

City of Milford



AGENDA

Monthly Council Meeting

February 14, 2011

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

COUNCIL MEETING - 7:00 p.m.

Call to Order - Mayor Joseph Ronnie Rogers

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Monthly Police Report

City Manager's Report

Committee Reports

Communications

Unfinished Business

New Business -

Resolution/Application for DNREC Funding/Development of a Wastewater Facilities Plan

Request for FY 2010-11 Budget Transfer from Capital Account/Solid Waste Department*

Introduction of Ordinance 2011-4/Chapter 174-Property Maintenance-Vegetable Gardens

Introduction of Ordinance 2011-6/Chapter 230/Recreational Vehicles

Discontinuation of Voluntary Green Energy Subscription Program

Monthly Finance Report

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.**

011311 011411 012411 012811 01311 *020811 Late Info Received 021011 Items Removed 021111 Item Removed

CITY OF MILFORD

DELAWARE



OFFICE OF THE CHIEF OF POLICE
E. KEITH HUDSON

“THE GARDEN CITY OF TWIN COUNTIES”

400 N.E. FRONT STREET
MILFORD, DELAWARE 19963
(302)422-8081 FAX (302)424-2330

MEMORANDUM

TO: Mayor and Members of City Council

FROM: E. Keith Hudson, Chief of Police

DATE: February 9, 2011

RE: Activity Report/January 2011

=====

Monthly Stats:

A total of 483 arrests were made by the Milford Police Department during January 2011. Of these arrests, 131 were for criminal offenses and 352 for traffic violations. Criminal offenses consisted of 47 felonies and 84 misdemeanors. Traffic violations consisted of 25 Regular Duty Radar, 3 Drunk-Driving charges, 23 Special Duty Radar and 301 other.

Police officers investigated 31 accidents during the month (3 personal injury, and 28 property damage) and issued 193 written reprimands. In addition, they responded to 1100 various complaints including city requests and other agency assistance.

A total of \$7,721.75 was collected in fines during January.

No False Alarm Violation Invoices were issued during the month of January.

Monthly Activities:

The Citizen's Police Academy is underway with approximately twelve attendees. Graduation is scheduled for March 16, 2011 at 7:00 p.m. in the Conference Room at Delaware Hospice.

Milford Officers attended an advanced accident investigation training involving commercial vehicles at the Delaware State Police Academy on January 11th.

We also had an officer attend a seminar on January 28th at the DSP Academy in regard to the

National Highway Traffic Safety Administration, Standardized Field Sobriety Testing.

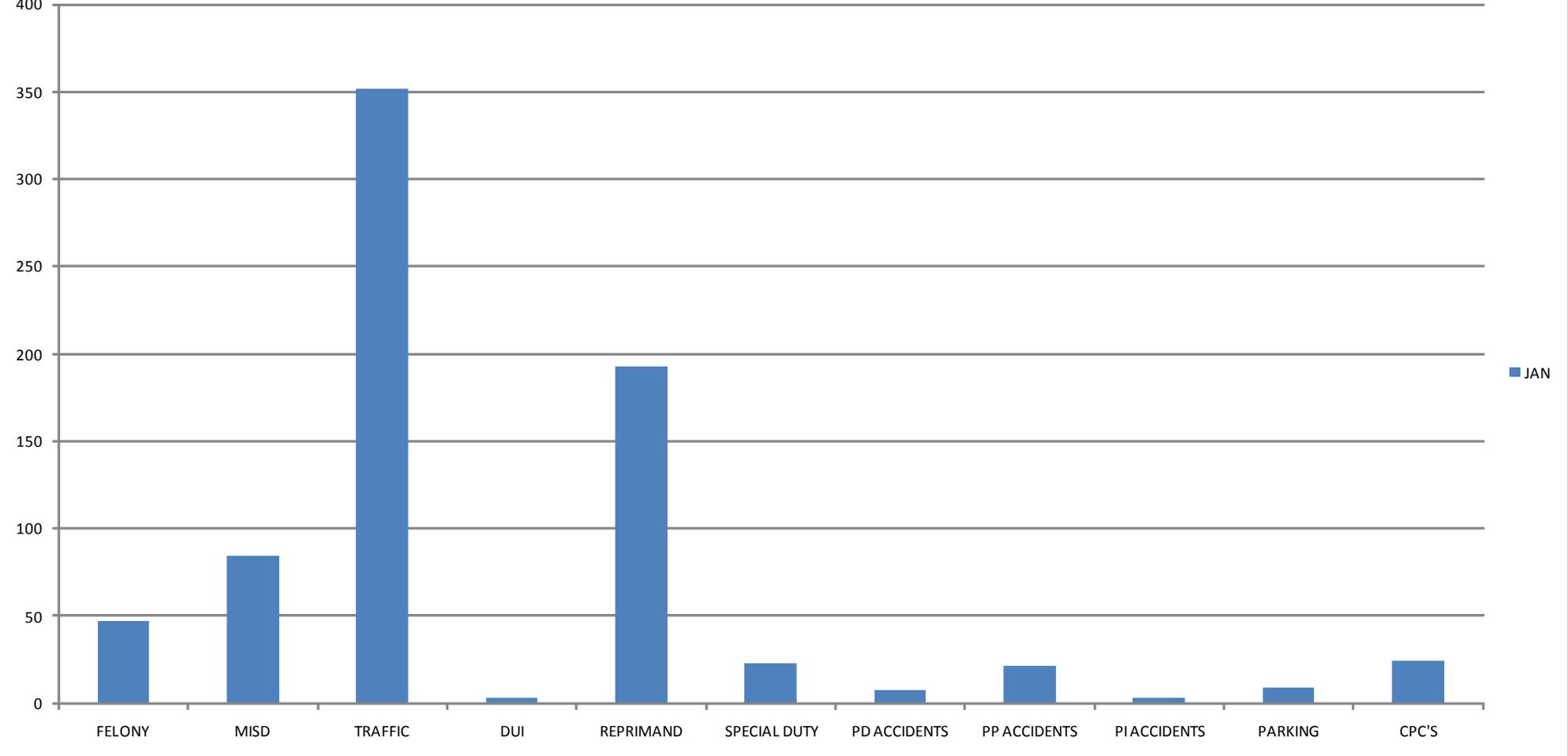
EKH

vrk

JANUARY ACTIVITY REPORT

	<u>JAN 2010</u>	<u>TOTAL 2010</u>	<u>JAN 2011</u>	<u>TOTAL 2011</u>
<u>Complaints</u>	1060	1060	1100	1100
<u>Criminal Arrests</u>	137	137	131	137
Felonies	26	26	47	47
Misdemeanors	111	111	84	84
<u>Traffic Arrests</u>	340	340	352	352
Regular Duty Radar	19	19	25	25
D.W.I.	7	7	3	3
Special Duty Radar	9	9	23	23
Other	305	305	301	301
<u>Reprimands</u>	128	128	193	193
<u>Accidents</u>	44	44	31	31
Personal Injury	6	0	3	3
Property Damage	37	37	28	28
Fatal (included in PI)	0	0	0	0
<u>Parking Summons</u>	7	7	9	9
<u>Crime Prevention Checks</u>	20	20	24	24
<u>Fines Received</u>	\$4,037.25	\$4,037.25	\$7,721.75	\$7,721.75

JAN



City Manager's Report February 14, 2011

- **Solid Waste & Recycling**

On August 1, 2010 the City Solid Waste Department began the collection of curbside recycling. During the month of January, the Solid Waste Department collected 360.71 tons (321.19 tons of Solid Waste; 34.69 tons of Curbside Recycling and 4.83 tons of yard waste)

In 2010, SB234 was signed into law and part of the legislation establishes diversion rates of 50% by January 1, 2015 for Municipal Solid Waste being disposed of at the landfill.

	Solid Waste	Curbside Recycling	Igloo Recycling	Yard Waste	Total	Diversion Rate
2009	4,684.38	442.44	545.68	-	5,672.50	17.41%
2010	4,630.47	450.12	505.82	37.49	5,623.90	17.66%
2011	321.19	34.69	44.16	4.83	404.87	20.60%

- **Impact Fee Waivers**

Since the waiver of impact fees was implemented in June 2010, the City has waived \$139,280 in fees. This waiver has allowed property owners in Milford to retain this money and has helped to support a total investment of \$7,817,395 (based on building permit values) during the months of June through January.

- **Proposed Ordinances**

Per the request of a few members of City Council and the Code Official, staff is preparing drafts of the following proposed ordinances for your review. I anticipate these ordinances will be introduced on February 28, 2011.

1. *Outdoor Wood Burning Furnaces (Draft included in packet)*—This ordinance is written with two options. Option 1 prohibits these types of furnaces, while Option 2 permits them under certain conditions.
2. *Licensing (Still being drafted and is not included in the packet)*—This ordinance will require those applying for licenses from the City to be current on all charges and fees due the City are paid and in good standing.

- **North Front Street Sewer Project**

The City and our engineers with Davis, Bowen & Friedel, Inc are in the process of preparing the final change order and obtaining the release of liens from the contractor and subcontractors on the project. I will provide updates on the status of the project as more is finalized.

- **Electric Utility Rate Comparison**

See the attached Residential Utility Rate Comparison from DEMEC for January 2011.

- **Electric—Demand Response Program**

The City's Demand Response Program allows its electric customers to sign on with a third party Curtailment Service Provider (CSP) to, when called upon, reduce demand on the electric grid in exchange for financial incentives. Last year the City adopted ordinances allowing for third party vendors to serve as CSP's with the approval of the City Manager. This year, DEMEC, has selected Comverge, Inc. to serve as a CSP working on behalf of DEMEC and its members. While it is believed that DEMEC's arrangement with Comverge will offer our customers greater incentives for participation in the program (80% rebates versus the standard 60-70% rebates), I do not feel Comverge should not be the exclusive CSP within our electric system. Therefore, in accordance with the City Ordinance governing this issue, I plan to continue to approve other CSPs to compete for business along with Comverge in Milford for the 2011 Program Year. The City should continue to evaluate this issue over the course of the next year and recommend to City Council any changes for the 2012 Program Year.

- **North Front Street Sewer Project**

The City and our engineers with Davis, Bowen & Friedel, Inc are in the process of preparing the final change order and obtaining the release of liens from the contractor and subcontractors on the project. I will provide updates on the status of the project as more is finalized.

- **North East 10th Street & N. Church Street Paving**

The City is in discussions with the contractor regarding a resolution on N.E. 10th Street and I believe an agreement will be reached by your next meeting. Additionally, Mr. Mallamo will be taking a closer look at N. Church Street to avoid any similar issues that were experienced on N.E. 10th Street.

- **10th Street Water Tower**

The City has just received proposals for washing, surface preparation and touch up painting on the 10th Street Water Tower. After reviewing the proposals with Mr. Mallamo and based upon comments from the contractors, we will be pursuing the possibility of full exterior painting as well. We anticipate the proposals being presented to City Council no later than March and work taking place this spring.

- **City Holiday**

City offices will be closed on Monday, February 21, 2011 in observance of President's Day.

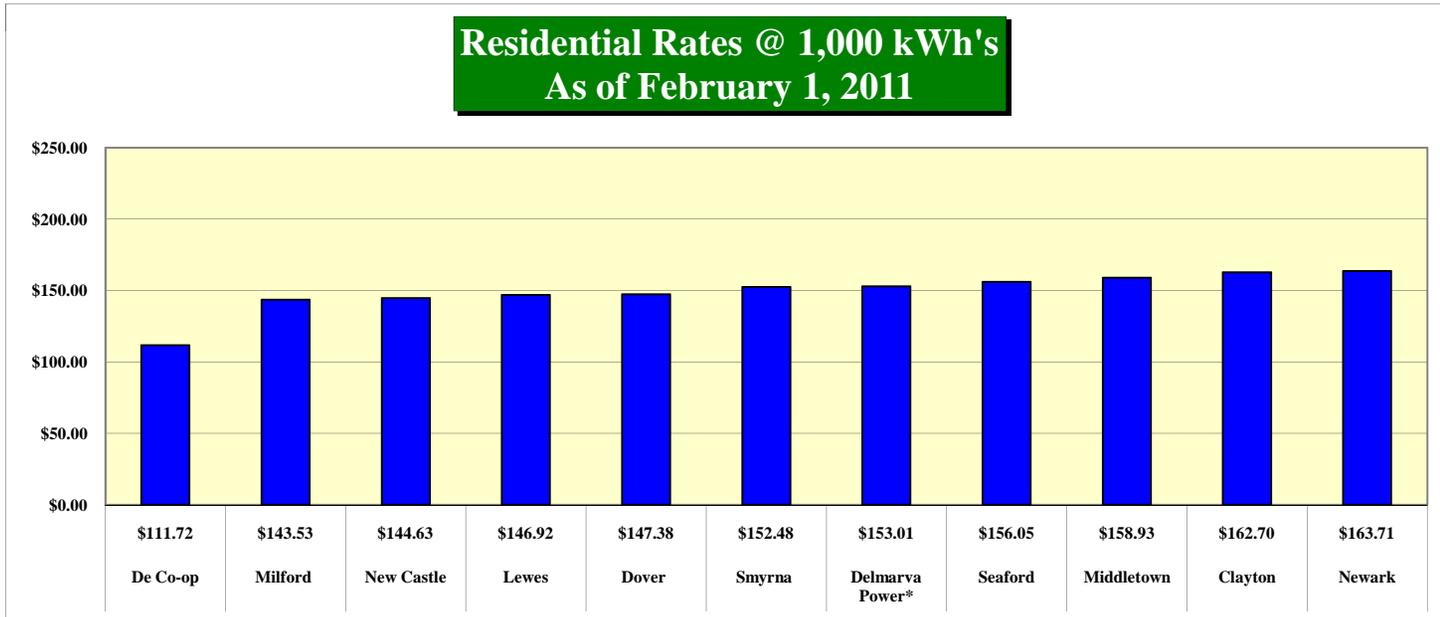
Selected Area Utilities

Winter (Oct. - May)

RESIDENTIAL RATE COMPARISON @ 1,000 kWh

		<u>% Difference</u>	<u>% Difference</u>
<u>De Co-op</u>	\$111.72	0%	-27%
<u>Milford</u>	\$143.53	28%	-6%
<u>New Castle</u>	\$144.63	29%	-5%
<u>Lewes</u>	\$146.92	32%	-4%
<u>Dover</u>	\$147.38	32%	-4%
<u>Smyrna</u>	\$152.48	36%	0%
<u>Delmarva Power*</u>	\$153.01	37%	0%
<u>Seaford</u>	\$156.05	40%	2%
<u>Middletown</u>	\$158.93	42%	4%
<u>Clayton</u>	\$162.70	46%	6%
<u>Newark</u>	\$163.71	47%	7%

* Approximate. DP&L's transmission capacity charge is based on each individual's Peak Load Contribution (PLC) to the overall transmission load. Each customer has a unique PLC that changes every January.



Ordinance 2011-5 (DRAFT)

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

ORDINANCE NO. 2011-5

Chapter 230: Zoning

It is generally recognized that the types of fuel used, and the scale and duration of burning by outdoor wood burning furnaces, creates noxious and hazardous smoke, soot, fumes, odors and air pollution, can be detrimental to citizens' health, and can deprive neighboring residents of the enjoyment of their property or premises. Therefore, with the adoption of this article, it is the intention of the City of Milford to establish and impose restrictions upon the construction and operation of outdoor wood burning furnaces within the limits of the city for the purpose of securing and promoting the public health, comfort, convenience, safety, welfare and prosperity of the city and its inhabitants.

Section 1.

An Ordinance to amend the Code of the City of Milford, Chapter 230, thereof, entitled, Zoning, by defining and regulating Outdoor Woodburning Furnace in the City of Milford.

Section 2.

Amends §230-4, Definitions, by adding a definition for Outdoor Woodburning Furnace.
OUTDOOR WOODBURNING FURNACE-An accessory structure, designed and intended, through the burning of wood, for the purpose of heating the principal structure or any other site, building, or structure on the premises.

Section 3.

Amends §230-4, Definitions, by adding a definition for Firewood.
FIREWOOD-Trunks and branches of trees and bushes, but does not include leaves, needles, vines or brush smaller than three inches in diameter.

Section 4.

Amends §230-4, Definitions, by adding a definition for Stack or Chimney.
STACK or CHIMNEY-Any vertical structure enclosing a flue or flues that carry off smoke or exhaust from a solid fuel fired heating device or structure, including that part of the structure extending above a roof.

Section 5.

Amends §230-41, Accessory Uses, by adding a new paragraph (D) regulating Outdoor Wood Burning Furnace to read as follows:

D. Outdoor Wood Burning Furnaces. **OPTION SELECTION NEEDED**

(1) Prohibited.

(A) The construction and operation of outdoor woodburning furnaces is hereby prohibited within the City of Milford.

(2) Nonconforming Uses.

(A) Except as hereinafter provided, the lawful use of any outdoor woodburning furnace existing at the time of the adoption of this ordinance may continue though such use shall conform with the following provisions:

(1) Outdoor wood burning furnace existing at the time of the adoption of this article shall thereafter not be extended or enlarged.

(2) Any existing outdoor wood burning furnace which is abandoned or discontinued for a period of one year shall not be permitted to be reestablished as a nonconforming use, and must be immediately removed by the property owner from the subject premises.

(3) Permitted fuel. Only firewood and untreated lumber are permitted to be burned in any outdoor furnace.

(4) Spark arrestors. All outdoor furnaces shall be equipped with properly functioning spark arrestors.

(5) The use of such furnaces must follow all operating instructions supplied by the manufacturer.

OR

(1) Permitted.

(A) Minimum lot size. Outdoor furnaces shall only be permitted on lots of 3 acres or more.

(B) Setbacks. Outdoor furnaces shall be set back not less than 200 feet from the nearest lot line.

(C) Months of operation. Outdoor furnaces shall be operated only between October 1 and April 30.

(D) Spark arrestors. All outdoor furnaces shall be equipped with properly functioning spark arrestors.

(E) The unit must be located with due consideration to the prevailing wind direction.

(F) The use of such furnaces must follow all operating instructions supplied by the manufacturer.

(G) Permitted fuel. Only firewood and untreated lumber are permitted to be burned in any outdoor furnace.

(H) Building permit required prior to installation.

Section 6. Dates.



DELAWARE SOLID WASTE AUTHORITY

Pasquale S. Canzano, P.E., BCEE
Chief Executive Officer

Richard P. Watson, P.E., BCEE
Chief Operating Officer

Board of Directors
Richard V. Pryor
Chairman
Ronald G. McCabe
Vice Chairman
Theodore W. Ryan
Timothy P. Sheldon
Tonda L. Parks
Gerard L. Esposito
Gregory V. Moore, P.E.

January 12, 2011

Mr. David Baird
City of Milford
P.O. Box 159
Milford, DE 19963

Dear David:

Enclosed please find the City of Milford's numbers for the month of December 2010.

**December 2010
Weight in Pounds**

MARSHALL STREET

CARD BOARD	SINGLE-STREAM	TOTAL	OIL GALLONS
3,438	62,866	66,304	500

MILFORD MIDDLE SCHOOL

996	4,037	5,033	
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MILFORD COMMONS

1,403	15,572	16,975	
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Sincerely,

Rich Von Stetten
Sr. Manager of Statewide Recycling

C:\RVS\RD correspondence\cityofmilford.doc
Attachments: City of Milford Site Totals

1128 S. Bradford Street, P.O. Box 455, Dover, Delaware 19903-0455
Phone: (302) 739-5361 Fax: (302) 739-4287

CITIZENS' RESPONSE LINE: 1-800-404-7080 www.dswa.com



*Join fellow Chamber of Commerce for Greater Milford members
for an informative program & **Free Breakfast...***

Presented by:

**Christiana Care Visiting Nurse Association
(Evergreen Center – Adult Day Care & Alzheimer’s Memory Center)**

**Limited
Seating!**

**THE EVENT IS BEING HELD AT
Delaware Hospice**

~ 100 Patriots Way ~ Milford ~

*A Great way
to start your
Day!*

**Wednesday, February 16, 2011
8:00 to 9:30 a.m.**

As always, we encourage you to bring a friend!

Organization/Business _____

of Attendees: Member _____ Other _____

Name (s) of Attendees _____

Please email milford@milfordchamber.com call (302) 422-3344 or fax (302) 422-7503 if you plan to attend.

Please provide the Chamber with the above information by Monday, February 14th.

“A Member Driven Organization”

**DELAWARE LEAGUE OF LOCAL GOVERNMENTS
MONTHLY DINNER MEETING
FEBRUARY 24TH, 2011
SHERATON DOVER HOTEL
1570 NORTH DUPONT HIGHWAY
DOVER, DELAWARE**

SOCIAL HOUR: 6:00 P.M. - 6:45 P.M.
 OPENING: 6:45 P.M. - 7:00P.M.
 DINNER: 7:00 P.M. - 7:20 P.M.
 PROGRAM: 7:20 P.M. - 8:00 P.M.

PROGRAM

Governor Jack Markell will be discussing Delaware's 2012 state budget plans. He will focus on the process of balancing the budget as well as highlight programs that will receive priority under his administration for the coming year. Please plan to attend and thank our Governor for his support of \$4 million toward the 2012 fiscal year Municipal Street Aid fund.

Michael Tholstrup, League Fellow and George C. Wright, Jr., Executive Director will provide a short discussion of the latest changes in the Americans with Disabilities Act (ADA). Specific attention will be paid toward Title II and the local municipality transition plan.

NEXT MEETING: MARCH 24, 2011

Special diets can be accommodated with 24 hours notice

WE MUST HAVE YOUR RESERVATIONS NO LATER THAN FEBRUARY 16, 2011

Mail To: Delaware League of Local Governments
 P.O. Box 484
 Dover, Delaware 19903
 Telephone: 302-678-0991 Fax: 302-678-4777

_____ will have _____ attendees
 (Municipality/County/Agency)

PLEASE LIST THE NAMES OF THOSE ATTENDING

<u>Name</u>	<u>Title</u>
_____	&
_____	&
_____	&
_____	&
_____	&
_____	&
_____	&

- () Check enclosed for () dinners @ \$20.00 each
- () Please direct bill the Municipality/County/Agency
- () Payment will be made at the door
- () Enclosed for () dinners @ \$20.00 each



Sussex County Association of Towns

P.O. Box 589 Georgetown, DE 19947

- Town of Bethany Beach*
- Town of Bethel*
- Town of Blades*
- Town of Bridgeville*
- Town of Dagsboro*
- Town of Delmar*
- Town of Dewey Beach*
- Town of Ellendale*
- Town of Fenwick Island*
- Town of Frankford*
- Town of Georgetown*
- Town of Greenwood*
- Town of Henlopen Acres*
- Town of Laurel*
- City of Lewes*
- City of Milford*
- Town of Millsboro*
- Town of Millville*
- Town of Milton*
- Town of Ocean View*
- City of Rehoboth Beach*
- City of Seaford*
- Town of Selbyville*
- Town of Slaughter Beach*
- Town of South Bethany*
- Sussex County Council*

MEETING NOTICE

LOCATION: CHEER Community Center
Georgetown

DATE: Wednesday, March 2, 2011

TIME: 6:00 p.m. – Social
6:30 p.m. – Dinner

HOST: Sussex County

SPEAKER: Joe Thomas, Director
Sussex County Emergency Operations Center

COST: \$29.00

MENU: (Catered by Georgia House Restaurant)

- Shrimp Naples
- Roasted Sirloin
- Zinfandel Grilled Chicken
- Pasta Marinara
- Sweet Potato Casserole
- Macaroni and Cheese
- Redskin Mashed Potatoes
- Glazed Carrots
- Fresh Green Beans
- Garlic Roasted Asparagus
- Dessert

For reservations, please call Robin or Gaye at the Sussex County Council office at 855-7743 no later than Noon on Wednesday, February 23rd.

Please make checks payable to the Sussex County Council.



Sussex County Association of Towns

P.O. Box 589 Georgetown, DE 19947

Town of Bethany Beach

Town of Bethel

Town of Blades

Town of Bridgeville

Town of Dagsboro

Town of Delmar

Town of Dewey Beach

Town of Ellendale

Town of Fenwick Island

Town of Frankford

Town of Georgetown

Town of Greenwood

Town of Henlopen Acres

Town of Laurel

City of Lewes

City of Milford

Town of Millsboro

Town of Millville

Town of Milton

Town of Ocean View

City of Rehoboth Beach

City of Seaford

Town of Selbyville

Town of Slaughter Beach

Town of South Bethany

Sussex County Council

NOTICE

SCAT's Annual Legislative Breakfast will be held on Friday, March 4th at 9:00 a.m. at the CHEER Community Center in Georgetown.

Sussex County legislators have been invited to attend.

The cost of breakfast will be \$14.00. Checks are to be made payable to SCAT. [SCAT will write checks to CHEER (for use of the facility) and to Georgia House (for the breakfast). Any remaining funds will help pay for the legislators' meals.

Please RSVP to Robin Griffith at 855-7743 or by email at rgriffith@sussexcountyde.gov no later than Friday, February 25th.

If you have an opportunity to speak with your legislators, please ask them to attend. As of this date, I have heard from Senator Booth, Representative Short, and Representative Kenton.



Sussex County Association of Towns

P.O. Box 589 Georgetown, DE 19947

Town of Bethany Beach

Town of Bethel

Town of Blades

Town of Bridgeville

Town of Dagsboro

Town of Delmar

Town of Dewey Beach

Town of Ellendale

Town of Fenwick Island

Town of Frankford

Town of Georgetown

Town of Greenwood

Town of Henlopen Acres

Town of Laurel

City of Lewes

City of Milford

Town of Millsboro

Town of Millville

Town of Milton

Town of Ocean View

City of Rehoboth Beach

City of Seaford

Town of Selbyville

Town of Slaughter Beach

Town of South Bethany

Sussex County Council

MARK YOUR CALENDARS!

TO: All SCAT Members/SCAT Meeting Attendees

FROM: Robin Griffith

RE: Schedule Change –April SCAT Meeting

DATE: February 11, 2011

SCAT's April meeting will be held on THURSDAY, APRIL 7th, instead of Wednesday, April 6th. This change was approved by the Steering Committee and is due to a scheduling conflict for the Town of Bridgeville, SCAT's host for the April meeting.

If you have any questions, please call me at 855-7743 or email me at rgriffith@sussexcountyde.gov.



PO Box 35
Milford, DE 19963
302-422-2335
circleoflightinc@yahoo.com

January 11, 2011

Mayor & Council of Milford
201 S Walnut Street
Milford, DE 19963

Dear Mayor & Members of Council:

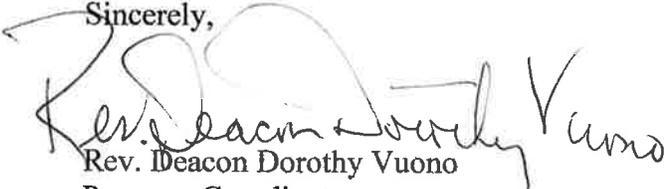
On behalf of the Board for Circle of Light, Inc., I would like to take this opportunity to thank you for your generous donation to our projects. To date we have helped over 42 homeless women and children to obtain their personal documents necessary to for their self-sufficiency or given assistance in other areas of need and/or referrals.

Your donation will enable us to purchase necessary test kits to be used at the Emergency Cold Weather Shelter we will be opening in a few weeks.

As we are in a New Year it is with hope that you may be able to help in some way if not as a group perhaps individually. Whatever support we can get we truly appreciate and use wisely.

Thank you for your generosity.

Sincerely,


Rev. Deacon Dorothy Vuono
Program Coordinator



February 10, 2011

Mr. David Baird
City Manager
City of Milford
201 S. Walnut Street
Milford, Delaware 19963

Dear Mr. Baird:

I write to share some exciting news. Coming soon, we at Comcast will be enhancing our network and delivering the world of all-digital entertainment to all Comcast customers.

The way people watch TV, listen to music, or surf the Internet is evolving to digital. In an effort to keep our customers ahead of that digital curve and to provide them with the products and services they want, we will be enhancing our services in order to allow all our customers to enjoy the benefits of digital technology. Presently only customers who subscribe to our digital starter level of service or above have access to digital services. When completed, all our standard video customers will be able to enjoy these exciting new features depending on their tier of service:

- Access to thousands of hours of free programming On Demand;
- An on-screen programming guide, with search and parental control functions;
- Up to 100 HD channels and 1000 HD choices;
- A commercial-free music service with over 40 channels of uninterrupted music;
- And more entertainment options than ever before

In addition, the new enhancements will allow us to launch even faster internet speeds.

In order to bring all customers the benefits of the enhancements, in the near future, all Comcast video services will be transmitted exclusively in digital format after we have converted our signals. This means

that all customers will need to have either a digital cable box or digital adapter from Comcast, or a third party device with a CableCARD™ for each television on which they wish to continue receiving Comcast video services.

In order to make this enhancement as seamless as possible for our customers, on or about **March 1**, Comcast will begin providing customers digital equipment in accordance with their service tier. Comcast will provide up to three digital adapters to its current Limited Basic-tier customers at no additional cost. Customers who subscribe to higher tiers of service will be provided up to one digital set-top box and two digital adapters at no additional cost. Customers with bulk service contracts will receive digital equipment in accordance with their contract terms. Customers who would like more than the digital equipment included as part of their video service package may obtain additional equipment of their choice at the standard rate for each additional digital adapter and for each additional digital set-top box. Providing customers access to this equipment in advance of our digital upgrade will increase the time they have to get the necessary equipment to continue viewing their favorite channels and to enjoy these new features.

Customers can obtain the equipment during service calls, visit a Comcast service center, call 1-877-634-4434 or go on-line to comcast.com/digitalnow to determine the best solution for their homes.

Additional messaging detailing specific channel moves will be provided to your office and customers.

As always, if you should have any questions or concerns regarding this matter, or any matter, please feel free to contact me at (302) 672-5936.

Sincerely,



R. Thomas Worley
Senior Director Government Regulatory Affairs



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

January 31, 2011

DNREC
Office of the Secretary
Financial Assistance Branch
5 East Reed Street, Suite 200
Dover, DE 19901

Attn: Financial Assistance Branch

RE: Wastewater Planning Matching Grant Application
City of Milford, Delaware

Dear Sir or Madam:

Please find enclosed a Wastewater Planning Matching Grant Application on behalf of the City of Milford. Included are the check list, information sheet, scope of work, a draft of the approval resolution and a copy of a letter to the regional wastewater utility as required per the application guidelines. Please note that the approval resolution has not been passed at this time. However, it is on the agenda for the upcoming City Council meeting to be held on February 14, 2011. Per our discussions with Mr. Greg Pope of your office, we understand that this is acceptable for now but a copy of the adopted resolution will be required before the grant can be approved. We hope that you find our application suitable for funding. If you have any questions or need any additional information, please feel free to contact our office.

Sincerely,

Erik F. Retzlaff, P.E.
Sr. Eng./Project Mgr.

Enclosure

cc: **David Baird, City Manager**

CWSRF Non-Federal Administrative Account

Application Guidelines for Wastewater Planning Matching Grants

Application Cover Sheet and Check List

Wastewater Utility Name:

City of Milford

Date of Application: 01/31/11

Date Received: ___/___/___

Check List for Application Materials

- Application Cover Sheet and Check List**
- Wastewater Utility Information Sheet**
- Scope of Work Document**
- Approval Resolution** – Resolution has not been passed at this time. However, it is on the agenda for the upcoming City Council meeting to be held on February 14, 2011. A draft has been provided as part of this application.
- Letter to the Regional Wastewater Utility**

CWSRF Non-Federal Administrative Account

Application Guidelines for Wastewater Planning Matching Grants

Information Sheet

Wastewater Utility Name: City of Milford

Mailing Address: City of Milford, 201 South Walnut Street, P.O. Box 159, Milford, DE 19963

Telephone: 302-422-6616 **Fax:** 302-422-1120

Date of current or previous wastewater plan (if any): None Prepared to Date

Project Description:

City of Milford Wastewater Facilities Plan

The City of Milford is proposing to perform an evaluation of their existing sewer system. This evaluation will analyze the conditions and remaining capacities of the collection system, the transmission system and their discharge with Kent County. This facilities plan should be a tool that will allow the City to take a proactive approach to their sewer system and any necessary improvement projects and should make sure that any expansion is paid for by development, as per their ordinance and Comprehensive Plan.

Who will complete the project (staff or consultant)?

The project will be completed mainly by the Town's engineering consultant, Davis, Bowen & Friedel, Inc. of Milford, Delaware with some assistance from City personnel, when available, in an attempt to keep down costs.

Project Start Date: March 2011

Project Completion Date: March 2012

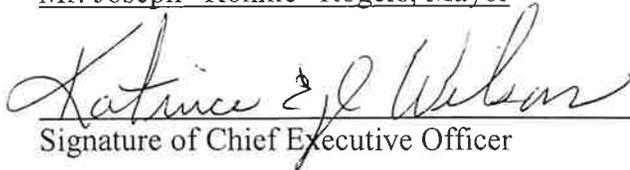
Cost Summary:

Estimated Total Project Cost:	\$99,840
Assistance Request:	\$49,920
Amount of Local Funds Available (Cash Match Required):	\$49,920

Name of Chief Executive Officer of the Utility:

MS KATRINA E. WILSON, VICE MAYOR

Mr. Joseph "Ronnie" Rogers, Mayor



Signature of Chief Executive Officer

1/31/11

Date

CWSRF Non-Federal Administrative Account

Application Guidelines for Wastewater Planning Matching Grants

Use this page to provide additional information if necessary

Scope of Work

Wastewater Facilities Evaluation

The City of Milford is proposing to perform an evaluation of its existing wastewater system. The wastewater system will be broken down into three sub-systems for evaluation; the collection system, the transmission system and the discharge system.

- A. The collection system consists of all the manholes and gravity mains. A hydraulic sewer model will be constructed to analyze the system for any potential bottlenecks and to determine the remaining capacities in each of the catchment areas and associated gravity mains.
- B. The transmission system consists of the numerous pump stations and discharge forcemains. The condition of the pump stations will be evaluated via physical inspection. The capacities of the pump stations and forcemains will be evaluated by reviewing the design criteria and comparing it to its current operating conditions. The transmission system will also be added to the hydraulic sewer model created above for future evaluation.
- C. The discharge system is basically an evaluation of Kent County's pump station and discharge forcemain and a determination of any remaining capacity and what potential upgrades will be necessary to increase capacity. The discharge system will also be added to the hydraulic sewer model created above for future evaluation.

There are two main goals of the evaluation. The first is to determine any existing deficiencies in the system. Cost estimates will be prepared for any projects needed to correct existing deficiencies. These projects will be prioritized in a list that the City can use to plan for funding them in the near future.

The other goal of the evaluation is to determine the remaining capacities of the various components of the system. The City currently has adequate capacity to handle its flows. As development occurs, this reserve capacity will be reduced and parts of the system will require upgrades or expansion. Cost estimates will be prepared for these upgrades and expansion projects that will be needed as development occurs. These cost estimates will allow the City to better understand all of the impacts of future development and to ensure that impact fees are established such that future development truly pays for all associated impacts.



OFFICE OF THE CITY MANAGER
302.424.8395, FAX 302.424.3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963

www.cityofmilford.com

January 24, 2011

Kent County Engineering
Kent County Administration Building
555 Bay Road, Room 150
Dover, DE 19901

RE: Wastewater Facilities Plan
City of Milford

Attn: Hans Medlarz, P.E.
Kent County Engineer

Dear Hans:

The City of Milford is applying for funding to conduct a study of our wastewater system. We are hoping to perform an evaluation of the condition and capacity of our existing system. As all of the City's wastewater is discharged to the County, we will need to include an evaluation of the County's system that relates to the City.

We look forward to working with you on this project and will notify you as the project progresses. Should you have any further comments or questions, please do not hesitate to contact me at anytime.

Sincerely,

David W. Baird
City Manager

cc: Brad Dennehy, Public Works Director (e-mail)
Erik Retzlaff, P.E., Davis, Bowen & Friedel

City of Milford



RESOLUTION 2011-1

WHEREAS, the Mayor and Council of the City of Milford have approved a project to perform an evaluation of the City's wastewater utility, and

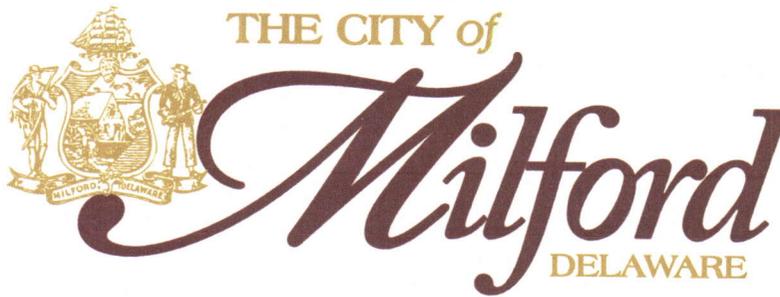
WHEREAS, the State Department of Natural Resources and Environmental Control (DNREC) has funding available for such projects in their Wastewater Planning Matching Grant Program through the Clean Water State Revolving Fund (CWSRF) Non-Federal Administrative Account.

BE IT RESOLVED, the Mayor and Council of the City of Milford approve of submitting an application to the State Department of Natural Resources and Environmental Control for a Wastewater Planning Matching Grant to assist in funding the cost of performing an evaluation of the City's wastewater utility.

Mayor Joseph Ronnie Rogers

City Clerk Teresa K. Hudson

Adopted: February 14, 2011



PUBLIC WORKS DEPARTMENT
302.422.6616, FAX 302.422.1119

180 VICKERS DRIVE
MILFORD, DE 19963

MEMO

TO: David Baird
City Manager

FR: Brad Dennehy *BD*
Director of Public Works

DA: February 1, 2011

RE: Transfer of funds for refuse containers.

Dave,

On behalf of Tim Webb (Streets Superintendent) I would like to formally request a transfer of funds in the Solid Waste Department. As you aware the Solid Waste Department purchased a new trash truck which came in considerably under budget. After the purchase of the trash truck there is a balance of \$52,243.00 remaining in that capital account.

We would like to transfer some of the remaining money for the following items:

1. To purchase 200 x 95gallon residential trash containers (to replace damaged containers) at a cost of \$10,463.00.
2. To purchase 15 x commercial trash dumpsters (which are worn out) at a cost of \$11,100.

This would be a total transfer of \$21,563.00 with \$30,680.00 still remaining in capital.

As always, if you require further information please do not hesitate to contact me.

Thank you.

Request for amendment to Solid Waste FY 2010-2011 Budget:

FROM: Solid Waste Fund Balance account#204-0000-399-40-00

TO: Supplies account 204-4040-432-60-10

PUBLIC NOTICE
PLANNING COMMISSION & CITY COUNCIL PUBLIC HEARINGS
City of Milford Property Maintenance Chapter Amendment
Ordinance 2011-4

The following Ordinance is currently under review by Milford City Council:

The City of Milford hereby ordains as follows:

ORDINANCE 2011-4

Section 1.

An Ordinance to amend the Code of the City of Milford, Chapter 174, thereof, entitled, Property Maintenance, by defining and regulating Vegetable Gardens in the City of Milford, so as not to detract from the character of the existing neighborhood.

Section 2.

Amends §174.2 H, Definitions, (Section PM-202) by adding a definition to read as follows:

VEGETABLE GARDEN-An area dedicated to the cultivation of edible plants. Most vegetable plants are annual in nature or grown as such, but there are some perennials (e.g., rhubarb, asparagus etc.) A vegetable garden can vary from strictly utilitarian to highly ornamental.

Section 3.

Amends §174.2 , Additions, Insertions and Changes, by inserting a new Section “L” regulating the location of a vegetable garden, to read as follows:

Section PM 302.11. Vegetable Garden. No vegetable garden shall extend beyond the back line of the house or structure toward the front of the house or structure. For corner lots, vegetable gardens must be in the rear yard on the side furthest from the side street not to extend beyond the side line of the house closest to the side street.

Section 4.

Amends §174.2 , Additions, Insertions and Changes, by renumbering successive sections as follows:

Renumbering existing Section L to M.

Renumbering existing Section M to N.

Renumbering existing Section N to O.

Renumbering existing Section O to P.

Section 5. Dates.

Introduction to City Council: 02/14/11

Workshop Review: 02/28/11

Projected Adoption Date: 03/14/11

Ordinance becomes effective ten days following adoption date by City Council.

A complete copy of the Code of the City of Milford is available by request through the City Clerk’s Office or by accessing the website cityofmilford.com. Questions should be referred to Building Inspector Don Williams at 302-424-3712 Extension 313.

By: Terri K. Hudson, CMC

PUBLIC NOTICE
PLANNING COMMISSION & CITY COUNCIL PUBLIC HEARINGS
City of Milford Zoning Code Amendment
Ordinance 2011-6

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on an amendment to the City of Milford Zoning Code on Tuesday, March 15, 2011 at 7:00 p.m.

A FINAL PUBLIC HEARING is scheduled on Monday, March 28, 2011 at 7:00 p.m. before Milford City Council. Following the hearing, Ordinance 2011-6 may be adopted, with or without amendments.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

ORDINANCE NO. 2011-6

Chapter 230: Zoning

Section 1.

An Ordinance to amend the Code of the City of Milford, Chapter 230, thereof, entitled, Zoning, by defining and regulating Recreational Vehicles in the City of Milford.

Section 2.

Amends §230-4, Definitions, by adding a definition for Recreational Vehicle.

RECREATIONAL VEHICLE- Any vehicle used for recreational purposes, including but not limited to, antique or classic autos, drag or race cars, motorcycles, boats, boat trailers, jet skis, campers, camper trailers, motor\mobile homes, snowmobiles, ATVs, all-terrain vehicles and utility trailers.

Section 3.

Amends §230-4, Definitions, by adding a definition for Vehicle Height.

VEHICLE HEIGHT -- A vehicle height will be determined by measuring from the ground surface to the top of the vehicle, as stored.

Section 4.

Amends §230-4, Definitions, by adding a definition for Vehicle Length.

VEHICLE LENGTH -- A vehicle length will be determined by the physical measurement of the outside dimension of said vehicle, i.e., a boat will be measured from the bow to the stern, a camper/motor home will be measured from bumper to bumper, a utility trailer or camper trailer will be measured front to rear excluding the trailer tongue, a boat trailer will be measured from the rear to the point of the bow support excluding the tongue.

Section 5. Amends Article IV Off Street Parking and Loading, §230-20 General Provisions, by repealing Paragraph I and inserting a new Paragraph I to read as follows:

~~Boat, trailer, bus and van parking. In any residential district, no house trailer, camper, boat trailer, bus or boat shall be parked in the front yard. Parking is allowed in the side or rear yards~~

~~five feet from the property line if it does not take up space normally occupied by an automobile.~~

I. Storage of Recreational Vehicles.

- (1) One recreational vehicle, less than 9 feet in height and less than 20 feet in length may be stored in the driveway; however, it cannot utilize the required area designated for off street parking and no additional storage in the front yard is permitted.
- (2) A recreational vehicle may be stored in the side yard, provided that it shall:
 - (A) Be stored parallel to and adjacent to the structure;
 - (B) Not exceed the dimension of the structure plus 6 feet or a maximum of 35 feet, whichever is less;
 - (C) Be provided with either an evergreen screening or a solid fence 6 feet high, planted or installed between the vehicle and the property line. Plantings shall be planted a minimum of 4 feet high and be allowed to grow and be maintained to a minimum of 6 feet high; and
 - (D) Be set back a minimum of 5 feet from the side property line.
- (3) A recreational vehicle may be stored in the rear yard, provided that it shall:
 - (A) Be stored parallel to and adjacent to the structure;
 - (B) Not exceed the dimension of the structure plus 6 feet or a maximum of 35 feet, whichever is less;
 - (C) Be provided with either an evergreen screening or a solid fence 6 feet high, planted or installed between the vehicle and the property line. Plantings shall be planted a minimum of 4 feet high and be allowed to grow and be maintained to a minimum of 6 feet high; and
 - (D) Be set back a minimum of 5 feet from the rear property line.
- (4) A maximum of two recreational vehicles may be stored outside of a building on any lot containing a dwelling unit. Only one such vehicle may be equal to or greater than 9 feet in height or 20 feet in length. Such vehicles must be owned or leased by the property owner or the property tenant, except that on lots of 5 acres or larger, the option shall exist that both of the two allowed recreational vehicles may be equal to or greater than 9 feet in height or 20 feet in length.
- (5) No camper, motor home or camper trailer shall be used for residential purposes, except that visitors with such vehicles may sleep in them for a period not to exceed two weeks in a calendar year.
- (6) All parking areas must have a minimum parking surface of gravel, extending two feet around the perimeter of the vehicle and be free from all vegetation.
- (7) Recreational vehicles must be maintained in a clean, well-kept state, including but not limited to, operable motors, engines, equipment and maintain its original design.
- (8) All recreational vehicles/trailers that require tags or registration must be kept current and visible at all times.

Section 6. Dates.

Introduction to City Council: 02/14/11

Planning Commission Hearing: 03/15/11

City Council Hearing: 03/28/11

Projected Adoption Date: 03/28/11

Ordinance becomes effective ten days following adoption date by City Council.

Both hearings will be held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

The public is invited to attend and encouraged to comment on the amendment to the Zoning Code. If unable to attend, written comments will be accepted but must be submitted to the City Clerk's Office one week prior to the hearing.

A complete copy of the Code of the City of Milford is available by request through the City Clerk's Office or by accessing the website cityofmilford.com.

By: Terri K. Hudson, CMC

CITY OF MILFORD MEMORANDUM

TO: Mayor & City Council
FROM: David W. Baird, City Manager
SUBJECT: Discontinuation of Voluntary Green Energy Subscription Program
DATE: February 4, 2011

The City, through DEMEC, offers a Voluntary Green Energy Subscription Program for our customers that desire to purchase blocks of green energy. The program description is as follows:

“The purpose of the Voluntary Green Energy Purchase Program is to allow municipal electric customers the opportunity to purchase blocks of green energy at competitive market rates. The blocks are generated from non-carbon based, qualifying renewable energy sources. By subscribing to this program, customers will be helping to improve the environment by reducing pollution and consumption of non-renewable resources. DEMEC's nine municipal members offer their customers the option to voluntarily purchase blocks of green energy. Blocks of 100kwh are offered for one year terms and will be renewable yearly at the then current market rate. The amount of green energy blocks may be awarded on a first-come first-serve basis. If subscriptions exceed available green energy, customers will be placed on a waiting list for the following year.”

Recent changes in State legislation now require the City, through DEMEC, to meet a Renewable Portfolio Standard (RPS) schedule for part of our energy mix (25% by 2025). This means that all of our customers will be supporting and receiving renewable energy; not just the few participating in our Voluntary Subscription Block Program. Another change in the RPS is that continuation of our Voluntary Subscription Block Program is no longer required. Due to changes in the RPS and extremely low customer participation in the voluntary program (less than 1%), DEMEC recommends discontinuing the program and focusing resources on the actual requirements of the RPS.

Based upon this information, I recommend Milford discontinue its Voluntary Green Energy Subscription Program in accordance with the DEMEC recommendation.

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: December 2010

Cash Balance - General Fund Bank Balance	\$2,705,314
Cash Balance - Electric Fund Bank Balance	\$3,309,526
Cash Balance - Water Fund Bank Balance	\$426,466
Cash Balance - Sewer Fund Bank Balance	\$120,363
Cash Balance - Trash Fund Bank Balance	\$473,590

	<u>General Improvement</u>	<u>Municipal Street Aid</u>	<u>Real Estate Transfer Tax</u>	<u>Water Bond Escrow</u>
Beginning Cash Balance	426,362	668,996	654,317	412,749
Deposits			10,808	
Interest Earned this Month	70	109	3,650	8
Disbursements this Month			(58,690)	
Investments			1,600,000	
Ending Cash Balance	\$426,432	\$669,105	\$2,210,085	\$412,757

	<u>GF Capital Reserves</u>	<u>Water Capital Reserves</u>	<u>Sewer Capital Reserves</u>	<u>Electric Reserves</u>
Beginning Cash Balance	723,519	1,281,361	547,137	2,696,908
Deposits				
Interest Earned this Month	7,543	13,127	7,553	34,032
Disbursements this Month	(10,000)	(67)	(182,057)	(145,998)
Investments	1,000,000	2,960,000	2,245,000	7,486,000
Ending Cash Balance	\$1,721,062	\$4,254,421	\$2,617,633	\$10,070,942

	<u>Water Impact Fee</u>	<u>Sewer Impact Fee</u>	<u>Electric Impact Fee</u>
Beginning Cash Balance	55,868	\$35,148	\$5,901
Deposits			
Interest Earned this Month	6,764	\$3,368	\$1,927
Disbursements this Month			
Investments	850,000	\$625,000	\$250,000
Ending Cash Balance	\$912,632	\$663,516	\$257,828

INTEREST THROUGH THE SIXTH MONTH OF THE FISCAL YEAR:

General Fund	6,927	Water Fund	682
GF Capital Reserves	9,336	Water Bond Escrow	257
General Improvement Fund	485	Water Capital Reserves	23,198
Municipal Street Aid	676	Water Impact Fees	6,764
Real Estate Transfer Tax	10,168	Sewer Fund	224
Electric Fund	2,914	Sewer Capital Reserves	18,080
Electric Reserves	60,624	Sewer Impact Fees	3,368
Electric Impact Fees	1,927	Trash Fund	602

TOTAL INTEREST EARNED TO DATE \$146,232

REVENUE REPORT

Page Two

Date: December 2010	AMOUNT BUDGETED	MTD	YTD	50% of Year Expended YTD%
ACCOUNT				
Budgeted Fund Balance	195,749	0	195,749	100.00%
General Fund Capital Reserves	226,000	0	33,975	15.03%
Property Transfer Tax-Capital	152,100	17,024	139,460	91.69%
Property Transfer Tax-Police	500,000	41,667	250,000	50.00%
Real Estate Tax	2,962,377	152	2,954,057	99.72%
Business License	35,000	6,575	10,870	31.06%
Rental License	85,000	20,700	21,650	25.47%
Building Permits	30,000	530	41,024	136.75%
Planning & Zoning	40,000	0	3,850	9.63%
Misc. Revenues	346,775	17,401	104,994	30.28%
Transfers From	3,215,480	267,956	1,607,740	50.00%
Police Revenues	289,000	11,297	75,484	26.12%
Engineering & Inspection Fees	40,000	500	2,000	5.00%
Total General Fund Revenues	\$8,117,481	\$383,802	\$5,440,853	67.03%
Water Revenues	2,139,312	176,269	1,201,819	56.18%
Sewer Revenues	1,966,956	151,813	965,789	49.10%
Kent County Sewer	1,400,000	104,060	669,983	47.86%
Solid Waste Revenues	1,085,702	90,223	543,228	50.03%
Electric Revenues	26,925,565	2,066,545	14,476,954	53.77%
TOTAL REVENUES	\$41,635,016	\$2,972,712	\$23,298,626	55.96%
YTD Enterprise Expense	37,711			
YTD Enterprise Revenue	47,924			
LTD Carlisle Fire Building Permit Fee	27,319			

EXPENDITURE REPORT

Page Three

Date: December 2010

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	320,255	\$26,571	155,385	48.52%	164,870
O&M	124,730	\$12,323	48,649	39.00%	76,081
Capital	0	\$0	0		0
Total City Manager	\$444,985	\$38,894	\$204,034	45.85%	240,951
Planning & Zoning					
Personnel	174,735	\$13,318	79,817	45.68%	94,918
O&M	51,176	(\$234)	14,462	28.26%	36,714
Capital	0	\$0	0		0
Total P, C & I	\$225,911	\$13,084	\$94,279	41.73%	131,632
Code Enforcement & Inspections					
Personnel	127,975	\$9,706	59,447	46.45%	68,528
O&M	62,245	\$4,528	29,398	47.23%	32,847
Capital	0	\$0	0		0
Total P, C & I	\$190,220	\$14,234	\$88,845	46.71%	101,375
Tax Department					
Personnel	73,405	\$5,577	\$34,471	46.96%	38,934
O&M	19,914	\$357	\$10,299	51.72%	9,615
Capital	0	\$0	\$0		0
Total Tax Department	\$93,319	\$5,934	\$44,770	47.98%	48,549
Council					
Personnel	31,225	\$2,318	12,963	41.51%	18,262
O&M	26,840	\$900	6,605	24.61%	20,235
Council Expense	17,000	\$1,219	16,336	96.09%	664
Contributions	436,734	\$0	296,734	67.94%	140,000
Codification	2,500	\$0	1,952	78.08%	548
Employee Recognition	8,000	\$4,347	4,597	0.00%	3,403
Insurance	16,920	\$3,597	7,194	42.52%	9,726
Total Council	\$539,219	\$12,381	\$346,381	64.24%	192,838
Finance					
Personnel	309,230	\$27,023	150,088	48.54%	159,142
O&M	60,900	\$2,372	18,942	31.10%	41,958
Capital	0	\$0	0		0
Total Finance	\$370,130	\$29,395	\$169,030	45.67%	201,100
Information Technology					
Personnel	160,595	\$12,513	80,418	50.08%	80,177
O&M	171,000	\$7,379	57,488	33.62%	113,512
Capital	27,000	\$0	26,960	99.85%	40
Total Information Technology	\$358,595	\$19,892	\$164,866	45.98%	193,729

EXPENDITURE REPORT

Page Four

Date: December 2010

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,457,955	\$276,781	1,622,632	46.92%	1,835,323
O&M	440,245	\$61,607	257,282	58.44%	182,963
Capital	162,500	\$26,804	122,280	75.25%	40,220
Total Police	\$4,060,700	\$365,192	\$2,002,194	49.31%	2,058,506
Streets & Grounds Division					
Personnel	399,605	\$31,101	185,015	46.30%	214,590
O&M	386,551	\$23,280	151,278	39.13%	235,275
Capital	91,000	\$0	0		91,000
Debt Service	46,445	\$42,011	42,011	90.45%	4,434
Total Streets & Grounds	\$923,601	\$96,392	\$378,302	40.96%	545,299
Parks & Recreation					
Personnel	468,165	\$30,814	226,357	48.35%	241,808
O&M	242,415	\$12,699	143,497	59.19%	98,918
Capital	54,815	\$0	7,015	12.84%	47,800
Total Parks & Recreation	\$765,195	\$43,513	\$376,869	49.25%	388,326
Engineering & Inspections					
Personnel	162,225	\$12,495	76,482	47.15%	85,743
O&M	70,981	\$4,047	24,478	34.49%	46,503
Capital	0	\$0	0		0
Total Engineering & Inspections	\$233,206	\$16,542	\$100,960	43.29%	132,246
Less Interdepartmental Revenue	(\$87,600)	(\$7,300)	(43,800)	50.00%	(43,800)
Net Engineering & Inspections	\$145,606	\$9,242	\$57,160	39.26%	88,446
Total General Fund					
Operating Budget	\$8,117,481	\$648,153	\$3,926,730	48.37%	4,190,751

EXPENDITURE REPORT

Page Five

Date: December 2010

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	207,695	\$17,876	99,192	47.76%	108,503
O&M	1,200,927	\$94,197	510,024	42.47%	690,903
Capital	640	\$0	0	0.00%	640
Debt Service	730,050	\$451,392	451,392	61.83%	278,658
Total Water	\$2,139,312	\$563,465	\$1,060,608	49.58%	1,078,704
Sewer Division					
Personnel	207,695	\$17,873	99,160	47.74%	108,535
O&M	1,103,611	\$70,542	481,372	43.62%	622,239
Capital	0	\$0	0	0.00%	0
Debt Service	655,650	\$255,752	255,752	39.01%	399,898
Sewer Sub Total	\$1,966,956	\$344,167	\$836,284	42.52%	1,130,672
Kent County Sewer	1,400,000	\$103,650	669,964	47.85%	730,036
Total Sewer	\$3,366,956	\$447,817	\$1,506,248	44.74%	1,860,708
Solid Waste Division					
Personnel	338,080	\$23,383	135,635	40.12%	202,445
O&M	679,622	\$49,063	337,820	49.71%	341,802
Capital	68,000	\$0	0	0.00%	68,000
Total Solid Waste	\$1,085,702	\$72,446	\$473,455	43.61%	612,247
Total Water, Sewer Solid Waste					
	\$6,591,970	\$1,083,728	\$3,040,311	46.12%	3,551,659
Electric Division					
Personnel	1,049,515	\$77,491	453,732	43.23%	595,783
O&M	2,013,055	\$143,570	792,448	39.37%	1,220,607
Transfer to General Fund	2,500,000	\$208,333	1,250,000	50.00%	1,250,000
Capital	195,000	\$3,212	9,799	5.03%	185,201
Debt Service	667,995	\$0	63,998	9.58%	603,997
Electric Sub Total	\$6,425,565	\$432,606	\$2,569,977	40.00%	3,855,588
Power Purchased	20,500,000	\$1,924,916	10,782,718	52.60%	9,717,282
Total Electric	\$26,925,565	\$2,357,522	\$13,352,695	49.59%	13,572,870
TOTAL OPERATING BUDGET					
	\$41,635,016	\$4,089,403	\$20,319,736	48.80%	21,315,280

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: December 2010

ACCOUNT	AMOUNT BUDGETED	MTD	50% of Year Expended		UNEXPENDED BALANCE
			YTD	YTD%	
Garage					
Personnel	129,330	5,092	31,068	24.02%	98,262
O&M	76,450	4,550	29,293	38.32%	47,157
Capital	0	0	0		0
Total Garage Expense	\$205,780	9,642	\$60,361	29.33%	145,419
Public Works					
Personnel	162,980	12,737	77,496	47.55%	85,484
O&M	162,602	13,540	64,694	39.79%	97,908
Capital	20,000	0	0		20,000
Total Public Works Expense	\$345,582	26,277	\$142,190	41.15%	203,392
Meter Department-Water					
Personnel	118,479	10,117	57,062	48.16%	61,417
O&M	108,372	3,178	20,566	18.98%	87,806
Capital	100,000	0	0	0.00%	100,000
Total Water Meter Expense	\$326,851	13,295	\$77,628	23.75%	249,223
Meter Department-Electric					
Personnel	225,995	18,600	107,005	47.35%	118,990
O&M	163,667	4,630	33,005	20.17%	130,662
Capital	0	0	0		0
Total Electric Meter Expense	\$389,662	23,230	\$140,010	35.93%	249,652
Billing & Collections					
Personnel	434,621	33,117	201,656	46.40%	232,965
O&M	169,051	9,622	79,389	46.96%	89,662
Capital	0	0	0		0
Total Billing & Collections	\$603,672	42,739	\$281,045	46.56%	322,627
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	54,200	4,200	26,506	48.90%	27,694
Capital	0	0	0		0
Total City Hall Cost Allocation	\$54,200	4,200	\$26,506	48.90%	27,694

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.

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 3, 2011

A Meeting of the Economic Development Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, January 3, 2011.

PRESIDING: Chairman Garrett Grier

IN ATTENDANCE: Mayor Joseph Ronnie Rogers
Committee Member Councilman Douglas Morrow

City Manager David Baird and City Clerk Terri Hudson

ALSO: Eli Valenzuela, President, First State Manufacturing Sher Valenzuela, Vice President, First State Manufacturing, Ashley Wolfe, Vice President of Operations, First State Manufacturing and Chris Weeks, Business Development Manager, Becker Morgan Group

The meeting was called to order at 6:09 p.m. by Chairman Grier.

First State Manufacturing Proposal

Mr. Baird advised that First State Manufacturing has purchased the Old Sussex Company property. He said that led to a number of discussions internally about how best to use the facility as well as discussions with the city regarding utility and street improvements.

They have talked about the city providing assistance to First State Manufacturing through a possible electrical upgrade in order to get them into the building due to the substantial investment they are making. The city manager said that led to a global conversation about general business incentives for city businesses that are either growing and expanding like First State Manufacturing, or those already here that may need some assistance to get through these rough times, or ways to encourage businesses that may be considering moving to Milford.

Mr. Baird said they had a great conversation last week and he feels they need to focus on a couple of ideas that may appeal to this committee and council that would allow the city to use First State Manufacturing as a pilot program.

He then turned the meeting over to Sher Valenzuela.

Ms. Valenzuela recalled the presentation given a few months ago about some of the visions they had for Milford and the building in terms of what they would use the space for.

She said they started their business in Milford in 1998 in the form of a kitchen-table type operation as most businesses start with an idea. They then moved from their garage into the former Milford Stitching Building off Marshall Street. They operated their business from that location for several years before they learned the building was going to be demolished and realized they needed to move their business very quickly. At that point in time, they were unsure where they could go because most of their employees were commuting from various points and they wanted a similar locale.

Mr. Valenzuela then provided some background on their business, stating they do a lot of government contracting for the military in the form of aircraft and ground vehicles by making seat covers and cargo covers as well as custom seat and cushion covers for buses, railroad cars, hospitality, gaming and amusement centers.

Ms. Valenzuela recalled traveling from one end of the state to the other to find manufacturing space. At that point, they did not have much luck in the City of Milford. They did not have a close relationship with the city at that time because they were busy growing their business. They went to the News Journal and Delaware State News who covered their plight in an above the fold front page headline stating that manufacturing jobs were going to be lost in Milford if they could not keep their business here.

She said they eventually found their way to the building they currently occupy on Masten Circle. She said they are proud of what they started in 2005 when they moved to that location with 20 employees. They moved their business from Milford Stitching which consisted of 13,000 square feet to the current location of 20,000 square feet. In late 2010, they collectively sensed it was time to put their stakes down in Milford. At that point in time, they thought about purchasing the building they were in but then learned the old Sussex Company was available. When they looked at the 70,000 square foot facility, they immediately agreed that was the facility they wanted to permanently occupy. Though it is larger than the space they are currently in, they have a lot of vision for the building which includes the manufacturing facility they seek to expand. They are currently at 50 plus employees which Ms. Valenzuela believes is rapid, successful growth and enough to keep them busy.

Ms. Valenzuela then continued by stating that when they learned of the Sussex Company, they thought that was supportive of the intent to expand the partnership with the City of Milford especially after they learned it was connected to the ballfield which they felt was a way to protect something that was important in Milford.

They closed on the building in August. She said their vision for the building includes a state of the art manufacturing facility they will continue to grow which takes up roughly about half of the building or 33,000 square feet. That leaves a good amount of space to capture more of their vision which includes incorporating the potential of a Junior Achievement Satellite, noting one of the best is located in Wilmington. They will be meeting with Director Rob Eppes to discuss the potential partnering opportunities in downstate Delaware. She knows the school districts in downstate Delaware could take advantage of it now that it is not being done because of budget constraints and having to take their people to Wilmington.

She said one of the ways they would use that space is to create a small business accelerator. They have done this in years past and have worked with the State of Delaware. They were fundamental in creating the Entrepreneurial Business Conference which was Governor Markell's first business conference two years ago. Prior to that, they were working with various state agencies and had taught some small businesses not only in Delaware, but across the United States before they turned their attention back to the manufacturing development.

Ms. Valenzuela said they want to incorporate that aspect into that building in addition to utilization of space. They have plans for a number of improvements to the building; Ms. Valenzuela then presented an artist rendering of the building noting a café will be incorporated in one of the phases and will be toward the back near the ballfield with a deck off the back of the building. The entrance will be changed and built off of Columbia Street. She hopes this endeavor will move toward a revitalization the entire community can appreciate in that segment of Milford.

They also hope to incorporate solar onto that building and engage the city, state and federal government in terms of support. They have about an acre of a building which they feel could become a model for Delaware and definitely for Milford.

Ms. Valenzuela says one of the ways they see growing the kinds of things they are talking about right now are the partnerships they hope to develop with the city and the state and continue to do with the federal government. They have worked with DEDO (Delaware Economic Development Office) in the past; they are familiar by virtue of using the right resources to grow their business with all the agencies and organizations in Delaware to offer low-cost and no-cost help to businesses trying to start a business or grow a business. They regularly avail themselves of those resources and are doing so as they speak today and in accomplishing ISO (International Organization for Standardization). They work regularly with a manufacturing extension partnership, small business development centers, small business administration and a host of all the gems of resources that many businesses do not know how to access and how to leverage. They will continue to develop those partnerships with the government agencies.

She reported they are an Executive Member of the Work Force Investment Board and understand how to leverage those resources directly under the Department of Labor. They have great relationships with the people that head up those agencies and are hoping to leverage that on a regional basis for Milford because it is strategically located in Delaware. Even if it were not for a business such as First State Manufacturing, it makes sense to do something in Milford with the size of the state and the way it can leverage those things being discussed such as Accelerator or the Junior Achievement

component.

They will also be submitting a grant application to the USDA to conduct and complete a feasibility study for the Business Accelerator. They have already met with them and they think it is a good idea and the odds are very high they will be given what they are asking for in terms of completing that feasibility study. They will also be working with the state to complete that.

Ms. Valenzuela said they view their biggest opportunities in terms of all that was mentioned in addition to helping Milford fill any vacant space in terms of businesses that are waiting or could be starting a business. She stated they especially look at it in terms of how to do that not only with retail businesses, but especially non-retail businesses. It is that type business, such as the manufacturing industry, that creates the jobs that keep those dollars in Delaware and in Milford and keeps the retail establishments open and thriving. They do not have to count on tourists coming in but instead create that base here. They especially encourage their people to keep their dollars in Milford and she feels they are doing a good job of that by virtue of the way the community grows.

She reported that they want to help businesses succeed, especially where it comes to government contracting. When speaking of Small Business Accelerator, she is not only talking about how to help businesses access and leverage those small business resources available either on a city, state or federal level, but in particular how to grow their business with government contracting. This is the biggest customer in the world and she feels that their firm is an example of if they can do it, anyone can do it.

They started with no understanding which is something they have traveled around the United States and taught how to do. They have published information products on how to succeed at doing this and they intend to grow that aspect of what they are doing with the businesses in Delaware by working with state and federal agencies. They are not trying to create something that does not leverage what they already have. They are going to augment in a business-minded way, the manners in which the businesses can grow with government contracting. They think that state and federal governments do not have the ability to help see this through because they are limited with necessary bureaucracy and similar constraints.

They plan to help Delaware and especially Milford businesses understand how to connect more effectively and grow their business, whether it is commercial, or through government contracting in this accelerator.

She feels their biggest challenge is the ability to partner with the city effectively. They believe they are forging some new territory and this does not have as much to do with the City of Milford as it does with government in general and learning how to work with businesses in terms of growing along with the community. Ms. Valenzuela feels they all have that in common adding we live, work and are involved in the government here and want Milford to succeed.

They feel there are lots of new ways of joining together in terms of forging partnerships that will not only allow growth as a business, but allow some pilot programs. An example of what businesses could do that are similar to the model can be done by rolling up their shirt sleeves together and figuring out ways they can make this happen. They will direct them to space in Milford that needs to be filled that would be perfect for an operation they are thinking about creating in Milford or thinking about developing or are interested in growing. They want a city that is friendly toward that kind of growth. This is an example of what can be done in Milford that would be different than other cities.

She feels they can create a path forward that other cities will want to duplicate. It makes sense today in the economic climate to work together as a city and state. The city is preparing to publish its Strategic Plan which coincides with the state publishing their Strategic Plan and the Department of Labor publishing its Strategic Plan in January.

Ms. Valenzuela thinks it is unique convergence that Milford can leverage as partners. An example is the electrical upgrade. She said by the time they are finished with the renovation and revitalization of their new facility, they are looking at approximately \$1.5 million. They believe that is an investment worthy of what they are prepared to do in Milford and an example of what the stakes are and can be for other businesses who want to grow or move here.

Their intent is to position Milford as the 'go-to' city if you are interested in growing a business or starting a business while working with the state to develop some additional partnerships that could leverage what they are doing in Milford.

Mr. Baird said it is very clear what their purpose and vision is at this location. He said what they are trying to create here is something that not only Milford, but that other towns would want to happen in its community. He agrees we are chartering new waters. The city has always done more traditional things such as buying land for a business park and making lots available at reasonable costs. Therefore, it is not new for Milford to take on new ventures like this, but this is something new where there are existing buildings and we need to encourage a reinvestment in the city.

The city manager said they had talked about some general ideas such as the city participating in some electrical upgrades. One of the things he relayed is he does not want to propose is something where the city would walk in and open up Pandora's box. He does not want to open something that we do not know what we are getting into. Understanding that, he said we started throwing things out on the table that would help make an investment. The conversation went from financing and some of the things that First State Manufacturing has learned and experienced over the last couple of months with this project to energy and green energy incentives that might assist them as a business. This would not only help to reduce some of their costs, but could it would help the city on a utility side meet some of the legislative mandates by reducing our overall demand in the coming years.

He feels those are the places we have some common ground that could be a huge part of these businesses and the city as a whole in partnering.

After the discussion the other day, Mr. Baird said that Mr. Wolfe obtained a lot of the utility information that he hopes will produce some opportunities.

The city manager then referred to the Preliminary Listing of Business and Energy Incentives from USDA (United States Department of Agriculture), DEDO and the Delaware Energy Office. He feels this may provide some ideas to suit our needs in the package. He referenced the programs being offered by the USDA who are also there to facilitate small and rural communities, classified as those with populations under 20,000. They support business communities in small and rural communities which is why Milford would qualify.

He said one of their biggest programs is their Guaranteed Loan Program. It provides a loan guarantee up to 80% of the project up to \$5 million to commercial lenders. They are still dealing with a lender, but it depends on the credit worthiness of the company and different scenarios relating to the lender and USDA.

Mr. Wolfe responded by saying they had their Business Development Specialist research that as they were looking at opportunities for-profit and nonprofit which the JA and Business Accelerator may create a nonprofit. At that time, it appeared the USDA Guaranteed Loan did not compete with the SBA 504 (Small Business Administration) Loan Program they are currently working on through WSFS Bank. However, they are in a different position now and that may be something they may reconsider.

Ms. Valenzuela agreed that would be the case after they learned the SBA construction loan required them to occupy 51% of the building. She pointed out they will not occupy that percentage of the building until the construction happens so it is somewhat of a catch 22 situation.

Mr. Wolfe said it is somewhat of a change because it is a mortgage. Initially, their plan was to move into the building, then do the improvements. As they looked at what was needed just to move into it, they came to the conclusion the only way to make it the way they wanted, was to tear down what exists and start over.

He said they are continuing with the SBA 504, but that is the mortgage component and not the construction component. For them to continue, 51% of the building would have to be occupied. They are now proceeding with the construction portion, but they will need to go back to them and ask if they are willing to do a construction loan along with the mortgage. They just realized this last week during which time most government offices were closed for the holidays.

Ms. Valenzuela said that when they began to consider moving in as originally planned, just taking the windows out (which are currently bricked), would cause a great deal of disruption to the business noting the offices will be on the perimeter of the building. They made a decision that to seamlessly move the operation and continue production without that interruption, that would need to be done before moving in.

Mr. Baird then referenced the Intermediary Relending Program (IRP) the USDA is offering. Through this program, the USDA loans to an intermediary, which under this scenario could be the city (a nonprofit); in turn, the city would lend out to businesses. There are some limitations that include a \$150,000 maximum loan for each recipient. For example, First State Manufacturing could be the recipient up to a maximum of \$150,000 or 75% of the project costs. The advantage is the federal government would loan the money to Milford at a 1% rate; the city would then offer it at 2% (as an example), which is still well below the market value thus keeping more working capital for the business owners.

Mr. Wolfe said that when they moved into their current building, it was a warehouse. They had to fit it out with offices and areas to secure their raw materials. Something like that would be an advantage for a business that may need some up-front funding, such as a vacant facility that may need a fit out. The city would then be on board to help in the initial stages. Mr. Baird agreed it could even offer some gap financing if the business and the lender are 5 to 10% apart.

The city manager said that in that case, the city would actually borrow the money. However, there are some limitations on the city borrowing that would require the approval of the voters.

Mr. Baird said when he was looking in the IRP program, they look for intermediators to have some loan experience. One of his thoughts was to consider some of the funding in our General Fund Capital Reserve Account that contains proceeds from the business park to establish a small program to see if it works. If it does, we could then go to something like this to create a revolving loan program for businesses.

He asked if they felt there would be a demand for something like this; Ms. Valenzuela and Mr. Grier both agreed there would be a huge demand for it.

Ms. Valenzuela said they met with the SBIR (Small Business Innovation Research) representative from the USDA and were talking about the 'map' for business development they orchestrated for the state in terms of whom to go to in relation to business development. The map is similar to a store directory at a mall and might state "if you are here, and you want to grow your business with a business plan, you go here" or "if you want manufacturing help, you go here". They discovered what businesses in Delaware needed by doing a survey and realized there were five critical areas. Vic Chavez of the USDA pointed out the biggest piece missing was funding and where to go to find it. Right now, there is very disjointed effort in Delaware to help businesses under the Lift Program. It was never understood and never communicated out to the people in Delaware as a way to help as an example. The idea of establishing a system through an entity like the USDA that would be working with the city would be hugely successful.

Mr. Baird said that one of the challenges is the city is not in that business and who would review the applications. Ms. Valenzuela said that process would need to be established along with criteria or qualifying requirements.

The city manager agreed that building better relationships with local banks is needed and may be a way to start that process. Even if it were to take a load off them, they are still in business to loan money though not as freely as before. Ms. Valenzuela agrees they are rebuilding their reputation as small business friendly and the changing climate of that whole industry is something that could be capitalized on right now.

Mr. Baird said if we were able to offer something, for example a 3% loan, it would still be extremely attractive to businesses while allowing the city to cover some of the costs with administering the program as well as covering the costs of any loss.

Mr. Wolfe recalled that what was different with the Guaranteed Loan Program and the 504 Loan Program the USDA is offering is the company holding the mortgage only has to put up 10% of their own compensation versus 20 to 25%. The

USDA is 80% so another 20% is still required.

Mr. Baird pointed out that you could couple both together. Mr. Wolfe said you could put that with the Intermediary; it was agreed that ways could be found where you can maximize the dollars to pick up the gap.

The city manager feels this may be more difficult with an upstart business because they will not have any history. Ms. Valenzuela said they would point them to other resources which is part of the process when you begin to connect the dots. This would be an example of various businesses qualifying for this type plan. Not every business would qualify. The USDA has a reputation of getting creative when it comes to cities or entities seeking solutions. She is very impressed with what they are doing right now.

Mr. Baird feels this may be a good start to pursue. He said there was some interest when he spoke with the local USDA Office who felt that is something that Milford has the capacity to administrate.

The city manager advised the next program he reviewed is the Renewable Energy and Energy Efficiency Program also associated with the USDA Rural Development. He referred to the Delaware Energy Office information noting there is a lot of money out there including federal tax credits up to 30%. Green energy dollars are available through the funds collected by the city though there is a two to three-year waiting list.

When asked if the waiting list was cleared, Mr. Baird said that part of it was. There was some money added, but there have been subsequent applications.

The city manager recalled the legislative mandates the state passed during the last general assembly that peak loads must be reduced by 25% by 2025 based on the 2007 levels. He said we need to get there in an affordable manner without a large increase in rates. We will be dropping our demand which means our fixed costs will increase and not purchasing as much energy so there is a question of competitive pricing. Suddenly we will reduce our demand which means the cost will increase with less of a customer base to spread it out on.

In order to pursue some of these solar options, Mr. Baird said we need to look at some of the rooftop options on businesses. There are some utility grade projects which will have community wide benefits. There is a potential that someone may be purchasing land to put a large solar farm which would tie into the city system. Also is the possibility of individual rooftops on houses. From the state's prospective, everything is being driven by the renewable energy credits. That allows a customer to build a green energy generation which becomes a commodity that can be sold and compensated for. Rates are all over the place and just a small rooftop could result in 1.5 credits that would turn into \$400 to \$500 a year over the next couple of years. That can offset the cost of its installation. In addition, they will purchase as much electricity which results in an overall customer savings in addition to the 30% tax credit on the installation. There are state incentives and something the city may consider as an electric utility. From a business standpoint, he agrees that business may look at Milford as a good place to invest here because we know how to package these programs together. The business becomes a green business and at the same time are helping Milford meet their legislative mandates.

The one thing that must be considered is the future of the renewable energy grants. Their value was expected to go through the roof with the anticipation that Congress was going to pass its Cap and Trade Legislation. With that not happening, it is up in the air and what will happen to the renewable energy credits. He said they knew we were going to have all these businesses that would be required by these credits. Now they are not required, so the demand will not be as high. Mr. Baird feels it is a market situation we need to be aware of and go into it realistically and cautiously.

Ms. Valenzuela said when it comes down to the opportunity to create a menu of options, such as businesses looking to incorporate their business in Milford or Delaware, this is an example of something that could be listed as a menu option. Mr. Wolfe agreed that it is something that the city could post on their website to attract businesses. One of the things discussed was deferring some of the energy costs in order to have a larger, industrial base.

Mr. Baird agreed that is the only way we will be able to offset some of the increases in those fixed costs is for our base to

grow.

Mr. Wolfe said his understanding is the SRECs (Solar Renewable Energy Credits) are not going away anytime soon if we follow the path New Jersey has taken which is much more advanced than other states and the reason Delaware can't sell SRECs to them. He said they are further along so they do not have to put as much money into out-of-state grants. Instead they are increasing their fines to the power companies which generates the need to buy SRECs which are trading at approximately \$600 a piece in New Jersey.

Mr. Baird agrees that is something we can pursue in packaging by making it attractive to business so that it would benefit the city utility as well. However, he is unsure how it can be done at this point.

Mr. Baird asked Chairman Grier and Councilman Morrow if they find this palatable and how city council would feel. They agreed it is worth exploring while looking at the various opportunities.

Ms. Valenzuela pointed out it is in line with what the state and federal government want to do in terms of cap and trade that was moving forward and it aligns with the goals of the state in terms of energy consumption and conservation.

Mr. Baird stated that some communities have begin talking about it and Dover is a little ahead of the game with the solar park. He sees the ability Milford has which will be more advantageous because of our small size. Milford should be able to move a lot quicker and be more mobile than some of our neighboring communities.

In relation to the feasibility study and application being submitted by First State Manufacturing, Mr. Baird asked if that is a Rural Business Enterprise Grant or Opportunity Grant. Ms. Valenzuela confirmed it is the RBOG. Mr. Baird said he does not see the city having a role in that though it can be added to the menu by stating it has been used here successfully. He feels the more relationships we build with DEDO and USDA and other lenders, the better chance we have of putting that package together.

Ms. Valenzuela said the map she is referring to in terms of where to go if you are a business and whatever resource is needed whether it is marketing, intelligence or business plan development or workforce development, there will be five categories plus the funding. If the City of Milford website housed that map in terms of updating it on a regular basis as far as available funding resources through state and federal government agencies and available tax credits for solar developments, those type things are the to-go-to resources for businesses to understand how to develop most effectively. The map would be updated and maintained in terms of the accelerator and the different unique combinations for partnering that could be developed with USDA or others in terms of incorporating ways to continue to grow.

Mr. Wolfe said their big program appears to be one that is attractive for city growth as well. Mr. Baird agreed though it is a more nationally competitive fund. The state offices each receive a small allocation annually though the enterprise grants are slightly more competitive. It does provide a way to get creative while exploring some of these possibilities.

The city manager then reported that at the state level, their Lift Program is a way to offset access to lines of credit and control the costs while the state pick up the interest costs for two years. The business then pays it off over a five-year period at zero percent. He feels that is a cash and working capital issue to keep businesses going through hard times. However, that is geared more toward established businesses that need help getting through the interim.

Mr. Baird advised the Sustainable Energy Utility from the State Energy Office is not part of the state government though it is government chartered. They are looking at efficiency improvements to businesses or properties that are being considered by reducing the overall energy costs. They are also looking at renewable energy sources where funds in the neighborhood of \$8 million are available to make these type programs available for business and residential programs. It had more money, though some went to fill a portion of the green energy backlog. He feels the state is trying to create enough interest for both business size and small scale projects to create a market for renewable energy in Delaware. They are putting the incentives out to make it affordable for everyone. The question is whether this will create a real market or prop an artificial market up for a couple of years that will collapse once all the incentives are gone. For the time being,

the dollars are available and it works.

Mr. Wolfe said that through researching solar energy, the USDA grant covers 25% of the installation costs in addition to a 30% federal tax credit, a bonus depreciation program for about 30% of the installation costs and 33% by the state up to \$30,000. The payoff between the savings of what you would pay for electric and the income from the SRECs on a \$700,000 system roughly produces about 195,000 kilowatt hours per year, which is not huge, but sufficient enough and will pay itself off in about fifteen months.

Ms. Valenzuela said the Department of Labor is projecting jobs in the marketplace and this type of incentive prep package for businesses and individuals.

Mr. Baird said he would view this as a huge priority in the state right now and is front and center in every conversation when it comes to energy. It is as high of a priority at the national level. The incentives are out there from both a federal and state level. Adding to that is the city presenting its economic strategy and that we are looking at ways for business growth in the city and that we have a home-grown business which is a story that relates to every small business and is the American dream. He feels from a public relations standpoint, we will not find a better marriage that could really make this work and become a catalyst for other things to happen in Milford. Then we throw into the mix that First State Manufacturing is a huge government contractor.

Mr. Baird said one of his goals this evening was to get some feedback from the two councilman present and determine if they felt it is something their colleagues will be interested in.

Mr. Valenzuela said that he has two young sons and the whole thing with the JA does not stop here but goes on to future generations. We want to leave a legacy but at the same time, people will be able to start their business in that incubator in that building. Ms. Valenzuela agrees it is very destined driven in terms of young people deciding on a path and whether it is academically, which is JA's forte, or whether it is determining how to turn that into something entrepreneurial which is also their forte. But the idea of utilizing that in terms of turning ideas and dreams into realities, they have a book that helped them to market what they are doing right now. It talks about the kind of things they are talking about tonight and how they leveraged resources to grow, how they worked with government officials to grow and find ways that others can model that.

She said when you take business and combine it with government effectively, there is no limitation. It is when those entities operate separate from one another, which is most often the case, and there are constant obstacles when they really have the same purpose. They need to work together in ways that have been talked about this evening. It is more about the effect packaging of that combination which could be done effectively in Delaware and to create what they were talking about in one of the recent committee meetings, an Economic Epicenter in Milford.

Mr. Weeks added that if the small businesses can be helped with money and time, because the sooner they can get their product out, the better off they are. He agrees with Mr. Valenzuela that if you can get government and business operating together, what most often happens with government that conflicts with business is time. He is in business development for architects and engineering. Presently, no one is building anything because there is no access to capital.

He said the reason he came tonight is because when he sees a community that is talking about economic development, the first thing people want to know as a business person, is that they are in a town that wants to help them. They don't want to be in a town where there is no point being there because those towns do not want business. Dover and Newark are both working toward these goals as well as Milford and Bridgeville. From his perspective, these towns are trying to help businesses get something done. Anything that can be done to help businesses with funding and time, the sooner they can get their product on the floor, then the better off they are.

Ms. Valenzuela pointed out there are a lot of issues that come under the category of time such as permitting. It has to do with understanding how to get through it while keeping their doors open. It is very hard to tackle those type issues while keeping the door open.

Mr. Weeks said that State Director of Economic Development Alan Levin and Governor Jack Markell and the higher level people are talking about things like one-stop shopping and how to get permits and how to get approval quickly. From his perspective, the problem is some of the lower levels are not getting that message. Ms. Valenzuela said that effectively packaging and communicating is an issue.

Mr. Baird pointed out that when speaking with the USDA, a lot of these programs are not being used.

Ms. Valenzuela commented it is a marketing issue but agrees that is the way the state should go in terms of addressing its issues. She does not believe the state can effectively market as well as a business can, but believes a Business Accelerator working in partnership with the state can very effectively package that; Mr. Baird agreed.

Mr. Weeks said he has never heard the First State Manufacturing story before and has never met anyone in this room before. One of the things he finds intriguing from a marketing and business development standpoint is when you speak of being an engaged member of the community and wanting to help others by showing them what you have done, it is very attractive in addition to the fact the City of Milford wants those type of companies.

Mr. Baird said the next step is where to go from here. To Mr. Baird, it is to ramp up on the Intermediary Lending to see what opportunities exist. He feels a phone call and meeting is needed to determine what is needed to do that. In the meantime, he needs to get a few more facts together to present to city council to ask how this can work.

When asked if the committee had a mission statement, Mr. Grier said the committee is a new one and this is really the first step which included some steering committee meetings. There are rough drafts of several ideas, of which one was to bring someone on board as an economic development person. The committee will be discussing that later this evening. He said it would be beneficial to have someone come in every day whose primary focus is that business. They would then contact that business to figure out how to get that project rolling. He feels it would extremely beneficial for business in the city.

Mr. Baird said he will continue to pursue some of the options that have been discussed and put them together over the next couple of days. He thinks it will be a few days before he is able to get some more concrete information out. In the meantime, he will continue keeping everyone posted on the findings. Upon completion, it can be shared with the rest of city council.

Ms. Valenzuela said she will send Mr. Baird the map which is a living document with new resources that exist as the go-to-resources. It will help with a plan of action and something that is tried and true that they continue to market and get out to the businesses in Milford and Delaware. It can be used by the city for discussion purposes.

Ms. Valenzuela, Mr. Valenzuela, Mr. Wolfe and Mr. Weeks left at this time.

Economic Development Strategy Draft

Mr. Baird then referred to the recent draft of the Economic Development Strategy Plan. He asked for comments regarding the Action Plan for Achieving Economic Growth. He noted the recommendations came out of the steering committee meetings and the scope was split into categories including real estate, workforce development, infrastructure, etc. The responsible party and timing were added with the number '5' being the most critical and '1' the lowest. He wanted to make sure the committee is in agreement with the recommendations. For example, the recommendation to expand the business park and build another one that would be more geared to industrial and manufacturing uses versus the general and medical businesses/offices that currently exist.

Mr. Baird feels that workforce development is the most challenging adding it also has the highest priority. This was based off comments from local employers and specifically Caulk, Mohawk, etc. The city manager explained that students coming out of school do not possess the basic skills needed for reading and understanding safety information or MSDS (Material Safety Data Sheets) sheets. He agrees the school district needs to be a major component, in addition to the Chamber of Commerce and local employers. He said it will be difficult getting people involved which means pulling them away from their business to commit time to this.

He recalled a couple of businesses asking for training from Del Tech on ammonia-based cooling systems because that training is unavailable locally. Mr. Morrow pointed out basic training is available here, but any advanced training requires sending an employee to other parts of the country.

The city manager then addressed the following items:

Item 2.3 stated that a feasibility study should be performed to establish a training/conference center within the city. He said there were mixed reactions due to the prospective locations for the site.

Item 3.1 addressed infrastructure and electric rates with a goal of providing industry a rate below 8.5 cents per kWh. He felt the plan should not include things that were not attainable or realistic. It was agreed it should state that electric power would be provided to industry at a rate that would sustain competitiveness.

Item 4 provided for a staff position. Mr. Grier and Mr. Morrow both fully support the position with Mr. Morrow pointing out the First State Manufacturing representatives were extremely supportive. Mr. Baird agreed the person needs to be a sales person. They will be in a marketing position and must commit to it all the time.

Item 5.1 discussed the Junior Achievement Program which was discussed in depth at the steering committee meetings.

Item 5.2 addresses entrepreneurship at Del Tech and tying in with SCORE and similar groups. Mr. Baird feels some addition time will be needed to work this out.

Item 5.3 provides access to low-cost space for start-up companies. It references the First State Manufacturing plan to help small businesses start-up new product lines.

Item 5.4 deals with low-cost loans to stimulate business growth.

Item 5.5 continues relationship building by having someone who meets with business owners to determine their needs. The City of Milford is responsible at a Priority 5 which means it should be started very quickly.

Item 5.6 supports the success of Downtown Milford and their mission.

Item 5.7 addresses the Quality of Life issues which the Parks and Recreation Director and City Planner are currently involved in. The city needs to continue to fund and promote those projects.

Item 6.1 is a community profile and is similar to the Resource Profile for Economic Development which is something Mr. Baird feels can be easily put together.

Items 6.2 and 6.3 addresses communications with state agencies. The city manager explained that this means the city needs to market itself to the county and the state so that any prospective employers would be directed to Milford. The city needs to educate people throughout the state about what is happening here.

Item 6.4 encourages the city to drum up the work we are doing and keep promoting the Economic Development Strategy. Mr. Morrow asked if the Chamber of Commerce should be included in items 6.2, 6.3 and 6.4, Mr. Baird feels there may be a role for them in this. However, we would need their input before that decision is made.

Item 6.5 establishes a newcomer's group with monthly functions and presentations by various organizations in Milford.

Item 6.6 establishes a citizen's forum to allow individuals to provide constructive ideas, vent their concerns, etc. This was based on comments made at the steering committee meetings that most people that come to city council are there to complain. It was agreed that is an inappropriate time because council meetings are business meetings.

Mr. Baird asked the committee to readdress item 4 regarding the staff position and the Economic Development Advisory Panel.

Mr. Grier advised that he and Mr. Baird have had many conversations about the staff position. He is completely in favor of it and feels it should be filled immediately. Mr. Morrow agreed this is a unique situation because they have someone in mind with experience in this area who is familiar with Milford and the contacts that are needed.

The city manager reported that it would only be for a short time. This person would be asked to get the program off the ground, then hand it off to someone else. He said they have talked about running it to the end of the fiscal year though Mr. Morrow recommends leaving it open ended.

Mr. Baird is unsure if this will involve going out and finding new businesses though that could happen. He thinks we can do a lot of the things we have talked about. He also thinks we should start taking care of the businesses already here by providing them some new opportunities. The word would then travel and people will respond.

Mr. Grier feels that as soon as he starts, he could visit the businesses just as John Rhodes did and ask about their needs and how we can help. Mr. Baird agreed and referenced the low interest loans that could be made available. To him, the USDA program is good, but he feels we may want to try it on our own. Mr. Grier favors the idea as a businessman though he feels it could be risky.

Mr. Morrow and Mr. Grier both agreed the city will need to make money off any loan program to cover any associated costs. Mr. Grier added there is always the chance of the business operation not working and the city could lose out on that investment.

Mr. Baird said the federal program comes along every quarter during which time they review applications. That may be the situation where we could get up to \$750,000 to put in a pot and give it a try. The other option would be to use some of our reserve accounts.

Mr. Morrow said the chamber newsletter shows new businesses coming to town on a regular basis. Perhaps they would be more successful having a network like this. In addition, it would also attract businesses that may not have considered Milford previously.

Mr. Baird is unsure the city should be the sole lender unless we are filling the gap. However, it could be a case where the city is saving that business \$100,000 by giving them the loan at 2.5% instead of 4.5 or 5%.

Mr. Morrow suggests putting it on the agenda for council consideration. Mr. Baird explained that Mr. Rhodes will come back on January 24th at which time council could approve the plan.

It was then agreed that council could hire the person to fill the economic development position at that time. Mr. Baird said it can be done either way. He has no problem advertising and determining the pay and whether it will be part-time or full-time. However, it is important the other council members know what we are doing because once the word is out, council will be questioned. He said there is talent there for the price and it needs to be presented as a temporary position.

It was agreed to discuss the position in executive session Monday night. Mr. Baird said he will need authorization from city council on the position; council could then come out of executive session and vote on the matter. Mr. Baird said council would then authorize the city manager to hire a part-time position immediately for economic development.

Financially, Mr. Baird will look within the current budget and discuss it with the finance director when he returns next week. If not, some of the General Fund Capital Reserves can be utilized as this would be a legitimate expense.

Mr. Grier suggested some type of expense account also be created. Mr. Baird said he will work that out stating that perhaps a budget could be created for the position with associated costs. When the motion is made, it could include a budget up

to 'x' amount of dollars. That would provide the city manager the perimeters to work within.

Mr. Grier moved to approve the position, establish an appropriate budget, appoint the person that was discussed and present it to city council in executive session on Monday night. Mr. Morrow seconded motion. Motion carried.

Mr. Baird said he will inform council of this matter in advance of Monday night. Mr. Morrow feels it is very important for Milford to get the ball rolling quickly. It was agreed it be bumped up from a Priority 3 to a Priority 5 to allow it to be addressed during the first quarter of 2011.

With no further business, the Economic Committee Meeting was adjourned at 8:13 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
City Clerk

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 10, 2011

The Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, January 10, 2011

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier, S. Allen Pikus, Jason Adkins, Owen Brooks, Jr., Douglas Morrow, James Starling, Sr. and Katrina Wilson

City Manager David Baird and City Clerk/Recorder Terri Hudson

City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:02 p.m.

INVOCATION AND PLEDGE

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

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Adkins to approve the minutes of the December 10, December 13 and December 28, 2010 Council Meetings as presented. Motion carried.

RECOGNITION

Mayor Rogers then introduced newly appointed City Solicitor David Rutt of Moore and Rutt, P.A.

POLICE REPORT

Mr. Morrow moved to accept the police report as submitted by Chief Hudson, seconded by Mr. Brooks. Motion carried.

It was noted that applications are still being accepted for the Citizens Academy that begins this month.

CITY MANAGER REPORT

Mr. Baird then read the following report into record:

Solid Waste & Recycling

On August 1, the City Solid Waste Department began the collection of curbside recycling. During the month of November, the Solid Waste Department collected 377.85 tons (304.60 tons of Solid Waste; 46.62 tons of Recycling and 26.03 tons of yard waste).

	<i>Recycling Tons</i>	<i>Recycling Rate</i>
<i>Dec-09</i>	<i>46.12</i>	<i>10.70%</i>
<i>Dec-10</i>	<i>46.62</i>	<i>10.98%</i>

Earlier this year, SB234 was signed into law and part of the legislation establishes diversion rates of 50% by January 1, 2015 for Municipal Solid Waste being disposed of at the landfill.

<i>Year</i>	<i>Recycling</i>	<i>Solid Waste</i>	<i>Yard Waste</i>	<i>Total</i>	<i>Diversion Rate</i>
2009	442.44	4,684.38	-	5,126.82	8.63%
2010	441.14	4,630.47	37.49	5,109.10	9.37%

Impact Fee Waivers

Since the waiver of impact fees was implemented in June, the City has waived \$135,507 in fees. This waiver has allowed property owners in Milford to retain this money and has helped to support a total investment of \$7,637,997 (based on building permit values) during the months of June through December.

N.E. 10th Street Paving

I have met with Mr. Mallamo and Mr. Dennehy regarding the paving work completed by C&J Paving and Mr. Mallamo is in the process of evaluating options that will address the issues associated with the recent work. It is planned for this to be discussed at the January 24, 2011 City Council meeting where Mr. Mallamo will be presenting the alternatives and providing a recommendation on how to proceed.

Mr. Pikus confirmed that nothing will be paid to the contractor until it is corrected; Mr. Baird stated yes, nothing has been paid for the work on Tenth Street.

Ms. Wilson questioned why the contractor does not have the equipment to make repairs if they were able to pave the road; Mr. Baird agreed that is part of the problem and perhaps his equipment may have fallen below the standards that were expected. We said we need some assurances that he has the proper equipment and know-how to correct the problem.

When asked if the entire street will need repaving, Mr. Baird explained the city engineer is reviewing the situation to determine if it can be done in sections or the entire road will have to be repaired.

201, 203, 205 & 207 NW Front Street

The property owners of 205 & 207 NW Front Street filed an appeal of the City Board of Appeals Decision in Superior Court on December 21, 2010 and the City subsequently filed a motion to dismiss this appeal. On December 30, 2010, the Court held a hearing and issued a stay on the demolition until January 21, 2011. At this time, the Judge indicated they would rule on the City’s motion to dismiss on or before January 7, 2011. If the Court denies the motion to dismiss, Mr. Willard believes the Court will request a certified record and a briefing schedule for further review. If the motion to dismiss is granted, the City will be in a position to proceed with demolition unless the property owner appeals to the State Supreme Court and obtains a stay.

Mr. Pikus asked how they were able to file the appeal after the deadline; City Solicitor Rutt said Tim Willard is handling the case noting that is the basis of his motion to dismiss the case.

Mr. Baird confirmed there is still one resident living in one of the units. The language in the stay confirmed both the condemnation and the demolition. Therefore, we do not have the means to evict the person though that is what must be done.

Mr. Pikus asked hypothetically what happens if the court rules the two buildings can remain pointing out the other is already partially torn down. The city manager said that in his opinion, it will be difficult to challenge because the information that has been presented by structural engineers all points to the fact those properties are incapable of standing on their own.

Mr. Rutt advised that typically those appeals are based on their record. The court would review the record established in this situation to confirm any evidence that supports the decision. Depending on the way the court rules, there is the ability to appeal to the Supreme Court noting that could take another six to eight months.

Mr. Brooks asked who would be responsible for the demolition if the two homes were allowed to remain but the other two had to be torn down; Mr. Baird explained that any costs would apply to the owner. However, part of the city’s

position and what the engineers found is the wall that connects the two is the issue. If the demolition of 203 continues, it will have a tremendous impact on 205 and 207. The city has the authority to demolish the property and should the property owners continue to disregard any orders, the city has the authority to lien the property for associated costs though he does not believe the court will go that far.

Mr. Rutt confirmed that the U.S. Supreme Court would not become involved in a situation like this.

Economic Development Strategy

A copy of the Economic Development Strategy has been provided to members of City Council and will be presented by Mr. John Rhodes at the January 24, 2011 Workshop.

Mr. Grier then reported his committee met last week at which time First State Manufacturing was present. Several options were discussed in ways the city can help them achieve their goals. He will follow up with Eli Valenzuela later this week.

Electric Utility Rate Comparison

See the attached Residential Utility Rate Comparison from DEMEC for January 2011.

City Holidays

City offices will be closed on Monday, January 17, 2011 in observance of the Dr. Martin Luther King, Jr. holiday.

RESIDENTIAL RATE COMPARISON @ 1,000 kWh

		<i>% Difference</i>	<i>% Difference</i>
<i>De Co-op</i>	<i>\$112.91</i>	<i>0%</i>	<i>-25%</i>
<i>Milford</i>	<i>\$143.53</i>	<i>27%</i>	<i>-5%</i>
<i>New Castle</i>	<i>\$144.63</i>	<i>28%</i>	<i>-4%</i>
<i>Dover</i>	<i>\$147.38</i>	<i>31%</i>	<i>-3%</i>
<i>Lewes</i>	<i>\$149.41</i>	<i>32%</i>	<i>-1%</i>
<i>Delmarva Power</i>	<i>\$151.27</i>	<i>34%</i>	<i>0%</i>
<i>Smyrna</i>	<i>\$152.48</i>	<i>35%</i>	<i>1%</i>
<i>Seaford</i>	<i>\$156.05</i>	<i>38%</i>	<i>3%</i>
<i>Middletown</i>	<i>\$158.78</i>	<i>41%</i>	<i>5%</i>
<i>Clayton</i>	<i>\$162.70</i>	<i>44%</i>	<i>8%</i>
<i>Newark</i>	<i>\$163.71</i>	<i>45%</i>	<i>8%</i>

Mr. Pikus moved to accept City Manager Report, seconded by Ms. Wilson. Motion carried.

COMMITTEE REPORTS

Cold Weather Shelter for the Homeless

Mr. Johnson reported that he attended a meeting in relation to the Cold Weather Shelter yesterday where more than thirty people attended.

Ms. Wilson advised the shelter will officially open January 17th but then learned it had been postponed until January 25th. She advised that registration will occur at the Circle of Light after which those persons will be transported to the Church of the Nazarene.

St. Paul's Church will be the first group to help man the shelter as well as provide food.

It was again reported the Lions Club is making a substantial contribution to the Circle of Light for this project.

Public Works Committee

Mr. Brooks asked if the Public Works Committee meeting had been scheduled. Mr. Baird said they were sidetracked with the recent snowstorms though he will follow up with a date.

Christmas Dinner

Mr. Starling thanked the council and city employees for their support of the dinner that was served to the less fortunate in our community on Christmas Day. Of the more than 225 people served, many were delivered to homebound residents.

UNFINISHED BUSINESS

Right of Way Acquisition/Cypress Hall Development

Mr. Baird reported that at the city water plant site on Seabury Avenue Extended, the city was requested to provide a 20-foot easement and 10-foot temporary construction easement to allow a turn lane for southbound traffic turning onto Route 113 from Shawnee Road (west of Route 113). This was identified as a public safety issue in the Traffic Impact Study completed as one of DelDOT's requirements on behalf of the Cypress Hall commercial project.

He reminded council the northern side of Cypress Hall will be developed commercially with a residential component to its south. The dedication would be from the city to DelDOT so it would remain in the public's hands and not be given to a private entity.

It was confirmed we own the land where the Seabury Avenue well is located over to Route 36. Mr. Baird confirmed that the street that runs behind the houses off Seabury Avenue Extended will be closed off. A cal-de-sac will be added which will allow the city to have access to the water plant.

Tim Metzner of Davis, Bowen and Friedel was present on behalf of the request. He then explained there will be no access from Route 113 onto that street; however, the well and city facility will be accessed from the backside. Vehicles will come into the proposed development with both front and rear access provided to those houses that currently exist between Seabury Avenue Extended and Route 36. Therefore, access to Seabury Avenue Extended will continue in their proposed entrance to the Cypress Hall Development, but access from Route 113 will be closed as was requested by DelDOT.

Mr. Rutt explained that this is a public safety issue which gives the city the authority to dedicate it to the state. If it were being dedicated to a private entity first, there may be some issues.

Mr. Metzner reported the main objective is for maintenance reasons. This will prevent the city from maintaining the paving and drainage along the right turn lane which will now be handled by DelDOT.

Mr. Baird said some additional language is still needed; he then asked council to authorize Mayor Rogers to enter into an agreement consistent with the proposal presented.

Mr. Pikus moved to allow Mayor Rogers to act on behalf of the city and enter into an agreement with DelDOT as was presented, seconded by Ms. Wilson. Motion carried.

NEW BUSINESS

Reappointment of Board of Adjustment Member

Mr. Grier moved to reappoint Keith Gramling of 5 Homestead Boulevard, Hearthstone Manor for a second term beginning 02/28/11 through 02/28/14, seconded by Mr. Brooks. Motion carried by unanimous roll call vote.

Introduction of Ordinance 2011-1/Fiber Optic Leasing

The following ordinance was officially introduced:

ORDINANCE NO. 2011-1

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF MILFORD BY ADDING A NEW CHAPTER ENTITLED FIBER OPTICS.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Amend the Milford Code by adding a new Chapter entitled Fiber Optics to read as follows:

Section 1. General Conditions.

- (A) The City of Milford has installed fiber optic cables to improve internal networking capabilities and to provide telecommunication services to its electrical customers.*
- (B) Of those fiber optic facilities, the city has the ability to license certain unused capacity within its communications network to enhance utilization and to obtain additional revenues.*
- (C) Customers who desire to utilize a portion of the city’s unused fiber optic must enter into a Fiber Use License Agreement in which the terms and conditions are contained therein.*
- (D) All agreements are subject to the review of the City of Milford Electric Department Superintendent.*
- (E) The Mayor of the City of Milford is hereby authorized to execute a Fiber Use License Agreement upon the approval of the Electric Department Superintendent.*
- (F) Although the City of Milford will make every effort to provide customers with quality, reliable, continuous fiber optic service, the city makes no guarantees to system interruptions specifically caused by weather, earthquakes or any other conditions beyond its control.*

Section 2. Fiber Optic Rates, Fees and Charges

(A) Rates, Fees and Charges shall be in accordance with the following table:

(1) Fiber Pricing (Per Month/Per Fiber/Per Mile)

<u><i>1-12 Fibers</i></u>	<u><i>Current</i></u>	<u><i>New</i></u>
<i>1 Year Term</i>	<i>\$75.90</i>	<i>\$103.50</i>
<i>5 Year Term</i>	<i>\$66.00</i>	<i>\$90.00</i>
<i>10 Year Term</i>	<i>\$59.40</i>	<i>\$81.00</i>
<i>15 Year Term</i>	<i>\$50.76</i>	<i>\$72.90</i>
<u><i>13 or More Fibers</i></u>	<u><i>Current</i></u>	<u><i>New</i></u>
<i>1 Year Term</i>	<i>\$70.67</i>	<i>\$96.36</i>
<i>5 Year Term</i>	<i>\$60.67</i>	<i>\$82.73</i>

	<i>10 Year Term</i>	\$55.40	\$75.54
	<i>15 Year Term</i>	\$48.88	\$70.20
(2)	<i>Drop Cable</i>	\$2.20/ft	<i>(Pole to Building)</i>
(3)	<i>Construction Cost (Labor)</i>	\$3.00/ft	<i>(4 Men & 2 Bucket Trucks - 16 hrs)</i>
(4)	<i>Splices (City)</i>		
	<i>Splices & Trays</i>	\$40.00/splice	
	<i>Splice Enclosure</i>	\$1,000.00	
(5)	<i>Splices (Under/Comm, Incorporated)</i>		
	<i>Set up and splice designated strands of the 96 fiber loop to new cable using splice cases and trays provided by the City.</i>		
	<i>Splice Setup Per Location</i>	\$300.00	
	<i>Splice Per Strand</i>	\$25.00	
(6)	<i>Set up and terminate designated strands of new cable at customers' location using new hardware and pigtails provided by Under/Comm, Incorporated</i>		
	<i>Termination Setup Per Location</i>	\$200.00	
	<i>Splice Pigtail Per Location</i>	\$34.00	

Rates are subject to change annually.

Section 3. Dates.

Introduction: January 10, 2011

Adoption: January 24, 2011

Effective: February 3, 2011

Mr. Baird advised the city has an internal, fiber optic network stretching through parts of the city. It is beneficial for communications within the city though there is no connection out. Businesses within the city have two locations. Milford Hospital has been a key user and the State of Delaware Offices are now starting to use it.

The fee schedule has not been changed in more than a decade. This ordinance increases those fees to a more competitive level though they remain below what private networks are charging. Fees are on a per-month basis per-strand and mile of fiber. In addition, there are associated support costs as outlined in the ordinance.

Each customer on the city's fiber network has a specific agreement that outlines the responsibility of the city and the customer. A section deals with price. The new rates in this ordinance will not impact any current contracts though they will increase at the time of their renewal. These new rates will apply to any new customers.

Current contracts vary from one to five years.

The ordinance is scheduled for adoption at the January 24th meeting.

State of Delaware Fiber Optic Agreement

Mr. Baird presented the proposed agreement for the use of the city fiber optic network by the State of Delaware, Department of Health and Social Services. The standard, five-year agreement is associated with their new office lease at the Riverwalk Shopping Center.

He said there were substantial language changes on the insurance components in Article VIII and IV. The state requested the agreement be modified due to their immunity clauses and because they are self-insured. Typically, we ask for certificates of insurance and other protections afforded to the city because of the information being transferred on our fiber optic network that we are not responsible for. When the state attorneys were reviewing the language, they asked for some proposed modifications. Former City Solicitor Tim Willard was able to work out an acceptable agreement that met both the state's needs and protected the city's interest as well.

There was a question with regard to the signature page, which has since been modified. The city manager recommended approval contingent upon the appropriate officials signing the agreement. Mr. Rutt confirmed the present signature is not binding.

Mr. Pikus moved for approval of the State of Delaware DHSS Fiber Optic Agreement, contingent upon the correct signatures being obtained from the State of Delaware, seconded by Mr. Starling. Motion carried.

MONTHLY FINANCE REPORT

Chairman Pikus reported that through the fifth month of Fiscal Year 2010-2011 with 42% of the fiscal year having passed, 48.82% of revenues have been received and 38.98% of the operating budget expended.

He noted that 134% of the anticipated building permit fees has been received. Of the \$30,000 budgeted, over \$40,000 has been received. He attributes that to the building incentives and impact waivers approved by city council this past fiscal year.

Overall, he feels the city is in good shape.

Mr. Pikus moved to accept the November Finance Report, seconded by Mr. Morrow. Motion carried.

Mr. Adkins asked if we are well suited for a snowy winter; Mr. Baird stated we are though we are still finalizing costs from the first storm over Christmas weekend. As always, the largest expense is personnel costs. He added there are similar costs associated with the snow received this past Saturday.

With another storm anticipated this week, staff schedules are being adjusted. The streets and grounds crews will begin work at 2:00 p.m. tomorrow and will most likely be working into the early hours. This will eliminate some of the overtime costs and provide relief from personnel working an extended period of time. He confirmed there are adequate reserves available to cover those overtime costs as well.

The city manager reported the city recently received a check from FEMA for \$96,000 which reimburses the costs of the snow storm and blizzard in 2010. He noted those funds are only available when there is a declaration of emergency by the federal government.

Mayor Rogers again thanked the employees for the fine job they have done this year in managing the snow and ice.

Mr. Pikus reported there is a need for some upgraded equipment and in order to properly address these storms, good equipment is needed which may need to be considered this budget year. Mr. Baird advised that we are addressing many of those needs over multiple years. Some additional snow plows were purchased this year which allows us to equip more trucks this year.

Mr. Pikus reiterated the Finance Committee has always prioritized public safety and public service.

Executive Session

Mr. Pikus moved to go into Executive Session pursuant to 29 Del. C. §10004(b)(4) strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation and pursuant to 29 Del. C. §10004(b)(9) personnel matters in which the names, competency and abilities of individual employees or students are discussed, seconded by Mr. Grier. Motion carried.

Mayor Rogers recessed the Council Meeting at 7:48 p.m. to go into a closed session.

Return to Open Session

Council returned to open session at 8:20 p.m.

Executive Session Matter

Mayor Rogers announced two issues were discussed and no action is needed on the legal issue.

Mr. Pikus moved for approval and proceed with the item related to personnel, seconded by Mr. Grier. Motion carried by unanimous roll call vote.

ADJOURN

Motion to adjourn Monthly Meeting made by Ms. Wilson, seconded by Mr. Starling. Motion carried.

Mayor Rogers adjourned the Monthly Council Meeting at 8:21 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 24, 2011

The Milford City Council held a Public Hearing on Monday, January 24, 2011 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware to hear the application of:

Dale McCalister on behalf of Silicato-Wood Partnership LLC for a Conditional Use to allow a billboard in a C-3 District at 108 Silicato Parkway, west of State Route 1 and south of N.E. Tenth Street, Milford, Delaware. Tax Map MD-16-174.15-01-01-05; 3.42 +/- acres.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, 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

Mayor Rogers called the Public Hearing to order at 7:07 p.m.

City Planner Gary Norris informed council the conditional use will allow a billboard in a C-3 District. The application was reviewed by the City of Milford Planning Commission whose recommendation was to approve the conditional use by a vote of 6-2 with one abstention.

He noted the application meets all State of Delaware requirements in relation to billboards.

Mr. Norris advised the applicant is present to answer any further questions.

Mr. Silicato then addressed council stating that Dale McCalister of First State Signs is also present. He reiterated the application is for a billboard to be placed in a C-3 zone on State Route 1. The proper approval and license must also be obtained from the State of Delaware which he hopes will coincide with city councils' approval.

He explained the 12x48 billboard will be the third and last billboard at the south end of the property where the new entrance is proposed. Primarily, it will be used for local businesses with the intent to advertise one of the five businesses located at this site. Mr. Silicato stated he is aware of the ordinance which states that on-site signage cannot technically be located on that specific lot though that issue is being addressed.

He noted that this ties in with economic development and as a developer, Mr. Silicato feels that in this market it is very important to take advantage of every possibility to solicit and encourage businesses to come to Milford. For example, he said there are many people still convinced that Grotto Pizza is not coming to Milford and assured everyone they will open this year. Grotto's Owner, Dominick Pulieri was at the site recently and informed Mr. Silicato that during the many years they had a billboard on that site, there were many great comments about the board which is one of the reasons they considered Milford.

Mr. Silicato feels it is a way to attract business and get the attention of the many people traveling to the beach from New York, New Jersey and Pennsylvania. They want them to stop and shop in Milford and spend their money here.

He said he welcomes any questions noting that Mr. McCalister is also present to answer any questions specific to the sign.

Mr. Brooks confirmed that there will be three billboards in less than a quarter mile. Mr. Silicato stated that he believes the state allows billboards approximately every 300 feet and these signs are around 500 feet apart. He is unsure though the frontage may be 1,500 to 2,000 feet.

Mr. Brooks asked Mr. Silicato's opinion regarding persons driving 60 to 70 miles an hour and whether they will be paying attention to the signs instead of traffic exiting that intersection. Mr. Silicato referenced the state mandates that were put in place by experts who have a great deal of experience with that type of situation. He noted the states' requirements are

based on studies that determine the size and distance location from intersections and distance between boards and again emphasized that these signs exceed that distance.

Mr. Brooks reiterated his concern about vehicles traveling 60 to 70 miles an hour who are entering an area with three billboards where cars are entering and exiting a site with a Grottos, Royal Farms and other businesses. He is hoping they will pay attention to those vehicles instead of the three billboards.

Mr. Silicato said he hopes the cars exiting the site will also be paying attention to the vehicles traveling on the highway.

Mr. Brooks then added that a few years ago, Kent County Levy Court Commissioner Eric Buckson reported that intersection was rated as barely passing. As council approved additional applications, Mr. Buckson predicted it would become a failing intersection. Therefore, he is hesitant about approving the billboard.

Mr. Silicato said he is unsure if the billboard has a direct impact on the failing of the intersection. That is a decision of DeIDOT noting that subject has been beaten to death during the time of the original application. He added he is unable to mandate to DeIDOT what he feels should be done. He said he is all for safety and can only adhere to what the state makes him adhere to.

Mr. Pikus estimated the last billboard is approximately 600 feet past the other billboard; Mr. Silicato confirmed it is approximately 500 to 600 feet.

Mr. Baird then referenced the sign chart in the zoning ordinance noting there is a 225 square foot reference and asked the city planner to clarify that for the record. Mr. Norris explained that only applies to a freestanding sign and not a billboard. Mr. Baird confirmed the city standards of 225 feet do not apply to this application adding this is subject to DeIDOT's standards. Mr. Norris agreed that any billboard will need to comply with DeIDOT size and standards.

Jim Higgins of 20 Meadowlark at Meadows at Shawnee then stated that the back of his house is on Route 1. He commented that the mayor and other council members said they did not think there was another place where a billboard could be placed in Milford at the time the ordinance was passed.

Mr. Higgins said it is ugly and not attractive to the city and does not attract business to the city. According to the law, it must advertise things off site so it is not going to bring business to this city. Also, he thinks it will bring his home value down even though he is a mile away. If he decides to sell, anyone coming down Route 1 must look at these billboards and he said that most people agree they are ugly.

He then stressed that billboards impact migratory birds and their flights from up in Canada down to South America.

He also noted there are ongoing federal and state investigations on this land and how it was purchased in addition to the access on Route 1. It is his understanding that should not have been done in the first place. When Mr. Silicato was given permission to build on the land, he was not supposed to clear-cut the land. However, the land is now bare and all the trees behind it were removed.

Mr. Higgins recalled moving to Milford when he loved looking at the trees that are now clear-cut and gone. According to the newspaper, that was not supposed to have happened. He said there is nothing that says he will do what he wants with this. According to Mr. Higgins, as long as he has it up, no one cares.

Mr. Higgins then advised there is a Board of Adjustment hearing on Thursday for Mr. Silicato to move it closer to the road.

Mr. Baird said for the record, the Board of Adjustment case and the case being heard tonight are completely unrelated and do not deal with the same signage. Mr. Higgins said he went by what he read though he did not understand it. Mr. Higgins asked that because of the many investigations going on, council needs to hold off issuing a variance for this billboard.

Dave Markowitz of 8 East Thrush Drive in Meadows at Shawnee then said he heard Mr. Silicato state the billboards will be for businesses on the same property. He has never seen anyone build a business on a highway and not put a sign up to advertise what it is. He asked why a billboard is needed because he is sure Royal Farms will have their own sign, Grottos will have a sign and anyone else that is there will have a sign. He asked why we need ugly, big billboards and suggested he go out and look at the Grotto billboard which he said is also ugly.

Mr. Markowitz said he obviously missed the call and visit from his District 1 council members to get all of their constituents' opinions. However, the people at Meadows at Shawnee do not want it and he believes the people at Hearthstone did not want it either. Because council made District 1 the biggest district, their council members need to find out what the residents want and recommends other council members talk to their constituents as well, though he is sure that will never happen.

He asked how council will deny any future billboards after they approve this one and that Mr. Fannin will then want to add a billboard. Mr. Markowitz agrees that council should take another two weeks to allow everyone to get together to find out what the rest of the people in Milford want. He then offered to oversee that survey.

Joe Palermo of 5 Misty Vale Court in Meadows at Shawnee reiterated what the two previous speakers said adding this is a rush-to-call and the city needs to wait until the investigations are done. He said at that point, we could then decide what steps should be taken.

Ms. Wilson recalled the time taken to work on this ordinance noting it was discussed thoroughly and many times. Prior to council review, this application was reviewed by the planning commission during which time public comment was also taken. The recommendation of the planning commission was to approve the ordinance. Based on that action, she moved to accept the conditional use application to allow the billboard in a C-3 district. Mr. Grier seconded motion. Motion carried by the following 6-2 vote:

No-Johnson, Brooks

Yes-Grier, Pikus, Adkins, Morrow, Starling, Wilson

Mr. Adkins explained he is basing his vote on four reasons. The planning commission has recommended approval of the application. This is a C-3 district and there are no immediate houses surrounding this site that could be directly affected. He understands the difference of opinion from people who are opposed to billboards, though he views it differently. He does not see them differently and when in the proper zone, they serve a proper function. For all of these reasons, he votes yes.

Mr. Brooks recalled a month or two ago, he put a motion on the floor that no more billboards are allowed in the city. He also recalled that back in 2006, City Manager Carmean said there would be no more billboards in the city. A meeting was held and his motion to prohibit the billboards resulted in a 4-4 tie. The mayor then said something needs to be in place that we can work with. The matter came back and Mr. Brooks was led to believe there would be no more billboards in the city. At that time, he went along with the State of Delaware regulations. Also, he has talked to his neighbors whom this does affect. Though he has nothing personal against Mr. Silicato, but he votes no.

Mr. Morrow said he is supporting the planning commission who approved it with a 6-2 vote and votes yes.

With no further business, Mayor Rogers closed the Public Hearing and adjourned the meeting at 7:28 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
City Clerk

*MILFORD CITY COUNCIL
MINUTES OF MEETING
January 24, 2011*

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 24, 2011.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, 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

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 7:28 p.m.

INVOCATION AND PLEDGE

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

RECOGNITION

Milford Police Officers-Patrolman John L. Rose & Patrolman Jonathan L. Ricketts

Chief Hudson introduced the department's newest officers. He reported that Patrolman Rose graduated from the Delaware Police Training Academy in September and Patrolman Ricketts this past December.

Patrolman Rose has been released though Patrolman Ricketts continues his Field Training Program.

While in the academy, each officer received the Outstanding Recruit Award in their perspective classes.

Mayor Rogers and council welcomed the officers to Milford Police Department.

COMMUNICATIONS

Mayor Rogers thanked the city workers responsible for clearing the snow over the Thanksgiving weekend as well as this past weekend.

Nothing additional to report.

NEW BUSINESS

Budget Adjustment/Mispillion Riverwalk (Parks and Recreation)

Mr. Emory reported there is a potential for additional funding through the Land and Water Conservation Trust Fund of \$185,000 for a proposed overall budget of \$377,000. This will add a 37 x 10 floating dock that was not part of the original budget. Upon completion, the walk will be continuous from Silver Lake to Goat Island.

In addition, the old Fisherhawke property has some grading and drainage issues that need to be addressed. Some site work was already done but needs to be manipulated to complete this project.

He advised that a small additional professional service fee is needed for both projects.

Mr. Emory stated he is confident the \$185,000 application will be approved. This is because most municipalities are not applying for the funding because of the match requirement.

He predicts bidding on the project this spring with construction occurring this summer.

When questioned about whether this includes the Warnell Greenway, Mr. Emory explained this section can be accessed off Columbia. Site improvements will be done in that area which includes upgraded sidewalks that will extend to the Warnell Greenway.

Mr. Pikus then asked about improvements to Columbia Street Extended, which is currently a dead end. Mr. Emory confirmed that will become part of the Greenway. He said the land is still owned by the developer though negotiations continue. However, the area is not appropriate for vehicle traffic.

Mr. Baird reiterated the greenway will come up to where Columbia ends at the Mispillion intersection. This proposal makes improvements to Columbia from Southeast Front Street that will tie into the riverwalk.

Mr. Emory then advised the trail head portion will be at Calvary Church where vehicles may park and people can access the riverwalk in addition to the area behind the shipyard. He feels the private ownership of the shipyard is not an impediment to the riverwalk.

Senator Simpson was thanked for his contributions to this project along with his other colleagues. Mr. Baird then noted that Representative Harvey Kenton was in attendance this evening.

Mr. Pikus moved for approval of the proposed budget as shown below, seconded by Ms. Wilson:

Funding Source	Current Budget	PROPOSED BUDGET
City Funds	50,000	42,015
Community Transportation Funds	85,000	150,000
Land & Water Conservation Trust Fund	125,000	185,000
TOTAL	\$260,000	\$377,015

Motion carried by unanimous roll call vote.

Bid Award/Sale of Transformer (Electric Department)

Sealed bids were received, publicly opened and read on January 20, 2011 for the sale and removal of a Power Transformer. Bids ranged from \$12,000 to \$47,000. A letter from Progressive Engineering Consultants indicated they reviewed the bids and recommend acceptance of the highest proposal as offered in the alternate bid by Mid-Atlantic Dismantlement of Dover in the amount of \$47,000.00.

Mr. Pikus moved to award the bid for the sale and removal of the transformer to Mid-Atlantic Dismantlement in the amount of \$47,000.00, seconded by Mr. Morrow. Motion carried.

The transformer is being replaced by one previously ordered and awarded by city council earlier this fall.

Bid Award/Backhoe (Street Department)

Public Works Director Brad Dennehy was in attendance to present this bid.

Sealed bids were received, publicly opened and read on January 19, 2011 for a 2011 Model 420E Caterpillar Backhoe. The following bids were received:

Folcorner Equipment Corporation	\$82,370.00	(Case)
Albon Tractor	\$92,600.00	(Caterpillar)
JESCO, Incorporated	\$81,170.00	(John Deere)

The new backhoe will replace an existing fifteen-year-old backhoe. The item was budgeted for \$85,000 as a Street Department capital item.

Of three bids received, the high bidder was for the exact piece of equipment specified. Mr. Dennehy reported that he and Street Superintendent Tim Webb reviewed the bids. They also met with a representative of the lowest bidder.

According to Mr. Dennehy, the lowest bid is for a John Deere 310 SJ that meets the general intentions of the bid proposal. Although the John Deere 31 is not specific to the bid, Mr. Dennehy feels this is a comparable piece of equipment. He recommends council accept the low bid from JESCO, Incorporated in the amount of \$81,170.

He added the old backhoe will continue to be used at the Public Works facility.

Mr. Pikus asked the cost to convert to the brine application. Mr. Dennehy said they are just beginning to consider using the brine solution which will require a new tank. However, the city has a flatbed truck that can be converted for that purpose. He estimates it would cost approximately \$20,000 though additional information is needed before that decision is made.

Mr. Brooks moved to award the bid to JESCO, Incorporated in the amount of \$81,170, seconded by Mr. Morrow. Motion carried by unanimous roll call vote.

N.E. Tenth Street Paving Project

Mr. Baird advised there have been ongoing discussions with the contractor regarding the N.E. Tenth Street Project which does not meet our satisfaction. Mr. Mallamo has been working with the contractor the last couple of weeks to determine any possible failures and possible alternatives which he will discuss this evening.

There was an evaluation meeting this morning to review the findings and possible proposals. Mr. Baird stated that at this time, this is only an update because there are still some questions about the bonding as well as the contractual language.

City Engineer Mark Mallamo then advised council his presentation will concentrate mainly on the technical aspects and not the contractual issues.

He recalled that Tenth Street was paved November 30, 2010. It was a mill and paving project which means the old blacktop is torn out and replaced with new blacktop. There was other work done on the road by city crews and other contractors in addition to the paving contractor. Issues that impact the ride quality include the utilities in the roadway such as the sewer system, storm drains, water valves, etc. One item is a dip after a manhole when heading eastbound. There is a severe elevation change from the top of the manhole to the nearest catch basin. Some drop is expected at a catch basin because the water must run downward to clear the road. However, the drop is more than was expected.

He said unfortunately, it was not identified for adjustment before the paving was done because the manhole frame and cover were replaced for infiltration purposes. It was an older frame and the replacement was needed to tighten up the sewer system as part of the ongoing I&I project.

There was other work done on the transite water main beneath the street. It was somewhat fragile and caused some concern in addition to the age of the water services that served those homes. As a result, the taps on the water main were replaced and new services were run to the homes prior to the paving. Some ADA ramps were also added for handicapped access throughout the area.

After the milling and paving was completed, it was determined the ride quality did not meet the desired standard. Some major issues included a large dip in the east bound lane right after manhole 4-38, and an abrupt drop into an adjusted catch basin in the 300 block of N.E. Tenth Street. There are a total of eleven catch basins on the road and seven were chosen for adjustment. Some were left alone because of water running to them.

He recommends the manhole be adjusted to a lower elevation in order to improve the road issue. This would be at city costs because it was done by city crews and was not part of the paving contract or the concrete/curb project.

Mr. Mallamo said that in addition, the catch basin needs to be adjusted to a different grade. He explained the road has a crown which allows water to run to its sides. It needs to be low enough to get the water to run to the catch basin. He noted that a catch basin will always be felt when you run over it with your car. But in this case, it tipped counter to the crown of the road which is causing a severe depression.

He advised there are a couple ways to fix it including moving it over into the curb and adjusted back up. That work would be at the city's cost. However, he would like to ask the contractor to help the city out because when they adjusted it, Mr. Mallamo expected it could be adjusted to a better ride elevation. He is unsure if the contractor will agree though he would recommend it be requested.

Mr. Baird then stated that some sort of solution can probably be worked out that is mutually agreeable to the city and the contractor. Mr. Mallamo feels it is something that can be worked out. He did call the contractor today though he does not feel anything was resolved. This was something he had been debating and trying to figure out what can be done and what should have been done though he came to this recommendation on Friday. When he spoke to the contractor, his initial response was negative.

The other issue involves the general ride quality of the entire road which is a more difficult problem. In prior conversations with the city manager and the public works director, they have discussed how to determine what is acceptable and what is not. The spec was written to adhere to DeIDOT specifications. DeIDOT specs have a test called a rolling straight edge test which Mr. Mallamo explained is a ten-foot beam with wheels with a smaller wheel in the center. The wheel in the center is on a gauge that can ride up and down. As that traverses along the path of the roadway, that center wheel has a gauge that reads how far up and down it is going.

Last Wednesday, Mr. Mallamo had DeIDOT come out and run the test to determine whether or not the road met the standard deflection allowable. This test compares the magnitude of those dips and bumps to the specification. The testing was started in the east bound lane near Walnut Street. The pavement was marked with chalk at each bump or dip that exceeded the spec. After about fifty feet of testing the roadway that looked fine to the unaided eye, it was apparent the road surface did not meet the specs. The chalk marks were appearing every four to five feet and some of the irregularities exceeded the range of the measuring gauge. The testing was continued eastbound to the entrance to the high school and then resumed in the westbound lane back to the starting point. It was agreed by all that continued testing of the entire road would yield the same results, so testing was stopped at that point.

The paving contractor was present who concurred it did not meet the specs and agreed to participate in its repair. The city engineer said that he did ask for some payment consideration that would help with materials, though he intends to fulfill his obligation to fix, to the extent practical, the ride quality issues. He is also fulfilling his obligation to repair any issues on the other three roads that were paved.

Mr. Mallamo reported there is a bond on the project for 100% of the cost of the work. The city has paid for the Masten Circle, Foster Street and Evans Street paving with the 10% retainage held back though nothing has been paid on Tenth Street. The city did pay for the adjustment of the catch basins and curb and ramp work.

Mr. Mallamo referenced the memo in which he stated that considering the condition of the water line and other issues out there, to really make it right, the city would need to spend up to \$250,000. This would involve a complete rebuild and replacement of the water main and all curbing (currently there is broken curb and cracks that barely meet city specs). In order to save money, he feels we did what was needed to make a good road.

He said another option is to tear out everything, remill and repave which could cost about \$55,000. The manhole and catch basin would still need to be addressed even if it was milled and paved which would create some additional costs.

A third option, which DelDOT recommended, is diamond grinding. Mr. Mallamo explained that diamond grinding is a highly specialized procedure where large equipment is used to smoothly grind off the bumps and even out the road surface. This is used routinely in Delaware and surrounding states to fix problems such as this. There is only one grinding contractor in the mid Atlantic region that does this type of work.

As a result, Mr. Mallamo contacted the grinding contractor to confirm they could do the work and it would not damage the water service beneath the road and that the road would support their equipment. He said this process is much more cost effective versus tearing out the roadway and starting from scratch.

Mr. Mallamo said the third option would be his recommendation. He added the paving contractor has agreed to absorb the costs which will be between \$12,000 and \$15,000 and is based on a ballpark figure provided by the vendor in a telephone conversation.

The city engineer then informed council the grinding process is unable to address the bump and dip issues associated with the manholes and catch basins. However, he feels this can provide a much better road than currently exists. Additionally, though the city will have some costs involved, the majority of the costs will be absorbed by the paving contractor.

Mr. Mallamo estimates a \$3,000 cost to adjust the manhole and repave the immediate area surrounding the manhole to even out the paving. Some additional paving will also be needed around the catch basin which is too low. He believes the paving contractor had to pull the blacktop down to meet the grate.

To fix these two issues, Mr. Mallamo's opinion is the city has some responsibility for not defining the problems beforehand.

Mr. Pikus asked if it is possible to pave approximately twenty feet back so vehicles gradually go to the manhole rather than it being a sudden jar. Mr. Mallamo explained the curb is part of the issue as it runs somewhat flat and is very close to the catch basin. The catch basin projects away from the curb into the road which caused the swale to run out into the road and away from the curb. He feels it could be a little better though it won't be satisfactory unless it is raised or moved back and out of the traffic pathway.

The preferred method would be to move it against the curb or into the sidewalk but that would come with some additional costs.

When asked how the original contractor was planning to correct the roadway, Mr. Baird advised there are still many unanswered questions. He said as Mr. Mallamo has done his analysis, more questions have been raised. After we receive the answers over the next week or so, a formal recommendation will be made and costs provided at a future meeting. Those costs being presented tonight are only verbal estimates.

Ms. Wilson asked who inspects these projects after city crews have completed their jobs; Mr. Mallamo advised the city does not have an outside inspector. In this case, DelDOT was asked to confirm the ride quality issues because he does not have the equipment or manpower to do that work. Mr. Mallamo did not observe the manhole issue until the paving was done. They were aware of the catch basin problem which was added to the list for adjustment. He said he will take the blame for the fact it wasn't adjusted as was expected, though he expected the contractor to adjust to a more suitable grade. The issue was acknowledged though there was no good solution until it was done.

Mr. Mallamo said that at the same time, they were trying to beat weather deadlines which is why the milling and paving were scheduled with the intent to blend it in hopes that would work. This was the last street paved this year which occurred on November 30th. They worked on it two nights in a row trying to beat the weather. At this point, he wished he did not pave it but the plan was to get it done. He said the street was already torn up as the other work was being done. He agreed that something needed to be done though the result was not what he wanted. The time pressure was a major factor with the goal to complete it before the freezing weather.

Mayor Rogers complimented Mr. Mallamo on explaining what occurred. He recommends that everyone work together and get these problems resolved.

Mr. Starling recommended that they also look at Church Street because the manholes look low there as well. He is unsure when the paving is planned, but he feels the same thing could happen there. Mr. Mallamo advised that Church Street was on the last year's bid list, but the contractors were given sixty days for the concrete work and ninety days for the paving. The contracts expired December 31st. His recommendation is to find a new vendor to rebid Church Street along with any other streets such as Columbia Street this coming year.

Mr. Starling asked what work was done; Mr. Mallamo advised the city crews went through and replaced water services and manhole frame and covers. The staff was instructed to install them at the existing grade which was the same manner as was done on Tenth Street. He feels that some survey work is needed to confirm where they need to be. He also pointed out that some bumps and discrepancies are more acceptable on an in-town road due to lower speeds.

Mr. Mallamo said that one of the things mentioned in his memo was a complete rebuild. Church Street could be surveyed and additional work done to the sewers because that was not included in the sewer study. It could become a much bigger project which could include sidewalks as well. However, that was not part of that project which was to only fix the water services. He explained what we do not want is a newly paved street with water squirting up thru it which is why the water services line replacements were done. When a water or sewer problem is identified, Mr. Mallamo said it is important to fix them before you pave the street. This prevents cutting the street after the paving is done to make additional repairs.

He said on this scale, it is difficult to find and repair every problem which is what occurred with the manhole on Tenth Street.

Mr. Mallamo agrees with Mr. Starling that Church Street is in very rough shape noting there are a number of issues with the curbing. He said there is 675 feet of curbing that needs replacing on that street that was not completed by the contractor within that sixty-day term. The handicapped ramps and curbing on Church Street are still an issue that have not been completely addressed as well.

Mr. Brooks commended Mr. Mallamo noting that he was on Tenth Street everyday working and added that it was a big project and not an easy one.

UNFINISHED BUSINESS

Adoption of Ordinance 2011-1/Fiber Optic Code

Mr. Pikus moved to adopt the following ordinance, seconded by Mr. Brooks:

ORDINANCE NO. 2011-1

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF MILFORD BY ADDING A NEW CHAPTER ENTITLED FIBER OPTICS.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Amend the Milford Code by adding a new Chapter entitled Fiber Optics to read as follows:

Section 1. General Conditions.

- (A) *The City of Milford has installed fiber optic cables to improve internal networking capabilities and to provide telecommunication services to its electrical customers.*
- (B) *Of those fiber optic facilities, the city has the ability to license certain unused capacity within its communications network to enhance utilization and to obtain additional revenues.*

- (C) *Customers who desire to utilize a portion of the city's unused fiber optic must enter into a Fiber Use License Agreement in which the terms and conditions are contained therein.*
- (D) *All agreements are subject to the review of the City of Milford Electric Department Superintendent.*
- (E) *The Mayor of the City of Milford is hereby authorized to execute a Fiber Use License Agreement upon the approval of the Electric Department Superintendent.*
- (F) *Although the City of Milford will make every effort to provide customers with quality, reliable, continuous fiber optic service, the city makes no guarantees to system interruptions specifically caused by weather, earthquakes or any other conditions beyond its control.*

Section 2. Fiber Optic Rates, Fees and Charges

(A) *Rates, Fees and Charges shall be in accordance with the following table:*

(1) *Fiber Pricing (Per Month/Per Fiber/Per Mile)*

<u>1-12 Fibers</u>	<u>Current</u>	<u>New</u>
1 Year Term	\$75.90	\$103.50
5 Year Term	\$66.00	\$90.00
10 Year Term	\$59.40	\$81.00
15 Year Term	\$50.76	\$72.90
<u>13 or More Fibers</u>	<u>Current</u>	<u>New</u>
1 Year Term	\$70.67	\$96.36
5 Year Term	\$60.67	\$82.73
10 Year Term	\$55.40	\$75.54
15 Year Term	\$48.88	\$70.20

(2) *Drop Cable \$2.20/ft (Pole to Building)*

(3) *Construction Cost (Labor) \$3.00/ft (4 Men & 2 Bucket Trucks - 16 hrs)*

(4) *Splices (City)*
Splices & Trays \$40.00/splice
Splice Enclosure \$1,000.00

(5) *Splices (Under/comm, Incorporated)*
Set up and splice designated strands of the 96 fiber loop to new cable using splice cases and trays provided by the City.
Splice Setup Per Location \$300.00
Splice Per Strand \$25.00

(6) *Set up and terminate designated strands of new cable at customers' location using new hardware and pigtails provided by Under/comm, Incorporated*
Termination Setup Per Location \$200.00
Splice Pigtail Per Location \$34.00

(7) *Rates are subject to change annually.*

Section 3. Dates.

Adoption: January 24, 2011

Effective: February 3, 2011

Motion carried.

Economic Development Strategy Study/John Rhodes (Moran, Stahl and Boyer)

Mr. Rhodes introduced himself to council. He reported that in 2007, he led a team to do an Economic Development Strategy for Kent County and also did some work for the City of Dover. During the county study, he visited Milford to interview most of the employers and was impressed with what he saw was happening. Three years later, he is impressed with what Milford is trying to do though he is encouraging Milford to take it to the next level.

The level of work that was done on the study, and the time it was completed in, Mr. Rhodes feels it may be a world's record. They came on site, did interviews and put together a sixty-page report in less than 3 ½ weeks. He attributed that to Economic Development Chair Garrett Grier and City Manager David Baird who did what was necessary to complete his job.

Mr. Rhodes then presented a power point (see attached).

He said when considering the year 2025, this community should be looking in terms of what type of employers and jobs will be here. Also, what use of the land there will be. The land, called the City of Milford, will be basically fully developed by then. He is aware the city is in the annexation program and is able to get more land in the future. But if you need to find more land, a lot of that land will be used. The growth in the downtown area has a great start but will probably see where it is going to go by then as everyone appears to be on an upward trajectory to get that finished.

He then reviewed and discussed a number of topics that were part of his strategy report and recommendations.

Opportunities for the next generation and the next generation. This means whether your children and grandchildren will be here working or will they all have left. In that case, it would leave an older, aging community. If opportunities do not exist, they will not stay.

Improved education quality. There is a phenomenal facility with plans for other facilities. There is the matter of what to do inside the facility to make education the great thing it can be though to some degree it is here.

Mr. Rhodes explained that today, we are charting the future of this community.

He said when we look at the process to come to where we are today, we use four tasks. Task one was to gather a tremendous amount of background information and gather stakeholder feedback. Gathering feedback meant we had a steering committee, the city council's economic development subcommittee with Garrett Grier leading the charge. He said he interviewed a lot of the local employees and sat down with the Superintendent of the Milford School District. They looked at real estate developers and brokers and different projects and dreams of what they want to do. He spent time with the chamber and the downtown group. Overall, he talked with more than 150 people in the community which he feels is a good ratio in a community of about 26,000.

They then evaluated the economic and land use situation in Milford and did a SWOT Analysis with strengths, weaknesses, opportunities and threats. That was done in a group after which Mr. Rhodes took that information and worked it in with what he knows about the two counties and the world in general.

A Vision, Objectives and a Strategy for Economic Growth was then developed. They then developed an action plan which he will present tonight.

Mr. Rhodes said that one of the key things when doing an economic analysis are assets and challenges. That is the basis for what they can deal with short term.

Geographically, he feels Milford is in a unique situation. Milford is not on an interstate, but is strategically located in relation to the Wilmington, Philadelphia and New York markets on one side and the Baltimore, Washington and Richmond markets on the other side.

The labor and overall costs of doing business here is highly competitive when considering the Mid-Atlantic Region and being as close to the core of that region. He said Milford is considered a low-cost, competitive area to do business.

The success of the community in general, with the support of the Chamber of Commerce and the Downtown Group provides a social infrastructure to be successful.

Local government is in support of local business. Mr. Rhodes has been in many communities and local governments is very pro-business in Milford. He has seen the alternative which is not appealing.

Access to local healthcare services and the expansion of that healthcare services and some of the visions in this community for healthcare will make Milford a world class healthcare destination for the Delmarva Peninsula.

The local school district seeking to improve the quality of schools. Where Milford schools are today is not where they will be in five to ten years because there is a lot of emphasis to keep growing.

The existing profile of manufacturing and other businesses is something enviable that Milford has.

The local company experience in contracting with government agencies and in particular, First State Manufacturing, and what they have done and what they can bring in contracting and other manufacturers that have a really good outside reach. There is some good experience here on knowing how to deal with the outside world.

The proximity to the beach and access to the Mispillion River for recreational activities and trail possibilities are all tremendous assets to the community for tourism.

Some of the challenges of the Milford area are the different views on economic and physical growth among residents. This exists in every community though Milford needs to come up with some kind of harmony that says we are a shared vision and where do we want to go instead of having a polarized one. Locally, Mr. Rhodes would like to see more of a vision sharing of where we want to go and then work on getting there.

A need for a consistent implementation and interpretation of the Land Use Plan on projects. When city council and city officials are executing something to do with development, there is a need for consistency from one day to the next. If not, it will cause serious furor in terms of how people interpret what is being done with different pieces of land around the community.

Part of aligning the local jobs of the future with the next generation's career plans has to do with modifying what people think they will be doing in the future. Most people think they are going to be in international business, public relations or computer games. The reality is there are many more opportunities in this community that might include advanced manufacturing that are very exciting. He feels that manufacturing should be changed to technology which is something that may be more appealing to our youth.

Adequate spousal employment options for working professionals. As Milford expands its base in terms of professional services and health care and similar areas, there are a lot of jobs that can be done and the opportunity to bring in the doctors and professional services we need by providing spousal employment options. There are many dual working families today and it is necessary to look at jobs for both sides of the house in terms of careers.

The need for a well defined and enforced historic preservation ordinance that reinforces "quality of place" in the downtown area. One of the greatest assets of this community is that when you come to this town, it looks like a real town. There is a little quaintness and a little history. The only thing he sees and heard from people was about the importance of preserving the ordinances that keep this a quality place. This would reinforce the "quality of place" in the downtown area.

Road access is two-lane going east/west and limited access to the north. Employers and manufacturers do not feel that is a problem. But site selectors and consultants are getting out their GPS programs with the intent is to be on an interstate and Milford is not going to show up. In terms of marketing and promoting yourself, anybody on a state highway with limited access never shows up on those screens. That is an issue though it can be overcome.

The current performance ratings of Milford High School and Middle School are challenging. That could be an issue for potentially relocating families. This could be a state where the schools grade themselves really high, but looking at it as a casual viewer, the statistics are challenging if he were bringing his children from a big city and was planning to relocate as a doctor, lawyer or engineer. They do not look favorable though that is fixable.

When looking at a local economy, you look at the available resources. Wrapped around those resources, are primary industries. Those industries bring cash. It can be a manufacturing firm that sells outside here or a college that brings tuition in. It can be a healthcare operation that is regional. Anybody outside of the city that comes here and spends money in the city, that business is considered a primary industry or a level one industry.

Level two are those support services that are here and exist strictly because the level one businesses are here also. For example, we may have a hospital that is regional. He understands the hospital system is here and a big hospital in Dover. There are large numbers of people that come here for those services, but there may be other businesses here that support the healthcare industry which are level two.

The level three or wraparound are the consumer services that are here including retail, personal services, local government, local construction firms, etc. Those services are here because people are here. In Florida, when you are in a heavy populated retirement community, you will find the vast majority of the economy is wrapped around a level three. The problem with a predominantly retired community, is they are living off their income which becomes the only flow of cash into the community. It is difficult to grow a community on retirement income rather than on taxes from manufacturing or other people. Consumer services are necessary and a very important part of a community's quality of life.

As economic developers, it is important to focus on the primary industries.

He said as a group, they looked at the first chart and then at the second chart noting a lot of options were available. Whether it was on the agriculture support side or distribution, he listened to the group and weighed the positive and negatives of each one.

Mr. Rhodes then went home and did a spider diagram. One of the things he wanted to see for those segments was the relationship to one another. It would be interesting to see how strategic those that relate at least four or more times with another segment. For example, retirement and retail, technology (manufacturing) and an entrepreneurial segment; if we were to set that up and determined that tourism actually hit many parts of the economy. That does not mean that health care is not a strategic part. It just says there are certain parts of the economy that become very critical and very key to the leveraging and growth of others. No part of the economy is an island unto itself as a lot feed off each other.

He said they looked at each segment of the economy and looked at their current strengths and the growth potential. They saw in the area of health care and retirement as the economy recovers. There will be some high growth. They also saw some areas where there was moderate growth. They then saw some areas with limited growth. With agricultural, they gave it a limited growth though they believe it is a very strategic part of this region. The opportunity to have that is good though it will probably not have massive incremental growth but is still something that needs to be protected and preserved though it won't bring a lot of new jobs.

The warehousing segment because land here is a premium so it is not a good idea to bring this as a warehousing district for the balance of the state. There are other places that will have that role though Mr. Rhodes does not think Milford will,

The next thing they looked at was a vision for economic growth.

Facilitate growth of local economy that is sustainable and balanced.

They looked at facilitating growth of the local economy that is sustainable and balanced. The idea is to attract businesses here that have a good chance of sustaining themselves. One way to look at a business and determine how long they will stay is to ask how much research or how much product changing they are doing or how much market adaptation they are doing as they go forward. The life cycle of any one given product only lasts so long.

He said that every person in this room with a company has products or a service. Each of those products or services has a life cycle. That is due to other competition or the reason for the product to change. Part of being sustainable is to ensure there are companies that are continually creating new products.

Engage in economic activities that are in demand and competitive. Mr. Rhodes looked in some areas of the economy in terms of healthcare, energy, infrastructure and a lot of the things around the country people are looking for. Also, what aspects we can get here to sustain this community.

Provide quality jobs for current and emerging work force. In other words, keep the people here working while getting ready for the next generation. Get them excited about being able to work here and available jobs.

Sustain the quality of place while seeking venues/activities that attract the emerging workforce. The quality of place here is exceptionally sensitive and important. There is something about this community that makes it very special. In the process of growing we do not want to destroy what it is and what we are. In general, we are doing a really good job of preserving it. Taking a community that went through some maturation in terms of the shipping industry that completed disappeared fifty years ago. Yet, we are still here because we continued to reinvent ourselves.

Assure the quality of and the access to the quality of life attributes that are so important here.

Protect the tax base needed to maintain government services.

He then reviewed the three areas of a growing economy.

The traditional economic development is to either attract new business to an area or expand existing business. Equally as critical in this community, is to be able to grow and start up entrepreneur businesses.

Parks, water, wetlands, forests and other natural areas are extremely important to this community. The agriculture and natural resources industries are what they are and will stay what they are to some degree. There are property owners who will sell off agricultural lands as the family matures or for other personal reasons.

Parks and water areas make up quality of life, but do not pay any taxes. Agriculture is a very valuable part of our income base, though the taxes are much lower than the manufacturing taxes.

Quality of life attributes. People that are residents pay taxes but the others, such as schools, cultural and historical facilities and religious and other nonprofit organizations do not pay taxes though we need to cover for them in terms of the value of the roadways, utility services, etc. We want them as part of our quality of our life.

What we are trying to do in economic development is to grow. Future growth options were evaluated by considering what land should be allocated to businesses that provide on going jobs and that will pay taxes. We looked at the community and considered the two corridors (Route 113 and Route 1). The lands that were available were then considered, their future potential, how close they were to a corridor and the valuable ones that are relatively close to the corridors that are needed to get people that want to work to and from them.

Then referenced was the older, traditional manufacturing area in Milford. In years past, manufacturing facilities would be placed in the center of the community with a great deal of housing around it because many people walked to work. Today, manufacturing is placed closer to the corridors in order to get trucks in and out. That does not mean we cannot populate those buildings with manufacturing, which is being done in Milford, but a lot of those modern businesses will not have the heavy truck traffic that another industry would have.

Mr. Rhodes then discussed the action plan. He explained there are six areas that were focused on. One of them was on real estate as in land and buildings.

The industrial business park the city currently has only a few sites left. With the economy down and the cost of land taking a dive, this is a great opportunity to consider securing another hundred acres somewhere in the community to look at a next generation business park. He does not want to pave this community with business parks, but there are some

primaries along US 113 and the State Route 1 corridor that should be considered for future acquisition now. When the land prices start to climb again, it will be no longer good to business because they cannot afford it.

The other consideration is to design a virtual building for the business park. Conceptualize what a building would look like and get it permitted. That would increase the speed of the market when someone comes here. A community of this size is not going to invest in a new building and hopes it will be leased. However, a building can be designed to show potential buyers what we want it to look like. Get approvals ahead of time to reduce the amount of time it takes to get into the building. Waiting two years to get permits and approvals is a problem because the market has already matured and the opportunity is lost. Milford needs to be ready for companies that want to build here.

He also supports the development of the medical business park that is being considered for the southeast portion of the city. That location is an idea place to put a business park as well as some mixed use activity. It really was one of the ideal locations along the Route 1 corridor. The land is available and there are some very interesting opportunities that need to be focused on.

He also looked at workforce development. Mr. Rhodes feels it is very important in going forward. There are some issues in the high school in terms of deportment as it was called in the old days. If a lot of those kids could focus on what they could be, a lot of those issues would go away. When you get away from thinking about only today or what we are going to do after school, one gets in trouble. But if you can give them something to think about by helping them partner with some of the different businesses by spending an afternoon with a business. Build mentorship programs, build career awareness, add career fairs for the kids so that employees in the region could interface with the students and give them something to think about and a vision of what they could be. That solves a lot of problems.

Expand the on site training capabilities to support local industry. There are a number of industries here that require specialized training. Some of that training requires traveling a great deal. That is something that should be considered putting into this community to support and protect those employers here.

The feasibility of establishing a training conference center. Looking at this community five, ten, fifteen years from now, when there may be an expanded medical activity here and some interesting manufacturing. One of the things that communities have done to build awareness is by putting on a conference or having a strategic meeting for the state. That builds awareness in the community. Also, from the standpoint of getting people together. In city hall, there is only the council chambers as a meeting room for the community. Across from the high school is a nice piece of property that is new on the market. If a training and conference center could be built there, it would be a convenient location and could be used for high school students training. It could be used for medical training. It could bring some education and training into this community. Currently, people have to travel to Dover or Georgetown. It could also put Milford on the map.

From an infrastructure standpoint, he thinks it is important to keep electric rates down and attract industries that are either energy or non-energy intensive. In Delaware, energy costs are on the high side compared to neighboring states. As a result, there will be industries that will not come here.

Provide the utilities to the new business park and at least stub them in at the road to get them in quickly.

Organizational support for economic development. Milford is a small community but similar sized communities have hired a full or part-time staff person on the onset to focus on economic development, help bridge the gap between the city, the workforce development board, the county and state. Also very important, they can really put some energy on what is going to happen locally. Consider some type of modest staff position, then let that grow as it will.

He also recommends establishing a permanent economic development advisory panel that would be on the citizen and business side. This would reflect what already exists on city council. It would allow the community at large, whether it is developers or manufacturers in the community, to get together on an ongoing basis and say, how are we doing and are we getting where we need to go and let's keep moving.

He also recommends the support of new business, start up and the expansion of existing businesses. Mr. Rhodes thinks this is critical. There is a very strong Junior Achievement Program in New Castle County which is being considered for this area and there is a need to push that program in Milford. That has a whole infrastructure of services, scope and

approach that could be leveraged and taken into a career awareness campaign.

Leveraging the entrepreneurship program at DelTech in Georgetown. He wants to get that program down into the high school level. Get people to understand that they may want to consider working in their own business someday. In the old days, almost everyone was working in a small business. Then large companies came along. We want to re-institute entrepreneurship.

Also consider low-cost space and low-cost loans or grants for businesses to be able to stimulate growth. Also, meeting with existing businesses on a semiannual basis to identify resource needs. It is really important to keep an eye on current businesses in terms of utilities and things the city can assist with, but also from the workforce standpoint. The economic development staff person can visit these businesses and get their confidence about where they are going and what should be planned.

There is also a great deal of things that can be done to attract businesses to the downtown area. What has been done in Milford so far is incredible, but if something like a Y 5 bookstore where people come that is appealing to the downtown area. The arts and crafts side and similar things should be considered. Businesses need to want to be there so there is a need to demonstrate the market is there.

When the downtown hits some type of a tipping point when the right kind of businesses are there, people just migrate there. The businesses on Route 113 and Route 1 can be kept viable, but there is a reason to come downtown. He feels we are not quite there, but are close.

He is familiar with a town in Maine that took an old boat building facility and made it into a boat building school. What he saw there was magic and what could be done in Milford with some grants and support where people from all over the county would flock to build their boat. The families will be shopping and spending money and walking the trails. All of a sudden, Milford becomes very interesting. It is a core part of Milford's heritage and something we should not lose.

Continued support of the amphitheater along the river as well as the riverwalk and the trails. He feels there are a tremendous number of venues we can continue to expand and grown on.

In terms of marketing and promotion, the community profile has already been developed by Mr. Rhodes. Next is to issue a profile to the target audience. He feels that needs to be sent to DEDO first. Let them know what we feel our target industries are and the tools we have available. From there, we go into the county level marketing and whatever else the state is going to do that comes out of this new program and governor's administration and where we fit in and how we can market ourselves.

He feels what is really important is to reach out to new and recently arrived residents with a "welcome basket" of coupons, a letter from the mayor and ways in which they can become involved in the community. We need to get them on board and not make enemies of people from other places. Especially those that do not have the same eye to eye as people that have been here a long time. That needs to be done as fast as possible.

Secondly, a newcomers' group needs to be established. People from all over can become involved in this group. They meet monthly with fun and informative luncheons. People can give presentations and not only inform them of what is going in the community, but tell them what they can do to be part of the community. It can be a huge social event. Lastly, in addition to an economic development forum, there should be a citizens' forum established. This could be a chance for the citizens to talk about what is going on in the community. The city manager and the mayor could be part of this by talking about what is going on and how to work together as a team. He wants to prevent people from kicking and screaming about everything that is being done. Instead, make them understand the vision.

Mr. Rhodes said council can have the role of a facilitator. Knowing the vision of the community will help get it right. Council will always end up being the mediator because that is what the people put them in office to do. He thinks it is important to have a vision and actually become the visionary of the community though it must be a shared vision. He thinks council should be an innovator in the ways you go after things or get things done. Think about things a little out of the box

Council needs to be the cheerleaders by encouraging companies as they grow. This can be done at a special luncheon held in their honor.

What needs to be done with codes, ordinances and any type of action must be consistent on how it is executed. Council is the representative to our state and county on many different missions.

He concluded by saying council needs to take the baton and run. He has given them a baton and some vision. This community is a very special place in his opinion. He said it has been a privilege being here and working here. There are more assets here than most larger cities. He said to use them well; that will result in a phenomenal community of people that are working together.

Mayor Rogers thanked Mr. Rhodes stating he has given him what was asked for. One of his goals has been economic development and it has worked in the past, but this has rekindled the fire for future economic development. He is very excited and will fully support this program. He agrees that working together is the key to its success. Downtown Milford, Chamber of Commerce and other groups in Milford will need to continue to meet and work together on his vision.

The mayor then stated that he tasked Councilman Grier with this project; Mr. Grier did as Mayor Rogers expected and completed the task in a very successful way. This has prepared us to take the next step under his continued leadership.

This was followed by a round of applause by those present.

Chamber President Fred Rohm then said one of the reasons he was elected president is because he spent a 35-year career as a manager of chambers of commerce with the longest term in New Castle County where he was involved in a lot of development issues. He read over this report and commends Mr. Rhodes, the city manager and others who worked on it.

He said a couple of key things and one is to provide a staff position which he suggests be independent of the city and recommends if fall under a 501(c)(3) corporation. The 501(c)(3) could go after foundation grants and industrial contributions. It has a better chance of existing as a cheerleader if it is not tied directly to the town government. He ran into this where he worked in three different chambers and found it worked well being independent.

Mr. Rohm said the chamber is already starting to launch some efforts that will be helpful including the Community Forum scheduled next month. They have invited about fifty nonprofit organizations to attend. His experience with those will allow them to understand the opportunities and challenges and bring them into the process.

His final thought is that this is a big report. It needs prioritizing and once that is decided, the town needs to stick to it. Anything chopped off diminishes the possibility that fourteen years from now, we will have the progress that Mr. Rhodes outlines we can have.

He feels very confident in pledging the efforts of the Chamber of Commerce to this. He has some ideas where they can contribute and are ready to go.

Mr. Grier then pointed out there is a lot more than the overview that what was presented this evening. He highly recommends people go on line (city website) to access the report and digest it. His intention is for this plan to be adopted by the city and be used as a roadmap over the next fifteen years to try and stand out. We want to be the community that people want to come to, businesses want to open up in and where our children will have the ability to make their home and work in as well.

Mr. Grier thanked Mr. Rhodes for the amount of time he has put into the plan. Mayor Rogers agreed adding he is pleased with the input from the people that participated in the forum.

Mr. Rhodes concluded by telling the residents of Milford that this was the best dollar ever spent on economic development. If this is followed, he assures everyone this community will be second to none. He is very passionate about Milford noting there is a huge potential here.

Mr. Baird said that eventually city council will take ownership of this document by adopting it and starting the implementation. He added it is really the product of a lot of the people sitting in this room. He said a number of people participated in one way or another. We had a large steering committee that helped guide things. They spoke to roughly fifty or sixty businesses throughout the community in a couple of days. This could not have been completed with input from all those people and ultimately, it will be up to everyone to continue to help with its implementation in order to make this work.

The city manager agreed and pointed out that our work is just beginning.

Mayor Rogers agreed stating that with community input and everyone working together, this can develop into something positive and resourceful. He then thanked everyone that participated for the time and effort they put into this project.

Mr. Grier then moved to adopt the City of Milford Economic Development Strategy, seconded by Mr. Pikus. Motion carried with no one opposed.

Economic Development Position

Mr. Baird said as was previously discussed, city council is able to establish an Economic Development Position within the city to help with the implementation of the plan. He is proposing is a temporary, part-time position and is asking council for authorization. The position is for the remainder of the budget year thru June 30, 2011. This person would start to work on a lot of the action plan items presented this evening in addition to helping the city move forward in what is needed out of this position.

If council agrees, he is asking for authorization for a temporary part-time Economic Development position and funding of \$20,000 from the General Fund-Fund Balance.

Mr. Grier moved for approval of a temporary, part-time position for Economic Development with a budget of \$20,000 until the end of the fiscal years, seconded by Mr. Starling. Motion carried by unanimous roll call vote.

ADJOURN

With no further business, the Council Meeting was adjourned at 9:14 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
Recorder/City Clerk

Attachment: Moran, Stahl and Boyer Power Point Presentation

ECONOMIC DEVELOPMENT STRATEGY

PRESENTATION TO THE CITY OF MILFORD, DE • JANUARY 24, 2011

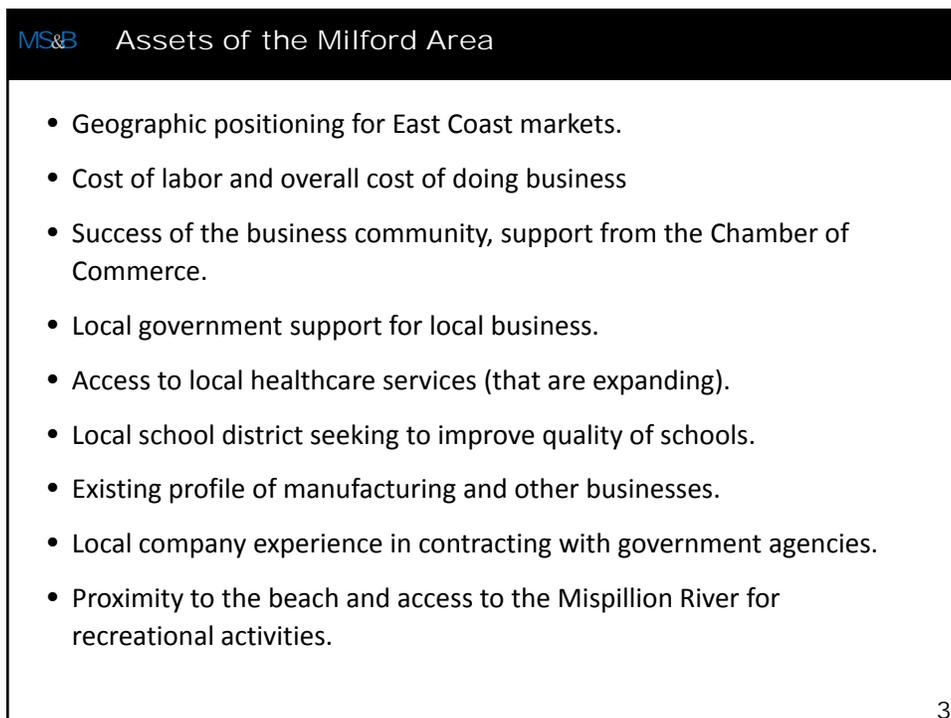
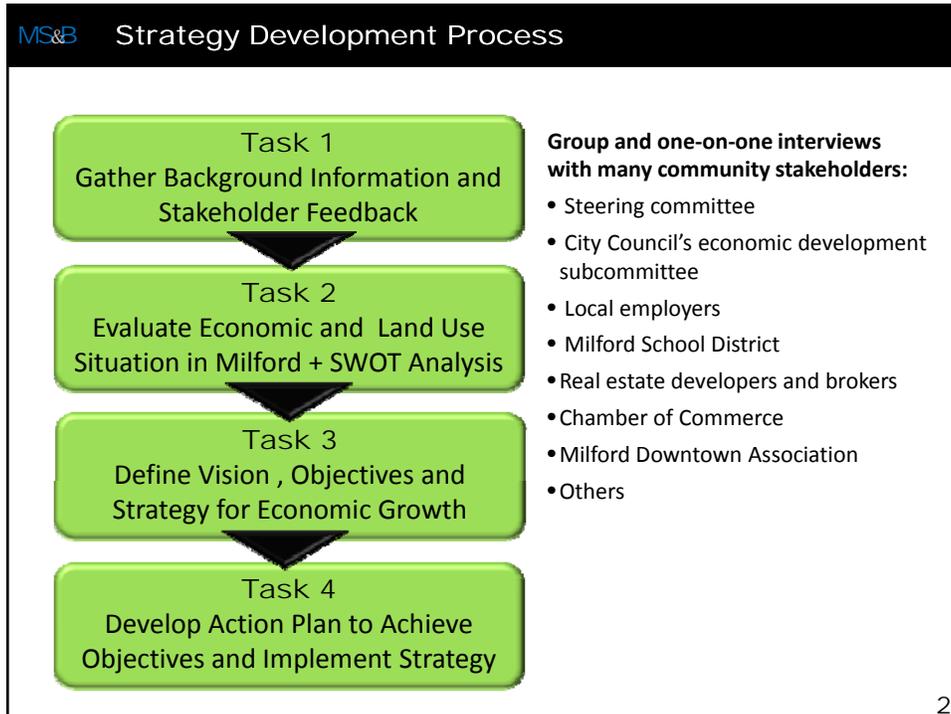


Moran, Stahl & Boyer
Site Selection and Economic Development Consultants

MS&B Milford's Future In the Year 2025

- ➔ Types of employers and jobs.
- ➔ Use of land.
- ➔ Growth of downtown area.
- ➔ Opportunities for next generation.
- ➔ Improved education quality.

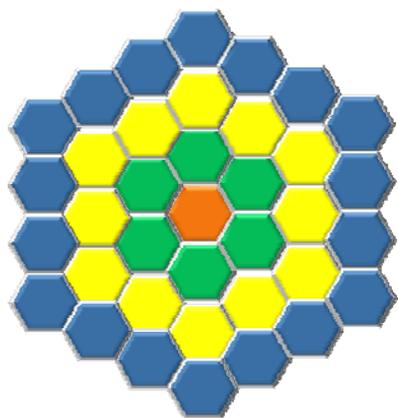
We are charting the future of this community today!



MS&B Challenges of the Milford Area

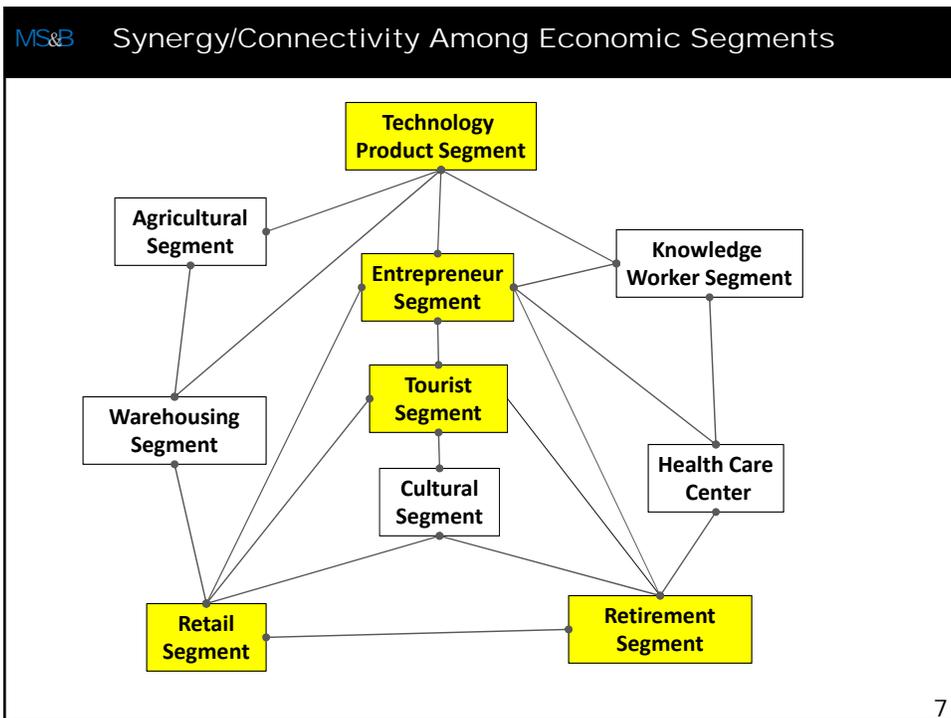
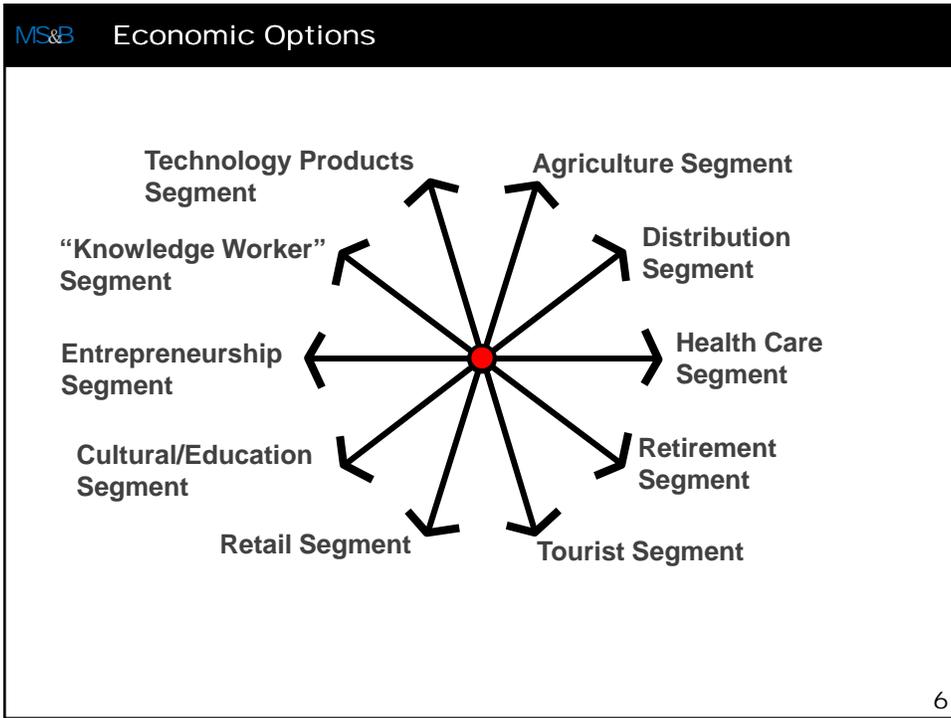
- Differing views on economic/physical growth among residents.
- A need for a consistent implementation/interpretation of the Land Use Plan on projects.
- Aligning the local jobs of the future with next generation’s career plans.
- Having adequate spousal employment options for working professionals.
- Need well defined and enforced historic preservation ordinance that reinforces “quality of place” in the downtown area.
- Road access: 2-lane to the west and limited access to the north.
- Current performance ratings of Milford High School and Middle School will be a potential issue for potentially relocating families.

MS&B LOCAL ECONOMIC “PORTFOLIO”



- Resources**
- Level 1 - Primary Industries**
Employers that infuse money into the county from outside sources, such as:
 - State/Federal Government
 - Agriculture
 - Manufacturing
 - Colleges/Universities
 - National Financial Services Firms
 - Business Services (with outside clients)
 - Regional Healthcare Operations
 - Regional Retail Operations
 - Regional Distribution Operations
 - Tourism-Related Businesses
- Level 2 - Business Support Services**
Provide support service to the primary industries located in the county
- Level 3 - Consumer Services**
Provide services to local residents (Retail, personal services, local gov't)

Consider: Quality/Variety of Jobs and Size of Tax Base vs. Demand for Services 5



MS&B Identifying Primary Economic Segments

Economic Activity	Current Strength	Potential Growth
Technology Product Segment (Manufacturing)	Moderate	Moderate
Warehousing Segment	Low	Limited
Healthcare Segment	High	Higher
Knowledge Worker Segment	Low	Moderate
Retail Segment	Moderate	Moderate
Culture/Education Segment	Low	Limited
Tourism Segment	Moderate	Moderate
Entrepreneur Segment	Low	Moderate
Agricultural Segment	High	Limited
Retirement Segment	Emerging	High

1

MS&B Defining a Vision for Economic Growth

- Facilitate growth of local economy that is sustainable and balanced.
- Engage in economic activities that are in demand and competitive.
- Provide quality jobs for current and emerging workforce.
- Sustain the quality of place while seeking venues/activities that attract the emerging workforce.
- Assure quality of and access to quality of life attributes.
- Provide the tax base to provide needed government services.



8

MS&B Critical Issue: Balanced Land Use

Businesses that Provide On-Going Jobs and Pay Taxes <ul style="list-style-type: none">• Manufacturing.• Warehousing.• Offices for multiple segments.• Retail operations.• Hospitality.• Health care.	Quality of Life Attributes <ul style="list-style-type: none">• Residential developments.• Schools.• Cultural/historic facilities.• Religious and other non-profit organizations.
Roads, Utilities and Government Facilities	
All Facets of Agriculture and Natural Resource Industries.	Parks, Water, Wetlands, Forests and Other Natural Areas.

9

MS&B Future Growth Options Were Evaluated

The map displays a geographic area with various colored zones representing different land use options. A blue box in the top left corner contains the following text: "If Agricultural Preservation District options remain by the owners, they may consider these parcels for 2. If removed by the owners, but present, a plan amendment will be passed between the date of plan for annexation, if annexation is the future land use will be". The map includes a north arrow, a scale bar, and labels for roads 113 and 1. The zones are color-coded in shades of green, yellow, orange, and red, indicating different levels of growth potential or land use designations.

10

MS&B Recommended Action Plan

1. Real Estate (Land and Buildings)

- 1.1 Secure 100+ acres along US 113 corridor for next generation business park.
- 1.2 Design virtual building for business park.
- 1.3 Support development of Medical Business Park in SE portion of City.

2. Workforce Development

- 2.1 Build relationships between local employers high schools/colleges to build career awareness and local options.
- 2.2 Expand on-site training capabilities to support local industry.
- 2.3 Feasibility of establishing training conference center.

3. Infrastructure (Utilities and Roads)

- 3.1 Evaluate electric rate structure periodically to assure competitiveness.
- 3.2 Provide utilities to new business park.

4. Organizational Support for Economic Development

- 4.1 Provide staff position for economic development.
- 4.2 Establish Economic Development Advisory Panel.

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MS&B Proposed Action Plan

5. Support New Business Start-Ups and Expansion of Existing Businesses

- 5.1 Establish Junior Achievement Program.
- 5.2 Leverage entrepreneurship program at DelTech in Georgetown.
- 5.3 Provide access to low-cost space.
- 5.4 Provide access to low-cost loans to stimulate growth.
- 5.5 Meeting with existing businesses semi-annually to identify resource needs.
- 5.6 Support actions to expand downtown shops, consider boat building museum and school, and amphitheater along the river.

6. Marketing and Promotion Activities

- 6.1 Develop Community Profile (complete).
- 6.2 Issue Profile to target audience.
- 6.3 Work with State (DEDO) and Kent/Sussex Counties on area marketing.
- 6.4 Reach out to new/recently arrived residents with "welcome basket" of coupons, a letter from the Mayor and ways individuals can get involved in the community.
- 6.5 Establish a "Newcomers Group" with monthly fun/informative luncheons with presentations from organizations throughout the community.
- 6.6 Establish a "Citizens' Forum" for government to discourse with citizens on issues.

12

FACILITATOR

MEDIATOR

VISIONARY

INNOVATOR

Cheer leader for Other Stakeholders

CONSISTENT PLAYER

Representative to State/County Initiatives

Take the "Baton" and Run With it . . .



MILFORD CITY COUNCIL
MINUTES OF MEETING
January 24, 2011

The City Council of the City of Milford met in Workshop Session on Monday, January 24, 2011 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, 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

The Workshop Session convened at 9:18 p.m.

Charter Change/City Election Change of Date Update

Mayor Rogers recalled the recent charter change adopted by council on November 22, 2010:

WHEREAS, the Charter of the City of Milford requires the Annual Municipal Election to be held on the fourth Saturday of April; and

WHEREAS, in some years, that Saturday falls between Good Friday and Easter Sunday; and

WHEREAS, this has the potential to place a burden on observant Christians and those celebrating the holiday with family and friends, many of whom will be out of town.

NOW, THEREFORE, BE IT RESOLVED:

That any year in which the Annual Municipal Election falls between Good Friday and Easter Sunday, that election shall be moved to the third Saturday in April to allow for maximum voter participation in the City of Milford Elections.

AND BE IT FURTHER RESOLVED, that the City Solicitor of the City of Milford, is authorized and directed to forward a copy of this Resolution and Amendment to the City of Milford Charter to members of the Delaware General Assembly and to seek the assistance and support of those members of the General Assembly for this City of Milford Charter Amendment.

AND that the General Assembly of the State of Delaware is hereby requested, during its 2011 Session, to approve by no less than a two-thirds vote of all members elected to each branch, the amendment of the City Charter of the City of Milford, Delaware, in the form and manner as follows:

Delaware State Senate
146th General Assembly
Senate Bill No. 6

AN ACT TO AMEND THE CHARTER OF THE CITY OF MILFORD, BEING CHAPTER 148, VOLUME 72, OF THE LAWS OF DELAWARE, AS AMENDED, RELATING TO ELECTIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend Article II, Section 2.01, by inserting a new subsection 2.01(1) to read as follows:

(a) The annual municipal election shall be held on the fourth Saturday in the month of April between the hours of 12 noon and 8:00 p.m. at such places as shall be determined by the Council and in accordance with State law.

(1) Except that, in any year when the fourth Saturday in April falls between Good Friday and Easter Sunday, the annual municipal election shall be held on the third Saturday of April.

Section 2. This Act shall become effective upon its enactment into law.

Mayor Rogers then explained the fourth Saturday of April, which is the normal date for the city election, falls on Easter Weekend. As a result, a charter amendment was needed which was approved by council and turned over to the General Assembly for action.

Mr. Baird noted that the bill was passed by the Senate last week and is currently in the House of Representatives. Representative Kenton is working the bill which should be in committee this Wednesday and possibly on the floor Wednesday afternoon or Thursday. After their approval, it will be sent to the Governor's Office for signature. They have been notified of the importance of the timing associated with the bill and its effect on the upcoming election.

Mayor Rogers then announced that with the change, the election will be held April 16, 2011. The deadline to file for the Office of Council is February 15, 2011. The deadline for voter registration will be March 17, 2011.

Notices have been posted and published in both the Milford Chronicle, Milford Beacon and are being added to the utility bill.

He advised that this is the first time anyone can recall the Milford election falling on Easter Weekend adding that it will not occur again until 2038.

With no further business, the Workshop Session concluded at 9:29 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
City Clerk

MILFORD CITY COUNCIL

MINUTES OF MEETING

February 1, 2011

A Meeting of the Finance Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Tuesday, February 1, 2011.

PRESIDING: Chairman S. Allen Pikus

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

City Manager David Baird and Recorder/City Clerk Terri Hudson

Finance Director Jeff Portmann

The meeting was called to order at 4:35 p.m. by Chairman Pikus.

Mr. Portmann then provided an update on the city's finances to date. He reported that half way through the year, revenues are in good shape with the exception of two items. Planning and Zoning application fees were budgeted at \$40,000 though only \$3,850 has been received; Engineering and Inspect Fees were also budgeted at \$40,000 and only \$2,000 has been received. He stated that is a sign of what is not occurring around town due to the economy.

Miscellaneous revenues were budgeted at \$346,775 and only \$104,994 has been received though that is a timing issue according to the finance director. He explained the city receives checks from Eastern Shore Natural Gas, Comcast and the fiber optic leases toward the end of the fiscal year. At that time, those numbers will adjust accordingly. The same applies to the police revenues with \$289,000 budgeted and only \$75,000 has come in. The budgeted amount includes a \$130,000 state police pension check which also comes in during the month of June.

Mr. Portmann said that depending on how things go the next six months, the \$40,000 could be made up quickly and noted those are the smallest revenues items in the budget.

Water revenues are somewhat ahead of pace bringing in \$1.2 million of the \$2.139 budgeted. Sewer revenues are on pace at 49.1% and solid waste revenues are at 50.03%. Electric revenues are slightly up at 54% though the electric bill is up as well.

A review of expenses show that all departments are around the 50% mark or slightly below. The council budget is at 64% but that is mainly due to the annual contributions made at the beginning of the fiscal year. The Carlisle Fire Company check, which is the largest item in the budget, was sent in January which means 100% of those contributions were spent which distorts the overall number.

The finance director reported that overall, the operating budget for the general fund is at 48% which reflects a tighter budget and staff respecting a tighter budget.

Mr. Pikus then noted that workmans compensation for most businesses is extremely high and asked if the city shopped around for lower rates. Mr. Portmann explained that Marvel Agency shops the insurances for the city and a number of companies bid each year. He noted the city's workman's comp has actually been reduced over the past four years. He feels that in the case of other businesses, that is most likely the result of some bad history. He then advised the rates are actually set by the state.

Mr. Portmann also confirmed the city receives the workplace safety credit which is 8%.

Mr. Morrow said he is a proponent of being self insured to some degree depending on your exposures and the group you are with. He said the state has a group of towns that participate in a self-insured program on the workman's compensation. Mr. Morrow is not recommending the city become self insured but recommends it be considered.

Mr. Portmann explained the current policy expires June 30th and now coincides with the fiscal year. Mr. Morrow said that his employer has been self insured since 2004 and their savings are based on their losses and the losses of the group you are with. Their experience is much better than a normal business so their rates are considerably lower. That is because they are funding their own losses.

Mr. Portmann advised the state pool is considered each year. At one time, the city switched to a local insurance agent who wrote a policy just for workmans comp. That company went out of business. After that, the city had a very difficult time getting coverage and ended up going to the risk assigned pool with the state.

Mr. Portmann noted that we have had good renewal rates with Travelers and his concern is that once you start breaking out the various liability insurances and auto insurance policies away from the workman's comp policy, the city would not be as attractive to the larger insurance companies. Mr. Morrow stated he is unfamiliar with the bidding process.

Mr. Pikus then referred to the shooting incident in Georgetown in 2009, and asked if we have extended insurance for our police officers. He asked if we have long term medical insurance; Mr. Portmann said the city has long term disability insurance and after six months, disability would begin. Mr. Morrow added they would also be covered through workman's compensation.

The finance director also noted they have the option of personally buying a disability policy through the city which many of the officers do. However, that is paid by the officer and not the city.

A review of individual departments then continued with all remaining departments at 50% or below.

Mr. Portmann reported the total operating budget is at 48.8% noting there is nothing unusual to report with all expenses in line. There are some minor items that need adjusting but nothing substantial.

When asked if overtime is at its highest around February, Mr. Portmann said that is definitely the month with the most snow which impacts a lot of our departments. Mr. Pikus then asked about the electric department's overtime budget. Mr. Portmann said he ran it thru January and found the electric department, water and sewer departments were all at 64% of their budget with 58% of the year having passed. The water meter and street departments were both at 78%. All other departments were at 58% or lower.

Mr. Baird explained the spike in the budgets for the utility crews were the result of the snow storms; the water department was the result of a number of water leaks experienced between Thanksgiving and Christmas. Some of the electric department's overtime was also due to tree trimming and outages. He reported there have been a substantial number of electrical outages in the city. Mr. Pikus asked if the work being planned on weekends could be done during the day. Mr. Baird said that in a lot of cases that can be done, but in some cases, they do not want to interrupt electric service to businesses.

Mr. Baird added that in the electric department, there is one position not filled, then another vacancy that was cut as part of the budget.

It was also pointed out that Public Works Director Dennehy is adjusting schedules before an anticipated snow storm to prevent paying as much overtime as possible. In addition, this gives crews some downtime to prepare for upcoming ten to twelve hour shifts.

When asked about salt, Mr. Baird reported we had budgeted \$17,000 for materials and have spent approximately \$8,000. There is no other snow removal costs other than labor which is the bulk of that budget.

Mr. Pikus asked if that will leave enough funds to purchase a salt and brine spreading machine. Mr. Baird said the plan is to get thru this winter, then evaluate any equipment needs. Mr. Baird explained that brine only works when the conditions are right and temperatures stay in the 29 to 34 degree range.

Mr. Pikus suggested keeping a close eye on overtime in case we receive another storm as we did last year.

Mr. Portmann concluded by saying this was a tight budget and overall we are in pretty good shape.

The city manager asked Mr. Portmann to review the cash balances and allocated funds adding that the general public believes the city has a great deal of extra money sitting in those savings accounts. The finance director reported there is \$1 million in the General Fund Capital Reserves. Of that, \$200,000 is green acres reserves and \$220,000 budgeted in the current year's budget though it has not yet been transferred out. Water capital reserves has prior capital in it and \$1 million of prior debt service; the same applies to sewer and electric capital reserves. Mr. Portmann said that in electric reserves, \$3 million has been set aside for the new electric bond project. There is a substantial amount of money from debt service in prior years that will go toward those capital projects once we start paying the bills. Though he did not have the exact numbers, he estimates it to be around \$1 million. In addition, there is prior year capital from each of the accounts in the water, sewer and electric capital reserves. As a result, the balance of that money is not eligible to be spent. The impact fee accounts are also set aside for future projects.

When asked how much money is in the account for the business park, Mr. Portmann advised the general fund capital reserves has \$1.7 million of which \$420,000 is already allocated as was previously discussed.

He emphasized the goal is to keep \$1 million in each of these accounts at all times.

Mr. Pikus then asked if there are any high points that may create a problem next fiscal year. Mr. Portmann said the first driving point will be the FOP Contract.

Mr. Morrow noted the Police Committee meets tomorrow night to discuss potential sites and capital funding for a new facility. Chief Hudson intends to update council on that project at the February workshop.

Mr. Baird agreed the big driver in the budget will be the FOP contract. Mr. Morrow pointed out that despite the fact there is a contract, there would still be increases in personnel costs. He is unaware of any major issues though the city cannot agree to anything we cannot afford. However, all the negotiators are aware of that.

Mr. Portmann anticipates a 7.5% increase in health care though we do not have a firm number from the state at this time. Mr. Morrow added that everything will need to be looked at because health care costs will increase. The finance director reported the COLA in our area last year was 1.5%.

Mr. Baird then added that employee contributions are currently 90/10 though that was broached last year and is something that will be considered.

Mr. Pikus then referred to the \$8,000 for employee recognition of which \$9,108 has been spent due to some cost increases. In addition, Davis, Bowen and Friedel provided \$1,000 toward the Christmas party. The city manager confirmed that donation did not apply toward alcohol and tickets were issued instead. Originally, they wanted an open bar, but Mr. Baird would not agree to that. It was then confirmed they have contributed toward door prizes in the past.

Mr. Baird recalled at the last finance committee meeting, he was given the nod to proceed with more details on the Streetscaping Projects on both Southeast Front Street and Northeast Front Street. He has since included the work DMI is considering with the Tree and Grate Project. Looking at the estimated costs, there are three projects the city can consider. Mitch Edmondson of DMI has prepared an estimate of approximately \$96,000 though it leaves a couple of things out as far as any contingency for mobilization costs for the contractor. Overall, there are now three projects for the city to consider.

The city manager said he took the liberty of bumping that estimate up from \$96,000 to \$125,000. Southeast Front Street has a total project cost of \$1.3 million and Northeast Front Street is an estimated \$1.75 million. Mr. Baird said when you look at the three projects together, there is a total of \$3.175 million in needs. Considering the cash already allocated toward those projects, there is \$894,000 the state is providing for Southeast Front Street and the \$250,000 DMI state grant and matching \$375,000 from the city for a total of \$625,000. Of the \$3.175 in estimated costs, Mr. Baird said there is \$1,519,000 funding available today. That leaves \$1,756,000 needed to complete the three projects or an estimated \$2 million on top of what we already have.

Mr. Pikus said that built in those estimates are funds to complete the Streetscapes on Walnut Street. Mr. Baird agreed stating that is \$125,000.

When asked what we will need to get \$2 million, Mr. Baird answered a tax increase. From a debt standpoint, we will need to determine how long to keep it out there and whether it should be ten or twenty years, etc. That will determine the cost. In addition, it will involve a referendum to borrow the money.

Mr. Baird estimates a minimum 10% tax increase which is roughly a 4.5 or 5-cent increase which puts us at 51 cents. He emphasized that will be the minimum.

Mr. Pikus asked the alternatives; Mr. Baird said that he and Mr. Portmann will not recommend using any cash available because it makes no sense.

Mr. Pikus asked if there is any other way of raising funds; Mr. Baird said there are grant dollars including Transportation Enhancement Money this could qualify for though it is a very competitive scenario. It could be funded this year or funded in five to six years.

Mr. Grier left the council chambers at this time due to a potential conflict of interest.

A discussion then ensued about selling the Wawa property. It was noted the purchase price cannot be less than \$1.2 million. Mr. Baird explained the property can be sold, but taxes would need to be raised 2% to make up for the \$100,000 annual lease money that goes toward the budget each year.

Mr. Portmann explained that at the time the city agreed to lease the property, the intent was to sell the land in the future for a substantial amount of money that would earn 4% interest and supplant the \$100,000 a year.

It was confirmed that David Burton has the first refusal right.

Mr. Pikus asked if we received a substantial amount, could that money be used toward the downtown revitalization. He thinks it would beautify the town which is important for the City of Milford. He supports it but feels it would be difficult for a referendum to be approved.

Mr. Baird suggests that everything be put out there for the public. Tell them our option is to sell the property which could give the city the cash, but explain we are also losing an annual resource that we depend on.

Downtown Milford, Incorporated President Irv Ambrose was in attendance. He said a 5-cent tax increase is needed for the \$2 million worth of improvements. He suggests the city could sell the Wawa land to pay for those improvements and increase taxes by less than 2 cents to make up for the \$100,000 annual shortfall.

Mr. Baird explained the starting point will be \$1.2 million though he hopes we will receive more.

Mr. Baird asked Mr. Pikus and Mr. Morrow if they feel council will agree to a tax increase to make up for the \$100,000 or instead cut another \$100,000 out of the general fund. They responded that both should be considered. Mr. Pikus recalled that Mr. Baird had stated last year, that we would face another tight budget this upcoming year. However, Mr. Pikus recommends the city at least consider selling that property. He is aware that grants are thin this year though we should be checking for available funding to at least handle the sidewalks or paving.

Mr. Baird believes it is important to lump everything together and make sure it is clearly understood noting that CPF dollars will be needed in other areas of town.

Mr. Pikus said the city has taken a step toward economic development and feels this is important enough to consider any options and see what can be done.

DMI President Irv Ambrose then stated it is extremely important that both the Northeast and Southeast Front Street projects are completed in a timely manner. He feels this is a good time for downtown and that five new businesses have opened with another planned in March. There are people interested in the two larger spaces available. He feels it is important for this to happen now so there are corridors we can be proud of coming into the downtown. Once those two streets are completed, they will ask the state to put up the big brown signs on the highways to direct people into the historic Downtown area, to Milford Museum, etc. That is the reason he feels it is important to combine the positive things occurring in Downtown Milford and provide a beautiful corridor for these visitors to use.

Mr. Ambrose pointed out our downtown sits in the middle of two very major highways with 'tens of thousands' of cars passing by daily. We need to draw them in and once we get them here, he feels they will spend money and come back. He thinks it is critical to move forward on these projects, regardless of the funding.

Mr. Grier returned to the meeting at this time.

Mr. Baird asked Councilman Pikus and Councilman Morrow to confirm they want these dollars spent on the projects that were discussed. Mr. Pikus said we have priorities in town where dollars need to be spent. He believes that if we want Milford to grow in the right direction, he thinks it is imperative these things take place. He feels Southeast Front Street is a nightmare and Northeast Front Street has to be done. They are the main entrances into town coming from the east off Route 1. He wants it to become a priority. He wants this added to our other priorities that include the expansion of our water, sewer and electric systems and a new police facility. If enough funds can be picked up to do Southeast and Northeast Front Streets and the downtown area, which will beautify that area and attract more people, that will bring in more income to our city overall.

Mr. Morrow pointed out that could compensate for the \$100,000 loss by increasing the tax base and bringing more jobs to the community. He said we already have more than half the money.

Mr. Baird said if you just take the \$7.5 million value of the building permits on the incentives, that will equate to a taxable assessment of approximately \$6 million. He feels that is easily \$30,000 of additional revenue on an annual basis just from those projects to date.

Mr. Pikus moved that the city manager and finance director consider investigating the possibility of selling the Wawa property, get appraisals, see how the numbers work out, and consider other alternatives as well including budget tightening in order to get some available funds. Mr. Morrow seconded motion and Mr. Grier abstained.

Dan Marabello of Meadows at Shawnee entered the meeting and stated that it appears the city is considering selling the Wawa property. He asked if the numbers had been obtained. Mr. Pikus explained they are instructing the city manager to consider several options noting there is a minimum that must be met in order to sell the property.

Mr. Marabello pointed out that times have changed and the city is currently receiving \$100,000 a year which equates to more than it did ten years ago because the rates are down. That has built up the value of that money. The \$1.2 million minimum is not enough to make up for the \$100,000 a year; a more realistic figure would be \$3 to \$5 million.

Mr. Baird advised the committee has considered funding sources as well as the sale of the property and ways to replace the \$100,000 brought in on an annual basis. However, there is interest in potentially selling the asset, which proceeds would be used for street improvements that will help support other activities going on in the city, and instead of a 5 or 6-cent tax increase, a 1 to 2-cent increase be considered to make up for the \$100,000.

Motion then carried.

Mr. Ambrose then noted there is \$10 million in electric reserves of which \$3.5 million is committed to a new substation, leaving a balance of \$6.5 million. He said so much of the cost of these projects revolves around electric. He suggests using a million from the electric reserves which could be put toward the \$1.7 million still needed. That would not deplete the electric reserve account, though Mr. Ambrose knows that commercial rates are going to be considered which may have

some impact on those reserves. However, using those reserves would be justified because a lot of the costs will be electric in all three projects.

With no further business, Mr. Pikus moved to adjourn the meeting, seconded by Mr. Morrow. Motion carried.

The meeting was adjourned at 5:36 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
February 2, 2011

A Meeting of the Police Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Wednesday, February 2, 2011.

PRESIDING: Chairman Douglas Morrow, Sr.

IN ATTENDANCE: Committee Members: Council Members Katrina Wilson & S. Allen Pikus
Police Chief Keith Hudson and Recorder/City Clerk Terri Hudson

ALSO: Alvin French, R.A. of French and Ryan, Incorporated

CALLED TO ORDER

The meeting was called to order at 5:43 p.m. by Chairman Morrow.

Mr. Pikus moved to go into Executive Session in regard to the following items as allowed by Delaware Law:

Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements.

Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation.

Pursuant to 29 Del. C. §10004(b)(9) Personnel matters in which the names, competency and abilities of individual employees or students are discussed.

Motion seconded by Ms. Wilson. Motion carried.

EXECUTIVE SESSION ITEMS

No action required.

ADJOURN

With no further business, the Police Committee meeting was adjourned by Chairman Morrow at 7:28 p.m.

Respectfully submitted,

Terri K. Hudson, CMC
Recorder/City Clerk