasperetti who was crowned Miss Milford in January and will represent our city in the Miss Delaware pageant in June.

MONTHLY POLICE REPORT

Mr. Morrow presented the monthly report on behalf of Chief Brown. He moved to accept the January report, seconded by Mr. Brooks. Motion carried.

Mr. Morrow reported that Chief Brown held a special Promotion Ceremony at the Senior Center on March 2nd. The event was very well attended and Mayor Shupe, Councilman Brooks and he attended the event where fourteen officers were recognized for recent promotions.

CITY MANAGER REPORT

Mr. Norenberg reported that the department reports are included in the report though the planning department report was not

submitted.

Mr. Starling moved to accept the City Manager Report, seconded by Mr. Grier. Motion carried.

COMMITTEE & WARD REPORTS

Public Works Committee

Chairman Brooks reported that the Public Works Committee met March 3rd and most of the items discussed are on tonight's agenda.

Community Affairs Committee

Chairman Mergner informed council the Community Affairs Committee met prior to the start of the council meeting. They discussed various codes that are under review and will be updated and improved. They will be brought forth to the council in the near future.

Code Purple

Councilwoman Wilson reported this program is coming to an end with the warmer weather approaching. She felt it was a successful year considering the number of people they were able to accommodate. She appreciates the outpouring of donations throughout the year by so many Milford residents.

Ms. Wilson also informed council that she is working with DMI on a Community Gospel Concert which will be held in the library amphitheater on May 14, 2016. She reported that DMI is trying to get the community together through ethnic and cultural diversity which they feel can be done through gospel choirs and spiritual music artists and groups.

COMMUNICATIONS & CORRESPONDENCE

The city manager referenced the Delaware League meeting in which Senator Carper is the guest speaker and asked that anyone wishing to attend should contact Katrina White.

Mr. Burk reported that Gallery 37 complimented Chief Brown and his community policing efforts adding that they have been one of the biggest critics of downtown activities in the past.

UNFINISHED BUSINESS

No items.

NEW BUSINESS

Presentation/Bayhealth Health Campus Project

Bayhealth President/Chief Executive Officer (CEO) Terry Murphy addressed council stating he started with the organization fifteen years ago as the Milford Hospital Administrator. He then became the Chief Operating Officer of Bayhealth and has served the last six years as CEO.

Mr. Murphy also introduced Mike Metzging, Vice President of Corporate Support Services and Jerry Peters, Facilities Planning Director, who is leading the majority of the design work.

Mr. Murphy will present some conceptual images of what they believe will be the new health campus though he indicated they are quarantined and will not be released to the public for a couple more weeks.

He reported that Bayhealth also hired Trammell Crow Company to assist with the adaptive reuse of the current 22-acre facility on Clarke Avenue. Trammell Crow, experienced in healthcare redevelopment projects, comes with some experience in the State of Delaware.

Mr. Murphy reported that the process will take about a year and that the firm's work began with some exploratory meetings. Throughout this calendar year, they will continue the adaptive reuse process which includes stakeholder interviews, campus evaluations and market evaluations. They will have a draft of a preliminary plan that will be presented to the board toward the end of the year.

Currently they have no preconceived notions of how they will adapt that site.

Mr. Murphy then referenced the new health campus off Route 1 at the Route 30 overpass and the site that will be part of the initial development at the corner of Cedar Creek and Wilkins Road. The total property of the new health campus is 165 acres and Bayhealth's investment will be \$250 to \$300 million.

He emphasized that a lot of thought was put into how the property would be developed to accommodate the next fifty to a hundred years.

The initial phase of the property that will be developed is in the neighborhood of fifty acres. There is a potential for other developments and a possible educational component on the site and another area may be mixed use. Presently they have no set plan except for the hospital site.

He then pointed out the access point off Route 1 that will be the main entrance into the campus. There will also be an entrance from Wilkins Road.

He referenced the area where the inpatient six-story building which will house inpatient units and acute rehabilitation. The location of the outpatient offices was also pointed out. Mr. Murphy stated that historically, the physician practices have been located in houses around Milford Hospital. Today, there are a number of physicians employed by Bayhealth and a lot of practices in the building will be physician practices and outpatient services.

A lot of attention has been paid to access according to Mr. Murphy. He noted that someone will no longer have to go up two ramps and through a long maze to get to the visitor elevators. It has been planned so that patients and family members will have easy access.

The other side of the hospital will house the outpatient facility. The backside is the central utility building and the emergency department will be located on the first floor on the back side of the property as well.

Today's emergency department is very small with one entrance. The new emergency department will have a separate entrance for both ambulances and walk-ins as opposed to the one entrance that currently exists.

He then pointed out the area that will be leased to Nemours. Currently, a Nemours pediatric specialist can only be found in Wilmington. Mr. Murphy has seen the list of specialists they are committing to and he is very pleased.

Nemours will likely have a 20,000 to 40,000 square feet facility that will house pediatric specialists that patients from Kent and Sussex County will have available.

Mr. Murphy said the new Bayhealth hospital will have 128 private rooms and no semi-private rooms. Mr. Murphy explained that in today's environment, health care is a very private issue. Included will be acute care, critical care and woman's services beds. The strong acute rehabilitation service at Milford Hospital will continue with inpatient beds on site.

The patient will have a clinical zone and a place for family members. Bayhealth feels that family members are often a very big part of the care team at the hospital and they embrace that. They want to ensure these rooms are not going to be too big but comfortable enough for family members to take part in the patient's care.

Mr. Murphy reported that other key aspects include thirty emergency department bays. Behavior health rooms will be added specifically for patients with mental illness. In addition, the emergency department will have a clinical decision unit where it will be decided whether or not a patient needs to be admitted or a determination within a 24-hour period.

The surgical and procedural areas will be expanded with six operating rooms, two procedural rooms and an interventional room for expanded cardiac procedures and radiological procedures.

Mr. Murphy stated that the architects have done a lot of work on how they will actually design the campus and facility. As a result they have looked at different aspects of the Milford community and Sussex County and how it will define the architecture. He then provided various renditions related to the outpatient facility, ambulatory area, emergency department, hospital and walk-in areas.

He said the new campus will utilize lots of space and natural light. It will be designed to get around in as efficiently as possible.

