

MILFORD CITY COUNCIL
MINUTES OF MEETING
September 14, 2020

The City Council of the City of Milford convened their regular meeting by way of a video conferencing website on Monday, September 14, 2020. The meeting was available for public view and participation as permitted.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilmembers Daniel Marabello, Mike Boyle, Andrew Fulton, Todd Culotta, Brian Baer, Douglas Morrow, Jason James Sr. and Katrina Wilson

STAFF: City Manager Mark Whitfield, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

In an effort to adhere to social distancing protocols and best practices imposed by Governor John Carney's State of Emergency Declaration effective March 13, 2020, the City of Milford has canceled all public gatherings until further notice. See September 14, 2020 Council Meeting Agenda for additional information.

CALLED TO ORDER

Mayor Campbell called the meeting to order at 7:06 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance, followed the invocation was given by Councilmember Wilson.

APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes from the August 10, 2020 Council Meeting and the August 10, and August 24, 2020 Workshop Sessions. Motion to approve made by Councilmember Boyle, seconded by Councilmember James. Motion carried.

RECOGNITION

Introduction/Public Works Director Mike Svaby

City Manager Whitfield was pleased to later introduce Mr. Svaby who was hired as the City's new Public Works Director and comes with a great deal of experience and knowledge.

The Public Works Director stated that today is the beginning of my third week of employment. He continues to meet people and put faces with names and functions. He finds there are quite a few very talented committed people in Milford that always makes the job better and are able to accomplish more goals as a result.

He is looking forward to diving into some exciting assignments in front of me and is excited about the opportunity to work for the City of Milford.

Mayor and Council then welcomed Mr. Svaby.

Tribute 2020-15/Honoring Former Joseph Ronnie Rogers

Mayor Campbell acknowledged the recent death of Former Mayor Rogers and his contributions to the City of Milford.

TRIBUTE 2020-15

Honoring the Life of Former Mayor Joseph Ronnie Rogers

WHEREAS:

A lifelong resident of the City of Milford, Mayor Joseph Ronnie Rogers first became a public official when he was elected as a Council Representative in April 1972; a seat he held for the next ten years; and

Recognizing his leadership skills and ability to engage with residents and business owners, in 1982 those same people supported and elected Mayor Rogers to serve in the distinguished role of Mayor of the City of Milford for an unprecedented 15 terms until May 2008 and again in May 2010; and

While this milestone in his political career makes him the longest serving Mayor in the State of Delaware, his real allegiance was always to the people he served and his desire to make Milford the best city in the world; and

Because of serious health concerns, in May 2014, Mayor Rogers made the gut-wrenching decision to step down from the Office, leaving his beloved City a legacy of fiscal responsibility, forward-looking development and strong and able leadership; and

In honor of his immeasurable contributions and milestone, City Council ordered the Council Chambers of Milford City Hall to be permanently named the 'Joseph Ronnie Rogers Council Chambers'; and

During his reign of more than forty years of public service, Mayor Rogers played an integral role in the expansion, development and improvement of this City, numerous buildings and parks, his name engraved on the plaques of almost every public building in this City as a reminder; and

The community is grateful for the visionary leadership of Mayor Rogers, who during his tenure as a public official in Milford, worked with local, state and federal officials to ensure the development, construction and completion of a new Milford Police Department, Carlisle Fire Department, Parks and Recreation Office, Mispillion River Walkway Project, Milford Public Library, Public Works Facility, Greater Milford Business Park/Independence Commons, Downtown Milford Revitalization, City Hall Renovation and vastly improved infrastructure and utilities; and

Preceded in death by daughter Linda and son Kevin, Mayor Rogers sadly passed on August 30, 2020, leaving behind his loving and devoted wife Ruth, son Joseph R. II and Ann Rogers; stepchildren, Kenneth Pennington, Kathy and Greg Page, Debra and Robert Bosco, Pamela and John Mancuso; 14 grandchildren; and 30 great-grandchildren. Also surviving are his adoring sisters Joyce Cline, Barbara Moore and husband Bob, a brother Wayne Rogers and numerous nieces and nephews, all of whom we thank for sharing and allowing him to serve and better this community.

NOW, THEREFORE, BE IT RESOLVED, that I, Arthur J. Campbell, Mayor of the City of Milford, on behalf of the members of Milford City Council and this community, hereby record its deepest and abiding gratitude and the appreciation of its residents to the Honorable Joseph Ronnie Rogers and his family, for the meritorious service rendered to the City of Milford throughout his triumphant life, thus extending our heartfelt sympathy for the loss of this cherished man who left us all with many wonderful memories. Until we meet again.....

AND BE IT FURTHER RESOLVED, THIS TRIBUTE, signed by the Mayor and City Clerk, on behalf of the entire City Council, is hereby presented to the family of the Late Honorable Joseph Ronnie Rogers, as a testament to his untiring efforts, well-earned admiration and friendship by all associated with him.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford, in the State of Delaware, to be affixed this Ninth Day of September in the Year of our Lord 2020.

The tribute will become a permanent record of the City of Milford.

STAFF REPORTS**MONTHLY POLICE REPORT**

Police Committee Chairman Boyle highlighted the department's activities included in Chief Brown's report for August:

Monthly Stats:

A total of 327 arrests were made by the Milford Police Department during August 2020. Of these arrests, 112 were for criminal offenses and 215 for traffic violations. Criminal offenses consisted of 6 felonies and 106 misdemeanors. Traffic violations consisted of 36 Special Duty Radar, 7 Drunk-Driving charges, 172 other.

Police officers investigated 46 accidents during the month and issued 77 written reprimands. In addition, they responded to 1152 various complaints including city requests and other agency assistance.

Due to COVID-19 Pandemic stats are extremely lower than normal.

Monthly Activities:

Throughout the month of August, participated in numerous conference calls and virtual meetings in reference the COVID-19 and the Governor's Emergency Order for the State of Delaware. This includes weekly Fire and Police conference calls, calls with the Governor, monthly State and Sussex Chiefs meeting, and Municipalities of Sussex Co. conference call and numerous call with City Government Officials, the City Manager and the public.

Attended Pinning Ceremony for Chief Harvey of the Milton Police Department held on August 5, 2020.

Met with Jalen Powell and Mayor Campbell to discuss police and community relations on August 5, 2020.

Participated in DE Police Chiefs Council Police Reform Meeting held via Zoom on August 6, 2020.

Participated in SALLE/EIDE Grant Meeting via Zoom held on August, 11, 2020

Attended a What's New in Police Vehicles 2021 webinar held at the Police Department on August 17, 2020.

Met with Mayor and Attorney General in Wilmington on August 18, 2020, to discuss the investigation findings of police involved shooting and the release of the investigation report and the body camera footage to the public.

Toured the Wellness Center with the Mayor on August 18, 2020.

Participated in DE Police Chief's meeting in reference to the Law Enforcement Accountability Survey via Zoom held on August 25, 2020.

Training –

One officer attended IALEFA Master Instructor Development Course held in Pittsburg, PA on August 4, 2020 – August 8, 2020.

All Sworn officers were trained on the new AXON Body Cameras and the new Axon Fleet Cameras during the month of August 2020.

All sworn officers were required to complete a Duty to Intercede training course during the month of August 2020.

Most Training outside the department was cancelled for the Month of July 2020 due to the COVID-19 Pandemic. Officers have been assigned required training via webinars throughout the month.

SRO –

S/Cpl. Bloodsworth and S/Cpl. Stanton both attended the "Badges and Basketball" event held in Georgetown. This event was hosted by Schell Brothers, Delaware Elite Hoops, and Got To Be A Better Way Foundation. This was a community unity event that we're already looking forward to participating in next year. The following is an article with more about this event. <https://www.capegazette.com/article/badges-and-basketball-slam-dunk-georgetown/207314>

Sgt. Masten has begun promoting Neighborhood Watch on our social media pages. We have several watches who have been assets to our mission and we hope to expand that to other neighborhoods in the City.

Foot Patrols have continued in August with a concentration in the downtown area and the Mispillion River Walk.

Sgt. Masten, S/Cpl. Bloodsworth, and S/Cpl. Stanton all attended a community cook out at Mispillion Apartments. Sgt. Masten has reached out to several apartment complexes to volunteer out help with similar events since our Milford's Night Out was cancelled this month due to Covid restrictions.

The date for the 2021 Milford's Night Out will be Tuesday, August 3rd.

K9 Unit –

For the month of August 2020 the Milford Police Department K9 unit had the following stats:

K9-1 (Mason)

- Foot Patrols 2
- Building Search 2
- Demo 1
- Area Search 1
- Drug Sniff 1
- Assist Other Agency 1
- No Bite Apprehension 1

K9-2 (Audie)

- Foot Patrols 2
- Building Search 2
- Demo 2
- Area Search 2
- Drug Sniff 2
- Assist Other Agency 0
- No Bite Apprehension 1

Seized Items

- | <u>Seized Items</u> | <u>Amount</u> | <u>Value</u> |
|----------------------------|----------------------|---------------------|
| • Other | Drug Paraphernalia | |
| • Marijuana | 8.93 grams | |
| • Oxycodone | 4 doses | |

Due to the COVID-19 Pandemic stats for the K9 Unit are lower than usual for the Month of August 2020.

Mayor Campbell pointed out that Chief Brown remains very busy. Chief agreed stating he is slowly moving his employees back to normal operations and expects the statistics to be back to normal in September.

Councilmember Marabello moved to accept the police report, seconded by Councilmember Wilson. Motion carried.

CITY MANAGER REPORT

City Manager Whitfield referenced his report in the packet and commented on a couple highlights. He noted that number of building permits have actually doubled from this time last year. Activity continues to increase in the building and renovation area within the town, which is very positive outlook overall.

The other significant increase involves trash. As he has previously reported, the amount of trash remains much higher when compared to previous years and should be attributed to the number of people that are staying at home.

City Manager Whitfield added that he also wanted to comment the Electric Department who was extremely busy throughout the month of August. They did an outstanding job they, especially considering the increased number of poles that have had to be replaced this year.

Councilmember Wilson also thanked the City Manager for making arrangements for a recent bulk pickup request.

He noted that most was due to storm damage, including the most recent that came through just prior to Labor Day and will be reported in September.

In addition to that work, they also spent a great deal of time the City of Dover by helping their customers have power restored and caused by the tornado damage in August.

Councilmember Wilson also thanked the City Manager for making arrangements for a recent bulk pickup request. Councilmember Morrow moved to accept the City Manager report, seconded by Councilmember Boyle. Motion carried.

MONTHLY FINANCE REPORT

Finance Chairman James announced that Finance Director Lou Vitola will be reviewing the monthly report henceforth. However, he will give the chairman's report in the form of a statement and wants to keep everyone informed of the changes taking place.

He complimented the City Manager on the excellent hire with Mr. Vitola. He met with him and the City Manager last week relative to the direction of the finance department going forward and amount and types of financial information that will reported to council and disclosed to the residents as a whole

Chairman James emphasized that financial transparency is one of his pet peeves and council has been asking for improvements in the financial reporting that council and the public received. He is pleased to announced we are the beginning of that change.

He referenced the report in the packet which looks much different and cleaner. It is easier to read and provides a bridge from the change of the previous month to the reported month. It includes more financial metrics, including changes within the impact fees and other funds.

The chair is very pleased the finance team is continuing to work on enhancements that will provide more cash flow-type information (inflow/outflow) for transparency purposes. He wants council to focus on the information needed to make decisions based on good faith in moving forward though that will take a little time.

He may make an opening statement on a certain item should something come to his attention during his review though he will continue the dialogue between the Finance Director and the City Manager and as he finds things, will ask questions to correct any items before the finance report is released in the packet. Other things, he will continue to highlight, but beginning tonight,

Mr. Vitola will be attending every council meeting to provide the financial presentation.

Mr. Vitola then stated that while he also wanted to change the presentation of the finance report, though not too much, too fast, though he wanted the numbers and columns to remain somewhat familiar.

He noted the change in the page numbers that will coordinate with each major funds.

Mr. Vitola then reported the following:

The cash and investment balance roll forward because it's really taking last month's ending balance, which is tied to the previous month reports, and just show receipts and disbursements, as well as the interest earned to arrive at the new ending balance.

The title was changed to Financial Reporting Package.

Page one is what he refers to as the cash and investment balance-roll-forward. It called the roll forward because it is taking last month's ending balance, which is tied to the previous month reports, and just show receipts and disbursements, as well as the interest earned to arrive at the new ending balance.

Second, and third, he wanted to note that there were some realty transfer taxes (RTT) that was used in July in support of the sidewalk project.

In the general fund capital reserves, there was over \$400,000 dispersed from that account of which \$413,000 of that was used in support of the reserve-funded police officers. The balance in those amounts are related to the prior years' capital spending. Line 16, the reserve fund cash balances, is where you really get the bridge to the next page that that lets you know those four reserves there are shown in greater detail on the next page (two). It was important to keep all these reserves on one page. He prefers to keep it this way but will add some more significant funding sources including municipal street aid (MSA) and three RTT. They are critical funds used on a variety of the street and other projects throughout the city, in addition to the four capital reserve accounts, general fund, water, sewer and electric, he would like to add the MSA and RTT.

He referenced the live balance line, or what is expected to be collected from the state through the year, and where the funds are committed.

Noted was the small amount of funding available in MSA which means it needs to be left alone until we receive the FY22 allocation and consider those projects that emerge as the most critical priority for the next budget planning cycle.

Mr. Vitola added that the water, sewer and electric funds have the cost of service minimum cash requirement carved out as a need that kind of encumbers or takes away availability from the cash balance.

Something similar will be done for the general fund. It should have the same kind of guidance as to the balance left available in the event of some emergency or some dire need for funding and again, should be left alone.

He wanted to inform council there will be some policy work done and a recommendation will be formed and presented for council review and approval. He anticipates finance committee review, and then with their recommendations, it will be taken to council for their approval.

Referenced was the bottom line in each of the blocks of funds, that should be held for future asset replacement. This is what was formally one the report with a series of question marks to indicate that yes, there is some uncommitted reserve balance, but that is not taking into consideration there may be some additional assets that will need to be improved or replaced in either the five-year capital plan, or even longer. Those are items or projects that have not been estimated or identified. As items are identified, they will begin to populate that those two rows.

The Finance Director emphasized there is always a need to consider more items that could be a pressing need that funding is needed in either the out years of the five-year capital plan.

Page three is a revenue report very similar to the existing report. Showing how much of the year has elapsed and the year to date received of revenues as a function of the total budget. Row 16 titled total general fund revenue shows the city at 4.9% of the \$11.1 million annual budget, which is short of one-twelfth of the year. However, that will jump in August, once the entirety of the property tax billing is reflected.

The utility revenues on the other hand are outpacing the budgeted revenues. Line 26 total combines general and enterprise fund revenues, is at 8.5% which is roughly on pace in terms of revenue collection.

Some categories were found to be over and some are under.

The next section, consisting of three pages, has been modified or revised today. The only thing that changed is on page three of three or six of seven, electric funds transfer to the general fund. That was mistakenly lumped into the O&M line. The second line 79 appropriately shows the \$2.5 million dollar transfer to the general fund, previously lumped into the first line 79, which was a formula error.

That was corrected today and uploaded to the packet though in total, the number was captured. The one 12th will be just manually transferred to the general fund as each month goes by so we're right on target.

Nothing really jumps out at expenses, as was just reviewed during the finance committee meeting.

With the uncertainty surrounding operations and revenues resulting from the effects of Covid19, departments are on notice not to spend too aggressively whether or not there is a budget allowance. Departments will continue to mitigate their spending habits to the best extent they can in an effort to watch the year's revenue profile unfold.

The last page is the inner service expenditures which show the departments that really exist to provide services across other city functions. They are funded entirely by other government and enterprise fund activities. These departments are not revenue generators, and are purely cost centers, if you wanted to call them that, in the private sector.

The revenue from those other departments is used to offset expenses at budget time. Things like personnel and the O&M required to run these departments that rates and property tax levies have to be set accordingly in order to cover all expenses as well as others. The bottom line 28, is the net inner departmental costs. That is the only change made to this report to reflect the fact that that total of almost \$ 3.2 million in budgeted expenditures, or just for the year to date \$167,000 in expenditures was met entirely by other departments, so that the net budgetary impacted zero and the expenses are absorbed by revenue generating departments.

He stated that if there is some way to communicate at a summary level the financial picture of the city from one month to the other, that will help council and allow less time reviewing this component of the package every month, he is willing to work with Mr. Portmann and the City Manager to make any recommended changes.

Councilmember James said he ask Mr. Vitola to do a just a couple more things and keep these things at a high level. One of the things that was asked before and he started doing just a month ago, was to include the total net available cash after restrictions. cost of service results and early bond redemption. In July, that amount would have been \$10,288,933. Though it is up to the new Finance Director, this may not be a separate sheet or graph. That can be included in a summary or footnote, that would be very helpful.

The other thing he and Mr. Vitola discussed was to show a change, maybe not in detail with every line item, in the restricted funds from one month to the next.

There were also items removed and some added, and maybe some corrected, the change from June to July was \$114,021, though that is a combination of things. The total net change of net available cash was a decrease of \$512,256.

Also discussed was to do some forward-looking information. Perhaps what the financials would look like you know at ten months or are there changes we know are going to take place. This could provide a better projection on what the end of year will look like.

Finance Chairman James said these will not occur overnights, but are informative and meaningful to council when making a decision about spending.

When asked about unrestricted funds, Mayor Campbell asked if that amount is \$4,900,000.

Councilmember Boyle said that though he is not a financial expert, this report is much easier reading and makes a lot more sense. He thanked Chairman James and congratulated Finance Director Vitola. Councilmember Marabello concurred with the comments noting that he no longer has to total all the accounts each month.

He then pointed out there are missing line items related to capital reserves and other utilities and specifically the whole future asset replacement and the future fund balance policy. He asked when to expect some of those numbers; Mr. Vitola commented that for lines 14 and 26, hold for future asset replacement, that will be an iterative process with the City Manager and the department directors. It will probably be throughout the upcoming budget cycle. At this point, he is unsure what can be produced on those two lines for a long time.

He would like to do some research and use some resources from GFOA in connection with maybe the presentation of the audit in early December for a fund balanced policy. It is not going to be a reinvention of the wheel, but does have to build in Milford operations, expectations and appetite for basically holding reserves almost as an insurance policy. He will need to look cost of service studies and some guidelines, but hopes to have something with 60 or so days.

Chairman James asked council to remember that we need to be careful with, though the cost of service studies, takes into account the replacement costs of assets due to depreciation, which is part of that calculation. He wants to make sure that we don't double count in the asset replacements. That includes even large items that may require borrowing or be paid from reserves like a \$10 million water tower. All of that should be taken into consideration.

Mr. Vitola agrees and will be looking at existing infrastructure depreciation and replacement costs for the general fund only. However, he believes those things have already been accounted for in the cost of service study across the enterprise funds and will not be double counted.

Mayor Campbell talked about the transfer of funds for the new police station and asked the amount.

Chairman James said that is part of the \$2.5 million electric department transfer in the report. Mr. Vitola pointed out that transfer is strictly for general fund O&M.

Mr. Vitola is asking if the question is related to a transfer from the electric funds to assist with the costs of the new police facility, he is unaware of such funds or the intent.

Chairman James agreed there was no money authorized to transfer into that project.

Mayor Campbell expressed concern about another 7% increase in the cost of the building and more money will be needed.

City Manager Whitfield said he has not been given any of those numbers and Mayor Campbell reported that the original \$18.5 million has been increased by 7%. Mr. Vitola asked why the 7% escalator and Mayor Campbell reported that is the estimated construction cost due to the additional time that has passed.

A discussion followed though Chairman James asked if we have received a new estimate and recommends Chief Brown obtain a fresh cost estimate.

It was suggested that be addressed by the next police committee scheduled in September.

Councilmember Morrow agreed a status report is need. Mayor Campbell suggested Becker Morgan Group be contacted for the information.

City Manager Whitfield pointed out this is not on the agenda and he is asking that Chief Brown be given some time to prepare some future meeting this can be discussed.

Chairman Boyle moved to accept the July 2020 Finance Report, seconded by Councilmember Wilson. Motion carried.

COMMITTEE/WARD REPORTS

Speeding Complaint

Councilmember Culotta reported that he has received at least two complaints from residents about speeding on South Walnut Street, particularly between Kings Highway and Jefferson Street near the area of the railroad tracks. He asked that the speed sign be moved closer to this area in an attempt to slow drivers down, in addition to more police presence, as he has actually witnessed some pretty aggressive driving in that area.

4th Ward

Councilmember James thanked Chief Brown for the great job he is doing in the 4th ward. But he has received complaints of too much wrong activity in the area though he does not have a lot of information. However, he has seen change in the North Street area and it has improved.

South Overpass Traffic

Mayor Campbell also asked for some additional enforcement where drivers exit off the overpass onto South Rehoboth Boulevard south of Shawnee Acres and the Meadows at Shawnee.

When asked for an update on the cemetery grass cutting complaints, Mr. Whitfield advised that P&R Director Brad Dennehy is in contact with the contractor and did review the terms of the contract. It requires a 30-day notice for non-compliance to terminate. The contractor assured us he is going to fulfill the requirements for the remainder of the year. We will continue to

monitor those activities, and once we give him the 30-day notice, then we would be taking over those duties for the remainder of the year.

We will also be adding a performance bond that we can cash in on, should we have a contractor that fails to perform the duties they're contracted to.

Old Shawnee Road

Councilman Fulton reported he had received a complaint about a property that was forwarded to the City Manager and thanked him for taking care of it.

COMMUNICATIONS & CORRESPONDENCE

Solicitor Rutt reported that late this afternoon, he was speaking with Derek Parker who is a builder/contractor. He most recently built some houses over in the area of Calvary Church and the Country Corner Market. He commented on how easy it was to do business with Milford. He had high compliments on the Planning Director and the City Administration. He specifically singled out a couple of other towns where he found it very difficult to do business. And he looks forward to doing business in the City of Milford going forward.

The Solicitor said he will be building a duplex on North Church Street and plans to buy some older homes and vacant lots which he will redevelop. In light of some past comments over the past few months, he thought that everyone would be interested in hearing that from someone who is willing to invest in Milford and is excited do business in Milford.

Council thanked Solicitor Rutt for bringing those comments to them.

UNFINISHED BUSINESS

No items.

NEW BUSINESS

Authorization/Clarke Avenue Realty LLC (Nationwide Healthcare)/Economic Incentive Agreement
Authorization/ Clarke Avenue Realty LLC (Nationwide Healthcare)/Electric Services Agreement

Mayor Campbell shared that the Ward 2 councilmembers and he recently toured the Nationwide Facility. City Manager Whitfield then referred to the two agreements in the packet in the name of Clarke Avenue Realty LLC, which is also known as Nationwide Healthcare, who is the owners of the former Milford Memorial Hospital at 21 West Clarke Avenue.

The Economic Incentive Agreement provides incentives for both job creation by providing for a reduction in water and sewer impact fees, provided that construction is completed within three years. However, because of the present pandemic, there is a provision in the Code that allows the deadline to be extended if warranted.

Additionally, the Economic Incentive Agreement includes a City real estate tax abatement for ten years for all unleased/unused portions of the former hospital. The tax abatement for the entire hospital will be for a minimum of two years, commencing on the date of acquisition, and any leased/used portions of the hospital will have an additional abatement for one year, commencing on the date of the lease or use. Currently, the hospital has about 25% of their square footage leased and they anticipate having another 50% leased before the end of this year. Within a year, he anticipates we will be at the point of when they begin paying taxes on those leased areas.

As part of this agreement, Nationwide will withdraw their 2019 appeal on the assessed tax value of the former hospital. The Economic Incentive Agreement is for only the 21 West Clarke Avenue property only (former hospital building), and does not include any of the ancillary properties/buildings included in the sale from Bayhealth to Nationwide.

Because of the large electrical load, the City typically enters into an Electric Service Agreement with such customers. The Electric Service Agreement proposed for Clarke Avenue Realty, LLC (Nationwide Healthcare) mirrors the agreement executed with Bayhealth for their new campus.

Councilmember Todd Culotta stated that he recently spoke with the management of Nationwide Healthcare. What is presented tonight is the result of the hard work that the City Manager, along with Solicitor Rutt, have put in and resulted in a business-friendly agreement that will be vital to Milford.

The Nationwide organization and their associates are expecting to invest a minimum of \$18 million in addition to the 200 new job opportunities at that site. He feels this will have a very positive impact on the City, as well as downtown Milford.

He then thanked City Manager Whitfield adding this is what is exciting about being a councilmember. Councilmember James concurred with Councilmember Culotta's comments.

The City Manager then reviewed the terms of both agreements.

Councilmember Fulton moved to authorize the execution of the Nationwide Healthcare/Clarke Avenue Realty, LLC Economic Incentive Agreement, seconded by Councilmember Culotta. Motion carried.

Councilmember Fulton moved to authorize the execution of the Nationwide Healthcare/Clarke Avenue Realty, LLC Electric Services Agreement, seconded by Councilmember Wilson. Motion carried.

Authorization/Kent Economic Partnership Agreement

The City Manager noted that the current KEP agreement with the city expires on October 31 of this year. As part of that agreement, the city provides \$30,000 for services provided by the partnership related to economic development. This agreement also allows one seat on the KEP Board of Directors that is presently filled by councilman Councilmember Morrow. Council to being asked to consider whether or not to pursue this relationship with KEP or instead handle such services in house as has been discussed in the past. The city has not seen many results from KEP in terms of new business or industry. And while such results can often be slow, it must be decided if the \$30,000 could be better spent with a more local focus, rather than through a countywide organization.

A staffing study was recently completed and one of the needs identified was for a focus on the city's economic development activities. The city obviously will continue to work with the Delaware Prosperity Partnership who serves a similar function in terms of the business and industry recruitment and marketing at the state level.

For the reasons stated, it is the recommendation that Council consider not entering into a new agreement with KEP. Mayor Arthur Campbell then provided a brief history of the relationship. It was confirmed the City has provided a total of \$60,000 over the past two years.

Councilmember Boyle said he has been a strong supporter for the past two years. However, he is still not seeing things happen here and instead their focus seemed more central to the area south of Dover with no interest going as far south as Milford. He does not see a future with the organization in Milford.

Councilmember James said everyone is familiar with his position on spending the money, but thinks that at this point, with the number of new houses being built here, that more services, entertainment and retail is needed in Milford. Someone needs to go out solicit for us and let people know we are open for business.

He thinks it would be better administered in house, versus on the outside.

Councilmember Wilson recalled the last time they came before Council at which time many concerns were expressed. Council was very reluctant to approve the \$30,000 so she hopes this does not come as a surprise. She recalled one business they were involved with, though that deal ended up falling through. She emphasized that Milford is a good town and emphasized the importance of promoting this town and believes it is growing in the right direction on its own.

When asked for comments from Councilmember Morrow, because of his position on KEP's board, he said they have only had one meeting. He said they have done some work with Nationwide Healthcare, but there is nothing in the works right now. He was enthusiastic to work with them. However, his two cents is for economic development purposes, we need to be involved in everything that is out there. A lot of things aren't going to show up and a lot of things aren't going to pan out. But not

participating loses any opportunity though he is willing to go along with anything the majority of Council decides to do. Though he would like to see it move forward, he cannot deny it is a slow mover.

Councilmember Culotta said what this boils down to, is whether or not the city is getting value for our money and regardless of it is \$30,000 or \$300,000, every dollar counts. He said we really have to get on the horse and become our own business development advocate and look at what is available to us. We want feelers out, but we also have to pay attention to our budget. It is a matter of are we getting value for this money.

Councilmember Morrow asked that KEP Executive Director Linda Parkowski speak.

Executive Director Parkowski said she understands all the comments that have been made. She wants Council to understand that the KEP is the one that got the education portion into Nationwide and they set up all the meetings. They are also working on the Rockport 2.1 study where Milford would have had to go out and get their own economic analysis study done. Instead the KEP, along with Milford, Smyrna and Dover are getting a new Kent economic analysis study. She pointed out there are some benefits. Milford was also represented at nine trade shows and Milford had the opportunity to go these trade shows and participate, along with the KEP. They have had six wins in the manufacturing sector, we just haven't had a really good win in Milford. They are concentrating on healthcare more in the Milford area because it lacks large industrial tracks or empty industrial buildings.

In addition, Milford gets a seat on a board for what is going on in the future. They will be bringing in site selectors in because they will not be going to the trade shows with most of them virtual.

She said Milford has great presence on their website, which was rated one of the top economic development websites in the country.

Ms. Parkowski concluded by saying she appreciates the opportunity and KEP will always work with Milford in moving things forward.

Councilmember Boyle moved to disassociate from the KEP and not renew the partnership agreement for the coming year, seconded by Councilmember Wilson. Motion carried by an 7-1 vote with Councilmember Morrow casting the sole no vote.

Authorization/Lease/Children & Families First Inc./518 N Church Street

Solicitor Rutt explained this involves the Head Start building that had been with the Telemon Corporation. The Head Start program contracts with various providers and lost the contract for the State of Delaware. The new provider will be Children and Families First.

He shared the current lease was for five years and ended in June, so the Head Start program is on a holdover basis. Mr. Rutt spoke with both representatives from Telemon and Children and Families First who provided him with the old lease. The way it is structured is the city owns the real estate at 518 and he believes the federal government that primarily financed the construction of that building through some of these operations. However, it is under the control of Children and Families First now or will be.

As a result, Mr. Rutt stated that this is a ground lease and the improvements are owned by somebody else. The old lease really blurred those lines and did not specifically talk about the ground nor the premises, including the improvements.

Solicitor Rutt talked with John Wood from Children and Families First who stated they are in the process of redoing 13 or 14 leases throughout the State and finally did send the old lease. In the meantime, he went ahead and drafted a new lease that tried to eliminate a lot of those blurry lines and make it very clear that the city owned the real estate and they owned the building. By owning the building, they have the obligation of maintaining that building, liability for insurance, etc.

It was completed today and copies sent to the City Manager, City Clerk and to Mr. Wood.

Because they are in process of negotiating the lease, he asked Council to authorize the City Manager and Solicitor to finish it because it is only a \$1 a year rent and no money is being made. The primary goal is to ensure Head Start stays there, they maintain their organization and keep doing the good work that is being done.

The proper entity in this case is Children and Families First who maintains the repairs, the liability and holds the city harmless in the event someone gets hurt.

Councilmember James asked if there is a way or a requirement to do a better upkeep of that facility. He walks by it all the time and finds the crawl space doors open and all kind similar things are going on there. It is on the verge of becoming an eyesore for that corner.

Solicitor Rutt said that was not in the prior lease but has been added to the draft and states they will maintain the leased premises at all times, safely and in attractive condition. Not permitted is accumulation of trash and itemizes all the things they have to do. He also included the city, at its discretion, will be the sole judge of the quality of the exterior maintenance and will upon notice from the city, perform whatever maintenance the city deems necessary.

In that manner, City Inspectors can go there to determine unsafe conditions or it is deteriorating and require that maintenance.

The Solicitor also added that at the end of the lease, they have to move that building off the property. If not, the city has the option of either accepting it and doing what they want with it, or demolishing it and back charge Children and Families First for the demolition costs.

He prior lease was deficient and did not include these terms.

When asked who actually owns the building, Solicitor Rutt explained that as Mr. Wood was describing it, a lot of the funding came through Health and Human Services that administers the Head Start programs. He further explained they were a contractor with them.

One of the questions that must be answered is who owns that building and it could be the Federal Government.

The Solicitor did pull the tax records that shows the city owns the land.

Councilmember Wilson then moved to postpone action on this matter, seconded by Councilmember James.

Solicitor Rutt suggest that because there are so many questions, he suggests postponing action to allow the City Manager and the Solicitor to finish the negotiations before bringing it back for authorization.

Councilmember Wilson then moved to postpone action on this matter to allow more time for negotiations, seconded by Councilmember James. Motion carried.

Introduction of Ordinances:

*ORDINANCE 2020-23
Code of The City of Milford
Part II-General Legislation
Chapter 88-Building Construction*

Mayor Campbell introduced Ordinance 2020-23 and deferred to the Planning Director. Mr. Pierce referenced the ordinance which amends the City of Milford Building Code and specifically the Planning Department Fee Schedule. This will be presented to Council at their September 28th for a public hearing and final determination.

*ORDINANCE 2020-24
1st State Self Storage OZ, LLC on behalf of Savannah Ventures, LLC for a Conditional Use to allow a business use that will not adversely affect neighboring properties, and to allow a dwelling other than single-family with a maximum density of 12 units per acre on 9.0 +/- acres in a C3 Zoning District. Property is located along the east side of S DuPont Blvd approximately 350 feet south of the Route 14 intersection, addressed as 11 S DuPont Blvd, Milford, Delaware. Present Use: Vacant; Proposed Use: Self Storage building with manager's office/residence. Tax Map: MD-16-183.09-01-58.00*

Mayor Campbell introduced Ordinance 2020-24. Mr. Pierce noted the conditional use application for a self-storage facility to be located on Route 113 just south of the railroad easement, below the Walgreens site. It will go before the Planning Commission tomorrow night for the conditional use and site plan review and will be back before Council 28th for the conditional use public hearing.

EXECUTIVE SESSION

Councilmember Wilson moved to go into Executive Session reference below statute, seconded by Councilmember Morrow:

Property Sale/Lease-Pursuant to 29 Del. C. §10004(b)(2) Preliminary discussions on site acquisitions for any publicly funded capital improvements, or sales or leases of real property

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:40 p.m. for the purposes as are permitted by the Delaware Freedom of Information Act.

Return to Open Session

Land Matter

Council returned to Open Session at 9:23 p.m.

Mayor Campbell directed the City Manager to do some investigating and talk with the management as discussed in Executive Session.

ADJOURNMENT

Councilmember James moved to adjourn the meeting, seconded by Councilmember Baer. Motion carried.

The meeting was adjourned at 9:25 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder