

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
May 8, 2017

The City Council of the City of Milford met in Workshop Session on Monday, May 8, 2017 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

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

City Manager Eric Norenberg, MPD Captain Gary Bailey and  
City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

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

The Mayor announced he was moving some agenda items from the Council Meeting to the Workshop agenda in order to prevent two guests from waiting.

*MPD Officer of the Quarter*

Captain Bailey announced that he is recognizing the Department's first 'Officer of the Quarter' for 2017. This is a new initiative in which one officer will be recognized for their outstanding achievement and contributions to the community and the police department.

At the end of each year, those officers who have received the award become eligible for the 'Officer of the Year' award.

He then introduced Corporal Kirk Marino and his K9 Partner Audie. Captain Bailey reported that Corporal Marino earned this recognition due to his proactive approach to his job. He has been a great ambassador for the department and takes every opportunity to interact with the public. Corporal Marino goes out into the community and gives K9 demonstrations to local daycares and other community groups.

Corporal Marino has worked with the Milford Police Department since February of 2012; prior to that he worked with the Georgetown Police Department.

Captain Bailey then presented the award to Corporal Marino.

*Greater Kent Committee/Dues Invoice*

Executive Director Shelly Cecchett explained this is a group of approximately 100 CEO's and business leaders. The mission is to improve the quality of life for the people of Central Delaware. The organization is about 35 years old and eight years ago, they expanded the mission beyond the Capital and Caesar Rodney School Districts and now focus on all of Central Delaware.

Members from Milford include Charlie Burton, Bill Strickland, Jo Schmeiser, Craig Crouch, Jerry Esposito and Terry Murphy.

Ms. Cecchett explained the Committee is very project driven. Over the past eight years, their number one project has been the Kent County Regional Sports Complex. She pointed out that was born from the Committee and is now ten miles north of Milford. It has been turned over to its own Board of Directors though they remain very involved to ensure it continues to be a solid organization that can bring economic development into central Delaware.

She noted the Committee is a dues-driven organization and Milford has been part of the organization for the past few years.

As a result, she is requesting Milford consider continuing their participation which is possible by paying the invoice that will be later presented to City Council.

Ms. Cecchett feels that adding Mayor Shupe to their organization will help the Committee understand the issues going on in Milford.

#### INVOCATION AND PLEDGE

The Pledge of Allegiance followed an inspirational address and invocation by Pastor Mike Mills of Northway Church in Milford.

#### *UFS Final Cost of Service Three-Year Design Presentation*

City Manager Norenberg recalled the previous discussions regarding a cost of service study and a new rate design by the Public Works Committee and City Council. The result is an ordinance amending the City's Electric Tariff and rates which will be considered during the Council meeting this evening.

Mark Beauchamp, CPA, CMA, MBA of Utility Financial Solutions, LLC recalled his previous presentations during which time the cost of service results and recommended rate adjustments were presented. He is providing another review of the information he provided in January.

He shared information regarding rate structures, cost of service and the different components of the rates in relation to the cost of service. The projections showed a rate decrease was possible; however, in two years a slight increase will be needed. As a result, three years of electric rates were designed.

Mr. Beauchamp reminded Council that the minimum cash reserve a utility should maintain is approximately \$5 million. The proposed rate track will keep Milford above that minimum.

He noted that Milford is a low debt utility with a 34% debt to equity ratio. Milford is also exceeding the target operating income which is one of the things driving the need for a rate decrease.

Mr. Beauchamp is proposing a 3% decrease in 2018, no increase in 2019 and a 1.5% increase in 2020. This will move the components of the rate closer to cost of service. Handling this in a slow incremental manner will minimize the impact on customers at different usage levels.

Though rates could have been lowered to 4.4%, an increase would be required in 2019. The cost of service results show the residential rate to be a -6.3% and small commercial customers at -6.7%. Because of that, he recommends a higher decrease be provided to the residential and small commercial customers.

Larger classes like the general service primary voltage show an even larger decrease.

All variations will be reflected in the rate design.

He recalled that Council approved a bandwidth of negative 3% so that no rate class would see a decrease greater than 5% though all customers will see at least a 1% decrease.

Mr. Beauchamp also reminded Council the current customer charge is \$4 a month for residential. The cost of service study determined it should be \$16.63. The customer charge represents a certain amount of the fixed cost of the infrastructure to provide service to a customer even if they don't use one kilowatt hour of electricity.

He explained that installing a rooftop solar ray is great for the environment, but creates a cost shift to other customers. By increasing the customer charge at levels where it should be helps recover a portion of a net metering customers' fixed costs.

Over the three-year period, the residential customer charge will increase from \$4 a month to \$16 a month. The rate decrease

in the first year will minimize the impact on low-usage customers.

The bandwidth in the first year is a 2% minus 3%; the largest decrease is 5% and the smallest decrease is 1%. By year two, the classes will be moved closer to the cost of service. The bandwidth was set at .5% so the largest increase and decrease will be .5%. By year three, a 1.5% rate increase will be needed. Using a 1% bandwidth, no customer class will have an increase greater than 2.5% with the smallest increase at .5%.

He referenced the current \$4 monthly customer charge which will be increased \$4 a year to meet the actual \$16 cost. Fortunately, that will be offset by the decrease in energy rates.

Mr. Beauchamp then discussed the two components included in Milford's electric rates. The first is the actual rate shown in the Electric Tariff and the second is a power cost adjustment. He explained that power costs change and when that occurs, those changes are passed onto the customers though that will be trued up.

The current residential winter rate is 12.8 cents though customers are actually charged a half cent higher or 13.3 cents. That will now be reduced to 12.25 cents. In addition, the first five kilowatt hours of usage are being eliminated in year one.

Mr. Beauchamp confirmed the average usage in Milford among residential customers is 960 kilowatt hours per month.

He then referenced the following monetary changes in monthly residential bills over the next five years:

Usage		Year 1		Year 2		Year 3
500	\$	(0.59)	\$	1.87	\$	2.81
650	\$	(2.16)	\$	1.24	\$	2.45
800	\$	(3.74)	\$	0.60	\$	2.09
950	\$	(5.31)	\$	(0.04)	\$	1.73
1100	\$	(6.89)	\$	(0.68)	\$	1.38
1250	\$	(8.46)	\$	(1.32)	\$	1.02
1400	\$	(10.04)	\$	(1.95)	\$	0.66
1550	\$	(11.61)	\$	(2.59)	\$	0.30
1700	\$	(13.18)	\$	(3.23)	\$	(0.06)
1850	\$	(14.76)	\$	(3.87)	\$	(0.41)

Mr. Beauchamp noted that the current rate structure has an inclining block rate structure which means the rates increase with increased usage. Though it may have been done to promote energy conservation, there is a no-cost justification. The marginal cost of electricity would justify a declining rate structure. As a result, the inclining block rate structure is much closer together and is now \$11.06 for the first 2,500 kW and \$12.08 over that.

When asked if the intent of charging more, as has been done for many years, was to incentivize energy conservation; Mr. Beauchamp answered no and explained there is still a price signal to save energy though it is not as strong. He referenced the Energy Efficiency Program that will be discussed later this evening designed to help customers reduce electric consumption.

Councilman Morrow pointed out that even though there will be an increase in year three, that is still an increase from the new lower price. Overall, our customers will be charged less in year three than they are paying today.

Mr. Beauchamp then reviewed the remaining classification changes. See attached presentation.

He advised that the customer charge in the small general rate will be increased from \$6 to \$11.50 (year one), \$18.00 (year two) and \$23.00 (year three). The current winter rate of 14 cents will be reduced to 12.3 cents. The summer rate is currently

at 15 cents and will be reduced to more than 13.2 cents because the power cost adjustment, currently at .5 cents, will be eliminated.

Overall, any customer that uses more than 1,000 kilowatt hours will see a discount in years one and two, along with a slight increase in year three.

He noted that the average kilowatt hour consumption is 971 which compares to the average residential use.

The customer charge in the medium general service classification increases from \$7.00 to \$20.00 (year one), \$40.00 (year two) and \$75.00 (year three). Mr. Beauchamp explained that a customer in this class may have a \$2,000 to \$3,000 a month so an increase from \$7.00 to \$75.00 for the customer charge will have a relatively moderate impact.

The energy rate was decreased and the demand charge slightly increased. Overall, there will be a reduction of 1.2% compared to the 4% residential reduction. The cost of service study found it to be close to the actual cost of service. As a result, this classification showed the smallest decrease within the bandwidth. The outcome is a .3% increase in year two and 1.9% increase in year three.

Though rates increased, the maximum is about 5%.

A similar rate structure is applied to the large general service. The customer charge increased from \$18.00 to \$50.00 (year one), \$100 (year two) and \$150 (year three). Energy rates were reduced slightly each year from the current 8 cent rate. The off peak rate was also reduced.

The demand charge in this category was increased from \$10.50 to \$12.75 for the three-year period.

Mr. Beauchamp stated that this class will see a 4.4% rate reduction (year one), .2% (year two) and a 1.2% increase (year three).

The average load factor in this class is 58% which means the large general service customers use energy more consistently over the month versus a medium general service customer.

The large general service primary classification has a 4.4% rate reduction in year one, a 3% decrease in year two and 1.1% increase year three.

A \$385 customer charge was implemented in the special contract service rate. The on peak rates and off-peak kilowatt hour rates were also reduced. The demand charges increased from \$7.00 to \$12.00 in the winter and \$8.00 to \$12.68 in the summer.

Mr. Beauchamp further explained that any customer with a greater than 55% load factor would see a rate reduction in the first year. He noted that these customers actually need more than an average rate increase. Only a 1.5% rate reduction was identified which resulted in a less-than-average decrease.

Milford has three customers in this class—Perdue, Cold Storage and Seawatch.

Mr. Beauchamp reiterated there are three components involved in the demand charge-- power supply capacity cost (DEMEC's charges), transmission charges and distribution. The distribution infrastructure is a fixed cost that is typically recovered through the demand charge. Historically, Milford has had a lower demand charge than what the cost of service identified it should be. The costs are being recovered thru higher energy rates.

He further explained that the demand charge is based on the 15 or 20-minute peak period during the course of the month and is when the \$12.75 is added.

Mr. Beauchamp emphasized these customers use a lot of energy. For example, the customer may have a 1,000 kilowatt peak demand that translates into 5,000 kilowatt hours. The kilowatt hour rate reduction, especially for this class, results in a lower overall charge for the customer.

Councilwoman Peel summarized the increase in customer charge fees is because Milford has not been charging our customers the right rate to provide its service. Changing the rates will make up for that by adjusting this service charge, which can stay consistent and is actually predictable.

Mr. Beauchamp feels that even though the customer service charge should be applied in this classification, it is almost insignificant. Most customers in this class will hardly notice their customer charge because their bills are in the range of \$5,000 to \$20,000 a month.

On the residential side, it is a significant component and approximately 10% of the customer's total charge and sometimes higher than that.

He reminded Council that the increases in the customer charges have been offset by decreases in the energy rates per kilowatt hours. The net reduction the residential customer sees, in most cases, is a rate reduction, even with the \$4 customer charge increase.

When asked if the energy rates are predictable, Mr. Beauchamp stated that the only unknown in the energy rate is the power cost adjustment mechanism. The rates approved tonight are the actual rates the customer will be charged.

City Manager Norenberg noted this is a three-year design so the new rate will be locked in during that time.

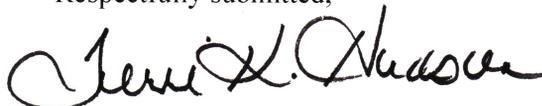
Overall, the bottom line of all bills will be reduced as was discussed previously.

Mr. Beauchamp reiterated that Milford is a financially stable utility. Because of the rate reduction, there is the ability to restructure the rates and move them closer to cost of service to be fair to customers who pay closer to their share of the costs needed to provide them with electricity.

City Manager Norenberg noted that Council will vote on the ordinance with the new rate structure during the Council meeting later this evening.

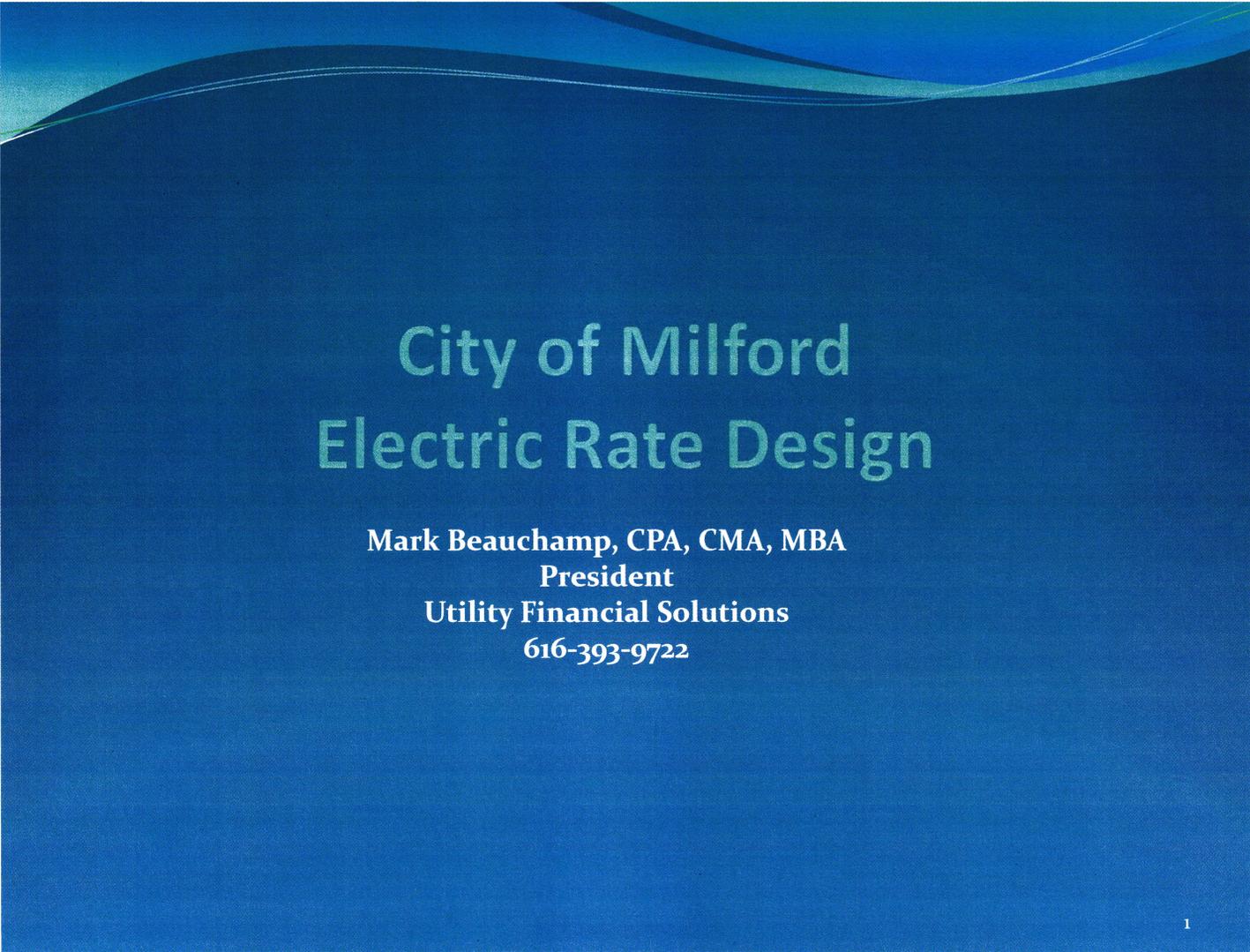
There being no addition business, the Workshop Session concluded at 8:05 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Recorder

Attachment:  
URF Rate Design Presentation



# City of Milford Electric Rate Design

**Mark Beauchamp, CPA, CMA, MBA**  
**President**  
**Utility Financial Solutions**  
**616-393-9722**



# Objectives

- Review Rate Track
  
- Review Cost of service results
  - Cost to service each class of customers
  - Monthly Customer Charges
  
- Review Rate Designs



# Rate Track

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2018	-3.0%	6.19	\$24,378,015	\$ 25,553,279	\$ 1,175,263	\$ 810,849	\$ 5,258,216	\$ 4,732,677
2019	0.0%	5.71	24,702,326	25,721,930	1,019,605	835,173	6,007,808	4,777,493
2020	1.5%	6.59	24,994,147	26,280,070	1,285,923	859,547	7,063,571	4,816,739
2021	1.5%	6.17	25,755,313	26,850,322	1,095,009	884,033	7,969,944	4,907,484
2022	1.5%	5.72	26,538,580	27,432,947	894,366	908,673	8,716,607	5,003,744



## Electric Cost of Service Results

Customer Class	Cost of Service	Projected Revenues	% Change
Residential Service (RES)	\$ 9,154,781	\$ 9,770,811	-6.3%
Small General Service (SGS)	1,224,605	1,312,794	-6.7%
City Lighting	120,476	86,266	39.7%
Security Lighting	24,029	27,605	-13.0%
Medium General Service (MGS)	4,841,417	4,898,582	-1.2%
Large General Service (LGS)	768,587	820,401	-6.3%
General Service Primary Voltage (GSP)	3,338,532	3,617,760	-7.7%
Special Contract Service (SCS)	5,174,792	5,253,547	-1.5%
City Accounts	356,658	365,112	-2.3%
Total	\$ 25,003,877	\$ 26,152,877	-4.4%



# Monthly Charge

Customer Class	COS Customer Charge	Current Average Customer Charge
Residential Service (RES)	\$ 16.63	\$ 4.00
Small General Service (SGS)	23.37	6.00
Medium General Service (MGS)	75.67	7.00
Large General Service (LGS)	152.78	18.00
General Service Primary Voltage (GSP)	286.89	21.00
Special Contract Service (SCS)	385.99	-

# Rate Design

- Rate Design
  - Year 1 - 2% bandwidth (-3% rate change)
    - Largest decrease 5%
    - Smallest decrease 1%
  - Year 2 - 0.5% bandwidth (0% Rate Change)
    - Largest increase 0.5%
    - Largest decrease 0.5%
  - Year 3 - 1% bandwidth (1.5% Rate Change)
    - Largest increase 2.5%
    - Smallest increase 0.5%

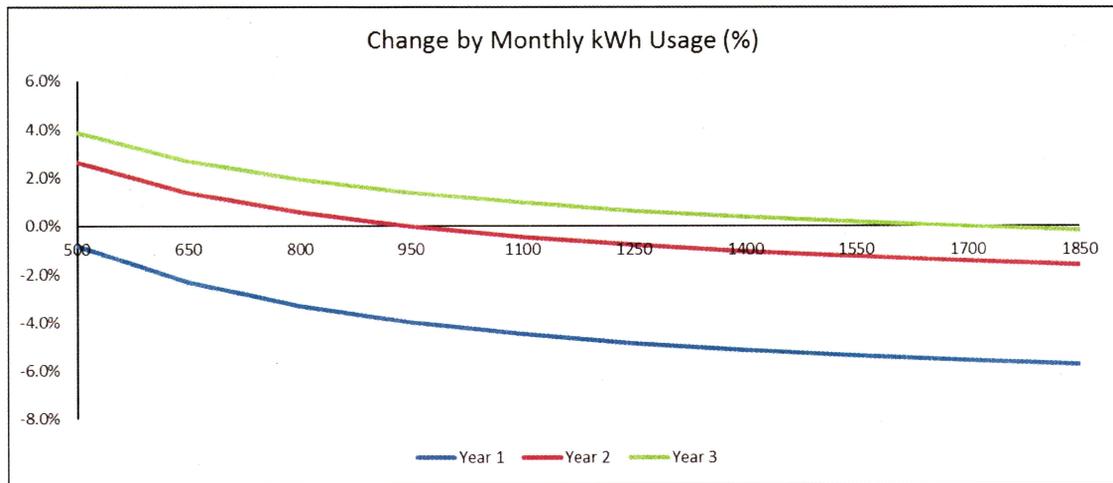


# Residential Rate

- Annual customer charge increase
- Reduced energy
- Merge blocks 1 and 2

Rates	Current	Year 1	Year 2	Year 3
<b>Monthly Facilities Charge:</b>				
All Customers	\$ 4.00	\$ 8.00	\$ 12.00	\$ 16.00
<b>Energy Charge:</b>				
Winter				
Winter Block 1 (0 - 5 kWh)	\$ -	\$ 0.12251	\$ 0.11825	\$ 0.11587
Winter Block 2 (6 - 2,500 kWh)	\$ 0.12800	\$ 0.12251	\$ 0.11825	\$ 0.11587
Winter Block 3 (Excess)	\$ 0.14000	\$ 0.13451	\$ 0.13025	\$ 0.12787
Summer				
Summer Block 1 (0 - 5 kWh)	\$ -	\$ 0.13251	\$ 0.12825	\$ 0.12587
Summer Block 2 (6 - 2,500 kWh)	\$ 0.13800	\$ 0.13251	\$ 0.12825	\$ 0.12587
Summer Block 3 (Excess)	\$ 0.15000	\$ 0.14451	\$ 0.14025	\$ 0.13787
<b>Power Cost Adjustment:</b>				
All Energy	\$ 0.00500	\$ -	\$ -	\$ -
Change from Previous	\$ -	-4.1%	-0.2%	1.2%

# Residential Change (%) by Usage





# Residential Change Monthly \$ by Usage

Usage	Change in Monthly Bill		
	Year 1	Year 2	Year 3
500 \$	(0.59) \$	1.87 \$	2.81 \$
650 \$	(2.16) \$	1.24 \$	2.45 \$
800 \$	(3.74) \$	0.60 \$	2.09 \$
950 \$	(5.31) \$	(0.04) \$	1.73 \$
1100 \$	(6.89) \$	(0.68) \$	1.38 \$
1250 \$	(8.46) \$	(1.32) \$	1.02 \$
1400 \$	(10.04) \$	(1.95) \$	0.66 \$
1550 \$	(11.61) \$	(2.59) \$	0.30 \$
1700 \$	(13.18) \$	(3.23) \$	(0.06) \$
1850 \$	(14.76) \$	(3.87) \$	(0.41) \$

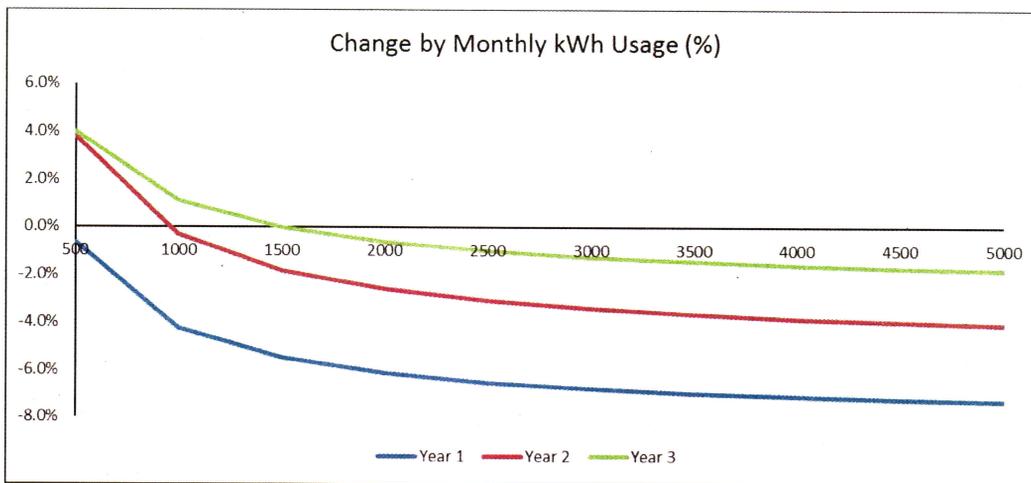


# Small General Rate

- Annual customer charge increase
- Reduced energy

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 6.00	\$ 11.50	\$ 18.00	\$ 23.00
Energy Charge:				
Winter Energy	\$ 0.14000	\$ 0.13297	\$ 0.12601	\$ 0.12264
Summer Energy	\$ 0.15000	\$ 0.14297	\$ 0.13601	\$ 0.13264
Power Cost Adjustment:				
All Energy	\$ 0.00500	\$ -	\$ -	\$ -
Change from Previous		-4.1%	-0.2%	1.2%

# Small General Change (%) by Usage





# Small General Change Monthly \$ by Usage

Usage	Change in Monthly Bill		
	Year 1	Year 2	Year 3
500	\$ (0.52)	\$ 3.02	\$ 3.31
1000	\$ (6.53)	\$ (0.46)	\$ 1.63
1500	\$ (12.55)	\$ (3.93)	\$ (0.06)
2000	\$ (18.56)	\$ (7.41)	\$ (1.75)
2500	\$ (24.58)	\$ (10.89)	\$ (3.43)
3000	\$ (30.60)	\$ (14.37)	\$ (5.12)
3500	\$ (36.61)	\$ (17.84)	\$ (6.81)
4000	\$ (42.63)	\$ (21.32)	\$ (8.50)
4500	\$ (48.64)	\$ (24.80)	\$ (10.18)
5000	\$ (54.66)	\$ (28.28)	\$ (11.87)



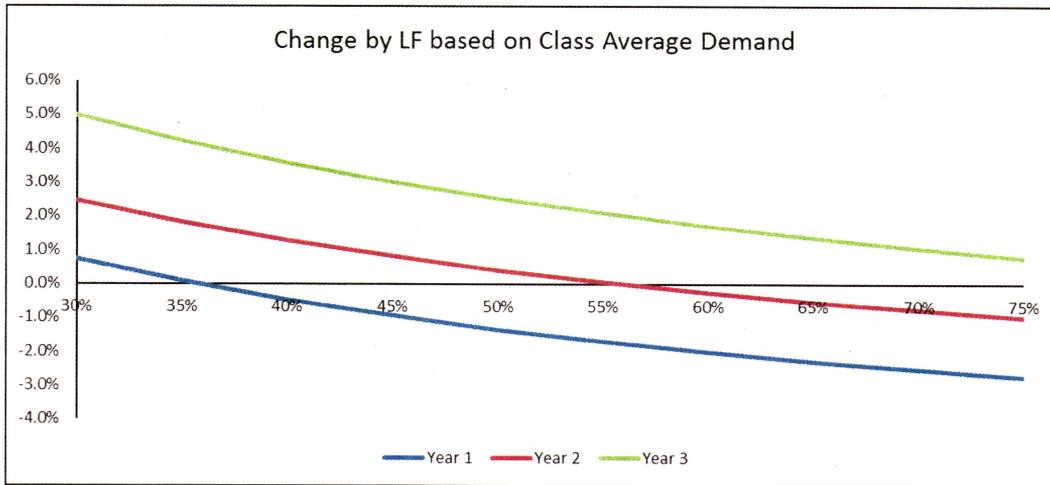
# Medium General Rate

- Annual customer charge increase
- Demand charge increase
- Reduced energy

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 7.00	\$ 20.00	\$ 40.00	\$ 75.00
Energy Charge:				
Winter Energy	\$ 0.0700	\$ 0.0698	\$ 0.0660	\$ 0.0627
Summer Energy	\$ 0.0800	\$ 0.0798	\$ 0.0760	\$ 0.0727
Demand Charge:				
Winter Demand	\$ 10.50	\$ 11.25	\$ 12.25	\$ 13.25
Summer Demand	\$ 13.95	\$ 14.80	\$ 14.80	\$ 14.80
Power Cost Adjustment:				
All Energy	\$ 0.0050	\$ -	\$ -	\$ -
Change from Previous		-1.2%	0.3%	1.9%



# Medium General Change (%) by Load Factor



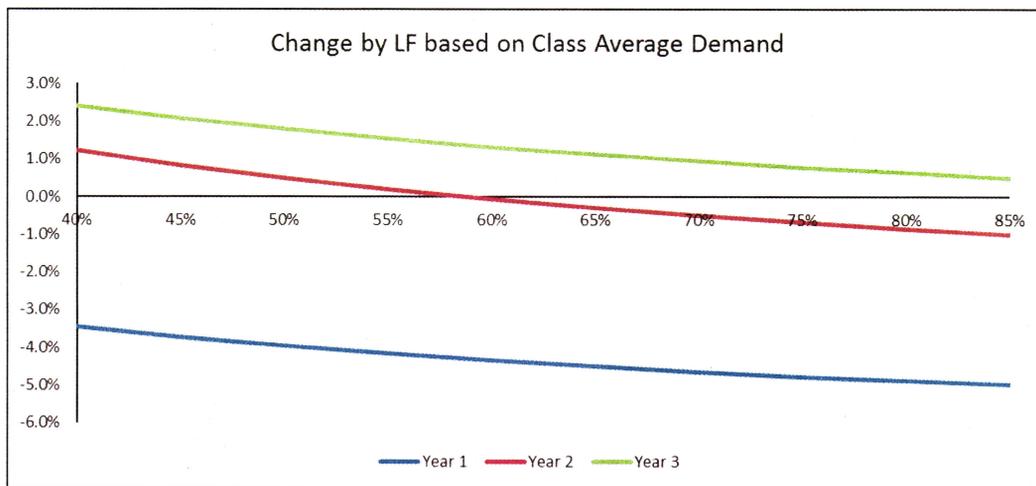


# Large General Rate

- Annual customer charge increase
- Demand charge increase
- Reduced energy

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 18.00	\$ 50.00	\$ 100.00	\$ 150.00
Energy Charge:				
On Peak Energy	\$ 0.0800	\$ 0.0794	\$ 0.0764	\$ 0.0748
Off Peak Energy	\$ 0.0700	\$ 0.0694	\$ 0.0664	\$ 0.0648
Demand Charge:				
Winter Demand	\$ 10.50	\$ 10.75	\$ 11.75	\$ 12.75
Summer Demand	\$ 13.00	\$ 13.25	\$ 14.25	\$ 15.25
Power Cost Adjustment:				
All Energy	\$ 0.0050	\$ -	\$ -	\$ -
Change from Previous		-4.4%	-0.2%	1.2%

# Large General Change (%) by Load Factor





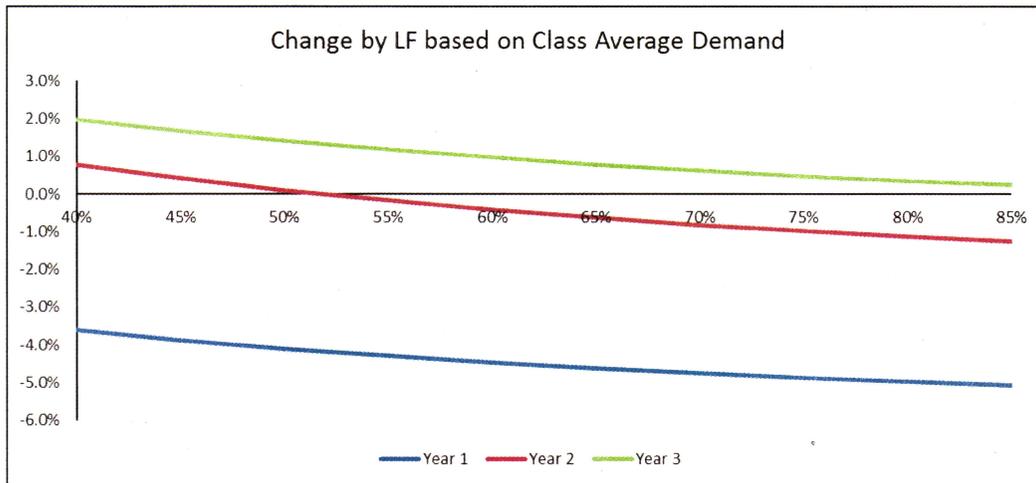
# General Service Primary Rate

- Annual customer charge increase
- Demand charge increase
- Reduced energy

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 21.00	\$ 225.00	\$ 250.00	\$ 290.00
Energy Charge:				
On Peak Energy	\$ 0.0800	\$ 0.0794	\$ 0.0764	\$ 0.0748
Off Peak Energy	\$ 0.0700	\$ 0.0694	\$ 0.0664	\$ 0.0648
Demand Charge:				
Winter Demand	\$ 10.55	\$ 10.55	\$ 11.62	\$ 12.62
Summer Demand	\$ 12.00	\$ 12.00	\$ 13.12	\$ 14.29
Power Cost Adjustment:				
All Energy	\$ 0.0050	\$ -	\$ -	\$ -
Change from Previous		-4.4%	-0.3%	1.1%



# General Service Primary (%) Change by Load Factor





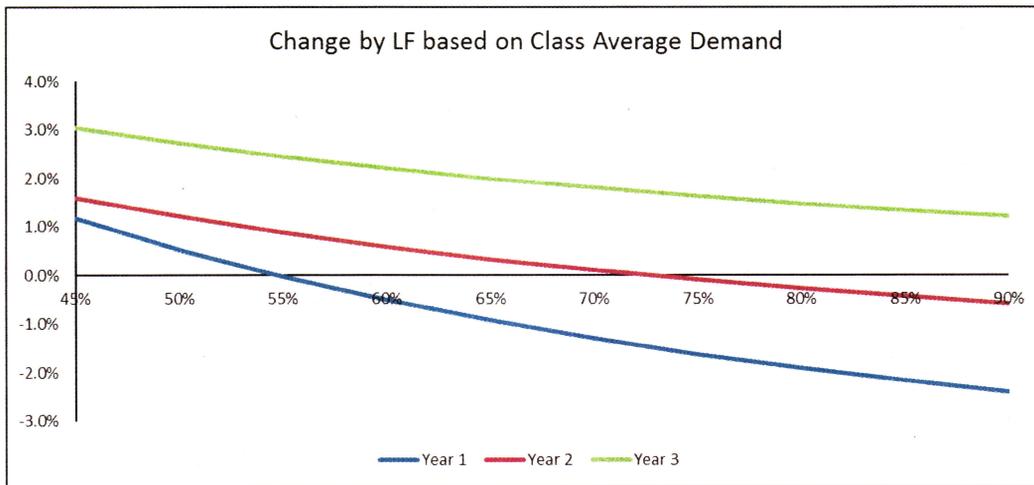
# Special Contract Service Rate

- Annual customer charge increase
- Demand charge increase
- Reduced energy

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ -	\$ 385.00	\$ 385.00	\$ 385.00
Energy Charge:				
On Peak Energy	\$ 0.0800	\$ 0.0794	\$ 0.0767	\$ 0.0756
Off Peak Energy	\$ 0.0700	\$ 0.0694	\$ 0.0667	\$ 0.0656
Demand Charge:				
Winter Demand	\$ 7.00	\$ 9.00	\$ 10.50	\$ 12.00
Summer Demand	\$ 8.00	\$ 10.17	\$ 11.46	\$ 12.68
Power Cost Adjustment:				
All Energy	\$ 0.0050	\$ -	\$ -	\$ -



# Special Contract Service (%) Change by Load Factor



MILFORD CITY COUNCIL  
MINUTES OF MEETING  
May 8, 2017

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, May 8, 2017.

PRESIDING: Mayor Bryan Shupe

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

City Manager Eric Norenberg, MPD Captain Gary Bailey and  
City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 8:05 p.m.

APPROVAL OF PREVIOUS MINUTES

Councilmember Mergner made a motion to approve the April 10, 22, 24, 2017 and May 1, 2017 Council and Committee Meetings, seconded by Councilmember Burk. Motion carried.

RECOGNITION

City Manager Norenberg stated that it is a privilege to work with the great staff at the Public Works Department, in addition to the City Clerk and Deputy City Clerk. He knows that Ms. Hudson and Ms. Crouch both provide a lot of leadership within their organizations helping to plan and train and that their value goes beyond this community.

He also commended Public Works Director Mark Whitfield for the article he composed that was recently published in the American Public Works Association Magazine. He thanked him for his efforts to promote Milford well beyond Milford's borders and to the Public Works' Professionals across the country.

He will be celebrating with the Public Works Department next week and thanked Council for their support of both departments.

*Proclamation 2017-11/National Public Works Week*

Mayor Shupe read the following portions of the following proclamation into record:

*Whereas, Public Works Services provided in our community are an integral part of our citizens' everyday lives; and*

*Whereas, the support of an understanding and informed citizenry is vital to the efficient operation of Public Works Systems and Programs such as water, sewers, streets and highways, public buildings and solid waste collection; and*

*Whereas, the health, safety and comfort of this community greatly depend on these facilities and services; and*

*Whereas, the quality and effectiveness of these facilities, as well as their planning, design and construction, are vitally dependent upon the efforts and skills of Public Works Officials; and*

*Whereas, the efficiency of the qualified and dedicated personnel who staff our Public Works Departments is materially influenced by the people's attitude and understanding of the importance of the work they perform.*

*Now, Therefore, I, Bryan W. Shupe, Mayor of the City of Milford, does hereby proclaim the week of May 21 through May 27,*

2017, as

*National Public Works Week*

*in the City of Milford and call upon all citizens and civic organizations to recognize the contributions that Public Works Officials make every day to our health, safety, comfort and quality of life in this community.*

The proclamation was presented to Public Works Director Mark Whitfield.

*Proclamation 2017-12/Municipal Clerks Week*

The following proclamation was then read into record by Mayor Shupe:

*Whereas, the Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world; and*

*Whereas, the Office of the Municipal Clerk is the oldest among public servants, and*

*Whereas, the Office of the Municipal Clerk provides the professional link between the citizens, the local governing bodies and agencies of government at other levels; and*

*Whereas, Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and*

*Whereas, the Municipal Clerk serves as the information center on functions of local government and community; and*

*Whereas, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state, provincial, county and international professional organizations; and*

*Whereas, It is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.*

*Now, Therefore, I, Bryan W. Shupe, Mayor of the City of Milford, do recognize the week of May 7 through May 13, 2017 as Municipal Clerks Week, and further extend appreciation to our Municipal Clerk Teresa Hudson and Deputy City Clerk Christine Crouch and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.*

The proclamation was presented on behalf of City Clerk Terri Hudson and Deputy City Clerk Christine Crouch.

MONTHLY POLICE REPORT

Police Committee Chairman Burk presented the monthly Police Report adding that the Department remains very busy and that he is pleased with the ongoing training of its officers.

Chairman Burk announced that Chief Brown is absent because he is out of town being recognized as well.

Motion made by Councilmember Campbell, seconded by Councilmember Morrow to accept the April 2017 Police Report. Motion carried.

MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced his report adding that starting in May, he will include some additional components from the IT and Customer Service Departments, as Council has requested.

Councilmember Burk referenced the recent Code and Inspections press release. He asked if there has been an increase in people making online submissions. Planning Coordinator Rob Pierce was in attendance and confirmed it has not had an impact.

The City Manager added that we have used social media and other outlets to encourage public input but with little success. The City may receive one a month though that is typically through the customer contact form used for general comments.

Councilmember Brooks commended the Rotary Club for their recent donation to Parks and Recreation. Mr. Norenberg stated he was pleased that Recreation Superintendent Mary Betts was present, along with representatives of the other organizations who received support from the Club.

Councilmember Brooks moved to accept the monthly City Manager Report, seconded by Councilmember Morrow. Motion carried.

#### MONTHLY FINANCE REPORT

Finance Committee Chairman Morrow reported that through the ninth month of Fiscal Year 2016-2017 with 75% of the fiscal year having passed, 78% of revenues have been received and 69% of the operating budget expended.

He informed Council that budget hearings have been scheduled for Monday, June 5<sup>th</sup> and Tuesday, June 6<sup>th</sup>.

Councilmember Burk moved to accept the March 2017 Finance Report, seconded by Councilmember Peel. Motion carried with no one opposed.

#### COMMITTEE & WARD REPORTS

Nothing to report.

#### COMMUNICATIONS & CORRESPONDENCE

Mayor Shupe thanked everyone for their patience as we continue with the Route 113/Railroad Crossing Construction Project and detoured traffic routes. He understands it is an inconvenience for many people in the area, but believes most residents understand its necessity.

He recommended that Council take the time to go by the site to observe the large number of workers who are diligently trying to get this project completed. He said that includes Milford Police Department who has been on site round the clock to ensure our residents and visitors remain safe.

#### UNFINISHED BUSINESS

##### *Adoption/Ordinance 2017-12/City of Milford Code/Electric Tariff/Appendix B/Rate Amendment*

City Manager Norenberg referenced the amendments to the Electric Tariff, which align with the earlier presentation by UFS and the new section that will standardize the net energy metering description and procedure for solar customers.

Councilman Morrow confirmed that the rates will continue to be monitored; Mr. Norenberg added that he will provide a report before the end of the next term to determine whether to extend the proposed ordinance or a new study is needed.

Councilman Mergner asked how this will be communicated. The City Manager hopes that the media will share the information. It will also be posted on the website and published in the Milford Beacon.

He also noted that over the next few weeks, City staff will be working to update the utility customers' database in order to have this in place by June 1st.

Councilman Mergner suggests this information be provided prior to its implementation and that the Customer Service Staff be provided with some talking points that can be relayed to our customers.

Councilman Morrow moved to adopt Ordinance 2017-12 (see May 8, 2017 Council packet), amending Appendix B Electric Tariff of the City of Milford Code, seconded by Councilman Burk. Motion carried.

*Authorization/Energy Efficiency Program*

City Manager Norenberg acknowledged the representatives from Delaware Municipal Electric Corporation (DEMEC) and American Public Power's (AMP) Efficiency Smart who will be providing additional information on the program. He recalled this was initially presented by DEMEC's Asset Development Vice President Scott Lynch and AMP's Business Development Manager Dave Cawley this past March.

DEMEC's President Pat McCullar provided some background on DEMEC stating they are a Joint Action Agency and a wholesale electric utility. DEMEC represents nine municipal electric distribution utilities located in the State of Delaware. The creation of DEMEC was made possible by an act of the Delaware General Assembly in June 1978, and the entity was incorporated a year later. Members of DEMEC include Clayton, Dover, Lewes, Middletown, Newark, New Castle, Seaford, Smyrna and Milford. Eight members receive 100% of their power requirements from DEMEC and the City of Dover receives partial requirement services.

DEMEC supplies these requirements from a portfolio of owned generation assets and has been efficiently managed as a group with costs kept low and effects positive.

He reported that tonight they will discuss the Energy Efficiency Program that is designed to meet the intent of the State of Delaware Energy Efficiency Legislation in a cost-effective manner.

Mr. McCullar then introduced DEMEC's Kimberly Schlichting, Senior Vice President of Operations and Power Supply and AMP's Dave Cawley. He reminded Council that Efficiency Smart is the company DEMEC retained to administer the program.

He acknowledged that the recommendation on the program will be the same to all nine DEMEC members. Their hope is that all nine governing bodies will approve the program to leverage its maximum efficiency as they did with the RPS (Renewable Portfolio Standards).

Mr. McCullar noted that each program as presented and designed, will benefit all customers in the system. It will especially benefit small and large businesses and have the ability to be customized for each community.

The cost of the program is already in place with the new rates so its adoption will not result in an increase.

Mr. Cawley then addressed Council. He explained the charge for the program to DEMEC is .90 cents per wholesale megawatt hour (Mwh). He reiterated that the cost of the program is already included in DEMEC's wholesale rate to Milford and is equivalent to .9 of 1 cent per kilowatt hour (Kwh).

The cost to an average 750 Kwh residential customer is 67 to 68 cents per month or \$8.10 per year.

According to Mr. Cawley, the following customer actions can help offset the cost of the program:

Customer	Annual Usage kWh	Annual Program Cost	Quantity of LED lights replacing 75W incandescent lamps to offset annual cost	Lifetime Cost Savings
Residential	9,000	8.10	1	72
Small Business	25,000	22.50	4	131
Medium Business	150,000	135.00	22	722

Large Business	500,000	450.00	75	1,188
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Mr. Cawley hopes the program will encourage customers to purchase the energy products by buying down the price. He stopped in at Rite Aid in Milford and found the costs of LED bulbs to range from \$6 to \$9 per bulb which seems excessive to most residential customers. One of their programs buys the price of the product down to \$1.

In addition to the product savings and annual energy cost savings, LED bulbs last a lot longer than a regular light bulb. The life of one LED bulb compares to nine incandescent light bulbs.

He explained that the program is cost effective because we are avoiding some energy capacity costs and that every efficiency measure helps to mitigate some of those ongoing costs. The cumulative lifetime benefits to Milford will continue to grow over the savings lifetime by an average of twelve years.

Mr. Cawley shared that this program is the only one they are aware of directed toward municipalities. They discussed a target of energy efficiency for his community and hope that by working together by establishing the best place to acquire the efficiency measures. They have a portfolio of more than ninety energy efficiency products and if a business wants to make an efficiency upgrade with lighting, HVAC system, refrigeration equipment, etc., they can help buy down that first cost through the use of a rebate.

Mr. Cawley then discussed account management. He informed Council that a key account manager will be assigned to Milford and their primary role will be to help the community. The key account manager and their engineering staff will also assist the large and small businesses in Milford.

In addition to the Chamber of Commerce and Downtown Groups, they will work with Meals on Wheels, Senior Centers and Weatherization Assistance Programs who already have networks in place and can help get those efficient products distributed to the residents.

They work with State programs though they may not be directed toward electric efficiency. There are also programs available to help with fossil fuels, heating and renewable energy. Programs are available that can help identify the savings potential and aid businesses who apply for loans.

They will participate in community events through speakers, demonstrations and tables of information. They also coordinate with special promotions.

He noted that Milford has already taken some steps with their rate redesign and smart meter program. This is another tool that can help customers keep their bills manageable and provide a lower bottom line.

Summarizing, Mr. Cawley noted that the program is designed to save a target amount of energy efficiency and about .25% of the annual electricity usage, 1,675 annual Mwh savings, 19,733 Mwh of lifetime savings and almost \$1.2 million of energy and capacity savings.

The annual cost is \$200,900 and will deliver a benefit to cost ratio of approximately 2 to 1. Compared to other forms of energy, it is two to three times cheaper than new power supply on a margin at \$30.47.

Councilman Mergner questioned the annual costs and Mr. Cawley emphasized that the cost is already included in the current DEMEC rates presented earlier this evening.

Councilman Mergner said it appears this is a LED exchange where customers buy LED bulbs at a cheaper rate than at a home improvement or hardware store. Mr. Cawley responded by stating that is just one of many services.

City Manager Norenberg added there are many aspects including appliance rebates, miscellaneous discounts, education components, etc. Light bulbs are just one component of ninety different options available.

DEMEC Senior Vice President Kimberly Schlichting shared that they started working on energy efficiency in 2009 with the State of Delaware. She has been part of several workshops since that time trying to figure out how to move forward to promote energy efficiency.

Other utilities are also participating in energy efficiency programs and several DEMEC members have already created LED streetlight programs. As they were looking for the right type program to present to their members as a whole, this is the program they felt would bring the most benefits to all nine communities. Because DEMEC is a joint action agency, each utility that joins is a cost savings to the program.

Ms. Schlichting explained that one of the best benefits about this program is that it is a guaranteed program and the savings will be measured and evaluated. If the target is not hit, Efficiency Smart will not be paid. In order to meet the State mandate, they will have to do a strict measurement and verification needed for the State goals and energy efficiency savings.

Councilman Mergner recalled a similar program that Delmarva Power (DP&L) launched several years ago designed for commercial businesses. He said a special savings fund was established that customers would buy into without knowing it. A lot of money that was made was being used toward rebates for LED retrofits, etc.

He asked if this is a similar program; Ms. Schlichting responded by stating the funding for this program is included in the rates. There will not be a separate invoice from DEMEC for the program. It is similar to what DP&L is doing even though this program will actually do the measurement and verification. She does not think DP&L is doing that right now.

She said it is also similar to a program that Delaware Cooperative is doing though they have a line item that is broken out on their electric bills to identify energy efficiency savings. Again, she is unaware of whether or not they are actually doing measurement and verifications though DEMEC's program will have that. They do not want to spend money on a program where numbers are simply being thrown out and instead want to ensure they are achieving the savings as has been presented.

Councilman Brooks asked how long has Milford been paying for this. Ms. Schlichting clarified that it is not being paid yet but was built into the funding. They provided advanced funding for the first six months. If at such time, DEMEC is unable to get the buy in from its members to fund the program, in June DEMEC will stop putting money toward the rate stabilization fund. If the members agree to move forward, they will stop putting the money into the rate stabilization fund and use that funding to support and fund this program over the second half of the year.

She reported that all nine members have received the presentation. Three members have approved the program and Smyrna is currently reviewing it.

She noted that DEMEC's Asset Development Vice President Scott Lynch is at the City of Newark this evening though they do not think the program went far enough and will probably be doing something twice the level that is being recommended. They handled the Green Energy Fund in a very similar manner and doubled the amount collected for the Green Energy Fund.

It was confirmed that the \$200,000 would be billed monthly over the three-year contract period to provide 1,674 Mwh of savings to the City of Milford.

Ms. Schlichting stressed that this is part of the Power Supply Portfolio. The theory is the more energy you save, is energy that does not have to be produced nor paid for.

Mr. Norenberg explained that as Milford's load grows over the next few years with Bayhealth coming on line, there will be less energy procured from the market and instead it will be saved through efficiency. That is less expensive than buying energy on the market.

Ms. Schlichting said there are other components of the power supply costs received from DEMEC that can be reduced through a reduction in the overall usage of energy. As a result, there could be transmission capacity savings, ancillary service type savings, etc. In addition, less emissions will benefit the environment.

Mr. McCullar added that there is also potential for revenue generation. In other programs, the efficiency measures that will

save peak demand, can be bid into the forward capacity market for PJM. There are communities that are already doing that and are receiving revenues from PJM. This is a possibility especially when a large group of municipalities join together.

According to the City Manager, that is why the measurement aspect is so important in this program. Mr. McCullar pointed out that the standards of PJM must be met in order to bid efficiency into their auctions.

Mr. McCullar then clarified that the \$200,000 contract cost is Milford's share of the program. The total program of the eight DEMEC members is about \$1.2 million. Should the City of Dover join, the total annual outlay will be \$2 million.

He said that in this case, it is going to take money to save money. There will be a 2 to 1 return and for every \$1 deposited, a \$2 savings is expected which is savings for our customers.

Mr. McCullar also pointed out that \$200,000 is a big number, but it is necessary to serve a community of this size. They will take that money and pay a small portion to Efficiency Smart as their fee. The rest goes into the programs that include a large laundry list that can reach every classification of customers from residential to mega users.

Councilmember Mergner said his concern is how it will be presented to the residential customers as well as small businesses. He constantly hears concerns about Milford's high electric rates. He sees one of the big struggles is the cost of the work that will need to be done, which goes beyond just buying LED bulbs. In his opinion, there are a number of small businesses who do not have the ability to install new fixtures so they would have to hire a contractor.

Depending on how the City moves forward is a concern to Councilman Mergner. He agrees a program like this is nice, but there is a need to properly execute it.

Mr. McCullar said that is a valid concern and this program can be customized. If the City wants to put a larger emphasis on a particular customer, and in this case, small businesses, they are willing to have their engineers go in and provide them with analytics and ways to create efficiency. Creating efficiency and lowering the cost of doing business will make that business more competitive. They will also show that business how to get those things funded either through the program, a state grant or some other way.

Councilmember Wilson stated that she is looking at this as a way for the City to do some outreach which she feels has been needed for sometime. Partnering with DEMEC through this program can provide that opportunity.

She pointed out that the corporate world is headed in this direction. Residents may feel this is a program the middle class will not qualify for, similar to many programs provided by the State whereby most residents do not qualify. But at least this will provide an opportunity to get rebates for a new refrigerator or discounts on light bulbs, which is a bonus to everyone. She feels that providing this information will help but agrees with Councilman Mergner that the City has to get the word out in a way our customers understand this is a benefit.

Mr. McCullar added there is a component in the budget for advertising or community outreach to make them aware of what is available. They would not bring this forward if they did not believe there was a benefit to the community which is the reason DEMEC exists. It has a great PR component and the bigger impact will be showing the customer how to be more efficient through savings.

Mr. Cawley emphasized this is also co-branded. It's the City of Milford, Efficiency Smart and DEMEC working together for customers. He also reiterated that Efficiency Smart's performance is based on whether or not they hit the targets and the reason they have to get the word out and get our customers motivated.

Councilman Morrow pointed out that this is a very complex, competitive market and we need to remember that Delmarva is an island and not an easy place to get energy. He feels we need to proceed and pointed out we have already planned to pay the \$200,900. Mr. McCullar noted that the numbers are included in the new rate decrease that was approved earlier this week.

Councilmember Morrow moved to authorize the City Manager to support DEMEC's Energy Efficiency Program at a cost of \$200,900, seconded by Councilmember Wilson. Motion carried.

*Special Event Permit Discussion*

Mr. Norenberg reported on the number of conversations he has had with Councilmembers, representatives of various civic organizations and the general public about the new Special Event Application packet regarding the number of pages as well as some of the other items.

What he has learned is that he could have done a better job rolling it out. There has been a lot of public education with the different boards, committees and groups that will be required to fill it out. One of the key goals of the packet and the reason the City has had a process in place many years before he was City Manager, is to make sure we are addressing the public safety of our community. He stressed that we need to ensure the event participants are safe and that event organizers plan well and address any potential impact on roadways to prevent risk and adverse impact.

The event application features a lot of information including planning, definitions and items that organizers may not normally think about. He has received some ideas on how to simplify some of the aspects of the packet and spent about an hour last week with the DMI Board answering their questions and receiving their suggestions.

He stated that the City of Milford is committed to having outstanding special events and there is no intent for this to be a turnoff. It instead ensures the events are successful and safe and attract increased numbers of visitors in future years. The City Staff is committed to working with community groups to help these events work well. The Chamber of Commerce is coming to meet with the City Clerk to discuss their upcoming events. In addition, this aligns with the Police Department's commitment to participate in these events and prevent the organizers from paying extra for security.

Councilmember Wilson asked if there is a specific reservation from the people who are expressing concerns. Mr. Norenberg feels the biggest problem is the number of pages. However, once the organizer starts to complete it, they realize there are a number of checklists and other items that typically do not apply and do not have to be completed.

One suggestion he received is to break the application into components with the information and instructions as one download, the form as a separate download and each exhibit as separate downloads. In that way, it is not so daunting and allows organizers to know where and how to get the complete information.

Once the application is completed the first time, a simple update form would only need to be completed in following years changing the date, times, contact and any other information different from the initial application.

The other item is to clarify when a private property event requires the application. Most events occurring on private property will not need the application according to Mr. Norenberg. Those with a potential public safety impact would be required to complete the application making the process similar to the State of Delaware Transportation requirements.

He said staff will continue to work on it after we receive council feedback tonight.

Councilman Burk agreed the initial complaint he and Councilmember Peel received was the section on page two which references events or gatherings on private property that was not in the initial draft.

He then shared information about other cities in Delaware who have a private property clause. He noted that the 19-page Wilmington event permit is needed for a private property event with more than 100 people and Newark requires a permit for private social gatherings involving upwards of 150 persons. He noted that Milford's does not have a threshold or a number which is confusing to his constituents who are trying to determine what type of private event the City becomes involved in.

Councilman Burk said there are a lot of residential areas where people will park on the street. He personally has had birthday parties at his house and can only fit four cars in his driveway. Those vehicles parking on the street in his opinion would impact a public right-of-way but asked if that should trigger the need for a 28-page form to be completed.

He does not want the message to these organizations to be that Milford is a City that is difficult to work with.

Councilman Burk said he appreciates the City Manager going out and making the outreach. He personally has had many great

comments about that. He said the people that we haven't yet discussed this with are those that might want to have an event here. However, when they go on our webpage and look at the 28-page application, it becomes a deterrent. He has a friend that plans wedding events in the resort towns on the beaches and at the parks. When he asked her opinion, she told him she would never go to Milford because of this.

He understands there is a risk when people are using public space and the need to cover the City. His concern at this point is the impact on private property events.

His other question is who will be enforcing this and will it be the police because most events occur on weekends; he asked how they will charge people if there is a violation. Or is this something the code official will handle? He feels there are still a lot of questions hanging out there.

The only other suggestion he has is to have it translated to Spanish.

He agrees that once this is finalized, a press release should be issued.

Councilwoman Peel said Councilman Burk hit the exact points she wanted to make. The private property aspect is a key concern because it is open to interpretation as to how much these events are obstructing traffic because the majority of times there is overflow parking on the street.

The Councilwoman also feels it is important to break it apart and make it fillable. In that manner, someone planning to have fireworks will be directed to the form needed for fireworks. If no fireworks are planned, the person should be able to bypass that section. She pointed out the broad array of things it covers adding that most events will not have a circus or fireworks. Nor will everyone need a liquor license. There are several areas that will not need to be completed as a result.

Councilwoman Peel also said it is her understanding the City Clerk and Deputy City Clerk will be available to assist; Mr. Norenberg explained that Ms. Hudson has been directly involved in this process for many years. She has been the one that has interfaced with a lot of event planners and will continue to do that.

Councilman Starling asked about a weekend event that is held at Banneker School every summer that was always arranged through Parks and Recreation. The fourth ward also has a back-to-school event each year in August. Ms. Hudson said the block party can be handled easily and believes the Banneker event will continue to go through Parks and Recreation because they are using a City park.

City Manager Norenberg confirmed that if someone having a simple event in the park that does not trigger some of the other items, it can be worked out with Parks and Recreation and City Hall to prevent any duplication.

Councilwoman Peel emphasized the importance of making it clear of when this permit is needed. She is unsure if the organization of the packet will do that or the City Clerk needs to handle that. She believes people will be confused about the amount of information or what needs to be done first.

Councilwoman Wilson agrees that private parties should not require this process and recalls her son's graduation where a lot of people showed up. It would be difficult to determine who will actually be attending so that information is not always available in advance. She does not feel permission is needed in those situations.

Councilwoman Peel explained that is one of the questions that she and Councilman Burk are being questioned about. She asked if a number should be added because a 'normal flow of traffic' is vague in her opinion.

Councilman Mergner suggests getting out of the form business. He recommends uploading it to the internet and separating it into screenshots. An organizer having a public event would then have the ability to go to the sections that need to be completed. Private events would only need related items. He feels that having this on the internet would make the process much simpler with a breakdown based on the type of event.

City Manager Norenberg likes that idea but will need to check on the ability of our system. The disadvantage would be that

the following year, the organizer would have to start from scratch again. We were trying to prevent that in the case of events that occur year after year though he is willing to experiment to see if this can be done.

Councilwoman Peel referred to the 1040 EZ form that pulls up questions and allows you to skip lines that do not apply. Otherwise, addendums need to be pulled up.

Councilman Mergner asked if it would be possible for someone to set up an account that could be accessible by user name and password; in that manner, the information would be automatically filled in upon sign in. Anyone registering the first time would need to input their information. He feels that someone with a recurring event should not have to fill in the same information year after year.

Councilman Burk then asked Solicitor Rutt how he feels about the City regulating what happens on private property and referenced the 100 and 150-threshold in Wilmington and Newark. He asked what occurs if there are a large number of unexpected attendees which violate the policy because the application was never submitted. He is unsure if taking that person to JP Court is worth the amount of manhours associated with the process.

He asked if Mr. Rutt feels we have a strong case to regulate what happens on private property; Mr. Rutt stated that it comes down to the public safety issue. For example, if someone has a half acre lot with 200 people on it, they are not all going to fit on that lot. The other question is where they will park and where they will go and hang out. The overflow will most likely end up on other people's properties. He explained that all that must be considered.

Mr. Rutt further said if someone is having a family reunion of thirty people and some attendees park in the street, that does not require the application and is not the intent.

Councilman Burk pointed out that he takes public safety issues to the JP Court system and the violator usually receives a minimal fine which is not always a deterrent.

The City Manager said that Captain Bailey is not really familiar with the matter though we are not likely to have someone receive a violation for not filling out the form because they had a private event that became very large. He pointed out that the police will always deal with the behavioral issues. The police will also deal with complaints of noise. He does not think the police will be writing tickets for people who have not filled out the special event application.

He feels it will be difficult to add a number like 100 or 150 because then we will allow someone having 99 people to do anything they want. As Mr. Rutt alluded to, there may be a location issue that may apply in one case but not in another situation.

Mr. Norenberg said he has lived in neighborhoods where people have had parties and it was always nice to know that by 10 o'clock, the party was over and the noise stopped and cars in front of his house gone.

Mayor Shupe then asked that anyone with any other comments to contact the City Manager.

## NEW BUSINESS

### *Introduction/Ordinance 2017-10/Perdue/Change of Zone/Tatman Farm*

Mayor Shupe introduced Ordinance 2017-10, then deferred to Planning Coordinator Pierce. Mr. Pierce provided a brief overview of the application involving thirteen acres of land located along Northeast Front Street that was recently purchased by Perdue and presented at the April Planning Commission meeting. A public hearing is scheduled before Council on May 22<sup>nd</sup>.

### *Introduction/Ordinance 2017-13/City of Milford Code/Chapter 197/Streets & Sidewalks/Temporary Closure*

City Manager Norenberg introduced Ordinance 2017-13, explaining this is an amendment to the Streets and Sidewalks Code relative to construction or other activities that require temporary closures.

*Greater Kent Committee/Invoice*

Mayor Shupe referred to the earlier presentation by Executive Director Shelly Cecchett regarding the City's membership with the Greater Kent Committee.

Councilman Starling moved to authorize \$750 be paid for six-months Program Support to the Greater Kent Committee, seconded by Councilman Mergner. Motion carried.

*Adoption/Resolution 2017-04/Annexation Committee Investigation/Walter V. Jr. & Barbara L. Samuels*

Planning Coordinator Pierce referenced the petition submitted by Walter and Barbara Samuels for their one acre parcel located along Cedar Creek adjacent to the new hospital site at 7237 Cedar Creek Road, Lincoln. They are requesting annexation into the City of Milford with a C-3 zoning designation. He asked the matter be placed in the hands of the Annexation Committee for further review.

Councilwoman Wilson moved to adopt Resolution 2017-04, seconded by Councilman Starling:

*Annexation/Lands belonging to Walter V. Jr. & Barbara L. Samuels**7237 Cedar Creek Road, Lincoln, DE 19960**Tax Parcel No. 3-30-11.00-6.04**1.005 +/- Acres**Current Zone AR-1/Proposed Zone C-3***COMMITTEE DIRECTED TO INVESTIGATE ANNEXATION**

*Whereas, a Petition, signed by the legal property owner and duly witnessed, requesting annexation into the City of Milford, situated northeast of Cedar Creek Road (SR 30), 763 feet southeast of Wilkins Road (CR 206) along the east side of Cedar Creek Road, in Cedar Creek Hundred, being 7237 Cedar Creek Road, shown on a Boundary Survey Plan prepared by Merestone Consultants and dated December 27, 2016, legally described as:*

*Beginning at a rebar set on the northeasterly right of way line of Cedar Creek Road, at 80 feet wide, a common corner of the lands of, now or formerly, Frederick A. Duffy and Delema M. Duffy, point being located 720 feet more or less from the southerly right of way line of Wilkins Road;*

*Thence leaving Cedar Creek Road and following said lands of Duffy North 86°17'13" East, 287.52 feet, to a found iron pipe, a corner of lands, now or formerly, of Nelson W. Hall Trustee;*

*Thence along the lands of Nelson W. Hall Trustee, South 04°19'49" East, 153.54 feet, to a found iron pipe, a corner of lands, now or formerly, of Patrick F. Gorman and Jacquelyn A. Gorman;*

*Thence along said lands of Gorman, South 86°57'44" West, 290.00 feet, to a rebar set on the northeasterly side of Cedar Creek Road;*

*Thence along said Cedar Creek Road by a curve to the left having a radius of 13,917.35 feet an arc distance of 150.12 feet (chord equivalent: North 03°24'14" West, 150.12 feet) to the first mentioned point and place of beginning and Containing within the said described metes and bounds 1.005 Acres of land.*

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

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

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

*NOW, THEREFORE, I, Teresa K. Hudson, City Clerk of the City of Milford, do hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of the City of Milford at a Council Meeting held the 8<sup>th</sup> day of May 2017 by a majority vote.*

Motion carried.

*FY16-17 Budget Adjustment:*

*Enforcement & Inspections Department/Engineering/Legal/General Expenses/Training to  
Planning & Zoning Department/Engineering & Legal Expenses*

City Planner Pierce referenced the following memo:

*The Planning & Zoning Department is requesting a transfer of funds from the Enforcement & Inspections Department to the Planning & Zoning Department to cover current and projected legal and engineering expenses for the remainder of the fiscal year. The increase in legal expenses can be attributed to an increase in review of site plan and land development items, the Comprehensive Plan update process and several economic development agreements. The increase in engineering expenses is attributed to an increase in the number of site plan and land development items being reviewed by Davis, Bowen & Friedel. The majority of the legal and engineering expenses are billed as encumbered and reimbursed by the applicant, however, collection of such fees may take several months.*

*The Planning & Zoning Department requests a transfer from the Enforcement & Inspections Department in the amounts of \$1,000.00 from Engineering (101-1045-429.30-50), \$1,500 from Legal (101-1045-429.30-20), \$1,000 from General Expenses (101-1045-429.60-11) and \$3,000 from Training (101-1045-429.50-90) to the Planning & Zoning Department budget in the amounts of \$2,500 for Engineering (101-1035-419.30-50) and \$4,000 for Legal (101-1035-419.30-20).*

Councilman Morrow moved to approve the budget request as outlined in the memo, seconded by Councilwoman Wilson. Motion carried.

ADJOURN

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

The Council Meeting adjourned at 9:20 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Recorder