

City of Milford



CITY COUNCIL AGENDA

Monday, July 10, 2017

7:00 P.M.

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

COUNCIL MEETING

Call to Order - Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Recognition

Milford Police Department Officer Recognition*

Monthly Police Report

Monthly City Manager Report

Monthly Finance Report

Committee & Ward Reports

Communication & Correspondence

Unfinished Business

Alcohol Waiver/Chapter 77 Alcoholic Beverages/DMI 3rd Thursdays

New Business

Introduction/Ordinance 2017-16

Susan Frketic on behalf of Faulton LLC for a Conditional Use

156/158 Mullet Run Street

Tax Map MD-16-173.00-01-03.07

Introduction/Ordinance 2017-19

Perdue Real Estate Holdings Inc for a Conditional Use

255 N Rehoboth Boulevard

Tax Map MD-16-174.19-01-09.00

Tax Waiver/Exemption Status – Michelle Gardner (fka Draper Farm)

Delinquent Tax Accounts Update**

Ethics Policy/Introductory Discussion

Adjourn

Recess into Executive Session

{Pursuant to 29 Del. C. §10004(b)(9)} (Personnel Matter)

Return to Open Session

Adjourn

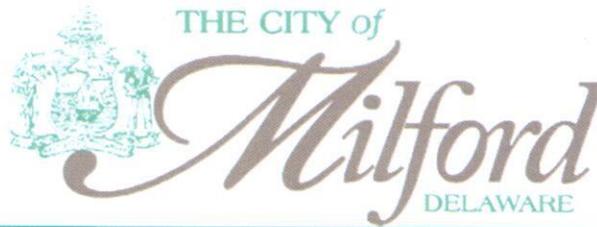
This agenda shall be subject to change to include additional items including executive sessions or the deletion of items including executive sessions which arise at the time of the public body's meeting.

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

062617 062817 *070617 Late Addition by Police Chief *070717 Late Addition by City Manager



OFFICE OF THE CHIEF OF POLICE
KENNETH L. BROWN
kenneth.brown@cj.state.de.us



400 NE Front Street
Milford Delaware 19963
302.422.8081 Fax 302.424.2330

TO: Mayor and Members of City Council
FROM: Kenneth L. Brown, Chief of Police
DATE: July 6, 2017
RE: Activity Report/May 2017

Monthly Stats:

A total of 486 arrests were made by the Milford Police Department during June 2017. Of these arrests, 131 were for criminal offenses and 355 for traffic violations. Criminal offenses consisted of 7 felonies and 124 misdemeanors. Traffic violations consisted of 54 Special Duty Radar, 4 Drunk-Driving charges, 297 other.

Police officers investigated 37 accidents during the month and issued 102 written reprimands. In addition, they responded to 1182 various complaints including city requests and other agency assistance.

Monthly Activities:

Chief Brown attended Perdue's Annual Diversity Day on Friday, June 9, 2017.

Chief Brown and other City staff members attended FOIA training at the University of Delaware.

One officer attended a Public Safety Cycling Course at the Dewey Beach Police Department.

Three officers attended FBI-LEEDA training at the Dover Police Department.

SRO:

Cpl. Bloodsworth organized a "Safe Summer Send Off" event at Benjamin Banneker Elementary School. This event had a variety of agencies present speaking with students about a variety of safety topics.

Cpl. Bloodsworth attended a summer camp at Benjamin Banneker Elementary School and gave a presentation on bike safety.

Sgt. Masten attended the Days of Summer Camp at the Milford Moose Lodge and spoke the attendees about police officers equipment and displayed a police vehicle.

Sgt. Masten and Pfc. Stanton attended an event in Rehoboth Beach that was to show support for law enforcement and military personnel.

Sgt. Masten assisted the Rehoboth Beach Police Department with the Special Olympics of Delaware Bike Prologue. This event is a kick off for the week long activities that lead up to the SODE games.

K9 Unit:

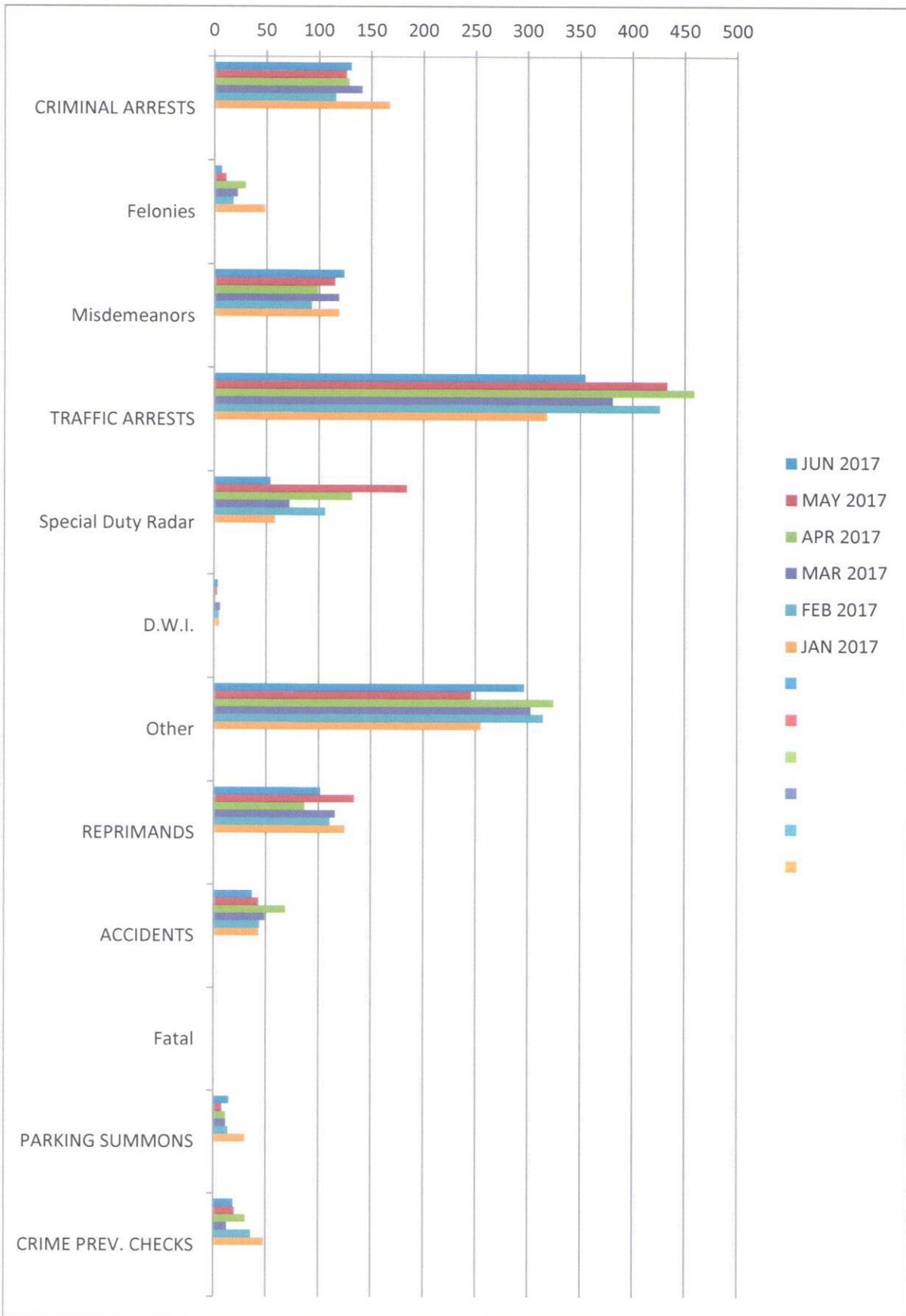
For the month of Jun 2017 the Milford Police Department K9 unit had the following stats:

- Utilized 13
- Drugs 1
- Crowds 0
- Assist Other Agencies 3
- Building Searches 1
- Deployed as Precaution 2
- Area Search 0
- Article Search 0
- Bite Apprehensions 0
- No Bite Apprehensions 1
- Tracks 0
- Demo 5
- Foot Patrols 0
- Drug Sniff 0
- Open Door 0

<u>Seized Items</u>	<u>Amount</u>	<u>Value</u>
• Marijuana	0	
• Heroin	0	
• Cocaine	0	
• Crack	0	
• Methamphetamine	0	
• Hashish	0	
• Pills	0	
• Currency	0	
• Gun	0	
• Vehicles	0	
• Other	0	

JUN 2017 ACTIVITY REPORT

	JUN 2017	TOTAL 2017	JUN 2016	TOTAL 2016
COMPLAINTS	1182	7051	1379	7384
CRIMINAL ARRESTS	131	810	235	1053
Felonies	7	136	58	316
Misdemeanors	124	669	177	737
TRAFFIC ARRESTS	355	2372	427	2352
Special Duty Radar	54	606	122	740
D.W.I.	4	25	1	27
Other	297	1741	304	1716
REPRIMANDS	102	675	116	651
ACCIDENTS	37	285	53	319
Fatal	0	0	0	2
PARKING SUMMONS	15	91	14	37
CRIME PREV. CHECKS	19	167	21	157
FINES RECEIVED	\$9,040.33	\$ 51,857.79	\$ 6,628.62	\$ 42,169.02



MILFORD CITY COUNCIL
MINUTES OF MEETING
July 10, 2017

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, July 10, 2017.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Arthur Campbell, Lisa Peel, James Burk,
Owen Brooks Jr., Douglas Morrow and James Starling

City Manager Eric Norenberg, Police Chief Kenneth Brown
and Deputy City Clerk/Recorder Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:00 p.m.

INVOCATION & PLEDGE

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

RECOGNITION

Milford Police Department Officer Recognition

Chief Brown introduced the Officer of the Quarter Detective Tim Maloney and provided some background stating that he was hired in July 2013 where he had been an officer in Milton. Chief Brown promoted him to Corporal in September 2016.

He stated that he has done a great job in every aspect of police work and especially as a detective. He noted there are only two detectives of which one has been out with medical issues. Detective Maloney has done a great job handling all of CI's duties during that time.

Detective Maloney also headed up the police department's team at Relay for Life.

He then presented the award to Detective Maloney and photos were requested by Chief Brown with Mayor Shupe.

Deputy City Clerk Christine Crouch

City Manager Norenberg acknowledged Deputy City Clerk Christine Crouch who has been filling in and doing an outstanding job covering her own responsibilities as well as those of the City Clerk while she has been out.

He also noted that she is away on vacation this week and returned back at 6:00 p.m. to handle this meeting. He presented her with some items to make s'mores when she returns to their camping site tonight.

MONTHLY POLICE REPORT

Police Committee Chairman Burk presented the monthly report on behalf of Chief Brown, noting they have been dealing with a number of issues and asked that Council keep them in their prayers.

Councilman Burk moved to accept the June 2017 report, seconded by Councilman Brooks. Motion carried.

MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced his monthly report and asked for questions.

Councilman Brooks acknowledged that Mr. Norenberg was recognized by the International City/County Management Association for thirty years of dedicated service and professional management at the local level. City Manager Norenberg was congratulated by those present. He will be provided a service award at their annual conference in San Antonio, Texas in October.

Councilman Burk moved to accept the City Manager report as submitted, seconded by Councilwoman Peel. Motion carried.

MONTHLY FINANCE REPORT

City Manager Norenberg reported that through the eleventh month of Fiscal Year 2016-2017 with 92% of the fiscal year having passed, 92% of revenues have been received and 82% of the operating budget expended.

He noted that a number of the revenue categories are coming in ahead of expected and the overall expenditures are under budget adding that our staff has done a great job of collecting revenue and trying to stay under budget.

Councilwoman Peel moved to accept the May 2017 Finance Report, seconded by Councilman Starling. Motion carried.

COMMITTEE & WARD REPORTS

Community Affairs Meeting

Community Affairs Committee Chairperson Peel discussed the Rental License Ordinance that was reviewed as was recommended at a prior Council meeting.

The appeals process was considered, but because the City does not have an appeal process for late payments in regard to any other payments or license, the Committee agreed not to recommend an appeals process. However, if the City was at fault, corrections would be made.

In addition, some updates to the code were reviewed in order for City Planner to continue following the policy outlined in the ordinance with a notification going out in November and subsequent late notices going out twice.

Mr. Norenberg clarified that a notice would be sent prior to the first of the year, January would be the grace period, with late notices being mailed in late February and a final notice in April.

One other subsequent recommendation was that when the rental license is transferred from one owner to another, rather than requiring the new owner to apply for rental licenses for each unit in an apartment building, an administrative rental license transfer fee would be charged instead. Council will see that introduction in the next couple meetings.

COMMUNICATIONS & CORRESPONDENCE

Chief Brown announced that the department lost their K9 unexpectedly a day after he became ill and lethargic on the officer's way home. He was immediately taken to Savannah Animal Hospital where emergency surgery was performed and the canine died on the operating table.

UNFINISHED BUSINESS

Alcohol Waiver/Chapter 77 Alcoholic Beverages/DMI 3rd Thursdays

Mayor Shupe recalled this event being discussed at the last meeting and involved a proposal, submitted by Downtown Milford, who in conjunction with the Second Street Players, Riverfront Theater, wanted to establish a small beer garden in the front of the theater.

Additional information was requested by City Council at that time.

Mayor Shupe followed up with them today noting that he was provided with a copy of the Gathering License application sent by the Riverfront Theater to the State of Delaware and a drawing of the plan. He asked that Council approve the waiver but because there remains some confusion over whether this would occur inside or outside, some additional paperwork will be provided if the event was outside. Delaying the approval would not permit the beer garden at the July 15th event.

City Manager Norenberg noted that part of the dilemma in the front is there are public right-of-ways on three sides. Therefore, the drawing would need to show the fencing as is submitted with other requests.

Mr. Norenberg added that he, Mayor Shupe and DMI Third Thursday Chair Peggy Reilly has been trying to get that information for the past couple weeks. He agrees that if we can get something satisfactory that will not adversely impact the public right-of-way and is compatible with the food trucks and other activities, he agrees with Mayor Shupe's recommendation.

Councilman Morrow arrived at this time.

Councilman Burk pointed out that he has been to a couple of events at the theater and has found that the adults serving the alcohol have ABC server cards and he does not believe they will allow the alcohol outside, when they are serving it inside. Therefore, he does not see an issue with it.

Councilman Campbell spoke with the Theater's Treasurer Dan Marabello who indicated he had no problem with the request.

Councilman Burk moved to approve the alcohol waiver as permitted in Chapter 77, with the stipulation that additional information is needed if the location is planned outside, seconded by Councilman Campbell. Motion carried by a 4-1 vote with Councilman Starling casting the sole dissenting vote.

NEW BUSINESS

*Introduction/Ordinance 2017-16
Susan Frketic on behalf of Faulton LLC for a Conditional Use
156/158 Mullet Run Street
Tax Map MD-16-173.00-01-03.07*

City Manager Norenberg introduced Ordinance 2017-16 stating this is a conditional use for the First Kids Academy. City Council will hold a public hearing on the ordinance at the July 24th meeting.

*Introduction/Ordinance 2017-19
Perdue Real Estate Holdings Inc. for a Conditional Use
255 N Rehoboth Boulevard
Tax Map MD-16-174.19-01-09.00*

City Manager Norenberg introduced Ordinance 2017-19 for an amended conditional use for chicken processing at the Perdue plant. Council will also hold a public hearing at the July 24th meeting.

Tax Waiver/Exemption Status – Michelle Gardner (Draper Farm)

City Manager Norenberg explained we have been going through all of our tax records to ensure they are correct. In doing so, we are making certain that every property being taxed should be taxed and vice versa.

In March and April, a number of property owners who had tax-exempt properties, were sent letters asking for proof. For example, a non-profit was required to submit the IRS non-profit certification or other documentation. In many of these cases, the City did not have any information in our files and there was no action by Council or some other legal authority.

Ms. Gardner is one of the recipients of these letters. She met and discussed the situation as was discussed. She inherited these properties from her parents and thought that the property had been tax exempt by approval of the City. After further discussion, we realized that her property would most likely qualify under the County and State farmland agricultural exemption program. Therefore, it was agreed to put this matter on hold as she proceeded with the process needed through the USDA, State of

Delaware and Kent County. She understood that if she secured those approvals, the property would continue to be tax exempt.

In late June, Ms. Gardner provided the City with paperwork from Kent County indicating she met the terms and conditions for exemption under the Farmland Assessment Act. Since the Draper Farm would have been exempt under the provisions of the Farmland Assessment Act program from the point at which the property was annexed, and the fact that our recent audit only discovered this discrepancy, but had never taxed the property nor should it be taxed (prior to rezoning or development occurring), it is recommended that the City Council approve a temporary exemption for the Draper Farm for taxes billed and due in 2016 and 2017 pending activation of the Kent County Farmland Exemption for tax year 2018.

In 2009, City Council took formal action on a number of tax exempt properties. This property was not included during that meeting though the note associated with this account referred to those minutes.

He noted that the City Clerk and Deputy City Clerk did a lot of searching for the documentation and this is the result.

Councilman Campbell asked if this is a similar situation to the Jesse Webb property; Mr. Norenberg stated it is similar with a twist. That is based on how Sussex County handles the farmland exemption program and the reason we are still working on that. There are a number of issues in each individual situation that will be reviewed by our City Solicitor.

Councilman Starling moved that City Council approve a temporary exemption for the Draper Farm for taxes billed and due in 2016 and 2017 pending activation of the Kent County Farmland Exemption for tax year 2018, seconded by Councilman Campbell. Motion carried.

Delinquent Tax Accounts Update

City Manager Norenberg submitted the following memo:

As we await the Governor's signature on Senate Bill 82 to enact our revised City Charter, we are making plans to begin collection of delinquent taxes. Since you are likely to get calls and questions, I wanted you to be aware that in accordance with the following provision in our soon-to-be-updated Charter, letters will be sent to the top ten delinquent property owners in the next week or so:

(e) In addition, the City Manager, acting on behalf of the City, may pursue the sale of the lands and tenements of the delinquent taxpayer, or the lands or tenements of a delinquent taxpayer alienated subsequent to the levy of the tax by monition sale according to the same procedures and subject to the same rights, authority and powers as are applicable to the Counties under Chapter 87 of Title 9 of the Delaware Code, as may later be amended, replaced or relocated within the Delaware Code. Prior to commencing any action for the sale of lands and tenements, the City shall send written notice to the assessed owner providing the total balance owed and language indicating a failure to pay within 30 days may result in the commencement of legal proceedings for the sale of the assessed property.

Attached is a draft of the first such letters. You will notice it contains the provision for publishing information about the delinquencies on the City website as was requested by City Council during the retreat.

He recalled the Taxpayer Penalty and Interest Forgiveness Program Council approved last year for those property owners who became current by June 30, 2016. They also had the opportunity to pay the base fee and taxes owed while having their interest and penalties waived. A number of property owners took advantage of that.

At that same time, sixteen taxpayers entered into payment plans which allowed them to pay their taxes throughout the year a little at a time. If they completed that program by June 2017, their interest and penalties would have been waived as well. Of those sixteen, twelve were completed and four did not follow through with their agreements. Of the four, approximately \$6,000 is still owed.

Mr. Norenberg advised the total delinquencies are still at approximately \$431,000 when taxes, penalties and interested are totaled. Included in that were the two properties, Draper being one, and another that owed \$18,000 that just went through a Kent County-initiated monition sale. As a result, that amount is reduced to approximately \$400,000.

The new charter language requires a thirty-day notice before initiating legal action. The following draft letter is proposed to

be sent to those delinquent property owners:

Dear Mr. and/or Ms. Taxpayer:

As you are no doubt aware, your property taxes and/or fees/charges owed to the City of Milford are overdue and you owe the City not only back taxes/fees/charges, but penalties and/or interest. Attached is a current statement. As a result of your delinquency, other taxpayers must pay more than their fair share to support the operations of the City of Milford.

We understand that there may be extenuating circumstances for some taxpayers. That is why in 2016 we offered you and other taxpayers an opportunity to have penalties and/or interest waived if your account(s) were brought current by June 30, 2016 (or enter into a payment program). Unfortunately, you did not take advantage of that opportunity.

Accordingly, in the coming months the City will take legal action against property owners to obtain a legal judgement in order to collect the funds owed to the City. Such action would be reflected on your credit report. However, if you make full payment of amounts owed to the City (including penalties/interest) by August XX, 2017, you will avoid any further legal action related to the amounts currently due.

To make your payment, please contact the City of Milford Customer Service Office at 422-6616 or visit the Office at 119 S. Walnut Street.

Also, please be aware that the City of Milford intends to list the names, addresses and amounts owed for the most delinquent properties on the City website beginning on August XX, 2017. Anyone who owes the City more than \$6,900 in back taxes, fees, liens, penalties and interest, and has not made payment as described above by August XX, 2017 will be included on the list. Milford is a community worth investing in. Our dedicated staff provides public safety and other services that maintain and improve the quality of life for our residents and businesses. We hope you agree that these services are worth paying for and will bring your accounts current please.

Mr. Norenberg reported that there is approximately \$120,000 owed in the top ten delinquent properties, which includes one commercial property and a handful of properties that were condemned and demolished. The fees associated with the demolitions were added to the account. In addition, we are maintaining those laws and assessing \$100 each month for mowing services.

He also noted that two of the properties are in our business park and one-owner occupied home that staff is attempting to get their taxes current to prevent selling the property.

When the process is started, he hopes the word will spread. In addition, Mayor Shupe has recommended a press release be prepared.

When asked if the delinquent list will be posted in the newspaper, Mr. Norenberg recommends posting the top ten on the website once the letter is mailed.

Ethics Policy/Introductory Discussion

The City Manager noted that the new charter language includes the adoption of an Ethics Policy. During the past couple months, he has been working with the City Solicitor on a draft that would apply to City Council, City Employees and a number of Boards and Commissions that currently exist or could be appointed in the future. Eventually it will need to be on the agenda as an ordinance.

Councilman Brooks said the last time Council talked about this, City Council elected to go with the State law. Solicitor Rutt explained that Title 29 has an ethics policy that is applicable to municipalities. However, they also encourage each municipality to adopt their own. Councilman Brooks said this has been talked about at least three times and the other solicitor said he didn't have one. Councilman Brooks brought one in and showed him; then Council adopted another one.

Solicitor Rutt said he has not seen that. He explained the ethics code by statute, has to be at least as restrictive as the State Code. Therefore, it is required to be reviewed by the Public Integrity Commission before the City officially adopts it.

He has not seen another code and is unsure if it complies with State law. However, the one that has been developed meets those standards and is geared toward Milford.

There may be questions about a lot of the language though it is what the State code requires.

Currently if there was an ethics violation, it would have to go through the State Public Integrity Commission. In our City, a Milford Ethics Commission would be established. Councilman Burk asked if we need a Milford Commission. He remembers talking about it and recalled appointing another five-member body that the State already had in place. He referenced the thirteen-page document and questioned its need.

Councilman Brooks prefers going with the State code; Councilman Burk agrees.

Solicitor Rutt explained this was prepared because the charter amendment states there should be an ethics code in place. He confirmed the State code endorses each individual municipality having their own. But each municipality has the option of following the State code.

Councilman Brooks said the last time it was discussed, City Council agreed to follow the State code as was advised. He asked Councilman Morrow and Councilman Morrow said he recalled that.

Solicitor Rutt said it is here for Councils' consideration and if it wants to be introduced now or later, or not at all, that is a Council decision.

According to Councilman Brooks, it was discussed and he brought a copy and showed it to former Solicitor Tim Willard, who indicated that Milford did not have one. It was discussed and a new ethics policy was made and there were things added to it. But he thinks they keep disappearing.

City Manager Norenberg stated that with all due respect, it did come up and was considered by the Charter Review Committee so there is language in the new charter that states the Mayor and City Council shall develop and adopt a Code of Ethics applying to elected officials and city employees in general. This document is one option though we can continue to look for the missing code as determine whether or not it complies with State law.

Councilman Burk asked if we would still adhere to the charter if we adopted the State's code. Councilman Morrow recalled that the new language allowed us to follow the State code or create a new one for Milford.

Councilman Burk feels we have enough problems filling the vacancies on the Planning Commission and now we are going to find five more people for an ethics board.

Solicitor Rutt said it could be reduced to three members. Councilman Burk feels we do not need one. He sees of a lot of duplication of efforts lately which is very frustrating to him.

Solicitor Rutt explained there is a lot of information in the proposed code that deals specifically with the City. For example, the following definitions:

“Official” means any elected or appointed official of the City, including all members of any committee, commission or board appointed by the Mayor or City Council by virtue of their powers and authority pursuant to the Charter and/or Code of the City of Milford, or an act of the General Assembly or Constitution of the State of Delaware, and including the members of the Ethics Committee established in this Code and the City Manager, Chief of Police, Department Head, or other person authorized to represent the City in an official capacity.

“Political Candidate” means any person who is a candidate or nominee to be an official of the City, any person who has been identified officially as a prospective nominee, and any person who is openly considering becoming a candidate to become an official at the next City election.

The conflicts of interest are geared more toward City-activity as opposed to State-activity. He recommends that be considered when this decision is made.

Councilman Brooks asked if a new one should be created though the City would continue to use the State Ethics Commission; Solicitor Rutt reiterated the State code prefers each municipality have their own ethics commission if their own code is created. Solicitor Rutt said he is willing to ask them if they would still be willing to hear the violations on behalf of the City.

Mayor Shupe recommends we track down the specific document that Councilman Brooks has referenced. Councilman Burk asked that more research be done before it is put on another agenda.

City Manager Norenberg recommends it be added to the next agenda for more discussion in two weeks. In the meantime, we will do some research in hopes of answering the questions brought forth tonight.

Councilman Morrow confirmed that Council adopted an ethics policy in the past.

Councilman Campbell asked why the previous ethics policies disappeared adding that is a concern.

Councilman Burk said it would have to be in the minutes if it had been adopted.

EXECUTIVE SESSION

Councilman Burk moved to go into Executive Session reference below reason, seconded by Councilwoman Peel:

{Pursuant to 29 Del. C. 10004(b)(9)} (Personnel Matter)

Motion carried.

Mayor Shupe recessed the Council Meeting at 7:43 p.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

RETURN TO OPEN SESSION

Councilman Burk moved to return to Open Session, seconded by Councilman Morrow. Motion carried.

The Open Session resumed at 8:02 p.m.

No action was needed as a result of the Executive Session.

ADJOURN

The Council Meeting was adjourned by Mayor Shupe at 8:03 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Transcriber

City Manager's Report July 10, 2017

ADMINISTRATION

Parks & Recreation

- Assisted Milford Relay for Life with setting up the City's portable stage and providing trash barrels for the event.
- Park staff have been performing routine maintenance of parks and facilities, including cutting grass, weed eating, spraying for weeds, pruning of tree limbs, daily watering of plantings for "Milford in Bloom," replacing banners downtown, etc.
- The City Manager did a ride along with the Park Superintendent and assisted with watering of flowers.
- The Park Superintendent led a tour of the downtown parks for the recently established City Safety Committee and the P&R Director gave a walking tour of Goat Island and talk to the board members of the Delaware Nature Society. Many of these members are from upstate and not been to Milford or Goat Island before and were impressed with what Milford is doing.
- Two irrigation wheel motors at the Tony Silicato Memorial Park had mechanical issues, one motor had to be replaced and another repaired, this work was done in-house by P&R staff.
- Youth soccer ended on June 8 with over 200 kids ages 6-13 participating.
- Challenger British soccer camp was held June 19-23 with over 17 registrants aged 6-14. This is a camp put on in conjunction with Challenger soccer to highlight British coaching and offer something different for our recreational players.
- Session I tennis clinic was held June 12-15 with the Session II scheduled for July.
- Summer playground day camp: This five week program began on June 19 and is held at Mispillion Elementary from 9:00am-2:30pm each day. The number of participants has grown this year from between 50-60 youth per week to 60-70 youth per week. This program also offers employment to local area youth for a few weeks over summer for coordinators, leaders and junior leader positions. For the junior leaders, this is often their first "real" job.



FINANCE DEPARTMENT

Customer Service Division

Accounts Billed for the Month	
Residential	5925
Small General	739
Medium General Service	350
Contract Services	3
Large General Service	7
General Service Primary	13
City Accounts	49
Lights: Street/Security	182
Total	7,268

Payments Processed	
Cash	\$132,698.42
Check	\$1,470,825.85
Money Orders	\$11,647.17
Direct Deposit Payments	\$162,734.05
Credit Card (Utilities)	\$85,150.48
Online Credit Card (Utilities)	\$202,647.55
Online Credit Card (Taxes)	\$3,893.04
Online E-Check (Utilities)	\$70,030.25
Online E-Check (Taxes)	\$1,242.51
City Accounts	\$44,011.35
Total	\$2,184,880.67

Payment Plan/Delinquent/New Accounts/Terminated Accounts	
Payment Plans Arranged	162
Sent to Collections	0
Delinquent Notices Mailed	1,439
Disconnect for Non-Payment	120
Accounts Not Re-Connected	7
Door Tags (requesting customer contact us)	63
Final Bills Mailed	80
New Services Set Up	177
Services Terminated	98
Total	2146

- Customer Service Supervisor attended training in Nashville, TN for our Superion (fka Sungard/H.T.E.) software.
- Second quarter ended June 30 therefore assessments will be done in July.
- Staff has been tracking the payment arrangements from the Tax Forgiveness Program that ended June 30. Will verify all payments were applied correctly and verify everyone paid.

- Staff has been working on the spreadsheet needed to get the DeVisser credit into the system and applied to the tax accounts. This has been very time consuming since we need to apply a credit to only certain accounts.
- Staff has been involved in conference calls and other items in preparing the system for the smart metering project.

Information Technology Division

Issues Addressed	
Administration/Council	6
Customer Service	19
Finance	6
Parks & Recreation	5
Planning	10
Police	0
Public Works	5
Information Technology	47
Total	98

- All staff attended training in Nashville, TN for Superior (fka Sungard/H.T.E.) software. Classes attended included User Group & Account Manager meeting, Leveraging Your Data to Make Data Driven Decisions, Future EDGE & Upcoming HTMLs, Naviline EDGE Roadmap & Future Directions, Building a Stronger Connected Community, Power of Data Transformation, Community Enhancements, EDGE Customer Information, How to Improve Your DR Plan, Understanding Data Protection, and attendance at vendor meetings.

PLANNING DEPARTMENT

Code Enforcement & Licensing Division

Case Activity	
New Cases	18
Closed Cases	0
Open at Start of Month	246
Open at End of Month	264

Case Violations	
Abandoned Vehicle	0
Dangerous Tree	3
Furniture	3
Generic	0
Property Maintenance	3
Rubbish/Garbage	2
Weeds & Grass	7
Zoning Use	0
Total	18

Inspections & Licensing	
Rental Inspections Performed	0
Rental Licenses Issued	29
Vendor Licenses Issued	2
Contractors Licenses Issued	15

Building Inspections & Permitting Division

Building Permits Issued	
Commercial Foundation	0
Commercial New Construction	4
Demolition	1
Residential New Construction	4
Residential Renovation/Accessory Structure	13
Roof/Siding	13
Solar Panels	0
Utility (Electric/Water	6
Total	41

- West Shores at New Milford and Milford Ponds continue to perform site work and testing/inspection of infrastructure in an effort to begin home building in these communities. These projects have been dormant for several years.

Planning & Zoning Division

- Staff submitted the draft Comprehensive Plan to the State of Delaware for PLUS review on June 30, 2017. The City should receive official written comments towards the end of August.
- The Planning Commission met on June 20 to review the Final Site Plan for the McDonalds rebuild project. The restaurant is closed for business and demolition should begin in the next few weeks. In addition, the Planning Commission recommended approval of the Kids First Academy Conditional Use application that would allow a private school to occupy a portion of an existing building within the Greater Milford Business Complex.
- Preliminary design was completed and submitted to DNREC as part of the partially grant funded Mispillion River Living Shoreline Project. The proposal would improve a section of the Mispillion River shoreline with vegetative sills that promote natural bank stabilization and water quality improvements. Included in the project is a proposal to remove the Goat Island causeway.

Economic Development Division

- Davis, Bowen & Friedel has completed renovations at 1 Park Avenue and is the first commercial DDD application to finish construction. Several other DDD projects are moving along as scheduled.
- Bayhealth Health Campus construction continues to be on schedule with a target opening date of January 2019.

PUBLIC WORKS DEPARTMENT

Electric Division

Power Outages	1 – Lakewood Ave due to blown fuse.
Poles Replaces (due to age, rot or damage)	0
Closed Work Orders	8
Trouble Service Calls	24
After Hours Calls	0
New Electric Service Installed	8
Preventative Maintenance/Trees Trimmed	0
Miss Utility Locates	183

- Some light poles in Bicentennial Park have been powder coated and reinstalled. More to be done.
- Work continues at the Bayhealth Campus site.

Engineering Division

- Shawnee pump station was cleaned out.
- Mayor Shupe did a ride along with staff to the wells and pump station locations.
- PW Director met with an engineer regarding the design of pump station for Hickory Glen.
- PW Director interviewed with Administrative Assistant candidates and City Engineer candidates.
- Councilmember Mergner attended a SCADA demonstration with the PW Director.

Public Service Division

Bulk Pick Ups	16
Brush Pick Up	1
Additional Trash Container	10
Additional Recycle Container	15
Additional Yard Waste Container	17
Change Container Size	11
Damaged/Replaced Container	18

- Stop bar (solid white line on pavement) and stop sign installed at NE Eighth & N Washington Streets.
- Crews cleaned the alley that runs from NW Fifth to NW Sixth Streets between N Church and West Streets.
- New routes have begun and some overtime was realized at the onset but going well.
- New dual refuse containers (trash and recycle) have been installed downtown.
- PW Director was interviewed by WBOC regarding Airport Road project.

Monthly Diversion Report*

	Solid Waste	Curbside Recycling	Drop-Off Recycling	Yard Waste	Total	Diversion
Jan-17	262.81	51.05	34.26	16.34	364.46	27.9%
Feb-17	218.05	44.12	26.63	14.41	303.21	28.1%
Mar-17	251.73	54.83	32.34	26.01	364.91	31.0%
Apr-17	254.18	44.77	31.44	45.51	375.90	32.4%
May-17	282.76	51.99	33.11	54.45	422.31	33.0%

	Solid Waste	Curbside Recycling	Drop-Off Recycling	Yard Waste	Total	Diversion
2014	3206.04	645.88	243.90	472.08	4567.90	29.8%
2015	3077.95	642.20	259.49	446.27	4425.91	30.5%
2016	3104.05	651.45	415.39	462.27	4633.16	33.0%
2017 (YTD)	1269.53	246.76	157.78	156.72	1830.79	30.7%

**The amount of waste diverted from the landfill through recycling and yard waste program.*

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: MAY 2017

Cash Balance - General Fund Bank Balance	\$2,812,848
Cash Balance - Electric Fund Bank Balance	\$3,352,857
Cash Balance - Water Fund Bank Balance	\$1,635,885
Cash Balance - Sewer Fund Bank Balance	\$862,895
Cash Balance - Trash Fund Bank Balance	\$353,903

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Economic Development <u>Fund</u>
Beginning Cash Balance	332,415	1,248,217	1,926,086	429,508
Deposits		56,613	78,290	
Interest Earned this Month	168	688	1,035	
Disbursements this Month	(14,443)		(41,666)	(\$78,750)
Investments				
Ending Cash Balance	\$318,140	\$1,305,518	\$1,963,745	\$350,758

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	1,539,001	7,220,968	3,152,735	6,947,782
Deposits	750,000	500,000	1,060,377	1,284,481
Interest Earned this Month	1,026	4,637	2,257	4,464
Disbursements this Month	(253,937)	(679,478)	(292,284)	
Investments				
Ending Cash Balance	\$2,036,090	\$7,046,127	\$3,923,085	\$8,236,727

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>
Beginning Cash Balance	\$1,651,847	1,050,393	486,065
Deposits	12,080	6,385	1,200
Interest Earned this Month			
Disbursements this Month			
Investments			
Ending Cash Balance	\$1,663,927	\$1,056,778	\$487,265

INTEREST THROUGH THE ELEVENTH MONTH OF THE FISCAL YEAR:

General Fund	20,367	Water Fund	7,851
GF Capital Reserves	12,601	Water Capital Reserves	56,359
Municipal Street Aid	5,236	Sewer Fund	6,264
Real Estate Transfer Tax	7,936	Sewer Capital Reserves	27,681
Electric Fund	17,016	Trash Fund	6,190
Electric Reserves	53,950		

TOTAL INTEREST EARNED TO DATE \$221,451

REVENUE REPORT

Page Two

92% of Year Expended

Date: May 2017	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Economic Development Fund	201,255	78,750	177,846	88.37%
General Fund Reserves	610,088	211,938	270,023	44.26%
Realty Transfer Tax-Police	500,000	41,666	458,333	91.67%
Real Estate Tax	3,762,970	48,277	3,838,376	102.00%
Business License	106,250	3,025	41,850	39.39%
Rental License	85,000	10,725	90,425	106.38%
Building Permits	75,000	6,323	104,290	139.05%
Planning & Zoning	15,000	1,210	31,602	210.68%
Grasscutting Revenue	16,000	0	16,000	100.00%
Police Revenues	440,000	24,840	351,866	79.97%
Misc. Revenues	272,820	50,944	272,291	99.81%
Transfers From	3,300,000	275,000	3,025,000	91.67%
Total General Fund Revenues	\$9,384,383	\$752,698	\$8,677,902	92.47%
Water Revenues	2,730,500	205,400	2,505,101	91.75%
Sewer Revenues	2,506,500	191,287	2,309,199	92.13%
Kent County Sewer	1,850,000	132,841	1,624,218	87.80%
Solid Waste Revenues	1,360,440	111,927	1,255,253	92.27%
Electric Revenues	24,935,790	1,435,538	23,100,961	92.64%
TOTAL REVENUES	\$42,767,613	\$2,829,691	\$39,472,634	92.30%
YTD Enterprise Expense		87,170		
YTD Enterprise Revenue		83,672		
LTD Carlisle Fire Company Building Permit Fund		249,899		

EXPENDITURE REPORT

Page Three

Date: May 2017

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	472,655	\$37,888	418,724	88.59%	53,931
O&M	259,095	\$17,157	126,073	48.66%	133,022
Capital	0	\$0	0		0
Total City Manager	\$731,750	\$55,045	\$544,797	74.45%	186,953
Planning & Zoning					
Personnel	177,263	\$13,944	157,471	88.83%	19,792
O&M	67,975	\$2,862	56,882	83.68%	11,093
Capital	0	\$0	0		0
Total P, C & I	\$245,238	\$16,806	\$214,353	87.41%	30,885
Code Enforcement & Inspections					
Personnel	215,210	\$6,534	119,195	55.39%	96,015
O&M	79,290	\$6,024	46,163	58.22%	33,127
Capital	25,000	\$0	0	0.00%	25,000
Total P, C & I	\$319,500	\$12,558	\$165,358	51.76%	154,142
Council					
Personnel	31,225	\$3,083	27,558	88.26%	3,667
O&M	54,650	\$5,852	47,752	87.38%	6,898
Council Expense	17,000	\$936	16,743	98.49%	257
Contributions	206,000	\$0	206,000	100.00%	0
Codification	9,500	\$0	6,196	65.22%	3,304
Employee Recognition	11,000	\$0	9,656	87.78%	1,344
Insurance	21,740	\$0	19,636	90.32%	2,104
Christmas Decorations	15,000	\$0	10,355	69.03%	4,645
Economic Development	15,000	\$225	1,621	10.81%	13,379
Resident Survey	15,000	\$0	9,800	65.33%	5,200
Armory Expenses	10,000	\$116	11,890	118.90%	(1,890)
Total Council	\$406,115	\$10,212	\$367,207	90.42%	38,908
Finance					
Personnel	418,395	\$21,951	314,534	75.18%	103,861
O&M	62,270	\$5,058	50,200	80.62%	12,070
Capital	0	\$0	0		0
Total Finance	\$480,665	\$27,009	\$364,734	75.88%	115,931
Information Technology					
Personnel	148,680	\$11,394	124,449	83.70%	24,231
O&M	177,450	\$3,249	170,103	95.86%	7,347
Capital	55,000	\$0	51,855	94.28%	3,145
Total Information Technology	\$381,130	\$14,643	\$346,407	90.89%	34,723

EXPENDITURE REPORT
Page Four

Date: May 2017

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	4,129,680	\$288,168	3,464,088	83.88%	665,592
O&M	507,360	\$25,597	381,488	75.19%	125,872
Capital	71,600	\$329	67,271	93.95%	4,329
Total Police	\$4,708,640	\$314,094	\$3,912,847	83.10%	795,793
Streets & Grounds Division					
Personnel	474,431	\$20,009	313,276	66.03%	161,155
O&M	410,434	\$10,761	275,504	67.13%	134,930
Capital	211,000	\$0	0	0.00%	211,000
Debt Service	16,475	\$0	16,475	100.00%	0
Total Streets & Grounds	\$1,112,340	\$30,770	\$605,255	54.41%	507,085
Parks & Recreation					
Personnel	605,635	\$53,394	545,848	90.13%	59,787
O&M	267,370	\$33,619	233,748	87.42%	33,622
Capital	126,000	\$0	41,099	32.62%	84,901
Total Parks & Recreation	\$999,005	\$87,013	\$820,695	82.15%	178,310
Total General Fund					
Operating Budget	\$9,384,383	\$568,150	\$7,341,653	78.23%	2,042,730

EXPENDITURE REPORT
Page Five

Date: May 2017

92% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	314,350	\$21,872	266,044	84.63%	48,306
O&M	1,111,675	\$20,673	823,490	74.08%	288,185
Capital	402,730	\$0	33,826	8.40%	368,904
Debt Service	901,745	\$5,159	729,911	80.94%	171,834
Total Water	\$2,730,500	\$47,704	\$1,853,271	67.87%	877,229
Sewer Division					
Personnel	314,350	\$21,873	266,033	84.63%	48,317
O&M	1,144,955	\$110,487	860,362	75.14%	284,593
Capital	434,725	\$25,612	145,000	33.35%	289,725
Debt Service	612,470	\$225,830	427,633	69.82%	184,837
Sewer Sub Total	\$2,506,500	\$383,802	\$1,699,028	67.78%	807,472
Kent County Sewer	1,850,000	\$129,881	1,621,257	87.64%	228,743
Total Sewer	\$4,356,500	\$513,683	\$3,320,285	76.21%	1,036,215
Solid Waste Division					
Personnel	395,634	\$22,753	296,906	75.05%	98,728
O&M	723,806	\$27,848	632,415	87.37%	91,391
Capital	241,000	\$0	220,291	91.41%	20,709
Total Solid Waste	\$1,360,440	\$50,601	\$1,149,612	84.50%	210,828
Total Water, Sewer Solid Waste					
	\$8,447,440	\$611,988	\$6,323,168	74.85%	2,124,272
Electric Division					
Personnel	1,254,300	\$93,382	1,069,421	85.26%	184,879
O&M	1,785,045	\$74,507	1,455,256	81.52%	329,789
Transfer to General Fund	2,500,000	\$208,334	2,291,667	91.67%	208,333
Capital	450,000	\$22,271	137,214	30.49%	312,786
Debt Service	346,445	\$284,481	284,481	82.11%	61,964
Electric Sub Total	\$6,335,790	\$682,975	\$5,238,039	82.67%	1,097,751
Power Purchased	18,600,000	\$1,284,161	16,460,930	88.50%	2,139,070
Total Electric	\$24,935,790	\$1,967,136	\$21,698,969	87.02%	3,236,821
TOTAL OPERATING BUDGET					
	\$42,767,613	\$3,147,274	\$35,363,790	82.69%	7,403,823

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: May 2017

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	92% of Year Expended YTD%	UNEXPENDED BALANCE
Garage					
Personnel	89,850	7,083	77,924	86.73%	11,926
O&M	78,135	1,179	61,758	79.04%	16,377
Capital	0	0	0		0
Total Garage Expense	\$167,985	8,262	\$139,682	83.15%	28,303
Public Works					
Personnel	199,550	17,091	174,308	87.35%	25,242
O&M	185,772	8,038	159,455	85.83%	26,317
Capital	21,708	0	21,708	100.00%	0
Total Public Works Expense	\$407,030	25,129	\$355,471	87.33%	51,559
Billing & Collections					
Personnel	532,230	41,609	463,954	87.17%	68,276
O&M	225,530	23,147	199,501	88.46%	26,029
Capital	0	0	0		0
Total Billing & Collections	\$757,760	64,756	\$663,455	87.55%	94,305
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	61,000	4,866	51,519	84.46%	9,481
Capital	0	0	0		0
Total City Hall Cost Allocation	\$61,000	4,866	\$51,519	84.46%	9,481

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

CITY OF MILFORD
NOTICE OF PUBLIC HEARINGS

The Planning Commission will hold a Public Hearing regarding the below ordinance on TUESDAY, JUNE 20, 2017 to hear evidence from interested parties and make a recommendation to City Council regarding the ordinance.

The City Council will hold a Public Hearing regarding the below ordinance on MONDAY, JULY 24, 2017 to hear evidence from interested parties and make a final determination regarding the ordinance.

Both meetings begin at 7:00 p.m. and will take place in the Joseph Ronnie Rogers Council Chambers of Milford City Hall at 201 South Walnut Street, Milford, Delaware at which times, the following ordinance will be considered:

ORDINANCE 2017-16

Susan Frketic of Kids First Academy on behalf of Faulton LLC for a Conditional Use to allow a public, private or professional school on 2.00+/- acres in a BP (Business Park) Zoning District. Property is located on the south side of Mullet Run Street, 550.1 feet west of Hickman Door Way and Mullet Run St intersection; 156/158 Mullet Run Street, Milford, Delaware. Present Use: Warehouse & Office; Proposed Use: Warehouse & Private School.
Tax Map MD-16-173.00-01-03.07

WHEREAS, the City of Milford Planning Commission considered the ordinance, as described, at a duly noticed Public Hearing on June 20, 2017 and recommended its adoption to City Council; and

WHEREAS, Milford City Council conducted a duly noticed Public Hearing on July 24, 2017 to consider all information presented by City Staff, the Applicant, and written and verbal public testimony; and

WHEREAS, it is deemed reasonable, beneficial, and in the best interest of the City of Milford to allow a Conditional Use to allow a public, private or professional school as herein described.

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

Section 1. Upon the adoption of this ordinance by City Council, Susan Frketic of Kids First Academy on behalf of Faulton LLC is hereby granted a Conditional Use Permit to allow a public, private or professional school, in accordance with the application, effective on the date so noted.

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

Section 3. Dates.

Planning Commission Review & Public Hearing: June 20, 2017

City Council Introduction: July 10, 2017

City Council Public Hearing: July 24, 2017

Adoption: July 24, 2017

Effective: August 3, 2017

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

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302.424.8396.

Advertised: Beacon 05/24/17

CITY OF MILFORD
NOTICE OF PUBLIC HEARINGS

The Planning Commission will hold a Public Hearing regarding the below ordinance on TUESDAY, JULY 18, 2017 to hear evidence from interested parties and make a recommendation to City Council regarding the ordinance.

The City Council will hold a Public Hearing regarding the below ordinance on MONDAY, JULY 24, 2017 to hear evidence from interested parties and make a final determination regarding the ordinance.

Both meetings begin at 7:00 p.m. and will take place in the Joseph Ronnie Rogers Council Chambers of Milford City Hall at 201 South Walnut Street, Milford, Delaware at which times, the following ordinance will be considered:

ORDINANCE 2017-19

Perdue Real Estate Holdings Inc for a Conditional Use to allow chicken processing on 24.70+/- acres in an I2 (General Industrial) Zoning District. Property is located on the east side of N Rehoboth Blvd, 1,130 feet north of NE Front Street intersection; 255 N Rehoboth Blvd, Milford, Delaware. Present Use: Poultry Processing Plant; Proposed Use: Same.

Tax Map MD-16-174.19-01-09.00

WHEREAS, the City of Milford Planning Commission considered the ordinance, as described, at a duly noticed Public Hearing on July 18, 2017 and recommended its adoption to City Council; and

WHEREAS, Milford City Council conducted a duly noticed Public Hearing on July 24, 2017 to consider all information presented by City Staff, the Applicant, and written and verbal public testimony; and

WHEREAS, it is deemed reasonable, beneficial, and in the best interest of the City of Milford to allow a Conditional Use to allow chicken processing as herein described.

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

Section 1. Upon the adoption of this ordinance by City Council, Perdue Real Estate Holdings Inc is hereby granted a Conditional Use Permit to allow chicken processing, in accordance with the application, effective on the date so noted.

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

Section 3. Dates.

Planning Commission Review & Public Hearing: July 18, 2017

City Council Introduction: July 10, 2017

City Council Public Hearing: July 24, 2017

Adoption: July 24, 2017

Effective: August 3, 2017

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

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302.424.8396.

Advertised: Beacon 06/28/17



July 5, 2017

TO: Mayor and City Council
FROM: Eric Norenberg
SUBJECT: Property Tax Exemption

As you are aware, earlier this year staff audited all properties that were identified in our system as tax exempt. During this review, we sent letters to request documentation from the owners of a number of properties. Requested documentation varied from situation to situation, but could include proof of non-profit status, documentation of prior City Council approval for exemption, etc.

In one particular situation, the 12 parcels that constitute a local farm known as the Draper Farm were shown as tax exempt in our records, but not on Kent County records. We contacted the property owner, Ms. Michelle Gardner. She explained that she had inherited the properties from her parents and understood from her father that the City exemption had been granted years before, but that she had no records documenting an exemption from City property taxes.

Staff had reviewed many records during our research and audit, including minutes from a City Council meeting in 2009 when exemptions were granted or confirmed for a number of properties. However, though the documentation was clear that exemptions were approved for several other specific properties during that meeting, the Draper properties were not listed or noted in the minutes.

Staff met with Ms. Gardner and determined that she would likely qualify for exemption from Kent County property taxes if she applied for and was accepted for exemption under the Farmland Assessment Act program. If that happened, she would be exempt from City property tax too, until such time as the property was rezoned or developed.

During the discussion, I agreed to hold off on any action until Ms. Gardner could work through the process with Kent County. In late-June, Ms. Gardner provided the City with paperwork from Kent County indicating she met the terms and conditions for exemption under the Farmland Assessment Act (see attached).

Since the Draper Farm would have been exempt under the provisions of the Farmland Assessment Act program from the point at which the property was annexed and our recent audit only recently discovered this discrepancy, but did not discover that the property should have been taxed or should be taxed in the future (prior to rezoning or development occurring), it is recommended that the City Council approve a temporary exemption for the Draper Farm (parcel numbers attached) for taxes billed and due in 2016 and 2017 pending activation of the Kent County Farmland Exemption for tax year 2018.

STEPS FOR FARMLAND TAX EXEMPTION PROGRAM

1. Get form from Kent County Assessment Office, 555 Bay Rd., Dover, DE 19901
2. Take form to the USDA Kent Conservation Office. The Conservation Office is located at 800 Bay Rd, Suite 2 (North end of the Dept. of Transportation building), phone: 302-741-2600 Ext. 3 . Aerial maps need to be attached to the form.
3. If Woodland is involved, they will send you to the State Agricultural building, Forestry Dept. for a Woodland Report. This building is located at 2320 S. Dupont Hwy, Dover, DE 19901, (Southbound side of highway, north of Camden light, across from skating rink), phone: 800-282-8685.
4. Make sure all forms are signed, dated and returned within 30 days.
5. Once all forms are completed, return them to the Kent County Assessment Office, 555 Bay Rd, Dover, DE 19901

Application deadline is February 1 immediately proceeding the tax year.

Please contact the Kent County Assessment Office at the above address or phone 302-744-2407 with any questions.

✓ Received in office June 23, 2017.

filed to late for 2017 Tax year.

Will be in system in August 2017.

Ellen K. Mitchell

**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele b Droper, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No
 c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-1900.000

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel. 1 Acre

- 1.0 acres: Insert total acres in assessment tract.
- acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
- 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
- Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
- Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									

TOTAL ASSESSED VALUE

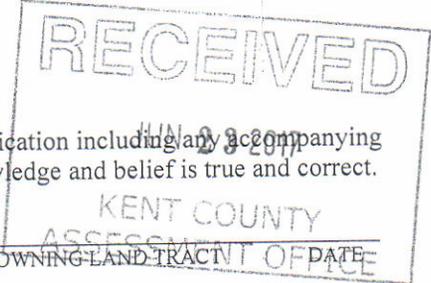
V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
- Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
 - Land area is at least 10 acres or gross farm income has averaged at least \$10,000 per year within a two year period.
 - Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
 - If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
 - Application must be submitted February 1, prior to the fiscal year.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE



**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele b Drapear, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-1800-000
 1 Acre

- IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.
- 1.0 acres: Insert total acres in assessment tract.
 - acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
 - 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
 - Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
 - Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									

TOTAL ASSESSED VALUE

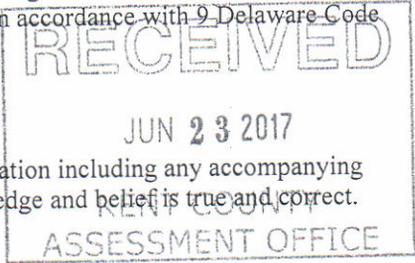
V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
- Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
 - Land area is at least 10 acres or gross farm income has averaged at least \$10,000 per year within a two year period.
 - Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
 - If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
 - Application must be submitted February 1, prior to the fiscal year.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

M. R. Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE



**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele Soc Sec No _____ b Draper, Stephen G. Trustee Soc Sec No _____
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

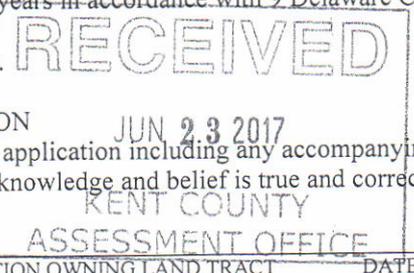
III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-1700-000
 1 Acre

- IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.
- 1.0 acres: Insert total acres in assessment tract.
 - acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
 - 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
 - Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
 - Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									
TOTAL ASSESSED VALUE										

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
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 - Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
 - If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
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SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE

**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele b Drapar, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-1400.000
 1 acre

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.

1. 1.0 acres: Insert total acres in assessment tract.
2. — acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
3. 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
4. Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
5. Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									

TOTAL ASSESSED VALUE

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

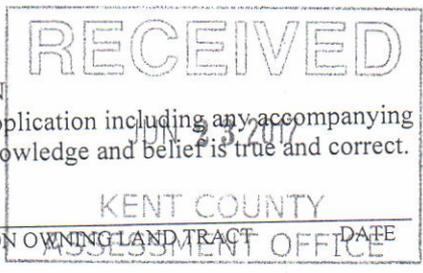
- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
1. Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
 2. Land area is at least 10 acres or gross farm income has averaged at least \$10,000 per year within a two year period.
 3. Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
 4. If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
 5. Application must be submitted February 1, prior to the fiscal year.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E. Gardner 7-23-17
 SIGNATURE OF OWNER OR OWNERS DATE

OR _____
 NAME OF CORPORATION OWNING LAND TRACT DATE



**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a. Gardner, Michele b. Draper, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c. _____ d. _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18210-01-1600-000

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel. 1 Acre

1. 1.0 acres: Insert total acres in assessment tract.
2. — acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
3. 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
4. Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
5. Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									

TOTAL ASSESSED VALUE

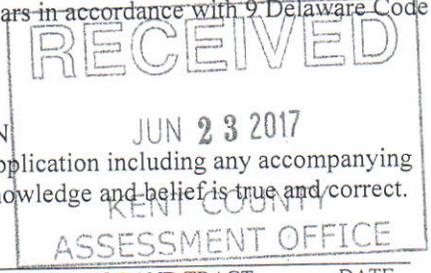
V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS MARKET VALUE ASSESSED VALUE _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
1. Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
 2. Land area is at least 10 acres or gross farm income has averaged at least \$10,000 per year within a two year period.
 3. Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
 4. If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
 5. Application must be submitted February 1, prior to the fiscal year.

SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE



**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele b Drapen, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-1300.000
 1 acre

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.

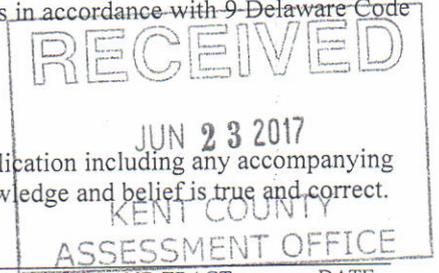
1. 1.0 acres: Insert total acres in assessment tract.
2. — acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
3. 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
4. Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
5. Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>1.0</u>									
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>1.0</u>									

TOTAL ASSESSED VALUE

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
1. Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
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 4. If the property receiving farmland assessment is applied to use other than agricultural, horticultural or forest purposes, it becomes subject o rollback taxes up to ten preceding years in accordance with 9 Delaware Code 8335(d)
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SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE

**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele b Draper, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5.16.18200.01.1200.000

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel. 1 Acre

1. 1.0 acres: Insert total acres in assessment tract.
2. - acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
3. 1.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
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SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	<u>.90</u>						<u>.10</u>			
GROUP B										
GROUP C										
GROUP D										
GROUP E										
TOTAL	<u>.90</u>						<u>.10</u>			
TOTAL ASSESSED VALUE										

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
MARKET VALUE ASSESSED VALUE

_____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
1. Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
 2. Land area is at least 10 acres or gross farm income has averaged at least \$10,000 per year within a two year period.
 3. Supply a copy of each of the past two years' IRS Schedule F (Farm Income and Expense) if the parcel contains less than 20 acres.
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SIGNATURE AND VERIFICATION

The undersigned declares under the penalties provide by law, that this application including any accompanying schedules and statements, has been examined by him and to the best of his/her knowledge and belief is true and correct.

Michele E. Gardner 7-23-11 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE

RECEIVED

JUN 23 2017

KENT COUNTY

ASSESSMENT OFFICE

NAME OF CORPORATION OR OWNING LAND TRACT _____ DATE _____

**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

Application is hereby made for valuation, assessment and taxation of land use for agricultural, horticultural or forest use as provided for by the farmland assessment act of 1968.

I. a Gardner, Michele Soc Sec No _____ b Drazer, Stephen G. Trustee Soc Sec No _____
 Owner name Soc Sec No Owner name Soc Sec No
 c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5-16-18200-01-2000.000
 87 Acres

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.

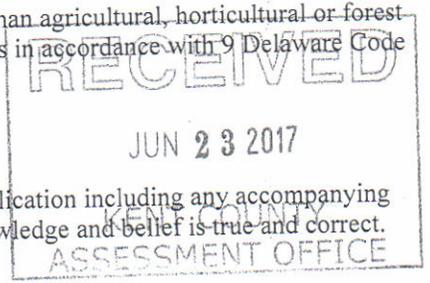
- 87.0 acres: Insert total acres in assessment tract.
- acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
- 87.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
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- Divide total acres in Cropland, Other Land, and Forest as shown on line 4 above into Soil Groups: A, B, C, D, E (Refer to soil groups in Appendix B, "Report of State Farmland Evaluation Advisory Committee"). Insert acres in each soil group in table below. Do not write in shaded areas.

SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A	76.97			1.8			2.83			
GROUP B										
GROUP C										
GROUP D										
GROUP E							5.4			
TOTAL	76.97			1.8			8.23			

TOTAL ASSESSED VALUE

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
- Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
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Michele E Gardner 7-23-17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE

**APPLICATION FOR VALUATION, ASSESSMENT AND TAXATION
OF LAND UNDER THE FARMLAND ASSESSMENT ACT OF 1968**

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I. a Gardner, Michele b Drapey, Stephen G. Trustee
 Owner name Soc Sec No Owner name Soc Sec No

c _____ d _____
 Owner name Soc Sec No Owner name Soc Sec No

II. Address of owner: _____
 Street Address Town Zip Code

III. Permanent Parcel Number (Kent County Only): 5.16.18200.01-2100.000
34 acres

IV. Allocation of acres in assessed parcel according to use and soil groups assessed parcel.

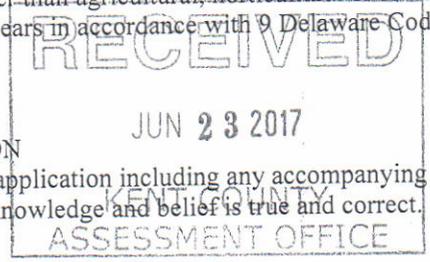
- 34.0 acres: Insert total acres in assessment tract.
- acres: Insert acres used for dwellings and other uses which do not qualify for agricultural, horticultural and forest uses. (Refer to "Report of State Farmland Evaluation Advisory Committee")
- 34.0 acres: Subtract line 2 from line 1. This equals total acres used for agricultural, horticultural and forest purposes.
- Divide acres shown on line 3 above into Use Classes. (Refer to "Report of State Farmland Evaluation Advisory Committee")
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SOIL GROUPS	CROPLAND			OTHER LAND			FOREST			TOTAL
	ACRES	RATE	VALUE	ACRES	RATE	VALUE	ACRES	RATE	VALUE	FLA VALUE
GROUP A							21.9			
GROUP B										
GROUP C							4			
GROUP D										
GROUP E							11.7			
TOTAL							34.0			

TOTAL ASSESSED VALUE

V. Indicate principal sources of farm income, for example: dairy, livestock, grain, poultry, vegetables.
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ BUILDINGS _____
 _____ AC @ _____, _____ AC @ _____, _____ AC @ _____ COMMENTS _____

- VI. Eligibility for Assessment under the Farmland Assessment Act of 1983
- Land has been used for the past two years, is now in use and will continue to be used for the next crop year for agricultural, horticultural or forest purposes.
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SIGNATURE AND VERIFICATION

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Michele E Gardner 7.23.17 OR _____
 SIGNATURE OF OWNER OR OWNERS DATE NAME OF CORPORATION OWNING LAND TRACT DATE

Draper Farm Lease

This Farm lease is made and entered into this ____ day of April, 2012, by and between Stephen Draper, his heirs and assigned, hereinafter referred to as Lessors and Melissa Blessing, hereinafter referred to as Lessee:

WITNESSETH, that the said Lessors for and in consideration of the rent hereinafter set forth has rented and leased unto the Lessee, her heirs and assigns:

THE SAID Draper Farm located on the western side of Williamsville road, Kent County, DE consisting of 64 tillable acres for the annual rental of \$5,280.00. The rent is due and payable on November 1st of each year.

IT is understood that a formal commitment for a long term lease is not available, but that all parties agree that as long as the property is under Stephen Drapers, his heirs and assigns, control that Melissa Blessing will be permitted to till the acreage and place into service a pivot irrigation system.

IT is agreed that Melissa Blessing will be placing a T&L Pivot Irrigation system on the said property. The expenses are hers and she is the owner of the said Irrigation system and additional equipment, meters and such that operates the said Irrigation system. Melissa Blessing will have the right to remove the Irrigation system and associated equipment should the Drapers sell the farm. Melissa Blessing will be given a reasonable amount of time to remove the system should the property be sold to another party.

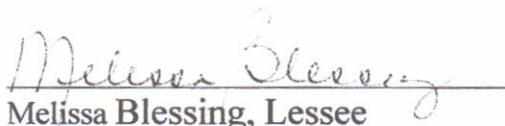
IT is also agreed that should the property be sold during a growing season that Melissa Blessing has the right to harvest the growing crop when it has had time to develop and that she will be given enough time to remove the system after said harvest. If this is not possible then it is agreed by the Lessors that Melissa Blessing will be reimbursed the value of any crop that is growing and that she will be given time to remove the system and other associated equipment.

THE LAND described is leased for agricultural purposes only and shall be farmed in an efficient and husbandry-like manner. The Lessee shall comply with all prevailing laws concerning control of noxious and/or prohibited vegetation.

AGREED and SIGNED BY:



Michele Gardner, POA for Stephen Draper, Lessor


Melissa Blessing, Lessee

MILFORD CITY COUNCIL
MINUTES OF MEETING
June 8, 2009

On Monday, June 8, 2009, the City Council of the City of Milford held a Special Meeting in the Joseph Ronnie Rogers Council Chambers of Milford City Hall at 201 South Walnut Street, Milford, Delaware, to review and make final determinations on the status of potential tax exempt properties in the City of Milford.

PRESIDING: Mayor Daniel Marabello

IN ATTENDANCE: Councilpersons Steve Johnson, Michael Spillane, John Workman, Jason Adkins, Owen Brooks, Jr., Douglas Morrow, James Starling, Sr. and Katrina Wilson

ALSO: City Manager David Baird, Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor Timothy Willard

Mayor Marabello called the Special Meeting to order at 7:02 p.m.

City Manager Baird advised there are a number of persons present who wish to discuss their tax status regarding possible exempt status.

Former City Manager Richard Carmean then presented a map to show the southeastern area of Milford. Mr. Carmean asked to speak to provide some information on why some of these parcels believe they were tax exempt in helping council make this decision.

Mr. Carmean explained that a number of years ago the ideology of council was different than today. At that time, the idea was not to allow either county to surround us and do not let either county block us from future growth if we need to expand our city limits. That was the task given to him by council. He also recalled the growth explosion occurring in Milford in addition to a lot of other Sussex County communities.

He recalled that whenever information was received that either Kent or Sussex County was getting ready to approve a subdivision butting up to city limits, the city planner and city manager would get in touch with the developer of the proposed subdivision and ask if they had any interest in being annexed. Also a goal of Livable Delaware was that growth take place in areas where police, fire, sewer, water and solid waste services were available.

Mr. Carmean feels that most people today believe a home should be placed on an acre of ground but that was not the thinking at that time. A number of farms were sold during this time to be developed. The idea was to maximize the use of land. There was an entrance/exit and maybe a couple of roads coming out onto the country road. Services were provided by the city with closed septic and water systems. The state did not want septics and wells in the ground that could possibly impact aquifers down the road. The city was on board and fully supporting State Planning/Livable Delaware.

In addition, the city was impacted over the years with housing developments such as Shawnee Acres, Eastman Heights and Woodshaven. He agrees they were good neighbors though they did not pay taxes. Though many disagree, Mr. Carmean believes they had a big impact on city services.

He stated that for all of these reasons and more, when the city learned a subdivision was going to be developed next to us, we went out and encouraged them to become part of the city so that those property owners would become taxpayers as well as customers of city services.

Because the city had not annexed any substantial amounts of land for many years, the annexation committee suddenly became very busy. When the proposed annexation area was reviewed, it was sometimes determined they were not contiguous. There may have been another property between them and this proposed development. The city would often contact the property owner and ask if they would consider annexing into the city. Often property taxes came up during

the discussion. The city had an unwritten policy that if it paid dividends to the city to annex the proposed development, they would negotiate with the property owner that was preventing the annexation. A tax abatement was a good tool and usually discussed during the process of annexation.

This matter came to Mr. Carmean's attention when the newspaper articles came out stating that he gave tax abatements with a handshake and a wink. He wants it clearly understood that did not happen. He explained it was policy of sort and part of the direction he was given.

He explained that in Patrick Emory's case, he submitted a letter to the city planner that was never read at the annexation meeting. The letter stated that he would agree to annexation if the city allowed his property to be tax exempt until the land was sold or developed. Mr. Carmean added that he was not normally present at the annexation meetings.