The current facilities are about 250,000 square feet and the new hospital will be approximately 360,000 square feet with another 60,000 square feet for the outpatient facilities.

He said when considering scale, this is a much larger facility that will allow for future growth in an appropriate way.

They anticipate the groundbreaking to be in late May with construction to begin thereafter. The goal is to have this project complete in 2018 and the new campus operating by January 2019.

Mr. Murphy said they are tracking the work and currently, 63% of the work is staying within the State of Delaware which equates to \$73 million in estimated contract values.

He noted that for every direct job in the hospital, there are approximately two more jobs brought to the community. A hospital brings pharmacies, physician offices and other businesses and associated offices to a community.

Concluding his presentation, Mr. Murphy reported that the current hospital employs about 750 people each day. Multiplying that number creates a substantial impact to the Greater Milford Area.

Mr. Grier asked about possible upgrades to the ob/gyn neonatal unit; Mr. Murphy recalled that Bayhealth has partnered with Nemours who would be in a separate facility on the same site and will provide specialists in the neonatal area.

Ms. Wilson stressed how exciting it is to finally get to this point. She has been sitting here for a long time and recalled when this possibility being discussed approximately fifteen years ago and how rewarding it is to finally see the vision.

Authorization/Property Easement Exchange/Bayhealth

City Manager Norenberg referred to the Bayhealth request in the packet that as part of the easement discussions between the city and Bayhealth over the past several months. It involves the small city-owned triangle-shaped piece of property off Elks Lodge Road that is no longer needed for city purposes. It is the location of the former chicken houses that are presently being dismantled.

Swapping this piece with Bayhealth, would benefit the health campus by squaring off that corner thus allowing a future access to be constructed from Elks Lodge Road.

As easements are finalized and we proceed with the utility plan, staff recommends council authorize an easement agreement and swap this small triangular piece of property as part of the exchange.

Ms. Wilson moved to approve the Bayhealth property exchange as described, seconded by Mr. Brooks. Motion carried.

Approval/Construction Start Date/New Bayhealth Campus

The city manager referred to the letter also included in the packet, stating that because of the complex schedules involved in the new health campus process, they would like to proceed with construction prior to the final site plan and building plans being approved.

Mr. Brooks moved to approve the early start of construction of the foundations for the new health campus, seconded by Ms. Wilson. Motion carried.

Presentation/Utility Financial Solutions (UFS) Electric Rate Study Proposal

City Manager Norenberg introduced the City Electric Superintendent Rick Carmean and Mark Beauchamp, President of Utility Financial Solutions (UFS).

The city manager reported that Mr. Carmean, Finance Director Jeff Portmann and he have recommended the city proceed with an electric rate study. Power supply needs and rate structures would be reviewed for the next few years. He recalled the last study was completed approximately four years ago.

He noted that Mr. Beauchamp and his consultants work closely with a number of public power entities, including American Municipal Power and DEMEC.

Mr. Norenberg stated that our electric superintendent and the consultant will provide a short introduction to the rate study, take some feedback and explain the process. The intent is for council to become familiar with the process going into the study versus receiving the results of the study in a few months and not being familiar with the program.

Mr. Carmean then introduced Mr. Beauchamp.

Mr. Beauchamp stated he is a consultant that provides cost of service studies and special rate designs for utilities throughout the country, Canada, Guam and the Caribbean. He has a degree in Water Purification Technology and has spent thirty years in the utility industry. He also has a degree in accounting and a masters in business.

He became a consultant in 1998 and in 2001, started Utility Financial Solutions which has become one of the largest providers of electric cost service studies in the country.

The consultant then provided the following information:

Milford's electric utility has certain objectives with a priority on financial stability. An electric cost of service studies helps identify what that is, what that means and how to remain financially stable. It will also show how much it costs to provide service to each class of customers.

Once that process is completed, the next step is to get input as to how to go about moving toward cost of service while maintaining the financial health and minimizing as much as possible, any rate shock to customers.

The rate design study will provide a long term five-year financial projection including projected expenses and revenues.

Three key financial targets will be identified to assess the financial health of the utility to pay its bills in a timely fashion and complete its capital improvement programs. Those targets are operating income, debt ratios and cash reserves. These will be discussed with council and the most important part of the study.

Most people relate a rate study to the cost of service. The cost of providing service to each class of customers will be compared to projected revenues and the amount each customer class needs to be adjusted.

The City of Milford also has a power cost adjustment mechanism in place. As power supply costs change, the difference is passed onto to the customers automatically. That mechanism should be modified to ensure the power cost adjustments do not create adverse impacts on customers. Bouncing up and down with a monthly adjustment creates customer complaints.

After reviewing those mechanisms, UFS will propose different mechanisms to eliminate the month-to-month changes.

Once the analysis is completed, the next step is a review with city council. Council will then provide input on proposed rate adjustments and how much leeway they will allow to move toward the cost of service.

A three-percent increase is appropriate according to the consultant. Requested would be a bandwidth of plus or minus two percent. That means that no customer class would see a greater increase of five percent and all customer classes would see at least one percent. That range would be used to move classes closer to the cost of service.

Once council feedback is received, UFS will take that information and design the new rates.

The consultant reported the biggest item in today's industry is the monthly customer charge. Milford's fixed monthly customer charge is \$4 a month. When a meter is installed, there is a cost associated with the meter, installation, repairs, read, billing and the service drop. These costs are all fixed costs that do not vary based on consumption and should be recovered through the customer charge.

The higher the customer charge, the bigger the increase and less impact on the energy component. If the customer charge is increased, energy rates can be reduced.

Historically, the biggest problem is electric utilities have kept that customer charge lower than it should be. Mr. Beauchamp is sure that when they do the cost of service study, it will show that Milford's \$4 should be greater than \$10.

If that is the case, there is the question of how to get to that \$10 and should it be increased in small increments each year. The reason it is becoming a bigger issue is roof top solar which is causing subsidization between customers when an improper fee is charged.

Mr. Beauchamp explained that when someone installs over top solar, the kilowatt hour consumption goes down. However, the utility company still has fixed costs related to that meter. Those costs are not being recovered in that minimal charge. If that is not recovered from that customer, it is going to be recovered from other residential rate payers. Typically, a customer that cannot afford to install roof top solar panels while their rates increase to cover other customer costs.

He said hypothetically, that number should be \$12 and Milford is at \$4. Mr. Beauchamp does not believe that council will want to increase that charge \$8 all at once. Instead, they want to increase it over four or five-year period. The idea is to do this gradually to minimize rate shock.

The consultant then discussed bond debt coverage ratio and advised that the financial projection is probably the easier part of the study and provides the most value.

They will consider whether the city is meeting the bond ordinance requirements or without rate increases, will the city be in technical default; technical default affects bond rates and creates higher interest rates as a result of any future debt issuances. He said they will also identify any bond issuances that are needed.

UFS will look at the minimal level of cash reserves needed to ensure money is available to pay bills in a timely fashion. If a catastrophic event were to occur, it needs to be determined whether or not there is enough money in reserves to begin repair and replacement. It does not have to be enough to cover the entire catastrophic event but to at least start the process until adequate funding can be arranged.

They will determine what the projected cash balances need to be.

The target operating income which is the target we strive for; when the target operating income is met, that means the replacement cost is fully funded through the infrastructure. If that requires a large rate adjustment, the intent is to phase it in over a period of time to minimize customer impact.

Cash reserves are also considered and what type of rate adjustments are needed to prevent cash reserves from becoming

negative.

He explained the longer a utility company waits on a rate adjustment, the need for the adjustment only grows. Each year it gets worse and eventually impacts cash reserves to a critical level. No longer can the adjustment be controlled and rates will have to be increased substantially to get those cash reserves back to an appropriate amount.

A projection identifies when that will occur and what steps need to be taken to minimize the impact to the customer.

Mr. Beauchamp stated the rate design is ultimately what we are trying to achieve. Once the results are reviewed by council and a determination is made, UFS will go back and design the rates based upon council feedback.

Mr. Norenberg asked the consultant to outline the time schedule if UFS was able to start within the next couple weeks. The consultant commented that once they get the data information including financial information, billing stats, etc., they typically ask for a twelve-week period though they can deliver it sooner if needed.

Following that, UFS will design the rates which will be presented at the next council meeting. They will then request approval. They prefer to do the presentation of the study results in a workshop session so more time can be allotted for council questions and answers.

Mr. Grier asked if UFS has evaluated any other electric utilities who are members of DEMEC; Mr. Beauchamp said they have done studies in both New Castle and Lewes.

Ms. Wilson asked if this study is needed to increase rates; the city manager feels the study is necessary to know how best to adjust our rates and to make sure the customer charge is at the right level. He has seen an increasing number of households who are installing solar panels. As a result, more of those costs are being spread across the entire rate base versus being paid equally. Given the questions and comments that he has heard the past few months, this evaluation is overdue to ensure the rates are set fairly and equitably.

Ms. Wilson asked if we selected this consulting firm versus bidding the project or was this the recommendation of the electric department.

Mr. Norenberg stated that both he, the electric superintendent and the finance director are recommending this firm for this project. He has had experience working with them in Ohio. He stated that Mr. Carmean had a class with this consultant. Other bids were not considered and when they presented their recommendation to the Public Works Committee last week, the committee was comfortable moving ahead with UFS.

Mr. Carmean added that when Mr. Portmann was Interim City Manager, they asked DEMEC President/CEO Pat McCullar to provide them a list of consultants. They reviewed them and this is the firm they chose.

Ms. Wilson asked if Mr. McCullar recommends UFS; Mr. Carmean said yes.

Mr. Grier recalled the last rate adjustment done by our current consultant four years ago and the reduction was on the commercial side. Mr. Carmean agreed that we have been using our monthly rate adjustment to balance the costs. He said that Mr. Portmann is unhappy with the current rate schedule because of the cost adjustment that has been necessary the past four years.

Mr. Grier also asked if the expansion of natural gas is impacting the rate structure for electric utilities; Mr. Beauchamp asked if Mr. Grier was referring to heating. Mr. Grier stated that Chesapeake Utilities is continuing to expand in a lot of areas and people are switching to natural gas for heating and air conditioning.

Mr. Beauchamp said he personally has not seen a lot of that occurring, but if natural gas is available, it is probably the better option. Mr. Grier feels that could be a problem for the city's electric utility in the future as more people switch to natural gas.

From a rate stand point, Mr. Beauchamp explained that the city has seasonal rates. In the summer, rates are higher than during the winter. He said that currently the electric is more expensive than natural gas; but the cost of the investment to convert to natural gas, may not be cost effective for a home.

Mr. Brooks asked how this will work with the smart meters that the electric department is considering; Mr. Beauchamp noted that his expertise is rates; however, smart meters can lead to a lot of operational improvements and reduce outage times. When it comes to ways to send proper price signals to customers, an ARM can provide the data so that rates can be set properly. The rates are based on the appropriate customer charge and demand charges. Time of use pricing can be done so customers have more options available to help lower their costs.

Mr. Beauchamp then informed council that he has gone through thousands of rate hearings; when it comes to solar and any related changes, there is a need to be very careful with the price signal that is sent to solar. It is very passionate amongst the rate payers and customers and we need to be very sensitive to their needs because they are helping the environment and it is costing them money.

Mr. Grier asked if UFS will be able to establish a value of what the electric utility is worth during the evaluation; Mr. Beauchamp said that would not be part of this rate study though that can be added.

With no further questions, the city manager thanked Mr. Beauchamp for the presentation.

Authorization/FY 2015-16 Budget Transfer/Electric Reserve Fund/SE Water Tank Power Supply

Electric Superintendent Carmean submitted a request to transfer \$90,000.00 from 135-0000-344-90.09 (Balance of Developer Fees) and \$100,000.00 from Electric Reserves to 135-5050-432-85.18 (Southeast Electric Extension).

As discussed during the earlier Bayhealth presentation, Bayhealth is planning to build a line across the site of the new hospital, over to Route 30 from the city substation. It will then be placed underground to the new water tower. He said the \$190,000 is the cost of burying the underground portion of the project.

Mr. Grier asked how much will be recouped from Bayhealth; Mr. Carmean said nothing will be recouped from Bayhealth though Nemours or anyone else who builds on the hospital property may contribute at a later date. The Wickersham development and Wilson property, south of this site, will also contribute as they develop.

