

Town of Milton
Town Council Meeting
Milton Library, 121 Union Street
Monday, March 7, 2011
6:30 p.m.

Transcribed by: Helene Rodgvile
[Meeting Minutes Not Verbatim]

1. Public Participation

a) Scott Joust, 115 Broad Street: After attending the George Dickerson hearing, one of the Council Members stated, and I'm going to paraphrase this: "Although we all knew George had done things incorrectly, but since the Council signed off on it, it's okay." The voter's of Milton do not believe this is okay. If you sign off on these things, you the Council are just as responsible for these things as George Dickerson is. So each and every one of you, except for Cliff Newlands, Mayor and Norman Lester, Councilman, are just as guilty or not guilty as he was. So as a voter and a taxpayer in this town, I believe there are a whole bunch of people in this room that will back me up on this; if you guys are just as responsible as George is because you signed off on it; we would all like you to step down off this Council immediately.

Mayor Newlands: Okay, Mr. Joust.

b) Sam Garde, 115 Sassafras Lane: I wanted to talk about yard waste pick-up and I'm happy to see that it's on the agenda, so I won't take a lot of time. I just wanted to make a few comments. I know I consider this a community issue and one that requires community resolution. For example, we've all been paying for trash collection ad infinitum, and that has included the pick-up of yard waste. Now that that's going to be excluded, I would expect some of the tipping fees and other costs associated with the existing contract, will come down; and some of that will come back to us, I hope. I hear some snickers, so I put it as I hope. In addition, I would just make this comment. In other places that I have lived, trash collection was paid out of transparent revenues, but that were paid in as part of property taxes. I suspect that that's been on the table here before and probably is the reason it is not part of property taxes; because someplace in statutory law or something; but I would urge you to consider putting it there, if it is not; if it is allowed; and my reason would be that it gives all your taxpayers an additional possibility for a tax deduction for property taxes. I also wanted to suggest that you at least consult with nearby communities; they all have the same issue; the State's mandate applies to everybody and it's possible that there could be some synergy among local towns who have the same issue. This one probably doesn't have an answer, and it may qualify more as complaining or whining; but I've already started and I have about 8 bags in my garage and if the weekend is nice, there are going to be a lot more and so I'm wondering if there are any suggestions on what we can do in

the interim, before the town makes a decision. If not, I mean I did call and I do know that I can drive my bags down to the Route 5 collection facility; and depending upon how many I have, I apparently do not need tickets to get in there, but it's \$7.50 a pop for one bag and I don't know what it is if you have 10. It's either \$10 or \$7.50; it's either \$1 a bag, but I know it's \$7.50 to get in. Thank you.

Mayor Newlands: Thank you. When we talk about yard waste, I will go over what some of the other towns are doing and what they're not doing also. If I don't mention tipping fees and there's an issue with tipping fees, raise your hand and remind me.

- c) Ginny Weeks, 119 Clifton Street: Just so you know, it's on the Lewes agenda tonight and the people are out en masse over there. I wanted to talk about the finances of the town. We still have not had any reports; any financial reports; I will just remind you. This is the twelfth meeting you guys have had and we have no finance reports; and we have no expense reports or revenue reports, which are different than finance reports. I'm concerned because tonight you're asking for \$9,100 extra for a Pre-Audit Financial Statement, when you seem to have budgeted \$25,000 for accounting. Was that not for an audit?

Mayor Newlands: No, that was to straighten out the books, so Mr. Lester...

Ginny Weeks: Did you not budget for an audit?

Mayor Newlands: At the time, no, we did not.

Ginny Weeks: Why not?

Mayor Newlands: I don't know off hand, to be honest with you.

Ginny Weeks: Could I ask who is going to do the audit?

Mayor Newlands: The State is going to do the audit for free.

Ginny Weeks: Then why do we need \$9,100?

Mayor Newlands: It's preparation and Mr. Lester is better equipped to handle that.

Councilman Lester: I will explain it when we get to the finance update.

Ginny Weeks: Thank you. And you want \$2.6 million for a new water tower and I understand...

Mayor Newlands: I think it's \$3.5 now.

Ginny Weeks: \$3.5, no matter what, it's a lot of money and it was my understanding a few years ago when CAGE; and I see CAGE is here this evening, made a presentation on the water and so on; that it would be needed for new development. I'm going to ask you to revisit that and see if that's still so; because if it is then it is a risky thing to put up a water tower because the State has ruled that annexed in lands do not have to take water from the town. They can go with Tidewater, they can go with Artesian, then can go with whoever.

Mayor Newlands: I think with sewerage that's true; but I don't think that's quite true for water.

Ginny Weeks: No, it's very true for water.

Mayor Newlands: I don't want to get into a long discussion about this, because we're going to have...

Ginny Weeks: I'm just thinking...

Mayor Newlands: I know that, I'm just asking you to be short.

Scott Hoffman: It's my understanding that if the town annexes a property, it is automatically included in your water CPCF; so it would be difficult for another water company to then get that person as a customer and most people would rather be on the town's water system; that's one of the reasons they want to be annexed.

Mayor Newlands: And the sewer is...

Scott Hoffman: Wastewater does not have the same CPCF provisions, due to annexation as water system does.

Mayor Newlands: That's what I thought. Okay.

Ginny Weeks: It was my understanding that the State just at the time of the development of Elizabethtown, went in and changed that and made it retroactive. Maybe my information is wrong; but that's what I thought.

Mayor Newlands: If you have information on that, I would appreciate it if you would give it to us.

Ginny Weeks: I'll check and make sure.

Mayor Newlands: Thank you.

Ginny Weeks: And so I'm asking you to please consider this before you go; because nobody up here knows what the financial state of the town is; or if you do, you're not sharing it.

Mayor Newlands: These steps, by the way, are steps that we need to take in advance, before we even get any money. We won't get any money for about a year and half; is my understanding.

Ginny Weeks: Yes, but we're going in for \$1 million and we're going to have to come up with another \$1.5 million?

Mayor Newlands: Excuse me?

Ginny Weeks: The loan that we would get would be for maybe \$1 million, or \$1.5 million; then we're going to have to borrow another million dollars or so, right?

Mayor Newlands: No the loans are about \$3.5 million.

Ginny Weeks: But we still have to pay it back?

Mayor Newlands: We're hoping that we only have to pay half back.

Ginny Weeks: It's still a lot. And I'm just curious, because I have no idea what we're paying in legal fees these days, but there is a whole slew of lawsuits coming folks; and so, you know, you haven't budgeted for that either and so I'm just asking you to be real careful, you know, and to really ask \$9,100 for a Pre-Audit Financial Statement; I mean in the past years we've budgeted \$7,500 for accounting and \$10,000. It seems like a lot of money, because now we're up to \$35,000 and I don't know what else you paid because there have been no expense reports given. Thank you.

Mayor Newlands: Thank you.

- d) Bob Howard, 328 Chandler Street: I'm on the Economic Development Committee and I'm here tonight to address the "branding" process, just briefly, because there had been a number of things in the media that have not been quite accurate, so I would like to address that. First of all, I

would like to say that it was the intent of Milton undertaking that branding process, to help unite the community and I still hope that's going to be true; although some of the comments I've heard indicate that some people think that's not what's happening. When we requested the branding service from DEDO, that was done by the Mayor, members of the Council, members of one non-profit organization in town; another non-profit was willing to sign the letter, but we didn't need that many signatures; and the Chamber of Commerce signed the letter requesting the service. The second point I would like to make about the branding process, was that it was free to the Town of Milton. Milton didn't pay anything. There was taxpayer money spent to do this; the taxpayer money was spent by DEDO. They offered this service, if the town was willing to participate and if the town was willing to make an effort when the process was over, to implement some of it; and to try to spend at least \$1,000 doing that; but there was no hard and fast commitment to do that. We agreed to make a best effort to do that. The third point I would like to make is that nothing is final. We have had the final report from the consultant with his recommendations for a little over a month and we haven't done anything with that so far. We got four copies of his material. One copy was put in the Town Hall; one copy was put in the Library for the public to have access to; one copy I'm keeping, so that it doesn't get lost; and we have one copy to lend out to people if they want to use it or peruse it or do whatever with it. The material is owned by the town and its public; and the Economic Development Committee, in trying to figure out how we're going to implement that, is working on that right now. We have said in the past we would have a public workshop and I think we still intend to do that to get public input and talk about what the recommendations are. We also said we would do test marketing and so we intend to do that. Those are the kinds of things that we come up with, to recommend for implementation, we will test and people will have an opportunity to comment on that. So, again, it didn't cost the town anything and nothing is final at this point. I hope everybody understands that.

Councilman Lester: Before you go, could you just clarify that, because there seems to be a thought out there the town actually spent \$7,500 to bring this consultant in.

Bob Howard: I don't know the number exactly. My understanding was that it was \$6,000; but the town did NOT spend any. DEDO spent the money to hire the consultant to come to Milton.

Councilwoman Duby: You might want to clarify for people what DEDO is.

Bob Howard: DEDO is the Delaware Economic Development Office.

Councilwoman Duby: The State Agency.

Bob Howard: They offered that service to the town. To my knowledge, right now, three towns and Milton have been through this process. Some of the towns paid for the service. It's done under the Main Street Program that DEDO runs. The Main Street Communities that have done it, have

paid part of the bill. Because Milton didn't have any money and because we are not a Main Street Program, we're just an affiliate program, the people at DEDO offered it to us at no cost.

Councilman Lester: Thank you

Bob Howard: Thank you.

Mayor Newlands: Thank you. Just two things before we get the meeting officially started. I just want to announce that we've been named This Old House; the Best Old House Neighborhood's award for the State of Delaware; so we have the distinction this year. There are some printouts in the back if you would like to see it. And Ms. Betts has a few words she would like to say.

Councilwoman Betts: Before we get started, I would like to thank our two outgoing Councilwomen for their dedicated service to the Town of Milton; Ronda Abraham and Joan Martin-Brown. I think they deserve a lot of credit for serving our town well and also I would like to welcome our two new members, Marion Jones and Emory West and look forward to working with everyone. Thank you. [Applause].

2. Call to Order – Mayor Newlands called the meeting to order at 6:45 p.m. and close the Public Participation.

3. Moment of Silence – Councilwoman Betts

4. Pledge of Allegiance to the Flag

5. Roll Call – Mayor Newlands:

Councilman Prettyman	Present
Councilwoman Abraham	Present
Councilwoman Betts	Present
Councilwoman DUBY	Present
Councilwoman Martin-Brown	Present
Councilman Lester	Present
Mayor Newlands	Present

6. Additions or Corrections to the Agenda

Mayor Newlands: Do we have any additions or corrections to the Agenda? Item 10. a. we left in there from last month, so that has to come out.

7. Agenda Approval

Mayor Newlands: Do we have a motion to accept the Agenda?

Councilwoman DUBY: I move approval of the agenda.

Councilman Prettyman: Second.

Mayor Newlands: We have a motion and a second to approve the agenda. All in favor say aye. Opposed. Motion carried.

8. Presentation and Approval of Minutes – May 20, 2010 and February 7, 2011
Mayor Newlands: Let's go through the minutes. Does anyone have any issues with the minutes? We had forgotten about the May 20, 2010, so that's a little bit late. Our transcriptionist, I think it was Helene, that realized we did not approve these.
Councilman Prettyman: I make a motion that we approve the May 20, 2010 and February 7, 2011 minutes, as presented.
Councilwoman Abraham: Second.
Mayor Newlands: We have a motion and a second to approve the minutes of May 20, 2010 and February 7, 2011. All in favor say aye. Opposed. Motion is carried.
9. Discussion on Written Committee Reports
Mayor Newlands: Now we have the Committee Reports.
Councilman Prettyman: I make a motion that we accept the Committee Reports that have been presented.
Councilwoman Abraham: Second.
Mayor Newlands: Now before we go on, there's a Committee Report from Economic Development that was handed out late; and really the main thing on there is that they would like to have a workshop with Council. They would like to have the workshop on March 16th, if that's possible. We haven't set a time, I just want to see if everyone is available that day.
Councilwoman DUBY: Daytime or evening?
Mayor Newlands: The public doesn't like daytime, but it's a workshop; so I don't see a reason why not. So I can set 2:00. Mr. Lester, are you good with that?
Councilman Prettyman: We have the Friends of the Library Meeting at 4:30 p.m. that day.
Mayor Newlands: Mr. Howard, where are you? Do you know how much time Dianne Laird needs for the workshop?
Bob Howard: We're talking about approximately 2 hours.
Mayor Newlands: Two hours and your Friends of the Library; this library, or?
Councilman Prettyman: Yes, this library.
Mayor Newlands: So that's 4:00?
Councilman Prettyman: 4:30.
Mayor Newlands: 4:30.
Councilwoman Martin-Brown: Well, that's doable.
Councilwoman DUBY: So if we do 2 to 4?
Mayor Newlands: He'll feel like he's back at work again, going from meeting to meeting. Are you okay doing 2 to 4 for the Economic Development and then doing 4:30 for the library?
Councilman Prettyman: Yes.

Mayor Newlands: Okay, so let's set March 16th at 2:00 p.m. It's a Wednesday, right? So we have a motion and a second right now for all of the Committee Reports. All in favor say aye. Opposed. The motion is carried.

10. Department Reports: Public Works, Project Coordinator, Code and Police
- Mayor Newlands: We have the Code Enforcer's Report, the Police Department's Report. Does anybody have any issues with any of the reports?
- Councilman Prettyman: Okay, the Public Works Department Report dated February, 2011. I make a motion that we accept it, as presented.
- Councilwoman Abraham: Second.
- Mayor Newlands: Do you want to do them all at one time, instead of doing them individually?
- Councilman Prettyman: I guess it's better to do them individual; we don't have to approve these, at all, by the way. But procedurally we'll go ahead and do it. We have a motion and a second to do the Maintenance Report. All in favor say aye. Opposed. Motion is carried.
- Councilman Prettyman: The Project Coordinator and Code Enforcer Report dated February 2011 should be accepted as presented.
- Councilwoman Abraham: Second.
- Mayor Newlands: We have a motion and a second to approve the Code Department report. All in favor say aye. Opposed. Motion carried.
- Councilman Prettyman: The Milton Police Department Report dated January 1, 2011 to January 31, 2011, I make a motion that we accept it as presented.
- Councilwoman Abraham: Second.
- Mayor Newlands: Okay we have a motion and a second on the Police Department Report. All in favor say aye. Opposed. Motion is carried.
- Councilman Prettyman: The Historic Preservation Report dated February 8, 2011, I make a motion that we accept it as presented.
- Councilwoman Abraham: Second.
- Mayor Newlands: Okay we have a motion and a second on the Historic Preservation Report. All in favor say aye. Opposed. Motion is carried. I included letters in your packets from a couple of residents, just as an FYI. I don't know if anybody wants to discuss what's on them; some of it is Shipbuilder's; the paving in Shipbuilder's; there are still issues with that and we're working with the Capano Family to try to get them to pony up the money to pay for the paving out there; so that's still an issue. I told one of the gentleman out there, that we're hiring a Code Enforcer, so we'll be stricter with our Code Enforcement this year.
- Councilwoman DUBY: Yes, I was just going to ask if we're issuing citations about things out there?
- Mayor Newlands: We will be when we get a Code Enforcer on staff, yes.
- Councilwoman Betts: I think it's something that we really have to work hard about the streets. It is really bad; I've been out there and I'm really disappointed that the developer hasn't fixed it.
- Mayor Newlands: Yes, Robin is going to go through some of the older ordinances when Shipbuilder's was developed, to see what the requirements back then were; to see what we can deal with and he'll be dealing with me and Seth on that.

Councilwoman Betts: We really have to do something out there.

Mayor Newlands: I agree. We had a letter from Cannery Village also, asking about snow removal. They were being charged with it and I've talked about it with our attorney and basically in Cannery Village they need to go after their covenants, to determine, whether or not they can be charged by the developer for the snow removal. We make the developments responsible for snow removal, while they are under construction. If they're charging you for that, then you need to find out if that's in your covenants and by-laws; if they're allowed to charge you for that. I will give you one minute, Mr. Harran.

John Harran, 304 Brick Lane: I submitted that letter and I was under the impression that Town Ordinances, Counties Ordinances, State Laws and such; federal laws; all took precedence over covenants and by-laws of communities. Is that not the truth?

Seth Thompson: In terms of... Well, you couldn't have a covenant that would be against the law, obviously.

John Harran: That's right.

Seth Thompson: But in terms of whether or not you have an issue with the covenants and the cost of snow removal; the town makes the snow removal the responsibility of the developer. It's not between...

John Harran: That's right. And we in Cannery Village pay our taxes. Now, if I lived outside of Cannery Village, part of my tax money would be going for the snow removal. Our taxes are not offset by anything and I'm not asking for that.

Mayor Newlands: That's not necessarily true.

Seth Thompson: But the town is not paying for that snow removal. So no portion of your taxes are paying for that snow removal either.

John Harran: But the town is responsible for the snow removal outside of Cannery Village; in town. Is that correct? In the Town of Milton?

Mayor Newlands: Within the Town limits.

John Harran: Okay, I would like an official response to that letter, please.

Mayor Newlands: Sure.

John Harran: Because there are two issues there. One is the snow removal and the other one is the street lights.

Mayor Newlands: Okay.

John Harran: Thank you very much.

Mayor Newlands: You're welcome. Thank you. Anybody on Council have any comments or questions about the letters?

11. Finance Report and Revenue/Expenditures Report

Mayor Newlands: Do you have anything to report this week?

C Lester: Good evening. I had sincerely hoped that between the work that I was able to do and Stephanie, the Town Clerk, was able to do and the outside accounting firm, that we would have completed all the background information that we need to produce statements for this meeting; but alas, there is still more work to be done. I would like to go over a couple of things. One, I think that people need to know just what it is that the firm A&K have been doing and also what we've been trying to do here in town to meet their requirements. They're not

doing an audit; their mission is several fold. One, it was to write a procedures manual; write an internal control manual, which they have finished; and, I was told today that they will probably be down to present that to the Town Council very soon. The other was to review the accounting systems; not only the systems but the procedures and how things were posted and how the books were recorded, etc. for the last year. One of the projects that they handed over to me and to the town was to go through the assets owned by the town. I've been through the Asset List with town staff and we've come up with actually \$999,922.25 of assets either that we haven't had for many years, or were sold, or traded, or just simply junked. That's a pretty substantial number. That leads me to additional expense, this \$9,100. They were going to take on the role of preparing the Financial Statements. The Financial Statements, actually, are supposed to be prepared by the town. Whatever you see that Sombar presented last year; Government Accounting Standards requires the town to prepare those Financial Statement, and, of course, we never had. This CPA firm is going to prepare the statements. Now, we have several problems. One, they have to make a decision; they haven't decided on which way they're going to go. They have to either a) re-state or re-prepare, redo the statements for September 30, 2009, for the fiscal year; because of the discrepancies; not only the discrepancies in assets, there are liabilities that were not recorded. I think I mentioned last time that there was a liability to Tidewater that was never recorded; and they found other things; and as we have found that receivables and details didn't reconcile. For instance, the water bills. Now several people weren't being billed for water bills. So, along with these numerous problems that they had found, during the past few years, for instance, Town Insurance. We pay liability insurance; we pay comprehensive; we pay worker's compensation; we pay it for the Police Department, for the town employees, we pay it for the Water Department, for Parks. That was never allocated among those departments. I know some of you may be familiar, you've heard of retained earnings in a corporation, it's the net of all assets and liabilities over a period of time. In municipal accounting, it's called a Fund Balance. Now the failure to allocate items over the years to the proper department, means that that department's Fund Balance, is incorrect. Most of the expenses that should be allocated to the Water Department, which is a revenue producing department; they were paid and most of them have been charged; most of the insurance, employee health insurance, etc., have been charged as an Administrative Expense to the town; so the town's Fund Balance is wrong, because it's been charged for expenses that were never incurred by that particular department. So all these things have to be reviewed; they have to be cleaned up; and the accounts payable; all the liabilities have to be cleaned up and they have to come forward not only from 2009, but from 2009 into 2010 into 2011; so we have correct numbers to work with this year. So far, they're getting pretty close, but a good part of this additional cost is for them to prepare the statements. Those statements, this is going to be critical, because if they have to re-state 2009; that's going to take a lot of work. They have to redo the entire Financial Statement for the fiscal year 2009. The other option, if they can meet within the requirements, they may just change the opening balances coming into 2010; which would be easier. But I'm

not sure which way they're going to go; that's up to them to decide based on how they read the Government Accounting Standard Board's rules and regulations; AICPA rules and regulations; and, go forward with that. The State Auditor's Office was planning to start on September 15th to audit the town for the fiscal year ending September 30, 2010. I send a lot of information off to the accountants today and I hope we can close in on this; I'm pushing as hard as I can; I spend a tremendous amount of time the early part of this year and last year on this; and I have other things I need to do at this present time too. So I'm trying to push as hard as I can for this to go forward. We have to have accurate information; what we've been receiving; I don't care if you got it ten times a day; if it's wrong, it's wrong; and it's useless to anybody that wants to read it or anybody that has the comprehension to understand that. We're just moving forward as quickly as we can and I hope at least, maybe we'll let everybody know by the middle of this month how close we are to the State Auditor's Office coming in and actually doing an audit; actually auditing the town. Then they, in turn, will work from the Financial Statement prepared by the outside accounting firm, so they don't have to prepare the statements; but they will have a report on everything that has happened for the last year or the last two or three years, through this period. That's all I have.

Mayor Newlands: And contrary to what you may have heard or read in the paper, the accountant working on this did break his leg; he did break an arm; he did break a couple of ribs; he had a very serious snowmobiling accident and I think he was in ICU for a couple of days; so it wasn't the "dog ate my homework" kind of business, as it was reported in the paper. The guy was in serious condition. So he's been out of touch with us and out of work for while; that's what is delaying us a little bit, as well. Thank you, Mr. Lester.

12. Old Business – Discussion and possible vote on the following items:

a. Tax Appeal Update – Truitt Jefferson

Mayor Newlands: We have reports back in your package from Mr. Jefferson's assessor, David Hickey's information here. I know it's a lot of paperwork; the net affect is the current assessed value is \$798,500; the taxes on that would be \$1,473.30. Mr. Jefferson's appraiser is coming up with a \$400,000 appraisal and the tax would have been \$720.00. Mr. Hickey's letter is the last in the section and his recommendation is that the property tax stay the same, because some of the properties Mr. Jefferson's appraiser looked at, were not appraised within the time frame that our reassessment was taking place. So we can leave it the same; split it down the middle.

Councilwoman Abraham: I was going to make a motion that we split the difference. It's amazing to me how it could be valued at less than half of what our appraisers had done, so I would make a motion that we split the difference, which is a couple of hundred thousand.

Councilwoman Betts: Second.

Mayor Newlands: We have a motion and a second to split the difference on the appraised value, I guess and the tax value. We should do a roll call

on this vote.

Councilwoman DUBY: Can we have some discussion first?

Mayor Newlands: Sure.

Councilwoman DUBY: I'm just a little bit concerned about doing it that way; just because it seems like an easy way out of this. I mean, Mr. Hickey's letter discusses the problem with the comparables. He discusses the problem with the appraisal which appraised it as of January of 2011; whereas the law that applies to all the rest of our appraisals, say that they are to be appraised as of the value on July 1, 2009. My guess is that the difference between the value on those two dates is fairly significant. So as much as I would like to be responsive to this, I think if we say okay; somebody comes in and gives us a different appraisal, we'll split the difference, people are going to be lining up down the street to bring in their own appraisers who appraised something lower; so they can all split the difference with us. So I'm a little concerned about doing it that way as kind of an easy way to resolve this.

Councilwoman Abraham: My concern is that we've had issues with the appraisals in the past that have come for appeal, to be on the higher side and we have adjusted them down.

Councilwoman DUBY: In some cases, and in some cases not.

Councilwoman Martin-Brown: Mr. Mayor, I'm sure it will come as no surprise to you, that I'm very concerned that we come again to the problem of due process. There was a very clear procedural sequence laid out and everybody in town, except in this case, complied by going through the channels, coming up before us during the time that was opened for appeal; we made decisions to cut them in half; or not; and everybody had the rules. If people choose to not participate as outlined in the procedure; they run a risk and I will vote "no" to making any special accommodations to a person that worked outside the channels of due process.

Seth Thompson: Councilwoman, just to be clear, the reason this was rescheduled this final time, was to give the town's appraiser the opportunity to review the applicants appraisal and respond to it so that the Council would be better prepared in terms of seeing what exactly the differences were and obviously, that letter was outlined in the February 28th letter.

Councilwoman Martin-Brown: That's not germane to my point, Mr. Solicitor. My point is that this process took place quite awhile ago; and to have your own personal survey and assessment process taken on outside the processes that are clearly delineated; and very public; and people have acted in good faith and have appealed and have had remediation; I think this is a systematic problem.

Mayor Newlands: He was here on time with his tax appeal. It was on time; so I don't know what you're getting at.

Councilman Prettyman: It was all on time Councilwoman Martin-Brown and he did everything right and then he went to get a copy for us so we could see everything.

Councilwoman Martin-Brown: I may be dead on wrong and I'm happy to be. Is this 6, 7, 8 months after we went through this assessment?

Mayor Newlands: No, this is only since January with Mr. Jefferson; when we had the annual assessment.

Councilwoman Martin-Brown: I'm not talking about Mr. Jefferson; I'm talking about the original process. Am I...

Mayor Newlands: That was last year's process; it was a different year.

Councilwoman Martin-Brown: So this is for a new year; but that assessment was to be for ten years.

Mayor Newlands: Annually, everybody can come and appeal their taxes. It's an annual process; this is the annual process that the citizen's get to appeal their taxes.

Councilwoman Martin-Brown: Every year. Even though it is a ten year assessment?

Mayor Newlands: Yes, it's an annual process. The reassessment and the appeal are two different things.

Councilwoman Martin-Brown: Thank you for that and I am wrong and I withdraw my diatribe.

Mayor Newlands: Tell that to Helene, who has to transcribe that. [I am laughing now.]

Councilman Lester: Mr. Mayor, I read this appraisal by Mr. Jefferson's appraiser and I thought it was very well done and he covered every point that I thought could possibly be covered. I've looked at appraisals by the town's appraiser and they were not anywhere near as detailed as this is.

Councilwoman Duby: What about the difference in dates?

Councilman Lester: Well, he's entitled to come back and appeal it; so he's entitled to see what the value is today.

Councilwoman Duby: No, I mean the date of the evaluation. The reassessment was done as of July, 2009; this assessment from his appraiser is done as of January 2011.

Councilman Lester: But if you're allowed to come back and appeal the assessment, you're appealing it based on current data, right?

Councilwoman Duby: No, you're appealing it based on what the original assessment was; and on that date he's saying okay, you're assessor came and assessed my property as of July, 2009; and that was the date that our reassessment law says it had to be done. He goes out and gets another assessment, that says I did the value as of January, 2011 and I find that it is worth half as much. That's comparing apples and oranges. I could go out today and get an assessment of my house that would be a lot less than what they assessed it at in January; but that's not the relevant date. The relevant date is July of 2009.