In the case of Red Cedar Farms, Mr. Carmean said that Brad Dugan approached him several times about bringing his farm into the city after the McColley farm had their seventy acres annexed which was located east of Route 1. At the time, our Contractual Engineer at the time, Hans Medlarz, wanted the McColley farm in town because it was being considered that someday the city may do their own spray irrigation and sewer treatment. At that time, the city negotiated a deal with Lynn McColley. He would continue to till the land but would give the city a 15-year agreement to use the land for spray irrigation. That was the only reason the city went across Route 1 because neither the council nor Mr. Carmean ever wanted to go across Route 1 particularly because it was considered a natural boundary.

The former city manager recalled that he and the city planner at that time attended a State Planning Meeting in Dover where they talked to a developer who informed them they were getting preliminary approval on two parcels east of Route 1. At that time, he showed Mr. Carmean about 400 acres he was planning to develop. Mr. Carmean asked him why they would develop in the county and not consider the city. The developer informed him they were not contiguous. Mr. Carmean then explained the reasons it should be in the city in relation to the individual septic, wells, etc.

The former city manager immediately came back to council and informed them that 800 to 900 homes were being developed across Route 1 that would have a tremendous impact on everything from the economy to the quality of life in Milford. At that point, they did not even consider the related traffic and police issues. City council gave Mr. Carmean permission to talk to the governor because the city had an agreement with state planning not to annex anything east of Route 1.

Mr. Carmean then met with Governor Ruth Ann Minner who understood the concern and agreed she did not want it developed in the county where there are no services available and Milford Police and Carlisle Fire Company would be called. Therefore, she agreed to talk to her state planners to consider a change east of Route 1. At that point, he went to Mr. Dugan and talked to him about annexation. Prior to that, Mr. Dugan was informed numerous times by Mr. Carmean that Milford would not consider it.

Mr. Carmean reported there was farmland in this city for many years that was never taxed including the two acres where the business land was developed. In addition, the Fry farm, Simpson farm and other farms were never taxed. He agrees that it was probably discussed with Mr. Draper that their farm would not be taxed if annexed as long as it was being used for agricultural purposes. He stressed that none of these were handshake and wink deals. He added there was nothing crooked about it noting that farmers have enough problem making a living without being taxed. He does not recall his exact words to Mr. Dugan but expects he said that as long as the land is being farmed, the property will probably not be taxed. It was never part of the official process with either Mr. Dugan or Mr. Emory. He has been unable to find where it was discussed at the annexation committee meetings though Mr. Emory has a letter that was later found in the file requesting the tax abatement.

He had someone indicate to him that Mr. Emory wanted to be annexed because he had an interested developer. Mr. Carmean stressed he had no developer at the time he began the annexation process.

Mr. Carmean then referred to a map showing the location of the Benson property who wanted to be annexed in order to be developed. The Emory site was needed to make it contiguous. However, there was no guarantee though it was

discussed because it was the city's policy up to that point.

Hen then pointed out the location of the 400 plus acres going to be developed in the county in relation to the Dugan property. It was confirmed the Dugan property was adjacent to the McColley property, in the incorporated area, and contiguous to the proposed development.

The former city manager also recalled that while this was being considered, the city's comprehensive plan had to be changed to allow it. The state agreed to allow the city to make that amendment.

He recalled that back in the late 90's, the original developer of the Meadows at Shawnee (Terry Strine) wanted to annex but was not contiguous. In order to bring them in, Shawnee Country Club had to be annexed. As part of that deal, the club was offered a 15-year tax abatement in order to allow Meadows at Shawnee in. He stated again, this would prevent the impact of those homes/property owners without any benefit to the city.

Matlinds Estates were also given a 15-year tax abatement with a condition that if the property was transferred, the abatement would be lifted. Knotts Landing was not contiguous because of a small farm whose property owner did not want to be annexed. That farmland was left alone though he could have been forced to come in by a favorable referendum vote. To avoid that, the owner of another smaller, contiguous property containing a rental structure, was asked to consider annexation. He did not want to come in either and was offered a tax abatement if he would agree. But because it would have less of an impact on that property, the matter was taken before council and eventually a special election was held during which time the favorable vote resulted in the property being annexed. Today, there are 126 homes in Knotts Land that are part of the city.

The last one he recalls is the Pritchett property on Cedar Beach Road. She was given a tax abatement until the property is sold or transferred because the marina was interested in annexation. The marina and surrounding area was a very expensive piece of commercial and residential property. Townhouses and hotels were being planned at the time though no one had a reason to believe it would not happen.

Mr. Carmean emphasized that tax abatements for such reasons was nothing out of the ordinance and was simply ordinary business. The majority of council agreed it was best for the city.

He emphasized that he, as the city manager, did not make these deals with a simple handshake. He feels he had every common sense right to indicate to those property owners with a farm that the city did not tax farmland because it was the way the city did business.

At this point, he recommends a possible new zoning district be established to address such properties.

Mr. Morrow recalled that farmland was not previously taxed; Mr. Brooks added it was always considered an agricultural use. Mr. Morrow also agrees that it should be modernized with the solicitor's assistance.

Mr. Brooks added that a tax abatement was provided to Shawnee Country Club in order to annex the Terry Strine property which is now the Meadows at Shawnee.

Mr. Spillane asked if the properties Mr. Carmean is referring to have since been rezoned; Mr. Carmean said from what he recalls, they were annexed under a residential zone. He explained that most property owners would not want a farm annexed only to pay taxes at a much higher rate. He said most farmers could not afford to pay higher taxes under those conditions.

Mr. Workman said regardless of whether the city did this in the past, does not make it right or wrong. It is his understanding that city council is the only authority to grant a tax exemption status. He feels if their land was annexed, he still has questions if there is no paperwork. Mr. Emory provided some documentation that was part of the agreement even though it was not officially made part of the record. Mr. Workman feels council needs to consider that no formal action was taken. This has been determined because the tax assessor has done a lot of research and come up with

nothing. The problem is some of these people thought they were tax exempt and have now received a tax bill.

Mr. Morrow agrees noting that is why he suggests the city solicitor work with the planner to come up with some type of zoning to address land that is being actively tilled and not taxed.

Mr. Carmean understands Mr. Spillane's concern that these properties have been rezoned to a C3 or R1 though they are still being farmed. He agrees it should be cleaned up and should have to apply for the exemptions on an annual basis.

Mr. Workman feels that some standard business practice needed to be in place as these were being addressed.

Ms. Wilson said that when she thinks back to when annexation after annexation was being presented, they were working under a standard business practice. She feels that some can be found in the policy book and some are just as has been stated. That means the direction council agreed is the manner in which the city manager acted. It was not always in the minutes because it was a standard business practice. She agrees it now needs to be cleaned up because it has resulted in some questions at this time.

Mr. Workman was unaware of any such policy or practice until recently; Ms. Wilson feels that is because the city manager always took care of these matters.

Mr. Carmean recalled former city solicitor Jim Fuqua advising him that city council had the only authority to grant formal tax exemptions. He reiterated that in these cases, it was standard practice that when a farm was annexed, as long as the ground was being tilled, it would not be taxed.

Mr. Baird said that is the reason he chose to bring this before council. It was to clarify the action taken and city council needed to ratify the tax status. In this manner, the record would reflect the action taken by council that would not have to be revisited year after year.

The city would then provide the proper documentation reflecting councils' action.

When asked if all farmlands are currently exempt, Mr. Baird said that most of those properties are not being taxed at this time with the exception of the Emory and Dugan farms who were under the impression they should be.

The city manager noted that though the list of twenty-three properties provided in the council packet was not updated by the tax assessor, it has been significantly reduced as the balance of those property owners provided some type of documentation.

City Tax Assessor John Darsney then presented a new list of those properties still in question:

Name	Location	Current Zone	Parcel Number
EMORY PATRICK & JUDY	Cedar Creek Road	R-3	3-30-15.00-062.00
		R-3	3-30-15.00-062.01
		R-3	3-30-15.00-062.02
RED CEDAR FARMS (DUGAN)	Bucks Road/East of Route 1	R-2	3-30-11.00-068.00
MCCOLLEY, LYNN A & KAREN	East of Route 1	R-1	3-30-11.00-056.00
KEY PROPERTIES GROUP LLC	Wilkins Road	C-3	3-30-15.00-058.00
	Elks Lodge Road	C-3	3-30-15.00-058.03
FORDMILL LLC	Milford-Harrington Highway	R-3	MD-16-173.00-01-06.00-000
		R-3	MD-16-183.00-01-15.00-000
DIAMOND LAND MANAGEMENT (West Shores)	Wilkins Road	R-3	3-30-11.00-6.06

When asked how many of these are actively farming the property, Mr. Darsney said he drove around the other day and verified that all were being actively farmed with the exception of Diamond Land Management (West Shores) which has been laid out and infrastructure installed.

When asked to confirm that only one of these properties is currently being developed, Mr. Baird agreed. He added that all other properties have no land use actions taking place.

Mr. Workman asked if agricultural uses are permitted in an R-2 or R-3 zone; City Planner Gary Norris advised it is permitted under R-1 and those uses permitted in R-1 are also permitted in R-2 and R-3 zones.

Mr. Baird advised the C-3 zone does not permit agricultural uses.

Mr. Darsney said he has researched the minutes and records in order to obtain copies of the resolutions. None mentioned tax exemptions. However, the McColley Farm was exempt under the Farm Land Preservation Act at that time, though the owner removed the property from that act in 2007. He said that explains why they were exempt at the time of annexation and not discovered until recently. Until that time, the property qualified as tax exempt.

Patrick Emory of 7403 Cedar Creek Road, Lincoln advised that all three of his parcels totaling approximately 29 acres were annexed into the city in 2007. He emphasized to council the property is entirely wooded and creates a buffer along a stream they own on both sides of the property.

Mr. Emory said he was originally contacted by the city in 2004 and was presented with a group of options on the annexation process. At that time, he had recently moved out onto the property after owning it for six years. He did not need anything from the city and did not want sewer or water. When discussing this with the former City Planner Karen Brittingham, he was directed to present a letter to the city. At that time, he drafted a letter with five conditions one of which stated the property be tax exempt from city taxes until such a time there is a subdivision plan submitted for development purposes.

He said that at no time, did Mr. Carmean tell Mr. Emory he was guaranteed the tax exemption or any of the conditions. He did say he did not see any obstacles or hurdles though they needed to be addressed in a formal letter. Mr. Emory assumed the letter was being provided to city council. The letter was sent April of 2004.

Approximately a year later, he was contacted by the city when they were in the process of amending the comprehensive plan. In 2006, he was contacted by Koelig, Incorporated who had an option on the Benson property. They asked if the Emorys were interested in being annexed into the city. Mr. Emory explained that the process had started but nothing had occurred in some time. They asked to take the process over and represent the Emorys because their property was needed to make the Benson property contiguous and eligible for annexation. At that time, Mr. Emory turned it over to them.

Mr. Emory advised that he did not have a sales contract at any time noting that they only represented his property in conjunction with the Benson property who was under contract with Koelig. At a later date, Mr. Emory was made an offer on the property though it was not accepted.

During and after the annexation, Mr. Emory never heard any other issues and assumed that the conditions in his letter had all been met by the city. In 2008, Mr. Emory received a tax bill. Mr. Emory contacted the tax office and informed them he was supposed to be exempt though the city indicated he had no record of the exemption.

Mr. Emory then contacted Mr. Carmean who informed him there are a few other properties with the same issue. He offered to look into it and if he did not get back with Mr. Emory, Mr. Emory could assume it had been addressed.

Mr. Emory did not hear anything until this past year. He is under the assumption Mr. Carmean was operating in good faith and during this process, retired from his position. This year, he received a new tax bill as well as last year's tax bill. From that point on, he has been receiving delinquent notices and has been in touch with Mr. Baird since that point.

He sent a letter in January to the city manager asking to address council about this issue. He sent another letter thanking council for the opportunity to address them and submitted a FOIA request at the same time.

When asked, Mr. Emory advised he hand delivered the letters.

Brad Dugan of 100 Causey Avenue, owner of Red Cedar Farms, said he remembers the conversations fairly well. He recalls the words no tax impact until the ground was broken for development comes to his mind.

Mr. Dugan said he also addressed the issues about his horse operation and that it would not be impacted or that the rabbit hunting along the hedgerow would not be affected. He was told that would be covered in an annexation agreement and approved by the city. He never saw an annexation agreement. He advised the farm generates \$4,000 a year in land rent; his tax bill is \$6,300. Therefore, there was no incentive for him to have annexed only to incur \$2,300 negative income per year in order to be part of the city.

From the beginning of the annexation process, Mr. Dugan did exactly what he said he would do. There was no questions about it. In hindsight, he believes he should have gotten something in writing. However, he feels that when senior officials of the city tell you something, you should be able to believe it. He does not need documentation and finds it hard to believe it was not read into the minutes nor that he does not have an annexation agreement. But he knows what he was told and knows what he acted on after paying the fees twice to come into the city.

Mr. Workman advised he was on the annexation committee during the Red Cedar Farm annexation process and does not recall any conversation regarding the statement Mr. Dugan just made. It was not brought to their attention.

Ms. Wilson recalled what Mr. Dugan was doing with the land at the time of annexation; the city was only interested in the future land use. The annexation committee was aware of the potential hospital plans but his renting his land was not an issue.

Mr. Dugan explained that when he began the annexation process, no one was interested. The hospital and a developer from New Jersey had not contacted him at that time. He believes they had gotten word that Key Properties was planning to develop the Isaacs Farm and started looking for available land. However, the annexation process had already begun at that time.

Mr. Morrow pointed out the city learned a lot from some mistakes made during this growth spurt, but council needs to decide what was agreed in writing, verbally and that which is not in the minutes. When the next annexation request comes in, he suggests the annexation committee do a check list to cover these issues.

Mr. Adkins said he was under the impression that of those properties on the first list, if they did not come forward with some information or case, they would be removed from consideration. Mr. Baird stated that if they did not bring anything forward, they would remain taxable.

Mr. Workman said council was told they had to provide substantial information to prove they were exempt.

When questioned about the horses and hunting not permitted in city limits, Mr. Carmean said Mr. Dugan discussed those issues. He recalled telling Mr. Dugan at the time that rabbit hunting in the hedgerow would be permitted because some land recently annexed that belonged to the Kentons permitted duck hunting as long as they complied with the state laws and hunting laws. He also remembers when he first came to Milford several residents had horses in the city limits. Though it was against the ordinance, they were grandfathered and allowed to keep the animals.

Mr. Carmean also believes that some of issues may have been lost as the city changed planners. He only recalls going to one or two annexation committee meetings. He noted that this process was completely actually handled by the city planner. The annexation committee had a lot of say in the process and the city manager and mayor stayed out of that process until it came before council. Mr. Carmean is sure he did not follow up with Mr. Norris to ensure all of these issues were included in the minutes.

Mr. Adkins then referred to the Diamond land Management property who has already received subdivision approval and where infrastructure construction has occurred. Mr. Willard said this property is somewhat unique in that it is not

directly involved in litigation though it is subject to a settlement agreement and is frozen because the matter is in court. His opinion is once it unfreezes, the property would be subject to taxation.

Ms. Wilson moved to exempt the following properties until such time the property is transferred and/or land use approval is granted for the development of a subdivision or a site plan

EMORY PATRICK & JUDY	Cedar Creek Road	3-30-15.00-062.01 3-30-15.00-062.02
RED CEDAR FARMS (DUGAN)	Bucks Road/East of Route 1	3-30-11.00-068.00
MCCOLLEY, LYNN A & KAREN	East of Route 1	3-30-11.00-056.00
KEY PROPERTIES GROUP LLC	Wilkins Road	3-30-15.00-058.00
	Elks Lodge Road	3-30-15.00-058.03
FORDMILL LLC	Milford-Harrington Highway	MD-16-173.00-01-06.00-000 MD-16-183.00-01-15.00-000
DIAMOND LAND MANAGEMENT	(West Shores) Wilkins Road	3-30-11.00-6.06*

and that the exemption for Red Cedar and Emory be retroactive for the past two years, that Diamond Land Management* remain tax exempt until such time the pending litigation is resolved and the property is no longer frozen and that proper documentation be prepared to reflect the exemptions and that a new standard be put in place for handling the tax status of future annexations and tax exempt properties, seconded by Mr. Morrow.

Mr. Baird pointed out the Diamond Land Management has received subdivision approval and infrastructure construction has begun. He further clarified this is the property the city has been involved in legal issues over the past few years regarding easement issues.

Mr. Darsney also advised the Emory property is full wooded; Diamond Land Management has its infrastructure installed and the balance of the properties are being farmed.

Mr. Brooks asked that during the review by the annexation committee, the report include whether or not the property will be taxed or tax exempt.

Motion carried by the following 7-1 vote:

Yes-Johnson, Workman, Adkins, Brooks, Morrow, Starling, Wilson

No-Spillane

Mr. Spillane said he feels as though they are already zoned for development even though they are being farmed and other properties in town are paying their fair share and votes no.

With no further business to be discussed in the Special Meeting, Mayor Marabello adjourned the meeting at 8:16 p.m.

Respectfully submitted,



Terri K. Hudson, CMC
City Clerk/Recorder



July 7, 2017

TO: Mayor and City Council
FROM: Eric Norenberg
SUBJECT: Delinquent Taxes

As we await the Governor's signature on Senate Bill 82 to enact our revised City Charter, we are making plans to begin collection of delinquent taxes.

Since you are likely to get calls and questions, I wanted you to be aware that in accordance with the following provision in our soon-to-be-updated Charter, letters will be sent to the top ten delinquent property owners in the next week or so:

(e) In addition, the City Manager, acting on behalf of the City, may pursue the sale of the lands and tenements of the delinquent taxpayer, or the lands or tenements of a delinquent taxpayer alienated subsequent to the levy of the tax by monition sale according to the same procedures and subject to the same rights, authority and powers as are applicable to the Counties under Chapter 87 of Title 9 of the Delaware Code, as may later be amended, replaced or relocated within the Delaware Code. Prior to commencing any action for the sale of lands and tenements, the City shall send written notice to the assessed owner providing the total balance owed and language indicating a failure to pay within 30 days may result in the commencement of legal proceedings for the sale of the assessed property.

Attached is a draft of the first such letters. You will notice it contains the provision for publishing information about the delinquencies on the City website as was requested by City Council during the retreat.

I will have more information during the meeting on Monday and City Solicitor David Rutt and I can answer questions as well.



DATE

Mr. and/or Ms. Taxpayer

.....

Milford, DE

Dear Mr. and/or Ms. Taxpayer:

As you are no doubt aware, your property taxes and/or fees/charges owed to the City of Milford are overdue and you owe the City not only back taxes/fees/charges, but penalties and/or interest. Attached is a current statement. As a result of your delinquency, other taxpayers must pay more than their fair share to support the operations of the City of Milford.

We understand that there may be extenuating circumstances for some taxpayers. That is why in 2016 we offered you and other taxpayers an opportunity to have penalties and/or interest waived if your account(s) were brought current by June 30, 2016 (or enter into a payment program). Unfortunately, you did not take advantage of that opportunity.

Accordingly, in the coming months the City will take legal action against property owners to obtain a legal judgement in order to collect the funds owed to the City. Such action would be reflected on your credit report. However, if you make full payment of amounts owed to the City (including penalties/interest) by August ??, 2017, you will avoid any further legal action related to the amounts currently due. To make your payment, please contact the City of Milford Customer Service Office at 424-6616 or visit the Office at 119 S. Walnut Street.

Also, please be aware that the City of Milford intends to list the names, addresses and amounts owed for the most delinquent properties on the City website beginning on August ++, 2017. Anyone who owes the City more than \$6,900 in back taxes, fees, liens, penalties and interest, and has not made payment as described above by August ??, will be included on the list.

Milford is a community worth investing in. Our dedicated staff provides public safety and other services that maintain and improve the quality of life for our residents and businesses. We hope you agree that these services are worth paying for and will bring your accounts current please.

Sincerely,

Eric Norenberg
City Manager

cc: Mayor Shupe and Milford City Council
Finance Director Jeff Portmann
Customer Service Supervisor Debbie Johnson

DRAFT CODE OF CONDUCT ORDINANCE

There is hereby established a new Chapter 120 of the Code of the City of Milford as follows:

CHAPTER 120 – CODE OF CONDUCT AND ETHICS COMMISSION

§ 120-1 Purpose

In order to preserve public respect and confidence in our local government and to avoid any conduct that would create even a justifiable impression of impropriety or breach of the public trust, The City of Milford has deemed it both appropriate and necessary to adopt a code of conduct that will establish specific ethical standards of conduct that will apply to all elected and appointed officials and employees of the City along with uniform mechanisms to guarantee both interpretation and enforcement of such standards.

§ 120-2 Applicability

This Code shall be applicable to all elected and appointed officials and all employees of the City of Milford as of _____, except as otherwise provided.

§ 120-3 Definitions

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

“City” means the City of Milford, a political subdivision of the State of Delaware, and its elected and appointed officials, councils, boards, commissions, departments, employees, committees, or other public bodies existing by virtue of the Charter and/or Code of the City of Milford or an act of the General Assembly or Constitution of the State of Delaware.

“Close relative” means a person's parents, spouse, guardian, grandparents, children and grandchildren (natural or adopted), and siblings of the whole and half-blood , aunt, uncle, first cousin, corresponding in-law, corresponding step-relative, or any member of an employee’s household. “Commission” and “Ethics Commission” means the City Ethics Commission established by this Code.

"Compensation" means any money, thing of value or any other economic benefit of any kind or nature whatsoever conferred on or received by any person in return for services rendered or to be rendered by oneself or another.

“Employee” means all persons who receive compensation as an employee of the City or any department thereof, whether full time, part time, temporary or seasonal, but not persons that are elected or appointed to serve as Mayor, City councilmember or a member of any City committee, commission or board, whether paid or unpaid.

"Financial interest" in a private enterprise applies to any of the following:

(1) The person has or intends to purchase or acquire a legal or equitable ownership interest in the enterprise of more than 10% (1% or more in the case of a corporation whose stock is regularly traded on an established securities market);

(2) The person is associated with the enterprise and received from the enterprise during the last calendar year or might reasonably be expected to receive from the enterprise during the current or the next calendar year income in excess of \$5,000 for services as an employee, officer, director, trustee or independent contractor; or

(3) The person is a creditor of a private enterprise in an amount equal to 10% or more of the debt of that enterprise (1% or more in the case of a corporation whose securities are regularly traded on an established securities market).

"Matter" means any application, petition, request, business dealing, contract, subcontract, or any other transaction of any sort with the City.

"Official" means any elected or appointed official of the City, including all members of any committee, commission or board appointed by the Mayor or City Council by virtue of their powers and authority pursuant to the Charter and/or Code of the City of Milford, or an act of the General Assembly or Constitution of the State of Delaware, and including the members of the Ethics Committee established in this Code and the City Manager, Chief of Police, Department Head, or other person authorized to represent the City in an official capacity.

"Official responsibility" means any direct administrative or operating authority at any level, either exercisable alone or with others, either personally or through subordinates, to approve, disapprove, recommend or otherwise direct action on behalf of the City.

"Person" means an individual, partnership, corporation, trust, joint venture and any other association of individuals or entities.

"Political Candidate" means any person who is a candidate or nominee to be an official of the City, any person who has been identified officially as a prospective nominee, and any person who is openly considering becoming a candidate to become an official at the next City election.

"Private enterprise" means any activity conducted by any person, whether conducted for profit or not for profit which includes the ownership of real or personal property. Private enterprise does not include any activity of the City or of any agency, authority or instrumentality thereof.

§120-4 Prohibitions Relating to Conflict of Interest

A. General. Each official and employee shall endeavor to pursue a course of conduct which will not raise suspicion among the public that such employee or official is engaging in acts which are in violation of the public trust or which will reflect unfavorably upon the City. Each official and employee shall further avoid any conduct that may justifiably be viewed by the public as an act of impropriety even if such conduct is not specifically prohibited or considered by such official or employee to be improper absent receipt of a waiver or opinion from the Ethics Commission.

B. Restrictions on exercise of official authority.

(1) Prohibited participation: No employee or official may participate on behalf of the City in the review or disposition of any matter pending before the City in which he or she has a personal or private interest, provided that, upon request from any person with official responsibility with respect to the matter, any such person who has such a personal or private interest may nevertheless respond to questions concerning any such matter.

(a) Personal or private interest: A personal or private interest in a matter is an interest which tends to impair a person's independence of judgment in the performance of his or her duties with respect to that matter.

(b) Impairment of judgment: A person has an interest which tends to impair his or her independence of judgment in the performance of his or her duties with respect to any matter when:

(i) Any action or inaction with respect to the matter would result in a financial benefit or detriment to accrue to the person or a close relative to a greater extent than such benefit or detriment would accrue to others who are members of the same class or group of persons; or

(ii) The person or a close relative has a financial interest in a private enterprise which enterprise or interest would be affected by any action or inaction on a matter to a lesser or greater extent than like enterprises or other interests in the same enterprise.

(2) Representing another person before the City: No employee, officer or official may represent or otherwise assist any person with respect to any matter before the City with which the employee, officer or official is associated by employment or appointment, unless such employee, officer or official is assisting such person with respect to any matter in the exercise of his or her official duties.

(3) Personal Benefit: No employee or official or private enterprise in which such employee holds a financial interest shall enter into or benefit from any contract with the City (other than an employment contract).

(4) Private Enterprise:

(a) No City employee, officer or official may represent or otherwise assist any private enterprise with respect to any matter before the City with which the employee, officer or official is associated by employment or appointment.

(b) No City officer may represent or otherwise assist any private enterprise with respect to any matter before the City.

(c) This subsection shall not preclude any City employee, officer or official from appearing before the City or otherwise assisting any private enterprise with respect to any matter in the exercise of such person's official duties.

C. Close Relatives.

The City will use sound judgment in the placement of related employees in accordance with the following guidelines:

(1) No close relative may be hired as an employee if such employment would result in another close relative directly or indirectly supervising such employee.

(2) There will be no direct reporting or supervisor to subordinate relationship allowed.

(3) No relatives of Department Directors will be permitted to work within the chain of command of his/her department.

(4) No relatives of City Council Appointees or the Human Resources Director will be permitted to work in any department.

(5) Employees who marry or become part of the same household while employed are treated in accordance with this policy and may be transferred at the earliest practicable time.

(6) The prohibition against indirect supervision would encompass any person who is a close relative of any Official, the City Manager or Chief of Police.

(7) No relatives of the Mayor or a City councilmember shall be hired by the City during that elected official's term in office.

(8) Any employees that were hired prior to _____[*effective date or adoption of this Code*]_____ may remain an employee in their current position notwithstanding any prohibition under this section provided that the employee or official who is a close relative of such employee abstains from any matter that would directly or indirectly effect such employee. No employee exempted by this subsection may be promoted or transferred to a different position in the City without first receiving the prior written consent of the Ethics Commission. Once an employee is promoted or transferred to a different position, or separated from employment and later rehired, no exemptions shall apply.

D. Political Activities: No official or employee may solicit political contributions from any person, including other officials or employees during the course of performing his or her official duties on behalf of the City.

E. Gifts and Favors

(1) No employee or official shall accept any gift in excess of \$50,00, whether in the form of service, loan, thing or promise, from any person who, to the employee's or official's

knowledge, is interested directly or indirectly in any matter with the City and where said contact can be construed as having or attempting to improperly influence said employee or official, or which may result in any of the following:

- (a) Impairment of independence of judgment in the exercise of official duties;
- (b) An undertaking to give preferential treatment to any person;
- (c) The making of a governmental decision outside official channels; or
- (d) Any adverse effect on the confidence of the public in the integrity of the government of the City.

(2) No employee or official shall grant, in the discharge of duties, any improper favor, service or thing of value.

(3) Gifts or favors from any individual person, entity, organization or related combination thereof aggregating \$250.00 or more in the City's fiscal year.

F. Abuse of Office

(1) Political contributions. No official shall agree to sponsor legislation, or to influence in any manner the formulation or passage of legislation, in exchange for political contributions or promises thereof.

(2) Substantial interest. No official shall vote for, or promote in any manner whatsoever, legislation affecting any subject matter in which he or she has a substantial interest. Any such interest shall be disclosed by said official prior to a vote on any such legislation, and said official shall not participate in any discussion on such matters and shall vote "abstain" when called upon to vote.

(3) Use of City property. No official or employee shall request or permit the use of City-owned vehicles, equipment, materials, or property for personal convenience or profit, except when such services are available to the public generally or are provided for the use of such official or employee in the conduct of official business as a matter of municipal policy.

(4) Personal gain. No official or employee shall utilize the influence of his office or position for personal pecuniary gain, or to avoid the legal consequences of his or her personal conduct, or to secure unwarranted privilege, private advancement or gain, nor shall such official or employee acquire a financial interest in any private enterprise which such official has reason to believe may be directly involved in decisions to be made by such official in an official capacity on behalf of the City.

(5) Sexual favors. No employee or official, in the course of his or her public responsibilities, may use the granting of sexual favors as a condition, either explicit or implicit, for an individual's favorable treatment by that person or a City agency.

G. Post Office or Employment Restrictions.

(1) No person who has served as a employee or official shall represent or otherwise assist any private enterprise on any matter involving the City, for a period of two years after termination of his or her employment or elected or appointed status with the City, if he or she gave an opinion, conducted an investigation or otherwise was substantially involved in such matter in the course of his or her official duties as an employee or official, nor shall any former City employee or official disclose confidential information gained by reason of his public position, nor shall he otherwise use such information for personal gain or benefit.

(2) For all full-time employees, their employment with the City shall take precedence over all other occupational interests of such employee. All outside employment for salaries, wages, commission and self-employment must be reported to the employee's supervisor, who in turn will report to the City Manager or Chief of Police for review. The City Manager or Chief of Police will review such employment for possible conflicts of interest and/or impact upon the efficiency of the employee. Conflicting outside employment or outside employment which inhibits an employee's efficiency will be grounds for disciplinary action, up to and including dismissal. Findings, approvals, and denials of said outside employment requests shall be documented in writing to the employee and the employee's personnel file.

H. Restrictions on Contracting with the City.

No City employee, officer and no private enterprise in which a City employee or officer has legal or equitable ownership of more than 10% (more than 1% in the case of a corporation whose stock is regularly traded on an established securities mark shall enter into any contract with the City) other than an employment contract unless such contract was made or let after public notice and competitive bidding.

I. Disclosure.

Any City employee or officer who has a financial interest in any private enterprise which is subject to the regulatory jurisdiction of, or does business with, any City agency shall file with the Ethics Commission a written statement fully disclosing the same. Such disclosure shall be confidential and the Ethics Commission shall not release such disclosed information, except as may be necessary for the enforcement of this Code. The filing of such disclosure statement shall be a condition of commencing and continuing employment or appointed status with the City.

J. Exceptions

(1) Statutory responsibility. In any case where a person has a statutory responsibility with respect to action or inaction on any matter where such person has a personal or private interest and there is no provision for the delegation of such responsibility to another person, the person may exercise responsibility with respect to such matter, provided that, promptly after becoming aware of such conflict of interest, such person files a written statement with the Ethics Commission, fully disclosing the personal or private interest and explaining why it is not possible to delegate responsibility for the matter to another person.

(2) Waiver. Any employee or official who has acted in reliance upon a waiver from the Ethics Commission that was received in writing before the action or inaction that would otherwise be a violation under this Code is not a violation under this Code unless it is proven that the Ethics Commission granted such waiver without having received a full and fair disclosure of all material information from such employee or official.

(3) Advisory Opinions. Any employee or official who acts or fails to act in accordance with a reasonable interpretation of an advisory opinion that was issued by the Ethics Commission shall be valid and not considered a violation of this Code. For purposes of this exception, no employee or official may rely upon an advisory opinion that has been overturned or superseded by a subsequent advisory opinion of the Ethics Commission.

§120-5 Disclosure and Confidentiality of Information

A. Confidential Information. No employee or official shall engage in any activity beyond the scope of his or her public position which might reasonably be expected to require or induce such person to disclose confidential information such person may have acquired by reason of public position nor shall the person otherwise use such information for personal gain or benefit.

B. Disclosure of Information. No employee or official shall, beyond the scope of such person's public position, disclose confidential information gained by reason of the public position, nor shall such employee or official disclose any information required to be maintained confidential by the Ethics Commission under this Code.

§120-6 Structure of the Ethics Commission

A. Established; composition; removal. The Ethics Commission is hereby established to administer and implement this Code. The Ethics Commission shall consist of five members appointed by the Mayor and confirmed by the City Council. No member of the Ethics Commission shall hold any elected or appointed office under the government of the United States or the government of the State of Delaware or any county or city thereof, nor shall the member or a close relative be an employee of the City or be an appointee by the Mayor or City Council to any other position within the City. Members of the Ethics Commission may be removed by the Mayor, with the concurrence of the City Council, for substantial neglect of duty, gross misconduct in office or a violation of this Code.

B. Terms of office; vacancies. A member of the Ethics Commission shall be appointed for terms of office of five years that may be renewed. Upon the expiration of a member's term, such member shall remain a member until such a time as a new member has been confirmed by the City Council. The initial members shall be appointed for staggered terms of office. When a vacancy occurs in the membership of the Ethics Commission, it shall be filled by appointment for the unexpired portion of the term in the same manner as the original appointment.

C. Chairperson; quorum. The Ethics Commission shall elect a chairperson from among its membership. Three members of the Ethics Commission shall constitute a quorum and, if a quorum is present, a vacancy on the Ethics Commission shall not impair the right of the

remaining members to exercise all the powers of the Ethics Commission. Disciplinary hearings may be conducted and sanctions may be imposed only by the affirmative action of at least three members; otherwise, the Ethics Commission may delegate authority to the chairperson to act for the Ethics Commission between meetings.

D. Compensation. Members of the Ethics Commission shall receive no compensation.

E. Commission counsel. The City Solicitor appointed pursuant to the Charter of the City shall provide legal counsel to the Ethics Commission and shall be the legal representative of the Ethics Commission in connection with its duties hereunder, on a case-by-case basis, or determine that outside counsel is needed and obtain such outside counsel for a particular matter. In furtherance of its representation, counsel shall have the power and duties to:

(1) Assist the Ethics Commission in preparing and publishing manuals and guides explaining the duties of individuals covered by this Code and in other activities, such as seminars and workshops, educating individuals covered by this Code about its requirements and purposes, and giving instructions and public information materials to facilitate compliance with, and enforcement hereof.

(2) Provide legal counsel to the Ethics Commission concerning any matter arising in connection with the exercise of its official powers or duties.

(3) Review information coming to the attention of the Ethics Commission relating to potential violations of this Code.

(4) Investigate information coming to the attention of the Ethics Commission that, if true, could constitute a violation of any provision of this Code and/or to recommend that possible violations of these, or other state and federal laws, be referred by the Ethics Commission to the Attorney General or the United States Attorney for investigation and prosecution. Matters may be so referred to the Attorney General or the United States Attorney only upon a determination by at least a majority of the Ethics Commission that there are reasonable grounds to believe that a violation may have occurred.

(5) Prosecute disciplinary proceedings, if a determination has been made by at least a majority of the Ethics Commission that there are reasonable grounds to believe that a violation may have occurred before the Ethics Commission and to assist the Ethics Commission in drafting educational materials, waiver decisions and advisory opinions.

(6) Employ and supervise staff necessary to perform investigatory and prosecutorial functions.

(7) Maintain its files and records of all advisory, waiver, investigatory and prosecutorial matters for as long as appointed, at which time they shall be made available to the City.

(8) Perform any other tasks requested by the Ethics Commission concerning any matter arising in connection with the exercise of its official powers or duties.

(a) The Commission Counsel may be recused from a matter before the Ethics Commission when, in the view of Commission Counsel or of the Ethics Commission, such recusal is deemed necessary or appropriate. In situations where Commission Counsel recuses, the duties of the Commission Counsel may be exercised by outside counsel chosen by the Ethics Commission.

(9) The Commission Counsel shall not represent the Ethics Commission until adequate funds have been appropriated for such purpose.

§120-7 Powers and Duties of Ethics Commission

A. The powers, duties and obligations of the Ethics Commission include the following:

(1) Rules of conduct. To recommend to the Mayor and City Council, from time to time, such rules of conduct for public employees and officials as it shall deem appropriate.

(2) Waivers. Upon the written request of any City agency or of any individual who is or was an employee or official, the Ethics Commission may grant a waiver to the specific prohibitions contained in this Code if the Ethics Commission determines that the literal application of such prohibition in a particular case is not necessary to achieve the public purposes of this Code or would result in an undue hardship on any employee or official. Any such waiver may be granted only by written decision of the Ethics Commission. Any person who acts in good faith reliance upon any such waiver decision shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the waiver decision, provided there was a full disclosure to the Ethics Commission of all material facts necessary for the waiver decision.

(3) Advisory opinions. Upon the written request of any employee or official, the Ethics Commission may issue an advisory opinion as to the applicability of this Code to any particular fact or situation. Any person who acts in good faith reliance upon any such advisory opinion shall not be subject to discipline or other sanction hereunder with respect to the matters covered by the advisory opinion, provided there was a full disclosure to the Ethics Commission of all material facts necessary for the advisory opinion

(4) Referrals to solicitor. To refer to the City Solicitor for investigation any alleged violation of this Code and, after notice and hearing, to recommend such disciplinary action as it may deem appropriate to such appropriate official or agency as the Ethics Commission shall determine, or to take such other disciplinary action as authorized by this Code. The Ethics Commission may dismiss, without reference to the City Solicitor, any complaint which the Ethics Commission determines is frivolous or fails to state a violation.

(5) Report of crimes. To report to the appropriate federal, state or City authorities any substantial evidence of a violation of any criminal law which may come to its attention in connection with any proceeding, whether advisory or disciplinary.

(6) Records. To maintain a file of its proceedings, waiver decisions and advisory opinions with a view toward achieving consistency of opinions and recommendations subject to the confidentiality requirements of this Code.

(7) Procedures. The Ethics Commission may adopt such other procedures as it deems appropriate in order to fairly and efficiently fulfill its duties and meet the goals of this Code.

(8) To prescribe forms for reports, statements, notices and other documents required by law. The Ethics Commission may permit the filing of reports, statements, notices and other documents by electronic means and may specify the form and contents of such filings.

(9) To prepare and publish manuals and guides explaining the duties of individuals covered by this Code; and giving instructions and public information materials to facilitate compliance with and enforcement hereof.

(10) To provide assistance to appropriate agencies, employees and officials in administering the provisions of this law.

(11) To prepare an annual report to City Council each year describing its activities for the previous year and to prepare such other reports and studies as may advance the purposes of this Code.

(12) Confidentiality. Any application for a waiver or advisory opinion and any proceeding and any decision with respect thereto shall be maintained confidential by the Ethics Commission, unless disclosure is warranted by any of the following:

(a) Upon the written request of the applicant.

(b) Upon determination by the Ethics Commission after a hearing that a violation has occurred.

(c) Upon the determination by the Ethics Commission that public disclosure is required in connection with the prosecution of any violation of this Code.

(d) Substantial evidence of a criminal violation that is reported to the appropriate federal, state and/or City authorities.

(e) All waivers approved by the Ethics Commission, including the record thereof, shall be open to the public for inspection.

(f) The record of all proceedings relating to any decision of the Ethics Commission which is appealed to the Superior Court shall automatically be made available for public inspection.

B. Complaints and Hearing Procedures.

(1) Upon the sworn complaint of any person or on its own initiative, the Ethics Commission may refer to the Commission Counsel for investigation any alleged violations of this Code. The Commission Counsel shall be the prosecuting attorney in disciplinary proceedings before the Ethics Commission. In any such investigation or proceeding, a defendant shall be given an opportunity to be heard after notice, to be advised and assisted by legal counsel, to produce witnesses and offer evidence, and to cross-examine witnesses. A transcript of any such proceeding shall be made and retained, subject to the confidentiality requirements of subsection (h) of this section.

(2) A member of the Ethics Commission shall be ineligible to participate, as a member of the Ethics Commission, in any Ethics Commission proceeding relating to such member's conduct. A member of the Ethics Commission who has been found by the Ethics Commission to have violated this Code shall be ineligible to serve again as a member of the Ethics Commission.

(3) A member of the Ethics Commission may disqualify himself or herself from participating in any investigation of the conduct of any person upon submission in writing and under oath of an affidavit of disqualification stating that the member cannot render an impartial and unbiased decision in the case in which the member seeks to disqualify himself or herself.

(4) In any proceeding before the Ethics Commission, upon the request of any person charged with a violation of this Code, such person shall be permitted to inspect, copy or photograph books, papers, documents, photographs or other tangible objects which will be used as evidence against that person in a disciplinary hearing and which are material to the preparation of a defense.

(5) Evidence. The Ethics Commission may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require, by subpoena, the production of books, papers, records or other evidence needed for the performance of the Ethics Commission's duties or exercise of its powers.

(6) In any proceeding before the Ethics Commission, if the Commission Counsel or the Ethics Commission at any time receives any exculpatory information respecting an alleged violation against any person, it shall automatically and forthwith make such information available to such person, and upon request of the person charged shall make any evidence that may be used or relied upon by the Ethics Commission available for inspection and copying.

(7) Any person charged with a violation of this Code may apply to the Ethics Commission for the issuance of subpoenas for the appearance of witnesses and for the production of documents on the person's behalf. The application shall be granted upon a concise showing by such person that the proposed testimony or evidence is relevant (or is reasonably calculated to lead to the discovery of relevant evidence) and is not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(8) All proceedings relating to a charged violation of this Code shall be maintained confidential by the Ethics Commission unless (i) public disclosure is requested in writing by the

person charges; or (ii) the Ethics Commission determined after a hearing that a violation has occurred.

(a) Notwithstanding the confidentiality requirements of paragraph (1) of this subsection, the Ethics Commission shall make available for public inspection the record of all proceedings relating to any decision of the Ethics Commission which is appealed to Superior Court and the Ethics Commission shall report to appropriate federal or state authorities any substantial evidence of a violation of any criminal law which comes to its attention in connection with any proceeding under this Code.

(b) The chairperson of the Ethics Commission shall, with the approval of the Ethics Commission, establish such procedures as in the chairperson's judgment may be necessary to prevent the disclosure of any record of any proceedings or other information received by the Ethics Commission or its staff except as permitted by this Code.

§120-8 Enforcement and penalties.

A. Enforcement authority. With respect to any violation with which a person has been charged and which the Ethics Commission has determined as proved, the Ethics Commission may take any one or more of the following actions:

(a) Issue a written reprimand or censure of that person's conduct.

(b) With respect to a City employee, remove, suspend, demote or take other appropriate disciplinary action with respect to that person, without regard to any limits imposed by this Code, but within the limits of the constitution, the laws of the state, the Charter of the City, and ordinances and existing collective bargaining agreements.

(c) With respect to an appointed official, recommend that appropriate action be taken to remove the official from the appointed position.

(d) With respect to an elected City official, recommend that such official be fined in an amount recommended by the Ethics Commission

B. Contracts voidable by Court action. Any contract entered into by any City agency in violation of this Code shall be voidable by the City agency; provided that in determining whether any court action should be taken to void such a contract pursuant to this subsection, the City agency shall consider the interests of innocent third parties who may be damaged thereby. Any court action to void any transaction must be initiated within 30 days after the City agency involved has, or should have, knowledge of such violation.

C. Penalties. The Ethics Commission shall have the authority to refer any person who knowingly or willfully violates any provision of this Code to the State of Delaware Office of Attorney General for prosecution pursuant to 29 Del.C., Section 5806(f).

§120-9 Judicial Review

In the event the Ethics Commission finds that any person has violated any provision of this Code, said person shall have a right of appeal to the Superior Court of any such finding, and of any sanctions imposed with respect thereto, by filing a notice of appeal with the Superior Court within 30 days of the final action by the Ethics Commission in a particular case. The appeal shall be on the record without a trial de novo. If the Court determines that the record is insufficient for its review, it shall remand the case to the Ethics Commission for further proceedings on the record. The Court's review, in the absence of actual fraud, shall be limited to a determination of whether the Ethics Commission's decision was supported by substantial evidence on the record. The burden of proof in any such appeal shall be on the appellant.

MILFORD CITY COUNCIL
MINUTES OF MEETING
June 5, 2017

A meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers, 201 South Walnut Street, Milford, Delaware on Monday, June 5, 2017, to discuss the proposed Fiscal Year 2017-2018 City of Milford Budget.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr, Douglas Morrow and James Starling Sr.

STAFF: City Manager Eric Norenberg, Finance Director Jeff Portmann and City Clerk/Recorder Terri Hudson

Review and Discussion of Proposed City of Milford FY 2017-2018 Budget

Mayor Shupe called the Budget Review Meeting to order at 5:35 p.m.

Finance Committee Chairman Morrow announced that Council has a challenge because of the budget. He then deferred back to Mayor Shupe.

Mayor Shupe referenced the Executive Summary that indicated an additional impact possibly in January. He recommends talking about those items and how to move forward before the actual budget is discussed this evening.

City Manager Norenberg then referenced his cover memo noting that the budget, as is being presented tonight, is balanced, due to greater efficiency and the use of more resources including purchases through cooperatives, energy efficiency improvements and several equipment replacements. The City still needs to use a \$500,000 transfer from the Realty Transfer Tax Fund to pay for police officers and a \$95,000 transfer from the Economic Development fund for various projects.

