

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
March 28, 2016

The City Council of the City of Milford met in Workshop Session on Monday, March 28, 2016 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Garrett Grier III, James Burk, Owen Brooks, Jr.,  
Douglas Morrow 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 convened the Workshop Session of Council at 7:07 p.m.

*Dover/Kent County Metropolitan Planning Organization (MPO) Presentation/Public Liaison Kate Layton*

Ms. Layton introduced herself stating that she is here to discuss the MPO's Long Range Plan/Metropolitan Transportation Plan in Kent County.

She explained that though this is early in the process, they are working on the draft and are asking for public input. In January 2017, the draft will be provided to the Council Policy Making Body at which time they will look for approval on the draft.

Ms. Layton then provided the following preview:

Vision 2040  
The Dover/Kent County MPO  
Metropolitan Transportation Plan  
FY 2017-2040

The Dover/Kent County Metropolitan Planning Organization (MPO) is an agency that aids in transportation planning and programs for central Delaware. The Dover/Kent County MPO is a nonprofit federally-funded agency that was formed in the early 1990's.

There are MPO's all over the country that have existed since the 1970's due to an Act of Congress.

The Metropolitan Transportation Plan (MTP) is one of the agency's core projects. It is called a long-range plan because it looks at how things could take shape, transportation-wise, over the next twenty or more years in Central Delaware. It provides measurable goals for the region's transportation system.

Required by all MPOs, the Plan is updated every four years, as major projects found in the MTP are eligible for federal funding. Vision 2040 is the fifth update from the original plan completed in 1996.

The MTP identifies transportation needs and strategies, guides transportation investments and shows that transportation-related projects will meet federal air quality standards.

The primary goals are to move people safely and efficiently, strengthen communities and promote economic development.

Several things have changed in the past four years.

A new federal transportation bill referred to as the FAST Act was signed into law in December 2015. FAST facilitates spending obligations through FY 2020 and provides a 5% and 8% increase in highway and transit spending for Delaware's FY 2016.

In addition, spending will increase more than 2% per year for both highway and transit projects after FY 2016.

A carryover from the last transportation bill (MAP-21) is performance-based planning. The MPO and the Delaware Department of Transportation (DelDOT) will establish criteria for measuring the performance of various components of Delaware's transportation system. The clarification of performance measures should apply to categories like safety, pavement, bridges, etc. The FAST Act gets more into the weeds of what the previous transportation bill set forth.

Delaware has since raised fees and tolls to provide additional revenue and maintenance for capital transportation projects.

There is also more of an emphasis on freight, whose directives were outlined in MAP-21. Since 2015, Delaware became one of the first states to adopt a regional freight plan, which includes the peninsula of Delaware, Maryland, and Virginia into one overall plan.

Kent County is projected to receive between \$800 million and \$900 million (federal and state monies) for transportation projects between now and 2040, based on historical trends.

The MTP lists about 35 road projects and 12 walk and bicycle projects that are fiscally reasonable with an estimated cost of less than \$600 million. Some of those projects include the Camden Bypass, Kenton Road improvements, US 13 widening, Route 1/Northeast Front Street Grade Separated Intersection and the Crawford Carroll Road Extension.

Some of the bike and pedestrian highlights include added sidewalks along US Route 13 in Dover, the Senator Bikeway along Route 8, the Route 8 sidewalk by the new Dover High School and a Route 10 Bike Trail.

Ms. Layton emphasized the reason she is presenting this information is because they are looking for public input for this draft update. From now through early August 2016, the MPO is looking for people to take their survey. This can be done through their website ([www.doverkentmpo.org](http://www.doverkentmpo.org)), social media (Facebook and Twitter: #DoverKentMPOVision2040Survey) and e-mail ([kate.layton@doverkentmpo.org](mailto:kate.layton@doverkentmpo.org)) and public meetings (Technical Advisory Committee (TAC). They will also be at various events and locally at the Bug and Bud Festival in Milford on April 23<sup>rd</sup>.

Later in April, they will have a Public Advisory Committee meeting. A workshop is planned this summer as well.

Sometime in August, Ms. Layton stated that they will incorporate the input and public comments received into the draft MTP update. Once the draft is closer to completion, they will post it for a 30-day public comment period. That draft will then go before the MPO Council in January 2017 for approval. If approved, that document will go to the Federal Highway Administration and the Federal Transit Administration.

At the conclusion of Ms. Layton's presentation, Ms. Wilson asked if public transportation, including DART, is included in this plan and in particular, the lack of services in Milford. She added this is a major concern of hers particularly with the anticipated growth on Route 1.

Ms. Layton said she will ask about that through the Delaware Transit Corporation which oversees DART. In addition, people can comment about the issue through the various ways she has discussed. She confirmed that Ms. Wilson would like to see more transit in the Milford area and particularly along the anticipated growth areas; Ms. Wilson asked that suggestion be added to the plan.

Mayor Shupe said some of the concerns council hears come from residents who live in the Southeast Milford neighborhoods and feel disconnected to the downtown area. In particular, it is because the Route 1 area is heavy with traffic and they don't feel comfortable walking or riding in that area.

The mayor agrees this is needed though he is willing to discuss this more at a later date because the connectivity of these neighborhoods to the downtown area is important.

Ms. Layton confirmed that the mayor is talking about local connectivity within Milford and not just countywide; Mayor Shupe stated yes.

It was agreed that the needs of residents requiring transportation to the new hospital must also be considered.

Mr. Brooks asked if there are any plans for additional trains. Ms. Layton said there are freight trains that deliver goods, textiles, etc. She recalled a passenger rail feasibility study that was done a few years ago by Parsons Brinckerhoff Consulting Agency. The feasibility study showed two trips that would connect from Newark to Kent County, down to Maryland. However, it was never deemed affordable.

Mr. Brooks recalled a meeting he attended several years ago where they discussed the possibility of placing one passenger car on top of another to make it more affordable. Ms. Layton does not remember but finds it an interesting concept.

Mr. Norenberg said the only thing he will add is to reinforce Ms. Layton's recommendation to take the survey. He completed it over the weekend. He suggests adding the priorities into the surveys.

He reported that the city will start promoting the survey on our website and Twitter and Facebook and encouraged council to participate.

#### *American Municipal Power (AMP) Presentation/Smart Meter Project*

City Manager Norenberg recalled that at the Public Works Committee meeting two weeks ago, bringing the presentation to full council was recommended. During that meeting, an overview was presented of the plans and opportunities for Smart Metering. At the conclusion of tonight's presentation, he would like council to provide feedback before we continue with the next process of exploring more detail by authorizing the mayor to sign the non-binding letter of intent with AMP to proceed.

Electric Superintendent Rick Carmean said he has been to various presentations on Smart Metering from different vendors. He said the city is capable of handling the metering and collectors, but help is needed with the integration of metering data into the billing system.

Mr. Carmean recalled when the Meter Department was disbanded and the remaining employees were separated and placed under the electric and water departments, they began to look at the drive-by metering system being used which is aging and needs attention. Some are becoming obsolete and water registers are beginning to fail. He then learned that AMP had an RFP for 100,000 smart meters and reached out to the city in hopes of becoming a partner with them.

George Bjelovuk, AMP Manager then presented information on his company and the Advanced Metering Project.

Mr. Bjelovuk gave a quick background about American Municipal Power. It is a joint action agency in the public power area formed in 1971 and in 1996, it became a tax exempt company. There are currently nine states that are part of the AMP group which is owned and governed by 132 members. DEMEC joined the organization and President Pat McCullar is a member on their board.

They have identified ways to collaborate through joint power supply and purchasing projects over the years. Members would join together and build a hydro plant or a gas-fired turbine to meet some of their power supply requirements.

The financial strength of the organization is something the members have leveraged and AMP has a \$750 million revolving line of credit.

Mr. Bjelovuk said that Smart Grid is a buzz word in the industry that has been going on for a number of years. Approximately eighteen months ago, a number of members with advanced metering systems were having issues with the

drive-by systems that Milford has.

Other communities interested in advanced metering, who wanted to move forward, began to collaborate about smart metering. Because of the common interest, Leidos Engineering was hired to do a study in 2014 who modeled several scenarios for its members:

- 1) Each municipality deploying meters, networks, systems;
- 2) Each municipality using commercial hosting provider;
- 3) Single hosting provider for all members;
- 4) AMP invested and developed hosting services for all members.

The fourth approach is what AMP moved forward with. It was determined that joint action among the members could result in a lower acquisition cost, sharing of costly components and expertise.

Mr. Bjelovuk explained that communities will look at public work projects to address utility infrastructure such as Milford's handheld/drive-by equipment which is aging and that equipment that is near its end of life.

He noted that the water meter modules are also near end-of-life though Milford's meters are in good shape and only a few years old. The registers are battery-operated and once they are ten years old, start to fail and need replacing which can be accomplishing using a different technology.

A community that can leverage the GIS capability with advanced metering can also leverage enhanced services for city operations and customers.

Communities also look at advanced metering to improve and reduce the cost of customer service. In many cases, municipal utilities are surrounded by investor-owned utilities or rural electric cooperatives that are providing some enhanced services to their residents including on-line bill pay, energy usage monitoring, etc. That places public power entities behind the technologies of these other utilities.

For the most part, our electric department is unaware that electric is out until a customer calls. An advanced metering structure will allow meters to report an out-of-service status and can be pinged to confirm that power has been restored.

In addition, with the number of rentals in the Milford community, this system will allow remote connection and disconnection.

The system can also provide data to support distributed generation, rooftop solar and needed rate design changes. As the system grows and becomes more complex, the city will have the ability to automate technologies.

The AMP system involves meters, radios on water meters and collectors that will be installed on poles. There is a wireless communication in which Milford's fiber optic can be used to do the back haul. The networking on the system was discussed which included the head end of the system in the AMP office with the use of fiber optic which will connect the billing system.

Mr. Bjelovuk stated that specialized employees are needed to operate the system though they may be difficult to attract. However, there is a group of vendors that will work with AMP and Milford to provide the data services.

Mr. Bjelovuk informed council that when AMP reached out to its members to see who was interested in the advanced metering project, the City of Seaford responded. There was an RFI issued to 23 vendors and 24 responses were received. An RFI design was done for Seaford based on their data. A committee was then created to review the RFI's. A comparison analysis followed which was reviewed with the initial members and the AMP board.

Two vendors were selected and the attorneys are in the final stages of negotiating the contracts and hope to finalize it this week so an announcement can be made.

One vendor is an AMI Communications Network provider that is an industry leader in AMI. They offered to provide a 7x24x365 monitoring of all networks. As each member deploys a network, their operations center will be monitoring the network in their center. Contact is immediate if there is a collector or access point failing to operate.

— This vendor is also not tied to any particular meter. In addition to some project management and integration costs, the meter is the most expensive cost of the deployment. A different meter manufacturer can be chosen with this vendor's AMI communications modular.

They are confident this vendor will meet Milford's future requirements including street lighting control, distribution automation, etc.

The second vendor is an expert in working with back office application. They have learned that the municipal space has a very specialized vendor in utility systems. Interfacing with those applications is mandatory and this vendor has done dozens deployments around the country and a specialist in these municipal enterprise systems.

Milford will continue to deploy meters, communications and billing systems. The GIS, customer portal and base system and AMI head-end will be managed by AMP.

The consultant then referenced the one-time project costs which include new electric meters, water meters, water communication modules, an AMI communication network, installation of field equipment, integration into Milford's billing system and project manager training.

AMP will invest a \$2.5 million in its back office. That includes servers, security components, management of the data requirements and dedicated staff including a program manager and AMI operator who will manage the overall program.

— It requires an annual operating expense that includes the AMI communication network that supports multiple meter brands and 99.5% read reliability on electric meters and 99% on water meters. The network will be monitored around the clock by the network operation center as Mr. Bjelovuk previously stated.

The annual expense will include full disaster recovery, annual testing, cyber security monitoring of all systems and future system and software upgrades.

The consultant commented they are still waiting for more detailed data on customer operations and the billing provider. However, based on approximately 7,000 meters, the meter cost is estimated between \$800,000 and \$1.1 million depending on the features of the meters. The cost of the approximate 3,800 water meter communication modules is \$475,000. Prices were provided for the AMI communication network and installation and complete meter-to-cash integration.

He noted there is a suite of applications and interfaces that are being considered by city staff which will impact the costs. The project management and training costs will run between \$80,000 and \$90,000 based on those services selected.

As a result, the total capital cost will be between \$1.7 million and \$2.1 million. Annual operating expense will run between \$110,000 and \$120,000. He recommends forecasting a 3% annual increase over the ten-year duration of the program.

Mr. Bjelovuk then presented a project plan time line reiterating they are currently in the final stages of negotiating the master service agreements that should be finalized by March 31<sup>st</sup>. They anticipate that AMP billing will begin for their first member on November 1<sup>st</sup>. They believe they can bring on another community every six to eight weeks after that.

— He asked that council recognize and consider managing the project approval process. AMP has proposed to the city manager a non-binding letter of interest for Milford that states they have looked at the capital costs of the program which are in line with what is anticipated for this project and that the city is committed to investing these resources to obtain a detailed statement of work.

Once it has been agreed to proceed with the project, there is a need to find financing. AMP is willing to work with

DEMEC to figure out the best financing approach for Milford.

He also recommends making sure the community is ready for this. There is a need for the city to get out and communicate the benefits of this program which includes the ability to operate better and more efficiently and better support energy efficiency objectives of the residents and businesses.

Mr. Bjelovuk recognized the need for one spokesperson to prevent five different employees portraying five different versions of a response.

Once the deployment starts, a project manager or coordinator at the municipality is needed to manage field deployments and work with the installer and field staff. Once the deployment is done, there will be a lot of old tasks replaced with new tasks. Staff will no longer go out and read meters each month, or connect or disconnect meters if the remote disconnect capability is selected.

Mr. Bjelovuk reiterated they are in the final stages of completing the vendor contracts, talking to the initial group of members that helped develop this program and to communities like Milford who are considering joining the program.

When asked for questions, Mr. Brooks asked if when you change from one meter to another, does Mr. Bjelovuk foresee any problems; Mr. Bjelovuk explained they picked the AMI communication vendor because they have the meter interoperability. Any type of meter can be ordered with a communications module from this vendor making them fully interoperable.

Ms. Wilson asked how many communities are already participating. Mr. Bjelovuk said eleven helped form the program. Five have submitted letters of intent. Ten or twelve more have heard of the program and he is out soliciting letters of intent. He believes that half of the 90,000 meters are committed.

He noted that DEMEC is on the AMP board and has been a very strong advocate of the programming.

Ms. Wilson feels that most customers will want to know how this will save them money and she asked if there is an answer to that question.

Mr. Bjelovuk said that two things need to be considered as Milford starts to package the messaging for their residents. First, it makes the utility operation more efficient. The more efficient, the more likely Milford will be able to defer future cost increases.

He noted that Milford also has the option for customers to be able to monitor their usage via internet. A lot of times they have no idea what their bill is until it shows up once a month. This will allow them to monitor their usage and they will be able to take proactive action to reduce their overall consumption and save money.

Mayor Shupe asked Electric Superintendent Carmean to speak on what this will do overall for our electric department and ground-to-ground level for our crews and the advantages to being part of this program.

Mr. Carmean said that our employees will be able to disconnect remotely which prevents rolling a meter truck every time there is a need to turn on or turn off the power. That alone, will save the city tens of thousands of dollars every year.

He said if a utility portal is added, we can bring up a map that shows the IP address of each meter. It will display a light indicating the meter is on or off. Our crews can then determine if there is a problem that needs to be fixed by a private electrician which prevents our crews from being called out and saves money.

During a lightning storm, they will be able to look at the google map to ensure everyone is back on; crews can then go home.

Mr. Grier asked if there will be enough work for our employees to replace what is no longer needed. He said it sounds as though a lot of the employee operations will no longer be needed and asked what duties they would have then. Mr.

Carmean said we disbanded the meter department and moved the meter readers into other departments. Some may be considering retiring so we will not have to replace them after they leave. The line crews will be doing more maintenance which means less trouble, no more overtime and less fuel costs.

Mr. Brooks asked if Mr. Carmean is saying we will need fewer employees; Mr. Carmean said yes for the metering itself.

He said we will still need the linemen though we do not need as many meter readers because we will no longer have to touch every meter to turn them on and off.

When asked if this will occur overtime, Mr. Carmean said the disconnects will be done right away. As soon as this program is on line, the meters will immediately be turned off in the office and no meter trucks will be needed. The meter readers can then do other things.

Mr. Brooks asked how long it will take from the first to the last meter; Mr. Bjelovuk said the time line he presented earlier involved a community with approximately 6,000 meters and that deployment is expected to take about three months. Doubling that number of meters for Milford may take approximately five months. The water side adds another 3,000 to 4,000 meters for a total of 11,000 meters.

Mr. Grier recalled talking about smart meters for many years; he asked Mr. Carmean if there has been money earmarked considering those conversations. He recalled that during the last budget process, they talked about a lot of projects and asked if smart metering was one.

Mr. Carmean said that Mr. Portmann informed him that money was set aside for smart metering in the amount of \$1.5 million.

Mr. Grier asked if we can use USDA money for this or reserves; Mr. Norenberg said that could be considered more on the water side but not on the electric side.

Mr. Norenberg then explained that the next step is the non-binding letter of intent. There are a few blanks to fill in with one being the date to begin deployment. He will follow up with the finance director over the next week or two and will have the answers to financing. At the next meeting, he will bring back the letter of intent with that information to see how this fits into the city's plans over the next couple of years.

He continued by stating that we can then begin the process of developing requirements and getting a more complete handle on what this would mean for Milford.

It was agreed this is the direction that other utility companies are heading and Mr. Grier added whether we do it now or five years from now, there is a need to explore it. His only worry is to analyze history and performance which we do not have at this point.

Mr. Carmean added that once Mr. Bjelovuk is able to announce the vendors in addition to the possibility of other vendors the city can talk to.

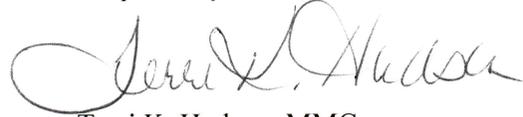
Mr. Norenberg recalled the problem with our current meter reading systems that are close to end-of-life and no longer supported by ITRON. As a result, there are some expenses that we will need to incur if we don't roll out the AMI before those systems start to fail. This will help avoid some of those costs and be ready for the future.

Mr. Norenberg welcomed any additional questions from council over the next few days so that he can run those questions past the finance director in order to have complete information at the April council meeting.

*Adjourn*

With no further business, the Workshop Session concluded at 8:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Terri K. Hudson".

Terri K. Hudson, MMC  
City Clerk/Recorder

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
March 28, 2016

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, March 28, 2016.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Garrett Grier III, James Burk, Owen Brooks, Jr.,  
Douglas Morrow 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 Council Meeting to order at 8:10 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilwoman Wilson.

RECOGNITION

*Proclamation 2016-02/National Service Recognition Day*

Mayor Shupe read the following proclamation into record recognizing National Service Recognition Day:

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

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

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

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

WHEREAS, AmeriCorps and Senior Corps participants serve in more than 60,000 locations across the country, bolstering the civic, neighborhood, and faith-based organizations that are so vital to our economic and social well-being; and

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

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

WHEREAS, national service participants demonstrate commitment, dedication, and patriotism by making an intensive commitment to service, a commitment that remains with them in their future endeavors; and

WHEREAS, the Corporation for National and Community Service shares a priority with Mayors nationwide to engage citizens, improve lives, and strengthen communities; and is joining with the National League of Cities, City of Service and Mayors across the country to recognize the impact of service on the Mayors Day of Recognition for National Service on April 5, 2016.

NOW, THEREFORE, BE IT RESOLVED that I, Bryan W. Shupe, by virtue of the authority vested in me as Mayor of the City of Milford, Delaware, do hereby proclaim April 5, 2016, as National Service Recognition Day, and encourage residents to recognize the positive impact of national service in our city; to thank those who serve; and to find ways to give back to their communities.

#### COMMUNICATIONS & CORRESPONDENCE

##### *Schedule Charter Review Committee Meeting*

Mr. Norenberg reported the city clerk, city solicitor and he have been working on a comprehensive update of the charter. The work over the past two weeks will enable a quicker process when this is presented to the Charter Review Committee.

He asked the committee members to contact the city clerk in order to get the first committee meeting scheduled.

Councilman Burk stated that he cannot commit to taking any additional vacation and early morning meetings will not work for him because of that. He is available in the evenings but he cannot use an entire day. He has no problem if someone else is more available for these meetings.

The city manager emphasized the importance of scheduling the first committee meeting in order to officially start the process.

#### UNFINISHED BUSINESS

##### *Adoption/Ordinance 2016-02/Chapter 19/Economic Development*

The city manager recalled economic development incentives being discussed in January and February. The ordinance was introduced at the March 14<sup>th</sup> council meeting and establishes the first steps to incentivize development in the Greater Milford Business Park off Airport Road.

Planning and Economic Activities Coordinator Rob Pierce reminded council of the discussion at the Economic Development Committee meeting at which time a lot of the incentives were developed. He reported that the new code includes definitions and lists various incentive options under Article II. The ordinance also expands on some impact fee waivers that were already on the books. Added was a permit and fee waiver reduction which will include building permits, water service connection, sewer inspection fees, etc.

The code also lists the fees that are unable to be waived and are passed thru to Carlisle Fire Company and Kent County.

Also included is an installment land contract for city-owned properties, eligibility criteria, target areas and incentive options for the Greater Milford Business Park.

The waivers are based on a tiered approach based on job creation.

Additional incentive options and target areas will be later added for the downtown area.

Mr. Grier asked if the number of years for land installment contracts have been defined. Mr. Pierce explained the applicant may apply to the city for an installment land contract at a specific price and upon such terms and conditions as are determined by the city manager. However, the acceptance of the contract is subject to council approval. He feels that will leave some flexibility that could be based on the amount of the private investment.

Mr. Grier moved to adopt Ordinance 2016-02, Economic Development and Redevelopment, seconded by Mr. Brooks:

*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 amenity 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 &amp; Other Fees</i>
<i>1</i>	<i>5-9</i>	<i>1</i>	<i>20%</i>
<i>2</i>	<i>10-14</i>	<i>2</i>	<i>40%</i>
<i>3</i>	<i>15-19</i>	<i>3</i>	<i>60%</i>
<i>4</i>	<i>20-24</i>	<i>4</i>	<i>80%</i>
<i>5</i>	<i>25-29</i>	<i>5</i>	<i>ALL</i>
<i>6</i>	<i>30+</i>	<i>ALL</i>	<i>ALL</i>

Motion carried.

**NEW BUSINESS**

*FY 2015-2016 Budget Amendment/Municipal Street Aid & General Fund Transfer Bid Award/Truitt Avenue Rehabilitation & Milford Community Cemetery Expansion Project*

City Manager Norenberg advised that these two items are tied together. He recalled the joint project discussed during the

budget process this past year. The millings from the work on Truitt Avenue will be used to supplement and develop a driving surface in the cemetery.

He reported that the project was bid several weeks ago after which they discovered a couple of concerns with the sewer infrastructure. That created the need for some investigation and a decision on whether we should use existing sewer funds to do a lining project without having to delay the paving project. Even worse was concern that the paving project would be completed only to be torn up later. The goal was to prevent a major reconstruction project which eventually worked out and we are now able to proceed with the original project.

The following letter of recommendation was received from Randy Duplechain from Davis, Bowen and Friedel, whose firm oversaw the bidding process:

*We have received the bids for the Truitt Avenue Rehabilitation & Milford Community Cemetery Expansion Project and recommend award to the low bidder, Mitten Construction Company of Dover, Delaware, for the estimated amount of \$371,380.00. A copy of the project bid tabulation along with a copy of the project cost breakdown for each portion of the project is attached for your review.*

*As shown on the attached project cost breakdown, the total amount of currently allocated funds is \$75,000 for the Truitt Avenue Rehabilitation work and \$40,000 for the Cemetery Expansion project. Should council approve award of this project, the transfer of \$250,000 from the Municipal Street Aid Account and \$25,000 from the General Fund Reserves is needed to cover the total cost of the project.*

Mr. Brooks moved to authorize \$250,000 be transferred from for the Municipal Street Aid Account and \$25,000 from General Fund Reserves to fund the balance of the Truitt Avenue Rehabilitation and Milford Cemetery Expansion project, seconded by Ms. Wilson. Motion carried.

Ms. Wilson moved to award the Truitt Avenue Rehabilitation and Milford Cemetery Expansion bid to Mitten Construction Company in the amount of \$371,380.00, seconded by Mr. Brooks. Motion carried.

#### *Workforce Development Vacancy*

The following letter was received from Workforce Development Chairman David Markowitz dated March 18, 2016:

*This letter will serve as notice of my resignation from the Milford Workforce Development Commission, effective on the date of the next organizational meeting.*

*It has been an eventful five years, and it was especially rewarding to see a program grow from the ground up to the successful program it has become. I especially appreciate the support you've given the commission members and the program over the years. I will be happy to work with current or new members of the commission in turning over the information and knowledge I have regarding the program.*

City Manager Norenberg asked that council consider a replacement for this position.

Mayor Shupe recommends we consider someone involved in the school system because this commission aids students with part-time employment in the community. Ms. Wilson feels that someone in the business arena would be more appropriate considering we are encouraging commercial entities to get involved in the program. She added that Mr. Markowitz was more of a link to the community and feels we need someone to fill that void.

Mr. Norenberg will contact the Chamber of Commerce for a possible suggestion. Mayor Shupe asked council to contact him with any possibilities as well.

*Authorization/Contract/Partnership for the Delaware Estuary Inc./Mispillion River Water Improvements Project  
Authorization/Contract/DBF/Engineering & Surveying Surfaces/Mispillion River Water Improvements Project*

City Planner Rob Pierce referred to the memo in the council packet outlining the history of related approvals and application dates made last summer. The city planned to collaborate with the Partnership for the Delaware Estuary (PDE) to conduct a site characterization, preliminary planning and conceptual design to provide guidance through the planning process for the use of the plan and bio-based living shorelines. PDE provided a proposal in the amount of \$20,000 for these services.

This planning grant required a 50/50 match from the applicant with a maximum contribution of \$50,000 from the State of Delaware. On August 24, 2015, city council authorized \$30,000 be allocated in FY16 Parks & Recreation budget for the removal of the Goat Island Causeway; an additional \$20,000 was transferred from general fund reserves for a total city contribution of \$50,000, maximizing the planning grant potential. As a result, a total of \$100,000 is available for the preliminary design and planning.

The project also includes hiring an engineering consultant to determine the feasibility of bank stabilization, flow restoration and best management practices in water quality improvement for the target areas shown on the attached exhibit. Davis, Bowen, & Friedel, Incorporated has provided the enclosed proposal in the amount of \$13,200 to provide the initial survey and wetland delineation. Upon completion of the conceptual plan, DBF will provide a proposal for the remaining studies, engineering design and cost estimate for the construction of feasible components.

Mr. Brooks moved to authorize the contract in the amount of \$20,000 with the Partnership of the Delaware Estuary to conduct site characterization, planning, and conceptual design for plant and bio-based living shorelines along portions of the Mispillion River near Goat Island, seconded by Mr. Morrow. Motion carried.

Mr. Grier confirmed that the \$13,200 to be paid to DBF is part of the \$100,000 grant and match money for this project; Mr. Pierce stated yes.

Mr. Grier moved to authorize a contract not to exceed \$13,200 to DBF for engineering and surveying services related to the conceptual phase of the Mispillion River Water Quality Improvement Project, seconded by Mr. Brooks. Motion carried.

*Authorization/Purchases/Environmental Systems Research Institute, Inc./Asset Management Project  
Authorization/Contracts/DBF/Drinking Water System & Wastewater System/Asset Management Project*

The city planner referenced the memo and documents in the packet related to the Asset Management Project.

Mr. Pierce recalled that this past summer, the city received a non-matching grant from the Department of Natural Resources and Environmental Control Financial Assistance Branch for the Wastewater Asset Incentive Program in the amount of \$70,000. Another non-matching grant was received from the State of Delaware, Department of Health and Social Services Division of Public Health for the Drinking Water Asset Management Incentive Program in the amount of \$90,000. Total funding received was \$160,000.

The Asset Management Incentive Program was broken down into five tasks. In order to accomplish the first task, the city must purchase enterprise GIS software and server hardware to host and serve the data sets being created.

Mr. Pierce stated that Environmental Systems Research Institute, Inc. (ESRI) is the industry leader in GIS software and is utilized by federal, state and local agencies in Delaware. ESRI provided a quote in the amount of \$75,734.38 for the necessary software, hardware, startup services and training needed to implement an enterprise GIS system.

The city budgeted \$100,000 in the grant application for hardware and software related items; this came in below the anticipated budget.

Task 2 of the EPA five step framework involves developing level of service standards for each utility. Tasks 3, 4 and 5 involve analyzing critical assets, performing minimum life cycle cost analysis on these critical assets and producing a long-term funding plan for improvements. In order to accomplish these tasks, the city has requested assistance from Davis, Bowen & Friedel to perform the required analysis and develop a long-term funding plan.

DBF provided a proposal in the amount of \$20,000 to assist with the wastewater portion and a \$30,000 proposal for the water portion of the project.

Mr. Pierce referenced the ERSI quote for associated maintenance costs in the amount of \$10,650. He explained that in order to maintain our license associated with this project, this amount will need to be budgeted on an annual basis.

Mr. Grier suggests the balance left from the ESRI quote of \$75,734.38 be used to pay the \$10,650 annual maintenance costs though Mr. Pierce recommends we wait to determine the cost of the analysis by the engineering consultants.

Mr. Brooks moved to authorize the payment in the amount of \$75,734.38 to Environmental Systems Research Institute, Inc. (ESRI) for the purchase of enterprise GIS software, hardware, startup services and training to be funded from the Water and Wastewater Asset Management Incentive Program non-matching grants, seconded by Mr. Morrow. Motion carried.

Mr. Grier moved to authorize the contracts with Davis, Bowen & Friedel, Inc. in the amount of \$50,000 for Professional Engineering Services for assistance with Task 3, 4, and 5 from the Water and Wastewater Asset Management Incentive Program application with funding from the state non-matching grants, seconded by Mr. Burk. Motion carried.

#### EXECUTIVE SESSION

Mr. Burk moved to go into Executive Session reference below reason, seconded by Mr. Brooks:

Pursuant to 29 Del. C. §10004(b)(9) (Personnel Matters) Police Issue

Motion carried.

Mayor Shupe recessed the Council Meeting at 8:31 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 9:31 p.m.

#### *Police Personnel Issue*

Mr. Morrow moved to approve the recommendation of the Chief of Police as was discussed in Executive Session, seconded by Ms. Wilson. Motion carried by the following 4-1 vote:

Mr. Grier votes no because he thinks it is fair to wait for another two to three weeks as was recommended and prefers to make one decision instead of two.

Mr. Burk votes yes in support of the Chief of Police and in this matter as well.

Mr. Brooks votes yes.

Mr. Morrow votes yes to support Chief Brown.

Ms. Wilson votes yes in support of Chief Brown.

#### ADJOURN

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

The Council Meeting was adjourned by Mayor Shupe at 9:36 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Terri K. Hudson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Terri K. Hudson, MMC  
City Clerk/Recorder