Mayor Newlands: I think part of what Mr. Jefferson is arguing also is the market value on this property vs. the market value on other similar properties in that neighborhood. I was just asking Robin about it. If you remember the way they do the appraisals, the assessment of the property; the front part of the property is appraised at so much per square foot; and

then the rear part is different. That land may actually sell for the same price as another piece of property that was skinny; and the frontage that goes back a couple of feet was appraised differently. So you'll get two...

Councilwoman DUBY: So he's saying that there wasn't that much change between 2009 and 2011.

Mayor Newlands: What he's arguing is that there is a similar property across the road from his property; their market value wise, there is similar square footage, similar in a lot of respects and the market values are pretty much the same; but the assessed value because of the formulas gets a drastic difference in the appraisal. It's really the way they do the formulas on the assessment, vs. how a market value would be done. It's a difficult situation with this one particular property. There are very few of them in the area that are like that.

Councilwoman Abraham: in the comparison properties that the assessor used were also different years; 2006, 2008, 2010.

Councilwoman DUBY: They were in very different places.

Mayor Newlands: Yes they were.

Councilwoman DUBY: In Seaford and Delmar, I think; aren't exactly comparables.

Councilwoman Betts: I think they are.

Councilwoman Abraham: Why not?

Councilwoman DUBY: I just have some concern about that.

Councilwoman Abraham: Didn't we have a motion and a second?

Councilman Prettyman: We did.

Mayor Newlands: Yes, we have a motion and a second on the table. Any further discussion. The motion and second is to meet this in the middle, half way.

Councilwoman Abraham: It ends up being about \$189,000 difference.

Mayor Newlands: That's adding \$189,000; so that's making the property \$589,000.

Councilwoman Abraham: Yes, the difference between the two if you split it is \$189,000.

Councilman Prettyman: Wait, before the \$400,000 and the \$300,000?

Councilwoman Abraham: \$798,000 and \$400,000.

Mayor Newlands: I'm just waiting for the number, that's all. Is that at \$589,000?

Councilwoman Martin-Brown: Mr. Mayor, when you're finished, I have one more question before you vote.

Mayor Newlands: All right, you wanted to split it down the middle, right? Ms. Abraham?

Councilwoman Abraham: Yes, it was originally assessed at \$798,000 and the new assessment was \$400,000, so the difference between the two was \$398,000; and the split was \$189,000.

Mayor Newlands: Okay, so it's \$589,000.

Councilwoman Martin-Brown: I just have a question.

Mayor Newlands: Before we vote or after?

Councilwoman Martin-Brown: Vote.

Mayor Newlands: Okay, all in favor say aye. Opposed.

Councilwoman DUBY: No.

Councilwoman Martin-Brown: No.

Mayor Newlands: So we have two nos. Motion is carried. You have a question?

Councilwoman Martin-Brown: The question I have I think is important for the citizens that they understand that they are now able, every year, each one, to come before Council and appeal the original taxes that were assessed when that assessment was done.

Mayor Newlands: We put an ad in the paper every Thanksgivingish, somewhere in that neighborhood; a notice to the public.

Councilwoman Martin-Brown: I think it's important that everybody knows that they can come forward every year and have their taxes reviewed.

Councilwoman DUBY: I think it's in the tax Code.

Mayor Newlands: Thank you.

- b. Possible approval to authorize CABA Associates to apply for State Revolving Funds for 2012 for Water System Improvement Projects
- Scott Hoffman: Good evening Mayor and Council. As you know we've been working on this 2012 Water System Improvements Project since last fall and the SRF application is due at the end of this month. It's been moved up to the end of this month. It's complete with the exception of I need some financial information, which I need to get from Stephanie, and I've talked to her about getting together with her and getting that within the next couple of weeks. One of the things that we need is some authorization from town, from the Council, to move forward with the application and I realize there might be some questions from the audience on what exactly will happen next; so we prepared a draft letter from the Council, which will authorize us to do so and that should be included in your Council packet. So that's what we need, along with me meeting with Stephanie to get the rest of the information to move forward with the SRF Application, which basically just gets you an opportunity to get that funding. You are not really authorizing us at this time to borrow and the town is not officially borrowing any money as yet. One of the things that came up in last month's meeting was well what would happen next? And the next things that would happen would be that we would need to determine, with town staff, the Committee or somebody, whether this new elevated storage tank would be and where this infrastructure would be. In the meantime, the SRF Application is going to get processed and they're going to put together an analysis of your finances and put together a loan package and hopefully a loan grant package; whereby some of the money would be, what's called "principle forgiveness"; in other words, you don't have to pay it back. After that, when all that information kind of gets together, then we need to bring the Council a Resolution to have a Public Hearing to present all this information to the town. At that meeting, we

would talk in detail about the project; what's planned; how much money is actually required to do the project; and how that money would be repaid. You would then act on another Resolution which would establish the date for a Public Referendum; in which everybody would then vote on whether or not you actually want to move forward with the project. At that point, the Town Council can then go ahead and sign the Binding Obligation to begin the project. So we are so far in advance of doing anything, at this point, we are just trying to take advantage of this opportunity to get this State money, which will hopefully include grant money so that you don't have to pay that portion of the loan back. So that's the quick and dirty summary of everything. And, I guess, I'm available here to answer any questions.

Mayor Newlands: We'll know about the "principle forgiveness" before we borrow the money, correct?

Scott Hoffman: That's correct.

Mayor Newlands: So we'll know how much we're going to owe back before we borrow it.

Scott Hoffman: We can't go to a referendum and ask people to authorize borrowing money without knowing exactly how much it's going to be. That's the way it has to be.

Councilwoman Duby: And if the referendum fails, then we haven't taken on any of that loan?

Scott Hoffman: That's correct. I think your charter requires a referendum for anything above \$500,000.

Councilwoman Abraham: We're asking for over and above; because there was the extra money found within the government; so in essence, when you come back to do the presentation, it's almost as if we could pick and choose the most important; if we didn't want to go the full ride?

Scott Hoffman: Right, the idea is that we establish a project budget based on what I'll call the worst case scenario; but on some assumptions; the elevated storage tank is going to be here; you have to build a new water main to it here. In the meantime, working with the water department, the hope is to make the project cheaper; there's incentive for everybody to make the thing cheaper. You don't want to have to build more than you need and if the project is going to be exorbitant, nobody's going to want to vote for it and the referendum is going to fail and then we'll have to go back and do the whole thing over again. Us working with the town, we try to come up with a project which is attractive; it's going to give you what you need and it's going to be financially acceptable to the residents.

Mayor Newlands: And we're how many months away from a referendum? Can you go through a little bit of the time frame?

Scott Hoffman: Yes, the binding commitment would need to be signed in December of this year. So we would be looking at the first Resolution probably at the August Council Meeting. Then there would be the Public Hearing and then the referendum between then and December and in December, hopefully, you would have the decision; okay we can move

forward with this project using the State money or we would have to wait until something else comes along.

Mayor Newlands: We get the money in 2012 or 2013?

Scott Hoffman: They put the financial package together and then as you're doing the project, you do what's called "draw downs" where you submit invoices and so forth; and they give you the money to pay as you're going. At the end of that process, when everything is constructed and it has been accepted and so forth; that's when you're official loan repayment starts.

Councilwoman DUBY: Mr. Mayor, I have a question. I've had several calls from people about this; some of whom were at meetings here and some who were not. You heard Mrs. Weeks' comments tonight. I want to be sure that we on Council understand and that the public understands exactly why we're doing this now. Number one, it almost sounds to me as if there is a stream through here of, well the State has this money, so we want to jump on it. I think it would be very helpful if you, or perhaps the Mayor, could give us some detail about exactly why we're doing this now. Is it, as Mrs. Weeks discussed earlier, something that we are doing in anticipation of further development; or is it something that we need right now; and if so, for what reason; or is it because the timing is right, because of the availability of the State money?

Scott Hoffman: I'll answer the question in two parts. There is some of this idea that this money is available now because of the fact that it comes with grants. It has been very difficult, except starting when the recession, or whatever you call it, when the Federal Government starting pumping money into the economy using these public works projects, to get any kind of grant money. If you go back to the 1970's, when the Clean Water Act was first developed, so many projects, including your wastewater plant were funded through these kinds of programs; where they try to make money available and affordable for these small municipalities or whoever. So that is part of it. To answer the question regarding the elevated storage tank, I gave a presentation in January which kind of summarized everything; but right now you have 225,000 gallons of elevated storage volume available through your two water towers. There are two standards that are generally used to size what those tanks are. One is, you want to have one day's average flow in the air, so to speak; you want to be able to store a one day average flow. Your average flow right now is, based on the latest numbers from Allen, 366,000 gallons per day. So you're well above that standard. The other standard is that you have what's called your fire flow; which is based on the land uses in town, you have some industrial uses in town; you need to have two hours fire flow available at 1,000 gallons per minute; so you need 184,000 gallons for that; now that's on top of your average daily demand. So really, right now, in terms of elevated storage you have less than you need. That's not a function of future growth; even though you do need the plant for future growth; that's more a function of increasing growth.

Councilwoman DUBY: We're already in trouble.

Mayor Newlands: You said we're above the standard; we're really below the standard.

Scott Hoffman: Below the standard, I'm sorry.

Mayor Newlands: Thank you.

Scott Hoffman: The fact that growth is coming is not driving this. This was from the 2007 facilities plan and basically what we do with any municipal client, these loans come out every year. The state sends out those emails and they say, do you want to try and get on the priority list for this funding cycle? And they say yea or nay. And it's always been nay, nay, nay; then this year the town decided to do it.

Councilwoman Martin-Brown: I'm not quite certain, because I read through the minutes one more time; that we have decided to do it. In other words, we're voting tonight whether or not for you to file an application.

Scott Hoffman: Oh yes, in terms of do it; I meant what we were asked to do was to do what's called a pre-application which gets you on the priority list and then move forward with the application.

Councilwoman Martin-Brown: I'm a fierce fiscal conservative and we've been hearing a lot lately about the dire straits our town's finances are in. The town did take out a loan for a water infrastructure and that was over \$1 million and when we were cash rich, during the boom time, half of that was paid off; but there is still \$500,000 on the books, as I said at the last meeting; which we're servicing at \$30,000 a year in interest for a long time. Now, what concerns me is I'm all for being stimulated, but not into debt. If you can get grants, to build a water tower to meet our requirements and that Stimulus money is dedicated to a water tower that does meet our requirements and we can avoid all the bells and whistles and get a lot of that forgiven; that may be a scenario that I would be comfortable with. But I don't think the economy and the building is going to be fast enough to compensate for the debt that we're going to incur; because two divided into \$3.5 million to me, still leaves us with \$1 plus million in debt and even if that's forgiven, half of it, the other half is still on the books; and still needing to be serviced for 20 years; and the demographics of this community with no insults intended, are more and more people that have fixed income realities or have watched their 401(k)'s dropped or whatever, whatever; and as it is we're going to have to increase taxes. I don't think there's any way to avoid it. So, are we rushing into this by even beginning the process by the end of the month; when maybe we should just hold back for a couple of years and then we can revisit the water problem again.

Councilwoman Abraham: We can't wait.

Mayor Newlands: Can you go through the math again with the gallons we use every day and the gallons we're supposed to have every day?

Scott Hoffman: Okay. The amount of existing storage is 225,000 gallons. One standard is that you have an average of one days flow available as storage. Your current average, based upon what Allen is telling me, is 366,000 gallons. In 2007, it was 280,000 gallons; so it has grown

significantly since we did that plan. In addition, the Fire Prevention Regulations want you to have your fire flow available, as emergency storage above your domestic demand; so right now you do not meet either of the standards that are used for sizing municipal elevated storage tanks.

Mayor Newlands: So the requirement was build this two years ago; is what it boils down to.

Councilwoman Martin-Brown: Right, now is there any relationship between having enough water for fire and the water in the Broadkill River and Wagamon's Pond, that in a fire emergency could be tapped into?

Scott Hoffman: Well I would have to ask the Fire Company. They like to get their water out of fire hydrants because if it is not available as a hydrant, they have to truck it to wherever they're at.

Mayor Newlands: It would be, if the fire was near the pond, maybe; but that's it.

Councilwoman Martin-Brown: No but they could use the pond to refill the water system.

Mayor Newlands: No, no...

Councilwoman Martin-Brown: Well they did for years, Mr. Mayor; they did use the pond.

Mayor Newlands: The trucks don't carry that much. I don't think asking them to do that...

Councilwoman Martin-Brown: No, no, I'm just trying to see how we can buy time in terms of volume.

Mayor Newlands: We're already two years late on this.

Scott Hoffman: I understand that there's a lot of concern over the cost of the project...

Councilwoman Martin-Brown: Right, that's what I'm concerned above.

Scott Hoffman: I'll tell you that my water bill, right now, is...; and I'm on a private water system, a private utility; \$60.00 per month. I don't know off the top of my head what the town's water rates are, right now.

Mayor Newlands: It's lower then that.

Scott Hoffman: I'm sure it's lower then that. Most municipal rates are lower then that; so what has to happen to address your concerns, is that we have to have this Public Hearing. First of all we have to have all the correct information in terms of what the State is going to provide you in terms of loans and grants; and, then work with the town to put together a plan for how that loan portion of that is going to be repaid. If that's not acceptable to the residents, through the referendum process; then the project doesn't go forward. So there is an incentive on behalf of whoever on the Town Council wants to move forward with the project, to come up with a plan to make it affordable.

Councilwoman Martin-Brown: One last question, if I might. Can the project in any way be privatized? Could a private company provide our services?

Scott Hoffman: Well I told you what my private utility rates are. So...

Councilwoman Martin-Brown: I'm just thinking in terms of long term debt

for the town; that's what I'm thinking about.

Scott Hoffman: I won't say no, that's...

Mayor Newlands: Are you thinking about selling the water system after we sold the sewer system? I don't think so.

Councilwoman Martin-Brown: Well many towns are. They're privatizing as much as they can to keep some control over the municipal budget, so...

Mayor Newlands: They make money in the Water Department. They are a profit center; how can I sell a profit center? Sorry.

Councilwoman Martin-Brown: Oh, sure; that's not the debate as to whether they make money.

Councilwoman Betts: We make money on it.

Councilwoman Martin-Brown: The debate is...

Scott Hoffman: As it is now, the town has 100% total control over water rates and how you decide to spend your money; how you decide to go in debt; etc. If you were to privatize your water system, all that control is turned over to the Public Service Commission; so you're not going to sit down with people that you know and talk to them about your concerns over the water system; you're going to be going up to Dover to talk to people who look at the finances of that water company and say you deserve X% profit. That's how the Public Service Commission works.

Councilwoman Martin-Brown: Thank you for taking all these questions, but I wanted to get them out because I'm sure it will be a very robust discussion in the future.

Councilman Lester: Are we in any danger of censure or fine from Dover or on the State level, for not meeting these requirements?

Scott Hoffman: No, you're not in danger. These are standards.

Councilwoman Duby: They are recommendations on the State level.

Councilwoman Martin-Brown: Best Practices.

Scott Hoffman: That's correct. You can call them Best Practices, Standards, what have you. These are the things that all of your neighboring towns follow, as well.

Councilwoman Abraham: Scott, am I correct in assuming that the Resolution that you have attached to the letter, is basically just for us to view; but it's nothing that... That's what gets acted on later.

Scott Hoffman: Right, that's just an example resolution I wanted to provide so you would have an idea of what the resolution would include; that you need to actually go forward with borrowing money.

Councilwoman Abraham: You just gave the draft letter to get Council's blessing, basically, to look into this further and apply.

Scott Hoffman: Yes, authorizing us to submit the application.

Councilwoman Abraham: I would like to make a motion that Council approve the sending of the draft letter. Do you want me to read it into the record?

Councilman Prettyman: Yeah.

Councilwoman Abraham: It is just basically a draft letter dated March 8, 2011 directing Scott Hoffman of CABA Associates to "Please be advised

that on March 7th at the Milton Town Council Meeting, Town Council did discuss and approve submission of an application to the State of Delaware Office of Drinking Water for Drinking Water State Revolving Funds in the amount of \$3,450,000. These funds are to be used for planning, design, engineering, construction and improvement to the town's water system; that may include a new elevated storage tank, water treatment building, wells and water mains. These improvements being the same as those discussed during the January 3, 2011 and February 7, 2011 Milton Town Council Meetings; and collectively known as the 2012 water systems improvement project.” I make a motion that we approve.

Councilman Prettyman: Second.

Mayor Newlands: We have a motion and a second to approve the application for the Delaware Water State Revolving Funds. We'll do a roll call:

Councilman Prettyman	Approve
Councilwoman Abraham	Approve
Councilwoman Betts	Approve
Councilwoman Duby	Approve
Councilwoman Martin-Brown	Abstain
Councilman Lester	Approve
Mayor Newlands	Approve

Mayor Newlands: Motion is carried. Thank you, Scott.

- c. Proposals on Yard Waste Disposal, including 30-yard container in the Maintenance Yard

Mayor Newlands: What I included in everybody's packages, were emails that were exchanged between Lewes, Georgetown, Laurel, Bridgeville and Bethany Beach. I had emailed back Bethany Beach; actually, then there is Fenwick Island, as well. I had emailed back to Bethany Beach to ask them how they were doing this; when they were going to get two more, 3-person trucks and they told me that they charge \$250 a year for trash, which includes recycling and yard waste; and their regular trash; so they had extra money in their budgets to do this with. As you see, some of these towns are backing off some of these services; some of them are trying to get creative in how they do this. The choices we have are first we can hire M-T Trash to put a 30-yard container, twice a year, in the Maintenance Facility. That's going to be \$150 for the container and whatever the tipping/dumping fees are. That, I think, is \$28 a ton; so it gets kind of expensive. Other methodologies are to have individual homeowner's contact M-T Trash on their own; they can do that. Or town can actually go out and contract M-T Trash; we would have to bid that out, and so we would have to bid out yard waste. There was a question before about tipping fees. If you think it's going to get cheaper when all this happens, it's not. We were told a year ago or six months ago, that tipping fees for the next three years are going up; they're not going down. Even

though I see your faces...

Sam Garde: My comment was simply that tipping fees are generally based on weight. The weight that we are currently paying for will go down when this waste is not included; and therefore the tipping fees that our sub-contractor pays has to come down; even if the unit rate goes up.

Mayor Newlands: Okay, so you're talking about the volume. Okay, yes, the tipping fees are going up; you're right about the volume; that will go down.

Sam Garde: Unit rate may go up, but the net should go down.

Mayor Newlands: That is true. The \$150 was for the container to be there; just for probably a week or two. That's what one of the options are, twice a year. The other options are we can put it out to bidding with the haulers or you can individually contract with M-T Trash, or any of the other haulers; we gave a list of six haulers out last time.

Councilwoman Duby: I would suggest that if we're going to put it out to bid, that we put the recycling in with it and get that Request for Bid out quickly; because I know people are concerned about yard trash; we heard the story tonight about the bags piling up and I'm sure this is happening to a lot of people and recycling from the State; those people who are having it picked up by the State, and I am one, it's coming to an end at the end of this month. Whatever we're going to do, we need to do it and I don't see, and I think, Mr. Mayor you would concur with this, I don't see anyway we're going to get this done without it costing people more.

Mayor Newlands: Oh, I agree, I agree.

Councilwoman Duby: We simply cannot do it. Somebody mentioned property tax. My guess is, I don't know where you came from, Sir; but everybody I know who came to Milton from somewhere else, paid a lot more property tax in the place they came from. I certainly did and so maybe in that higher property tax bill, there was a way for the trash pick up to be included in that. I can tell you absolutely, it's not here. We already have taxes far lower than what it costs us to run the town and so for us to now say well, also, we'll just go ahead and pick it up for free, because it's covered in your property tax, it isn't going to happen. So it's going to cost us and it will cost us, and when I mean us, I mean all of you and all of us; either in our trash pick-up bills, by paying more; or, ultimately in a property tax increase. So we're going to have to bite the bullet; there's no way to do this and not have it cost. My concern is that we start doing it, one way or the other, so that people aren't sitting there with yards full of yard pick-up stuff and at the end of March they don't have anything to do with their recycling; so let's just move on it.

Mayor Newlands: I think in the interim though, we do get the container, as an interim measure; because what's going to happen is we're going to be a while getting these bids out.

Councilwoman Duby: Can we start now; Seth can we have a vote tonight or because it wasn't noticed to start putting this out for bids, or do we have to wait?

Seth Thompson: I don't think the notice is specific enough to authorize putting it out to bid at this point. Just a proposal on yard waste disposal, including a 30-yard container in the Maintenance Yard. Generally, Requests for Bids are going to be more specifically noticed than that.

Councilwoman DUBY: Okay, but can we get it on the agenda absolutely for the April meeting so that we can start the bid process for both recycling and yard waste?

Mayor Newlands: With recycling, we only have 600 totes; we don't have all the totes yet. That's part of this whole issue.

Councilwoman DUBY: We only have 600 what?

Mayor Newlands: The totes, they're called.

Councilwoman DUBY: Is that the can?

Mayor Newlands: Yes, the trash cans. We were given 600 of them from DSWA.

Councilwoman DUBY: Well, everybody in town who has been having the State pick it up, has one. I have one that I can use; so if you've got 600 more that means...

Mayor Newlands: If we're going to start something for all residents, then all residents need to have facilities.

Councilwoman DUBY: What I'm saying, though, is we don't have to have one for every house; because a number of houses in town already have them.

Mayor Newlands: I think that's a small number though.

Councilwoman DUBY: Yeah, but it's some.

Seth Thompson: You could vote on the 30-yard container, obviously, in the interim. I mean the notice is clear on that.

Councilwoman DUBY: And we should do that, I think. I just want to get the other process started; because there's no way if we keep putting it off until the next month and the next month and the next month, hoping that somewhere along the line a miracle is going to happen and we're going to have a way to pick up the yard waste and the recycling and the trash for it to cost less, than what we're now paying for the trash; it ain't going to happen, okay?

Mayor Newlands: That's right.

Allen Atkins: I don't have a problem with the 30-yard container, but the problem is that if people mix any household trash in that, they will not take that. That's a problem that we're going to have to address.

Mayor Newlands: I understand that. It has to be monitored. Yes, we know that. We're not really set up to have a container so; somethings may slip in there. We're going to have to weed it out and we're going to have to deal with it somehow. And it's probably only going to be there for a week or two, so...

Councilman Prettyman: Don't they have a resolution to say what goes in what container? I know the City did, because you couldn't put dark glass in it; lids couldn't be on it.

Mayor Newlands: Ms. DUBY do you want to make a motion on the 30-yard

container?

Councilwoman DUBY: What do we have to include in it? The timing and everything, very specifically?

Mayor Newlands: No, we just talked about the timing. We really need to talk about the length of time it's going to be there; the dates will have to be published in the paper.

Councilwoman DUBY: And we don't have any information about how much this is going to cost us?

Mayor Newlands: It's \$150 for the container and whatever the per tonnage fee is.

Councilwoman DUBY: \$150 for as long as it's there; not \$150 a day; or \$150 a week; or anything like that?

Mayor Newlands: It's probably going to be a week that it will be there and it's \$150 for that.

Councilwoman DUBY: Do we have any guess; does M-T Trash have any guess about tonnage and what that...

Mayor Newlands: It depends on whether it's leaves or branches or stumps. Can't tell what's going to get put in there; and we're going to have to absorb the cost of that.

Councilwoman DUBY: I move that we contract with M-T Trash to provide a 30-yard container at the Maintenance Yard, twice a year, for one year only to see how it works or until we get the bids in for pick-up at \$150, plus tonnage dumping fees. The timing of when that twice a year will be, will be worked out.

Councilwoman Martin-Brown: Second.

Mayor Newlands: We have a motion and a second for the 30-yard container. All in favor say aye. Opposed. Motion is carried.

d. Ordinance to ban smoking in parks

Mayor Newlands: Actually this came about as a coincidence. Somebody stopped me once in the supermarket and asked if we could ban smoking in the parks and then a few months later, the American Lung Association came along with Grant money and asked if we wanted to do the same thing, so we went out and discussed with a number of... Actually, Allen went down to Lewes; they just did this last year and they banned smoking in their parks. We have Milton Memorial Park, Mill Park and the Rails to Trails. Any signage, trash receptacles for the cigarettes, any kind of pamphlets, advertising, anything we do is fully paid for by the American Cancer Society; not a dime gets paid for from Town, so if we have fliers we send out; if we have fliers we're going to hand out at different events, then that's all paid for by the American Lung Association. They approached us with money to spend and asked if we would like to start a project to do this? We thought it was a good idea to do it.

Seth Thompson: Mr. Mayor, I would note too, that if you look at §3 Conditions Need to be Required before anybody would be prosecuted under this; so, in essence, there are going to be signs needed at the ,

entrances, as well as receptacles. This shouldn't come as a surprise to anyone; which is good, given the fact that the fines, at least based on this draft; are significant.

Mayor Newlands: Well jail time is significant too.

Seth Thompson: And imprisonment, that's right.

Mayor Newlands: Added to that. This is modeled after Lewes?

Seth Thompson: And Bethany has a very similar one.

Mayor Newlands: Bethany has a similar law; Lewes has one they just enacted last year. Part of the problem, you're outdoors; second-hand smoke is really not that big of a deal, I don't think. It's the kids picking up and the animals picking up the cigarette butts and getting a really bad overload of nicotine and that has happened; and the kids get really sick from that; so that's the bigger issue, more so than second-hand smoke is the kids getting a hold of the filters and getting the overload of nicotine. This is the draft. Do we need a first reading and a second reading? How do you want to do this?

Seth Thompson: Your Charter doesn't require anything other than that.

Mayor Newlands: No, it's not Planning & Zoning.

Councilman Lester: Mr. Mayor, are all these ordinances as accepted by other towns, include jail time?

Seth Thompson: I believe Bethany's has jail time.

Councilman Lester: Really?

Mayor Newlands: That was a shocker to me and then I talked to Seth about it, and I said it's just one way of getting them to pay the fine; if you don't pay the fine, you're going to jail. So it's one way to twist somebody's arm.

Seth Thompson: I don't know if the grant money is conditioned upon the severity of the punishment. You certainly don't have to fall in line; if a majority of the Council thinks that is a little extreme.

Councilwoman Martin-Brown: Public hangings.

Councilwoman Duby: Well I guess we have a sense of this crowd.

Councilman Lester: Well, as a part-time smoker...

Councilwoman Martin-Brown: Well you don't need a motion from us, do you?

Mayor Newlands: Yes, we need a motion to approve the Ordinance; because once we approve the Ordinance, then Allen can go out and talk to the American Lung Association and get the money for the signs and everything.

Councilman Lester: Can we talk about it a little bit more?

Councilman Prettyman: Well I would like to go ahead and make a motion to approve this Ordinance, because I think it's great.

Councilwoman Martin-Brown: Well you can still talk after the second.

[Unidentified Speaker]: Who will enforce this?

Mayor Newlands: The police.

Councilman Prettyman: We have law enforcement.

[Unidentified Speaker]: We have Codes that they don't enforce. How do

you want them to enforce that?

Councilman Prettyman: That's something that we'll have to look at; how the police are going to handle it; but we have to be look at this. It's a thing for the health of our community and our young people and I think it's very important to go with it.

Councilwoman Martin-Brown: Does the motion need a second, Mr. Mayor?

Mayor Newlands: Yes it does.

Councilwoman Martin-Brown: I second the motion.

Mayor Newlands: We have a motion and a second to approve an Ordinance to ban smoking in our parks.

Councilman Prettyman: It should be the new Ordinance 221 Outdoor Smoking in Public Places to the Town of Milton Code.

Mayor Newlands: Thank you Councilman Prettyman. Let's go roll call:

Councilman Prettyman Approve

Councilwoman Abraham Approve

Councilwoman Betts Approve

Councilwoman Duby Approve

Councilwoman Martin-Brown Approve

Councilman Lester Mr. Mayor, I just feel all of our rights are being impeded and I would like to borrow a phrase from my friend, here; that Constitutional Rights seem to be disappearing. I'm going to vote No.

Mayor Newlands Approve

Mayor Newlands: Motion is carried. Thank you.

13. New Business – Discussion and possible vote on the following items:

- a. Expense of \$9,100 for Pre-Audit Financial Statement

Mayor Newlands: Councilman Lester you were going to talk to Ms. O'Donnell.

Councilman Lester: I thought I did earlier.

Mayor Newlands: No, Ms. O'Donnell.

Councilman Lester: I thought I explained there is a great deal of work going into this. This is not just preparing a Financial Statement; this is more than likely going back to September 30th; redoing September 30, 2009 Financial Statements and bringing the balances correctly forward into our last fiscal year. It's more than just putting a Financial Statement together; there's a lot of work involved. I questioned that too and I called Kathleen O'Donnell today and spoke with her about that; she just cleared all the hurdles that had to be jumped in order to complete this work. Because I thought I could do a Financial Statement in two days; but, no, it's more than that; it's probably two years of Financial Statements, plus all the adjustments; plus bringing everything through correctly into this year.

Councilwoman Duby: I have just a question about the broader contract. I

recall when we contracted with this group, it was around \$48,000 or something.

Mayor Newlands: \$44,000, I think.

Councilwoman DUBY: Yeah and we keep talking about the \$25,000 that we budgeted. I still do not have a clear understanding about where the rest of the money, over the \$25,000, is going to come from; including this \$10,000.

Councilman Lester: The \$25,000, actually was a best guess of mine at the time we were preparing the budget. At that time, I had really no idea, nor did anybody else, the extent of the problems that we would encounter.

Councilwoman DUBY: But the contract came in at \$48,000 and we knew that at the time we budgeted and I raised the question then and my recollection was that you all said well, there are other towns that have this problem; they can benefit from our procedural manual and so on and they might pay the cost of that. I haven't heard anything about that and I want to know if you all still think that's where that money is going to come from or whether...

Mayor Newlands: That's still there.

Councilman Lester: That's still viable.

Councilwoman DUBY: And have we actually talked to other towns that are interested?

Councilman Lester: I've talked to two. One of them was Seaford, that might welcome...; because they're using the same software that we're using and there's more towns going on-line with that software that this would fit in right with what they're doing.

Councilwoman DUBY: And they're willing to pay for it or they're willing to say, if you guys are doing it, let us just have a copy of it?

Councilman Lester: That's not going to happen. If they think that, they can write their own.

Mayor Newlands: Yes, we'll basically own the copyright to that one; we'll own the book; and the County is just...

Councilwoman DUBY: I'm just concerned about us budgeting \$25,000 for a contract that now will be another \$20,000.

Councilman Lester: Actually, I don't believe we had the contract at the time we completed the budget.

Councilwoman DUBY: Well, I distinctly remember saying why are we only budgeting \$25,000 for this; when the proposal from them was for \$48,000 or \$44,000 or whatever. So my recollection is that we did. But I'm concerned about the additional money that is not budgeted for. I just need to say that.

Councilwoman Martin-Brown: I have an additional concern and it may not add up to much, but included in the budget it says here are meals, lodging and transportation. I don't know why we would be paying for meals, lodging and transportation.

Mayor Newlands: There is a gentleman that comes in periodically from Pennsylvania.

Councilman Lester: He stays overnight.

Mayor Newlands: This firm is a Pennsylvania firm. If we had gotten a Delaware firm, then the Delaware firm could never work for us; they could never bid for this job again, in the future. So there are issues with doing that and that's why they go out of state to get people, because it stops any Delaware accounting firms from doing audits with us. Once this is done, from this firm, they're done.

Councilwoman Martin-Brown: Then we can go local?

Mayor Newlands: Yes, once this is done with this firm, they're done with us. They can't come in and do any other work for us.

Councilwoman Martin-Brown: Now what is the State picking up of this, because there was some discussion about the State providing other services.

Councilman Lester: The State will provide the same service as an outside auditing firm; they will come in and they will... When you audit books, you're actually auditing the Financial Statements; is where you begin with the Financial Statements. Of course, we've never had that in the past. So they will audit the Financial Statements and go through the Financial Statements and take whatever audits that they find necessary to verify all the items on the balance sheets there. As an example, they will verify that the assets of the town are really what we say they are. In the past, that hasn't been true.

Councilwoman Martin-Brown: Okay, they will do that auditing after this work is done?

Councilman Lester: After all this is done and there's no fee for that. They will provide services, essentially Tom Sombar charged us \$9,000 and some dollars for last year; at no charge to us.

Councilwoman Martin-Brown: Thank you.

Councilman Lester: An so in effect, if you want to say this, we do recoup the \$9,000.

Councilwoman DUBY: But we didn't budget for that, right?

Mayor Newlands: Correct.

Councilwoman DUBY: So that's not going to be a wash in the budget.

Councilwoman Betts: How are we going to pay for that?

Mayor Newlands: It's just going to be excess to the budget.

Councilwoman Betts: It will be another added expense.

Mayor Newlands: It's an expense over the budget, yes.

Councilman Prettyman: And it's a one time fee?

Mayor Newlands: It's a one time fee, that's correct. This finalizes the project that they are working on that gets us through the audit; that gets us moving for the next couple of years.

Councilwoman Betts: Is this to straighten everything out to where we are at now?

Mayor Newlands: Once everything is straightened out, correct me if I'm wrong Mr. Lester, this gets everything compiled together so that the audit can be done.

Councilman Lester: And gets us ready to move forward into this year with reasonable numbers.

Councilwoman Betts: And everything will be right after this, is that right.

Councilman Lester: We hope so. We'll have to watch it month by month after they've completed.

Mayor Newlands: It's expected to be, yes.

Councilwoman Betts: Well for this price, it should be.

Mayor Newlands: I agree.

Councilman Prettyman: I would like to make a motion for us to accept the contract number AOA-PS-11-ZA Milton and Patrick Kirk, the partner, to do this project for us.

Councilwoman Abraham: Second.

Mayor Newlands: We have a motion and a second to expend the \$9,100 for the Pre-Audit statement. Roll call:

Councilman Prettyman	Approve
Councilwoman Abraham	Approve
Councilwoman Betts	Approve
Councilwoman Duby	Approve
Councilwoman Martin-Brown	Approve
Councilman Lester	Approve
Mayor Newlands	Approve

Mayor Newlands: Motion is carried.

b. Discussion and possible approval of Town Insurance Carrier

Mayor Newlands: I handed out two sheets of paper. There's one that says CS (that's Conner Strong) and the other one is the Lyons Group. **(The discussion mentioned the Lion's Club, which should have been the Lyons Group. Changes have been made accordingly throughout the minutes.)** These are the single sheets that have the coverage on it; plus the fees for the coverage. The books that have all the information are about 17 pages long, if anybody would like to read them all. I didn't want to make 17 page booklets, times two, times 7 council members. That would have been about 200 sheets of paper. So these are the details of the two proposals we got in. The Lyons Group came in at \$75,000; \$75,577; they put theirs against the Conner Strong member of \$85,000 below; then we got the Conner Strong number today and that went from \$85,000 to \$96,000. So the one that says Lyons on it was actually their analysis. Comparing the prices vs. Conner Strong's price for last year; and then we got Conner Strong's prices in today, they raised it by \$10,000. This covers police, fire, umbrella policies, liabilities, worker's compensation, law enforcement liabilities. The coverage is identical, except the Lyons Group has an additional umbrella rider on top of it, I think of \$1,000,000; it's just an additional policy that they give. Everything else is identical.

Councilwoman Duby: Well there's an umbrella on the other one for \$3,000,000.

Mayor Newlands: Right, but there's one other \$1,000,000 umbrella.

Councilwoman DUBY: An additional umbrella?

Mayor Newlands: Yes, an additional feature in there someplace.

Councilwoman DUBY: This looks like the Lyons one...

Mayor Newlands: The top half of the Lyons one is their proposal; the bottom is Conner Strong.

Councilwoman DUBY: So these two aren't the same as these two? I thought they were the comparables.

Councilman Prettyman: They're top and bottom.

Mayor Newlands: The top and bottom on Lyons is...

Councilwoman DUBY: The same as the two columns.

Mayor Newlands: The top one on the Lyons, the top is what Lyons is proposing; the bottom is what we have today.

Councilman Lester: Last year's.

Councilwoman DUBY: Oh, so Lyons is the current carrier; I thought Conner Strong was.

Mayor Newlands: Conner Strong is the current carrier; but they're showing you what... I apologize. We just took the page out of the book; that's why it doesn't have titles on it.

Councilwoman DUBY: This says 2010 and 2011, expiring term, which I understood you to say that's what their price would have been for the current year.

Mayor Newlands: Okay, the sheet that has the Lyons Group on it; the bottom half is what we're currently getting from Conner Strong, that's expiring.

Councilwoman DUBY: So this is the Conner Strong figure for current.

Mayor Newlands: That's the current one; not their proposed new one.

Councilwoman DUBY: I understand the proposed stuff; I'm trying to get the current thing. I thought this was Lyons Group coming in and saying this is what we would charge. Okay. All right. So we're talking about \$75,000 vs. \$96,000?

Mayor Newlands: You got it.

Councilwoman DUBY: And do we have faith that this is equal quality?

Mayor Newlands: These are all the carriers; they are all A Plus carriers. If you look at the center column, it is Select Insurance, AmeriHealth, Professional Government, these are all A Plus carriers.

Councilman Lester: Mr. Mayor, you may want to explain that the Lyons Group is part of the Delaware League Group.

Mayor Newlands: Sure, they are the Delaware Financial; it's the Delaware Financial Insurance Trust.

Councilman Lester: This group provides insurance coverage to many towns that are members of the Delaware League of Towns; and most famously; infamously, I shouldn't say that word; last year Georgetown was covered under their workman's compensation and that sad incident with the police officer in Georgetown; they still didn't see any increase in their workman's compensation insurance for last year. They do, I think, they

offer a wealth of services. They will assist looking over town employment handbooks; they will help with health insurance questions; I asked them if they would have somebody available to talk to employees about tax; there are certain programs under the tax law that could help employees that have never been explored before and these people will come in and talk to the employees, one group at a time; and explain it. They hold many seminars. There's a wealth of knowledge coming out of this group, it's just amazing.

Mayor Newlands: Allen just went to their safety seminar, last week, it was.

Councilwoman Betts: It's compatible to what we had.

Mayor Newlands: The coverage is identical to what you have now.

Councilwoman DUBY: Well, if one is \$75,000 and one is \$96,000 and they're exactly the same; I don't think this is a tough vote.

Councilman Prettyman: That's a no brainer. I make a motion that we go with the Premium Summary from the Lyons Group.

Councilwoman DUBY: Second.

Mayor Newlands: We have a motion and a second to have our insurance carrier through the Lyons Group. All in favor say aye. Opposed. Motion is carried.

14. Executive Session: Discuss Personnel Issues, Litigation and Land Acquisition

Councilwoman Martin-Brown: A point of personal privilege; before we go into Executive Session, may I make a few remarks?

Mayor Newlands: A few, yes.

Councilwoman Martin-Brown: First of all, because this is my last meeting, I wanted to tell you that I've learned a lot in the last four years about public service at the local level. And in many ways, it's been both gratifying and instructive; but I've also experienced and observed an ongoing series of dynamics that keep repeating themselves and dividing people and I just hope that what you hear on the streets about what got said or what got done at these meetings, you inform yourself by attending these meetings; because there are many important decisions taken out of context or misrepresented innocently, by not having the full picture; and that the Council People work very hard as do all the Committees in town and we really owe each other enough respect to base our judgments and assessments on facts and not whispering campaigns and not fiction. I hope as this Administration goes forward with your new members of Council, that neither of them, nor my colleagues up here, experience the kind of pain and attacks at a very ugly level that we have had to endure over the last four years. I served on Committees for Mayor Bushy, I served in this Administration for Mayor Post, and I welcome the gracious gentlemanly ways of our new mayor and I think we owe it to this new Council, to put away 30 and 40 years of acrimony and bad habits. Thank you very much.

Mayor Newlands: Can we get a motion to go into Executive Session?

Councilman Lester: Can I just say thank you to Ms. Martin-Brown. I would just like to thank her for her comments and wish her well after next month.

Councilwoman Martin-Brown: Give me a hug, Norman.

Councilman Duby: I move that we go into Executive Session at 8:08 p.m.

Mayor Newlands: I need a second on the motion.

Councilwoman Abraham: Second.

Mayor Newlands: We have a motion and a second to go into Executive Session. All those in favor say aye. Opposed. Motion carried.

Mayor Newlands: It's 9:49 p.m. I need a motion to come out of Executive Session.

Councilwoman Betts: I make a motion to come out of Executive Session.

Councilman Prettyman: Second.

Mayor Newlands: We have a motion and a second to come out of Executive Session. All in favor say aye. Opposed. Motion carried.

Councilwoman Duby: Mr. Mayor, I want to make a motion that we authorize the resolution discussed as to legal proceedings in an employment case that was discussed in Executive Session.

Councilman Prettyman: Second.

Mayor Newlands: We have a motion and a second to authorize the resolution that we discussed in Executive Session as to legal proceedings in an employment case. Let's do a roll call:

Councilman Prettyman	Approve
Councilwoman Abraham	Approve
Councilwoman Betts	Approve
Councilwoman Duby	Approve
Councilwoman Martin-Brown	Approve
Councilman Lester	Approve
Mayor Newlands	Approve

Mayor Newlands: Motion is carried.

Councilwoman Abraham: I would like to make a motion to rescind the vote that was taken by the Milton Town Council in regards to the decision of the Town Manager on February 22, 2011.

Councilman Lester: Second.

Mayor Newlands: We have a motion and a second to rescind the vote taken on February 22, 2011 against the Town Manager. Roll call:

Councilman Prettyman	No and I just feel that it was an unjust vote. Comments standing.
Councilwoman Abraham	Yes
Councilwoman Betts	Yes
Councilwoman Duby	No and I want to go on record as saying that I think this is an inappropriate vote and an inappropriate motion.
Councilwoman Martin-Brown	No

Councilman Lester Yes
Mayor Newlands Yes

Mayor Newlands: Motion is carried.

Councilman Lester: I'm not sure how to word this.

Mayor Newlands: Just try it and then Seth will correct you.

Seth Thompson: You're right back to where you were with the motion to rescind. In essence, it's as if that vote didn't happen on the 22nd.

Mayor Newlands: Now you can make your motion.

Councilman Lester: Do we have to do the renewal motion?

Seth Thompson: That's how you can renew your prior motion. You can do it that way.

Councilman Lester: I make a motion to renew my motion of February 22, 2011 to terminate the Town Manager.

Councilwoman Abraham: Second.

Mayor Newlands: We have a motion and a second to terminate the Town Manager. Let's do a roll call:

Councilman Lester	Yes
Councilwoman Martin-Brown	No, with objection.
Councilwoman Duby	No, with the same objection. I believe this is an inappropriate motion and an inappropriate vote, particularly if the Mayor rescinds his recusal and votes.
Councilman Prettyman	With a rejection.
Councilwoman Abraham	And we're supposed to state, like we did the last time?

Seth Thompson: Councilman Lester you were, because you didn't all use the same reasoning. So, in essence, you've renewed your motion that you made on the 22nd, so that would apply to your reasoning. In terms of other people that may be for or against, they would need to restate their _____.

Councilwoman Betts: I don't have it. I had it all written down.

Councilwoman Duby: And we simply say we're voting for the same reasons and go back to that record?

Seth Thompson: Yes, you can.

Councilwoman Betts: Oh, I can do that.

<u>Councilman Lester</u>	When I made the motion to renew, that included my motion at the first hearing.
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Seth Thompson: Correct.

Councilwoman Martin-Brown	I stand by the reasons during the first vote that the causes do not rise to the requirements I feel for just cause;
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Councilwoman Duby

and I object to this vote to rescind
and I object to this process.
No on the motion to approve
termination for the same reasons
I stated at the previous hearing and
again my objection to retaking the
vote as inappropriate and objection
to the Mayor rescinding his recusal,
if he does so.

Councilman Prettyman

No for the reasons I have given on
February 22nd.

Councilwoman Abraham

Yes, same reasons as spoken on
February 22nd.

Councilwoman Betts

Yes and the same reasons that I
referred to on the 22nd of February.

Mayor Newlands

Yes. I think there is an over-
abundance of information and
reasons why Mr. Dickerson should
be terminated.

Mayor Newlands: Motion is carried.

15. Adjournment

Mayor Newlands: Can we have a motion to adjourn?

Councilwoman Duby: So moved

Councilman Prettyman: Second.

Mayor Newlands: We have a motion and a second to adjourn at 9:56 p.m. All in favor say aye. Opposed. Motion carried. Good night.