

City of Milford



AGENDA

Council Meeting

October 17, 2011

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

Public Hearing

7:00 P.M.

Washington Street Water Plant Improvements & Office Building-
Issuance of up to \$4,000,000 Maximum Principal Amount of General Obligation Bonds of the City of Milford to Finance or Re-finance Certain Improvements to the City's Drinking Water Facilities

ADOPTION OF RESOLUTION 2011-12

Giving Final Approval for the Issuance of up to \$4,000,000 Maximum Principal Amount of General Obligation Bonds of the City of Milford to Finance or Re-finance Certain Improvements to the City's Drinking Water Facilities

ADOPTION OF RESOLUTION 2011-13

Establishing the Time and Place for a Special Election to Consider The Issuance of up to \$4,000,000 Maximum Principal Amount of General Obligation Bonds of the City of Milford to Finance or Re-finance Certain Improvements to the City's Drinking Water Facilities

Council Meeting

Call to Order - Mayor Joseph Ronnie Rogers

Adoption of Ordinance 2011-27/Chapter 21/Article I Absentee Voting in Referenda & Annexation Elections

Adjourn

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.

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.

**NOTICE OF CITY OF MILFORD PUBLIC HEARING
OCTOBER 17, 2011**

RESOLUTION 2011-11

**RESOLUTION PROPOSING THE ISSUANCE OF UP TO \$4,000,000 MAXIMUM PRINCIPAL
AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MILFORD TO FINANCE
OR RE-FINANCE CERTAIN IMPROVEMENTS TO THE CITY'S DRINKING WATER
FACILITIES AND ESTABLISHING THE TIME AND PLACE FOR A PUBLIC HEARING
THEREON**

WHEREAS, the City of Milford (the "City"), a municipal corporation of the State of Delaware, pursuant to Chapter 148, Volume 72, Laws of Delaware (as amended, the "City Charter") proposes to borrow up to \$4,000,000 maximum principal amount and issue its general obligation bonds (the "Bonds") in order to finance or re-finance (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building and (ii) certain costs of issuance of the Bonds (the "Project");

WHEREAS, the City has received a preliminary commitment from the Delaware Drinking Water State Revolving Fund, acting by and through Delaware Health and Social Services, Division of Public Health ("Drinking Water") to loan the City \$4,000,000 for the Project;

WHEREAS, to authorize the borrowing of up to \$4,000,000 through the issuance of general obligation bonds for the Project and in order to comply with Section 8 of the City Charter, the Milford City Council ("City Council") through the adoption of this Resolution hereby gives notice to the electors of the City that the City Council proposes to borrow an amount of money not to exceed \$4,000,000 to fund the Project and hereby establishes that a public hearing be held on October 17, 2011 at 7:00 p.m. at City Hall located at 201 South Walnut Street, Milford, DE.

NOW, THEREFORE, THE MILFORD CITY COUNCIL RESOLVES, as follows:

Section 1. Pursuant to Section 8 of the City Charter, City Council hereby gives notice that the City proposes to borrow an amount of money, not to exceed \$4,000,000 to fund the Project.

Section 2. Pursuant to Section 8 of the City Charter:

Amount of Borrowing for the Project: Not to exceed \$4,000,000.

Stated Municipal Purpose: To provide funds to finance the Project described herein.

Manner of Securing the Bonds: Full faith and credit of the City shall be pledged to secure up to \$4,000,000 of bonds for the Project.

Other Facts Deemed Pertinent by the City and in the Possession at the Time of this Resolution: The loan will be used by the City to finance or reimburse the City for (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building.; and (ii) certain costs of issuance of the Bonds (the "Project")

It is anticipated that during construction of the Project, accrued interest on loan disbursements will be due and payable in semi-annual payments; it is also anticipated that full amortization of principal and interest shall begin on the date which is the earlier of (i) one year from the date of loan closing or (ii) upon the Project completion date. Interest will be payable over a twenty (20) year term at a rate of up to two percent (2%) per annum although it is anticipated that it will be one percent (1%) per annum pursuant to the preliminary commitment letter from Drinking Water. In addition, at a minimum, 30% of the principal of the loan shall be forgiven although pursuant to the preliminary commitment letter it is anticipated that 35% of the principal of the loan shall be forgiven upon the Project completion date.

Section 3. The City hereby finds that the Project constitutes a proper municipal purpose under Section 8 of the City Charter.

Section 4. The City Council hereby establish that a Public Hearing on this Resolution and the proposed borrowing described herein shall be held at a special meeting of Council on October 17, 2011, 7:00 p.m. at the City Hall located at 201 South Walnut Street, Milford, Delaware and hereby directs that notice of such Public Hearing be published and posted as required by the City Charter.

I, THE UNDERSIGNED, Teresa K. Hudson, City Clerk of the City of Milford, do hereby certify that the above Resolution was passed at a regular meeting of the City Council, duly called and convened, held on the 10th day of October, 2011, at which a quorum was present and voting throughout and that same is still in full force and effect.

CITY OF MILFORD, DELAWARE

s/Teresa K. Hudson
City Clerk for the City of Milford

Washington Street Water Treatment Facility Replacement Project

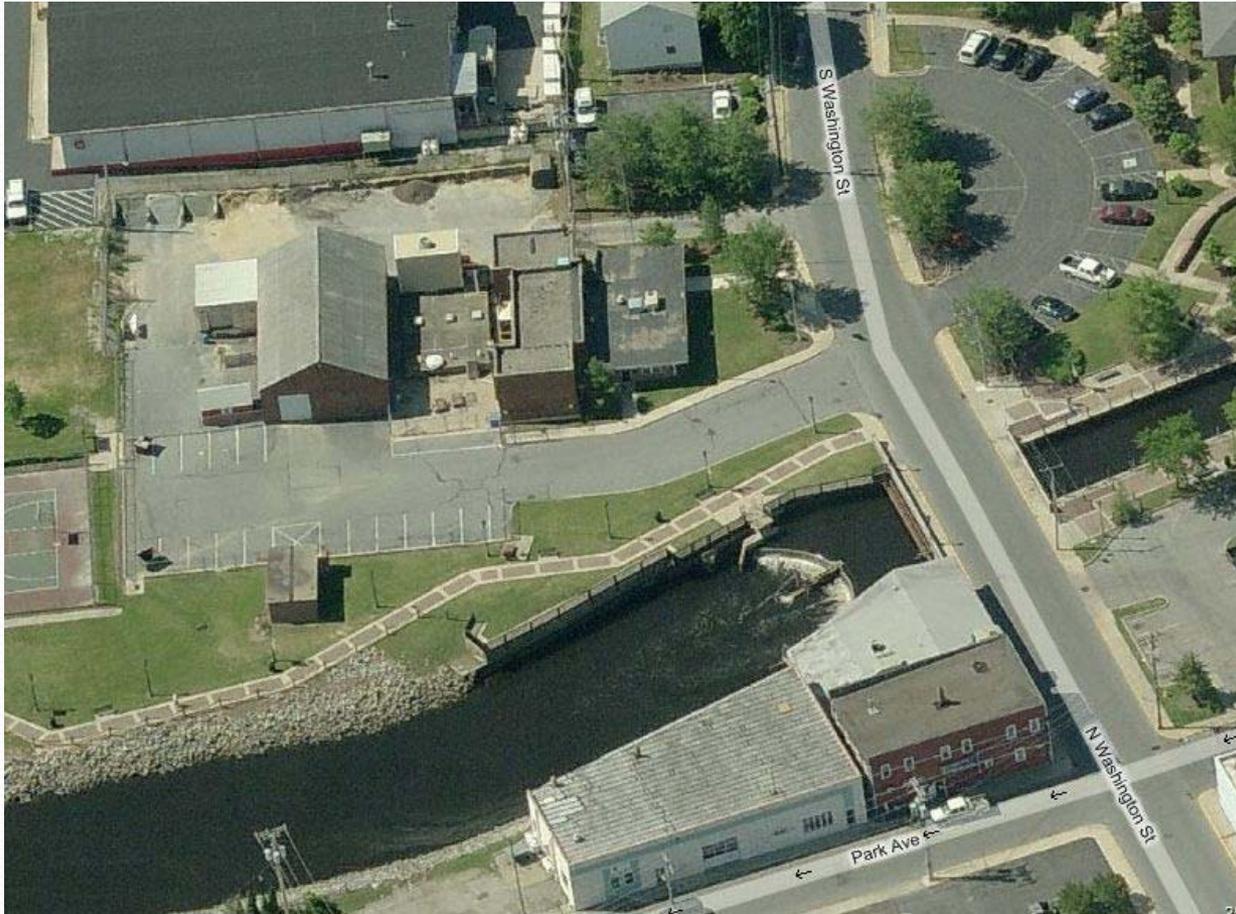
Public Hearing Presentation

October 17, 2011

Purpose of Project

- Replace an existing, outdated water treatment facility which has outlived its useful life.
- Install a new production well to replace an existing non-producing well.
- Perform upgrades to the well control system on a number of the City's existing wells to improve system efficiency.

Existing Site



Age of Existing Facility



- Date of Construction Unknown
- Originally used as part of the City's Electrical Generation Plant which was abandoned in the 1950's
- Converted to a water treatment facility with the last upgrade occurring in the mid 80's.

Condition of Treatment Building

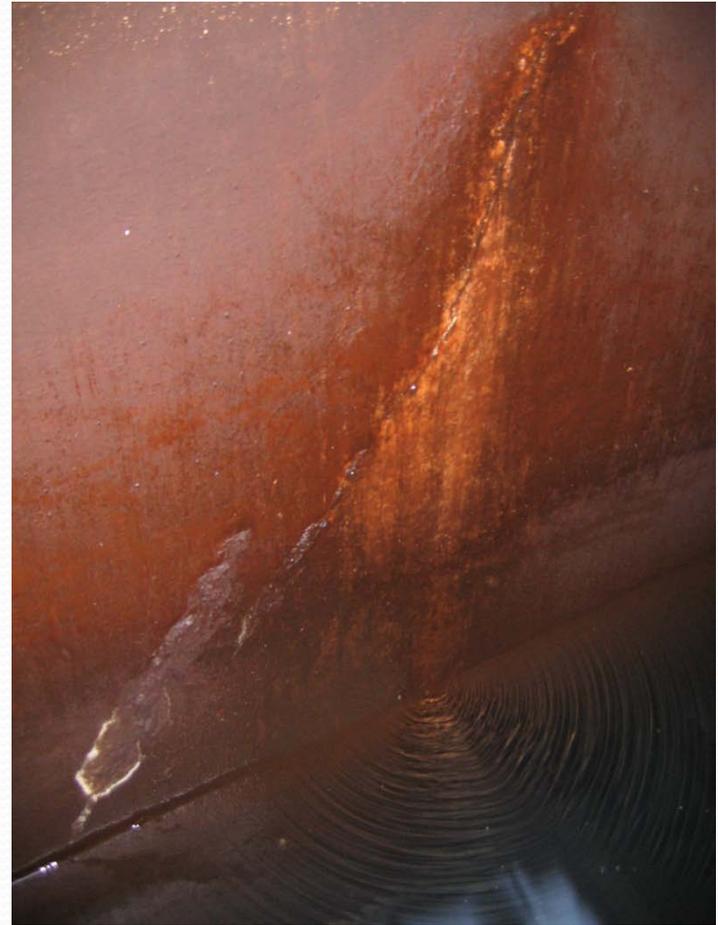


Condition of Process Piping



- Piping and valves are located in the crawl space of the building and are therefore difficult to access and maintain.
- Contractors have refused to make repairs to the existing piping due to its age and condition.

Condition of Reservoir



Condition of Storage Building



Importance of Facility

- Washington Street WTF is the most-centrally located production facility in the City's water system
- It is the main source of Water for the Downtown Milford area.
- If abandoned:
 - The City's ability to perform routine maintenance at other facilities would be compromised.
 - Water Quality in the Downtown Milford area would be negatively impacted

Scope of Project

- Demolition of Existing Structures
- Construction of New Treatment Facility & Administrative Building with Related Site Improvements.
- Replacement of a Failed Production Well & Associated Water Mains
- Operational Efficiency Upgrades at all Existing Production & Storage Facilities

Milford Water Treatment Plant



Park Place

South Washington Street

Mispillion River

Library

Salvation Army

dbf DAVIS
BOWEN &
FRIEDEL, INC.

Project Budget

Construction Estimate including Contingency	\$3,363,500.00
Legal, Administrative, Design, Permitting, Construction Administration & Inspection Fees	\$636,500.00
TOTAL PROJECT ESTIMATE	\$4,000,000.00

Project Funding

- This project was originally proposed to be funded with assistance from USDA.
- USDA funding commitment was for a 40 year loan at a very competitive 2.625% interest rate.
- Annual Debt Service was calculated at \$161,823.00.
- Total cost of the USDA funded project including interest was anticipated to be \$6,472,900.00.

ODW Project Financing

- Working with ODW the City was offered a funding package that includes:
- 35% Principal Forgiveness (\$1,400,000.00)
- A \$2.6 million dollar loan with an interest rate of 1.0%.
- An either 5 or 20 year loan payment term.
- Several Payment Options were considered by City Council
 - Option 1 – Pay for the project using City Reserve Funds
 - Option 2A – 5 year DWSRF Loan
 - Option 2B – 20 year DWSRF Loan

Option 1 – Use Reserve Funds

Total Project Cost	\$4,000,000.00
Total Borrowing	-
Total Grant	-
Total Reserves	\$4,000,000.00
Annual Debt Service	-
Total Project Cost to City	\$4,000,000.00

Option 2A – 5 Year DWSRF Loan

(35% Principal Forgiveness, 65% Loan @ 1.0%)

Total Project Cost	\$4,000,000.00
Total Borrowing	\$2,600,000.00
Total Grant	\$1,400,000.00
Total Reserves	-
Annual Debt Service	\$532,200.00
Total Project Cost to City	\$2,661,000.00

Option 2B – 20 Year DWSRF Loan (35% Principal Forgiveness, 65% Loan @ 1.0%)

Total Project Cost	\$4,000,000.00
Total Borrowing	\$2,600,000.00
Total Grant	\$1,400,000.00
Total Reserves	-
Annual Debt Service	\$143,163.00
Total Project Cost to City	\$2,863,260.00

**** RECOMMENDED OPTION ****

Project Payment

- With the favorable funding package offered by ODW the City will be able to pay the additional anticipated yearly debt outlined in Option 2B without an increase to the existing user rates.

Project Timeline

Funding Available	October 2011
Design & Permitting Completion	June 2012
Contract Award	August 2012
Begin Construction	September 2012
Complete Construction	December 2013
Begin Operations	January 2014

**CITY OF MILFORD
RESOLUTION 2011-12**

**RESOLUTION GIVING FINAL APPROVAL FOR THE ISSUANCE OF UP TO
\$4,000,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS
OF THE CITY OF MILFORD TO FINANCE OR RE-FINANCE CERTAIN
IMPROVEMENTS TO THE CITY'S DRINKING WATER FACILITIES**

WHEREAS, the City of Milford (the "City"), a municipal corporation of the State of Delaware, pursuant to Chapter 148, Volume 72, Laws of Delaware (as amended, the "City Charter") proposes to borrow up to \$4,000,000 maximum principal amount and issue its general obligation bonds (the "Bonds") in order to finance or re-finance (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building and (ii) certain costs of issuance of the Bonds (the "Project");

WHEREAS, the City has received a preliminary commitment from the Delaware Drinking Water State Revolving Fund, acting by and through Delaware Health and Social Services, Division of Public Health ("Drinking Water") to loan the City \$4,000,000 for the Project;

WHEREAS, the City of Milford City Council ("City Council") adopted a resolution on October 10, 2011 (the "Initial Resolution") indicating its intent to go forward with the borrowing for the Project;

WHEREAS, to authorize the borrowing of up to \$4,000,000 through the issuance of general obligation bonds for the Project and in order to comply with Section 8 of the City Charter, the City Council held a public hearing on October 17, 2011 at 7:00 p.m. at City Hall located at 201 South Walnut Street, Milford, DE; and

WHEREAS, having conducted the public hearing after published and posted notice, as required and in accordance with the City Charter, the City Council hereby determines to give its final approval to proceed with the borrowing..

NOW, THEREFORE, THE MILFORD CITY COUNCIL RESOLVES, as follows:

Section 1. Pursuant to Section 8 of the City Charter, City Council hereby gives its final approval to borrow an amount of money, not to exceed \$4,000,000 to fund the Project.

Section 2. Pursuant to Section 8 of the City Charter:

Amount of Borrowing for the Project: Not to exceed \$4,000,000.

Stated Municipal Purpose: To provide funds to finance or re-finance the Project described herein.

Manner of Securing the Bonds: Full faith and credit of the City shall be pledged to secure up to \$4,000,000 of bonds for the Project.

Other Facts Deemed Pertinent by the City and in the Possession at the Time of this Resolution: The loan will be used by the City to finance or reimburse the City for (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building.; and (ii) certain costs of issuance of the Bonds (the "Project")

It is anticipated that during construction of the Project, accrued interest on loan disbursements will be due and payable in semi-annual payments; it is also anticipated that full amortization of principal and interest shall begin on the date which is the earlier of (i) one year from the date of loan closing or (ii) upon the Project completion date. Interest will be payable over a twenty (20) year term at a rate of up to two percent (2%) per annum although it is anticipated that it will be one percent (1%) per annum pursuant to the preliminary commitment letter from Drinking Water. In addition, at a minimum, 30% of the principal of the loan shall be forgiven although pursuant to the preliminary commitment letter it is anticipated that 35% of the principal of the loan shall be forgiven upon the Project completion date.

Section 3. The City hereby finds that the Project constitutes a proper municipal purpose under Section 8 of the City Charter.

I, THE UNDERSIGNED, City Clerk of the City of Milford, do hereby certify that the above Resolution was passed at a special meeting of the City Council, duly called and convened, held on the 17th day of October, 2011, at which a quorum was present and voting throughout and that same is still in full force and effect.

CITY OF MILFORD, DELAWARE

Teresa K. Hudson
City Clerk for the City of Milford

**CITY OF MILFORD
RESOLUTION 2011-13**

**RESOLUTION ESTABLISHING THE TIME AND PLACE FOR A SPECIAL
ELECTION TO CONSIDER THE ISSUANCE OF UP TO \$4,000,000 MAXIMUM
PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF
MILFORD TO FINANCE OR RE-FINANCE CERTAIN IMPROVEMENTS TO THE
CITY'S DRINKING WATER FACILITIES**

WHEREAS, the City of Milford (the "City"), a municipal corporation of the State of Delaware, pursuant to Chapter 148, Volume 72, Laws of Delaware (as amended, the "City Charter") proposes to borrow up to \$4,000,000 maximum principal amount and issue its general obligation bonds (the "Bonds") in order to finance or re-finance (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building and (ii) certain costs of issuance of the Bonds (the "Project");

WHEREAS, the City has received a preliminary commitment from the Delaware Drinking Water State Revolving Fund, acting by and through Delaware Health and Social Services, Division of Public Health ("Drinking Water") to loan the City \$4,000,000 for the Project;

WHEREAS, the City of Milford City Council ("City Council") adopted a resolution on October 10, 2011 (the "Initial Resolution") indicating its intent to go forward with the borrowing for the Project;

WHEREAS, to authorize the borrowing of up to \$4,000,000 through the issuance of general obligation bonds for the Project and in order to comply with Section 8 of the City Charter, the City Council held a public hearing on October 17, 2011 at 7:00 p.m. at City Hall located at 201 South Walnut Street, Milford, DE; and

WHEREAS, having conducted the public hearing after published and posted notice, as required and in accordance with the City Charter, the City Council adopted a resolution authorizing the loan from Drinking Water and now City Council wishes to order a special election (the "Special Election") for the purpose of voting for or against the borrowing.

NOW, THEREFORE, THE MILFORD CITY COUNCIL RESOLVES, as follows:

Section 1. Pursuant to Section 8 of the City Charter, City Council hereby gives notice that the City has given final approval to borrow an amount of money, not to exceed \$4,000,000 to fund the Project.

Section 2. Pursuant to Section 8 of the City Charter:

Amount of Borrowing for the Project: Not to exceed \$4,000,000.

Stated Municipal Purpose: To provide funds to finance or re-finance the Project described herein.

Manner of Securing the Bonds: Full faith and credit of the City shall be pledged to secure up to \$4,000,000 of bonds for the Project.

Other Facts Deemed Pertinent by the City and in the Possession at the Time of this Resolution: The loan will be used by the City to finance or reimburse the City for (i) certain improvements to the City's drinking water facilities including, but not limited to, demolition and reconstruction of the Washington Street Water Plant and Office Building.; and (ii) certain costs of issuance of the Bonds (the "Project")

It is anticipated that during construction of the Project, accrued interest on loan disbursements will be due and payable in semi-annual payments; it is also anticipated that full amortization of principal and interest shall begin on the date which is the earlier of (i) one year from the date of loan closing or (ii) upon the Project completion date. Interest will be payable over a twenty (20) year term at a rate of up to two percent (2%) per annum although it is anticipated that it will be one percent (1%) per annum pursuant to the preliminary commitment letter from Drinking Water. In addition, at a minimum, 30% of the principal of the loan shall be forgiven although pursuant to the preliminary commitment letter it is anticipated that 35% of the principal of the loan shall be forgiven upon the Project completion date.

Section 3. The City hereby finds that the Project constitutes a proper municipal purpose under Section 8 of the City Charter.

Section 4. The City Council hereby orders that a Special Election on the borrowing described herein be held on November 19, 2011, from Noon to 8 p.m. at the City Hall located at 201 South Walnut Street, Milford, Delaware and hereby directs that notice of such Special Election be published and posted as required by the City Charter.

Section 5. The Special Election Board shall consist of the following: Tamela Mallamo, Joanne Leuthauser and Phyllis Fox (the "Election Board").

Section 6. At the Special Election every person who would be entitled to vote at an annual election if held on that date shall be entitled to vote.

Section 7. After the Special Election, the Election Board shall count the number of votes for and against the borrowing and announce the results thereof and prepare and deliver a certificate regarding the results of the Special Election to City Council.

I, THE UNDERSIGNED, Teresa K. Hudson, City Clerk of the City of Milford, do hereby certify that the above Resolution was passed at a special meeting of the City Council, duly called and convened, held on the 17th day of October, 2011, at which a quorum was present and voting throughout and that same is still in full force and effect.

CITY OF MILFORD, DELAWARE

Teresa K. Hudson
City Clerk of the City of Milford

Ordinance 2011-27

AN ORDINANCE TO AMEND Chapter 21 Election of the Code of the City of Milford by deleting and repealing Article I, Absentee Voting in Municipal Elections and replacing it with a new Article I, to be entitled Absentee Voting-Referenda and Annexation Elections.

WHEREAS, Signed into law on June 30, 2006, Title 15, Chapter 75 of the Delaware Code governs municipal elections in the State of Delaware; and

WHEREAS, Title 15, Chapter 75 of the Delaware Code provides rules for absentee voting for General Elections in municipalities within the State of Delaware; and

WHEREAS, Title 15, Chapter 75 of the Delaware Code states that Subchapter IV and Subchapter V shall not apply to referenda or annexation elections; and

WHEREAS, the Charter of the City of Milford provides rules of procedure, including specific timelines, for referenda and annexation elections; and

WHEREAS, there is a need to complete the absentee election process in a referenda and annexation election in a more timely manner in comparison to a general election; and

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 21 of the Code of the City of Milford is hereby amended by deleting and repealing Article I (Absentee Voting) in its entirety.

Section 2. Chapter 21 of the Code of the City of Milford is hereby amended by adding thereto a new chapter, to replace Article I, hereinabove repealed, to be Article I, entitled Absentee Voting-Referenda and Annexation Elections, to read as follows:

21-1. Absentee voting in referenda and annexation elections will be in accordance with 15 Del. C. 75 with the following exceptions:

A. Availability and return of affidavits; Availability of absentee ballots; Requests for absentee ballots.

(1) Affidavits will be made available to absentee voters during business hours at the city clerk's office no sooner than five days following the adoption of the resolution ordering the referenda or annexation election by city council. Completed affidavits must be received by the city clerk's office no later than noon two days preceding the referenda or annexation election.

(2) Official absentee ballots will be made available to absentee voters during business hours at the city clerk's office no sooner than five days after the resolution ordering the referenda or annexation election is adopted by city council and will end at the close of business two days preceding the referenda or annexation election.

B. Distribution of ballots, envelopes, and instructions.

(1) Not less than five days prior to a referenda or annexation election, and within five days after the absentee ballots, envelopes, and instructions therefore become available, the municipality shall mail, to each elector who requests and qualifies for an absentee ballot.

C. Delivery of absentee ballots.

(1) In order for an absentee ballot to be counted, it must be received by the election board before the closing of the polls on election day.

Section 3. Dates

Introduction to City Council: 10/10/11

Adoption by City Council: 10/17/11

Effective Date: 10/27/11