

MILFORD CITY COUNCIL
MINUTES OF MEETING
June 27, 2011

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, June 27, 2011.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen
Owen Brooks, Jr., Douglas Morrow, Sr. and James Starling, Sr.

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

City Solicitor David Rutt

Before the start of the official meeting, Mayor Rogers, along with First Ward Councilmen Steve Johnson and Garrett Grier, III honored Olivia "Libby" Schmidt by presenting her with the following proclamation:

*Proclamation 2011-9
Recognizing Olivia "Libby" Schmidt as Grand Regent*

Whereas, the Women of the Moose, founded in 1913, is a unit of Moose International; and

Whereas, more than 400,000 women are members in approximately 1,600 chapters in all 50 states and four Canadian provinces; and

Whereas, Olivia Schmidt of Maryland joined Aberdeen, Maryland Chapter #1209 in 1973; and

Whereas, throughout the years, Olivia has contributed countless hours as she served her Chapter in many capacities and fulfilling various appointments made by the International Headquarters; and

Whereas, Olivia Schmidt is a life member of the Fraternity and earned the Academy Degree in 1976, College Degree in 1978 and Star Degree in 1980; and

Whereas, during the 1986-1987 year, Olivia Schmidt was the Deputy Grand Regent for MD-DE-DC, served on the College of Regents Board for 1991-1993 and was President of the College Board in 1997-1998; and

Whereas, Olivia Schmidt was a Grand Council Member in 1999-2001 and has been the Gimme Five Co-Chairman since 2007; and

Whereas, Olivia Schmidt served as a Deputy Regional Manager and as Chapter Analyst for MD-DE-DC; and

Whereas, Olivia Schmidt also holds membership in Milford, Delaware Chapter 1949; and

Whereas, Olivia Schmidt is a true leader and the Moose Organizations has been blessed and shaped by her will, her guidance and her vision; and

Whereas, the Mayor and City Council pause in its deliberations to honor Olivia Schmidt in recognition of these achievements and most notably, her designation as Grand Regent for the Years 2010-2011.

Now, Therefore, Be it Resolved, that, I, Joseph Ronnie Rogers, Mayor of the City of Milford, Gratefully Express My Appreciation to Olivia "Libby" Schmidt for Her Commitment and Dedication to the Women of the Moose since 1973 and Proudly Present Her with a Key to the City.

In Witness Whereof, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this 27th Day of June in the Year of our Lord Two Thousand and Eleven.

s/Mayor Joseph Ronnie Rogers

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 7:31 p.m.

PLEDGE & INVOCATION

Following the Pledge of Allegiance, Councilman Starling gave the invocation.

RECOGNITION

Proclamation 2011-9

Mayor Rogers recognized Olivia Schmidt, Grand Regent of Women of the Moose, prior to the start of the meeting(s).

COMMUNICATIONS

None to report.

UNFINISHED BUSINESS

Economic Development Advisory Panel/Milford Business Attitude Survey

Economic Development Chair Grier advised that survey, which has been discussed previously, was again included in the packet. He is hoping that by reducing the survey from eight pages to less than two full pages, we will receive a good response from the business community.

Mr. Grier moved that the survey be approved and mailed as was directed by the Advisory Panel, seconded by Mr. Starling.

Mr. Baird said the goal is to mail the surveys later this week, but no later than next week. Mr. Brooks asked how they will be distributed; the city manager said that initially they were to be mailed separately, but will now be included in the utility bills. Mr. Grier added that by reducing the number of pages, he is hoping there will be no additional postage costs to the utility bills.

Motion carried with no one opposed.

Economic Development Advisory Panel/Vacancy

Mr. Grier also advised that no recommendation has been made by the Advisory Panel but hopes to have that name by the July 11th council meeting.

Adoption of Resolution 2011-8/Hearthstone Manor/Acceptance of Public Improvements (Phase I, Phase II & Clearview Drive)

Mayor Rogers advised that a question and answer forum was held with Hearthstone residents last Wednesday with city officials and the Milford Police Community Officers.

The city manager reported that there were a couple of comments regarding continuing trends and in particular, clarification on what will be accepted. It was clarified that only the main streets are being dedicated to the city. The parking areas

in the condos and villas were not designed to be dedicated and will continue to be privately maintained.

Additional comments were received from a few residents regarding the speed limit signs. Currently, the speed limit is posted at 15 miles per hour (MPH); when the city accepts the street that will increase to 25 MPH. As Chief Hudson had alluded to at the last council meeting, a study could be done to determine if 25 is too fast for that area.

Mr. Baird noted that additional questions involved the design of the road which has been discussed in detail over the past couple of years, and specifically, shoulders and swales. The biggest concern was the main entrance off Wilkins Road and the flooding and drainage problems. City Engineer Mark Mallamo and Mr. Baird continue to have conversations with DelDOT who is responsible for the area because it is a state-maintained road. It was determined there is no way for the water from Wilkins Road to be conveyed anywhere and sits in the ditches along the roadway until it dissipates. They have had discussions about trying to alleviate the problem with the construction of the Route 30 overpass. However, they imply it is out of their scope and have no plans to address it.

The city manager encouraged residents to contact state officials as the city tries to resolve it simultaneously.

Another question involved signs for street-side parking or parking in the grass. According to Mr. Baird, that issue is driven by the homeowner's association and deed restrictions and covenants and not a city ordinance. At this time, the city manager said the city will address signage for safety, stop signs and speed limit signs. Once the 25 MPH signs are up, the police department will have the authority to enforce traffic laws.

When asked for any public comment, Vivian Ginn of 20 Clearview Drive, Hearthstone Manor questioned the following section of the proposed resolution:

"the maintenance of swales along private property, including condominium property, shall be the property owners' responsibility".

She explained she has a ditch in front of her home and only owns to the beginning of the ditch and not from that point to the road. However, she is required by the bylaws and covenants to maintain the ditch. Ms. Ginn questioned the language 'property owner' and recommends changing it to 'homeowners' association'.

Mr. Baird noted that the covenants and restrictions require the property owner to maintain the swales in front of their property. Therefore, the homeowner's association does not maintain it.

Mr. Rutt suggests changing the language to read 'the swales would be maintained in accordance with the covenants and restrictions of Hearthstone Manor'.

When asked if there were any more comments from the public, no one responded.

Mr. Brooks then asked if the homeowners' association spoke on the speed limit and if any guidance was provided in relation to the increase to 25 MPH. Mayor Rogers advised there were two Milford Police Officers who confirmed the state law requires the speed limit become 25 MPH once they become public streets. He added that the city was willing to ask the state for a traffic study if that was the general consensus of the Hearthstone residents.

Mr. Baird said that speed was a concern though it was agreed to accept the streets at 25 MPH which would allow enforcement and should reduce some of that problem. Overall, the residents preferred it remain below 25 MPH though that would need to be determined by the state and could not be attempted until after the streets were dedicated.

Mr. Morrow pointed out the streets need to be dedicated and accepted so that the city can request the study be done.

Josephine Marcavage of 22 Clearview Drive, Hearthstone then stated that in reference to the speed limit, her mailbox has been knocked down by a car. The mailboxes on the other sides have also been knocked down. The mayor is hoping this will help eliminate that problem adding that another resident had reported his mailbox had been knocked down three

different times.

Ms. Marcavage asked if a shoulder will now be added; Mayor Rogers said the streets will not be redesigned but future needs will now be easier to address.

Mr. Grier moved to adopt the following resolution, amended as noted, seconded by Mr. Johnson:

ACCEPTING PUBLIC IMPROVEMENTS FOR HEARTHSTONE MANOR SUBDIVISION

WHEREAS, Chapter 200 provides that public roads and public utilities shall be accepted into the City of Milford's Street System and Public Utility System by resolution of City Council; and

WHEREAS, the City Engineer has determined that all required improvements for the Hearthstone Manor Subdivision Phase 1 and Phase 2 and roads, including portions of Clearview Drive, that extend beyond those original phase lines have been completed; and

WHEREAS, the improvements in Phase 1 and Phase 2 and that of Clearview Drive have been in service by the residents and in full operation of the City Water and Sewer Department for several years, thus exceeding the prescribed one year warranty period; and

WHEREAS, the developer has recently completed all requested repairs to the streets, sewer and water utilities, thereby allowing the maintenance bond requirement to be waived; and

WHEREAS, the streets, easements and public utilities in Phase 1 and Phase 2 of Hearthstone Manor, including Hickory Branch Lane and Kingston Terrace in their entirety, Homestead Boulevard from Wilkins Road to the end of Phase I at the point where final paving ends and the portion of Clearview Drive where final paving has been completed, are hereby dedicated for public use as shown (highlighted) on the attached map of Hearthstone Manor Subdivision; and

WHEREAS, the remainder of Clearview Drive will be dedicated at the time of final paving; and

WHEREAS, for purposes of dedication, public utilities include potable water, sanitary sewer and electric power, and such operation and maintenance for the water and sewer systems will begin at the point these lines enter into the subdivision and extend to the water meters and/or sewer cleanouts serving individual lots or multi-family units; and

WHEREAS, the operation and maintenance for electric power utility will begin at the point it enters into the subdivision and extends to the meters for single family and multi-family units two stories or less in height; and

WHEREAS, city maintenance will end at the transformer(s) of residential units three or more stories in height and at any commercial service; and

WHEREAS, for purposes of dedication, public improvements shall include the stormwater infrastructure crossing city streets and extending to the storm water management ponds, including catch basins within the right of ways, but excluding all open swales; and

WHEREAS, the stormwater management ponds shall remain the responsibility of the Hearthstone developer, until such time the Homeowners' Association or Condominium Association accepts said responsibility; and

WHEREAS, the maintenance of swales along private property, including condominium property, shall be the property owners' responsibility.

WHEREAS, the maintenance of swales along private property, including condominium property, shall be the responsibility, as stated in the covenants and restrictions of the Hearthstone Manor Development.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milford during a regular session, by a favorable majority vote, accepts the streets, easements and operational public utilities, as described herein, as such streets, sewer, water and electric utilities of the Hearthstone Manor Subdivision are being dedicated for public use into the City of Milford's Street System and Public Utility System.

BE IT FURTHER RESOLVED that the City of Milford shall assume responsibility for the future maintenance and repair of the dedicated and completed streets and operational public utility systems, as described herein, in the Hearthstone Manor Subdivision.

AND BE IT FURTHER RESOLVED that the Delaware traffic laws regulating the speed of vehicles at twenty-five miles per hour in a residential district shall become applicable and the city maintenance of signs is restricted to city and state issued traffic signage; signs not meeting state standards shall remain the responsibility of the developer, Homeowners' Association or Condominium Association.

Motion carried by unanimous roll call vote.

Approval of RFP/Evaluation Services/2012 City of Milford Property Assessment

City Manager Baird recalled council requesting some other options be considered which they have done. He stated they have also provided a comparison of costs in similar communities in Delaware and New Jersey.

He explained that one option is to take the county assessments (Kent County 1986 assessments and Sussex County 1974 assessments) though council indicated they would not consider that. He agreed it would only cause confusion with the two sets of assessment numbers and two different tax rates. However, under this scenario, the city would only incur the costs of obtaining a printed copy of the county tax rolls each year.

Another option is to handle the reevaluation in-house. However, that would be very labor intensive and temporary employment and training would be needed. People would also need to be hired to interpret the data when the information was provided from the field staff.

Mr. Baird then referenced the current proposal from Tyler Technologies for \$261,200. He pointed out it reduces our cost on a per parcel basis to \$45.82 compared to the city paying \$70.66 per parcel ten years ago.

He said other comparisons ranged from \$45.82 (the lowest per parcel number compared) in Milford to \$88.16 in Princetownship, New Jersey. He and Mr. Darsney feel we are getting an extremely competitive price.

The city manager said to annualize the cost over the ten-year period comes out to \$26,100 a year. The city collects slightly below \$3 million in property taxes a year; to maintain our assessments will cost the city less than 1% .

Additional support will be provided by Tyler Technologies should their numbers be challenged. Because their appraisers are certified, the challenges should be minimum and those that are challenged, should be quickly dismissed or worked out very easily versus the appeal process. Should that occur, they are prepared to do so.

Though he was not here at the time, Mr. Baird said he has been informed that ten years ago, the city was told a complete reevaluation would not be required. He said when the city entered into that agreement ten years ago, there should have been an assumption we would continue the relationship. There was an investment when they were hired to complete the reassessment, but the city also invested in the tools needed to do that including the associated software, the CAMA software and the time and investment in making sure it communicated with our operating and billing software.

The city manager reported that John Darsney has become an expert in this field during the past few years he has been the city assessor.

During the past three to four years the city has been able to uphold its end of the bargain as was agreed ten years ago. The

first couple of years, we had a contractual assessor who did not provide the best of services. Since that time, Mr. Darsney has made any needed adjustments.

Mr. Baird feels this is a very competitive price and that Tyler will continue to provide a valuable service based on an equitable assessment for the city and residents and taxpayers.

He said another consideration was to amend the charter and remove the ten-year reassessment requirement. However, by having a recurring assessment, the numbers will be reviewed, updated and kept accurate. The market value of property will also be kept current. He said that is a major component that impact the city's rating during bond events. Part of that evaluation is the value of property within the city over a period of time, as well as projected values. He said that having current and up-to-date assessments are extremely important in that process.

It is Mr. Baird's recommendation to move forward with the Tyler Technology proposal.

Mr. Gleysteen asked if when the software and tools were purchased ten years ago, did Tyler (CLT at the time) indicate the savings during the next reassessment; Mr. Baird explained that no one anticipated we would need as much field work as is being anticipated. That is a necessity because of the building boom that occurred during the past five to six-year period minus the past couple of years. He feels that everything should have been done correctly 95% of the time; but the 5% needs to be looked at for accuracy.

Mr. Gleysteen questioned how that is related to the software; Mr. Baird explained it is about the overall assessment and going back out. The software is just the portal in which it is maintained and how we maintain the assessment data and how it is communicated into our operating and billing software.

He advised the city received about \$50,000 in add-ons which included software and maintenance fee-related type costs that were part of the proposal ten years ago.

Mr. Grier asked that if the city chose another company, would another software package need to be purchased. Mr. Baird explained that upgrades would be needed because any new company would promote their package. Besides not having a lot of assessment businesses in Delaware, the RFP required the software fit into our current system. It was written that way because we have a good working relationship with Tyler and a proven track record.

Mr. Morrow said he has reviewed the proposal a couple of times and found that it did not address the partnership and investment in software and hardware ten years ago. He prefers that be addressed. It appears to him they are giving a cold quote as though they were a brand new vendor coming into the city.

It was his impression the software would allow us to keep our property records current and up to date which would make this reassessment much easier. He feels there is a missing link in the fifteen-page proposal. He prefers to know how their quote is impacted by the relationship and assessment program started ten years ago.

Mr. Baird believes they are speaking with their pricing and instead of the \$70.66 per parcel charged ten years ago, they are now quoting a per parcel price of \$45.82 or \$25 less.

Mr. Morrow would be more confident voting on a \$260,000 agreement that includes some explanation about how the price reflects the work started ten years ago. He understands there are more structures this time, but the software was to ensure proper additions and upgrades could be made which would result in a much simpler reassessment.

Tax Assessor John Darsney advised that Tyler only responded to the proposal he wrote. He explained this is basically a business transaction or contract and they will not put out a proposal to a government entity stating that because we have a relationship, special consideration will be given. In this case, he feels they looked at the exact specifications in the RFP and submitted it. In addition, Milford grew by 2,500 parcels over that ten-year period.

Mr. Brooks recalled that ten years ago, council was informed we needed to buy special software and special hardware so

that changes could be taken care of by our staff. When the reassessment was done, it was to be done easier and quicker and without a big investment. He asked how much money has been saved over that ten-year period and getting this done now. Mr. Baird stated he does not believe it should be looked at from a cost-saving standpoint.

Mr. Brooks explained that is how the company sold council on the hardware and software. Mr. Baird noted that at that time, everything was done manually with property assessment cards that may or may not have been updated.

Mr. Baird does not believe the city is saving anything but instead there is a cost associated with maintaining our assessments that we are required by charter to do every ten years.

Mr. Brooks recalled another software company that sold the city a system that was supposed to be able to be upgraded long term at a minimum though there were associated huge costs each time. The same situation occurred ten years ago when council was convinced there would be a savings and minimal work related to the next reassessment. However, he understands its need and that it must be done.

Mr. Morrow was under the impression that everything was being kept up to date; Mr. Brooks questioned if we have to start from scratch every ten years.

Mr. Baird agreed with Mr. Darsney that it was not addressed because it was not part of the questions in the proposal. From a standpoint it was already in place, there was no need to provide pricing information on doing that again which he feels is irrelevant. He agrees that approximately \$50,000 was spent ten years ago above the reassessment for software components, maintenance agreements, equipment, etc. so that it could be maintained in-house.

Mr. Pikus suggested a representative attend the next council meeting and answer some of these questions. It appears to him that council was under the impression their program would save money during the next reassessment.

The consensus of council was that the reassessment needed to be done.

Mr. Baird asked where council is looking for a savings; Mr. Pikus said council purchased the program with the idea it would save the city money in the long run because it could be maintained and updated during that ten-year period.

Mr. Grier believes another concern is the city only received one quote. His opinion is that we only received one quote because it directly relates to Tyler Technology. He recalled Mr. Darsney indicating he had sent e-mails to many different companies, but if it only applies to Tyler Technology software, no other bids would be received.

The city manager explained that it was not necessarily the Tyler software, but a need to have the ability to communicate with the operating and billing software.

Mr. Grier said he is curious what other companies would bid to upgrade the software which could be an even higher price.

Mr. Darsney said he was not with the city in 2001. However, a CAMA system is a computer-assisted mass appraisal system. It gathers in data such as building permits, sales, transfers, etc. With that software, which is what this company must have indicated in 2001, you can do statistical analysis with this product, as well as sampling and value adjusting. Normally, that is done in a three to five year time table and a full, field reassessment would not be needed.

He said we went through a boom and bust cycle and he is not confident in the data collected during the first seven years. He said that prevents him from using the cost savings this time around. He said that any company, including the IAO (International Assessors Association), would not recommend a statistical reevaluation even if he had more confidence in the data.

Mr. Darsney explained there are a number of things that triggered a mass assessment and it was not just the fact they indicated they would save the city money. He would anticipate going forward by maintaining the data, keeping current on the building data, keeping current on all sales data, borrowing any large boom/bust cycles like we have had. By doing

that, we should be able to do a statistical analysis, along with some sampling and simply adjust our tables from that point forward without another full-blown reevaluation.

Mayor Rogers said the problem is we were led to believe that once the system was in place, our staff would be able to handle any changes including new properties.

Mr. Morrow agrees but prefers to hear this from Tyler.

Council agreed the reassessment is needed but prefers Tyler representatives attend the next meeting.

Mr. Pikus moved that action on the Tyler proposal be postponed until the July 11th meeting at which time representatives will be present to answer these questions, seconded by Mr. Morrow.

Mr. Darsney emphasized that the proposal the city spec'd out is what Tyler bid on; the cost was in relation to those specs. He added that if additional software is needed, those costs will be above and beyond that number. In 2001, the proposal covered 3,000 parcels and the purchase of software. This proposal is based solely on 5,700 parcels without any software.

Mr. Baird then clarified that a Tyler representative would attend the July 11th meeting. If there are any additional questions, he asked they be forwarded to the city clerk or him so the representative can be prepared in advance.

Motion carried with no one opposed.

NEW BUSINESS

Approval of Audit Engagement Proposal

Based on the recommendation of Finance Director Jeff Portmann and City Manager David Baird, Mr. Pikus moved to award the City of Milford Audit Proposal to Beck, Villata and Company, P.C. for the fiscal years ending June 30, 2011, June 30, 2012 and June 30, 2013 at a price of \$45,000 per year, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

Mr. Baird noted that any single audit needed as a result of federal funding received would be above and beyond this proposal.

Introduction of Ordinance 2011-15/Adoption of Southeast Milford Master Plan

Mr. Baird advised that the Planning Commission held a public hearing on Tuesday, June 21, 2011. An ordinance is needed to adopt the plan and is what is being introduced this evening. City Council will hold a public hearing at their next meeting on July 11th at which time the ordinance could be adopted.

City Planner Gary Norris then commented on the concerns expressed at the planning commission hearing regarding the city annexing areas of Lincoln and Slaughter Beach. At that time, he explained the city is not actively pursuing annexation but would entertain requests from property owners in the southeast planning area. He further explained the 2003 Comprehensive Plan included a large planning area that went to Slaughter Beach. That planning area has since been reduced, in conjunction with a recommendation from the state planning office.

The following ordinance was then officially introduced:

*Ordinance No. 2011-15
Amending and Adopting by Ordinance
The 2008 City of Milford Comprehensive Plan by Including the SE Master Plan*

WHEREAS, Title 22, Section 702 of the Delaware Code, the Livable Delaware program of the Governor of the State of

Delaware and House Bill 255 amending Title 9, Title 22 and Title 29 of the Delaware Code authorize Delaware municipalities to carefully prepare and adopt Comprehensive Land Use Plans to guide and regulate future growth and community development, and

WHEREAS, Delaware's Office of State Planning Coordination provides guidance to municipalities in order to effectuate the goal of having well-drawn and executed Comprehensive Plans for all Delaware counties and municipalities, including the provision that Comprehensive Plans be approved and certified by the Governor of Delaware upon their completion, and further requires that certified Comprehensive Plans be revised on a five-year cycle, and

WHEREAS, the City of Milford's Comprehensive Plan was last adopted in 2009, and requires revisions to account for physical changes and potential growth in the Southeast Planning Area which have occurred in both the built and natural environments of the community; and

WHEREAS, the City of Milford Planning Commission has prepared and approved, in consultation with the public, interested parties, and government agencies, a Southeast Master Plan for the City of Milford, which articulates an overall vision for the Southeast Planning neighborhood's future, including policies and action project recommendations for achieving that vision and has conducted a duly advertised public hearing for public review and comment on June 16, 2011 and, at its meeting on June 21, 2011 did recommend approval and adoption of the Amended 2008 City of Milford Comprehensive Plan to include the Southeast Master Plan by Milford City Council.

WHEREAS, the Amended 2008 City of Milford Comprehensive Plan will be the foundation for planning and development in the Southeast Planning Area;

WHEREAS, the Mayor and City Council held a duly advertised public hearing on the Southeast Milford Master Plan on July 11, 2011, at which time the Amended 2008 City of Milford Comprehensive Plan was reviewed with the public.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS that the Amended 2008 City of Milford Comprehensive Plan is hereby adopted and made effective as the Comprehensive Plan for Milford on this ___ day of July 2011.

Dates:

Planning Commission Review and Recommendation: June 21, 2011

Introduction to City Council: June 27, 2011

City Council Review and Adoption: July __, 2011

Approval of Milford Community Parade Date & Contribution Request

Per city policy, the city is unable to contribute the requested \$5,000 to the parade committee for this year's parade. However, council agreed that a notice asking for donations from the city utility customers can again be included in either the August or September utility bill. Mr. Baird said he will coordinate with them to determine the best month due to some other obligations.

The billing department reported the city has collected donations each year on behalf of the committee as follows:

2007	-	\$1,500.00
2008	-	\$3,542.00
2009	-	\$3,575.00
2010	-	\$3,825.00

Mr. Baird agrees it is an effective tool though there are some minor costs associated with the copies they provide. Though they are asking for \$5,000, the city helps them raise almost \$4,000 each year. In addition, the city incurs other costs associated with the parade including personnel, overtime and other related expenses.

Mr. Pikus moved for approval for the Community Parade to be held Wednesday, October 19, 2011 from 6:30 p.m. to 9:00 p.m., seconded by Mr. Starling. Motion carried.

Adoption of Ordinance 2011-16/Sewer/Chapter 185/Extends Impact Fee Exemption

The following ordinance extends the current waiver to June 30, 2012:

ORDINANCE 2011-16

WHEREAS, the City continues to encourage the building of residential and commercial structures within the City limits; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8 and Ordinance 2010-16 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010 and 2011 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend for an additional twelve months the waiver of sewer impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by extending the deadline from June 30, 2011 to June 30, 2012 as follows:

§185-24 D. The sewer impact fee described in §185-24C shall be waived for all permits issued between June 3, 2010 and ~~June 30, 2011~~ June 30, 2012. The waiver shall be for a maximum of 5 EDUs per project. The City will continue to collect the impact fee charged by Kent County during this period.

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(1) shall remain in effect until the extended deadline of ~~June 30, 2011~~ June 30, 2012.

§185-24 D (1) To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

<i>Single Family Residential</i>	<i>6 Months</i>
<i>Multi Family Residential</i>	<i>12 Months</i>
<i>Commercial</i>	<i>12 Months</i>

§185-24 D (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction to City Council—June 13, 2011

Projected Adoption by City Council—June 27, 2011

Projected Effective Date—July 7, 2011 - June 30, 2012

Mr. Gleysteen stated the city's intent is to promote economic development and he agrees that is what we need to do. However, he feels that waiving the fees is a bad idea for the city. He explained that is based on the May government housing figures which show a 34% spread between the median new home value and the median existing home value. With that spread, it has more than doubled what the historical average has been.

As a result, he feels that the finances of someone wanting to purchase a new home are not as important as other factors. They will build these homes whether the city grants the 2% waiver or tax exemption.

He said that secondly, if you think about this from a builder's point of view, he considers the approximate \$187,000 waived of which the city received approximately \$10 million in permit values. He asked if they are making a building decision based on 2%. Being a businessman, he has never made a decision based on a 2% margin because there are many other things that could go wrong. He never makes a decision based on less than 10%. In his opinion, the 2% is not quite as attractive; should it become marginal, he would need to make a decision about whether to do the manufacturing just to keep people employed or to please a particular customer, etc. He feels that is what is occurring with the builders. They have variables—building costs, material costs, labor costs. If it rains for a week after they rented equipment, they cannot get out of the rental and will need to re-rent or return it. He said that 2% can be eaten up so quickly it is not something that makes a decision.

Mr. Gleysteen feels the best way to promote economic development is to collect the fees and by working with the economic development committee, create a more targeted approach. He feels what really needs to be concentrated on is job creation and not just building buildings. They do compliment each other but bringing more jobs to the city is more important.

He recommends taking that money and put those tools in a bag to be used for economic development. That is why he is opposed to waiving those impact fees.

Mr. Pikus explained that council started the program to waive the fees to encourage the builders, real estate agents, contractors, etc. to feel like the city was providing a little incentive. He agrees it is not much money, but in many cases, 2% is better than nothing. It has created a larger tax base. There has been a lot of time spent trying to entice people to move to Milford in hopes of helping them to buy some land. They encourage real estate agents to sell the lots in hopes of building a new plant, a new home or expand and increase the EDU's.

He recalled years ago when property owners were encouraged to enlarge their buildings, remodel them and do whatever was necessary to make the property more appealing. The reward was to keep their tax base the same even though the assessment went up. It was a small thing but had a big impact.

Mr. Pikus has spoken with various contractors who have indicated it is providing some help. More people are buying and some work is being done that may have been put on a back burner before the waivers.

Mr. Gleysteen feels that it may provide a little psychological help but feels it is too targeted on contractors and builders. The city needs to be focusing more on job creation in his opinion.

Mr. Grier pointed out there are additional incentives being considered that are geared more toward job creation and this is one extra tool that the economic development director is able to use. He pointed out the max is 5 EDU's which is not a complete waiver. A new business (for example Grottos) may have \$20,000 waived, though the city still collected \$30,000 in other fees. We ended up making money and still had a new business open that provided more jobs.

Mr. Gleysteen prefers to use the money from the impact fees for a more targeted approach to benefit more than just the construction trade. He believes we could have enticed that business to open here using more appealing incentives.

Mr. Grier is in favor of this and explained the difficulty in getting a prospective business owner to just come and talk to us. He believes the waiver of \$187,000 in the grand scheme is not a lot of money considering some of this has brought jobs to Milford.

Mr. Gleysteen asked for the split between commercial and residential on these permits; Mr. Baird said he does not have those statistics. Mr. Gleysteen says his recommendation would be for that waiver to apply only to commercial properties.

Mr. Grier added that from the residential side, the city gains new taxpayers. Mr. Gleysteen pointed out the other side is

there are more foreclosures than ever and building new homes when there is no demand is only exacerbating the problem.

Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, stated that Mr. Gleysteen's point is well taken noting there are 183 homes at Meadows of Shawnee of which 23 are for sale or in foreclosure and 16 are empty.

No other comments were heard.

Mr. Grier then moved for adoption of Ordinance 2011-16, extending the deadline thru June 30, 2012, seconded by Mr. Pikus. Motion carried by the following 6-1 roll call vote:

Yes-Johnson, Grier, Pikus, Brooks, Morrow, Starling
No-Gleysteen

Mr. Pikus stated he is voting yes is because of the position the city is in with economic development and this helps our economic director and promotes this program, though its impact should be reviewed at the time of the expiration date.

Mr. Gleysteen voted no stating he feels it is a poor use of taxpayers' money.

Adoption of Ordinance 2011-17/Water/Chapter 222/Extends Impact Fee Exemption

The following ordinance extends the current waiver to June 30, 2012:

WHEREAS, the City continues to encourage the building of residential and commercial structures within the City limits; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9 and 2010-17 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010 and 2010 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend for an additional twelve months the waiver of water impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by extending the deadline from June 30, 2011 to June 30, 2012 as follows:

§222-31 I. The water impact fee described in §222-31H shall be waived for all permits issued between June 3, 2010 and ~~June 30, 2011~~ June 30, 2012. The waiver shall be for a maximum of 5 EDUs per project.

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect until the extended deadline of ~~June 30, 2011~~ June 30, 2012.

§222-31 I. (1) To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

<i>Single Family Residential</i>	<i>6 Months</i>
<i>Multi Family Residential</i>	<i>12 Months</i>
<i>Commercial</i>	<i>12 Months</i>

§222-31 I. (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall

be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction to City Council—June 13, 2011

Projected Adoption by City Council—June 27, 2011

Projected Effective Date—July 7, 2011 - June 30, 2012

No one from the public commented.

Mr. Grier moved for adoption of Ordinance 2011-17, extending the deadline thru June 30, 2012, seconded by Mr. Starling. Motion carried by the following 6-1 roll call vote:

Yes-Johnson, Grier, Pikus, Brooks, Morrow, Starling

No-Gleysteen

Mr. Pikus stated he is voting yes for the same reasons as stated in relation to the previous ordinance.

Mr. Gleysteen votes no based on the reasons he previously stated.

Adoption of Ordinance 2011-18/Electrical Standards/Chapter 192/Extends Impact Fee Exemption

The following ordinance extends the current waiver to June 30, 2012:

WHEREAS, the City continues to encourage the building of residential and commercial structures within the City limits; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10 and Ordinance 2010-18 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010 and 2011 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is in the City of Milford's best interest to extend for an additional six months the waiver of water impact fees.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 119 of the Code of the City of Milford, entitled Electrical Standards, shall be amended by extending the deadline for the waiver of Electric Impact Fees as follows:

The electric impact fee established under this Chapter shall be waived for all permits issued between June 3, 2010 and ~~June 30, 2011~~ June 30, 2012.

Section 2. The following sections of Chapter 119 of the Code of the City of Milford shall remain in effect until the extended deadline of ~~June 30, 2011~~ June 30, 2012:

To qualify for the impact fee waiver, construction must be completed and a certificate of occupancy received in accordance with the following schedule:

<i>Single Family Residential</i>	<i>6 Months</i>
<i>Multi Family Residential</i>	<i>12 Months</i>
<i>Commercial</i>	<i>12 Months</i>

Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction to City Council—June 13, 2011

Projected Adoption by City Council—June 27, 2011

Projected Effective Date—July 7, 2011 - June 30, 2012

There were no comments from the public.

Mr. Grier moved for adoption of Ordinance 2011-18, extending the deadline thru June 30, 2012, seconded by Mr. Johnson. Motion carried by the following 6-1 roll call vote:

Yes-Johnson, Grier, Pikus, Brooks, Morrow, Starling

No-Gleysteen

Mr. Pikus advised he is voting yes for the same reasons as stated in relation to the previous ordinances.

Mr. Gleysteen voted no because he feels it is a poor use of taxpayers' money.

Adoption of Ordinance 2011-19/Taxation/Chapter 204/Extends Tax Exemption on Property Improvements

The following ordinance extends the current tax exemption to June 30, 2012:

WHEREAS, the City desires to encourage the building of residential and commercial structures within the City limits; and,

WHEREAS, it is recognized that financial incentives are an effective means of encouraging individuals and corporations to invest in the City of Milford; and,

WHEREAS, investment within the City of Milford creates opportunities for temporary and permanent employment, expands the City's tax base, and increases the use of City utilities; and

WHEREAS, on May 24, 2010, Milford City Council enacted Ordinance 2010-7 which initially provided a one year tax exemption for improvements on any property located within the City of Milford; and

WHEREAS, an additional one year extension represents the City of Milford is doing all it can to help stimulate an economic recovery.

NOW, THEREFORE THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 204 of the Code of the City of Milford, entitled Taxation, is hereby amended to include a new Article to read as follows:

ARTICLE II—EXEMPTION OF NEW IMPROVEMENTS ADDED TO PROPERTY

§204-6 Eligibility for new improvement exemption of real property taxes.

The exemption shall apply to any improvement to any property (residential, commercial, industrial, etc.) located within the City limits that results in an increase in the improvement assessment as contained in the City's General Assessment Records. The building permit for the said improvements must be submitted to the City prior to June 30, 2012. The exemption shall be based on the change in the improvement assessment value only. The land assessment is not eligible for exemption under this Article.