At the time the various City Departments submitted their requests, the budget was approximately \$150,000 out of balance. That was due in large part to the Police Department Teamsters Contract approved this past year. At that time, it was made clear the contract would have a budgetary impact for fiscal year 2017-2018. At that point, there was no decision by Council to cover those costs though they have been working on the gap created by the police salaries and related expenses.

As a result, Mr. Norenberg explained a number of things were trimmed and a few recommended expenses delayed in order to balance the budget that is being presented this evening.

The City Manager explained we have been on a fiscal year cycle for healthcare as long as the City has been part of the State's healthcare system. The State has presently postponed any increases in healthcare costs until January 2018.

The State of Delaware has also reduced the number of healthcare plans an employee may choose from seven to four as a cost containment measure.

City Council also approved a classification compensation study last year that is nearing completion. The recommendations are expected within the next few years with some current and future costs anticipated.

Last year, Council approved an additional year (fourth year) be added to the three-year Police Contract which was nearing its completion. The fourth year begins July 1, 2017 and negotiations will begin no later than October 1, 2017 though the City Manager recommends starting this summer in order to provide a good sense of the financial impact later this year.

The City Solicitor, City Clerk and City Manager have identified some needs for a legal review and update of the City Code. He noted there are a number of items out of date and in fact, when the Charter was submitted, the State's legal counsel pointed out two areas that were incorrect because of some reconciliation issues in the past.

The contract in the amount of \$875,000 to purchase the Growmark Property for the new police station was recently signed. The next step will be the due diligence Phase I soil analysis and planning and those costs will also need to be considered.

Rather than recommend a tax increase this summer and next summer, Mr. Norenberg suggesting postponing any action until midyear and consider a one-time increase to cover the budget for the remainder of this fiscal year and next year.

He noted that the balanced budget already includes a 3% increase for non-union employees which mimics the wage increase approved in the current police contract. It also includes a number of capital equipment and repairs. A number of capital projects are shown in the budget though not prepared to move forward. Parks and Recreation Director Brad Dennehy will talk about the majority of those requests when his budget is reviewed.

Other needs that are not in the budget include Execu-time and Cognos software, renovations for the garage at the Armory as requested by parks and recreation and facility improvements at public works.

Finance Director Portmann summarized the budget stating that the budget does include a 3% increase to the general fund. Last year, the general fund actually went down 3% and this takes us to where we were in the previous year because of the increase in capital requests.

Mr. Portmann reported there are no proposed increases to water, sewer and trash services. Electric has a .44% change though overall there is a negligible impact across the board.

Councilman Brooks asked if a referendum is planned soon for the new Police Station. Police Committee Chairman Burk said a Police Committee Meeting is planned after the June 12th Council Meeting to get the most recent update.

Councilman Brooks said he wants to make sure the people want it and that they understand the impact of an approved referendum before they see that increase in taxes. Councilman Burk said he is on the same page.

Mayor Shupe said he is not convinced the only way to achieve some of the items earmarked for January is through a budget increase. He understands that healthcare is an unknown, but he feels the State will be looking at increasing their employees' premiums and something that Council may want to discuss as well. Councilman Burk agreed and referenced the comparison other municipal and county employees pay.

The Mayor is aware the City's Compensation Study is underway and no one wants to commit to the wage adjustment. However, the City continues to provide 2 to 3% increases each a year and a benefit plan that most people feel is a Cadillac plan. He recommends looking at how we are going to look at that and whether that should increase property taxes.

Councilwoman Peel echoes those sentiments and thinks if we are taxing people who are not getting a wage increase in the current budget climate, we need to consider those residents who will be paying for someone else's increase. Councilman Burk pointed out that it especially involves someone who is paying a much higher premium on their health insurance. He said his employer decided to raise the premiums and his premium is much higher than what Milford's employees pay and approximately \$560 a month for a family and Milford employees pay less than \$200.

Council pointed out that Milford has given wage increases to its employees every year and most employers have given nothing for a number of years. Councilman Morrow agreed stating that includes businesses in the private sector with Seawatch being one. He understands they need to be competitive but feels that is one area that needs to be considered because in his opinion, Milford appears to be on the rich side in comparison.

Councilman Brooks said he represents a lot of people on Social Security and they have not had a pay raise over the last four years; this year they only got 0.25 of 1% increase. Councilman Burk stated that is correct.

Councilman Brooks said with that increase, they end up bringing less home a month because Medicare was raised. He feels the citizens in the City of Milford cannot afford any tax increase considering these other issues.

Mayor Shupe and Councilman Burk both feel our residents will see a tax increase also at the State level on the school district side.

Mayor Shupe then asked if there is another way to pay for the legal review and planning and design of the new station through

cut or money paid out of general reserves to avoid a tax increase.

Councilman Campbell asked the status of the uncollected tax situation; he feels that will be a hot issue when a tax increase is presented to our residents. Mr. Norenberg explained the State Senate has a committee hearing on the City Charter this week. Prior to that, the Solicitor, City Clerk and he will be meeting tomorrow to prepare for that hearing. He believes that will proceed and he plans to keep Council posted.

Councilman Campbell expressed concern that the number of property owners who have not paid their taxes will continue to be delinquent, while others who pay on time will be required to pay any increase to make up for the deficit. Mayor Shupe agreed adding that is the reason the new Charter adoption will provide an easier way to collect taxes.

Councilman Brooks emphasized that we should never have gotten to the point that so many property owners owed the amount of taxes they did without being penalized over those years. Someone should have told Council that there was a problem with delinquent taxes over the past twenty or so years. He said that two people knew about it without either saying word.

Councilwoman Peel said it is her opinion that we frame the conversation as if we weren't going to make a tax increase to see what the options are. She prefers to look at areas that can be cut.

Councilman Burk said he is concerned moving forward especially when we go to referendum for a new police station which is going to require a tax increase. He said good luck with that though he does not believe we will get both.

Mayor Shupe noted that the school is actually having a discussion with the public about what they believe will shake out with the State's decision about putting more costs on the school districts. As a result, Council will have more information about what is going to happen there though they will not know 100%.

Councilman Burk said he was at the last Delaware League Meeting and those present were told to block out June 30th to get as many people at Legislative Hall to consider the late night budget hearings though he is unsure if strength in numbers will fix it this year.

City Manager Norenberg stated that at the League Affairs Committee this afternoon, it was indicated there are a surprising number of bills being considered that local governments needed to keep their eyes on. The June 22nd League Dinner meeting will be solely focused on budget and legislative affairs. There are some major concerns about where the State budget is going with the budget and a concern about Community Transportation Funds.

He is pleased Mayor Shupe asked to have this conversation early and the reason he wanted Council to be made aware of the issues that they will be facing and not do what the State has done in terms of postponing critical decisions.

Mayor Shupe asked if we have a ballpark figure of the five items in question. Mr. Norenberg said he can only speculate on the union matter when he discusses it later with Council during the Executive Session. The legal review is anticipated to be \$25,000 to \$35,000. Now that the contract for the site of the new Police Department is officially signed, the actual design for the site and plan for the Phase I analysis will affect future development costs.

He also provided some recommended engineering consulting firms for Chief Brown to consider.

Councilman Morrow feels we need to look at the budget with the numbers that are already in place. When these items are more urgent, they can be addressed at that time.

Mayor Shupe agrees adding he likes more options than just a tax increase. Councilman Morrow also agreed.

Mr. Norenberg is working with some other municipalities about the possibility of forming a separate consortium that could be an alternative for health care though that will take at least a year or two. He is hoping to get more information this week.

One of the other things that limits changing the premium, is language in the Police Department Collective Bargaining Agreement that says that new hires after July 1, 2012 can have increases in their healthcare costs similar to those of other

employees but only up to 15%.

Councilwoman Peel then asked about the increased cost to the pay adjustments based on the classification study that is being done. She said those are not necessarily promised and are only projected. Mr. Norenberg explained it is a market study though it is still not complete. They have looked at all the job descriptions with comparable organizations. Some of the comparability relates with private sector or non-city positions. However, they have considered all the cities in Delaware that may be comparable as well as some in Maryland and other private utilities.

The City Manager reported it is 60% completed. The job descriptions have been analyzed and benchmark data provided in relation to the electric employees only. Last year a similar study was done for the police department and one had not been done for the balance of the City employees in almost ten years. During last year's budget, there were a number of Department Heads recommending salary adjustments.

Mr. Norenberg recommended not only adjusting a few and instead felt a proper analysis was needed.

Councilmember Peel stressed that her point is that a study can be done and compared it to teachers' salaries and the disparity of what they are paid because there the money is just not available. She emphasized the need to balance that with what is actually available fiscally. She pointed out this is only a projection and recommendation, but there is no requirement to meet it in the budget.

Mr. Norenberg said that will depend on what the Councils' public policy priorities are. If the City is unable to afford it, we cannot afford it; if we want to phase it in over a period of time, that can also be considered. However, they are speculating some employees may be exactly where they need to be and some may be over and some under. The consultant will provide a full presentation within the next couple of months.

Councilman Brooks asked how often a study is needed; Mr. Norenberg said he is unsure of the benchmark but in his opinion ten years is well over the time needed for such a comparison. Councilman Brooks said he thinks a study has been done since that time. Councilman Morrow said he thought it was five years and asked the City Clerk.

Ms. Hudson confirmed the last complete citywide salary and classification study was completed and presented by Hendricks and Associates in 2008 under the direction of City Manager David Baird.

Milford Museum

Executive Director Claudia Furnish Leister submitted the following request:

Ms. Leister informed Council the museum has had more than 1,000 visitors since January and their normal visitation is about 3,000 people per year. Of the 1,000 visitors this year, fourteen have been from different states and another country (England). She feels the museum provides a wonderful opportunity to the public and believes that visitation and tourism is very important for Milford.

She feels the museum shares Milford story with new people moving to the area, with school groups and visitors. The Executive Director also noted that the building is owned by the Department of State and any repairs are paid by the State of Delaware, not the City of Milford.

She also pointed out they are a legal commission of the City. She then referenced the following written request:

During the past thirty years the Milford Museum has grown from a well-meaning amateur operated museum attracting a few hundred visitors a year to a professionally managed and widely respected cultural center for Milford. In 2016 the museum attracted over 3,000 visitors and held numerous educational events for the community.

In 2011 the Board of Directors raised funding to hire a full-time Executive Director with extensive museum background. That was the start of a steady rise in collection management, exhibit quality, community outreach and involvement. Over 11,000 items have been cataloged and preserved. Only a fraction of our historic collection can be displayed.

The current facility, although historic, is too small for the expanding collections and outreach mission of the museum. Due to the layout of the building there is no space for public gatherings or presentations and all available spaces are filled with exhibits. There are also restroom facilities that meet the standards of the Americans with Disabilities Act.

The time has come to add an addition to the current space so the museum can continue to support the community. During this past year, our local Senator and Representatives were able to obtain \$10,000 from the Bond Bill for a Feasibility Study to attach a 22 x 25-foot addition to the current building. It is understood that it may take several years before we can gather enough funds through grants and public support, however we would like to inform our donors that we have the City's support in this project.

The Board of the Milford Museum would like to request that the City increase our funding from \$26,000 to \$30,000 a year. We have been at the current level of funding for the past five years. In order not to lose our momentum we need this small increase to help support the increased costs of utilities, collections care, new exhibits, publicity, advertising, grant writing, etc. Any additional amount will assist us with the ability to move forward ensuring our relevance to a progressive Milford.

She stated that she understands this is a year not to be asking for money from neither the State nor the City. If it stays the same, she is understanding of that.

Ms. Leister invited Council to visit the museum emphasizing its importance to the City. She referenced the need for an addition to the building. Representative Harvey Kenton was able to acquire \$10,000 in funding from the State to do a feasibility study which resulted in an estimated \$400,000 to \$500,000 addition.

It was confirmed that she has not yet approached the civic organizations for funding. They are able to rent a room at Milford Public Library and Dave Kenton is allowing them to use the Century Club for meetings there though it is not the same as having people come into the building to see the exhibits.

Carlisle Fire Company

President Kevin Donovan submitted the following request:

I want to first apologize for the delayed response regarding the budgetary needs of the Carlisle Fire Company; however, I was making an honest attempt to compile the necessary information from our Company's Finance Chairperson and Treasurer to provide an accurate account to you and your constituents. Without making any additional excuses for the delayed communications, for as long as my memory serves me, I can remember the Carlisle Fire Company receiving approximately \$140,000 from the City of Milford each budget year. This funding of \$140,000 has been of great service to the department as it services a wide variety of resources within the department that is utilized internally and externally for the benefit of those we serve.

In addition to salaries and other employment costs (OECs), we utilize these funds to assist in daily operating and maintenance expenses to our current facility, emergency purchases, and to add to our current contingency as financial reserves. As the \$140,000 is an important part of the Carlisle Fire Company's budget, I would like to one day chat with you regarding a future increase to roughly \$150,000 to compensate for the cost of living increases that we have experienced over the last five years.

Again, I thank you for taking the time to reach out to me and my organization at such a time when the State and City are experiencing budgetary constraints but we are confident that we can properly utilize these funds to the benefit of the organization and the Milford community.

Mr. Norenberg offered to invite President Donovan to speak either tomorrow evening or June 12th when Council will be considering the budget.

When asked if the money provided pays for certain items or is it a contribution, Mr. Norenberg explained this is a transfer to the fire company. There are also funds collected through the building process that is equivalent to an impact fee that can be used for capital needs. Last year, approximately \$60,000 was provided to assist with their garage project. This money is used for their day to day expenses.

It was noted that since 2010, they have been given \$140,000 each year; prior to that, specific requests for items were made

that City Council approved.

Councilwoman Peel asked if the City is aware of what the money is being spent on; Mr. Norenberg referred to the email stating that *“with salaries and other employment costs making up about 70 percent of the department's budget and rising each year it is imperative that we secure these funds to provide adequate EMS/Fire coverage to the citizens within the City of Milford on a 24/7 basis around the clock.”*

Councilman Morrow said that he and Councilman Brooks recall when the City didn't charge for electric or paid their electric bill and gave them a small donation. Then it became a dollar amount donation for operations. He said then there were five or so items and recalled the City purchasing a ladder truck.

Councilwoman Peel said she can understand capital because that is tangible and we can see it. But this is vague in her opinion.

Mr. Portmann recalled the City providing a \$40,000 donation annually for a number of years. They then asked for help with some capital needs and assistance with a new truck. He recalled the City committing to \$125,000 for three years toward its cost. Some of that paid for electric and paramedics, in addition to capital items.

Councilwoman Peel asked if they have anyone with full-time positions; Mr. Portmann said paramedics. Councilman Morrow said they have four or so paramedics, a secretary and a couple dispatchers who are all full-time.

Councilwoman Peel prefers to have a salary breakdown of each job and thinks someone needs to come before Council to explain those positions and associated costs.

Councilman Burk asked how much the people that live in Carlisle's fire district who live outside the City contribute; he also asked how much it has increased over the past ten years because the fire company is now asking for an extra \$10,000 though it is for public safety.

Councilman Morrow does not feel it is paying their salaries and instead this is a donation. Councilwoman Peel said that the memo states *“In addition to salaries and other employment costs (OECs), we utilize these funds to assist in daily operating.”*

Councilwoman Peel wants more information and Councilman Morrow asked that they be here at the next meeting. Councilwoman Peel also recommends they provide information on other funding sources.

Councilman Campbell suggested they provide a report that will show where the funds are being used.

Mr. Norenberg stated that he will ask the President to attend the June 12th Council Meeting to answer those questions.

Councilman Morrow reported that they receive their money from three major funding sources—the State of Delaware, City of Milford and private donations. They may also get funding from the federal government.

Because the equipment is expensive, Councilwoman Peels understands that if it is a capital cost, but this email does not share enough information; Councilman Brooks agreed.

Revenues

Finance Director Portmann referenced the general fund capital reserves of \$720,000, which is a \$200,000 increase from previous years for general fund capital coming from the reserve account. The reserve account has about \$1.8 million and this will reduce that to a little more than \$1 million.

The items requested to be paid are:

Streets-	
Warehouse Shelving	\$25,000

Asphalt Spray-Patch Machine	\$60,000
½ Street Sweeper	\$145,000
Curb Replacement-SE 2 nd Street	\$35,000
Paving-North McColley Street	\$95,000
Total Streets-	\$510,000

Parks & Recreation-	
Riverwalk Decking	\$50,000
Irrigation @ Tony Silicato Park	\$100,000
Additional Sports Field at TS Park	\$50,000
Outdoor Volleyball at TS Park	\$10,000
Total Parks & Recreation-	\$210,000

Mr. Portmann noted that Council will see these items in the street and parks and recreation budgets.

He then referred to the \$95,000 for economic development, \$40,000 for Downtown Milford, Incorporated (DMI) which is the fifth year of a five-year contract, \$5,000 for economic development expenses and \$50,000 for the M&T parking lot improvements.

The current property rate is not increasing and remains at 46 cents. There is a slight increase in the amount collected which is mainly attributed to farmlands that were previously not taxed and are now subdivided and receiving tax bills.

The Finance Director provided a handout showing the previous prior year balances and an estimate of the next five years. He feels the funding is in decent shape as long as the State does not reduce our percentage. This year \$886,328 was received.

Police fines have not met the estimated number in recent years and were reduced to \$110,000.

The School Resource Officers' funding increased from \$150,000 to \$177,750. The State of Delaware is still paying \$150,000 and \$27,750 came in during the first year when the school paid for all three officers. The money left over was added to pay the \$177,750 needed for the actual costs of two officers.

Mr. Portmann informed Council there is no change in the tower leases, Chesapeake Gas or the CATV Franchise. Overall there is very little change in revenues.

The interdepartmental revenues were changed by 3% to reflect the overall 3% increase in wages.

In addition there is no change to the electric transfer of \$2.5 million.

Council then continued with a review of the following departments:

Planning Department

*Reduction in Salary & Wages due to utilization of Personnel \$117,490 to \$87,850.

Planner Rob Pierce explained that three-quarters of the job duties of the administrative assistant/permit technician position are related to licensing and building permits. Those costs were transferred into the enforcement/inspections budget and the reason for the decrease in the salary and benefit line items.

*Contract services reduced from \$30,000 to zero

*Legal services increased from \$15,000 to \$20,000

Mr. Pierce explained that his department has transferred money at the end of every budget year to cover the legal expenses from other line items. Because he handles the economic development duties, he does not want money transferred from the economic development fund to pay for the solicitor's review of contracts. The increase in economic development activities

and planning and zoning applications has created that need.

Councilman Morrow pointed out those fees are recovered by the developer. Mr. Pierce explained that the majority of legal and engineering services are reimbursed but not 100%.

Councilman Mergner arrived at this time.

Mr. Portmann confirmed the money goes back into the line items. When the engineering or legal services are billed, that reduces his expenses and ultimately keeps those costs down. He emphasized that 100% of those services are collected and there are a number of items paid from the budget as an expenditure and not a reimbursement.

Councilman Burk asked how much of the budgeted amount was used for training and noted that Council recently approved transferring money from training into the legal fund. Mr. Pierce explained it was transferred from the enforcement and inspection's department. Of the \$5,000 budgeted, a little more than \$3,000 was used and the reason that line item was reduced.

Most of the planning training budget was increased for additional training for the administrative assistant/permit technician and himself.

*Copier line item added-\$3,000

Mr. Pierce explained a new copier was needed for use by the planning and code/inspection departments downstairs. The individual printers/scanners will be phased out and a central unit used by all staff in an attempt to reduce costs.

Councilman Burk asked if a new copier is really needed this year; he feels that amount could be used in another area this year versus spending \$3,500 on a new copier.

City Manager Norenberg informed Council we will be leasing the copier and saving money due to the replacement of the ten-year-old copier being used by the administration. That has an extremely expensive maintenance service contract which can be eliminated. Costs will be reduced in a couple areas as a result of a State contract. The new copies will actually provide more services at the same price. In addition, cheaper paper can be used due to the old copier requiring a heavier grade.

Councilman Burk liked that idea because every time a handout is distributed, he and Councilwoman Peel cringe as a result of the high-quality paper that is used by the City.

*Software Maintenance added-\$4,000

The planning department pays one-quarter (\$3,000) for the Esri (GIS) Software Licensing Agreement and water/sewer/electric share the remaining costs. The first year, a grant covered 100% of the implementation of the Esri hardware and software. In addition, there are miscellaneous costs involving security and protection software. In previous years, the miscellaneous software update fees were paid from various budget items.

When the additional code official costs were backed out of last year's budget, there was a zero net increase in this budget the past two years.

Code Enforcement and Inspections

*Salaries & Wages decreased to \$86,950

*Contract Services added-\$72,000

Mr. Portmann reported that though 75% of the costs of the new position were added to this department, another full-time position (building inspector) was eliminated and associated services, outsourced out through a private inspection agency at an estimated cost of \$40,000. Mr. Pierce explained that instead of adding another position for the rental inspection program, he is also considering outsourcing that work at a cost of \$30,000 which is a substantial savings in comparison.

- *Training reduced from \$5,000 to \$2,000 due to lesser employees
- *Computer reduced from \$2,000 to zero
- *Demolitions reduced from \$16,000 to zero because that line item has not been used the past two years.

The Finance Director recommends that should any demolitions be needed, Mr. Pierce return to Council at that time to prevent adding it to the budget and knocking out another program that may be critical at this point.

Parks and Recreation

- *Salaries & Wages increased as a result of 3% pay increase.
- *Overtime added-\$2,500

Parks and Recreation Director Brad Dennehy explained that the Park Technician was a \$25,000 salaried position. With the restructuring that happened in his department late this past year due to the Obama salary/overtime rule, this position was changed to an hourly position. It remains at \$25,000 a year though overtime must now be paid for festivals and other events. As a result, \$2,500 was added which calculates to \$28,000 though that only applies to one person.

- *Maintenance & Repair of Building increased by \$4,000 to \$25,000

Mr. Dennehy explained the building is approximately 25 years old and when City Manager Hans Medlarz was hired, he approved roof repairs and interior painting. The exterior now needs to be painted and the HVAC unit needs replacing. In addition to several miscellaneous items including double doors. New floors are also planned for the bathrooms.

- *Advertising & Printing increased by \$2,000

The P&R Director recalled hiring a designer/consultant for a new brochure. The brochure was changed from a single black and white document to new shiny brochures that contain photos and a new logo.

- *Boys and Girls Club Rental increased from \$32,000 to \$33,000

Mr. Dennehy explained this is the last year of a five-year contract that covers the cost of using the gymnasium throughout the year. He pointed out Parks and Recreation has had a strong basketball program for many years and pointed out that three Councilmembers have children in that program.

A pool rental was included in the contract though Park and Recreation though they no longer have a swimming program.

He needs to sit down and evaluate exactly how many hours his department uses the gymnasium to determine whether it is money well spent while considering other alternatives.

Councilman Brooks recalled the City contributing \$750,000 to build the new Boys and Girls Club in addition to the land at the business park.

Councilman Burk informed Council that Mr. Dennehy told him he needed one or two new computers this year; Mr. Dennehy explained that two employees need new computers. One is a Park Superintendent who works out of one of their satellite buildings on Mill Street and is still using Carroll Jesters' laptop who retired in 2009. The same situation applies to Recreation Supervisor Keith Short. Though they normally replace one a year, this year he needs two new computers.

- *Employee Benefits increased from \$156,760 to \$176,015
- *Overall total increased from \$873,005 to \$920,135
- *Telephone increased from \$900 to \$1,500

Mr. Portmann then asked the Director to comment on the big items included in his capital request:

\$40,000 Equipment
\$210,000 Parks

Mr. Dennehy explained that the pickup truck used for snow removal, currently has 115,000 miles and needs to be replaced.

The intent is to purchase a cab and a half 3/4 ton pickup with the plow package for an estimated \$40,000.

For the last two years, there has been \$50,000 earmarked for the replacement of the Riverwalk decking. Previous City Manager Hans Medlarz had a theory about removing the boards, using a power planer on them, and reinstalling them upside down. Mr. Dennehy was never in favor of that and feels they need to be removed and replaced with an artificial type composite deck board that will last for the next twenty plus years. The project cost is between \$300,000 and \$400,000.

There was \$100,000 allocated the past two years. Another \$50,000 in FY18 will provide \$150,000. Last week, he submitted a DNREC grant that will require a matching grant of \$150,000 for a total of \$300,000. City Manager Norenberg had suggested applying for some legislative money in the amount of \$100,000 which would provide the \$400,000 needed to complete the project.

In addition to the \$50,000, Mr. Dennehy wants to develop another soccer field. He reported that the Tony Silicato Memorial Park fields are currently under utilized though that would provide an ideal location for a new field. He is requesting another \$50,000 for the new soccer field.

He also suggests a well be installed. Currently they are spending \$10,000 to irrigate the fields at the Tony Silicato Memorial Park. About \$100,000 has been spent using treated water over the past ten years and the reason he is asking to install a six-inch well. The cost of the well is \$100,000 though it would pay for itself over the next ten years.

Mr. Dennehy is also asking for \$10,000 for a middle school volleyball program. They are willing to put together a summer training camp to create a feeder program for Milford School District. A sand volleyball court would be built that would give the kids an area to play.

Councilman Brooks recommended that Mr. Dennehy ask Dennis Silicato to contribute to the projects at the Park.

When asked if additional revenues are anticipated from the additional sports field. Mr. Dennehy explained that their department has an enterprise fund worth \$100,000. Fees paid to participate in all of their programs are put into the enterprise fund that is used for the various programs.

He feels the other field could be rented out because of the number of Hispanic groups looking for a place to play soccer. One group is currently playing in the park behind the Santa Clause house downtown. The City pays \$1,500 for lawn seed which has been destroyed as a result of its constant use. He has met with them and informed them they will need to come back and reseed it. He has also given them permission to play at the old water plant.

Though the City has over 200 acres of parkland, there are not a lot of playing fields where pickup games can be played or footballs and/or frisbees thrown.

Councilman Morrow pointed out that the fields at the old Middle School are being utilized. Mr. Dennehy said that two years or so again, there were discussions that park and recreation would inherit those fields. However, he never participated in those meetings at the time and is unable to speak for the school district. If those fields become available, parks and recreation would be willing to take them over. However, there would be an increase to his budget to maintain and irrigate them. He does agree they can be offset by the fees charged to rent them out.

Councilman Mergner feels that we could partner with the school and agree to maintain them, rent them out and use those fees for maintenance costs.

Mr. Dennehy recalled the controversy surrounding the subdivision of that property and the referendum that caused many of those plans to be revoked.

An additional item he is requesting involves the use of the garage area behind the Milford Armory. Currently they store all their trucks, trailers, lawnmowers and paddle boats in the old Growmark building across the street from the police department. The building has a leaky roof and no water, sewer or electric. In addition, Growmark is planning to rent or sell the building. He is asking to use the building which has water, sewer and electric though it has no bathrooms.

The Growmark building was used by parks and recreation in exchange for maintaining their grass.

Mr. Dennehy is asking for \$25,000 to frame up some bathrooms and add air conditioning and heat. Instead of asking for \$200,000 or \$300,000 for a new storage building, he feels that a minimal investment of \$25,000 will get the Armory operational and up and running.

City Manager Norenberg reminded Council there is a party interested in using the basement of the main building though he has not yet heard back on a draft lease. In exchange of rent, they indicated they would be willing to do a lot of renovations and repairs, in addition to covering the utility costs.

In addition, there is a group interested in launching a community garden on the site north of the parking lot.

The building will need to be secured because presently only the chain-linked fence is locked to prevent entry onto the site.

Public works will also need to relocate all the spare recycling and garbage containers that are currently stored in the building parks and recreation will be inheriting.

Mr. Norenberg noted that the \$25,000 is not currently budgeted, though he had recommended Mr. Dennehy come before Council at the time the equipment needed to be moved from Growmark.

Mr. Portmann added that in addition to the expenses to update the building, there will be an ongoing annual cost of \$7,000 for water, electric, etc.

A summary of the parks and recreation requests are as follows:

\$40,000 Pickup Truck
\$50,000 Riverwalk Decking
\$50,000 Additional Soccer Field at Tony Silicato Memorial Park
\$100,000 Irrigation Well at Tony Silicato Memorial Park
\$10,000 Middle School Sand Volleyball Court
\$25,000 Armory Garage Addition of Bathrooms, Heat and Air Conditioning

Police

*Cell Phone Line item reduced from \$14,500 to \$9,500.

*Special Ops Group Expense reduced from \$7,500 to \$4,000

Mr. Portmann noted that the increase in pay is the result of the approved Teamsters Contract.

Councilman Burk asked the reason for the increase in the overtime line item from FY15-16 to the current fiscal and upcoming fiscal years; Mr. Portmann explained that special duty radar was added to overtime. The \$15,000 shown in FY15-16 was transferred to the overtime line item based on how Chief Brown chose to categorize that pay.

Councilwoman Peel referenced the \$164,000 earmarked for overtime. She said it appears to be a couple officers' salaries and asked if hiring two additional officers should be considered in lieu of paying that amount of overtime.

Chief Brown said it could reduce that number; however, the department will always have overtime. When someone is out sick or on vacation, another officer is called in and paid overtime or court time. Councilwoman Peel pointed out there are separate line items for court and standby. Chief Brown explained that court standby is different than being called in to transport prisoners for court for example.

Councilman Brooks asked what is an officer on call; Chief Brown advised that an officer is paid each day to be on call and that officer receives three hours of straight time to be available.

Councilwoman Peel asked if the officer getting paid for being on standby is also being paid. Councilman Burk asked Chief to expand on that and explain what that involves because his impression is they are unable to leave the area, etc. Chief Brown said they have to be able to respond within a half hour anytime during that 24-hour time frame when extra help is needed.

Councilwoman Peel asked if they get paid even if they are not called in; Chief Brown stated that is correct. Councilman Mergner explained they are restricted and have to stay local and available at any moment.

City Manager Norenberg explained that a lot of the items being questioned are items that have been negotiated and are included in the union contract. If Council wants them changed, that would have to be renegotiated in the next contract.

When asked if the City still pays for school crossing guards, Chief Brown stated yes. Councilwoman Peel pointed out that comparatively, it is not as much as the school resource officers.

When Councilman Mergner asked if we are still splitting the costs for the SRO officers, Chief Brown explained that the City pays for one and the school pays for two. Mr. Portmann noted that we have one more year left the current contract in which the school contributes \$150,000 toward the cost of the two officers.

Mr. Norenberg stated that is one of several contracts including DMI and the Boys and Girls Club that.

*Police Vehicles increased from \$71,600 to \$83,340

Chief Brown reported that last year, they received a good deal on the Chevy Tahoes because the two Dodge Chargers were traded at a value of approximately \$8,000. When they changed to the Chevy Tahoe, the dealer advised that the cost of those vehicles would increase \$5,000 to \$6,000 the following year though that may have occurred last year as well.

This year the dealer was only willing to give them a \$1,000 and \$2,000 trade in so instead, they opted to sell them outright. Chief Brown anticipates receiving \$5,000 to \$6,000 from an online sale.

Councilman Brooks asked if Chief Brown is still purchasing vehicles through the State; Chief Brown confirmed they are. Chief Brown is also using their Sussex County grant money to pay for the \$20,500 Taser Body Camera project annual payment as was indicated at the time of purchase.

Councilwoman Peel then confirmed that most of the salary-related items cannot be considered because they have been negotiated.

It was noted that the Parks and Recreation budget took twice as long as the police because they were asking for more than \$200,000 in additional items.

Finance and IT

*Contract Services-Tax Assessor added-\$16,100

*CAMA Tax Software added-\$7,000

Mr. Portmann noted that the only changes are the above items requested by the City Manager because the finance department is taking a more active role in this area. Prior to that, the previous City Managers were hands on with property taxes.

IT Department

*Salaries & Wages increased from \$107,310 to \$114,995

*Training increased by \$1,400

*Telephone doubled from \$300 to \$600

The salary increase is due to an additional one-day every two-week pay period for the secondary IT person. He presently works three days a week though they are trying to get him more hours which works out to only one additional day every

payroll.

Councilman Burk asked if the reason that was added is because we are worried he will leave; Mr. Portmann said that is a concern though ultimately he will replace the IT Manager when he retires. Councilman Burk feels that is a concern because he was informed of the number of hours he would be working at the time he was hired. He wants to keep our employees happy but does not believe in leaving anything on the table this year.

When asked that cost, Mr. Portmann said the associated increase is \$3,000.

Councilman Burk asked if the part-time IT person is part of the job classification study; Mr. Norenberg said we are only reviewing the full-time position which is being looked at very carefully in lieu of his impending retirement though no date has been announced yet.

Councilman Burk asked what kind of training is being provided to the part-time person; Mr. Portmann noted the increase of \$1,400 for the additional schooling that will occur this month for the first time since he was hired by Milford.

Mr. Norenberg added there is a fair amount of training and user groups our employees participate in. Most have been involved for many years and are experts in their fields. There is at least one session that both IT employees will attend to cover bases and exchange information as is required.

When asked about the increase in phones, Mr. Portmann explained that in the IT department, it is co-shared in city halls' overall building costs. Phones are now being identified by each department as will be seen in the city hall cost allocation. Overall, there are savings in the end.

*Capital Equipment increase from \$55,000 to \$63,000

This increase is due to the request for a \$35,000 AS400 Server (main server) which is replaced every five years. The old server is downgraded as a secondary server to allow them to mirror one another. The ten-year-old server will be removed.

Also included is a \$20,000 male server and an \$8,000 NAS (network-attached) server.

City Administration

*Salaries & Wages increased from \$320,220 to \$341,865

*Contract Services increased to \$25,000

Salaries increased with a personnel move from the planning department to administration though it also includes the pay increase.

The tax assessor and CAMA software line items reflect the move from administration to the finance budget.

The contract services cover the cost of the half-time intern shared with Rehoboth Beach. Mr. Norenberg reports that he will actually be hired by Rehoboth Beach and Milford will pay their share through a contract agreement.

Mr. Burk asked the benefit of the \$25,000 and whether this will save the City money. Mr. Norenberg said there are a number of projects that will be assigned to the intern. He will be helping with the strategic planning process, code updates and we may also be able to avoid contracting out some items as has been done in the past. He expects most projects will be policies and procedures as he works for both cities.

The City Manager will provide a better idea after he meets with the Rehoboth Beach City Manager on Tuesday.

Mr. Burk expressed concern we are asking our citizens to pay a tax increase and perhaps we should be asking our employees

to pay a greater share of their healthcare. On the other hand, we are bringing in an intern at a cost of \$25,000. He wants to make sure we are getting the most bang for our buck. He reiterated that everything is on the table this year. Rehoboth, in his opinion, is a completely different situation than Milford. The average income is higher and property values are higher than Milford. They also have other streams of revenues that Milford does not have. Bottom line is, Milford is not Rehoboth Beach.

Mr. Norenberg explained this is a new concept to Delaware and the first time any city has brought in the Local Government Management Fellow Program. They agreed it was best to share half the potential expenses which is much less than bringing on a full-time fellow. If successful, they can either keep the fellow for another year or bring in a new fellow. If Council does not feel it is a successful program, we thank the intern and not proceed with any additional funding.

Councilwoman Peel confirmed the 3% increase is included in this budget; she then asked if that is only proposed and not guaranteed. Mr. Norenberg reiterated it is budgeted and at the end of tomorrow night, if Council wishes to go in a different direction, that can be discussed.

Mr. Portmann explained that the police have a 3% increase in their union contract which is guaranteed though citywide it is not. Councilwoman Peel asked about incremental increases up to 3% and the cost different if 2 or 2.5% were given instead.

He stated that every 1% of the general fund is \$15,000, not including the police union contract. The total of the 3% is \$45,000 on the general fund, exclusive of the Teamsters.

The overall city administrative budget was reduced from \$721,025 to \$634,470.

Council

*City Hall Building Expense decreased from \$17,950 to \$15,000

Mr. Portmann reported that the liability insurance numbers will not be available until Wednesday because we have not received our re-bid insurance. However, there is a small increase indicated as is expected. Those numbers should be received before the final budget is adopted on June 12th.

*Christmas Decorations decreased from \$15,000 to \$10,000

*Council Expense increased from \$17,000 to \$20,000

Mr. Norenberg explained there are a variety of items paid from the council expense line item. They include Delaware League and SCAT dinner meetings, Police Chiefs' Conferences, Main Street Conferences, recognition, flowers for bereavement, SCAT, Delaware League, National League of Cities and the Kent Economic Committee annual dues. The Delaware League dues alone are \$5,000 due to the increase in our population of more than 10,000.

The Fire Company, Museum and Downtown Milford Incorporated funding was then briefly reviewed.

It was noted that the historical society has questioned why the City does not provide them the same funding as the museum receives; it was noted that the City provides that organization with some in kind benefits through lawn maintenance at Parson Thorne Mansion.

The City Manager reported that the Parks and Recreation and Public Works Directors are presently reviewing the various properties and organizations that receive support such as snow plowing and landscaping though only a couple have an actual maintenance agreement. Some will be discussed as a potential cost saving measure at a later date.

Councilwoman Peel asked when DMI plans to provide a presentation in response to the goals set by the City; Mr. Norenberg explained they are still in the process of filling the director position though he believes their intent is to relaunch the recruitment. She felt they should be here at budget time to respond as the other departments/agencies have done

Councilman Burk then referred to the \$20,000 strategic plan and asked for the City Manager to explain its value. He pointed out there are a number of other cities operating without a strategic plan.

Councilman Mergner commented that from a business standpoint the plan is huge. Councilwoman Peel agreed. Councilman Mergner explained it is the game plan and playbook in moving forward. From a City standpoint, Councilman Mergner believes it will provide a blueprint for the next several years. Councilwoman Peel added that everything will be tied into the strategic plan. Eventually evaluations will be tied in and all goals established. She was shocked the City had never had one which is a little scary in her opinion.

She explained that it had to be budgeted because no one in the City has that expertise or time to dedicate to the data collection required from the stakeholders.

City Manager Norenberg explained the resident survey and comprehensive plan will both feed into the strategic plan, in addition to other plans such as the Rivertown Rebirth. That schedule was presented to City Council in April and the contract is in place. The result will be a five-year view of where the City needs to be and how to get there, with the help of the residents, employees and Council's input.

It will also provide an opportunity for Council to answer to their constituents when asked questions about specific items that are included in the budget.

Councilwoman Peel said that though it is costly, it maintains some consistency regardless of any changes with the elected officials. She feels what is happening is happening quickly and there is a need for the City to guide it properly.

Mayor Shupe agrees there are a lot of moving parts, particularly in economic development, new business and existing businesses. This will allow the City to provide a strategy to prepare for that, infrastructure, development, finance and other essential areas.

Councilman Burk said he understands the need to the \$20,000 cost though he is willing to go through each department and pull some money to fill the gaps. He emphasized there are going to be items that people will not get. As an example, if his child wants an iPad and he does not have the money, he can't simply go to this employer and ask for more money.

Councilman Brooks then referenced the resident survey that was budgeted in this current year and asked its value. Councilman Morrow stated that it is currently underway and we have not yet received the results.

Mr. Norenberg added the postcards went out today and the surveys will be mailed next week to 1,500 random residents with a proportionate number selected from each ward. The results should be received by August or September.

Councilman Brooks asked if each survey cost \$10; the City Manager explained there is a lot of analysis required to properly compare with other Cities. Mayor Shupe explained the cost for the raw materials to be mailed is not \$10. Councilman Brooks wants to know what we are going to get out of it. He said if the one thing works, something else might not. If it doesn't work, he does not think the City should waste \$20,000.

Mr. Norenberg was asked to add the need for Carlisle Fire Company to provide their current financial information and specifically disclose their other funding sources.

It was suggested they should provide a financial report to the City on a quarterly or six-month basis.

Councilwoman Peel prefers they be present to answer the questions Council has. Mr. Norenberg said he did not ask them to be present tonight though he will ask their president to provide a more formal presentation at the June 12th meeting as Council wishes.

City Hall Cost Allocation

*Building Maintenance and Repair reduced from \$15,000 to \$9,000

*Telephone reduced from \$2,500 to zero

*Overall City Hall Allocation expenses reduced from \$51,000 to \$42,600

Mr. Portmann explained the telephone costs were allocated to the various departments as was previously discussed.

*Materials and Supplies increased from \$800 to \$2,000

Councilwoman Peel asked if we can use a more standard or recycled paper. The paper currently used is what is typically purchased for formal documents like resumes.

Mr. Norenberg believes the estimate was based on daily items such as coffee and water though he will double check.

City Council Discussion and Wrap-up

When discussing the new servers being purchased, Councilman Burk asked if even though IT is not present, are there any strategies of how to save money on those line items. Councilwoman Peel suggests not printing everything.

Councilman Burk asked if IT was asked for other alternatives during the budget meetings versus simply purchasing new equipment or how we can make it work for less. He pointed out that IT people talk in a different language.

With regard to email and the possibility of switching to Gmail, Mr. Norenberg explained that many of our systems use emails as a way of communicating and connecting and Gmail does not support that. As a result, there are certain functions like the parks and recreation registration system that sends an email. Councilwoman Peel feels that their system can be updated as well though that cannot be considered this year.

Councilman Burk is having a hard time believing the AS400 is that expensive; he uses a version at his work from 1986 and a DOS-based system and emphasized this is a \$30,000 plus piece of equipment. Mr. Portmann explained they do not want to take a chance on going down because it is the backbone of the City system. The second unit is kept until it is ten years old.

Councilman Burk feels that industry-wide, all municipalities are under the gun for budget cuts. He is sure that someone has at some point come up with a creative solution. Councilman Campbell pointed out that the AS400 is very expensive. Mr. Norenberg added that as the City of Dover upgrades their system (they use the same software), we may be able to learn from them in terms of going to Cloud.

Councilman Burk reported that someone from his department was talking to Sussex County about their new system and what they were promised versus what they got. Their salesperson led them to believe it would result in a lot less man hours though that did not happen.

Mr. Norenberg informed Council that a small bill was recently introduced that could have a huge impact on cities relative to cyber security and liability should we get hacked and personal data is stolen. That is another reason to watch what we are doing on Cloud versus using our local servers.

It was agreed to talk more about the parks and recreation capital request tomorrow night.

EXECUTIVE SESSION

Councilmember Mergner moved to go into Executive Session reference below statute, seconded by Councilmember Morrow:

{Pursuant to 29 Del. C. §10004(b)(4)} Collective Bargaining Matters

Motion carried.

Mayor Shupe recessed the Council Meeting at 7:51 p.m. for the purpose as permitted by the Delaware Freedom of Information Act.

Return to Open Session

Councilmember Burk moved to return to Open Session, seconded by Councilmember Mergner. Motion carried.

City Council returned to Open Session at 8:12 p.m.

Councilman Burk moved to authorize the City Manager to act in accordance with what was presented in the Executive Session, seconded by Councilman Campbell. Motion carried.

ADJOURN

There being no further business, Councilmember Burk moved to adjourn the Council Meeting, seconded by Councilmember Mergner. Motion carried.

The Council Budget Review Meeting adjourned at 8:14 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
June 6, 2017

A meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers, 201 South Walnut Street, Milford, Delaware on Tuesday, June 6, 2017, to discuss the proposed Fiscal Year 2017-2018 City of Milford Budget.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr, Douglas Morrow and James Starling Sr.

STAFF: City Manager Eric Norenberg, Finance Director Jeff Portmann and City Clerk/Recorder Terri Hudson

Review and Discussion of Proposed City of Milford FY 2017-2018 Budget

Mayor Shupe called the Budget Review Meeting to order at 5:33 p.m. to discuss the second night of the budget review.

Finance Director Jeff Portmann continued the overview of the following City departments:

Customer Service

Highlights:

- *No New Requests
- *Uniform for Union Employee \$675
- *Citizen Bank Service Charge Eliminated \$6,000
- *Credit Card Processing Fee Increased (Utility Bills) \$6,000
- *Total Department Budget Unchanged

Councilman Mergner recommended shopping those credit card processing rates and pointed out they change on a regular basis.

Public Works

Finance Director Portmann explained that the Public Works Director oversees the garage, water/wastewater, trash, electric and streets who are housed at the site. There is a cost allocation among the six departments at the public works facility to pay for its operations which results in a zero net cost.

However, the largest share is the reallocation to the public works operations; the transfer to public works increased by \$25,000. The city manager noted that every department at the public works facility pays toward their operation. He confirmed the public works department has two positions--the Public Works Director and the Administrative Assistant who serve the water, sewer, trash, solid waste, recycling and engineering.

Mr. Norenberg recalled the recent reorganization of public works which will be reflected throughout those departments as noted below:

- *Reorganization increased Salary Line item from \$141,390 to \$303,420 (previously discussed)
- *Addition of City Engineer and Interns (previously discussed)
- *Engineering Line Item Reduced from \$12,000 to \$2,500
- *No Vehicles/No Repair or Labor Costs
- *Software Maintenance Costs Added \$4,425
- *Training Costs Reduced by \$2,000
- *Request for Computer (City Engineer) \$2,000
- *Office Equipment Added (Tables for Meeting Room) \$1,100
- *Capital-Equipment \$11,100

Public Works Director Mark Whitfield stated the request is for a server that will replace a five-year-old server as was recommended by City IT staff.

Water

- *Rates Remain Stable
- *Salaries & Wages Decreased Due to Reorganization
- *Wells Increased from \$80,000 to \$100,000

The Public Works Director reported that because routine maintenance and inspection of wells had been curtailed for some time, that is again on track again which created the increase. There will also be an increase in contract services as well.

He stated that Well 13 went down this week though Well 14 was being budgeted next year at a cost of approximately \$20,000. The intent is to have a refurbishment plan in lieu of an emergency situation as is now required at Well 13.

- *SCADA Maintenance & Repair Increased by \$10,000

Public Works Director Whitfield was informed by staff that there has been very little upgrades to the SCADA system. Currently there are a number of gages and hour meters that have failed and several need to be replaced. Consultants Progressive Engineering will need to be utilized more than normal as a result.

- *Pumping Power Purchase Estimated at \$10,000 less or \$240,000; Can Change due to Addition of New Water Tower
- *Debt Service Changes:
 - 2011 Bonds Paid Off (Decrease to Zero)
- *Capital-Infrastructure \$45,000

Public Works Director Whitfield explained that \$20,000 of the request is for new fencing; \$25,000 is for an altitude valve for the Southeast Tower needed to prevent variations of elevations. An altitude valve had not been installed at the Washington Tower and a change order is being prepared to add one. Fortunately there is an altitude valve at the Tenth Street Tower.

- *Transfer to Reserves \$490,320
- *Total Water Budget Unchanged \$2.7 Million

Wastewater

- *Rates Remain Stable
- *Salaries and Wages Decreased due to Reorganization
- *Kent County Wastewater Treatment Unchanged
- *Total Wastewater Budget Unchanged \$4.3 Million
- *I&I Treatment Estimated at \$475,000
- **Debt Service Changes:
 - 2011 Bonds Paid Off (Decrease to Zero)

Mr. Portmann discussed paying off a State Sewer SRF loan earlier. There is five years left though this will save \$82,000 of interest. Refinancing the 2011 Sewer Bonds saved \$210,377 which was placed in reserves. The savings from refinancing the 2011 bonds (FY18) is \$109,585. The early buyout of the 1996 Bonds saved \$76,130 and this year's normal payment would have been \$113,760.

The only additional funds needed are \$71,109 which will pay the \$580,961 due on July 1st.

By doing that, the City has eliminated \$760,000 over the next four years (FY 19, 20, 21, 22) or \$190,000 per year.

Capital-Vehicle \$60,000

Public Works Director Whitfield explained the request for a trailer-mounted sewer flusher. Last year, a truck-mounted sewer flusher was purchased for use on most of the main lines within the City and State Streets. However, there are a lot of locates in right-of-ways which requires a trailer-mounted flusher which can also be used as a backup to the main sewer flusher.

This is a versatile piece of equipment that can also be used by other Departments.

The existing unit is twenty-five years old and its pump is no longer dependable.

Capital-Infrastructure \$65,000

Mr. Whitfield explained that \$45,000 is for a grinder pump at the Silicato Pump Station. There have been a number of problems at that site with various items that were lodged. The grinder pump will resolve those issues and eliminate those emergency calls in the middle of the night.

In addition, \$20,000 is being requested for a fence at the Lighthouse Pump Station. Currently, there is concern because of no security around that station.

*Transfer to Reserves \$259,015

*Total Wastewater Budget Unchanged \$4.3 Million

Solid Waste

*Residential Rate 50-Cent Increase (Year Three)

*Budgeted Fund Balance-New Truck \$227,000 (Funded from Cash Balance)

*Salaries & Wages Reduced due to Reorganization

*Landfill Fees Reduced by \$15,000 due to Increase in Recycling

*Trash & Recycling Containers Increased to \$48,000 (\$55/each)

Public Works Director Whitfield announced that a lot of the current containers are twenty plus years old. Requests for replacement containers have increased substantially as a result of the containers cracking and breaking. The containers typically have a life of ten years. The plan is to start cycling out the older containers.

*Transfer to Public Works Increased to \$91,095 which was offset by the Wage Decrease

Mr. Portmann explained that when comparing the revenues versus expenses, the department is in the hole by \$50,000 which is the cost of the containers. The rates should not need another increase through next year because this will not be a recurring expense.

Mr. Whitfield then reported the new dual trash/recycling containers have been placed in various places throughout town. Council approved purchasing forty containers or half of what was authorized through the recycling grant; \$24,450 has been budgeted to purchase the other forty containers.

It was noted that Parks and Recreation Director Brad Dennehy had identified a number of park and public locations the containers were needed.

Councilman Burk suggesting using the good containers left over to supplement the new dual ones to prevent purchasing these and saving that money.

Mr. Norenberg noted that the plastic the containers are made from is recyclable so the City does receive some trade-in value.

Mr. Whitfield also pointed out that a portion of the \$48,000 for trash and recycling containers is for new customers.

*Capital Equipment-Trash Container Readers \$9,350

*Capital Vehicle-Automated Sideload Vehicle \$227,000 (Single Person Operation)

Mr. Whitfield reported that by July, there will be two vacancies that will not have to be filled with the purchase of this vehicle.

Garage

*No changes.

Streets

*Decrease in Salaries and Wages to \$213,000 due to Reorganization

*Increase to Public Works from \$55,240 to \$91,095

*Decrease in Snow and Ice Removal due to Past Mild Winter

*Decrease in Contract Services from \$30,000 to \$12,000

*Decrease in Engineering from \$10,000 to \$2,500

*Overall Savings

Mr. Portmann explained this department has multiple funding sources. Some items are paid from taxes, some from reserves and some streets can be paid by Municipal Street Aid.

*Capital Building-Storage Facility Shelving \$25,000

*Capital Equipment-Spray Patcher for Use on Small Pot Holes and to Seal Streets \$60,000

*Capital Vehicles-Replacement Pickup Truck & Half of the Street Sweeper whose other half was budgeted in FY17

*Capital Streets-Repaving of North Marshall, North McColley, Mispillion Streets & Shared Work at Riverwalk Plaza

Mr. Whitfield would like an attachment installed on the back of the street sweeper called a weed seeker that can be used to efficiently control weeds. The weed seeker system senses a weed is present and signals a spray nozzle to deliver a precise amount of chemical.

He pointed out that currently this is handled by employees on the back of a truck which is a safety issue.

*Municipal Street Aid-Marshall Street \$150,000

*Southeast Second Street Curb \$150,000

Electric

*New rates reflected in Electric Revenues and consistent with Prior Year.

*Salaries and Wages-no Change as of this date though Union Contract will have an Impact later this year though that will be offset by reduced Legal Services \$100,000.

*Distribution Line-Transformers in Southeast portion of City that Heat is starting to Degrade and need to be Replaced and Repainted \$350,000.

*Contract Services Smart Metering-Unexpected Expenses to Repair Meter Locations \$50,000

*Uniforms-Increased by \$5,000 to \$15,000

Mr. Whitfield explained that the increase in budget is a result of the change to ANSI-3 which contains the reflective piping. In accordance with DeDOT regulations, anyone working on or near the highways must wear clothing that is certified and meets the standard specifications for high visibility personal protective safety apparel in the United States.

*SCADA \$25,000

*No Change in \$2.5 Million Transfer.

*Estimated Cost of Power Reduced by \$300,000

*Debt Service Reduced from \$350,000 to \$192,965 as a result of the Bonds that were Refinanced in 2016.

*\$285,000 Transferred to Reserves as a result of the Bond Refinancing.

*Transfer to Reserves \$215,665

- *Capital Equipment Upgraded Meter Tester that can be Used on Any Meter \$30,000
- *Capital Equipment Small Bucket Truck for Use by City Employee; Van Used by Meter Technician \$238,00
- *Capital Projects \$50,000 Substation Testing; \$100,000 Systemwide Study; \$35,000 Refurbish 28 Lights along Riverwalk; \$53,000 Regular Repairs and Oil Testing on Delivery 1 Pump Station. Total \$238,000.

Reserves, Municipal Street Aid and Real Estate Transfer Tax Accounts

Impact Fees Funds (Future Water Towers, Sewer Pumping Station, Substation Projects)

Projected FY18 Water Balance	\$1.883 Million
Projected FY18 Sewer Balance	\$1.175 Million
Projected FY18 Electric Balance	\$561,915

Water Capital Reserves

BALANCE PRIOR YEAR	\$7,360,021
INTEREST INCOME	
DEPOSIT-FUND BALANCE	
BUDGETED TRANSFER. TO RESERVES	\$490,320
FY 16 BUDGETED CAPITAL	(\$382,656)
FY 16 CAPITAL APPROVED PROJECTS	(\$64,881)
FY 14 CAPITAL BUDGET	
FRONT STREET	
SE 2ND STREET	
SMART METERING	
AIRPORT ROAD	
BOND REDEMPTION	
BALANCE AVAILABLE	\$3,227,804

General Fund Reserves

BALANCE PRIOR YEAR	\$2,224,323
INTEREST	
DEPOSIT-FUND BALANCE	
FY16	
CEMETERY ROAD	
POLICE CAD SYSTEM	
PARKS-GOAT ISL EDUCATION PAVILION	
PARKS-GOAT ISL OVERLOOKS	
PARKS-RIVERWALK DECKING	
GOAT ISLAND CAUSEWAY REMOVAL	
POLICE UNION CONTRACT	
STREETS-DUMP TRUCK	
COUNCIL EXP. & EMPLOYEE RECOGNITION	
FY17	
STREETS-BRIDGEHAM AND LINSTONE LANE:	
STREET SWEEPER 1/2-FY17 + 1/2-FY18	
POLICE STUDY-OPERATIONS & FACILITY	
PARKS-RIVERWALK DECKING	
PARKS-FLOATING KAYAK DOCK	
PAINT CITY HALL	
BOND REDEMPTION	
FY18	
FY 18 BUDGETED CAPITAL	(\$585,000)
BALANCE	\$1,093,421

Municipal Street Aid

BALANCE OF STREET FUNDS	\$1,227,157
BALANCE OF BRIDGE FUNDS	\$78,673
INTEREST	
MUNICIPAL STREET AID GRANT	
BALANCE AVAILABLE	\$1,534,780
STREET EXPENDITURES	
NORTH MARSHALL STREET	
2016 TRUITT AVENUE	
AIRPORT ROAD	
TOTAL STREET EXPENDITURES	(\$1,450,000)
RESTRICTED FUNDS	
RESERVED FOR BRIDGE WORK	(78,673)
BALANCE	\$6,107

General Improvement Fund

BALANCE PRIOR YEAR	\$268,226
INTEREST	
STATE FUNDS-RECEIVABLE	
STATE CTF FUNDS-RECEIVED	
: BALANCE AVAILABLE	\$772,350
STREET EXPENDITURES	
NE FRONT ST-UTILITY RELOCATION	
USDA GRANT	
DNREC-CAUSEWAY	
DTF-GOAT ISLAND	
CTF-CEMETARY ROAD	
CTF-KAYAK DOCK	
CTF-AIRPORT ROAD	
DNREC-WATER & SEWER GRANTS	
TOTAL STREET EXPENDITURES	(\$324,046)
BALANCE	\$448,304
SIDEWALK FUNDS	
BALANCE AVAILABLE	\$11,998

Sewer Capital Reserves

BALANCE PRIOR YEAR	\$4,161,445
INTEREST-CD PROGRAM FEE	
DEPOSIT-FUND BALANCE	
BUDGETED TRANSFER TO RESERVES	
BOND REFINANCING SAVINGS	
TOTAL FUNDS AVAILABLE	\$4,444,460
: EXPENDITURES	
CAPITAL BUDGET FY14	
CAPITAL BUDGET FY15	
CAPITAL BUDGET FY16	
FISHER AVENUE (USDA PROJECT)	
SHAWNEE ACRES PUMP STATION	
AIRPORT ROAD	
BOND REDEMPTION	
SRF LOAN REDEMPTION	
SE 2ND STREET	
TOTAL EXPENDITURES	(\$2,394,141)
BALANCE AVAILABLE	\$2,050,319

Electric Reserves

ELECTRIC CAPITAL RESERVES	\$8,233,163
BALANCE PRIOR YEAR	
INTEREST-CD PROGRAM FEE	
DEPOSIT-FUND BALANCE	
BUDGETED TRANSFER TO RESERVES	
BOND REDEMPTION SAVINGS	
FUNDS AVAILABLE	\$8,493,828
EXPENDITURES	
BUDGETED FY 16 CAPITAL	
mc crone ENGINEERING	
AIRPORT ROAD	
SMART METERING	
TOTAL EXPENDITURES	(\$2,439,740)
BALANCE AVAILABLE	\$6,054,088

Real Estate Transfer Tax

BALANCE PRIOR YEAR	\$2,042,642
INTEREST	\$8,750
R/E TRANSFER TAX REVENUE	\$600,000
TRANSFER TO POLICE DEPT. BUDGET	\$(500,000)
BALANCE	\$2,151,392

Economic Development Fund

BALANCE PRIOR YEAR	\$350,953
SALE OF BUSINESS PARK LAND	\$100,000
DMI	
PLANNER/ECONOMIC DEVELOPER-FY17	
M & T PARKING LOT IMPROVEMENTS	
USDA RURAL ECONOMIC DEV. PLAN	
COMPREHENSIVE PLAN ASSISTANCE	
ECONOMIC DEVELOPMENT EXPENSES	
PURCHASE BUSINESS PARK LOT	
USDA RURAL TOURISM STUDY	
TOTAL EXPENDITURES	(\$206,800)
BALANCE	\$244,153

City Council Discussion and wrap-up

City Manager Norenberg recalled last night's conversation that employees' health care benefit costs may be increased as of January 1st. As of this time, the State will not make any increases during the upcoming fiscal year. Therefore, there will be no impact on the FY18 budget.

When asked if Council wished to discuss any specific items, Mayor Shupe said he would like to talk about the additional January items.

He understands there is a wage compensation study going on right now. He agrees with the intent to determine if Milford is in the market or is competitive, but does not see a need to immediately implement on January 1st, at which time the study will be presented. Instead, he feels the wage adjustments noted in the City Managers' memo should be removed from the next fiscal year.

Instead, he prefers that matter be discussed during the next budget cycle after the information is received.

Councilman Burk asked about the need for a legal review and updated City Code. He said we were talking about some

disgruntled parties and asked how imperative this is and if we are at risk of being sued over the matter.

Councilman Burk pointed out we have spent a good amount of time going through the charter and this popped up when the Charter was being reviewed at Legislative Hall; Mr. Norenberg explained that the City Clerk first discussed approximately one year ago though it was not included in the current budget. The legal counsel at the General Assembly did find a couple items that did not coincide with what was posted on line. However, that is only one example of what this review would accomplish.

Ms. Hudson explained this would involve a legal review and thorough analysis of our code and policies. It would be conducted by one of our Code Companies' professional Codification Attorneys. The attorneys work closely to ensure the code is legally accurate, up-to-date and that it conforms to the laws in Delaware and to Federal laws and regulations. Several towns have done this and have found it very beneficial

Milford has not had a recodification since before Ms. Hudson became City Clerk in 1997.

She feels there is a need and believes this would put us ahead of the eight ball to remedy any conflicts or inconsistencies within our code that could land us in court. Presently we are unaware of specific law suits though that does not mean we may encounter something tomorrow.

Mayor Shupe asked for a ballpark figure; Ms. Hudson estimates between \$25,000 and \$35,000 based on the costs of City of Newark's review that is currently underway and was probably started a year or so ago.

Mayor Shupe asked if that is something that can be added into this year's budget and paid out of reserves. Councilman Burk said he was not familiar with the process and the reason he asked for justification. Councilman Brooks pointed out that we update the book all the time.

Mr. Portmann pointed out there are funds available in reserves if Council wishes to proceed.

When asked, Mr. Norenberg then explained the results of the classification compensation study should be presented to City Council within the next couple months based on the survey data gathered within the past six weeks.

Mayor Shupe feels that from a taxpayer's standpoint, it will be difficult to swallow a 3% raise and a wage adjustment on top of that. Councilman Burk agreed adding that is in addition to the employee's contribution percentage to health care being as low as it is.

Councilman Mergner asked if we should really review and consider some of the capital improvements; he asked if that would help. City Manager Norenberg pointed out they are paid from different funds for the most part. He personally has a hard time building a volleyball court and believes those are the type issues the public will have issues with if taxes need to be increased.

Councilman Burk agreed and Councilwoman Peel stated she is concerned with all of those things.

Mayor Shupe only wants to talk about the big budget issues that Council will be facing in January and get some consensus on where we are going.

Councilman Morrow feels that when we talk about budgets it is for a year and not a six-month budget. Some of these items do not have a price tag, but they can be considered when they come up and then added to next years' budget.

Councilwoman Peel questioned a blanket 3% employee raise and then raising taxes. Mr. Norenberg explained that the 3% raise is already built in except for the union contracts that have separate wage adjustments. They have historically been provided to the general fund and other non union employees at the same percentage as the police union negotiated. The classification and compensation study will be based on current figures and not necessarily an adjustment on top of the 3%. Instead, they would net that out and if an employee was recommended for a 4% adjustment, the 3% would be deducted to get them to the market. He is not proposing doubling up because the study was based on the numbers in May.

That will be factored in when the results are presented to City Council.

Mayor Shupe is not ready to tell the public that employees are receiving 3% and getting wage adjustments on top of that; Councilman Burk agreed.

The Mayor pointed out our residents are also going to be impacted by State and school tax increases.

City Manager Norenberg informed Council this is not a decision that needs to be made today. There is no number at this point so he recommends waiting on any decisions at the time they are presented. Councilman Morrow said that is the reason Council needs to focus on the FY18 budget tonight. He said we are not committed on any of the items including the wage study. Council voted to have it done though there was no promise to implement it nor was there a deadline.

Councilman Burk said that he agrees and Council needs time to digest it first.

Councilwoman Peel added that just because we have a wage that may be recommended does not mean it was guaranteed, particularly in a climate when most employees are not getting these things.

Councilman Burk stated the same applies to the cost of the planning and designing of the police station. He has to look hard at the reality of passing a referendum before anything is designed. Councilman Brooks agreed stating that the referendum needs to be passed before anything is done and especially before we start taking money from our residents.

Mayor Shupe said the only reason he is bringing this up is because the City will need to increase property taxes to take care of a number of these things. He wants to make it clear that these things could potentially impact the budget.

Councilman Mergner said that is the reason he is confused. He asked why are we saying this is going to create a tax increase when we don't even know some of the numbers.

Mr. Norenberg said there were a number of things identified during the budget process. When Mr. Portmann and he were working on the budget process, they were \$150,000 out of balance. A number of adjustments were made. In that category and on the next page he discussed some of the things that were removed from the budget to balance it. They felt it was best not to have a recommendation for a small tax increase this summer and then another tax adjustment next year. Two back-to-back increases would be difficult and one concern was the number of unknowns particularly with healthcare later this year. The recommendation on the wage adjustment is still unknown and between now and next summer, there should be a new police contract negotiated. That will have an impact as the most recent contract did that was recently ratified.

As a result, there will be a number of items that will impact the budget and this fiscal year. However, many of those decisions will need to be made down the road.

The City Manager explained the legal review is something that has been recommended and is a one-time cost. That can come out of reserves if Council feels it is needed. The Police Committee will meet Monday night about developing a game plan for the planning and design of the new station though there are some costs that will have to be handled this year related to Phase I and Phase II analysis that are needed during the due diligence period.

When the public becomes involved, a game plan is needed about what is being proposed.

The increase in capital requests was then discussed. Council reviewed the capital items presented by the Parks and Recreation Director in terms of wells, the volleyball court and the additional sports field. Mr. Norenberg said those items have not been fully vetted and will come back to Council for prior approval. When asked if they should be left out of the budget at this point, it was agreed to remove them.

If those items are paid from reserves, Mayor Shupe pointed out there may be other things needed this year that money could pay for, including the planning and designing of the police station or the City code review.

It was confirmed the irrigation, sports field and outdoor volleyball court would be stricken until such time a different game

plan can be considered.

The parks and recreation department also has a number of grant options that should be considered when comparing to capital requests from other departments. Finance Director Portmann confirmed this is the third year the Riverwalk item was budgeted and now stands at \$150,000.

Councilman Mergner would prefer to prioritize these items versus just throwing the items out there for a yes or no answer.

Councilman Burk recommends that Mr. Dennehy look into a partnership with the school district. There is no need to build a field if it is already there. For example, the field may have a youth soccer group on Saturday morning and an adult league at the middle school. He also prefers to use parks in the downtown area versus requiring kids to cross a highway.

Council agreed to delete the three items as was discussed.

Councilwoman Peel asked where the \$25,000 will come from to pay for the renovation of the building behind the Armory. Mr. Norenberg explained that is not included at this point though that can be pulled from reserves later.

Councilman Burk feels the priority is for some use of the Armory because the residents always ask him what is going on in that building. The building near the river where parks and recreation is currently storing their equipment is appalling in his opinion. He recommends Council go out there and look at the site where Gary Emory used to sell barbeque chicken and flowers.

Mr. Norenberg explained the \$25,000 cost will basically outfit the one end of the building that had a restroom though it was capped off and fixtures removed when they exited the facility. It only needs to be secured and plumbing and HVAC added.

As he gets closer to occupying the building, he can get a firmer quote.

Councilman Burk is not completely sold on the dual containers though he feels recycling is important. He noted the ones that are being replaced though the old ones are still capable of holding trash.

Mr. Norenberg recalled that Councilwoman Peel earlier asked that Council be provided with the list of the potential sites.

Councilman Burk agreed that they look good and a lot of residents have made positive comments about them.

Mayor Shupe said that even though we are sending the recordings to the press, he recommends we send the press release outlining the capital items that have been approved, along with the pay increase and most important, that there will be no increase in taxes. In that manner, everyone will be on the same page.

Mr. Norenberg said he really appreciates the feedback and it is very helpful when Councilmembers are involved in the budget process. He encouraged them to continue to provide feedback throughout the year.

Councilman Mergner and Councilman Burk thanked the Finance Director and City Manager for their hard work. Councilman Burk said it has been a tough year so he understands what went into this.

There being no further business, Councilman Brooks moved to adjourn the Council Meeting, seconded by Councilman Morrow. Motion carried.

The Council Budget Review Meeting was adjourned by Mayor Shupe at 7:15 p.m.

Respectfully submitted,

Terri K. Hudson, MMC

City Clerk/Recorder