Mr. Carmean noted that Bayhealth opted to bring their service in directly out of the city substation.

Mr. Norenberg confirmed this will partially be paid by developer fees.

Ms. Wilson stated that initially the city may not get the entire amount from the developers; but eventually we should be reimbursed through future developments. City Manager Norenberg stated that is correct.

Mr. Carmean further explained that a portion of this project will be for city use and portions for different developments.

Mr. Brooks moved for approval of the transfer of \$190,000, with \$100,000 from Electric Reserves and \$90,000 from Balance of Developer Fees to the Southeast Electric Extension line item, seconded by Mr. Starling. Motion carried.

Adoption/Resolution 2016-05/Independence Commons/Deed Restriction Amended

Planning and Economic Activities Coordinator Rob Pierce explained this is a minor amendment to the existing recorded deed restrictions for Independence Commons. The statement that says 'each building structure shall be owner-occupied upon completion of construction' will be removed under Article 5 General Conditions,

The intent is to open more opportunities for potential investors and business owners who are considering Independence Commons.

Mr. Mergner asked if this contradicts the earlier conversation in the Community Affairs Committee meeting about maintaining vacant properties/buildings. Mr. Pierce explained that currently, it would be illegal for an entity to develop on a large acre parcel by building a multi-use facility and leasing out portions of the building. The language in the ordinance only allows the building to be owner-occupied.

Mr. Pierce clarified that changing this language only allows the building to be leased.

Mr. Burk moved to adopt Resolution 2016-05, seconded by Mr. Mergner:

*RESOLUTION 2016-05
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
Independence Commons in the City of Milford, Kent County, Delaware*

WHEREAS, in 1998, the City of Milford ("City") purchased and subdivided 211 +/- acres of property on the north and south sides of County Road 409 (Airport Road and east side of State Route 15 (Canterbury Road) for economic development benefits; and

WHEREAS, the City of Milford initially sold the property for \$24,000 an acre with appraisals of the properties completed in 2006, 2008 and 2016; and

WHEREAS, it is deemed to be in the best interest of the City of Milford and its taxpayers to sell the land in accordance with its most recent assessment; and

WHEREAS, as the owner of the subdivision and infrastructure shown and described in Exhibit B, attached hereto, and known as Independence Commons ("property"), the City intends that this property continue to provide employment opportunities and economic benefits to all City residents; and

WHEREAS, the City desires to create, establish, preserve and maintain a unified commercial development upon the property and finds it appropriate to subject the property to certain easement, covenants and other restrictions for the orderly development and operation of the property and mutual benefit of all owners of the property as a unified commercial development, regardless of time of purchase or zoning district; and

WHEREAS, the City deems it desirable and in the best interest of all present and future owners of the property and all portions thereof, to subject the property to this Declaration.

NOW, THEREFORE, the City hereby declares that the real property described in Exhibit B, effective March 14, 2016, is and will be held, conveyed, acquired and encumbered subject to the terms and provisions of the Declaration, all of which shall run with the land and binds any respective successors, heirs and assigns.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Mayor and Council of the City of Milford:

- 1) City Council approves the Declaration of Covenants, Conditions, Restrictions and Easements attached as Exhibit A.*
- 2) This Resolution shall supersede Resolutions passed by the majority of City Council on February 13, 2006, March 12, 2007 and September 22, 2008 in relation to Independence Commons.*

EXHIBIT A

Declaration of Covenants, Conditions, Restrictions and Easements

Article 1

OC - 1 Office Complex District

- A. The Property is zoned OC-1. The purpose of an OC-1 Office Complex District shall be to provide locations for the development of general and professional offices and office parks in areas of high accessibility and visibility. Also, this*

district will facilitate the expansion of the City's service industries in attractive environments.

- B. The Property shall be developed in accordance with this declaration and the terms of the OC-1 zoning district that are in place at the time the Property is purchased. The City shall provide a copy of the OC-1 regulations to the purchaser prior to settlement.*

*Article 2
Sign Requirements*

- A. Each office structure may have one sign which pertains only to the permitted use on the premises and shall indicate only the name, insignia and/or address of the use.*
- B. Wall signs must be integral with or attached flat against the building. (The sign must face the major thoroughfare that the property abuts).*
- C. The monument signs for this development shall incorporate architectural features and colors common to the buildings. Monument signs shall include individually mounted reverse pan channel letters with internal lighting. Metal cabinets with white Plexiglas shall not be allowed. All signs shall require separate sign permit review and approval.*
- D. Signs allowed under this section may be a maximum of fifty (50) square feet and may only be indirectly illuminated with non-color light, shall not be flashing or moving, shall be constructed of stone or brick. Signs constructed of other material will be reviewed and approved by the City Planner and the Planning Commission for conformance and architectural appearance with the Independence Commons concept. No more than 5% of the facade may be used for additional signage.*
- E. One free standing directional sign of no more than two (2) square feet may be hung at the office driveway entrance.*
- F. Signs may not overhang the street right-of-way nor otherwise obstruct or impair the safety of pedestrians or motorists.*
- G. Portable signs and commercial vehicles serving as portable signs are prohibited.*

*Article 3
Easements*

- A. Easements to Facilitate Construction, Installation and Maintenance. The City of Milford hereby reserves to itself and its successors and assigns, a non-exclusive blanket easement over and through each lot twenty-five (25) feet of any boundary line of such lot to the extent such boundary line runs along any roadway or the 100-year flood plain, and otherwise fifteen (15) feet of any boundary line of such lot, for all purposes reasonably related to the development, installation, completion, maintenance and operation On Community Features on the Property, including without limitation: temporary slope and construction easements; and drainage, erosion control and storm and sanitary sewer easements (including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonable necessary; provided, however, that thereafter The City of Milford shall cause to be restored the affected area as near as practicable to its original condition; easements for the storage (in a slightly manner) of reasonable supplies of building materials and equipment necessary to complete, repair, operation or maintain such Community Features; and easements for the construction, installation, and upkeep of improvements (e.g. structures, landscaping, street lights, signage, sidewalks, etc.) on the Property or reasonably necessary to serve the Property.*
- B. Storm water Management Easement. The City of Milford hereby reserves to itself and its successors and assigns an easement and the right to grant and reserve easements over and through each lot within twenty-five (25) feet of any boundary line of such lot to the extent such boundary line runs along any roadway or the 100-year flood plain, and fifteen (15) feet of all other boundary lines of such lot, for the construction installation, maintenance, repair, operation and replacement of storm water management facilities, including storm water retention areas, which are Community Features. The City of Milford shall assign its right, title and interest therein to the Association. Storm water shall be conveyed across lots only by means of storm sewers and appurtenant facilities and piping which shall be designed, installed and maintained in accordance with the requirements of state and local government authorities having jurisdiction and not by means of trenches, ditches and swales. Each Owner shall bear the cost of installation of pipes necessary to provide underground conveyance features on adjoining lots. The City of Milford and/or the Association shall also have the right to allow adjacent properties to connect their storm water management facilities into the Storm water Facility for the Property; provided, however that the Owners of such adjacent properties shall be required to agree to bear a portion of the expense of Upkeep for the storm water management facilities for the Property in such amount as may be deemed appropriate by The City of Milford and/or the Association. No such use shall be such as to prevent the Owners of each of the lots from enjoying and making full use of the Storm water Facilities in accordance with their*

applicable design and capacity requirements under applicable laws and regulations.

- C. *Easements for Utilities and Related Services. A non-exclusive perpetual blanket easement is hereby granted over and through each lot within twenty-five (25) feet of any boundary line of such lot to the extent such boundary line runs along any roadway or the 100-year flood plain, and fifteen (15) feet of any other boundary line of such lot, for an ingress, egress and for installation and Upkeep of the facilities for providing as Community Features for any portion of the Property, and utilities, including without limitation water, sewers, drainage, gas, electricity, cable, fiber optic, telephone and television service, whether public or private, to any person installing or providing Upkeep for the aforesaid services. By virtue of this easement, it shall be expressly permissible and proper for The City of Milford or the Person providing the service to install and maintain the necessary equipment on the Property within the area of such easement and to affix and maintain wires, circuits, conduits, installations and other features and facilities underground. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision of metering of any utility may be installed, maintained or relocated where contemplated on any site plan approved by the City of Milford, within the easement areas described above. No water, sewer, gas, telephone, electrical, television, or communication lines, systems or facilities may be installed or relocated unless approved by The City of Milford. Should any Person providing utilities or services covered by the foregoing general easement request a specific easement by separate recordable document, The City of Milford shall have, and is hereby given, the right and authority to grant such easement without conflicting with the terms hereof, and, if so requested, the Owner of each lot to be burdened thereby shall join in such document without charge or consideration. Any Person using the easement created herein shall use its best efforts to install and maintain the utilities and services provided for herein with minimal disturbance to the Owners; complete its installation and Upkeep activities as promptly and expeditiously as possible; and restore the surface of the ground to substantially its original condition after completion.*

*Article 4
Common Expenses*

- A. *Each Owner of any parcel, by acceptance of a deed, agrees to pay to the City of Milford an annual fee for the maintenance of storm water management areas, open space, landscaping and landscaped buffers. Said such fee is set at \$400.00 per lot.*

*Article 5
General Conditions*

- A. *Each Owner shall be responsible for the management and upkeep of all parking areas, landscaping, entrance features, project signage, storm water management facilities and structures, utilities facilities and associated lighting and irrigation systems located on its lot that are not part of the Community Features.*
- B. *The City of Milford shall be responsible for the management and upkeep of all the Community Features, the cost of which shall be assessed as Common Expense. The City of Milford shall not have any responsibility for the Upkeep of any other portion of the lots (except those lots of which The City of Milford is an Owner) except for the Community Features. The City of Milford shall establish the standard for Upkeep of Community Features in its sole discretion.*
- C. *Each Owner shall keep such Owner's lot and all improvements located on the lot in good order, condition and repair and in a clean and sanitary condition, including without limitation all necessary grounds maintenance, except to the extent maintained by The City of Milford. Each Owner shall perform this responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. If any Owner shall fail to keep such Owner's lot in as good repair and condition as when acquired and in neat and orderly condition, consistent with such Rules and Regulations as The City of Milford may promulgate, then The City of Milford may give notice to that Owner of the condition complained of, specifying generally the action to be taken to rectify that condition. If the Owner fails to take the actions specified by The City of Milford or to otherwise rectify the condition within thirty (30) days after the date of notice is given, or such other period as may be specified in the notice if the circumstances warrant a different period, The City of Milford shall have the right to rectify that condition by taking such action as was specified in the notice. The costs incurred in rectifying the condition shall be assessed against such Owner's lot.*
- D. *Sidewalks. If the public right-of-way adjacent to any lot is improved by a concrete sidewalk or similar structure, the Owner of such lot must maintain the sidewalk adjacent to such Owner's lot to the extent not maintained by The City of Milford as a Community Feature or by the appropriate governmental agency.*
- E. *No person shall make any additions, alteration or improvement in or to any portion of the Property (other than normal*

- Upkeep) which is visible from the exterior of such portion of the Property, without the prior written consent of The City of Milford.*
- F. No lot may be subdivided or its boundaries otherwise relocated without the approval of The City of Milford, and Mortgagee of the affected lots, any Owner affected and the appropriate governmental entity. No portion less than all of any lot shall be conveyed or transferred by an Owner without the prior written approval of The City of Milford.*
 - G. Any person obtaining approval of The City of Milford shall commence construction or alteration in accordance with plans and specifications approved within six (6) months after date of approval and shall substantially complete any construction or alteration within such period as within six months after approval, or such other time period determined by The City of Milford, then approval shall lapse.*
 - H. In the event that any purchaser of land within the Property shall not commence construction of a building thereon within two years from the date of settlement, The City of Milford shall have the option of purchasing said land from the owner at any time prior to the commencement of said construction at the purchase price paid therefore as shown in the Owner's settlement sheet.*
 - I. Trash. Except in connection with construction activities, no burning of any trash and no accumulation of storage of litter, refuse, bulk materials, building materials or trash of any other kind shall be permitted on any lot. Trash containers shall not be permitted to remain in public view from another lot except on days of trash collection. Trash containers and refuse disposal systems must be maintained in enclosures or screened in compliance with the Rules and Regulations. No portion of the lot shall be used as an auto junk yard or salvage yard.*
 - J. It is prohibited to have any outdoor storage buildings and outdoor storage of any kind, located on the property.*

*Article 6
Architectural Review*

- A. The City of Milford shall develop Design Guidelines. Such Guidelines are hereby incorporated by this reference and shall be enforceable as if set forth herein in full. Such Guidelines include:*
 - 1. Exterior front and side walls are subject to site plan approval and must be finished on the exterior with the following:*
 - a. Architectural masonry units, excluding concrete block and cinder block*
 - b. Natural stone*
 - c. Precast concrete*
 - d. Steel*
 - e. Aluminum*
 - f. Glass materials or the equivalent*
 - g. Vinyl siding*

*Article 7
Reconstruction and Repair*

- A. If a building or other major improvement located upon a lot is damaged or destroyed, the Owner thereof shall restore the site either by repairing or reconstructing such building or other major improvements or by clearing away the debris and restoring the site to an acceptable condition compatible with the remainder of the Property. Unless The City of Milford permits a longer time period, such work must be commenced within six months after the casualty and substantially within twenty-four months after the casualty.*

*Article 8
Compliance*

- A. Failure to comply with any of the terms hereof or the Design Guidelines or the Rules of Regulations shall be grounds for relief, including without limitation, of an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for herein and any other relief afforded by a court of competent jurisdiction, including attorneys' fees, all of which relief may be sought by The City of Milford and/or its managing agent. Before an action may be sought, the City shall notify the Owner against whom such action would be brought, the reason for the action, and shall be given an opportunity to be heard in a public hearing before the Board of Adjustment.*

*Article 9
Amendments*

This Declaration of Covenants, Conditions, Restrictions and Easements, as herein stated, may, from time to time, be amended by Resolution. Such amendment, supplement, or change shall not become effective except by majority vote of City Council

Motion carried.

Introduction/Economic Development Ordinance/Chapter 19

Mr. Pierce advised Ordinance 2016-02 relates to the items discussed at the January 5, 2016 Economic Development Committee meeting and presented to council at their January 11, 2016 meeting. It outlines potential incentive options specifically for the business park.

The ordinance allows additional incentive options, keys in on targeted areas and develops specific incentive programs.

He explained that this only addresses incentive options regarding city-owned properties in the Greater Milford Business Complex.

Ms. Peel confirmed the ordinance contains the feedback of the committee and city council; Mr. Pierce stated that is correct.

The following ordinance was introduced by City Manager Norenberg:

*ORDINANCE 2016-02
AMENDING THE CODE OF THE CITY OF MILFORD BY ADDING A NEW CHAPTER 19*

WHEREAS, the City of Milford desires to adopt an ordinance providing for the procedures for the consideration of economic development incentives and the use of economic development tools; and

WHEREAS, to be consistent in the consideration and review of new development or redevelopment within the City, it is necessary to approve this Ordinance.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. The Code of the City of Milford is hereby amended by adding thereto a new Chapter 19, to be titled "ECONOMIC DEVELOPMENT AND REDEVELOPMENT".

Section 2. The Code of the City of Milford is further amended by adding the following provisions to a new Chapter 19, to hereby read as follows:

Article I - General Provisions

§ 19-1 Purpose

The City Council has deemed it to be in the best interest of the residents of the City and in furtherance of their health, safety and welfare to promote economic development and redevelopment within the City of Milford. In order to promote development and redevelopment, City Council has determined that incentives in the form of impact fee waivers, fee waivers, and other options should be made available to qualifying persons and businesses.

§19-2 Definitions

As used in this article, the following terms shall have the meanings indicated:

DIRECT JOB-refers to a Full-Time Equivalent Job that is created by the Incentive Beneficiary that did not exist prior to the

receipt of notice of eligibility for a Specific Economic Development Incentive Program available under this Chapter. To be considered a Direct Job, there must be an increase in the total number of Full-time Equivalent Jobs employed by the Incentive Beneficiary.

ELIGIBLE PROJECT-refers to a project of an Incentive Beneficiary that is approved by the City Manager to receive economic incentives under a Specific Economic Development Incentive Program offered under this chapter.

FULL-TIME EQUIVALENT JOB-calculated as total hours worked in jobs created divided by the number of hours in a Full-time Schedule.

FULL-TIME SCHEDULE-an average of thirty (30) hours per week, or at least one-hundred and thirty (130) hours in a month.

INCENTIVE BENEFICIARY-refers to the person or entity that has applied for and been approved to receive economic incentives made available under this Chapter. Any individual who owns 50% or more of an entity that has been approved for economic incentives under this Chapter shall also be identified as an Incentive Beneficiary.

INCENTIVIZED PROJECT-refers to the specific project identified in the application submitted by the Incentive Beneficiary for receipt of economic incentives under this Chapter.

INDIRECT JOB-refers to a job that is created by a person or entity who is not an Incentive Beneficiary but has created an indirect job as a result of an economic incentives offered to an Incentive Beneficiary under this Chapter.

INSTALLMENT LAND CONTRACT-refers to a real estate contract between the City and the Incentive Beneficiary whereby the City agrees to sell to the Incentive Beneficiary city-owned property for an agreed upon price that is to be paid by the Incentive Beneficiary through monthly, quarterly or annual installments. The City shall retain title to the real property until the full purchase price is paid by the Incentive Beneficiary.

PART-TIME JOB-refers to a job for which an employee averages less than thirty (30) hours per week on a regular basis.

SPECIFIC ECONOMIC DEVELOPMENT INCENTIVE PROGRAM (SEDIP)-refers to any incentive program under Article III that City Council has ordained to be made available to qualifying applicants. Each program may incorporate any of the economic incentives identified under Article II, subject to any unique terms and conditions as City Council may deem appropriate.

§19-3 Administration

The City Manager and his or her staff shall develop the administrative procedures necessary to implement any SEDIP available under this Chapter 19. The City Manager or such person as he or she may designate shall promulgate reasonable standards to be used in determining whether an applicant is eligible for economic incentives under the particular SEDIP being applied for in accordance with Article II and the specific terms and conditions of the SEDIP. The City Manager or his or her designee shall be responsible for auditing the Incentive Beneficiary as required. Revocation of eligibility shall be determined by the City Manager.

§19-4 Appeals

Any applicant denied eligibility or who is subject to revocation of eligibility may appeal the decision to the City Council within 30 days from the receipt of notice of denial or revocation of eligibility. The appeal shall be made by filing a written request with the City Clerk.

§19-5 Miscellaneous

Severability: Should any section or provision of this Chapter be declared void, illegal or otherwise invalid by a Court of competent jurisdiction such decision shall not affect the validity of any other provisions of this chapter not otherwise declared

invalid or inapplicable.

Article II - Economic Development Programs

§19-6 Incentive Options

The following is a list of the incentive options that may be made available for any SEDIP offered under Article III of this Chapter, subject to any specific conditions or restrictions as may be identified in the specific program:

- A. Impact Fee Waiver or Reduction: A SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any City assessed water, sewer or electric impact fees to the extent provided for under the SEDIP.*
- B. Permit and Fee Waiver or Reduction: A SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any of the following permits or fees:
 - (1) Building permit fee*
 - (2) Water service connection fee*
 - (3) Sewer inspection fee*
 - (4) Electric service connection fee*
 - (5) Fees associated with any preliminary or final site plan review*
 - (6) Other fees associated with professional services provided by the City as it pertains to planning, engineering and legal review.**
- C. Fees that cannot be waived: Any fees or taxes assessed by the State, County or School District and special fees payable for fire or public safety protection cannot be waived and must be paid by the Incentive Beneficiary to maintain eligibility under the Chapter.*
- D. Installment Land Contract: When applicable, a SEDIP may permit the City Manager, on behalf of the City, to enter into a real estate contract between the City and the Incentive Beneficiary in which the City provides financing to the Incentive Beneficiary, and whereby the Incentive Beneficiary purchases the property through monthly, quarterly or yearly installments. The City shall remain the title owner of the property until full payment is received.*

§19-7 Eligibility

- A. Eligibility for participation in any SEDIP shall be determined by the City Manager according to the specific provisions and requirements of the SEDIP being applied for.*
- B. An otherwise eligible applicant shall be ineligible for any SEDIP if:
 - (1) An application for a building permit for the project was filed prior to the effective date of this Chapter; or*
 - (2) The Incentive Beneficiary is delinquent on any taxes, assessments, sewer, water, electric, trash charges and any other fees due to the City of Milford for any property owned or leased by the Incentive Beneficiary; or*
 - (3) The Incentive Beneficiary has previously had its eligibility revoked for any SEDIP offered under this Chapter.**
- C. Revocation of Eligibility. If the Incentive Beneficiary is in default of any of the terms and conditions required under this Chapter, including any requirements specific to the SEDIP or an Installment Land Contract, the City Manager shall provide a written notice of default to the Incentive Beneficiary. In the event the default is not substantially cured within fifteen (15) days, the City Manager shall immediately revoke the Incentive Beneficiary's eligibility and assess the Incentive Beneficiary the full cost of all impact and permit fees that were reduced or waived.*

Article III - Specific Economic Development Incentive Programs

An applicant for economic incentives under this Chapter must apply for and meet the conditions of one of the SEDIP programs available under this Article III.

§19-8 Greater Milford Business Complex Incentive Program

A. Eligibility

Eligible Projects shall include any new construction on city-owned, undeveloped land within the Greater Milford Business Complex. Eligibility shall be based on the creation of full-time equivalent jobs as outlined in Table 1 under this Section. The Incentive Beneficiary shall enter into an agreement with the City of Milford to ensure the eligibility criteria are met and maintained.

B. Target Area - Greater Milford Business Complex

The Greater Milford Business Complex refers to the business park created by the City of Milford, as located on the south side of Airport Road in Milford, Kent County, Delaware, as further depicted in a Revised Record Plan of record in the Recorder of Deeds in and for Kent County, Delaware under Plot Book 68, Page 44.

C. Development Incentives

(1) Impact Fee Waivers

- a) Incentive Beneficiaries may qualify to select a waiver of any of the following impact fees according to the tiers provided in Table 1 below: Water, Sewer or Electric.*
- b) The City will audit the Incentive Beneficiary three (3) years after the issuance of the first certificate of occupancy to verify the job creation levels are achieved. If the required Full-Time Equivalent Job levels are not met or maintained, the Incentive Beneficiary is responsible for payment of all fees and costs not otherwise waived or reduced under this program, including any fees and costs assessed by Kent County or other governmental agencies.*

(2) Permit and Other Fee Waivers

- a) The City will provide a one-time reduction of all permits and fees identified under §19-6(b) in accordance with Table 1 below.*
- b) The City will audit the Incentive Beneficiary three (3) years after the issuance of the first certificate of occupancy to verify the job creation levels are achieved. If the required Full-Time Equivalent Job levels are not met, the Incentive Beneficiary is responsible for payment of any waived or reduced fees.*
- c) The Incentive Beneficiary is responsible for obtaining all required local, State, County, and Federal permits and approvals as may be required to complete the project.*
- d) The Incentive Beneficiary shall be responsible for the Carlisle Enhancement Fee as outlined in the City of Milford Code.*

(3) Installment Land Contract

- a) The Incentive Beneficiary may apply to purchase the City owned property through an installment land contract at a price and upon such terms and conditions as may be determined by the City Manager. The acceptance of the contract is subject to the express approval of City Council, which approval may be withheld in its complete discretion.*
- b) The City will audit the Incentive Beneficiary annually to verify that the Incentive Beneficiary has created and maintained the required number of Full-Time Equivalent Jobs as identified in the installment land contract. Audits shall begin thirty-six (36) months from the date of contract signing and continue until full payment is made to the City. If the Full-Time Equivalent Job level averages below the required number for a period of three (3) consecutive years, excluding the first three years, the City Manager may determine that the Incentive Beneficiary is in default and provide notice as required.*
- c) In the event the default is not cured, in addition to such other remedies as may be available, the Incentive Beneficiary shall be required to choose between the following two options:*
 - i. Surrender all improvements and the property to the City; or*
 - ii. Pay the entire remaining principal balance to the City within 45 days following the date the default notice was issued.*

D. Greater Milford Business Complex Economic Incentive Program Tier Incentives

(1) Table 1.

<i>Tier</i>	<i>Full-Time Equivalent Jobs Created</i>	<i>Impact Fee Waivers</i>	<i>Waiver of Permits & Other Fees</i>
<i>1</i>	<i>5-9</i>	<i>1</i>	<i>20%</i>

2	10-14	2	40%
3	15-19	3	60%
4	20-24	4	80%
5	25-29	5	ALL
6	30+	ALL	ALL

The ordinance is scheduled for adoption at the March 28th Council Meeting.

Authorization/Alcohol Waiver/Mispillion Shipbuilder River Race

The following request was received from DMI President SaraKate Hammer:

Dear Council Members:

Downtown Milford, Inc. is a partner in the Second Annual Mispillion Shipbuilder River Race to be held on the Mispillion River during the 13th Annual Bug & Bud Festival Saturday, April 23, 2016 from 9-4pm. This event was a great success in its inaugural year in 2015, highlighting the Mispillion Riverwalk and Greenway and the opportunities that exist for eco-recreation in Downtown Milford.

Each participant of the race will pay an entrance fee to paddle the Mispillion River by canoe, paddle board or kayak and will be welcomed back to town at the end of the race to an awards event, complete with donated food from Arena's Deli and beer samples for those 21 and over from Mispillion River Brewing. DMI would like to hold the awards event near the City of Milford Dog Park during the Bug & Bud Festival, specifically 1 Marshall Street, Milford DE.

Enclosed is a copy of the application for a group gathering license in the park area on Marshall Street. I have requested the license be active from 10:00 a.m. until 3:00 p.m. to allow for set up and cleanup of the Park.

City Manager Norenberg explained that last year's race actually started and finished on private property. Participants at the awards ceremony then receive beer from the race sponsor Mispillion River Brewing Company. He noted that DMI did not submit their request to council in 2015; however, this year's race will not involve the Vinyard Shipyard so DMI and Parks and Recreation are asking that this event, which includes beer being served and consumed, take place on City of Milford park land. As a result, permission must be obtained from city council.

The city manager confirmed that the Parks and Recreation Director Brad Dennehy is a partner in the event and recommends the permit be approved.

Mr. Grier moved to approve the alcohol waiver for the Mispillion Shipbuilder River Race Awards Ceremony on city park land, seconded by Mr. Burk.

Ms. Wilson confirmed this event is not part of the Bug and Bud Festival and that the two are unrelated; she added that they definitely do not go together.

Motion carried.

Approval/City of Milford's Deferred Comp Plan (457(b) Amendment

City Manager Norenberg informed council that the city's deferred comp plan currently requires new employees to wait until they have worked 1,000 hours (approximately six months) before they can begin to participate in the plan and make contributions. The plan allows a certain percentage, as established by the IRS, to be set aside annually by an employee saving for retirement. The city provides a partial match at that point.

The recommendation is to continue the 1,000 hour threshold for matching contributions, however, new hires may begin to contribute immediately and do not have to wait the 1,000 hour time frame.

The city manager explained that if this amendment is approved, approximately fifteen employees citywide will be able to start contributing and receive a guaranteed return.

Mr. Norenberg disclosed that he is one of the employees that would be affected by this change.

Mr. Morrow confirmed this change has no cost to the city and has been approved by our pension carrier.

Mr. Grier moved to approve the amendment to the City's 457(b) compensation amendment as follows:

CITY OF MILFORD 457(b) DEFERRED COMPENSATION PLAN AMENDMENT

The City of Milford 457(b) Deferred Compensation Plan ("Plan") be and hereby is amended this 14th day of March 2016, effective immediately, as follows:

FIRST: Section 2.1, Eligibility, is deleted in its entirety and replaced with the following new Section 2.1:

Each Eligible Individual will be eligible to participate in the Plan for purposes of salary deferral contributions on his or her date of hire with the City of Milford. For purposes of Employer Matching Contributions, Eligible Individuals will be eligible to share in the Employer Matching Contribution on the earlier of the date that he or she completes 1,000 Hours of Service or the first anniversary of the Eligible Individual's date of hire. The Eligible Individual shall commence participation for purposes of the Employer Matching Contribution on the January 1 or July 1 that is coincident with or next following the date that the Eligible Individual satisfies the eligibility requirements to participate in the Plan and after the Eligible Individual has executed a Participation Agreement.

Motion seconded by Mr. Mergner and carried with no one opposed.

Adoption/Resolution 2016-06/Spring Clean-Up Week

Mr. Brooks moved to adopt Resolution 2016-06 scheduling Spring Clean Up Week beginning April 11th, seconded by Ms. Wilson:

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

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

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

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

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, by the power vested in me, do hereby proclaim the week of April 11, 2016 to April 15, 2016 "Spring Clean-Up Week" in the City of Milford; in the case of inclement weather, "Spring Clean-Up Week" will be extended through April 22, 2016.

IN WITNESS WHEREOF, I hereunto set my hand and caused the Seal of the City of Milford to be affixed this 14th day of March 2016.

Motion carried.

Approval/Revised Council Committee Structure & Assignments

Mr. Norenberg said when he started in January, there was some confusion about the structure of committees in terms of what topics may be assigned. After consulting with the mayor, city clerk and the city solicitor, he has prepared a document for council approval.

Via e-mail, he has discussed the scope of their respective committees with each committee chair, in addition to the other council members. .

Mr. Brooks said that during the police chief selection process, he came to all of the Police Committee meetings though he was not a member. He was not allowed to say anything but according to the new document, anyone attending a committee meeting is able to participate, whether or not they are a member of that committee.

Mr. Grier moved to approve the revised committee structure, seconded by Mr. Mergner. Motion carried.

MONTHLY FINANCE REPORT

Finance Committee Chairman Morrow reported that through the seventh month of Fiscal Year 2015-2016 with 58% of the fiscal year having passed, 64% of revenues have been received and 54% of the operating budget expended.

Mr. Morrow pointed out we are ahead in revenues and for the third month, expenses are lower than anticipated. He said that a sign of good fiscal management from the finance director, city manager and department heads.

Mr. Brooks stated that the said the solid waste accounts are in good shape.

Mr. Burk moved to accept the January 2016 Finance Report, seconded by Ms. Peel. Motion carried.

ADJOURN

With no further business, Mr. Grier moved to adjourn the Council Meeting, seconded by Ms. Wilson. Motion carried.

The Council Meeting was adjourned by Mayor Shupe at 8:56 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder