

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
June 11, 2018

A Meeting of the City of Milford Annexation Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, June 11, 2018.

PRESIDING: Chairman Owen Brooks Jr.

IN ATTENDANCE: Committee Members: Councilman Christopher Mergner and James Starling Sr.

Mayor Arthur Campbell

Councilmembers Peel, Boyle and Morrow

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and Deputy City Clerk Christine Crouch

CALL TO ORDER

*Annexation/Lands belonging to the City of Milford*  
*Location: 20167 Elks Lodge Road*  
*6.5 +/- acres*  
*Existing Zoning: AR-1 Agricultural Residential (Sussex County)*  
*Proposed Zoning: I-S Institutional Service District (City of Milford)*  
*Tax Map and Parcel Number: 3-30-15.00-058.02*

Chairman Brooks called the Committee Meeting to order at 6:45 p.m.

City Planning Director Rob Pierce was also present.

Mr. Pierce referenced the request for the parcel, owned by the City of Milford, to be annexed into the corporate limits of Milford. Provided was a copy of the Plan of Services, as well as a draft committee report to the Planning Commission who would later review the annexation and zoning request following a public hearing.

The property, located in the First Ward, is located off of Elks Lodge Road and is the current location of the City's Electric Substation. It is currently zoned AR1 in Sussex County under the Sussex County Zoning Ordinance. The City requests the 6.5 acre parcel to be zoned IS (Institutional Service District) under the guidelines of the City of Milford's Zoning Ordinance, which is consistent with the Bayhealth Health Campus adjacent to this property.

No new streets, drainage, sewer or water are proposed though it does have City electric.

The parcel has an entrance off Elks Lodge Road that falls under the jurisdiction of DelDOT.

The parcel is surrounded on the west by the Delmarva Power electrical substation, to the south and east by the proposed Bayhealth Health Campus property and to the north by residential uses.

Carlisle Fire Department will provide fire protection services and Milford Police will provide police services.

The annexation is consistent with the 2018 Comprehensive Plan Future Land Use Plan and will allow for the conveyance of a small and used portion of the property to Bayhealth, as is outlined in the Development Agreement signed earlier this year.

Mr. Pierce then reviewed the following advantages to the annexation:

1. The property would be within the planning area of the City of Milford and is identified within the Urban Growth Boundary Area of the 2018 Comprehensive Plan.
2. The proposed zoning is consistent with the 2018 Comprehensive Plan Future Land Use Map.
3. The annexation would allow the conveyance of a small unused portion of the parcel to Bayhealth to be incorporated into the proposed health campus property per the executed Bayhealth development agreement.

He could find no disadvantages to the City.

The purpose of the request is to have the electric substation under City jurisdiction and out of the County's jurisdiction as it has been for many years.

Chairman Brooks commended the Planning Director for the informative report provided to the Committee.

Mr. Pierce then referenced the area of the land that is being conveyed to Bayhealth. He explained the end goal would be to construct another entrance off Elks Lodge Road beyond the former chicken house area. This would allow access to the area presently not being used. That land would be used for any above ground improvements at the substation. In exchange for the electric easements, the City agreed to convey the land, previously referenced, that would allow Bayhealth accessibility to our water tower.

Based on the issues and comments discussed in this report, Councilman Mergner moved to recommend proceeding with the annexation, seconded by Councilman Starling, with the following comments:

1. Annexation is consistent with the "Comprehensive Land Use Plan".
2. Property is contiguous to existing City Limits.
3. Any changes to the property are subject to review by the City of Milford Planning Commission and/or City Council.
4. Upon approval of the annexation committee report, a Municipal Annexation Plan of Services will be submitted to the Office of State Planning for their approval.
5. The property should be annexed with the following zoning classification: IS

Motion carried by unanimous vote.

Mr. Pierce agreed to finalize the annexation report in preparation of the signatures of the Committee.

The Committee Meeting was adjourned by Chairman Morrow at 6:57 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Transcriber

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
June 11, 2018

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, June 11, 2018.

PRESIDING: Mayor Arthur Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Owen Brooks Jr., Douglas Morrow, James Starling Sr. and Katrina Wilson  
City Manager Eric Norenberg, Police Chief Kenneth Brown and Deputy City Clerk Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

ABSENT: Second Ward Council Seat Vacant

#### CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 7:00 p.m.

#### INVOCATION AND PLEDGE

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

#### APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes of the May 14, 2018 and May 29, 2018 Council and Committee Meetings. Councilmember Brooks moved for approval, seconded by Councilmember Morrow. Motion carried.

#### RECOGNITION

No special guests in attendance.

#### MONTHLY POLICE REPORT

Police Chief Brown referenced the total number of arrests noting that criminal arrests are up and traffic arrests are down. He explained that traffic numbers are down because his department is short because one officer is deployed, one is injured and two are in field training and requires additional officer's attention.

A motion was made by Councilmember Morrow, seconded by Councilmember Brooks to accept the Monthly Police Report as submitted. Motion carried.

#### MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced his report verifying there were no questions.

He noted the City has been a member of the DFIT (DeLea Founders Insurance Trust) Workers Compensation Program for several years. The City created a Safety Committee approximately eighteen months ago, who is working with our HR Staff and DFIT to reduce accidents and injuries.

As a result, DFIT presented the City with a Certificate of Appreciation in recognition of outstanding contributions made through the participation and implementation of the DFIT Safety and Risk Control Program.

Mr. Norenberg then shared the website [pavingforpizza.com](http://pavingforpizza.com) noting that today was the launch of Domino Pizza's National Ad Paving Campaign of which the City of Milford received \$5,000 in grants to repair potholes. Included in the packet were photos of City crews working to repair City roads, in addition to copies of several articles from various media sources worldwide. Milford was one of four cities included in the initial ad campaign.

Though Milford does not endorse the business, Mr. Norenberg emphasized how pleased the City was to receive the money that will enhance our paving budget.

All Public Works Employees were provided with pizza lunch gift cards from Domino Pizza.

Councilman Morrow complimented the City Manager on the program. He then moved to accept the Monthly City Manager Report, seconded by Councilman Starling. Motion carried.

#### MONTHLY FINANCE REPORT

Finance and Public Works Committee Chairman Morrow reported that through April 2018 with 83% of the fiscal year have passed, 86% of revenues having been received and 75% of the operating budget expended. He is pleased that rental licenses, building permits and planning and zoning revenues are on the increase, and some have doubled when compared to what was anticipated for the fiscal year.

Councilmember Peel moved to accept the April 2018 Finance Report, seconded by Councilmember Starling. Motion carried.

#### COMMITTEE & WARD REPORTS

Councilmember Peel requested Community Policing officers at the Downtown Farmer's Market on Saturdays due to the number of people attending. She also expressed concern about people trying to cross the street, which is similar to a raceway. She observed someone filing a police report for a hit and run accident involving a cyclist. She said people are driving at high rates of speed and if they witnessed the police officers helping residents cross the street, that may help them slow down. She also noted that drivers are not stopping at the pedestrian crossing which is also worrisome.

Chief Brown said he agreed to place officers downtown whenever an event is scheduled. He is unsure which Saturday she is referring to. Councilmember Peel noted that she is talking about the Farmer's Market in general and observed the problems this past Saturday stressing the heavy traffic in town at that time of the day.

Councilmember Mergner asked if there will be any bike patrols this summer as was done in the past which he thought was helpful in a number of situations. Chief Brown stated not at this time and explained that he eliminated that program to use the money for overtime. He feels that is more helpful because the officers communicate with our citizens and cannot do that when they are on bicycles.

Councilmember Brooks asked if any cadets will be hired for the summer; Chief Brown stated no because it takes more of his staff to handle the cadets and train them. The money paid into the cadet program is now being used to pay for full-time officers to walk foot patrol.

Councilmembers Brooks and Mergner both agreed they were very helpful at the Little League Park in the past and that their presence deterred a lot of problems.

#### COMMUNICATIONS AND CORRESPONDENCE

Deputy City Clerk Crouch prepared a month by month calendar with the various meeting dates.

Mr. Norenberg will meet with DMI and Carlisle Fire Company to request approximate five-minute reports on a quarterly cycle, as was requested by Council during the budget hearings.

#### UNFINISHED BUSINESS

*Appointment of 2018 City of Milford Election Board*

Councilmember Brooks moved to approve Karen Boone, Joan Leuthauser and Katrina White to the 2018 Board of Elections for the remainder of the year, seconded by Councilmember Morrow. Motion carried.

*Adoption/Ordinance 2018-02/City of Milford Charter Amendment/Section 7.14/Impose Lodging Tax*

City Manager Norenberg recalled the introduction of this amendment to the Charter at the June 4, 2018 Council Meeting.

He stated that a number of cities in Delaware have been advocating for the option to enact a local lodging tax. Initially, HB 395 was introduced to give municipalities the option to enact a lodging tax of up to three percent. A number of communities have an existing lodging tax already in place and those without one are now considering individual charter amendments. The proposed ordinance would request the General Assembly amend Milford's charter to allow the City of Milford City Council the option to enact a lodging tax.

A lodging tax would primarily affect visitors and ensure visitors help share in the funding for important local public safety services and maintenance of infrastructure used by visitors. In addition, a lodging tax could also support any economic development and tourism promotion efforts to attract additional businesses and visitors to grow our economy.

A fact sheet prepared by the City of Newark, is applicable to Milford as well. This would not impact Bed and Breakfasts, but hotels and motels that fit the definition in Delaware Code.

Preliminary revenue estimates are \$18,000-\$23,000 a year.

Senator Gary Simpson is willing to sponsor the bill before the end of the legislative year.

Councilman Brooks asked if this opens the door to go after owners of Bed and Breakfasts and rental houses; Mr. Norenberg explained the current Delaware Code does not provide for that. In addition, resort towns assess a gross receipt tax on houses that are rented weekly, though this is different.

It was confirmed that a hotel is an establishment of at least six bedrooms though a motel does not have a numerical limit. Tourist homes are defined with five permanent bedrooms for the use of tourists or transient guests.

Solicitor Rutt recommends the language 'reserved the right' be changed to 'authorized' or 'empowered' in Section 7.14. He also noted that the law was adopted in 1953.

Mayor Campbell asked if anyone in attendance wished to comment on the proposed ordinance.

Jan Broulik of 2 Causey Avenue (Causey Mansion) asked if a tourist home would be considered a Bed and Breakfast during the 1950's and believes that a Bed and Breakfast was likely called something else at that time. Solicitor Rutt agreed adding that he would need to review the legislative history though it is quite possible.

Mr. Broulik confirmed that the tourist home, as described, sounds like a Bed and Breakfast in his opinion.

No one else wished to comment. Mayor Campbell then closed the floor to further comments.

Councilman Morrow moved to adopt Ordinance 2018-02, with the amendment to the ordinance as recommended by The City Solicitor, seconded by Councilman Boyle:

AN ACT TO AMEND THE CHARTER OF THE CITY OF MILFORD RELATING TO CITY COUNCIL GOVERNMENT  
- COMPOSITION, QUALIFICATIONS, VACANCIES AND PROCEDURE.  
ORDINANCE 2018-02

An Ordinance amending the Charter of the City of Milford, as was approved by the City Council of the City of Milford on June 11, 2018 and effective on June 21, 2018, and in accordance with Title 22, Chapter 8, Section 811 of the Delaware Code;

and

Whereas, the Mayor and City Council wish to Amend the Charter of the City of Milford relating to Taxation, Assessors and Assessment of Taxes; and

Whereas, due to its previous limited property tax growth, City operating revenues have had to diversify to maintain the base necessary to meet the service demands of its residents and businesses; and

Whereas, the Mayor and City Council find it in the public interest of the City of Milford to enact a lodging tax of no more than three percent, the proceeds of which can be utilized as General Fund dollars to support such City services as police, fire and parks, as well as planning, economic development and administrative support services; and

Whereas, the Mayor and City Council request that the General Assembly of the State of Delaware enact this bill for the purpose of adding this legislation to the City of Milford Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MILFORD:

The City of Milford may impose, by duly enacted ordinance, a local lodging tax of no more than 3 percent of the rent, in addition to the amount imposed by the State, for any room or rooms in a hotel, motel or tourist home, as defined in § 6101 of Title 30, which is located within the boundaries of the City of Milford, in the form and manner as follows:

Section 1. Amend Article VII of the Charter of the City of Milford by making insertions as shown by underline and deletions as shown by strikethrough.

#### Article VII. TAXATION, ASSESSORS AND ASSESSMENT OF TAXES

##### 7.14 - Lodging Tax.

The City of Milford ~~reserves the right~~ to impose a lodging tax of no more than 3 percent of the rent, in addition to the amount imposed by the State, for any room or rooms in a hotel, motel or tourist home, as defined in §6101 of Title 30, which is located within the boundaries of the City of Milford.

#### SYNOPSIS

This bill permits the City Council of the City of Milford to impose and collect a lodging tax of no more than three percent on hotel and motel rooms located in the City of Milford, so long as it is approved by a majority of the City Council pursuant to the provisions of the Charter of the City of Milford.

#### Section 2. Dates.

City Council Introduction: June 4, 2018

City Council Adoption: June 11, 2018

Effective Date: June 21, 2018

Motion carried with no one opposed.

#### *Adoption/Resolution 2018-13/Adopting City of Milford FY18-19 Budget & Capital Program*

City Manager Norenberg stated that the budget included in the packet has been updated as a result of the budget hearings held last week.

He recalled Council's decision to include the adjustments discussed at the end of the second night. In addition, there are no increases to property taxes or utility rates.

There being no further questions, Mayor Campbell opened the floor to any comments from the public. No one responded. The floor was then closed.

Councilmember Peel moved to adopt Resolution 2018-13, seconded by Councilmember Morrow:

*RESOLUTION 2018-13*  
*ADOPTING THE CITY OF MILFORD FISCAL YEAR 2018-2019 BUDGET & CAPITAL PROGRAM*

WHEREAS, the operating and capital budgets of the City of Milford for the Fiscal Year 2018-2019 were prepared and submitted to the City Council by the City Manager in accordance with Article VI 'Financial Procedures' of the City Charter; and

WHEREAS, the City Council was presented with the proposed budget following a comprehensive study and review while meeting in public sessions on June 4, 2018 and June 5, 2018; and

WHEREAS, in the opinion of the City Council, the budget accurately, as possible, reflects the city's anticipated revenues and expenditures for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MILFORD, that the City of Milford's Operating Budget for Departments shown under General Fund as Administration, Planning and Zoning, Code Enforcement and Inspections, Finance, Information Technology, Police, Streets, Parks and Recreation and Council; and the Water, Sewer, Sanitation and Electric Departments was adopted and approved as the budget of the City of Milford for Fiscal Year 2018-2019 in the following amounts:

Operations and Maintenance - \$39,251,906  
Debt Service - \$1,045,220  
Capital Program - \$2,899,605  
Total Expenditures \$43,196,730

A copy of said budget, is on file in the Office of the City Clerk, as was adopted by majority vote of Milford City Council on the 11th day of June 2018.

Motion carried.

NEW BUSINESS

*Introduction/Ordinance 2018-16/JD Barnard on behalf of Barnard Properties Partnership/Conditional Use*

Mayor Campbell introduced the following ordinance:

ORDINANCE 2018-16

JD Barnard on behalf of Barnard Properties Partnership for a Conditional Use to  
allow multiple permitted uses or mixed uses on  
2.70+/- acres in a C3 Zoning District;  
Located at the southeast corner of intersection N Rehoboth Blvd and NE Tenth Street  
at 601 N Rehoboth Blvd, Milford, Delaware.  
Present Use: Retail, Wholesale Establishment with Associated Warehouse;  
Proposed Use: Same with three suites  
Tax Map MD-16-174.18-03-25.00

WHEREAS, the City of Milford Planning Commission considered the ordinance, as described, at a duly noticed Public Hearing on May 15, 2018 and recommended its adoption to City Council; and

WHEREAS, Milford City Council conducted a duly noticed Public Hearing on June 25, 2018 to consider all information presented by City Staff, the Applicant, and written and verbal public testimony; and

WHEREAS, it is deemed reasonable, beneficial, and in the best interest of the City of Milford to allow a Conditional Use to allow multiple permitted uses or mixed uses, as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

*Section 1.* Upon the adoption of this ordinance by City Council, JD Barnard on behalf of Barnard Properties Partnership is hereby granted a Conditional Use Permit to allow multiple permitted uses or mixed uses, in accordance with the application, effective on the date so noted.

*Section 2.* Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

*Section 3. Dates.*

Planning Commission Review & Public Hearing: May 15, 2018

City Council Introduction: June 11, 2018

City Council Public Hearing: June 25, 2018

Projected Adoption: June 25, 2018

Planning Director Pierce reviewed the Ordinance noting that a Public Hearing and additional information will be provided at the Council Meeting on June 25, 2018.

ADJOURNMENT

There being no further business, Councilmember Morrow moved to adjourn the meeting, seconded by Councilmember Brooks. Motion carried.

Councilman Morrow complimented Mayor Campbell on his handling of the meeting.

The Council Meeting was adjourned at 7:35 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Transcriber