

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 14, 2008

The Regular Monthly Meeting of Milford City Council was held in the Meeting Room of the Delaware Rural Water Association Facility at 210 Vickers Drive, Milford, Delaware on Monday, January 14, 2008.

PRESIDING: Honorable Mayor Joseph R. Rogers

IN ATTENDANCE: Councilpersons Irvin Ambrose, John Kramlich, John Workman, Clifford Crouch,
 Douglas Morrow, Owen Brooks, Jr., James Starling, Sr. and Katrina Wilson

ALSO: City Manager Richard Carmean, Police Chief Keith Hudson and
 City Clerk/Recorder Terri Hudson

COUNSEL: Solicitor Timothy Willard

Mayor Rogers called the meeting to order at 7:52 p.m. Following the Pledge of Allegiance, Councilman Starling gave the invocation.

Mayor Rogers then thanked Assistant City Manager David Baird for his presentation at the earlier Public Hearing.

APPROVAL OF MINUTES

Mr. Brooks moved for approval of the December 10, 11 and 26, 2007 minutes as presented, seconded by Mr. Morrow. Motion carried.

RECOGNITION

Mayor Rogers recognized Engineer Gary Brown, President Francis Morris and Vice President Chuck Coverdale of the Carlisle Fire Company.

Ms. Wilson thanked the city and the police department for sending her flowers during her recent illness.

POLICE REPORT

Mr. Morrow moved for approval of the monthly police report, seconded by Ms. Wilson. Motion carried.

Mr. Crouch asked if there is a record showing how many arrests each officer makes. He then asked if they are made by certain officers or spread throughout the department. Chief Hudson explained the total arrests for the month are made by all of the officers in the department.

Mr. Morrow advised council he and Mayor Rogers attended the first formal promotional ceremony last week during which seven officers were promoted by Chief Hudson.

CITY MANAGER REPORT

The following report was submitted for January:

ADMINISTRATION

I am meeting with our Construction Manager to discuss some matters concerning renovations at City Hall. He will provide updates on our costs of construction and scheduling.

Don Williams was hired as our new Code Enforcement official. He will attend the council meeting so that I may introduce him to Mayor and Council.

ELECTRIC

While crews are not as busy with subdivision build outs, they are making repairs and upgrades to our infrastructure. Work continues on projects such as Lighthouse Estates and The Ponds at Milford.

STREETS AND SOLID WASTE

Staff members are presently working on future street projects. We should be ready to make further improvements to city streets when spring arrives. Any council members should contact David Baird or me with any areas that should be considered.

Mr. Workman reported he read in Sound Off that someone has experienced some problems with their pickup from Delaware Solid Waste Authority. He asked if Milford's customers should call city hall or the solid waste authority directly noting they are contracted through the city.

Mr. Carmean said they can call either the city office or solid waste though the city can act as an agent on their behalf.

Mr. Workman recommends that Milford customers advise the city of any problems for informational purposes.

Mr. Carmean is only aware of complaints about containers being left on the streets though a few minor complaints have been received about pick ups.

COMMITTEE REPORTS

Planning Commission

Planning Commission Liaison Kramlich reminded council of the two recent resignations from the planning commission which leaves a total of three vacancies. He is asking they be filled as quickly as possible.

He then publicly thanked former Planning Commission Chairman Randy Marvel for his service to the City of Milford over the past years.

He invited council to attend the planning commission meetings so that council can better understand how their decisions are made in addition to being an encouragement to their members.

COMMUNICATIONS

Mayor Rogers announced he will be filing for mayor in the upcoming election and looks forward to running. He thinks his experience is beneficial to the city and accepts any new challenges in the next couple of years.

UNFINISHED BUSINESS

City of Milford and Milford Boys and Girls Club License/Agreement

Parks and Recreation Committee Chair Wilson referred to the minutes of Parks and Recreation Committee meeting held on December 11, 2007. She reported it was a long meeting during which a lot of issues were discussed. She appreciates the comments from the committee members and council members that attended.

Ms. Wilson then recognized Delaware Boys and Girls Club President George Krupanski, Milford Boys and Girls Club Representative Kate Marvel and Director Maria Edgerton

She reported that the usage of the facility, the sports complex, gym, pool and costs were all discussed. The parking lot issue was also discussed. A license agreement for both the city and the club was presented by City Solicitor Tim Willard.

Ms. Wilson has discussed the financial obligation with Finance Director Portmann. After reviewing the city accounts, it was determined that \$80,000 was in the parks and recreation fund. It was recommended the other \$80,000 be transferred from the electric reserve account which will cover in entirety the first year's payment of \$160,000. The \$160,000 payment over the next four years could be transferred from the electric reserve account.

She advised the recommendation of the committee is to approve the license agreements and payment of the \$800,000.

The city manager advised the recommendation that the funding be taken from the electric reserve accounts was because the boys and girls club serves a wider range than just the corporate area of Milford. The general fund reserve contains all city tax dollars and because 42% of our electric customers are outside the city, it seems appropriate to take it from this fund. However, that would be at the discretion of council.

City Solicitor Tim Willard informed council that Mr. Krupanski and Parks and Recreation Director Gary Emory also participated in the meeting. The license agreements were presented that evening. The agreement contained in the packet is the final version though there may be one minor change.

He advised that a license agreement is a way for a property owner to give permission to use that property. The terms for the gymnasium allow the city to have use of the entire gymnasium a minimum of 500 hours per year at a cost of \$25,000 at a rate of \$50 an hour. The city will use the pool some 150 minimum hours at \$60 an hour without a life guard or \$80 an hour with a lifeguard. That would commit the city to \$9,000 to \$12,000 a year with a lifeguard.

Mr. Willard referred to the second license agreement which the city allows the boys and girls club to use their sports complex 20 hours a week during the summer and 10 hours per week during the other months.

He noted the agreement also requires the city to maintain the grounds in addition to providing the club 100 scholarships which would be used for multiple programs. The agreement can be terminated by either party for no reason.

George Krupanski stated that he appreciates the amount of effort from those people he believes are very sincere in helping the children in the Milford community. He acknowledged the amount of work council has put into this.

Ms. Wilson then moved for acceptance of the license agreement which includes the terms for usage and costs as has been discussed and recommended, seconded by Mr. Ambrose.

When called for questions, Mr. Workman moved to amend the motion by substituting \$527,000 which are the costs for the building instead of the \$800,000 proposed by Ms. Wilson. Mr. Kramlich seconded the motion.

With no further debate, the amendment passed by the following 4-3 roll call vote:

Yes-Brooks, Morrow, Kramlich, Workman

No-Starling, Wilson, Ambrose

Mr. Morrow believes that when we originally looked at this, he did not think we had any additional money invested and after some quick math, found it was roughly around \$170,000 to \$200,000. If we can get it down to around \$600,000 or \$550,000 range, he is comfortable with that which is still over a half million dollars.

Mr. Ambrose responded that he does not know if Mr. Morrow understands, but the fees that were presented are not taxpayer dollars. Those fees would be generated by the participants. Mr. Morrow stated he understands.

Mr. Kramlich said he is voting yes and was under the impression that the \$800,000 was done and there would not be a vote on it thinking it was taken care of long before he got on council. He said everybody sitting here thought that, but found out in the minutes that it was not. Now he must make a decision. He had to stop and think back. Mr. Emory and the boys

and girls club got together and Mr. Emory said this is what he would like and a partnership was formed. He asked for a larger gym and some other extras. It was agreed upon. Then the number of \$800,000 came up to cover that. He thinks that is where the number of \$800,000 came from was to cover the expenses. That is what was talked about but never voted on and instead was put off. In his heart, he wishes he could give \$800,000 to the boys and girls club. He looks forward to going out to the facility.

He said he also came up with an analogy. He goes to a car dealership and wanted to buy a \$10,000 car but wanted a number of upgrades. The dealer then says it may cost \$5,000. He goes back to him later and he gives him the bill which shows \$10,000 for the car, \$3,000 for the upgrades and \$2,000 more because of no reason. Though he was willing to pay the \$5,000, it did not cost that. He would not want to pay \$2,000 more and does not think that anyone sitting in here, including the council, would want to pay the additional \$2,000. If it did not cost that, you are not going to give it to the car dealer. He said he would not conduct his own personal business that way and therefore, cannot conduct city council business that way. If the number came up to \$799,000 as an actual cost, then he would, but this does not. That is why \$527,000 is the right number.

Mr. Workman said the council has given their obligation which was to pay the money needed for the modifications to their facility. He feels that is what was done tonight and votes yes.

Mr. Carmean asked if they have to vote on the original vote; Mayor Rogers said they just voted on the amendment.

Mr. Willard asked if Ms. Wilson's amendment was to approve the license agreement with the \$800,000. Ms. Wilson confirmed that was correct.

Mr. Willard said that Mr. Workman then made an amendment to reduce the \$800,000 to \$527,00 which was approved by a 4-3 vote. He said council now needs to vote on her motion again.

Mayor Rogers then asked for a vote on the original motion. He advised the amendment already passed, but he is now asking for a vote on Ms. Wilson's motion to approve the license agreement and the \$800,000.

Council disagreed noting that the \$800,000 has been amended by the last vote but a vote is needed on the license fees.

Ms. Wilson explained that her original motion was to approve the license agreement for the facility and the \$800,000. Mr. Morrow emphasized that has since been amended.

She asked if council still needs to vote on the license agreement; Mayor Rogers stated yes.

Mayor Rogers advised the amendment changed the motion from \$800,000 to \$527,000. Mr. Brooks confirmed that council is now voting on the entire package with the \$527,000 payment.

Mr. Willard explained that Ms. Wilson proposed the amendment as the license package and \$800,000. But the \$800,000 has been amended to \$527,000. Now council should consider the whole license agreement package with the \$527,000 contribution.

Mr. Brooks asked if the first vote was for the \$527,000 and the whole package.

Mayor Rogers said the vote was only on the amendment to \$527,000. Mr. Willard reiterated the \$800,000 payment has been reduced to \$527,000. He said that though Mr. Brooks thought the vote was on the entire package, Mr. Workman's amendment was specific that the \$800,000 be amended to \$527,000. He said the proper procedure is to make a motion on the \$527,000 with the license package.

Ms. Wilson again confirmed that her motion was for the entire package.

Mr. Starling asked when the \$800,000 will be voted on. Mayor Rogers said that was amended by the second motion. He asked if Ms. Wilson has to accept the amendment. Mayor Rogers explained it was already voted on. Mayor Rogers said

Ms. Wilson can vote no. He asked if Ms. Wilson can deny the acceptance of the \$527,000.

Mr. Willard said that Mr. Starling is correct. The proper procedure should be for someone to make a motion to propose the contribution at \$527,000, though there was a vote on that already. However, it can be done separately or as the entire license package. It needs a motion and a second to move forward.

Ms. Wilson said that if she does not accept the amendment, what happens. Mr. Willard said another council member can make the motion.

Mr. Kramlich then made a motion for \$527,000 to be provided to the boys and girls club, along with the complete license package, seconded by Mr. Workman. Mayor Rogers then called for questions.

Mr. Ambrose then stated that council did not vote on Ms. Wilson's motion which was properly seconded. Mayor Rogers said he got confused because Ms. Wilson did not withdraw her motion.

Mr. Willard said once it has been amended, the original motion is dead. He thought that when Ms. Wilson first made the motion, it was just on the license agreement; an amendment followed with the \$527,000. Once the amendment was made, it was seconded. It is properly before council to vote on the \$527,000 and the license agreement.

Mayor Rogers said he thought the motion had to be withdrawn for it to be thrown out. Ms. Wilson said she will not withdraw it.

Mr. Willard explained there is an \$800,000 contribution proposed by the committee which was the intent of Ms. Wilson's motion. There are also two license agreements that have been presented. Originally, he did not think her motion included the \$800,000. Then Mr. Workman asked for council to consider amending the motion to \$527,000. Council voted to amend the motion.

Mr. Willard further stated the motion can be either for a separate \$800,000 or a separate vote for \$527,000, or a separate vote for a license agreement. Someone can withdraw the motion and it can be brought up again and the \$800,000 voted on and the two license agreements. He is asking council be clear on what they want to do.

Ms. Wilson feels a vote needs to be taken on the license agreement. She was unaware that she had to make two separate motions. Due the number of issues involved, she thought she could make one motion to cover the agreement, as well as the costs. Therefore, she made a motion to accept the license agreement, because there are so many issues involved. If the \$527,000 is the amount amended and voted upon, that should be accepted. This is not what she wants or intended, but she must take the attorney's advice. If that is the only alternative at this point, she is willing to do that.

Mr. Willard believes a vote can be taken, as amended, though she needs to call the motion which is the license package and the \$527,000.

Mr. Workman asked the city solicitor if he changed his amendment and moved to amend the motion by replacing the \$800,000 with \$527,000 and then added the acceptance of the draft, would that be proper. Mr. Willard said that Ms. Wilson made a motion to accept the license agreement and if there is a second, it should be voted on. If there is no second, then it dies.

Ms. Wilson moved that the license agreement be accepted, seconded by Mr. Kramlich.

Mr. Morrow asked if that includes the fee and Mayor Rogers said no. Mr. Brooks confirmed the motion does not include the parking lot.

Ms. Wilson explained that includes everything outlined in the license agreement which council has in their packets. It addressed the usage of the facility, the grounds, gymnasium and pool. Mayor Rogers noted that the motion was previously seconded by Mr. Kramlich.

Mr. Willard noted the three issues in this matter—the \$800,000 contribution, \$300,000 property exchange which is off the table and the license agreement which Mr. Emory, Mr. Krupanski and Mr. Willard negotiated and allows parks and recreation to have an agreement and partnership with the boys and girls club to use the facilities, etc.

Mr. Willard referred to the second agreement which allows the boys and girls club to use the athletic fields.

Motion carried by the following 7-0 unanimous roll call vote:

Yes-Brooks, Morrow, Starling, Wilson, Ambrose, Kramlich, Workman

Mr. Kramlich then moved that \$527,000 be given to the boys and girls club to meet the obligations of the extended request by parks and recreation.

Mr. Workman then seconded Mr. Kramlich's motion. Mayor Rogers called for questions. Ms. Wilson then asked if a separate motion needs to be made on each issue. Mr. Willard stated no, the license is a separate issue. This is only being done twice so that it can be broken out because of the way it was done the first time with the amendment.

Mr. Willard said that Ms. Wilson made a motion on the license agreement and she did not feel comfortable making a motion on the entire packet. He feels it is wise, because it is not clear, to consider the \$800,000, though the motion on the table is to contribute \$527,000 which was seconded by Mr. Workman.

Mr. Starling asked if a motion can be made that additional study be done without voting on either one of these and not consider the \$527,000 or the \$800,000. Mayor Rogers explained the motions would have to be withdrawn.

Mr. Willard stated that because the motion has been made and seconded, that is an appropriate question for discussion. Mayor Rogers said that questions can be asked if council is uncomfortable and asked Mr. Starling to explain why.

Mr. Starling asked if he could make a motion to table this until more study is done. Mr. Willard said that because the motion has been seconded, the motion should be voted on though Mr. Kramlich can withdraw the motion and consider Mr. Starling's motion to table is a possibility. Currently, there is a motion on the table which was seconded which allows for discussion followed by a vote.

Mr. Starling asked the difference when Ms. Wilson made the first motion for the \$800,000. Mr. Willard agreed it was not clear. His advice now is to break out the issues and the license package which was voted on. Now there is a motion for \$527,000, which has been seconded and needs to be voted on. If Mr. Kramlich wants to withdraw that motion for further reconsideration or to table it, that is up to Mr. Kramlich.

Ms. Wilson said that if they vote no to the \$527,000, will that mean the boys and girls club will not get anything. It appears they are being forced to vote yes to the lesser amount because the majority has already said \$527,000. Mr. Willard says it depends on the vote.

Mr. Starling confirmed that if this is approved, the \$800,000 can no longer be considered and all the work that went into this no longer matters. Mr. Willard said that must be the decision of council. Though it is not clean, council understands the issues before them and agrees that in the spirit of this partnership the city will provide the license agreement. Now the contribution issue should be addressed.

Mr. Starling then suggested providing half of the difference between the \$527,000 and \$800,000 and asked if he could make another motion to amend the previous motion. Mr. Willard said that is when the confusion occurred during the first vote.

Mr. Willard asked for council to proceed with the vote and recommended council state a reason why they are voting as they do.

Mayor Rogers said there is a motion on the floor that was seconded and again asked for questions.

Motion carried by the following 4-3 roll call vote:

Yes-Brooks, Morrow, Kramlich, Workman
No-Starling, Wilson, Ambrose

Mr. Starling said he wants it clear he is only voting no because he does not agree with the \$527,000 and wants to give them \$800,000 as council originally agreed.

Ms. Wilson votes no and goes back to the time when council made a commitment to give the club \$800,000 and is willing to find the money to benefit the children in the community. She thinks this is a worthy cause and if the parks and recreation department came to council and said this is what they need, out of support and respect to parks and recreation, she feels council should find those funds to make this happen. Mr. Portmann said the funds were obtainable. She knows there will be other causes and programs that these funds will be used for and feels it is appropriate to use it for our children. That is very important to her. She is very sad. To consider the amount of work that has been put into this and not be able to come to a mutual agreement is disheartening. This is a meaningful cause and something to benefit the children in this community for years to come. Therefore, she says no to this motion because she favors the \$800,000 that was originally agreed to in 2005.

Mr. Ambrose votes no for all the reasons Mr. Starling and Ms. Wilson have stated. In addition, city council gave their word for what he feels was \$800,000, and he believes in standing behind his word and votes no because he feels it should be more than \$527,000.

Mr. Kramlich said this was more than four or five years ago. He wishes it had been voted on and council would not have this problem now which has put him in a spot. But it wasn't and he was left to make what he thinks was the best decision. He agrees with just about everything the other council members said. The boys and girls club is definitely worthy and so is parks and rec. He does not think the work was in vain and it has gotten to a point where a contribution will be made, but it is just a difference in opinion about what that amount should be. He feels a little bad in respect to his colleagues because he knows they do not agree. He is sorry and hopes there are no hard feelings. He said he has to vote for his conscience and votes for the \$527,000.

Mr. Workman stated that council is still giving to the boys and girls as was agreed four or five years ago. We are still giving to the boys and girls club who is a great organization. They do well for the children of Milford and the future generation of Milford and he votes yes for the \$527,000.

Mr. Starling concluded by saying that down the road, something will have to be eliminated for the children and he is a diehard for children and has worked with them all of his life. Now, something will be cut out that would have gone into the building or education wise. If that happens later, he would like to see the door left open for them to come back and inform council about what needs to be cut. He again asked if it would be possible for this to be brought back to council. He emphasized that this is taking something away from the children. He said some of the children don't get anything and the schools cannot do it all. He is upset but he is also happy. He has to go along with the flow and is with council 100%, but in a couple of weeks, he hopes he does not see an article in the paper where the boys and girls club cannot get this extra room or something else because of what council has done. He is hoping they will be able to come back and we can find something down the road. He remembers the children and personally has some grandchildren that will attend this club. Other people in here will also have family going out there.

Mr. Krupanski then stated that this is an issue that involves a lot of feelings and emotions and a lot of sincere intentions to do what is right. He said it is unfortunate it has taken this long to get to this point. Construction is well underway and there are signed contracts. Tomorrow, their legal counsels will look to see what obligations they have because they will have to make some cuts in the building. The only option he can see at this point is to somehow reduce their operations and perhaps not do all the things planned and make up for those capital costs. He appreciates Councilman Starling's point. He said once they have had a chance to look at things, if that is the case, he will be back. But he appreciates the intentions of council to do what they believe is right for the community and most important for the kids.

Howard Webb of Cedar Beach Road stated the funding should come out of Milford's general fund. He said if there is

enough electric reserve money to do this, then the rates have been too high and the city should be subject to the public service commission. He would like to help out a little bit, but does not want to help out this much.

City Manager Carmean advised Mr. Webb the final decision has not yet been made.

Mr. Webb argued that it was already said the money will come out of the electric reserves.

Mayor Rogers explained the finance director provided some funding ideas, but presently we are unable to say for sure where it will come from.

Mr. Webb said that if the electric reserves have that much money, it should be going to the improvement project and this money should come from the general fund. He added that if you do not have the money, you must learn to spend what is available.

NEW BUSINESS

Adoption of Resolution/Final Authorization of Borrowing

Mr. Ambrose moved for adoption of the following resolution, seconded by Mr. Kramlich:

WHEREAS, the City Council of the City of Milford, Delaware ("Council") has been advised that up to \$15,000,000 is required to finance the improvements associated with developing new wells, production and treatment facility, storage tower and system mapping (the "Water Project"); improvements to the Fisher Avenue pumping station and the Washington Street pumping station (PS No. 1), infiltration and inflow study and removal projects, and extension of sewer to areas currently not served by public sewer (the "Sewer Project"); the acquisition of land and construction of a new electric substation, and associated transmission line and distribution system improvements, and to complete necessary infrastructure improvements in connection therewith (the "Electric Project" and, collectively, the "Capital Improvements").

NOW, THEREFORE, BE IT RESOLVED, and it is resolved that the City Council of the City of Milford does hereby authorize the borrowing of an amount of money not exceeding \$15,000,000 for the Capital Improvements described in the recital above through the issuance of General Obligation Bonds, Series of 2008 (the "2008 Bonds") and the entering into of a loan with the United States Department of Agriculture (the "USDA Loan"). The average rate of 2008 Bonds shall not exceed 5.0% and the interest rate on the USDA Loan shall not exceed 5.0%. The 2008 Bonds and the USDA Loan shall be secured by the full faith and credit of the City. The 2008 Bonds shall be paid or funded by available revenues of the City. Up to \$4.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Sewer Project. Up to \$5.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Electric Project. The City is authorized to use a portion of the proceeds of the 2008 Bonds to pay costs associated with the issuance of the 2008 Bonds. Up to \$5.000 million of the USDA Loan shall be applied to fund the Water Project.

Motion carried with no one opposed.

Adoption of Resolution/Setting Date for Special Election

Mr. Workman moved for adoption of the following resolution, seconded by Mr. Kramlich:

WHEREAS, the City Council of the City of Milford, Delaware ("Council") has been advised that up to \$15,000,000 is required to finance the improvements associated with developing new wells, production and treatment facility, storage tower and system mapping (the "Water Project"); improvements to the Fisher Avenue pumping station and the Washington Street pumping station (PS No. 1), infiltration and inflow study and removal projects, and extension of sewer to areas currently not served by public sewer (the "Sewer Project"); the acquisition of land and construction of a new electric substation, and associated transmission line and distribution system improvements, and to complete necessary infrastructure improvements in connection therewith (the "Electric Project" and, collectively, the "Capital Improvements").

WHEREAS, the Capital Improvements are expected to be financed through the issuance of the City of Milford's General Obligation Bonds, Series of 2008 (the "2008 Bonds") and a loan from the United States Department of Agriculture (the "USDA Loan").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL AS FOLLOWS:

1. The Council hereby proposes unto the electors of the City that an amount of money not exceeding \$15,000,000 be borrowed to finance the Capital Improvements.
2. The average rate of interest on the 2008 Bonds shall not exceed 5.0% and the interest rate on the USDA Loan shall not exceed 5.0%.
3. The 2008 Bonds and the USDA Loan shall be secured by the full faith and credit of the City.
4. The 2008 Bonds and the USDA Loan shall be paid or funded from electric, sewer, water and tax revenues of the City.
5. Up to \$4.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Sewer Project. Up to \$5.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Electric Project. The City will be authorized to use a portion of the proceeds of the 2008 Bonds to pay costs associated with the issuance of the 2008 Bonds. Up to \$5.000 million of the proceeds of the USDA Loan shall be applied to fund the Water Project.
6. The City Council orders and directs that a Special Election be held in the City of Milford. The purpose of such Special Election shall be for registered voters of the City to vote for or against the proposed borrowing. The Special Election shall be held at the Parks and Recreation Building, 207 Franklin Street in the City of Milford on Saturday, February 23, 2008 during the hours of 12:00 Noon and 8:00 p.m.

Motion carried.

FY 2006-2007 City of Milford Audit

Mr. Ambrose reviewed the audit several times and then met with Finance Director Portmann. He referred to the two government wide statements that report the city net assets and how they have changed. He noted the increases in the net assets which is very positive according to Mr. Ambrose.

He reported there were no exceptions found and the auditors did not identify any deficiencies.

In conclusion, Mr. Ambrose feels this is a good audit and that the city finances are being properly taken care of.

Mr. Ambrose moved for acceptance of the Fiscal Year 2006-2007 Audit as submitted, seconded by Mr. Brooks. Motion carried with no one opposed.

Proposed Historical District Ordinance

City Planner Gary Norris advised council that the City of Milford has three existing historical districts which will be attached to this proposed ordinance. They include the Shipyard District, the Victorian History District (downtown area) and the North Milford Historical District (north of Northeast Front Street). Benefits include tax advantages.

He has met with Mr. Ambrose on numerous occasions to discuss amending the second phase of the historical district. The draft historical preservation regulations would be the second step as is presented in the document. This would allow people to do certain things but major work would need to go before the historical preservation commission.

In regard to exterior architectural features, council is encouraged to read those critical standards.

Mr. Ambrose then stated that this project came as a result of a historic building in town being torn down which the city had no way to prevent though it was in the historical district. This may help other structures from being demolished in such cases. In addition, Downtown Milford is close to becoming a Main Street Community and one of the qualifications

is a historic preservation ordinance must be in place which is why Mr. Ambrose presented this idea to the city planner.

They have discussed this with Brad Dugan and Dave Kenton of the Milford Historical Society who have fine tuned the draft. The highlighted areas have not yet been determined though there were varying opinions.

Mr. Ambrose said this is only an introduction to this resolution and council should make the decision on how restrictive it should be.

Mr. Carmean reported this is on the website for the public to review. Before council will vote on any final ordinance, public input should be taken. Mayor Rogers agrees and will schedule a public hearing at a later date.

Ms. Wilson prefers having some time to review this and will inform some residents who will want to be at this public hearing. She said no one understands how something like this can affect someone until it happens to them. She recalled living through a couple different incidents, one being the time their church was demolished. At that time, the historical society strongly opposed the demolition.

Ms. Wilson also recalled several years ago when her grandfather wanted to renovate his home which was in a historic district though not officially listed as a historical home. There was a great deal of interference. This makes her a little uncomfortable and prefers hearing comments from the public.

Mr. Starling recalls the situation with the church and the opposition from the historical society. He recalled a booklet that was printed and personally attacked his wife who was the pastor of the church. This was in addition to the negative coverage through the media. He hopes this ordinance will prevent future situations like that from occurring again.

Mr. Workman asked if this will only apply in the city. He said that if there is a historical house and you are in the historical society, they have their own rules though he is unsure if that is part of the United States or local counties. He said that may be different rules they may have to deal with.

When asked if this would supersede the state historical society rules, Mr. Ambrose said he is unsure if the state has their own rules. He said if you seek historic designation on a national level, you are committed to following those very stringent rules. But that is a very long, involved process. This is not the same. They reviewed a number of ordinances and some allowed the commissions to dictate the color of the house. But that is not the intent of this ordinance.

Mr. Ambrose said this commission will offer assistance to residents. Someone who owns one of these houses will now know how to deal with these issues because these commissioners will give them advice. This will be as least intrusive as possible.

City Planner Norris explained that whenever federal money is involved, you go through that process. He also shares concerns of council and having come from Pennsylvania, there are many historic areas who have adopted very rigid rules. But the town he came from did not feel comfortable going to that second step. They had speakers come in from Washington, D.C. and elaborate on how great it was, but the governing body had the same concerns as Mr. Ambrose alluded to.

Mr. Willard said that council is able to have public hearings to discuss this ordinance, but recommends this be referred to the Planning Commission for a hearing for public comment and their recommendation as well. He said Delaware Code somewhat dictates that process.

Brad Dugan then addressed council stating this began when the Sapp house was demolished on Front Street which had a great deal of history and was from the early 1700's. He offered to purchase the home but was refused. He said at some point and time, it is important that the history of these houses belong not to the people who live here, but to the community. He stated that his home, which is 112 years old, has his name on the title, but feels he does not own it and is only the caretaker at this time. He hopes it will be there long into the future. He doubts if any of the new homes being built today will be there as long as his home will.

Mr. Dugan feels that some sort of preservation or protection needs to be involved in these historic districts. He also does not agree with the paint mandates required by other towns. That is where a restorationist, like himself, butts heads with a preservationist. He noted that many of these places have survived through history, though they have somewhat adapted to modern living. It is possible to have a historic structure, listed in the historic district, and have it perfectly comfortable and livable to a modern standard without altering the character of the architecture.

He advised that many of these homes date back to the shipyard dates, and are rotting and falling in on themselves. Many of these homes could be preserved for future generations.

The city planner will continue work on the draft to be brought back for later discussion before council.

Green Energy Program/Grant Request/Don Keen on behalf of My Bambino

Mr. Ambrose moved that Green Energy Funds be reserved in the amount of \$9,600 for Don Keen on behalf of My Bambino, seconded by Ms. Wilson. Motion carried.

Appointment of Special Election Board, Presiding Officer and Election Clerks fo 2008 Special Election

Mayor Rogers presented the following persons for appointment to the Special Election Board for the February 23, 2008 Special Election:

| | |
|------------|-------------------|
| Head Judge | Tammy Mallamo |
| Judge | Joanne Leuthauser |
| Judge | Phyllis Fox |
| Clerk | Donna Merchant |

Mr. Kramlich moved for approval of the appointments as submitted, seconded by Mr. Workman. Motion carried.

2008 City of Milford Residential Survey

City Planner Gary Norris informed council a survey has been developed to gather input and to meet the public requirement for the proposed comp plan. Copies are available at the City Public Works Facility and Milford Public Library. It will also be available on the city web site in a few weeks.

Mr. Norris will report back to council with the compiled information.

The city manager then advised that he met with the economic development group. He reported that the next comprehensive plan will include a catch phrase 'Milford-a great community to live, work, shop and play'. He feels it covers the four areas that will meet the needs of citizens in this area. The future goal is to make this community a place where you can do it all.

City of Milford Planning Commission Appointments

Mayor Rogers advised he will not make any new appointments this evening because the next planning commission meeting is tomorrow night and feels it would be unfair to any new appointees. He informed council that a new procedure has been put in place.

Mr. Norris reported this is a new questionnaire that needs to be completed providing some basic information. The form is on line for anyone who is interested in serving.

Mayor Rogers said there are several interested candidates. In addition, both Mr. Ambrose and Mr. Workman have provided names to be considered.

Mayor Rogers asked for questionnaires to be returned as soon as possible in order to make the appointments at the next

meeting.

The openings are in the second and fourth ward.

Mr. Kramlich asked that the potential applicants be present at the next meeting for questions from council.

Once the election is over, Mayor Rogers plans to realign the wards to keep them balanced particularly considering how large Ward 1 has become.

Mayor Rogers then commended former Planning Commission Chairman Randy Marvel for his years of service to the city. He hoped Mr. Marvel would reconsider his resignation though he has not as of this time. He was a valuable person to the city and did an excellent job.

Finance Report

Mr. Ambrose advised that through the fifth month of Fiscal Year 2007-2008 with 42% of the year having passed, 48.5% of revenues have been received and 37.8% of the operating budget expended.

After a brief review of the report, Mr. Ambrose moved for approval of the November report, seconded by Mr. Kramlich. Motion carried.

Executive Session

Motion made by Mr. Kramlich to go into Executive Session reference a personnel matter, seconded by Mr. Workman. Motion carried.

Mayor Rogers recessed the council meeting at 9:15 p.m. to go into Executive Session to conduct a discussion regarding a personnel issue.

Return to Open Session

City Council returned to open session at 9:40 p.m.

Mayor Rogers advised that a personnel matter was discussed and a decision was not made but will be made at a later date.

Adjourn

Motion to adjourn the Council Meeting at 9:41 p.m. was made by Mr. Brooks and seconded by Mr. Morrow. Motion carried.

Respectfully submitted,



Terri K. Hudson, CMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 14, 2008

A Public Hearing was held before Milford City Council on Monday, January 14, 2008 in the Meeting Room of the Delaware Rural Water Association Facility at 210 Vickers Drive, Milford, Delaware to consider \$15,000,000 which is required to finance the improvements associated with developing new wells, production and treatment facility, storage tower and system mapping (the "Water Project"); replacing the Fisher Avenue pumping station, removal and flow diversion from the Washington Street pumping station (PS No. 1), infiltration and inflow study and removal projects, and extension of sewer to areas currently not served by public sewer (the "Sewer Project"); the acquisition of land and construction of a new electric substation, and associated transmission line and distribution system improvements, and to complete necessary infrastructure improvements in connection therewith (the "Electric Project" and, collectively, the "Capital Improvements").

*\$15,000,000 (exclusive of original issue discount) be borrowed to pay for the costs of the Capital Improvements and to pay the costs associated with the financing. The borrowing is expected to be accomplished through the issuance of the City's General Obligation Bonds, Series of 2008 (the "2008 Bonds") and a loan from the United States Department of Agriculture (the "USDA Loan").

*The average rate of interest on the 2008 Bonds shall not exceed 5.0% and the interest rate on the USDA Loan shall not exceed 5.0%.

*The 2008 Bonds and the USDA Loan shall be secured by the full faith and credit of the City.

*The 2008 Bonds and the USDA Loan shall be paid or funded from electric, sewer, water and tax revenues of the City.

*Up to \$4.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Sewer Project. Up to \$5.500 million of the proceeds of the 2008 Bonds shall be applied to fund the Electric Project. The City will be authorized to use a portion of the proceeds of the 2008 Bonds to pay costs associated with the issuance of the 2008 Bonds. Up to \$5.000 million of the proceeds of the USDA Loan shall be applied to fund the Water Project.

PRESIDING: Honorable Mayor Joseph R. Rogers

IN ATTENDANCE: Councilpersons Irvin Ambrose, John Kramlich, John Workman, Clifford Crouch,
Douglas Morrow, Owen Brooks, Jr. James Starling, Sr. and Katrina Wilson

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

COUNSEL: Solicitor Timothy Willard

Mayor Rogers called the Public Hearing to order at 7:00 p.m.

Assistant City Manager Baird presented the following Power Point Slide Program detailing the \$15 million borrowing proposal for water, sewer and electric improvements: