

City of Milford



AGENDA

Council Meeting

December 23, 2013

Milford City Hall - Joseph Ronnie Rogers Council Chambers - 201 South Walnut Street, Milford, Delaware

7:00 P.M.

COUNCIL MEETING

Call to Order - Mayor Joseph R. Rogers

Invocation

Pledge of Allegiance

Recognition

Communications

Unfinished Business

City Hall Boiler Replacement/Funding Source

FY 2013-2014 Budget Adjustment/SE Sewer Project/Hall Easement Purchase/Public Works

FY 2013-2014 Budget Adjustment/SE Sewer Project/Hall Easement/Appraisal Fee

FY 2013-2014 Budget Adjustment/SE Sewer Project/Hall Easement/Appraisal Fee (as Amended)

New Business

Acceptance/City of Milford Audit FY 2012-2013

Adoption/Resolution 2013-26/FOIA Policy (Amended)

Adjourn

WORKSHOP

Call to Order - Mayor Joseph R. Rogers

Municipal Lien Issues/Solicitor David Rutt

Adjourn

SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT NO LATER THAN ONE WEEK PRIOR TO MEETING; NO PAPER DOCUMENTS WILL BE ACCEPTED OR DISTRIBUTED AFTER PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.

This agenda shall be subject to change to include additional items including executive sessions or the deletion of items including executive sessions which arise at the time of the public body's meeting.



DELAWARE SOLID WASTE AUTHORITY

Pasquale S. Canzano, P.E., BCEE
Chief Executive Officer

Richard P. Watson, P.E., BCEE
Chief Operating Officer

Board of Directors
Richard V. Pryor
Chairman
Ronald G. McCabe
Vice Chairman
Theodore W. Ryan
Timothy P. Sheldon
Tonda L. Parks
Gerard L. Esposito
Gregory V. Moore, P.E.

December 6, 2013

Richard Carmean
City of Milford
P.O. Box 159
Milford, DE 19963

Dear Richard:

Enclosed please find the City of Milford's numbers for the month of November 2013.

**November 2013
Weight in Pounds**

MARSHALL STREET

SINGLE-STREAM TOTAL	OIL GALLONS
19,768	670

MILFORD COMMONS

13,686	
--------	--

Sincerely,

Rich Von Stetten
Sr. Manager of Statewide Recycling

C:\RVS\RD correspondence\cityofmilford.doc
Christie Murphy
Attachments: City of Milford Curbside Totals

1128 S. Bradford Street, P.O. Box 455, Dover, Delaware 19903-0455
Phone: (302) 739-5361 Fax: (302) 739-4287

CITIZENS' RESPONSE LINE: 1-800-404-7080 www.dswa.com

**CITY OF MILFORD
NOVEMBER 2013**

Date Out	Trans Num	MT Label	DT Label	Bill Acct Name	Net TN
11/1/2013	752213	7100-RC Single Strea	7000-Recommunity	City of Milford	1.32
11/1/2013	752214	7100-RC Single Strea	7000-Recommunity	City of Milford	2.69
11/7/2013	752860	7100-RC Single Strea	7000-Recommunity	City of Milford	4.11
11/7/2013	752861	7100-RC Single Strea	7000-Recommunity	City of Milford	3.82
11/8/2013	752922	7100-RC Single Strea	7000-Recommunity	City of Milford	4.83
11/8/2013	752923	7100-RC Single Strea	7000-Recommunity	City of Milford	3.44
11/14/2013	753547	7100-RC Single Strea	7000-Recommunity	City of Milford	2.61
11/14/2013	753562	7100-RC Single Strea	7000-Recommunity	City of Milford	3.38
11/15/2013	753594	7100-RC Single Strea	7000-Recommunity	City of Milford	1.54
11/15/2013	753596	7100-RC Single Strea	7000-Recommunity	City of Milford	2.71
11/21/2013	754184	7100-RC Single Strea	7000-Recommunity	City of Milford	3.58
11/21/2013	754200	7100-RC Single Strea	7000-Recommunity	City of Milford	3.86
11/22/2013	754239	7100-RC Single Strea	7000-Recommunity	City of Milford	4.02
11/22/2013	754242	7100-RC Single Strea	7000-Recommunity	City of Milford	4.33
11/27/2013	754796	7100-RC Single Strea	7000-Recommunity	City of Milford	3
				TOTAL	49.24

**DELAWARE LEAGUE OF LOCAL GOVERNMENTS
MONTHLY DINNER MEETING
JANUARY 23RD, 2014
DOVER DOWNS HOTEL
4th FLOOR, DIAMOND ROOM #1
1131 NORTH DUPONT HIGHWAY
DOVER, DELAWARE**

SOCIAL HOUR: 6:00 P.M. - 6:45 P.M.
 OPENING: 6:45 P.M. - 7:00P.M.
 DINNER: 7:00 P.M. - 7:30 P.M.
 PROGRAM: 7:30 P.M. - 8:00 P.M.

PROGRAM

The upcoming year will be an eventful one for public employers. New State laws recognizing same sex marriage and granting protection to transgender employees will require modification of existing personnel policies. The legalization of medical marijuana will change all employer policies, with or without drug testing programs. Labor and Employment attorney William W. Bowser of Young Conway Stargatt & Taylor, LLP will tell you what you need to know to prepare for these changes and challenges. Bring your human resources staff to this presentation.

NEXT MEETING: THURSDAY FEBRUARY 27TH, 2014

Special diets can be accommodated with 24 hours notice

WE MUST HAVE YOUR RESERVATIONS NO LATER THAN January 10th, 2014

Mail To: Delaware League of Local Governments
 P.O. Box 484
 Dover, Delaware 19903

Telephone: 302-678-0991 Fax: 302-678-4777 Email: gwright@udel.edu

_____ will have _____ attendees
 (Municipality/County/Agency)

PLEASE LIST THE NAMES OF THOSE ATTENDING

<u>Name</u>		<u>Title</u>
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____

- () Check enclosed for () dinners @ \$30.00 each
- () Please direct bill the Municipality/County/Agency
- () Payment will be made at the door
- () Enclosed for () dinners @ \$30.00 each



DELAWARE LEAGUE OF LOCAL GOVERNMENTS

P.O. BOX 484, DOVER, DE 19903-0484

Telephone: 302-678-0991 FAX 302-678-4777 E-mail: gwright@udel.edu

President Kenneth Branner Executive Director George C. Wright Jr.

To: League Members
From: Executive Director George C. Wright, Jr.
Subject: Congressional Visit
Date: December 18, 2013

The annual Congressional visit to Washington D.C. will be on Wednesday **March 12th, 2014**. The meeting will begin in the Capital, room SVC 214. Both Senators, Carper and Coons, will speak to our group and Congressman Carney will also be available.

The meeting will start at 10:00 a.m. and end at 1:00 p.m. Enter the [Capitol](#) through the north screening facility, proceeding up the ramp to the north door. Upon entering the building, continue about 75 feet. The Senate Appointments Desk will be on the left before the gift shop. Obtain passes from the Appointments Desk to continue through the Capitol.

If you are planning to attend please [email](#) the attached form, no later than **February 12th, 2014**. If there are specific topics you would like to discuss, contact the League office no later than February 12th.

For security purposes, be sure to include:

- Name
- Title
- Municipality/County/Agency

To: Delaware League of Local Governments
From:
Subject: Congressional Visit Attendance

Email: gwright@udel.edu

Parking is available nearby at Union Station (Amtrak).
For more information contact me at the League office (302) 678-0991

_____ Will have _____ attendees
(Municipality/County/Agency)

PLEASE LIST THE NAMES OF THOSE ATTENDING

<u>Name</u>	<u>Title/Office</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Boiler Repairs previously made at city hall were paid from the City Manager's Discretionary Account.

He is requesting reimbursement to that account and that funds be transferred accordingly.

The Deed of Easement is fully signed and was sent to be recorded. The city needs to cut two equal checks in the total sum of \$19,000 payable to the Revocable Trust of W. Nelson Hall and to the Irrevocable Trust of Dorothy I. Hall.

Funds are requested from Sewer reserves.

MASTEN REALTY, LLC
James J. Masten, Owner
715 South Dupont Highway
Milford, Delaware 19963
(302) 422 - 1850

INVOICE FOR APPRAISAL SERVICES RENDERED

October 24, 2013

City of Milford
c/o Richard Carmean
201 South Walnut Street
Milford, Delaware 19963

APPRAISAL OF:

Nelson Hall Easement - AMENDMENT
West Side of Route 1
Milford, Delaware 19963
Our File # 13/160

\$150.00

INVOICE AMOUNT	\$150.00
PREVIOUS BALANCE	\$0.00
TOTAL DUE	<u>\$150.00</u>

*52098
Reserve*

*All Invoices Are Due Upon Receipt. A Service Charge
Of One (1%) Percent Per Month Will Be Assessed
On Balances 30 Days Beyond Invoice Date*

Please Return This Copy With Your Payment

CITY OF MILFORD

Milford, Delaware

Financial Statements

For The Year Ended June 30, 2013

CITY OF MILFORD, DELAWARE

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OFFICE OF THE CITY MANAGER
RICHARD D. CARMEAN
TELEPHONE (302) 424-3712, FAX (302) 424-3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963
www.cityofmilford.com

October 30, 2013

The Honorable Mayor
and Members of the City Council
City of Milford
Milford, Delaware

The Finance Department and City Manager's Office are pleased to submit the Annual Financial Report for the City of Milford, Delaware for the fiscal year ended June 30, 2013.

This report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

THE REPORT

The accompanying financial section includes a Management and Discussion Analysis (MD&A), basic financial statements and combining and individual fund statements and schedules, as well as the independent auditor's report on the basic financial statements. Beck, Villata & Co., P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City of Milford's MD&A can be found immediately following the report of the independent auditors.

The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations, as applicable.

CITY PROFILE

Location

The City of Milford is the sixth largest city in population in the State of Delaware, serving over 9,500 residents within a rapidly growing corridor along U.S. Route 113/DE Route 1 in Kent and Sussex Counties. Located on

the Mispillion River, within both Kent and Sussex Counties, the City is approximately 95 miles from Philadelphia, Pennsylvania, 85 miles from Baltimore, Maryland, and 100 miles from Washington, D.C. Locally, the City is 19 miles south of Dover, the State Capital.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and eight Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria no other governmental organizations are included in this report.

FINANCE

Services Provided

The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under general government and enterprise functions are: police protection, water and sewer services, electric services, sanitation services, park and recreational facilities, street improvements and general administrative services.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's informal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between the items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the general fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City departmental and divisional management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

OTHER INFORMATION

Independent Audit

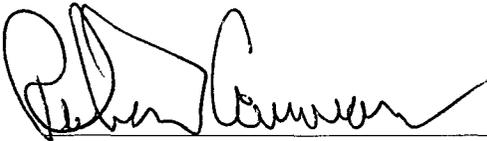
The City Charter requires an annual audit of the accounts, financial records and transactions of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditors' report has been included in this report. Additionally, the City of Milford's Director of Finance hears and reviews all recommendations made by the independent auditors.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank the members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectively submitted,



Richard D. Carmean
City Manager



Jeff Portmann
Finance Director



Certified Public Accountants

Member Firm Private Companies Practice Section
AICPA Division for CPA Firms

BECK, VILLATA & CO., P.C.

www.beckvillata.com

Frank C. Beck, CPA/ABV
Vincent P. Villata, Jr., CPA
Robert K. Griffin, CPA

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Milford, DE

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Milford, DE as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Milford, DE, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-6 and page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Milford, DE's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013, on our consideration of the City of Milford, DE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Milford, DE's internal control over financial reporting and compliance.

Beck Villata + Co PC

Voorhees, NJ
October 30, 2013

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

As management of the City of Milford, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended June 30, 2013. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets and the City's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses higher or lower than the previous year? Have net assets (containing both short and long term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages i-iii of this report) as well as information on the City's annual budget and other community information found on the City's website at www.cityofmilford.com. It should be noted that the Independent Auditor's Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

IN BRIEF

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by approximately \$64.4 million (net assets). This number must be viewed in the context that a significant portion of the City's net assets, \$23.3 million (36%) are invested in capital assets, net of related debt, and that most capital assets in government do not directly generate revenue nor can they be sold to generate liquid capital. Those net assets restricted for specific purposes total \$3.1 million (5%). The remaining \$38.5 million are unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net assets increased by approximately \$1.1 million in fiscal year 2013.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7.7 million. Within this total \$969 thousand is restricted by specific legal requirements and \$2.5 million has been committed and assigned to specific types of expenditures, The remaining \$4.3 million is unassigned fund balance in the general fund and can be used for any lawful purpose.
- The City's long-term liabilities increased by \$1.2 million due primarily to new debt incurred to the United States Department of Agriculture for a new water system expansion project that is in progress, and debt incurred to Kent County in connection with costs incurred to construct a new sewer line.
- The City has seen certain revenues stagnate or decline due to the current economy and has moved aggressively to reduce expenditures accordingly. The City also benefits from strong fund balances and conservative financial practices. The Economic Factors and Next Year's Budget section on the last page of this discussion provide additional information on the subject.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government wide financial statements, 2) fund financial statements 3) notes to the financial statements and 4) required supplementary information which includes this management's discussion and analysis. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

Government Wide Financial Statements - The government wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences.)

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CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, public works, and cultural and recreation. The business-type activities of the City include water and sewer, electric and sanitation operations. The government wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements - A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories-governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long term liabilities such as bonds payable or long term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near term financing requirements. Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds - The City maintains two types of proprietary funds. Enterprise funds are used functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, electric and sanitation operations.

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CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, public works, meter department, billing services and city hall building maintenance cost allocation programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Electric, and Sanitation funds, since all are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 21 to 23 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 42.

Other Information - In addition to the basic financial statements and accompanying notes, the basic financial statements contain required supplementary information including this discussion and analysis.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets and especially net assets by category may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$64.4 million as of June 30, 2013.

The largest portion of the City's net assets \$23.3 million (36%) reflects its investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City.

They do represent, however, an obligation on the part of the City to maintain these assets into the future. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

An additional portion of the City's net assets \$2.5 million (4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets \$38.5 million (61%) may be used to meet the government's ongoing obligations to citizens and creditors. The current and other assets increased in the Governmental and Business type activities by \$308 thousand and \$273 thousand, respectively. Increase in the Governmental activities is primarily due to the sale of city land. Increase in the Business-type activities is primarily from tighter budgetary controls on expenditures for all business type activities. The City's long term liabilities increased by \$1.2 million due primarily to new debt incurred, as previously discussed.

Overall the City had an increase in net assets of \$1.1 million or 0.2%.

Governmental Activities - Governmental activities net assets increased by \$490 thousand. Net assets invested in capital assets, net of related debt increased by \$460 thousand or 3.6%. Unrestricted net assets increased by \$30 thousand or .5%.

Excluding transfers from business-type activities and special items, total revenues for governmental activities decreased from the previous year by \$2 million. General revenue (excluding transfers and special items) had a net increase of \$622 thousand or 14.5%. In Program Revenues, fees and fines increased by \$6 thousand and operating grants and contributions increased by \$77 thousand. Total revenues decreased by \$809 thousand because of the sale of land in fiscal 2012. Total expenses for governmental activities increased by \$55 thousand or .7%.

Business-Type Activities - Net assets from business-type activities increased by \$598 thousand, or 1.4% from \$43.3 million to \$43.9 million. Net assets invested in capital assets, net of related debt, increased by \$681 thousand. Unrestricted net assets decreased by \$83 thousand. Restricted net assets remained unchanged from the previous year.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

CITY OF MILFORD'S NET ASSETS
(Amounts in Thousands)

	Government Activities		Business-Type Activities		Total	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 8,019	\$ 8,327	\$ 37,021	\$ 37,294	\$ 45,040	\$ 45,621
Capital assets, net	13,097	13,515	27,496	29,365	40,593	42,880
Total Assets	<u>21,116</u>	<u>21,842</u>	<u>64,517</u>	<u>66,659</u>	<u>85,633</u>	<u>88,501</u>
Long term liabilities	667	685	17,096	18,255	17,763	18,940
Other liabilities	425	643	4,070	4,455	4,495	5,098
Total Liabilities	<u>1,092</u>	<u>1,328</u>	<u>21,166</u>	<u>22,710</u>	<u>22,258</u>	<u>24,038</u>
Net Assets						
Invested in capital assets, net of related debt	12,899	13,359	9,316	9,997	22,215	23,356
Restricted	763	979	1,834	2,108	2,597	3,087
Unrestricted	<u>6,362</u>	<u>6,176</u>	<u>32,201</u>	<u>31,844</u>	<u>38,563</u>	<u>38,020</u>
Total Net Assets	<u>\$ 20,024</u>	<u>\$ 20,514</u>	<u>\$ 43,351</u>	<u>\$ 43,949</u>	<u>\$ 63,375</u>	<u>\$ 64,463</u>

As of June 30, 2013, the City has positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

The following table provides a summary of the City's operations for the year ended June 30, 2013 with comparative totals for the year ended June 30, 2012.

CITY OF MILFORD'S CHANGES IN NET ASSETS
(Amounts in Thousands)

	Government Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 114	\$ 120	\$ 33,045	\$ 32,154	\$ 33,159	\$ 32,274
Operating grants and contributions	997	920	-	-	997	920
General Revenues:						
Property taxes	3,325	3,957	-	-	3,325	3,957
Franchise taxes	500	488	-	-	500	488
Impact fees	-	-	125	97	125	97
Investment earnings	57	26	277	110	334	136
Gain on sale of assets	1,360	-	-	-	1,360	-
Miscellaneous	403	436	2	1	405	437
Total revenues	<u>6,756</u>	<u>5,947</u>	<u>33,449</u>	<u>32,362</u>	<u>40,205</u>	<u>38,309</u>
Expenses						
General government	1,901	1,842	-	-	1,901	1,842
Public safety	4,061	4,183	-	-	4,061	4,183
Public works	727	744	-	-	727	744
Culture and recreation	1,208	1,184	-	-	1,208	1,184
Interest on long term debt	5	4	667	595	672	599
Electric	-	-	22,165	21,408	22,165	21,408
Water	-	-	1,553	1,670	1,553	1,670
Sewer	-	-	3,189	4,453	3,189	4,453
Trash	-	-	1,056	1,138	1,056	1,138
Total expenses	<u>7,902</u>	<u>7,957</u>	<u>28,630</u>	<u>29,264</u>	<u>36,532</u>	<u>37,221</u>
Increase (decrease) in net assets before transfers	(1,146)	(2,010)	4,819	3,098	3,673	1,088
Transfers	<u>2,500</u>	<u>2,500</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	1,354	490	2,319	598	3,673	1,088
Net assets, July 1	<u>18,670</u>	<u>20,024</u>	<u>41,032</u>	<u>43,351</u>	<u>59,702</u>	<u>63,375</u>
Net assets, June 30	<u>\$ 20,024</u>	<u>\$ 20,514</u>	<u>\$ 43,351</u>	<u>\$ 43,949</u>	<u>\$ 63,375</u>	<u>\$ 64,463</u>

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

Financial Analysis of the Government's Funds

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year. At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7.7 million. Within this total \$979 thousand is restricted by specific legal requirements, for street improvements, and \$2.3 million has been committed and assigned to specific types of expenditures. The remaining \$4.3 million is unassigned fund balance in the general fund and can be used for any lawful purpose. In the general fund, the City originally budgeted a fund balance decrease in the current year of \$498 thousand prior to the use of prior balances and reserves. The actual general fund balance increased by \$49 thousand as the result of increases in various other revenue accounts. Actual general fund expenditures were within \$5 thousand of total budgeted expenses.

Proprietary Funds - The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the respective enterprise funds are \$7.7 million for Water, \$5.1 million for sewer, \$18.6 million for electric and \$711 thousand for Sanitation. The total of all enterprise fund net assets exclusive of the internal service funds at the end of the fiscal year was \$43.9 million. Change in net assets for enterprise funds in 2013 were an increase of \$881 thousand in the water, a decrease of \$1 million in the sewer, an increase of \$810 thousand in the electric and a decrease of \$28 thousand in the sanitation fund. The cause of the significant decrease in the sewer fund was that the City incurred costs of approximately \$1.3 million related to the Kent County Sewer Bypass System.

General Fund Budgetary Highlights - The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in an increase in budgeted expenditures from the original budget of 1% or \$249 thousand. Management's estimate of the General Funds budgeted revenues increased \$131 thousand or 2.8% from original budget based on year to date experience.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt and note obligations of \$19,524 million, all backed by the full faith and credit of the government.

**Outstanding Debt at Year End
Bonds and Notes Payable**

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
General Obligation Bonds	\$ 199	\$ 156	\$ 16,117	\$ 15,095	\$ 16,316	\$ 15,251
Revolving Fund Loans	-	-	2,063	2,028	2,063	2,028
Other Notes Payable	-	-	-	2,245	-	2,245
Total	<u>\$ 199</u>	<u>\$ 156</u>	<u>\$ 18,180</u>	<u>\$ 19,368</u>	<u>\$ 18,379</u>	<u>\$ 19,524</u>

During the fiscal year, the City's total debt increased by \$1.2 million or .65%. There was new debt incurred to the United States Agriculture Department in connection with a water system expansion project, as well as to Kent County for costs incurred to construct a new sewer line.

The City's General Obligation Bond rating is AA- as rated by Standard & Poor's. Additionally, several of the City's bonds are insured.

Additional information on the City's long term debt can be found in footnote 10 on pages 38 to 41 of this report.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$42.9 million (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, intangibles, improvements, and infrastructure and construction in progress. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was \$2.3 million or 5.6%. Additional information on the City's capital assets can be found in note 9 on pages 35 and 36 of this report.

Major capital asset events during the current fiscal year included the following: acquisition of vehicles and equipment totaling \$605 thousand, including public safety and street vehicles totaling \$233 thousand; utility system infrastructure improvements totaling \$1.5 million; and land additions totally \$1.7 million, including \$140 thousand for a "can-do" playground.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In the fiscal year 2014 Budget, General Fund revenues are budgeted to increase by 1% from the fiscal year 2013 final budget. A reassessment was completed in fiscal year 2012 as required by the city charter at least every 10 years.

In this coming fiscal year, the City's budget will continue to be impacted by the economic downturn but is seeing some encouraging signs. On the positive side, rates charged for services remained unchanged in order to operate the city's four enterprise funds consisting of water, sewer, electric and sanitation. The city's electric service will be adding a new substation to better serve our customers. The city has also been aggressively pursuing the removal of groundwater from our sewer lines which should result in a reduction of expenses to process the sewer discharge at the Kent County sewer processing plant.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attention: Finance Director, 10 SE 2nd Street, Milford, DE 19963 or call 302-424-5141 or email: jportmann@milford-de.gov.

CITY OF MILFORD, DE
STATEMENT OF NET ASSETS
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 3,597,049	\$ 13,986,319	\$ 17,583,368
Investments	4,184,114	18,852,038	23,036,152
Receivables	422,965	2,927,266	3,350,231
Inventories	-	1,313,744	1,313,744
Other Assets	122,404	215,382	337,786
Capital Assets			
Land, Infrastructure and Other Assets not being depreciated	13,384,420	1,260,444	14,644,864
Utility System	-	43,897,421	43,897,421
Buildings	4,260,185	6,294,293	10,554,478
Equipment and Furniture	5,207,014	4,333,601	9,540,615
Construction in Progress	630,104	-	630,104
Less: Accumulated Depreciation	<u>(9,966,519)</u>	<u>(26,421,071)</u>	<u>(36,387,590)</u>
Total Capital Assets	<u>13,515,204</u>	<u>29,364,688</u>	<u>42,879,892</u>
Total Assets	<u>\$ 21,841,736</u>	<u>\$ 66,659,437</u>	<u>\$ 88,501,173</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 457,610	\$ 2,733,682	\$ 3,191,292
Long-Term Liabilities			
Due Within One Year			
Bonds and Notes Payable	42,986	1,254,913	1,297,899
Compensated Absences	142,886	35,552	178,438
Customer Deposits	-	430,732	430,732
Due in More Than One Year			
Bonds and Notes Payable	112,717	18,112,778	18,225,495
Compensated Absences	571,544	142,207	713,751
Total Liabilities	<u>1,327,743</u>	<u>22,709,864</u>	<u>24,037,607</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	13,359,501	9,996,997	23,356,498
Restricted	978,909	2,107,971	3,086,880
Unrestricted	6,175,583	31,844,605	38,020,188
Total Net Assets	<u>\$ 20,513,993</u>	<u>\$ 43,949,573</u>	<u>\$ 64,463,566</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 2,026,485	\$ 31,740	\$ -	\$ -	\$ (1,994,745)		\$ (1,994,745)
Public Safety	4,048,647	-	414,319	-	(3,634,328)		(3,634,328)
Public Works	744,564	-	371,240	-	(373,324)		(373,324)
Culture and Recreation	1,003,766	88,360	-	-	(915,406)		(915,406)
Total Governmental Activities	<u>7,823,462</u>	<u>120,100</u>	<u>785,559</u>	<u>-</u>	<u>(6,917,803)</u>		<u>(6,917,803)</u>
Business-Type Activities							
Electric Fund	21,732,327	24,947,748	-	-		3,215,421	3,215,421
Water Fund	1,697,166	2,491,245	-	-		794,079	794,079
Sewer Fund	4,694,499	3,611,605	-	-		(1,082,894)	(1,082,894)
Trash Fund	1,137,795	1,103,547	-	-		(34,248)	(34,248)
Total Business-Type Activities	<u>29,261,787</u>	<u>32,154,145</u>	<u>-</u>	<u>-</u>		<u>2,892,358</u>	<u>2,892,358</u>
Total Primary Government	<u>\$ 37,085,249</u>	<u>\$ 32,274,245</u>	<u>\$ 785,559</u>	<u>\$ -</u>	<u>\$ (6,917,803)</u>	<u>\$ 2,892,358</u>	<u>\$ (4,025,445)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					3,957,455	-	3,957,455
Franchise Taxes					487,897	-	487,897
Impact Fees					-	97,443	97,443
Unrestricted Investment Earnings					26,371	109,714	136,085
Miscellaneous					435,670	(1,390)	434,280
Transfers					2,500,000	(2,500,000)	-
Total General Revenues, Special Items, and Transfers					<u>7,407,393</u>	<u>(2,294,233)</u>	<u>5,113,160</u>
Change in Net Assets					489,590	598,125	1,087,715
Net Assets - Beginning					<u>20,024,403</u>	<u>43,351,448</u>	<u>63,375,851</u>
Net Assets - Ending					<u>\$ 20,513,993</u>	<u>\$ 43,949,573</u>	<u>\$ 64,463,566</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,762,607	\$ 1,816,106	\$ 18,336	\$ 3,597,049
Investments	2,732,263	1,451,851	-	4,184,114
Taxes Receivable, Net of Allowance for Doubtful Accounts	130,695	36,223	-	166,918
Other Receivables	207,044	49,003	-	256,047
Prepaid Expenses	122,404	-	-	122,404
Total Assets	<u>\$ 4,955,013</u>	<u>\$ 3,353,183</u>	<u>\$ 18,336</u>	<u>\$ 8,326,532</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 208,270	\$ 50,820	\$ 3,755	\$ 262,845
Compensated Absences - Current	142,886	-	-	142,886
Other Accrued Expenses	190,263	-	-	190,263
Other Payables	4,131	-	371	4,502
Total Liabilities	<u>545,550</u>	<u>50,820</u>	<u>4,126</u>	<u>600,496</u>
Fund Balances:				
Restricted	-	978,909	-	978,909
Nonspendable	122,404	-	-	122,404
Assigned	-	2,323,454	14,210	2,337,664
Unassigned	4,287,059	-	-	4,287,059
Total Fund Balances	<u>4,409,463</u>	<u>3,302,363</u>	<u>14,210</u>	<u>7,726,036</u>
Total Liabilities and Fund Balances	<u>\$ 4,955,013</u>	<u>\$ 3,353,183</u>	<u>\$ 18,336</u>	<u>\$ 8,326,532</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2013

Total Fund Balance, Governmental Funds \$ 7,726,036

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets. 13,515,204

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Assets. (727,247)

Net Assets of Governmental Activities in the Statement of Net Assets \$ 20,513,993

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 3,618,679	\$ -	\$ -	\$ 3,618,679
Real Estate Transfer Taxes	-	338,776	-	338,776
Fees and Fines	233,688	-	-	233,688
Licenses and Permits	254,209	-	-	254,209
Engineering & Inspection Fees	-	-	-	-
Intergovernmental	-	785,559	-	785,559
Charges for Services	31,740	-	88,360	120,100
Investment Earnings	19,449	6,922	-	26,371
Miscellaneous	401,672	33,998	-	435,670
	<u>4,559,437</u>	<u>1,165,255</u>	<u>88,360</u>	<u>5,813,052</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	1,324,153	-	-	1,324,153
Public Safety	3,940,633	108,014	-	4,048,647
Public Works	744,564	-	-	744,564
Culture and Recreation	913,465	-	90,301	1,003,766
Debt Service:				
Principal	41,854	-	-	41,854
Interest	4,237	-	-	4,237
Capital Outlay	541,631	392,470	-	934,101
	<u>7,510,537</u>	<u>500,484</u>	<u>90,301</u>	<u>8,101,322</u>
Total Expenditures				
(Deficiency) Excess of Revenues Over Expenditures	<u>(2,951,100)</u>	<u>664,771</u>	<u>(1,941)</u>	<u>(2,288,270)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,000,000	-	-	3,000,000
Transfers Out	-	(500,000)	-	(500,000)
	<u>3,000,000</u>	<u>(500,000)</u>	<u>-</u>	<u>2,500,000</u>
Total Other Financing Sources and Uses				
Net Change in Fund Balances	48,900	164,771	(1,941)	211,730
Fund Balances - Beginning	<u>4,360,563</u>	<u>3,137,592</u>	<u>16,151</u>	<u>7,514,306</u>
Fund Balances - Ending	<u>\$ 4,409,463</u>	<u>\$ 3,302,363</u>	<u>\$ 14,210</u>	<u>\$ 7,726,036</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds:	\$ 211,730
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in the statement of revenues, expenditures and changes in fund balance.	(133,396)
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of \$934,101 exceeded depreciation expense of \$564,699 in the current period.	369,402
Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.	<u>41,854</u>
Change in net assets of governmental activities	<u><u>\$ 489,590</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
BUDGET AND ACTUAL (WITH VARIANCES)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 3,508,380	\$ 3,508,380	\$ 3,618,679	\$ 110,299
Real Estate Transfer Tax (from Special Revenue Fund)	500,000	500,000	500,000	-
Fees and Fines	150,000	150,000	233,688	83,688
Licenses and Permits	210,000	210,000	254,209	44,209
Charges for Services	32,000	32,000	31,740	(260)
Investment Earnings	7,500	7,500	19,449	11,949
Miscellaneous	243,310	374,764	401,672	26,908
	<u>4,651,190</u>	<u>4,782,644</u>	<u>5,059,437</u>	<u>276,793</u>
EXPENDITURES				
Current:				
General Government	1,297,390	1,297,390	1,324,153	(26,763)
Public Safety	3,944,635	3,944,635	3,940,633	4,002
Public Works	830,130	830,130	744,564	85,566
Culture and Recreation	904,030	904,030	913,465	(9,435)
Debt Service:				
Principal	41,854	41,854	41,854	-
Interest and Other Charges	4,241	4,241	4,237	4
Capital Outlay	627,350	758,804	541,631	217,173
	<u>7,649,630</u>	<u>7,781,084</u>	<u>7,510,537</u>	<u>270,547</u>
Deficiency of Revenues Over Expenditures	(2,998,440)	(2,998,440)	(2,451,100)	547,340
OTHER FINANCING SOURCES				
Transfers In From Electric Fund	2,500,000	2,500,000	2,500,000	-
Net Change in Fund Balance	(498,440)	(498,440)	48,900	547,340
DEFICIENCY FUNDED BY				
General Fund Prior Balance and Reserves	498,440	498,440	-	(498,440)
Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,900</u>	<u>\$ 48,900</u>

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2013

Business Type Activities - Enterprise Funds						Governmental Activities- Internal Service Fund
Electric	Water	Sewer	Trash	Total		
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 9,436,856	\$ 2,698,731	\$ 1,406,888	\$ 443,844	\$ 13,986,319	\$ 183,969
Investments	8,623,459	5,763,770	4,214,809	250,000	18,852,038	-
Accounts Receivable, net of allowance for doubtful accounts	2,124,808	276,311	399,463	97,936	2,898,518	19,682
Other Receivables	26,748	750	750	500	6,294,293	-
Inventories	1,278,853	34,891	-	-	1,313,744	45,824
Deferred Bond Issue Costs	131,745	23,727	59,910	-	215,382	-
Total Current Assets	21,622,469	8,798,180	6,081,820	792,280	37,294,749	249,475
Non-Current Assets:						
Capital Assets:						
Land and Improvements	1,204,437	27,369	28,638	-	1,260,444	-
Utility System	12,887,000	13,626,327	17,384,094	-	43,897,421	-
Buildings and Improvements	6,049,421	197,249	41,973	5,650	6,294,293	-
Equipment and Furniture	2,382,053	632,082	439,034	880,432	4,333,601	1,118,768
Less Accumulated Depreciation	(11,901,752)	(6,679,049)	(7,092,662)	(747,608)	(26,421,071)	(406,593)
Total Non-Current Assets	10,621,159	7,803,978	10,801,077	138,474	29,364,688	712,175
Total Assets	\$ 32,243,628	\$ 16,602,158	\$ 16,882,897	\$ 930,754	\$ 66,659,437	\$ 961,650
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 2,027,294	\$ 100,403	\$ 318,471	\$ 47,642	\$ 2,493,810	\$ 98,010
Salaries Payable	35,737	7,111	7,110	11,038	60,996	-
Other Accrued Expenses	178,876	-	-	-	178,876	13,732
Customer Deposits	430,732	-	-	-	430,732	-
Compensated Absences	22,962	4,031	4,031	4,528	35,552	18,382
Bonds, Notes and Loans Payable	338,906	452,985	463,022	-	1,254,913	-
Total Current Liabilities	3,034,507	564,530	792,634	63,208	4,454,879	130,124
Non-Current Liabilities:						
Compensated Absences	91,850	16,122	16,122	18,113	142,207	73,526
Bonds, Notes and Loans Payable	7,782,261	3,578,408	6,752,109	-	18,112,778	-
Total Non-Current Liabilities	7,874,111	3,594,530	6,768,231	18,113	18,254,985	73,526
Total Liabilities	\$ 10,908,618	\$ 4,159,060	\$ 7,560,865	\$ 81,321	\$ 22,709,864	\$ 203,650
NET ASSETS						
Invested in Capital Assets, net of related debt	\$ 2,499,992	\$ 3,772,585	\$ 3,585,946	\$ 138,474	\$ 9,996,997	\$ 712,175
Restricted for Capital Improvements	290,452	1,071,707	745,812	-	2,107,971	-
Unrestricted	18,544,566	7,598,806	4,990,274	710,959	31,844,605	45,825
Total Net Assets	\$ 21,335,010	\$ 12,443,098	\$ 9,322,032	\$ 849,433	\$ 43,949,573	\$ 758,000

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business Type Activities - Enterprise Funds					Governmental Activities- Internal Service Fund
	Electric	Water	Sewer	Trash	Total	
REVENUES						
Charges for Services	\$ 24,647,844	\$ 2,445,802	\$ 3,578,109	\$ 1,099,272	\$ 31,771,027	\$ 1,857,647
Miscellaneous	299,904	45,443	33,496	4,275	383,118	-
Total Operating Revenues	<u>24,947,748</u>	<u>2,491,245</u>	<u>3,611,605</u>	<u>1,103,547</u>	<u>32,154,145</u>	<u>1,857,647</u>
OPERATING EXPENSES						
Personal Services	1,999,302	375,880	431,139	478,410	3,284,731	1,238,753
Contractual Services	18,507,215	84,933	3,361,490	328,284	22,281,922	83,840
Utilities	6,524	206,317	23,924	-	236,765	4,494
Repairs and Maintenance	285,192	81,399	32,787	107,712	507,090	236,133
Other Supplies and Expenses	102,059	607,903	244,987	177,452	1,132,401	317,965
Insurance Claims and Expenses	67,455	12,947	5,169	11,484	97,055	11,424
Depreciation	439,153	299,992	352,893	34,453	1,126,491	-
Total Operating Expenses	<u>21,406,900</u>	<u>1,669,371</u>	<u>4,452,389</u>	<u>1,137,795</u>	<u>28,666,455</u>	<u>1,892,609</u>
Operating Income	<u>3,540,848</u>	<u>821,874</u>	<u>(840,784)</u>	<u>(34,248)</u>	<u>3,487,690</u>	<u>(34,962)</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenues	66,685	19,425	17,080	6,524	109,714	-
Impact Fees	29,550	67,893	-	-	97,443	-
Miscellaneous Revenue	(1,390)	-	-	-	(1,390)	-
Operating Grants and Contributions	-	-	-	-	-	-
Interest Expense	(325,427)	(27,795)	(242,110)	-	(595,332)	-
Miscellaneous Expenses	-	-	-	-	-	-
Total Non-Operating (Expenses) Revenues	<u>(230,582)</u>	<u>59,523</u>	<u>(225,030)</u>	<u>6,524</u>	<u>(389,565)</u>	<u>-</u>
Income Before Transfers	3,310,266	881,397	(1,065,814)	(27,724)	3,098,125	(34,962)
Transfers In	-	-	-	-	-	-
Transfers Out	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>	<u>-</u>
Changes in Net Assets	810,266	881,397	(1,065,814)	(27,724)	598,125	(34,962)
Total Net Assets - Beginning	<u>20,524,744</u>	<u>11,561,701</u>	<u>10,387,846</u>	<u>877,157</u>	<u>43,351,448</u>	<u>792,962</u>
Total Net Assets - Ending	<u>\$ 21,335,010</u>	<u>\$ 12,443,098</u>	<u>\$ 9,322,032</u>	<u>\$ 849,433</u>	<u>\$ 43,949,573</u>	<u>\$ 758,000</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF MILFORD, DE
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2013**

	ENTERPRISE FUNDS				
	Electric	Water	Sewer	Trash	Total
Cash Flows from Operations:					
Receipts from Customers	\$ 24,794,351	\$ 2,349,701	\$ 3,450,040	\$ 1,093,355	\$ 31,687,447
Other Operating Receipts	355,026	45,443	83,396	4,275	488,140
Payments to Suppliers	(18,940,870)	(950,420)	(2,266,794)	(599,826)	(22,757,910)
Payments to Employees	(1,981,788)	(373,878)	(429,138)	(476,131)	(3,260,935)
Insurance Premiums Paid	(67,455)	(12,947)	(5,169)	(11,484)	(97,055)
Net Cash Provided by Operating Activities	4,159,264	1,057,899	832,335	10,189	6,059,687
Cash Flows from Non-Capital Financing Activities:					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	(2,500,000)	-	-	-	(2,500,000)
Net Cash Flows Used in Non-Capital Financing Activities	(2,500,000)	-	-	-	(2,500,000)
Cash Flows from Capital and Related Financing Activities:					
Net cash (paid) received for additions to Property, Plant and Equipment	(2,395,180)	323,681	(435,576)	-	(2,507,075)
Proceeds from Sale of Land	573,928	-	-	-	573,928
Principal Paid on Bonds	(330,000)	(449,703)	(454,622)	-	(1,234,325)
Interest Paid on Bonds	(325,427)	(27,795)	(242,110)	-	(595,332)
Non-Operating Capital	(1,390)	-	-	-	(1,390)
Impact Fees Received	29,550	67,893	-	-	97,443
Net Cash Flows Used in Capital and Related Financing Activities	(2,448,519)	(85,924)	(1,132,308)	-	(3,666,751)
Cash Flows from Investing Activities:					
Net Proceeds/(Purchases) from Sales and Maturities of Short-Term Investments	(1,169,902)	(2,272,791)	(1,429,480)	-	(4,872,173)
Income on Investments	66,685	19,425	17,080	6,524	109,714
Net Cash Flows provided by (Used in) Investing Activities	(1,103,217)	(2,253,366)	(1,412,400)	6,524	(4,762,459)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,892,472)	(1,281,391)	(1,712,373)	16,713	(4,869,523)
Cash and Cash Equivalents at Beginning of Year	11,329,328	3,980,122	3,119,261	427,131	18,855,842
Cash and Cash Equivalents at End of Year	\$ 9,436,856	\$ 2,698,731	\$ 1,406,888	\$ 443,844	\$ 13,986,319
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:					
Operating Income	\$ 3,540,848	\$ 821,874	\$ (840,784)	\$ (34,248)	\$ 3,487,690
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	439,153	299,992	352,893	34,453	1,126,491
Effect of Changes in Operating Assets and Liabilities:					
Accounts Receivable, net	181,097	(96,101)	(78,169)	(5,917)	910
Inventory	(183,328)	5,586	-	-	(177,742)
Accounts Payable and Accrued Expenses	143,448	24,546	130,559	13,622	312,175
Due to Kent County - Sewer Bypass	-	-	1,265,835	-	1,265,835
Salaries Payable	3,482	166	165	621	4,434
Customer Deposits	20,532	-	-	-	20,532
Liability for Compensated Absences	14,032	1,836	1,836	1,658	19,362
Net Cash Provided by Operating Activities	\$ 4,159,264	\$ 1,057,899	\$ 832,335	\$ 10,189	\$ 6,059,687
Noncash Capital Financing Activities					
Additions to Property, Plant and Equipment Financed by:	\$ (2,395,180)	\$ (729,205)	\$ (435,576)	\$ -	\$ (3,559,961)
Delaware Revolving Loans	-	95,661	-	-	95,661
USDA Loan (current and prior year costs)	-	957,225	-	-	957,225
Net Cash	(2,395,180)	323,681	(435,576)	-	(2,507,075)

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DE
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2013

ASSETS	<u>AGENCY</u>
Cash and Cash Equivalents	<u>486,804</u>
Total Assets	<u><u>\$ 486,804</u></u>
 LIABILITIES	
Due to Other Governments	113,912
Deferred Revenue - Trust Fund	<u>372,892</u>
Total Liabilities	<u><u>\$ 486,804</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Introduction

The City of Milford, Delaware (the "City"), operates under a Council-Manager form of government and provides the following services as authorized by its charter adopted on May 24, 1977: public safety (police), highways and streets, sanitation, health and social services, electric, water, parks and recreation, public improvements, planning and zoning, and administrative services.

The City complies with Generally Accepted Accounting Principles (GAAP) applicable to state and local governments. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary Funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting policies and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the City's financial activities for the year ended June 30, 2013.

Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net assets and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers who directly benefit from goods or services provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided by governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter (within sixty days) to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures are recorded only when payment is due. Also, compensated absences are recorded as expenditures when paid.

Sales taxes, franchise taxes, permits and fees, recreation fees, fines and court fees, other miscellaneous revenues and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The City reports the following governmental funds:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds account for revenues derived from earmarked revenue sources. Separate self-balancing funds are established to account for each restricted special revenue source.

Parks and Recreation Fund - The parks and recreation fund accounts for revenues derived from activities provided by the City's parks and recreation department, which include youth and adult sports leagues, summer camps and clinics, special events and festivals as well as fund raising activities.

The City reports the following proprietary funds:

Enterprise Funds - The Enterprise Funds of the City include the electric, water, sewer and trash funds. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund - Consists of five internal funds which are used to account for the financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

The City reports the following fiduciary fund types:

Agency Fund - The agency fund accounts for assets held by the City in a trustee capacity for fees collected on behalf of Kent County and the Carlisle Fire Department. In addition, a trust fund was established by an individual during fiscal 2013 to benefit Kent County residents by offsetting individual tax bills in the future. The balance of the fund as of June 30, 2013 was \$374,324.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances as of the year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities but serve as authorization for expenditures in the subsequent year. As of the end of the period, the City had no such encumbrances.

Budgets and Budgetary Accounting

The City Council follows these procedures in establishing the budgetary data reflected within the financial statements:

- (1) In accordance with the City Charter, prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year. The City Charter requires that the budget be submitted in summary form. In addition, more detailed line item budgets are included and provided for administrative control.
- (2) Public hearings are conducted to obtain taxpayer comment.
- (3) Prior to June 30, the budget is legally enacted through passage of an ordinance.
- (4) The City Manager is required by the City Charter to present a monthly report to the City Council explaining any variances from the approved budget.
- (5) Formal budgetary integration is employed as a management control device during the year for the general fund.
- (6) The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governments.
- (7) The budgets for the special revenue fund are approved on a program by program basis by the funding agencies.
- (8) Budgetary amendments are approved by City Council as required throughout the year. If revenues in excess of those estimated in the budget become available, the Council, by ordinance, may make supplemental appropriations for the year up to the amount of such excess.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, checking and money market accounts generally maturing in three months or less.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Receivables

Receivables are shown net of the allowances for estimated uncollectible accounts. The allowance for uncollectible accounts is based upon historical data established according to experience and other factors which in the judgment of City officials should be recognized in estimating possible losses. Management believes that they have adequately provided for future probable losses.

Interfund Receivables/Payables

Advances between funds are accounted within the appropriate interfund receivable and payable accounts. These advances (reported as "due from/to other funds") are considered "available spendable resources."

Inventory

Inventory is carried at cost for the water fund, and at replacement cost for the electric fund, and is determined using the first-in, first out (FIFO) method.

Inventory in the general fund consists of gasoline and diesel fuel held for consumption. Inventory in the internal service fund consists of garage and meter supplies held for consumption. The inventory acquisitions are recorded in the inventory accounts initially and charged to expenditures when used. The cost value of such inventory has been presented on an average cost basis.

Deferred Bond Discount and Costs

The deferred bond discounts and costs are being amortized over the respective lives of the bonds, using the straight-line method.

Fixed Assets

Fixed assets which include land, buildings, improvements, equipment, vehicles and infrastructure assets, consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems, are reported on the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Fixed assets are recorded at historical cost, if purchased, and at fair market value, if donated. The capitalization threshold for all fixed assets is \$5,000. No dollar threshold is set for land. Fixed asset depreciation is recognized using the straight-line method over the estimated useful lives.

Compensated Absences

A maximum of 30 days of vacation and 130 days of sick leave may be accumulated by each employee except for those hired before 1992, whose carry-over is not limited. The City accrues a liability for compensated absences which meet the following criteria:

- The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Compensated Absences (Continued)

In accordance with the above criteria, the City has accrued a liability for vacation and sick pay which has been earned but not taken by City employees. For governmental funds, the liability for compensated absences is reported as a long term liability in the government-wide financial statements since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences is recorded in proprietary fund types as an accrued liability in accordance with Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences.

Long-Term Liabilities

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are recorded net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and are amortized over the life of the related debt. In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Government-wide and Proprietary Fund Net Assets:

- Invested in capital assets, net of related debt - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets - consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the City's parks endowment).
- Unrestricted - all other net assets are reported in this category.

Governmental Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- **Non-spendable** - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Governmental Fund Balances (Continued):

- **Restricted** - Amounts that can be spent only for specific purposes because of the City Charter, the City code, state or federal laws, or externally imposed conditions by grantor or creditors.
- **Committed** - Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This included the Budget Reserve Account.
- **Assigned** - Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- **Unassigned** - All amounts not included in other spendable classifications.

Inter-Fund Transactions

During the course of normal operations, the City has transactions between funds to subsidize operations in certain funds, to allocate administrative costs, to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

Interest Capitalization

Interest costs incurred for the acquisition and/or construction of capital assets are capitalized based on the guidelines established by the Statement of Financial Accounting Standards No. 34, Capitalization of Interest Cost.

The interest capitalization period begins when the following conditions are present:

- Expenditures for the capital asset have been made.
- Activities that are necessary to get the capital asset ready for its intended use are in progress.
- Interest expense is being incurred.

The amount of interest expense to be capitalized is based on the weighted-average amount of accumulated expenditures for the period multiplied by the interest rate for the obligation incurred specifically to finance the construction of capital assets. No capitalizable interest was incurred during the year ended June 30, 2013.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital Asset Differences

When capital assets (land, building, improvements and equipment) are purchased or constructed for use in governmental fund activities, the costs of those assets are reported as expenditures in the governmental funds. However, these costs are reported as capital assets in the statement of net assets. The details of these differences are presented below:

Land, Infrastructure and Other Assets	\$13,384,420
Building and Improvements	4,260,185
Equipment and Furniture	5,207,014
Construction in Progress	630,104
Less: Accumulated Depreciation	<u>(9,966,519)</u>
Net Capital Asset Difference	<u>\$13,515,204</u>

CITY OF MILFORD, DELAWARE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2013

**NOTE 2 - RECONCILIATION OF GOVERNMENT-SIDE AND FUND FINANCIAL STATEMENTS
 (CONTINUED):**

**Explanation of Certain Differences between the Governmental Fund Balance Sheet
 and the Government-Wide Statement of Net Assets (Continued).**

Long-Term Liability Differences

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net assets. The details of these differences are presented below:

Long-Term Portion of Compensated Absences	\$ 571,544
Current Portion of Bonds Payable	42,159
Long-Term Portion of Bonds Payable	<u>113,544</u>
Total Current and Long-Term Liability Differences	<u>\$ 727,247</u>

Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities.

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net assets in the government-wide statement of activities. The difference primarily results from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund financial statements.

Capital Outlay Differences

Capital Outlays are reported as expenditures in the statement of revenues, expenditures and changes in fund balances. They are reported as capital assets, with the costs allocated over the useful lives of the assets, as depreciation, in the statement of activities. The details of these differences are reported below:

Capital Outlay	\$ 934,101
Depreciation	<u>(564,699)</u>
Net Difference	<u>\$ 369,402</u>

Long-Term Debt Issuance and Repayment Differences

When long-term debt is issued, it is reported as an other financing source. Repayments are reported as expenditures in the statement of revenues, expenditures and changes in fund balance. Issuance of debt is reported as a long-time liability and repayments are reported as reductions of those liabilities in the statement of activities. The detail of this difference is reported below:

Principal Repayment	<u>\$ 41,854</u>
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CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - FINANCIAL INSTRUMENTS

The City has a number of financial instruments. The City estimates that the fair value of all financial instruments as of June 30, 2013, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet and statement of net assets.

NOTE 4 - REAL ESTATE TAXES

The tax on real estate in the City area for the fiscal year 2013 was [46 mills (\$1,000 of assessed valuation)] as levied by the City Council. The City bills and collects its own real estate taxes. Delinquent taxes are liened by the City. The schedules of real estate taxes levied for the fiscal year 2011 are:

- | | |
|-------------------------|--|
| July 1 | - Levy Date (effective date of enforceable lien) |
| August 1 - September 30 | - Face Payment Period |
| October 1 | - 1% Penalty for each subsequent month not paid |

NOTE 5 - IMPACT FEES

All new water, sewage, and electric services within the City of Milford are required to pay a one-time "impact fee." The purpose of the fee is to compensate for the impact of new users to the existing water and sewage systems, in order to provide for future expansion. All impact fees collected are restricted for capital improvements, as specified and approved by City Council that will be required as the result of population growth. The cost of the impact fee for water, sewage, and electric for the year ended June 30, 2013 was \$2,245, \$1,186, and \$600 per Estimated Discharge Usage (EDU), respectively.

The City has recorded as revenue in the proprietary funds Statement of Revenues, Expenses and Changes in Net Assets and in the government-wide Statement of Activities the impact fee monies, as required by GASB No. 33. Resulting restricted net assets at June 30, 2013 is \$2,107,971.

NOTE 6 - INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds including expenses or expenditures and transfers of resources primarily to provide services. The financial statements of the governmental and proprietary fund types generally reflect such transactions as transfers. Transfers that are not considered operating or residual equity transfers give rise to individual fund, interfund receivables and payables. As of June 30, 2013, there are no outstanding interfund balances.

NOTE 7 - INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governmental units represent receivables for revenues earned by the City or collections made by another governmental unit on behalf of the City.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 - CASH AND INVESTMENTS

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. Deposits are classified as *Category 1* if they are fully insured, registered or held by the City's agent in the City's name. Deposits would be classified as *Category 2* for those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent(s) in the City's name, or *Category 3* for those deposits which are not collateralized, including bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. As of June 30, 2013, all of the City's bank balances were Category 1 deposits, and the financial institution balances were the same as the carrying amounts.

The City's investments are categorized according to the level of credit risk assumed as of the balance sheet date. *Category 1* includes investments that are insured, registered or are held by the City's agent in the City's name. *Category 2* includes uninsured and unregistered investments held by the counterparty's trust department or agent in the city's name. *Category 3* includes uninsured and unregistered investments held by the counterparty, its trust department or its agent but not in the City's name. As of June 30, 2013, the City's investments consist of the following:

<u>Description</u>	<u>Category</u>	<u>Amount</u>	
		<u>Market</u>	<u>Carrying</u>
Money Market Funds	1		
PFM Asset Management LLC - City Reserves		\$22,536,152	\$22,536,152
Certificates of Deposit	1		
Delaware Federal Credit Union		500,000	500,000
Total		<u>\$23,036,152</u>	<u>\$23,036,152</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - FIXED ASSETS

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2013:

Description	Year Ended June 30, 2013				
	Balances 07/01/12	Additions	Deletions	Adjustments & Transfers	Balances 06/30/13
City Department:					
Land	\$ 7,016,070	\$ 35,665	\$ 300	\$ -	\$ 7,051,435
Buildings and Improvements	4,150,461	11,000	-	(94,194)	4,067,267
Vehicles and Equipment	3,530,596	396,085	92,407	94,194	3,928,468
Construction in Progress	201,685	428,419	-	-	630,104
Total City Depreciation	14,898,812	871,169	92,707	-	15,677,274
Accumulated Depreciation	(4,776,067)	(358,899)	(92,407)	-	(5,042,559)
Total City Department, Net	<u>\$10,122,745</u>	<u>\$ 512,270</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$10,634,715</u>
Street Department:					
Land Improvements	\$ 6,220,985	\$ 112,000	\$ -	\$ -	\$ 6,332,985
Buildings and Improvements	192,918	-	-	-	192,918
Vehicles and Equipment	1,312,093	-	33,548	-	1,278,545
Total City Department	7,725,996	112,000	33,548	-	7,804,448
Accumulated Depreciation	(4,751,706)	(205,801)	(33,548)	-	(4,923,959)
Total Street Department, Net	<u>\$ 2,974,290</u>	<u>\$ (93,801)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,880,489</u>

Description	Year Ended June 30, 2013				
	Balances 07/01/12	Additions	Deletions	Adjustments & Transfers	Balances 06/30/13
Total Government Capital Assets:					
Land	\$13,237,055	\$ 147,665	\$ 300	\$ -	\$13,384,420
Buildings and Improvements	4,343,379	11,000	-	(94,194)	4,260,185
Vehicles and Equipment	4,842,689	396,086	125,955	94,194	5,207,014
Construction in Progress	201,685	428,419	-	-	630,104
Total Governmental Capital Assets	22,624,808	983,170	126,255	-	23,481,723
Accumulated Depreciation	(9,527,773)	(564,701)	(125,955)	-	(9,966,519)
Total Governmental Capital Assets, Net	<u>\$13,097,035</u>	<u>\$ 418,469</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$13,515,204</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9 - FIXED ASSETS (CONTINUED)

The following schedule presents the capital activity of the business-type activities for the year ended June 30, 2013:

Description	Year Ended June 30, 2013				
	Balances 07/01/12	Additions	Deletions	Adjustments & Transfers	Balances 06/30/13
Electric Fund:					
Land	\$ 1,704,152	\$1,565,177	\$564,715	(\$1,500,177)	\$ 1,204,437
Buildings and Improvements	5,850,346	200,177	1,102	-	6,049,421
Electric System	11,061,623	454,917	129,717	1,500,177	12,887,000
Vehicles and Equipment	2,237,169	174,911	30,027	-	2,382,053
Total Fixed Assets	20,853,290	2,395,182	725,561	-	22,522,911
Accumulated Depreciation	(11,623,455)	(439,143)	(160,846)	-	(11,901,752)
Net Book Value	<u>\$ 9,229,835</u>	<u>\$1,956,039</u>	<u>\$564,715</u>	<u>(\$ -)</u>	<u>\$10,621,159</u>
Water Fund:					
Land	\$ 27,369	\$ -	\$ -	\$ -	\$ 27,369
Buildings and Improvements	202,734	-	5,485	-	197,249
Water System	12,920,131	729,205	23,009	-	13,626,327
Vehicles and Equipment	650,769	-	18,687	-	632,082
Total Fixed Assets	13,801,003	729,205	47,181	-	14,483,027
Accumulated Depreciation	(6,426,239)	(299,991)	(47,181)	-	(6,679,049)
Net Book Value	<u>\$ 7,374,764</u>	<u>\$ 429,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,803,978</u>
Waste Water Fund:					
Land	\$ 28,638	\$ -	\$ -	\$ -	\$ 28,638
Buildings and Improvements	45,821	-	3,848	-	41,973
Waste Water System	16,997,817	401,672	15,395	-	17,384,094
Vehicles and Equipment	410,927	33,904	5,797	-	439,034
Total Fixed Assets	17,483,203	435,576	25,040	-	17,893,739
Accumulated Depreciation	(6,764,809)	(352,893)	(25,040)	-	(7,092,662)
Net Book Value	<u>\$10,718,394</u>	<u>\$ 82,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,801,077</u>
Trash Fund:					
Buildings and Improvements	\$ 10,846	\$ -	\$ 5,196	\$ -	\$ 5,650
Vehicles and Equipment	885,822	-	5,390	-	880,432
Total Fixed Assets	896,668	-	10,586	-	886,082
Accumulated Depreciation	(723,740)	(34,454)	(10,586)	-	(747,608)
Net Book Value	<u>\$ 172,928</u>	<u>(\$ 34,454)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,474</u>
Total Enterprise Funds:					
Land	\$ 1,760,159	\$1,565,177	\$ 564,715	(\$1,500,177)	\$ 1,260,444
Buildings and Improvements	6,109,747	200,177	15,631	-	6,294,293
Electric System	11,061,623	454,917	129,717	1,500,177	12,887,000
Water System	12,920,131	729,205	23,009	-	13,626,327
Waste Water System	16,997,817	401,672	15,395	-	17,384,094
Vehicles and Equipment	4,184,687	208,815	59,901	-	4,333,601
Total Fixed Assets	53,034,164	3,559,963	808,368	-	55,785,759
Accumulated Depreciation	(25,538,243)	(1,126,481)	(243,653)	-	(26,421,071)
Net Book Value	<u>\$27,495,921</u>	<u>\$2,433,482</u>	<u>\$ 564,715</u>	<u>\$ -</u>	<u>\$29,364,688</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM DEBT OBLIGATIONS

Long-Term liability activity for the year ended June 30, 2013 is summarized as follows:

Governmental Activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Within One Year
Bonds Payable: Series B of 2011 General Obligation Bonds	\$ 193,993	\$ -	(\$ 41,854)	\$ 152,139	\$ 42,159
Bond Premium	4,596	-	(1,032)	3,564	827
Other Liabilities: Compensated Absences	<u>638,155</u>	<u>76,275</u>	<u>-</u>	<u>714,430</u>	<u>142,886</u>
Governmental Activities Long-Term Liabilities	<u>\$ 836,744</u>	<u>\$ 76,275</u>	<u>(\$ 42,886)</u>	<u>\$ 870,133</u>	<u>\$185,872</u>

Business Activities:

Bonds Payable: Series 1992A Capital Appreciation Bond	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000	\$ -
Series 2005 General Obligation Bonds	3,115,000	-	(330,000)	2,785,000	180,000
Series A of 2011 General Obligation Bonds	8,720,000	-	-	8,720,000	285,000
Series B of 2011 General Obligation Bonds	<u>3,111,008</u>	<u>-</u>	<u>(773,147)</u>	<u>2,337,861</u>	<u>643,146</u>
Add: Bond Premium 2011 Bonds	16,616,008	-	(1,103,147)	15,512,861	1,108,146
	172,148	-	(22,883)	149,265	22,883
Less: Bond Discount and Deferred Amount on Refunding	<u>(671,048)</u>	<u>-</u>	<u>104,031</u>	<u>(567,017)</u>	<u>(32,938)</u>
Total Bonds Payable	16,117,108	-	(1,021,999)	15,095,109	1,098,091
Revolving Funds Loans - State of Delaware	975,750	-	(85,027)	890,723	87,597
State of Delaware 2010	989,070	-	(46,151)	942,919	47,078
State of Delaware 2011	98,071	95,661	-	193,732	-
Note Payable - Kent County	-	1,298,872	(10,889)	1,287,983	22,147
Note Payable - USDA	<u>-</u>	<u>957,225</u>	<u>-</u>	<u>957,225</u>	<u>-</u>
Total Bonds and Notes Payable	18,179,999	2,351,758	(1,164,066)	19,367,691	1,254,913
Other Liabilities: Compensated Absences	<u>270,412</u>	<u>-</u>	<u>(92,653)</u>	<u>177,759</u>	<u>35,552</u>
Business-Type Activities Long-Term Liabilities	<u>\$18,450,411</u>	<u>\$ 2,351,758</u>	<u>(\$1,256,719)</u>	<u>\$19,545,450</u>	<u>\$1,290,465</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Bonds payable at June 30, 2013 are comprised of the following individual issues:

	Interest Rate %	Issue Date	Maturity Date	Amount Outstanding				Total
				General Fund	Electric Fund	Sewer Fund	Water Fund	
General Obligation Bonds								
Series 1992A Capital Appreciation	0.00	4/1/1992	4/1/2018	\$ -	\$ -	\$ -	\$ 1,670,000	\$ 1,670,000
Series 2005 Refunding	3.45-4.25	6/1/2005	4/1/2025	-	2,785,000	-	-	2,785,000
Series A 2011	2.00-4.40	6/30/2011	11/1/2037	-	5,350,000	3,370,000	-	8,720,000
Series B 2011 Refunding	2.00-3.00	6/30/2011	11/1/2021	152,139	-	703,176	1,634,685	2,490,000
Total Amounts Outstanding				<u>\$ 152,139</u>	<u>\$ 8,135,000</u>	<u>\$ 4,073,176</u>	<u>\$ 3,304,685</u>	<u>\$ 15,665,000</u>

The annual aggregate maturities for all of the general obligation bonds as of June 30, 2013 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2014	1,160,000	475,639	1,635,639
2015	1,195,000	453,522	1,648,522
2016	1,200,000	435,254	1,635,254
2017	1,140,000	415,980	1,555,980
2018	1,170,000	393,075	1,563,075
2019-2023	3,705,000	1,578,261	5,283,261
2024-2028	2,585,000	978,707	3,563,707
2029-2033	2,205,000	502,031	2,707,031
2034-2037	1,305,000	117,583	1,422,583
Total	<u>\$15,665,000</u>	<u>\$ 5,350,052</u>	<u>\$21,015,052</u>

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City is required to compute, at the time taxes are levied, the rate of tax required to provide a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED)

General Obligation Bonds (continued)

The 1992 General Obligation Enterprise Bonds, Series A, represents the remaining principal portion, net of unamortized appreciation of \$649,349 with variable interest rates of 5.50% to 6.95%. The bonds were used to defease in-substance a portion of the 1989 Bond Issue and to finance additional waste water system improvements. The general obligation bonds have various maturity dates through April 2018.

On June 1, 2005, the City issued \$3,790,000 in General Obligation Refunding Bonds with the average rate of interest not to exceed 4.50%. The City issued the bonds to advance refund the total amount outstanding under the Series of 2000 General Obligation Bonds of \$3,580,000 with interest rates ranging from 4.70% to 5.65% per annum. The advanced refunding reduced total debt service payments over the then remaining term of 20 years by approximately \$384,000.

On June 30, 2011, the City issued \$9,000,000 in General Obligation Bonds in connection with planned electric and sewer capital projects, with interest rates ranging from 2.0% to 4.4%. The bonds are scheduled to mature January 1, 2037. Annual principal payments are scheduled to commence January 1, 2013, with semi-annual interest payments commencing January 1, 2012. The bonds had an original issue premium of \$108,620, the unamortized portion of which is included in the balance reflected in the financial statements at June 30, 2012.

On June 30, 2011, the City issued \$3,720,000 in General Obligation Bonds with interest rates ranging between 2.0% and 3.0%. The City issued the bonds in order to currently refund \$3,770,000 of outstanding 2002 Refunding Bonds with interest rates ranging from 3.2% to 4.35%. The Series B 2011 General Obligation Bonds are scheduled to mature January 1, 2021, with annual principal payments commencing January 1, 2012. Semi-annual interest payments also commenced January 1, 2012. The current refunding reduced total debt service payments over the next 10 years by \$276,000. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$259,000.

Note Payable - USDA

In June 2013, the City issued bonds in the amount of \$5 million in connection with its Southeast Water Expansion project. The funding for the project is being provided by the United States Department of Agriculture (USDA) under the federal direct loan for water and waste disposal systems program. Under the program, the City receives proceeds from the loan only after incurring project expenditures. The balance of the loan as of June 30, 2013 is \$957,225, which represents total expenditures incurred on the project to date. Under the terms of the note, the City is making quarterly payments in the amount of \$46,500 commencing September 28, 2013, which include interest calculated at a rate of 2% on the balance outstanding. The agreement with the USDA also calls for the City to utilize the remaining unliquidated funds of \$4,042,775 for the project by May 31, 2015.

Note Payable - Kent County

In connection with previous sewer problems, Kent County was forced to construct a new sewer line, a significant portion of which runs through the City of Milford. The county issued bonds to cover the cost, and it was agreed that the City would pay for the portion of the line that runs through its jurisdiction. Under the agreement, the City is paying the County in quarterly installments of \$12,735, which include interest at a rate of 2.25% per annum. The obligation is scheduled to mature in November 10, 2050. The total cost to the City for the line was \$1,298,871, and was recorded as a period expense for the current fiscal year ended June 30, 2013, as the City does not have title to the asset.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Notes Payable - State of Delaware

In connection with its Wastewater Collection System Expansion Project, the City entered into a financing agreement with the Delaware Water Pollution Control Revolving Fund, acting by and through the Delaware Department of Natural Resources and Environmental Control, a public agency of the State of Delaware. Under terms of the agreement, interest only payments were due semi-annually at a rate of three percent (3%) per annum on the amounts that had been advanced to fund the project. Semi-annual payments of principal and interest (at 3%) are due through scheduled maturity of July 1, 2022. The note is secured by the full faith and credit of the City.

During fiscal year 2011, the City received additional funds under this program in connection with the second part of its System Expansion Project which is still in progress. The balance on this related note as of June 30, 2013 is \$942,919. Semi-annual payments commenced January 1, 2013 which include interest calculated at an annual rate of 2.0%. The note is scheduled to mature July 1, 2030.

Aggregate maturities of these two notes are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 134,675	\$ 44,695	\$ 179,370
2015	138,270	41,100	179,370
2016	141,962	37,408	179,370
2017	145,757	33,613	179,370
2018	149,656	29,714	179,370
2019-2023	696,134	87,049	783,183
2024-2028	299,003	29,512	328,515
2029-2030	<u>128,185</u>	<u>3,220</u>	<u>131,405</u>
	<u>\$1,833,642</u>	<u>\$306,311</u>	<u>\$2,139,953</u>

The City has received funds from the State of Delaware in connection with its Washington Street Water Treatment Facility Replacement Project. The funds are being provided by the DE Drinking Water State Revolving Fund only as expenditures are incurred by the City and approved by the State. Interest will be payable semi-annually commencing September 1, 2012 at 1% per annum. Upon completion of the project, if the City has complied with all of the requirements of the State, thirty-five percent of the amounts advanced will be forgiven, and the remaining balance will be amortized over a twenty year period with interest at 1% per annum. The balance outstanding as of June 30, 2013 is \$193,732, which represents the total amount of advances received on the project.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11 - PENSION PLAN

County and Municipal Pension Plan

Effective January 1, 2005, City Council elected, under provisions of the Delaware Code, to participate in the County and Municipal Police/Firefighter and the General Employees Retirement Funds. In connection with this election, the City agreed to fund prior service cost up to a maximum of fifteen (15) years for all eligible employees. The total cost to the City for the funding of the prior service cost was \$3,260,008. Such funding was provided for from the City's reserves in its Water and Sewer Funds, as well as from assets of its existing retirement fund. This cost was included within the fiscal June 30, 2005 financial statements, and was allocated to all of the City's funds based on the actuarial data that was provided in order to determine the total prior service cost.

Along with the prior service cost, the City is obligated to pay the ongoing regular contribution rate (6.84% for fiscal year 2013). For sworn officers, the contribution rate was 14.75% for fiscal year 2013. These contribution rates are expected to gradually increase over the next several years. In addition, eligible employees are required to contribute 3% of their earnings in excess of \$6,000 and an additional 2% of their earnings in excess of the Social Security wage base.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are outstanding various commitments and contingent liabilities in addition to the normal encumbrances for the purchase of goods and services. The City does not anticipate losses as a result of these transactions.

Government Grant/Award Programs

The City participates in a number of federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable program requirements will be established at some future date. The amount, if any, of expenditures, not already disclosed, which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**CITY OF MILFORD, DE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass-Through Grantor/Program Program Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture, Rural Utilities Service Direct Loan for Water and Waste Disposal Systems	10.760	N/A	\$ 957,225
Federal Emergency Management Agency Passed through Delaware Emergency Management Agency Hurricane reimbursement expenses - Federal Disaster 4090	14.269	51-6000177	19,604
Environmental Protection Agency Passed through State of DE Department of Health and Social Services Capitalization Grants for Drinking Water State Revolving Funds	66.458	51-6000177	<u>152,080</u>
Total Expenditures of Federal Awards			<u>\$ 1,128,909</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF MILFORD, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Milford, DE Schedule of Expenditures of Federal Awards (Schedule) includes the activity of all federal award programs administered by the primary government

Basis of Presentation

The Schedule presents total federal awards expended for each individual federal program in accordance with OMB Circular A-133. Federal award program titles are reported in the Catalog of Federal Domestic Assistance (CFDA). Federal award programs included expenditures, pass-throughs to non-state agencies (i.e. payments to subrecipients), non-monetary assistance, and loan programs.

Basis of Accounting

The expenditures for each of the federal assistance programs are presented in the Schedule on the accounting basis as presented on the fund financial statements. For the governmental funds, expenditures are presented on the modified accrual basis. For expenditure in proprietary funds, expenditures are presented on the accrual basis. Both the modified accrual and accrual basis of accounting incorporate an estimation approach to determine the amount of expenditures incurred if not yet billed by a vendor.

NOTE 2 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 to this Schedule.

NOTE 3 - FEDERALLY FUNDED LOAN PROGRAMS

Water and Waste Disposal Systems for Rural Communities (CFDA 10.760)

In June 2013, the City issued bonds in the amount of \$5 million in connection with its Southeast Water Expansion project. The funding for the project is being provided by the United States Department of Agriculture (USDA) under the federal direct loan for water and waste disposal systems program. Under the program, the City receives proceeds from the loan only after incurring project expenditures. The balance of the loan as of June 30, 2013 is \$957,225, which represents total expenditures incurred on the project to date. Under the terms of the note, the City is making quarterly payments commencing September 28, 2013, which include interest calculated at a rate of 2% on the balance outstanding. The agreement with the USDA also calls for the City to utilize the remaining unliquidated funds of \$4,042,775 for the project by May 31, 2015.

Clean Water State Revolving Funds (CFDA 66.458)

The City receives loans from the State of Delaware by way of capitalization grants awarded to the state to create and maintain Clean Water State Revolving Funds (CWSRF) programs. The state uses the funds to provide long-term sources of financing for construction of wastewater treatment facilities and implementation of water management activities. CWSRF outstanding loans for which the related project is completed do not have continuing audit requirements.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and City Council
City of Milford
Milford, Delaware

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Milford, Delaware, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Milford, Delaware's basic financial statements and have issued our report thereon dated October 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Milford, Delaware's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of, but not for the purpose of expressing an opinion on the effectiveness of the City of Milford, Delaware's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Milford, Delaware's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Milford, Delaware's Response to Finding

City of Milford, Delaware's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Milford, Delaware's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Beck Villalobos & Co PC

Voorhees, New Jersey
October 30, 2013



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the City Council
City of Milford, Delaware

Report on Compliance for Each Major Federal Program

We have audited City of Milford, Delaware's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Milford, Delaware's major federal programs for the year ended June 30, 2013. City of Milford, Delaware's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Milford, Delaware's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Milford, Delaware's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Milford, Delaware's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Milford, Delaware, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of City of Milford, Delaware, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Milford, Delaware's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Milford, Delaware's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Beck Villatoro & Co PC

Voorhees, NJ
October 30, 2013

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the City of Milford, DE.
2. One significant deficiency disclosed during the audit of the financial statements is reported in this schedule of findings and questioned costs. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the City of Milford, DE, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses in internal control over major federal award programs for the City of Milford, DE are reported.
5. The auditor's report on compliance for the major federal award programs for the City of Milford, DE expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program was: U.S. Department of Agriculture, Rural Utilities Services, *Direct Loan for Water and Waste Disposal Systems*, CFDA No. 10.760.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. City of Milford, DE did not qualify as a low-risk auditee.

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

SIGNIFICANT DEFICIENCY

Financial Statement Preparation

Condition: The City of Milford, like many governmental units, has historically relied on its auditors to draft its annual financial statements and required disclosures as part of the year-end audit process. Upon completion of audit fieldwork, management reviews and approves any adjustments made to the general ledger, and then reviews and approves the audited financial statements prior to issuance.

While the City's accounting personnel have possessed the level of skill necessary to produce the basic financial statements, they have lacked the technical expertise needed to ensure compliance with the current reporting standards promulgated by GAAP. Further, the city does not have the necessary technical reference materials and resources needed to ensure the propriety and completeness of all of the required financial disclosures applicable to its financial statements. We believe these resource limitations would limit the organization's ability to comply with the requirements as outlined and as such would be deemed an internal control deficiency with respect to the financial reporting control.

Criteria: U.S. generally accepted auditing standards require management be responsible for the preparation of an organization's financial statements and all required disclosures in accordance with U.S. generally accepted accounting principles (GAAP). Accordingly, to comply with these standards an organization must not only have accounting personnel that have the expertise in the area of financial reporting standards, but a system in place that ensures on-going training for its personnel in the area of financial reporting and the necessary reference materials or other resources to ensure compliance with financial reporting standards.

Recommendation: We acknowledge that this is an element of internal control embodied in the standards that may be difficult for some organizations to overcome. For many governmental units like the City of Milford, it has been more cost effective to rely on its auditors for this technical expertise. We recommend that the City continue to monitor the cost/benefit of this control as its operations evolve as to whether it would ever be appropriate to develop all of the internal resources necessary to remedy this condition.

Management response: We have a small and limited staff but we do provide city council monthly and year-end financial reports, as well as all budgetary reports. Our annual audited financial statements and footnotes have been outsourced to our auditors because of the cost/benefit standpoint and our auditors have direct knowledge that aids in preparing the annual audited financial statement package. Our trial balance and financial package is used for basis in preparation of the annual audited financial statement package.



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October 30, 2013

To the City Council
City of Milford, DE

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Milford, DE for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 10, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Milford, DE are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Milford, DE's financial statements are with respect to the estimated useful lives of the City's property and equipment and the accrued liabilities with respect to compensated absences.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were no material misstatements detected as a result of our audit procedures that warrant your attention.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the required supplementary information accompanying the financial statements, management's discussion and analysis, and the general fund budgetary comparison schedule, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and that the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. Management's Discussion and Analysis was greatly expanded from the prior year in order to conform with U.S. generally accepted accounting principles and to provide the City's citizens with more complete information about its activities and financial position.

This information is intended solely for the use of City Council and management of City of Milford, DE and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Beck Villata & Co PC

Beck, Villata & Co., P.C.

RESOLUTION 2013-26
A RESOLUTION OF THE CITY OF MILFORD, DELAWARE
FOIA POLICY

WHEREAS, requests are made of the City of Milford for public records, certain documents, correspondence and reports by person(s); and

WHEREAS, it is the policy of this State of Delaware and the City of Milford that the business of government be performed in an open and public manner so that citizens can "observe the performance of public officials" and "monitor the decisions that are made by such officials in formulating and executing public policy," 29 Del. C. § 10001, and that policy is guaranteed and implemented by the Freedom of Information Act, 29 Del. C. 100 (the "Act" or "FOIA"); and

WHEREAS, pursuant to 29 Del. C. § 10003, the City Council of the City of Milford hereby designates the City Clerk to serve as the FOIA Coordinator for the City of Milford; and

WHEREAS, the City Clerk shall serve as the point of contact for all FOIA requests and coordinate the responses thereto and may designate other employees to perform specific duties and functions hereunder; and

WHEREAS, the City Clerk and/or designee shall maintain a document tracking all FOIA requests and the document shall include the requesting party's contact information, the date the public body received the request, the public body's response deadline, the date of the public body's response (including the reasons for any extension), names, contact information and dates of correspondence with individuals contacted in connection with requests, the dates of review by the public body, the names of individuals who conducted such reviews, whether documents were made available, the amount of copying and/or administrative fees assessed, and the date of final disposition; and

WHEREAS, the City Clerk and/or designee shall make every reasonable effort to respond to a request within fifteen (15) days and if unable to do so, shall cite one of the reasons hereunder why more time is needed and provide a good-faith estimate of how much additional time is required to fulfill the request; and

WHEREAS, the City is not required to create records that do not exist at the time the request is made; and

WHEREAS, the City may authorize certain exemptions from such fees and charges, as deemed appropriate; and

WHEREAS, all requests for Law Enforcement Records fall under the jurisdiction and policies and procedures of the Milford Police Department and shall be immediately forwarded to the Chief of Police or his designee or made directly at the Milford Police Department.

NOW THEREFORE, IT IS HEREBY RESOLVED that the Mayor and Council authorize the following fees be charged for complying with a request under the FOIA, as applicable:

(1) Photocopying fees. In instances in which paper records are provided to the requesting party, photocopying fees shall be as follows:

Standard-sized, black and white copies: The first 20 pages of standard-sized, black and white copied material shall be provided free of charge. The charge for copying standard sized, black and white public records for copies over and above 20 pages shall be \$0.10 per sheet (\$0.20 for a double-sided sheet). This charge applies to copies on the following standard paper sizes: 8.5" x 11", 8.5 "x 14" and 11 "x 17".

Oversized copies/printouts: The charge for copying oversized public records shall be as follows: 18" x 22" - \$2.00 per sheet; 24" x 36" - \$3.00 per sheet; documents larger than 24" x 36" - \$1.00 per square foot.

Color copies/printouts: An additional charge of \$1.00 per sheet will be assessed for all color copies or printouts for standard-sized copies (8.5" x 11", 8.5" x 14" and 11" x 17") and an additional charge of \$1.50 per sheet for larger copies.

(2) Administrative fees. Administrative fees shall be levied for requests requiring more than one (1) hour of staff time to process. Charges for administrative fees may include staff time associated with processing FOIA requests, including, without limitation: identifying records; monitoring file reviews; and generating computer records (electronic or print-outs). Administrative fees shall not include any cost associated with the public body's legal review of whether any portion of the requested records is exempt from FOIA. The public body shall make every effort to ensure that administrative fees are minimized, and may only assess such charges as shall be reasonably required to process FOIA requests. In connection therewith, the public body shall minimize the use of non-administrative personnel in processing FOIA requests, to the extent possible.

Prior to fulfilling any request that would require a requesting party to incur administrative fees, the public body shall provide an itemized written cost estimate of such fees to the requesting party, listing all charges expected to be incurred in retrieving such records. Upon receipt of the estimate, the requesting party may decide whether to proceed with, cancel, or modify the request.

Administrative fees will be billed to the requesting party per quarter hour. These charges will be billed at the current hourly pay grade (prorated for quarter hour increments) of the lowest-paid employee capable of performing the service. Administrative fees will be in addition to any other charges incurred under this section for copying fees.

When multiple FOIA requests are submitted by or on behalf of the requesting party in an effort to avoid incurring administrative charges, the public body may at its discretion aggregate staff time for all such requests when computing fees hereunder. Notwithstanding the foregoing, any Freedom of Information Act policy adopted by a public body pursuant to subsection (b) of this section hereunder may include provisions for the waiver of some or all of the above administrative fees; provided that such waiver shall apply equally to a particular class of persons (i.e., nonprofit organizations).

(3) Microfilm and/or microfiche printouts. The first 20 pages of standard-sized, black and white material copied from microfilm and/or microfiche shall be provided free of charge. The charge for microfilm and/or microfiche printouts over and above 20 pages shall be \$0.15 per sheet.

(4) Electronically generated records. Charges for copying records maintained in an electronic format will be calculated by the material costs involved in generating the copies (including but not limited to DVD, CD, or other electronic storage costs) and administrative costs.

(5) Payment. The public body may require all or any portion of the fees due hereunder to be paid prior to any service being performed pursuant to this section.

Mayor Joseph Ronnie Rogers

RESOLVED THIS 23rd day of DECEMBER 2013

MEMORANDUM

TO: DNR
FROM: JA
DATE: 12/10/2013
SUBJECT: Government Liens

Issue: Whether all government liens or just tax assessments take priority over existing mortgages/liens. The specific question arose in reference to grass cutting charges.

Answer: Yes, grass cutting assessments hold a priority equivalent to a tax assessment. However, not all government charges are liens capable of taking priority over existing liens (e.g. mortgages). Under 25 Del. C. § 2901, the items that may take priority are specifically enumerated under the definition of "Lien." These include "Charges for the costs of removing weeds, grasses, refuse, rubbish, trash or other waste material done through public expenditure." § 2901(a)(3) indicates that these liens "shall have preference to and priority over all other liens on such real property, including liens of a date prior in time to the attaching of the liens created by this section." I copied the list of items below (Note – (j) is specifically identified as not taking priority)

§ 2901. Lien of taxes and other charges; Notice of Lien.

(a)(1) Except as otherwise provided, "lien" or "liens" as used in this section shall arise whenever the following charges, as defined in this section, are levied or imposed by the State or any political subdivision thereof (including the Levy Court or county council of any county, any united, consolidated or incorporated school district, or any incorporated town or city in this State) and such charges become due:

- a. Real property taxes, including penalty and interest thereon;
- b. School taxes, including taxes for a vocational-technical high school district or county vocational-technical center district, including penalty and interest thereon;
- c. Service charges for maintenance or use of sewer systems, including penalty and interest thereon;
- d. Service charges for maintenance or use of water systems, including penalty and interest thereon;
- e. Service charges for garbage collection;
- f. Charges for the costs of razing or demolition of buildings done through public expenditure;

g. Charges for duly authorized improvements or maintenance to the exteriors of buildings or property done through public expenditure;

h. Assessments for the installation of sewer lines, water mains, sidewalks and curbing, including penalty and interest thereon;

i. Fines imposed by any court and/or civil penalties imposed by the City of Wilmington or any department of the City of Wilmington, for local building, housing, sanitation, or animal code citations or violations. The unpaid amounts of such fines and/or civil penalties may be added to local property tax billings for the property which was the subject of said citation or violation when authorized by local ordinance. "Fines" as used in this section shall also include any civil judgment awarded to the State or any political subdivision thereof entered pursuant to § 4101 of Title 11;

j. Fees imposed by law or ordinance of any political subdivision of the State, which shall include, without limitation, municipal corporations, for registration of ownership of any vacant buildings located within the political subdivision, the imposition of which fees is final and non-appealable; and

k. Charges for the costs of removing weeds, grasses, refuse, rubbish, trash or other waste material done through public expenditure.

25 Del. C. § 2118. Priority of mortgages and other instruments securing future advances and certain other advances; modifications of mortgages and other instruments.

(b) In addition to the stated indebtedness, a mortgage or other instrument given for the purpose of creating a lien on real property may secure disbursements and other advances thereunder for the payment of taxes, assessments, maintenance charges, insurance premiums or costs relating to the property encumbered by such mortgage or other instrument, for the discharge of liens having priority over the lien of such mortgage or other instrument, for the curing of waste of the property that is the subject of the lien, for the indemnification obligations regarding environmental liabilities of the property that is the subject of the lien, and for the payment of service charges and expenses incurred by reason of default, and including late charges, attorneys' fees and court costs, if such mortgage or other such instrument states that it shall secure any such advances and disbursements, together with all interest thereon.

Any mortgage or other instrument to which this subsection applies, and all such stated indebtedness, disbursements and other advances expressed therein and interest thereon, shall have preference to and priority over any lien, other than those liens the priority of which is governed by § 2901 of this title, which is subsequent in time to the time such mortgage or other such instrument is recorded or filed in the proper office as provided by law.

CHAPTER 29

LIENS OF THE STATE AND/OR ITS POLITICAL SUBDIVISIONS

Section

- 2901. Lien of taxes and other charges; Notice of Lien.
- 2902. Attachment of lien to proceeds of sale.
- 2903. Duration of lien.
- 2904. Payment of taxes by lienholder; action for collection.
- 2905. Action by lienholder to collect tax lien; amount of recovery; affidavit of demand.
- 2906. Priority of liens of the State and political subdivisions on real estate; extinction of such liens.

§ 2901. Lien of taxes and other charges; Notice of Lien

(a)(1) Except as otherwise provided, "lien" or "liens" as used in this section shall arise whenever the following charges, as defined in this section, are levied or imposed by the State or any political subdivision thereof (including the Levy Court or county council of any county, any united, consolidated or incorporated school district, or any incorporated town or city in this State) and such charges become due:

- a. Real property taxes, including penalty and interest thereon;
- b. School taxes, including taxes for a vocational-technical high school district or county vocational-technical center district, including penalty and interest thereon;
- c. Service charges for maintenance or use of sewer systems, including penalty and interest thereon;
- d. Service charges for maintenance or use of water systems, including penalty and interest thereon;
- e. Service charges for garbage collection;
- f. Charges for the costs of razing or demolition of buildings done through public expenditure;
- g. Charges for duly authorized improvements or maintenance to the exteriors of buildings or property done through public expenditure;
- h. Assessments for the installation of sewer lines, water mains, sidewalks and curbing, including penalty and interest thereon;
- i. Fines imposed by any court for local building, housing or sanitation code violations. The unpaid amounts of such fines may be added to local property tax billings for the property which was the subject of said violation when authorized by local ordinance. "Fines" as used in this section shall also include any civil judgment awarded to the State or any political subdivision thereof entered pursuant to § 4101 of Title 11;
- j. Fees imposed by law or ordinance of any political subdivision of the State, which shall include, without limitation, municipal corporations, for registration of ownership of any vacant buildings located within the political subdivision, the imposition of which fees is final and non-appealable; and

k. Charges for the costs of removing weeds, grasses, refuse, rubbish, trash or other waste material done through public expenditure.

(2) "Liens" shall not include administrative costs incurred by the sheriff in the sheriff's sale process.

(3) Except as provided in subsection (b)(1) of this section, the liens created by this subsection are levied or imposed only upon that parcel of real property against or upon which such charges have been levied or imposed. Except as provided in subsection (b)(1) of this section, the liens created by subsections (a)(1)a. through (a)(1)i. and (a)(1)k. of this section shall have preference to and priority over all other liens on such real property, including liens of a date prior in time to the attaching of the liens created by this section. The liens created by subsection (a)(1)j. of this section shall have preference and priority with respect to all other liens on such real property as of the time such fees become final and non-appealable.

(4) Any political subdivision having the power to levy or collect any of the charges described herein shall maintain a record of all charges creating liens under this section, including the amount of the lien, the name of the chargeable, and the location of the real property against or upon which such charges have been levied or imposed. The record or information contained therein shall be available to the public upon request.

(b)(1) Upon the filing of a Notice of Lien by a political subdivision in accordance with this subsection, the charges described in subsection (a)(1) of this section shall, as of the date of filing a Notice of Lien pursuant to this subsection, be and constitute a lien upon all real property of which the chargeable was seized at the time, or at any time after such Notice of Lien has been filed in accordance with this subsection, situate in the county (including all real property situate within any incorporated town or city located within the county) in which such charges are levied or imposed.

(2) Notices of Lien shall be in the form of an affidavit, executed by an attorney for the political subdivision or by an employee of the political subdivision having custody and control over the records relating to the charges that constitute the lien, reciting that the chargeable is the owner of record of real property situate in the county (including all real property situate within any incorporated town or city located within the county) in which such charges are levied or imposed, that charges have been duly levied or imposed upon the chargeable, the types of charge as specified in subsection (a)(1) of this section, the amount of such charges as of the date of filing the Notice of Lien and that the chargeable has failed to pay said charges despite notice by the political subdivision.

(3) A Notice of Lien for any chargeable may be filed at any time after the charges have become delinquent. Charges shall be deemed "delinquent" if they are unpaid as of the date upon which any penalty or interest shall accrue thereon in accordance with law or, in the event that there is no such date established by law, as of 90 days after the date upon which an authorized representative of the political subdivision made a demand for payment upon the chargeable.

(4) Notices of Lien shall be indexed by the name of the chargeable, in a separate index for such purposes maintained in the office of the Prothonotary in each county. The index shall be maintained by the office of the Prothonotary in the county in which the real property is located and shall include the name of the chargeable and the date and time the Notice of Lien was filed. A fee for filing the Notice of Lien shall be established by the Superior Court pursuant to § 8705 of Title 10 and shall be paid at the time of filing the Notice of Lien. The affidavit filed for each Notice of Lien shall be available to the public upon request. The lien created hereunder shall be a lien upon all real property owned by the chargeable at the time of filing that is situate in the county (including any incorporated town or city located within the county) in which such charges are levied or imposed, and such lien shall have priority as of the time it is filed.

(5) The political subdivision that filed any Notice of Lien may, in its sole discretion and at any time and without receiving payment of all charges owed by the chargeable, release from the lien created hereby any or all parcels of real property owned by the chargeable by filing a writing to that effect with the Prothonotary, and such release shall be without prejudice to the right of the political subdivision to collect the remainder of any charges from any real property of the chargeable that is subject to the lien created under subsection (b) of this section and has not been so released. Any release, whether partial or complete, shall be noted in the index for Notices of Lien.

(6) A Notice of Lien shall be ineffective as of the date all charges owed by the chargeable have been paid in full, subject to paragraph (7) of this subsection.

(7) A Notice of Lien shall be effective for a period of 3 years after the date of filing such notice, unless the political subdivision files a subsequent Continuation of Lien against the same chargeable prior to the expiration of the 3-year period and in such event the lien created by the subsequent Continuation of Lien will have priority as of the date of filing of the previous Notice of Lien. A Continuation of Lien will be effective for a period of 3 years following the initial 3-year period of the Notice of Lien and shall constitute a lien against any real property acquired by the chargeable after the filing of the Notice of Lien, and located in the county in which the Notice of Lien was filed. No more than 1 Continuation of Lien may be filed for any 1 Notice of Lien, provided, however, that this limitation shall not preclude the later filing of a new Notice of Lien against the chargeable which shall be effective and have priority as of the date of such later filing.

(8) Upon written notice by the chargeable to the political subdivision that all charges for which the Notice of Lien was filed have been paid, the political subdivision shall enter a satisfaction of record on the Notice of Lien index.

(9) Nothing contained herein shall be deemed to affect or limit the ability of the political subdivision to collect any charge through any other legal procedure including, without limitation, proceedings pursuant to a Writ of Monition.

(10) All liens for the nonpayment of charges (including any created pursuant to § 8701 of Title 9), other than the lien upon the real property against which the charge was levied or imposed as provided in subsection (a) of this section, are hereby extinguished, provided, however, that this subsection shall not affect any lien obtained by any political subdivision prior to October 5, 1990 by any legal procedure including, without limitation, proceedings pursuant to a Writ of Monition.

15 Laws 1877, ch. 476; 16 Laws 1879, ch. 141; 19 Laws 1893, ch. 556; 40 Laws 1935, ch. 238, §§ 1-3; 62 Laws 1980, ch. 374, § 1; 67 Laws 1989, ch. 127, § 3; 67 Laws 1990, ch. 445, § 1; 68 Laws 1992, ch. 279, §§ 1-3; 70 Laws 1995, ch. 431, § 1, eff. July 3, 1996; 71 Laws 1998, ch. 387, §§ 2 to 5, eff. July 8, 1998; 74 Laws 2004, ch. 382, §§ 1 to 3, eff. July 19, 2004; 75 Laws 2005, ch. 212, §§ 3 to 5, eff. July 21, 2005.

Codifications: Rev. Stat. Del. 1915, § 2870; Rev. Code Del. 1935, § 3351; 25 Del.C. 1953, § 2901

Library References

Counties ⇨107.	268k975; 345k104; 371k2730 to 371k2744; 381k15; 381k15.5; 381k59; 405k203(14).
Health ⇨392.	C.J.S. Counties § 147.
Municipal Corporations ⇨519(1) to 519(7), 607, 712(1) to 712(9), 975.	C.J.S. Health and Environment §§ 35, 51 to 54, 56 to 64.
Schools ⇨104.	C.J.S. Municipal Corporations §§ 1388 to 1395, 1535, 1806 to 1811.
Taxation ⇨2730 to 2744.	C.J.S. Schools and School Districts §§ 557, 568, 571.
Towns ⇨15, 15.5, 59.	C.J.S. Towns §§ 41 to 45, 49 to 57, 229, 241 to 250.
Waters and Water Courses ⇨203(14).	C.J.S. Waters §§ 483, 666, 723 to 728.
Westlaw Key Number Searches: 104k107; 198Hk392; 268k519(1) to 268k519(7); 268k607; 268k712(1) to 268k712(9);	

Research References

ALR Library	62 ALR 146, Priority as Between Federal and State Taxes.
174 ALR 1373, Federal Tax Liens.	
159 ALR 832, Priority Between Tax or Assess- ment Lien and Mortgage or Other Nontax Lien Held by State or Municipality.	

Notes of Decisions

Counties, levy and assessment of taxes 1	§§ 1266, 1268, 1277, 1278, 1348, 1351, 1355, 1360; 46 Del.Laws c. 133. <i>Olivere v. Taylor</i> , 1949, 65 A.2d 723. Counties ⇨ 193; Counties ⇨ 194
Judicial notice 8	
Levy and assessment of taxes 1, 2	
Counties 1	
Property taxes 2	
Municipal taxes, priority of liens 5	
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2. — **Property taxes, levy and assessment of taxes**
Unless expressly made so by statute, a tax assessment is not a lien on property assessed. *Olivere v. Taylor*, 1949, 65 A.2d 723. Taxation ⇨ 2730
A valid assessment is essential to lien for uncollected taxes. Rev.Code 1935, § 1348. *Olivere v. Taylor*, 1949, 65 A.2d 723. Taxation ⇨ 2734

3. **Other liens and encumbrances on property**
A sale of Sussex County land for nonpayment of county taxes did not extinguish mortgage lien antedating the tax lien. 9 Del.C. §§ 8773-8775,

8779; 25 Del.C. § 2901 et seq. *Shockley v. Abbott Supply Co.*, 1957, 50 Del. 510, 135 A.2d 607. Taxation ⇌ 3067

Accepted practice in Sussex County is that a tax sale does not discharge a prior mortgage lien and although tax lien retains its priority, a sale to enforce that lien does not extinguish other liens. 25 Del.C. § 2901 et seq.; 9 Del.C. § 8704. *Shockley v. Abbott Supply Co.*, 1957, 50 Del. 510, 135 A.2d 607. Taxation ⇌ 3067

4. Priority of liens—In general

Where priority of federal and other tax liens and general lien is in question, principle that first in time is first in right controls when dealing with choate liens. 26 U.S.C.A. (I.R.C.1939) §§ 3671, 3672(a); 25 Del.C. § 2901. *Riverview Cemetery Co. of Wilmington v. Burczyk*, 1958, 1 Storey 247, 51 Del. 247, 144 A.2d 406. Internal Revenue ⇌ 4781; Taxation ⇌ 2738

Where mortgage lien had priority over federal tax liens, federal tax liens had priority over bulk of city and county tax liens and city water rent lien, but city and county tax liens and water rent lien had priority over mortgage lien and certain of federal tax liens, and mortgaged property was sold, mortgagee was paid in full from proceeds of sale and unexpended balance of proceeds of sale of mortgaged property was insufficient to pay city and county tax liens not subject to mortgage lien and water rent lien, sums necessary to pay such liens must be disgorged by mortgagee, or alternately, the then sheriff must be held liable for deficiency. 26 U.S.C.A. (I.R.C.1939) §§ 3671, 3672(a); 25 Del.C. § 2901. *Riverview Cemetery Co. of Wilmington v. Burczyk*, 1958, 1 Storey 247, 51 Del. 247, 144 A.2d 406. Mortgages ⇌ 564; Sheriffs And Constables ⇌ 122

5. — Municipal taxes, priority of liens

Where city and county tax liens were choate, federal tax liens did not take complete priority over them, but were subject to time element in filing. 26 U.S.C.A. (I.R.C. 1939) §§ 3671, 3672(a); 25 Del.C. § 2901. *Riverview Cemetery Co. of Wilmington v. Burczyk*, 1958, 1 Storey 247, 51 Del. 247, 144 A.2d 406. Municipal Corporations ⇌ 975; Taxation ⇌ 2738

Although mortgage was executed on November 17, 1949, and filed for record on same date, and city and county taxes were assessed on July 1, 1950, 1951, and 1952, and water rent was assessed by city in 1953, city and county taxes and water rent assessment took priority over mortgage under statute providing that city and county tax liens shall have priority to all other liens although such other liens be of date prior to time of attaching of lien for taxes. 25 Del.C. § 2901. *Riverview Cemetery Co. of Wilmington v. Burczyk*, 1958, 1 Storey 247, 51 Del. 247, 144 A.2d 406. Municipal Corporations ⇌ 975;

Taxation ⇌ 2739; Waters And Water Courses ⇌ 203(14)

6. Subrogation

In some situations, subrogee is entitled only to enforce an equitable lien to prevent unjust enrichment, but in others he can, at his option, enforce either an equitable lien or a constructive trust. *Olivere v. Taylor*, 1949, 65 A.2d 723. Subrogation ⇌ 29

If justice demands it, subrogation is usually applied when a person, not a mere volunteer, pays a tax lien on another's property, but such person does not acquire all the usual summary statutory remedies given to taxing authorities. *Olivere v. Taylor*, 1949, 65 A.2d 723. Taxation ⇌ 2768; Taxation ⇌ 2769

Where attachment judgments and sales for county taxes were invalid, purchaser at such sales was entitled to subrogation to city's rights against the property and to recover amount of his purchase price applied by sheriff to payment of city tax liens, but was not entitled to such subrogation as to amounts applied to the judgment and to other county taxes, which were not valid preferred claims or liens against the property. Rev.Code 1935, §§ 1266, 1268, 1277, 1278, 1348, 1351, 1355, 1360; 28 Del.Laws, c. 119, §§ 23-25; 36 Del.Laws, c. 143; 46 Del. Laws, c. 133. *Olivere v. Taylor*, 1949, 65 A.2d 723. Counties ⇌ 194

7. Sales and conveyances under order of court

County tax lien, county sewer lien, judgment lien, and funeral bill were payable in order named from proceeds of deceased's realty sold to pay debts. 9 Del.C. §§ 2211(a), 2212; 25 Del.C. § 2901. *In re 27 Cunard St., Belvidere, New Castle County*, 1955, 49 Del. 342, 116 A.2d 683. Executors And Administrators ⇌ 402; Executors And Administrators ⇌ 403

Where use charge of \$68, forming part of sewer lien for \$322.24, was not entered on sewer lien docket of county as required by statute, the use charge was not entitled to a tax preference. 9 Del.C. §§ 2211(a), 2212; 25 Del.C. § 2901. *In re 27 Cunard St., Belvidere, New Castle County*, 1955, 49 Del. 342, 116 A.2d 683. Executors And Administrators ⇌ 402

8. Judicial notice

Court in determining question whether a sale in Sussex County for nonpayment of county taxes extinguishes mortgage liens antedating the tax lien, could take judicial notice of construction of statutes by the bar of Sussex County and by purchasers at tax sales that have existed for a long period of time and such a generally accepted construction by bench and bar of Sussex County constituted a sound basis for holding that mortgage lien was not extinguished by tax sale. 25 Del.C. § 2901 et seq.; 9 Del.C.

25 § 2901**Note 8**

§§ 8773-8775, 8779. Shockley v. Abbott Supply Co., 1957, 50 Del. 510, 135 A.2d 607. Evidence ⇨ 29; Evidence ⇨ 52

§ 2902. Attachment of lien to proceeds of sale

In case any real estate upon which a tax lien exists is sold by an order of the Court of Chancery directing an executor or administrator to sell the real estate to pay the debts of a deceased person or is sold by virtue of an execution process, such tax lien shall be transferred to the fund arising from such sale in the hands of the officer making the sale, and the real estate so sold shall be discharged therefrom. If the fund is not sufficient to pay and discharge the tax lien, by reason of the real estate having been sold subject to another or other lien or liens created by the taxable, the unpaid balance of the tax shall remain a lien upon the land so sold.

15 Laws 1877, ch. 476; 16 Laws 1879, ch. 141; 19 Laws 1891, ch. 262; 40 Laws 1935, ch. 238, § 3.

Codifications: Rev. Stat. Del. 1915, § 2870; Rev. Code Del. 1935, § 3351; 25 Del.C. 1953, § 2902

Library References

Counties ⇨107.	268k975; 345k104; 371k2730 to 371k2744;
Health ⇨392.	381k15; 381k15.5; 381k59; 405k203(14).
Municipal Corporations ⇨519(1) to 519(7), 607, 712(1) to 712(9), 975.	C.J.S. Counties § 147.
Schools ⇨104.	C.J.S. Health and Environment §§ 35, 51 to 54, 56 to 64.
Taxation ⇨2730 to 2744.	C.J.S. Municipal Corporations §§ 1388 to 1395, 1535, 1806 to 1811.
Towns ⇨15, 15.5, 59.	C.J.S. Schools and School Districts §§ 557, 568, 571.
Waters and Water Courses ⇨203(14).	C.J.S. Towns §§ 41 to 45, 49 to 57, 229, 241 to 250.
Westlaw Key Number Searches: 104k107; 198Hk392; 268k519(1) to 268k519(7); 268k607; 268k712(1) to 268k712(9);	C.J.S. Waters §§ 483, 666, 723 to 728.

§ 2903. Duration of lien

(a) In New Castle County all taxes assessed against real estate shall continue a lien against the real estate within the County for 10 years from the 1st day of July of the year for which the taxes were levied, but if the real estate remains the property of the person who was the owner at the time it was assessed, the lien shall continue until the tax is collected.

(b) In Kent and Sussex Counties the lien for county and state taxes shall remain a lien for the period of 2 years from the 1st day of July of the year in which such tax has been imposed and no longer, and the lien for school taxes shall remain a lien for the period of 2 years from the 10th day of August of the year in which the tax has been imposed and no longer, and the lien for town or municipal taxes shall remain a lien for the period of 2 years from the date prescribed by the charter of the town or city for the delivery of the duplicate of the town or city to the collector thereof and no longer. The collectors, in collecting taxes out of real estate upon which they are a lien under the

7.10 -The Council shall determine and fix a rate of taxation which with other anticipated revenue will produce approximately the amount of money necessary to defray the expenses of the City for the current year, including interest on bonded indebtedness and for redemption of maturing bonds and for maintenance of a sinking fund.

7.11 -The limit of taxation for current expenses shall be that rate which, by estimation, will produce a sum not exceeding two (2) percent the assessed value of real property with improvements located in the City.

7.12 (a) Not later than the second month of a new fiscal year, the City Manager shall make available to the Council a list containing the names of the taxables of the City and, opposite the name of each, the amount of his real property assessment, as well as the tax upon the whole of his assessment, and the rate per hundred dollars of assessed valuation. Attached to a tax list shall be a warrant, under the seal of the City of Milford, signed by the Mayor and attested by the City Clerk commanding the City Manager to make collection, when due, of the taxes as stated and set forth in the tax list.

(b) All taxes, when and as collected by the City Manager, shall be paid to or deposited to the credit of the City in banking institutions approved by Council.

(c) All taxes shall be due and payable on the date set by Council. To every tax not paid after the said date each year there shall be added and collected a penalty, for each month that the said tax remains unpaid. The penalty rate charged is to be set by Council through ordinance. Before exercising any of the powers herein given for the collection of taxes, written notices of the amount due shall be given to the taxable.

(d) All taxes assessed upon any real estate and remaining unpaid prior to a new tax year billing shall constitute a first lien against all real estates of the delinquent taxpayer situated within the limits of the City of Milford. In the case of a life estate, the interest of the life tenant shall first be liable for the payment of any taxes so assessed. The City Manager, in the name of the City of Milford, may institute suit before any Justice of the Peace within Kent County or Sussex County, or before the Alderman of the said City, or in the Court of Common Pleas in and for Kent or Sussex County, or in the Superior Court of the State of Delaware, for the recovery of the unpaid tax in an action of debt, and upon judgment obtained, may sue out writs of execution as in case of other judgments recovered before a Justice of the Peace or in the Court of Common Pleas or in the Superior Court as the case may be.

(e) In addition, the City Manager, acting on behalf of the City, may pursue the sale of the lands and tenements of the delinquent taxpayer, or the lands of tenements of a delinquent taxpayer alienated subsequent to the levy of the tax and with the following conditions:

(1) No sale shall be approved by the Superior Court if the owner be ready at Court to pay the taxes, penalty and costs, and no deed shall be made until the expiration of one (1) year from the date of the sale, within which time the owner, his heirs, executors or assigns, shall have the power to redeem the lands on payment to the purchase, his personal representatives, or assigns, of the costs, the amount of the purchase money and twenty percent (20%) interest thereon and the expense of having the deed prepared.

(2) After satisfying the tax due and the costs of expenses of sale from the proceeds of sale, the amount remaining shall be paid to the owner of the land, or upon the refusal of said owner to accept said residue, or if the owner is unknown or cannot be found, the amount remaining shall be deposited in some bank in the City of Milford, either to the credit of the owner, or in a manner by which the funds may be identified.

(3) In the sale of lands for the payment of delinquent taxes, the following costs shall be allowed, to be deducted from the proceeds of sale, or chargeable against the owner as the case may be in the amount then customarily charged:

To the Prothonotary for filing and recording Petition.

For filing and recording return of sale

To the City Manager for preparing certificate

For making sale of land

For preparing and filing return

For posting sale bills

In addition, the costs of printing handbills and publications of the advertisement of sale in a newspaper shall be chargeable as costs. The cost of the deed shall not be chargeable as costs, but shall be paid by the purchaser of the property of the delinquent taxpayer.

(4) If the owner of any lands and tenements against which a tax shall be levied and assessed shall be unknown, this fact shall be stated in the advertisement of sale.

CHARTER OF MILFORD

- (f) In the event of the death, resignation or removal from office of the City Manager of the City of Milford, before the proceedings of the sale of land shall have been completed, his successor in office shall succeed to have all of his powers, rights and duties in respect to said sale. In the event of the death of the purchaser at such sale prior to his receiving a deed for the property purchased thereat, the person having right under him by consent, devise, assignment or otherwise may refer to the Superior Court of the State of Delaware in and for Kent or Sussex County, a petition representing the facts and praying for an order authorizing and requiring the City Manager to have executed and acknowledged a deed conveying to the Petitioner the premises sold, or a just proportion thereof; and thereupon the Court may make such order touching the conveyance of the premises as shall be according to justice and equity.
- (g) However, should the City Council so elect, the City Manager is empowered to sell the lands and tenements of the delinquent taxpayer or the lands and tenements of a delinquent taxpayer alienated subsequent to the levy of the tax, by the direction of the City Council, using any of those procedures specified for the sale of land for the collection of taxes on the part of the taxes for Sussex County or Kent County, and all such procedures and methods available for the sale of land, as aforesaid, as they are presently enacted and hereafter amended, are included herein and made a part hereof by reference in the statutes made and provided, substituting the City of Milford for Sussex County or Kent County therein.
- (h) The provisions of this Section 7.12, other than the provisions of subsection (b) of this Section 7.12, shall apply to all special ad valorem taxes and special taxes levied by the City of Milford pursuant to Article IX of this Charter, provided that all references in this Section 7.12 to a tax list shall, for all purposes relating to such special ad valorem taxes and special taxes, be deemed to refer to the tax list showing the amounts of special ad valorem taxes or special taxes levied against the real property within a special development district.

7.13 – Real Estate Transfer Tax

The City of Milford reserves the right to enact a Real Estate Transfer Tax by ordinance through the City Council. Any change to the Real Estate Transfer Tax must be in accordance to Delaware laws.

7.14- Assessment, Payment, and Collection of Taxes For New Construction

In the event that the Mayor and Council of the City of Milford desire to collect and levy taxes on newly constructed property not taxed by virtue of the city's annual assessment, the city may enact an ordinance to do so.

Article VIII. Borrowing of Money and Issuance of Bonds

8.01 -The City of Milford may borrow money and to secure the payment of the same, is hereby authorized and empowered to issue bonds or other kinds or forms of certificate or certificates of indebtedness pledging the full faith and credit of the City of Milford; or such other security or securities as the City Council shall elect, for the payment of the principal thereof and the interest due thereon.

All bonds or other kinds or forms of certificate or certificates of indebtedness issued by the City of Milford in pursuance hereof shall be exempt from all State, County or municipal taxes.

8.02 -This power or authority to borrow money may be exercised by the City of Milford to provide funds for, or to provide for the payment of, any of the following projects or purposes:

- (a) Refunding any or all outstanding bonds or other indebtedness of the City at the maturity thereof or in accordance with any callable feature or provision contained therein;
- (b) Meeting or defraying current annual operating expenses of the City in an amount equal to but not in excess of currently outstanding, due and unpaid taxes, water rents, license fees or other charges due the City and available, when paid, for meeting or defraying current annual operating expenses of the City;
- (c) Erecting, extending, enlarging, maintaining and repairing any plant, building, machinery or equipment for the manufacture, supplying or distribution of gas, water, electricity, sewerage or drainage system, or any of them, and the condemning or purchasing of any lands, easements and rights-of-way which may be required therefore;
- (d) Constructing, paving, laying out, widening, extending, repairing and maintaining streets, lanes, alleys and ways, and the paving, constructing, laying out, widening, extending, repairing and maintaining of curbing and

7.10 -The Council shall determine and fix a rate of taxation which with other anticipated revenue will produce approximately the amount of money necessary to defray the expenses of the City for the current year, including interest on bonded indebtedness and for redemption of maturing bonds and for maintenance of a sinking fund.

7.11 -The limit of taxation for current expenses shall be that rate which, by estimation, will produce a sum not exceeding two (2) percent the assessed value of real property with improvements located in the City.

7.12 (a) Not later than the second month of a new fiscal year, the City Manager shall make available to the Council a list containing the names of the taxables of the City and, opposite the name of each, the amount of his real property assessment, as well as the tax upon the whole of his assessment, and the rate per hundred dollars of assessed valuation. Attached to a tax list shall be a warrant, under the seal of the City of Milford, signed by the Mayor and attested by the City Clerk commanding the City Manager to make collection, when due, of the taxes as stated and set forth in the tax list.

(b) All taxes, when and as collected by the City Manager, shall be paid to or deposited to the credit of the City in banking institutions approved by Council.

(c) All taxes shall be due and payable on the date set by Council. To every tax not paid after the said date each year there shall be added and collected a penalty, for each month that the said tax remains unpaid. The penalty rate charged is to be set by Council through ordinance. Before exercising any of the powers herein given for the collection of taxes, written notices of the amount due shall be given to the taxable.

(d) All taxes assessed upon any real estate and remaining unpaid prior to a new tax year billing shall constitute a first lien against all real estates of the delinquent taxpayer situated within the limits of the City of Milford. In the case of a life estate, the interest of the life tenant shall first be liable for the payment of any taxes so assessed. The City Manager, in the name of the City of Milford, may institute suit before any Justice of the Peace within Kent County or Sussex County, or before the Alderman of the said City, or in the Court of Common Pleas in and for Kent or Sussex County, or in the Superior Court of the State of Delaware, for the recovery of the unpaid tax in an action of debt, and upon judgment obtained, may sue out writs of execution as in case of other judgments recovered before a Justice of the Peace or in the Court of Common Pleas or in the Superior Court as the case may be.

(e) In addition, the City Manager, acting on behalf of the City, may pursue the sale of the lands and tenements of the delinquent taxpayer, or the lands of tenements of a delinquent taxpayer alienated subsequent to the levy of the tax and with the following conditions:

(1) No sale shall be approved by the Superior Court if the owner be ready at Court to pay the taxes, penalty and costs, and no deed shall be made until the expiration of one (1) year from the date of the sale, within which time the owner, his heirs, executors or assigns, shall have the power to redeem the lands on payment to the purchase, his personal representatives, or assigns, of the costs, the amount of the purchase money and twenty percent (20%) interest thereon and the expense of having the deed prepared.

(2) After satisfying the tax due and the costs of expenses of sale from the proceeds of sale, the amount remaining shall be paid to the owner of the land, or upon the refusal of said owner to accept said residue, or if the owner is unknown or cannot be found, the amount remaining shall be deposited in some bank in the City of Milford, either to the credit of the owner, or in a manner by which the funds may be identified.

(3) In the sale of lands for the payment of delinquent taxes, the following costs shall be allowed, to be deducted from the proceeds of sale, or chargeable against the owner as the case may be in the amount then customarily charged:

To the Prothonotary for filing and recording Petition.

For filing and recording return of sale

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For posting sale bills

In addition, the costs of printing handbills and publications of the advertisement of sale in a newspaper shall be chargeable as costs. The cost of the deed shall not be chargeable as costs, but shall be paid by the purchaser of the property of the delinquent taxpayer.

(4) If the owner of any lands and tenements against which a tax shall be levied and assessed shall be unknown, this fact shall be stated in the advertisement of sale.

CHARTER OF MILFORD

- (f) In the event of the death, resignation or removal from office of the City Manager of the City of Milford, before the proceedings of the sale of land shall have been completed, his successor in office shall succeed to have all of his powers, rights and duties in respect to said sale. In the event of the death of the purchaser at such sale prior to his receiving a deed for the property purchased thereat, the person having right under him by consent, devise, assignment or otherwise may refer to the Superior Court of the State of Delaware in and for Kent or Sussex County, a petition representing the facts and praying for an order authorizing and requiring the City Manager to have executed and acknowledged a deed conveying to the Petitioner the premises sold, or a just proportion thereof; and thereupon the Court may make such order touching the conveyance of the premises as shall be according to justice and equity.
- (g) However, should the City Council so elect, the City Manager is empowered to sell the lands and tenements of the delinquent taxpayer or the lands and tenements of a delinquent taxpayer alienated subsequent to the levy of the tax, by the direction of the City Council, using any of those procedures specified for the sale of land for the collection of taxes on the part of the taxes for Sussex County or Kent County, and all such procedures and methods available for the sale of land, as aforesaid, as they are presently enacted and hereafter amended, are included herein and made a part hereof by reference in the statutes made and provided, substituting the City of Milford for Sussex County or Kent County therein.
- (h) The provisions of this Section 7.12, other than the provisions of subsection (b) of this Section 7.12, shall apply to all special ad valorem taxes and special taxes levied by the City of Milford pursuant to Article IX of this Charter, provided that all references in this Section 7.12 to a tax list shall, for all purposes relating to such special ad valorem taxes and special taxes, be deemed to refer to the tax list showing the amounts of special ad valorem taxes or special taxes levied against the real property within a special development district.

7.13 – Real Estate Transfer Tax

The City of Milford reserves the right to enact a Real Estate Transfer Tax by ordinance through the City Council. Any change to the Real Estate Transfer Tax must be in accordance to Delaware laws.

7.14- Assessment, Payment, and Collection of Taxes For New Construction

In the event that the Mayor and Council of the City of Milford desire to collect and levy taxes on newly constructed property not taxed by virtue of the city's annual assessment, the city may enact an ordinance to do so.

Article VIII. Borrowing of Money and Issuance of Bonds

8.01 -The City of Milford may borrow money and to secure the payment of the same, is hereby authorized and empowered to issue bonds or other kinds or forms of certificate or certificates of indebtedness pledging the full faith and credit of the City of Milford; or such other security or securities as the City Council shall elect, for the payment of the principal thereof and the interest due thereon.

All bonds or other kinds or forms of certificate or certificates of indebtedness issued by the City of Milford in pursuance hereof shall be exempt from all State, County or municipal taxes.

8.02 -This power or authority to borrow money may be exercised by the City of Milford to provide funds for, or to provide for the payment of, any of the following projects or purposes:

- (a) Refunding any or all outstanding bonds or other indebtedness of the City at the maturity thereof or in accordance with any callable feature or provision contained therein;
- (b) Meeting or defraying current annual operating expenses of the City in an amount equal to but not in excess of currently outstanding, due and unpaid taxes, water rents, license fees or other charges due the City and available, when paid, for meeting or defraying current annual operating expenses of the City;
- (c) Erecting, extending, enlarging, maintaining and repairing any plant, building, machinery or equipment for the manufacture, supplying or distribution of gas, water, electricity, sewerage or drainage system, or any of them, and the condemning or purchasing of any lands, easements and rights-of-way which may be required therefore;
- (d) Constructing, paving, laying out, widening, extending, repairing and maintaining streets, lanes, alleys and ways, and the paving, constructing, laying out, widening, extending, repairing and maintaining of curbing and

*MILFORD CITY COUNCIL
MINUTES OF MEETING
November 18, 2013*

The Rescheduled Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, November 18, 2013.

PRESIDING: Mayor Joseph Ronnie Rogers

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

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

Solicitor David Rutt, Esquire

Meeting was rescheduled from its original date of November 12, 2013.

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Morrow to approve the minutes of the October 14, 2013 and October 28, 2013 Council Meetings as presented. Motion carried.

RECOGNITION

No special guests in attendance.

MONTHLY POLICE REPORT

Chairman Morrow presented the police report on behalf of Chief Hudson. Mr. Pikus moved to accept the police report, seconded by Mr. Grier. Motion carried.

CITY MANAGER REPORT

Mr. Carmean presented the following report:

ADMINISTRATION

The boiler has been replaced in City Hall at a cost of \$14,775.00. Since these funds were not budgeted, I will have to pay the invoice from my Contingency Fund.

ELECTRIC

The transmission line construction has begun on Route 113 and will continue for at least three months. We are also putting in distribution lines that will be coming from the new substation onto our present system.

Our crews have been working on McColley Street replacing a number of deteriorating poles. The last outage, on Saturday, November 9th was the result of a lightning arrester blowing out. The cause was found quickly due to one of the callers reporting an explosion in the area of the Overhead Door Company on Marshall Street.

This was almost the exact same time as the previous outage on Saturday, September 28th when two of the town's four circuits blew in the vicinity of the IG Burton building on Rehoboth Boulevard. Crews are not completely sure why that occurred but suspect it may have been contact by a bird or squirrel.

STREETS AND SOLID WASTE

I have directed DBF to move ahead with the Southeast Front Street project. The low-bidder was a company we had not done business with before. While we were pleased with the bid amount, I thought it best we called some of their past customers for recommendations. I directed Public Works Director Brad Dennehy and Street Superintendent Tim Webb to travel around to various locations to inspect the quality of their work.

There is still a shortfall in funding of the Southeast Front Street project, but I have requested some additional funding from our legislators. I could remove the sidewalk improvements to save money, but think that would be a mistake. The awarding of the bid will be postponed at this time.

Customers seemed pleased that we are continuing the yard debris pickups throughout the winter. Crews also began the leaf vacuuming program the first of November. Many customers still bag their leaves costing us unnecessary expense and unnecessary work. I will attempt to notify more people of the service.

It was confirmed that leaves must be raked to the curb and not the gutter. Customers needing this service should contact the public works department and schedule a pickup time.

The city manager said he will make sure the utility bills contain a notice explaining the process. He also suggests a tarp be placed over the leaves with a couple of bricks on top to prevent them from blowing until they are picked up.

Mr. Pikus asked the city manager to consider the request of Sudler Lofland to eliminate parking on Southeast Front Street. Mr. Brooks recalled that Mr. Lofland took an inventory of the homes and parking spaces on this street. Mr. Pikus agreed noting that every property, with the exception of one, had an entrance to the rear of their property. Despite that, vehicles continue to park on the sidewalks. Mr. Carmean agreed to take care of it.

Mr. Brooks said he spoke with Street Superintendent Tim Webb about this situation. Mr. Webb stated that once the new curb is in place, the vehicles will no longer be able to jump the curb. Mr. Carmean said he will still have it posted no parking because some people attempt to park on there regardless.

Mr. Pikus moved to accept the city manager report, seconded by Mr. Brooks. Motion carried.

COMMITTEE & WARD REPORTS

Holiday Dinners

Mr. Starling reminded council the annual holiday dinners are approaching for the needy and asked for donations.

COMMUNICATIONS & CORRESPONDENCE

Included in packet.

UNFINISHED BUSINESS

Ordinance 2013-13/Chapter 84/Amendment/Bicycles, Skateboards and other Conveyances

City Manager Carmean introduced the following ordinance:

WHEREAS, The City of Milford recognizes that individuals may require the assistance of a motorized scooter or wheelchair in order to facilitate movement; and

WHEREAS, Motorized Scooters and Wheelchairs, when operating, crossing, or traveling on or adjacent to public roadways

without proper safety and reflective equipment do thereby create a severe risk of injury or death to both the operator and motorist; and

WHEREAS, The City of Milford desires, through the enactment of this ordinance, to identify and establish the minimum level of safety equipment that is necessary in order to safely operate motorized scooters and wheelchairs on public roadways and sidewalks.

WHEREAS, The City of Milford intends to update Chapter 84 of the Code of the City of Milford to allow for reasonable, safe use of conveyances on City streets and sidewalks.

NOW THEREFORE, THE CITY OF MILFORD ORDAINS:

1. Chapter 84 of the Code of the City of Milford, entitled "BICYCLES, SKATEBOARDS, AND OTHER CONVEYANCES," Article I "Use on Sidewalks," Section 1 shall be deleted in its entirety and replaced with;

*§ 84-1. – Prohibited acts; penalties;
This section is deleted in its entirety.*

2. Chapter 84 of the Code of the City of Milford, entitled "BICYCLES, SKATEBOARDS, AND OTHER CONVEYANCES," Article IV is to be created, titled "Motorized Scooters and Wheelchairs," and adopted as follows.

Article IV: Motorized Scooters and Wheelchairs

§ 84-8 – Definitions.

"Motorized Scooters and Wheelchairs" shall mean any self-propelled device, regardless of the number of wheels, powered by any style motor, which is designed and intended primarily for use by individuals with mobility disabilities.

"Public Streets" for purposes of this Article IV shall mean roads, highways, sidewalks or any other thoroughfare dedicated, constructed or maintained by the City of Milford or the State of Delaware within the municipal limits.

§ 84-9 – Safety Equipment.

A. Daytime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets during daylight hours shall be equipped with at least one of the following:

- 1. Slow moving vehicle fluorescent triangle on the rear of the device; or*
- 2. Red safety flag.*

B. Nighttime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets at night or any other time when lighted lamps are required under 21 Del. C. § 4331 shall be equipped, at a minimum, with all of the following:

- 1. A lamp emitting a white light which, while the device is on the Public Street, illuminates the Public Street in front of the operator and is visible from a distance of 300 feet in front and from the sides of the motorized scooter or wheelchair.*
- 2. A red reflector on the rear of the device of the type approved by the Department of Transportation for bicycles, as defined under 21 Del. C. § 4198F(b).*
- 3. A white, yellow, or red reflector on each side of the device that is visible from a distance of at least 200 feet.*

C. Every Motorized Scooter and Wheelchair operating on Public Streets shall be equipped with a braking system which enables its operator to stop the device within 25 feet from a speed of 10 miles per hour on dry, level, clean pavement.

§ 84-10 – Enforcement

This Section shall be enforced by the City of Milford Police Department.

§ 84-11 – Fines and Penalties.

- A. Any person found in violation of this Section as a first offense shall be issued a written warning.
- B. Any person found in violation of this Section as a second offense shall be issued a fine no greater than \$_____.
- C. All subsequent offenses shall be issued a fine no greater than \$_____.

§ 84-12 - Effective Date

Solicitor Rutt reported that Section 84-1 has been removed from the chapter and a new Article IV created and titled "Motorized Scooters and Wheelchairs".

Mr. Pikus noted the fines were blank and asked if the police department makes that determination; Mr. Rutt stated that is a council decision and it was left open intentionally for council to make a determination.

Mr. Brooks expressed concern with the fines because the purpose is to protect the wheelchair operators. Mr. Pikus noted the first offense is a warning and they should be informed this was done to protect them; Mr. Brooks agreed but feels that a lot of these people do not have a lot of money.

Mr. Pikus reiterated the Rotary Club will pay for all the new equipment/materials for the first five years. However, it is their responsibility to put it on the chair.

Mr. Rutt emphasized the fines are an incentive to comply with the ordinance. Otherwise, there are no repercussions and they could never put them on because there are no fines.

Mr. Rutt referenced the fines in the skateboard section that council previously favored adding to this article. The first offense is a written warning, the second is \$10 and subsequent fines are \$25, \$50 and \$100.

Mr. Pikus recommends we use the same language. Mr. Rutt will amend the ordinance to coincide with the fines outlined in the skateboard article; council agreed.

Mr. Rutt explained the ordinance will be introduced at the next meeting and adopted in December.

NEW BUSINESS

Award of Bid/Southeast Front Street Rehabilitation Paving Project

Matter postponed until next meeting.

Approval/Renewal of First State BMX Lease Agreement

Mr. Carmean confirmed the agreement would cover another five-year period. Mr. Pikus asked if we should make the contract period a shorter time in case the school ever needed the property. Mr. Brooks asked the city manager if the BMX group understood that if the property was needed by the city or school, BMX would agree to surrender the property. Mr. Carmean recalled that the only reason the city would break this lease with BMX was if the school needed the property.

Mr. Rutt said if that is the intent, he will add it to the lease. He also noted a couple other minor issues that should be discussed with BMX before the lease is voted on.

He explained that one was to verify the insurance coverage. One section stated that BMX would restore the property to its original condition. However, the city may want to keep some of the bleachers (for example) and he recommends the language be rewritten that the land would be restored to the condition the city desired.

Mr. Rutt noted there is nothing objectionable and the contract only needs some minor tweaking.

Mr. Carmean suggests providing a year's notice should the school later need the property.

The city manager will follow up with Mr. Rutt.

Greater Kent Committee/Financial Contribution

Mr. Carmean advised the \$750 bill is a membership fee charged by the Greater Kent Committee. The fee allows Mr. Carmean to become a member of the committee.

Mr. Pikus asked what benefit the city receives; Mr. Carmean said that everyone else participates.

Mr. Grier moved for approval of the \$750 membership fee, seconded by Mr. Pikus. Motion carried.

Award of Funding/Carpenter Pit Road Improvements/Councilman Grier

Mr. Grier advised that a couple weeks ago, the city manager contacted him about the city contributing to the Carpenter Pit Road project. He recalled several meetings ago when Pastor Royce Andrus came before council to discuss the road problems to this development. That included a one-way road which was causing a lot of problems for vehicles going not only to his development, but also to the hotel.

They met with Secretary of Transportation Shailen Bhatt, DelDOT officials and a couple of local legislators. They came to the conclusion that if the city would contribute \$20,000, a portion would come through our local legislators which included Senator Gary Simpson, Senator Colin Bonini and Representative Jack Peterman. The balance of the funds would then come from Secretary Bhatt.

The projected cost was \$380,000; between \$150,000 and \$200,000 would come from the legislators, a \$20,000 contribution from the city and the balance would come from the state.

After speaking with Mr. Gleysteen and Mr. Shupe, Mr. Grier was initially very leery because he thought it was a state issue and something the city should not get involved in. However, after discussing it with Senator Simpson, Mr. Grier changed his mind.

His recommendation is to pay for this out of the Wawa Account. The justification is what could be done in this area economically. Right now, it is almost landlocked and vehicles have a very difficult time getting in and out.

Mr. Grier confirmed with the city manager the roadway is a city-maintained road.

Mr. Grier moved to pay \$20,000 out of the Wawa fund for the Carpenter Pit Road project improvements, seconded by Mr. Brooks. Motion carried.

The city manager then pointed out that Mr. Brooks had concerns about the amount of traffic dumping out onto Northeast Tenth Street and Route 1 intersection. Opening the other end to two-way traffic will divide the amount of vehicles who will then be able to use both ends.

Mr. Carmean reported that DelDOT is also considering a future service road going up by Jenkins Road to the new overpass.

Mr. Grier reiterated that the current road situation is a nightmare for people accessing this area. Most drivers have no idea how to get in or out. Mr. Brooks agreed adding that he is unsure how it was ever approved.

Mr. Brooks asked if it was ever determined if the road has been annexed; Mr. Carmean verified it has not been annexed and is a state roadway. However, the city continues to handle snow removal as they do on many other state roads.

Discontinuance of Solid Waste Services

The city manager reported that Street Superintendent Tim Webb has gathered and analyzed information on anything from weight to the cost of solid waste crews. A new law effective January 1st requires any commercial trash collector to provide recycling services to their commercial customers. However, Mr. Carmean is confident he can have Milford's deadline extended. He explained that we collect two to three times a week on some commercial accounts; the same level of service must be provided for recycling.

Mr. Carmean said that currently, we are losing \$28,000 a year on commercial trash collection. That number will increase with recycling. To meet the recycling requirement, another truck and crew would have to be added.

He has talked individually to various council members and explained there are a couple ways to do this. Commercial trash collection under our current ordinance is voluntary. Many businesses do not use the city's trash services. Those that have it can cancel at any time. Having this deadline extended to the end of January will provide enough time for them to hire a private hauler.

The city manager reported that business offices and other small businesses that only have one or two trash roll-outs could continue to be serviced without an increase in cost. Mr. Carmean said we are not losing money on that class of customers though we continue to go in the hole with the dumpsters. He indicated that some commercial customers do not want a dumpster on their property and instead have multiple cans and in some cases, up to eight cans. He does not believe we can continue to provide them trash services as well.

His suggestion is that we continue to provide commercial trash service to those businesses who have two carts or less. To comply with the law, we will have to provide them recycling carts.

Mr. Grier asked what a commercial customer is charged for two carts; Mr. Carmean said a single cart is approximately \$31. Mr. Gleysteen asked the rate for dumpster collection. The city manager explained there are light, medium and heavy weight customers. The cost ranges from \$80 to \$145.

Mr. Brooks and Mr. Pikus both agreed we are continuing to lose money on commercial pickups. Mr. Brooks reported that the cost for equipment, related expenses, benefits and salary of a three-person crew is more than \$190,000.

Mr. Grier believes the best action is to discontinue all commercial trash with the exception of those that only have two carts. He believes that will provide some additional time for our trash crews to service the residential customers.

Mr. Carmean said he has been told by some commercial customers that they do not believe their rates should be increased. He noted that by eliminating this service, we can continue with our current residential rate.

Mr. Pikus emphasized that right now, the resident is underwriting the commercial customer.

When asked how quickly this can be done, Mr. Carmean explained the trash code will need to be changed. In the meantime, he will mail letters out advising the commercial customers we will discontinue their trash collection and direct them to look for a commercial hauler.

In the meantime, the ordinance will need to be advertised, introduced and then a vote taken.

Mr. Pikus moved that the city manager mail letters informing commercial customers with more than two carts their commercial trash service will be eliminated and proceed with the ordinance amendment, seconded by Mr. Grier. Motion carried.

Introduction/Ordinance 2013-10/Sewer Code/Chapter 185/Waiver of Impact Fees

Mr. Carmean noted that the impact fee waiver had expired on June 30, 2013. However, he continued to provide some waivers on his own and in particular to the Halpern Office Building and the Milford Gallery Shopping Center by Ruby Tuesday. He recommends we continue the waivers for an indefinite period.

Mr. Pikus asked if the increase in building is due to the impact fee incentive. Mr. Carmean said there are people that decided to build now instead of postponing it. Milford Gallery is owned by the Laragione family who also owns Mama Maria. He thinks that is the reason they began construction at this time.

Mr. Grier asked how it is determined the number of jobs being created. He stated that is required before the waiver can be considered. The city manager said he just takes the word of the developer/builder. He said it is difficult to determine in the case of the shopping center. In that situation, he just took the total square footage and considered the type of stores

or offices it will house. Presently, Sleepy's and Sno Yo Yogurt will be locating there. In Doctor Halpern and Doctor Bunting (business park lot)'s situation, they were already aware how many employees would be hired because the majority were transfers from one building to the new building.

Mr. Grier said it is very important and is used as an incentive to bring new jobs. The previous ordinance allowed the city to give away the ranch. This directly ties into economic development which was the intent and reason for the waiver.

Another component was the requirement to rehab and upgrade existing structures which he encourages. He believes those requirements need to stay in place and followed before any waiver is considered.

Mr. Carmean reported that he is still negotiating with Perdue who went from 1,100 to 1,300 jobs because of the new organic chicken product which is only handled by the Milford plant. Their water, sewer and electric consumption has increased though no new infrastructure improvements are needed. If an improvement was needed, he would need to determine the additional costs and require a percentage back.

To him, it is smart business to try and continue to get the new load. He said that any new load has a three to five-window on any rate reduction.

Mr. Carmean then introduced the following ordinance:

Ordinance 2013-10/Sewer Code

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8, Ordinance 2010-17, 2011-16 and 2012-19 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, it is the City of Milford's desire to extend the waiver of sewer impact fees for an indefinite period of time.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by indefinitely extending the deadline with the following conditions:

D. The sewer impact fee described in Subsection C shall be waived for all permits issued for repairs or rehabilitation of existing structures ~~between September 20, 2012 and June 30, 2013~~ **beginning DECEMBER 5, 2013.** The waiver shall be for a maximum of 5 EDUs per project. The city will continue to collect the impact fee charged by Kent County. Waiver does not apply to new construction.

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(2) shall remain in effect.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Sewer Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 EDU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 EDU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 EDU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 EDU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

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

Section 3. Dates

Introduction: November 12, 2013

Adoption (Projected): November 25, 2013

Effective (Projected): December 5, 2013

Introduction/Ordinance 2013-11/Water Code/Chapter 220/Waiver of Impact Fees

Mr. Carmean introduced the following ordinance:

Ordinance 2013-11/Water Code

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9, Ordinance 2010-18, Ordinance 2011-17 and Ordinance 2012-20 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of water impact fees for an indefinite period of time.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by indefinitely extending the deadline with the following conditions:

§222-31 I. The water impact fee described in §222-31H shall be waived for all permits issued for repairs or rehabilitation of existing structures ~~between September 20, 2012 and June 30, 2013~~ **beginning DECEMBER 5, 2013**. The waiver shall be for a maximum of 5 EDUs per project. Waiver does not apply to new construction.

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Water Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 EDU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 EDU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 EDU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 EDU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

§222-31 I. (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates

Introduction: November 12, 2013

Adoption (Projected): November 25, 2013

Effective (Projected): December 5, 2013

Introduction/Ordinance 2013-12/Electric Tariff/Appendix B/Rules and Regulations

Mr. Carmean introduced the following ordinance:

Ordinance 2013-12/Electric Tariff/Appendix B

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10, Ordinance 2010-19, Ordinance 2011-18 and Ordinance 2012-21 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of electric impact fees for an indefinite period.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Appendix B-Electric Tariff-Rules and Regulations shall be amended by indefinitely extending the deadline for the waiver of Electric Impact Fees.

Section 2. Rules and Regulations, Section 3-Customer Advance Usage/Impact Fees and Deposits, Subsection E(1) is hereby amended as follows:

E. The electric impact fee established under this Appendix shall be waived for all permits issued for repairs or rehabilitation of existing structures ~~between September 20, 2012 and June 30, 2013~~ **beginning DECEMBER 5, 2013**. Waiver does not apply to new construction.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Electric Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5-9 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (1 ESU)
Creation of 10-14 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (2 ESU's)
Creation of 15-19 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (3 ESU's)
Creation of 20-24 new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (4 ESU's)
Creation of 25+ new jobs to last at least 3 years:	Exemption of Impact Fee Waiver (5 ESU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

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

Section 3. Dates

Introduction: November 12, 2013

Adoption (Projected): November 25, 2013

Effective (Projected): December 5, 2013

FY 2013-2014 Budget Adjustment/Carlisle Fire Company Contribution Increase/Property Tax Line Item

Mr. Carmean advised that a few months ago, members of the Carlisle Fire Company approached local legislators about buying a used brush truck. They asked for funding to re-upholster the seats. The legislators have asked the city to contribute another \$4,350 to the fire company and in turn, they will provide the city \$4,350 for the Southeast Front Street sidewalk project.

He then reported the property taxes came in higher than the anticipated revenue. We will pay the \$4,350 out of the additional tax revenue though the legislators are paying us back through their transportation fund.

Mr. Pikus confirmed it is a washout as far as city funds; Mr. Carmean stated yes.

Mr. Shupe moved to increase the Carlisle Fire Company contribution by \$4,350, to be paid from the property tax revenue line item and reimbursed by legislative transportation funds, seconded by Mr. Starling. Motion carried.

FY 2013-2014 Budget Adjustment/Can Do Playground Contribution/Property Tax Line Item

Mr. Carmean advised that Representative Harvey Kenton is providing \$50,000 toward the Southeast Front Street project though \$10,000 of that is being provided for the Can Do Playground project. This will also be paid from the property tax line item.

The city manager explained the legislative funds can only be used for street or sidewalk work which is why they handle such contributions in this manner.

Mr. Pikus moved to approve the \$10,000 Can Do Playground contribution be paid from the property tax line item, which will be reimbursed by community transportation funds, seconded by Mr. Gleysteen. Motion carried.

Mr. Rutt updated council stating the construction is completed. Only signage and landscaping are left. He reported the ribbon cutting will be held on December 4th. A formal dedication will be held this spring.

FY 2013-2014 Budget Adjustment/City Hall Boiler Replacement and Funding

This matter was addressed in the city manager report. He advised the \$15,000 will be paid from his discretionary account though this is the exact intent of the account.

Mr. Carmean asked council to make a motion to approve paying the bill from his discretionary account even though it is an operational issue and he has the right to make this decision.

Mr. Grier moved to approve \$14,775 be paid from the discretionary account to pay the costs of the city hall boiler replacement. Motion seconded by Mr. Grier and carried.

MONTHLY FINANCE REPORT

Finance Committee Chairman Pikus reported that through the third month of Fiscal Year 2013-2014 with 25% of the fiscal year having passed, 34% of revenues have been received and 23% of the operating budget expended.

Mr. Pikus referenced the Trash Fund Bank Balance adding it is decreasing each month as a result of the commercial trash deficit. The balance is currently at \$395,000.

The Real Estate Tax Account shows a payout of \$97,353; that is the result of several over bills that were reconciled.

Mr. Pikus moved to accept the finance report, seconded by Mr. Grier. Motion carried.

ADJOURN

With no further business, Mr. Grier moved to adjourn the meeting, seconded by Mr. Brooks. Motion carried. Mayor Rogers adjourned the meeting at 7:49 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 25, 2013

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, November 25, 2013.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr., Katrina Wilson and James Starling, Sr.

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

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

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

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

RECOGNITION

No special guests in attendance.

COMMUNICATIONS & CORRESPONDENCE

All items included in packet.

UNFINISHED BUSINESS

Introduction/Ordinance 2013-13/Chapter 84/Amendment/Bicycles, Skateboards and other Conveyances

Councilman Pikus introduced the following ordinance as was discussed at the last council meeting:

ORDINANCE NO. 2013-13

Section 1.

WHEREAS, The City of Milford recognizes that individuals may require the assistance of a motorized scooter or wheelchair in order to facilitate movement; and

WHEREAS, Motorized Scooters and Wheelchairs, when operating, crossing, or traveling on or adjacent to public roadways without proper safety and reflective equipment do thereby create a severe risk of injury or death to both the operator and motorist; and

WHEREAS, The City of Milford desires, through the enactment of this ordinance, to identify and establish the minimum level of safety equipment that is necessary in order to safely operate motorized scooters and wheelchairs on public roadways and sidewalks.

Section 2.

NOW THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

1. Chapter 84 of the Code of the City of Milford, entitled "BICYCLES, SKATEBOARDS, AND OTHER CONVEYANCES," Article I "Use on Sidewalks," §1 "Prohibited acts; penalties," Subsection B shall be amended to include the additional language as follows:

"It shall be unlawful for anyone to ride, drive or operate any self-propelled or motor-driven vehicle of any kind on the sidewalks in the City of Milford, except such vehicles as defined in Article IV of this Chapter."

2. Chapter 84 of the Code of the City of Milford, entitled "BICYCLES, SKATEBOARDS, AND OTHER CONVEYANCES," Article IV is to be created, titled "Motorized Scooters and Wheelchairs," and adopted as follows.
Article IV: Motorized Scooters and Wheelchairs

§ 84-8 - Definitions.

"Motorized Scooters and Wheelchairs" shall mean any self-propelled device, regardless of the number of wheels, powered by any style motor, which is designed and intended primarily for use by individuals with mobility disabilities.

"Public Streets" for purposes of this Article IV shall mean roads, highways, sidewalks or any other thoroughfare dedicated, constructed or maintained by the City of Milford or the State of Delaware within the municipal limits.

§ 84-9 - Safety Equipment.

A. Daytime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets during daylight hours shall be equipped with at least one of the following:

1. Slow moving vehicle fluorescent triangle on the rear of the device; or
2. Red safety flag.

B. Nighttime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets at night or any other time when lighted lamps are required under 21 Del. C. § 4331 shall be equipped, at a minimum, with all of the following:

1. A lamp emitting a white light which, while the device is on the Public Street, illuminates the Public Street in front of the operator and is visible from a distance of 300 feet in front and from the sides of the motorized scooter or wheelchair.
2. A red reflector on the rear of the device of the type approved by the Department of Transportation for bicycles, as defined under 21 Del. C. § 4198F(b).
3. A white, yellow, or red reflector on each side of the device that is visible from a distance of at least 200 feet.

C. Every Motorized Scooter and Wheelchair operating on Public Streets shall be equipped with a braking system which enables its operator to stop the device within 25 feet from a speed of 10 miles per hour on dry, level, clean pavement.

§ 84-10 - Enforcement

This section shall be enforced by the City of Milford Police Department.

§ 84-11 - Fines and Penalties.

A. Any person found in violation of this article shall be penalized as follows:

- (1) First offense: Written Warning.
- (2) Second offense: \$10 fine.
- (3) Third offense: \$25 fine.

(4) Fourth offense: \$50 fine.

(5) Fifth and subsequent offenses: \$100 fine.

Section 3.

Dates:

Introduction: November 25, 2013

Adoption: December 9, 2013

Effective: January 1, 2014

Frank Fountain of 814 Parson Thorne Apartments asked to speak on the matter. He wants council to understand this ordinance was his idea and the result of his concern about wheelchairs. He understands that council started to work on the matter but wants the record to reflect he is not representing Carlisle Fire Company of which he is a member, but instead as a concerned citizen.

He is surprised the wheelchair requirements are not already in place. Mr. Fountain stated that because these people are only able to move around in their wheelchairs, the city needs to step up to the plate and do something for their safety. Mr. Fountain also understands there is an organization who has offered to help these people because many are not very well off.

He has seen them cross the highway in the dark, ride on the side of the road and on sidewalks. He said it is important to save lives and by being in the fire company, he does not want to get any calls about accidents involving a wheelchair. Mr. Fountain reported that he almost hit someone at night who was riding down the road with no light.

He questioned whether the city can force them to have lights on the wheelchairs. His suggestion was they be required to have reflector vests and markings. The vests can be bought at Walmart.

Mr. Fountain also recommends that reflective stripes be added to the wheelchair sides. He believes the lights will be too expensive.

Mr. Pikus informed Mr. Fountain that anyone who has a motorized wheelchair can come to City Hall and have the wheelchair outfitted at the expense of the Milford Rotary Club. They will provide all the safety features necessary to bring the motorized wheelchairs in Milford into compliance with the ordinance.

Ms. Wilson suggested Mr. Fountain help by identifying some of the individuals. Perhaps Mr. Fountain is willing to approach them to make this a smoother transition and inform them how important this equipment is. Also it should be stressed this will be of no cost to them.

Ms. Wilson believes that will help the city and the police department.

Mr. Fountain responded by saying he will do that. He said that a lot of these people live in on Linstone Lane in the high rise. They come around the side and rear of Milford Plaza. There are often large trucks loading and unloading in this area. He will make it a point to contact everyone he sees and provide them with this information.

Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, stated that in addition to that, he recommends something be added to the utility bill. He also suggests the newspaper publish the information that the Rotary Club will pay the costs of the reflector and the lights.

Award of Bid/Southeast Front Street Rehabilitation Paving Project

Mr. Carmean asked that this matter be postponed until the December 9, 2013 meeting. There are still some funding problems and he and Randy Duplechain of Davis, Bowen and Friedel plan to meet with City Finance Director Jeff Portmann to discuss the matter.

Mr. Shupe moved to postpone the bid award of the Southeast Front Street Rehabilitation Paving Project, seconded by Ms. Wilson. Motion carried.

Adoption/Ordinance 2013-10/Sewer Code/Chapter 185/Waiver of Impact Fees

Mr. Pikus moved to adopt Ordinance 2013-10, seconded by Mr. Starling:

Ordinance 2013-10/Sewer Code

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-8, Ordinance 2010-17, 2011-16 and 2012-19 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, it is the City of Milford's desire to extend the waiver of sewer impact fees for an indefinite period of time.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 185 of the Code of the City of Milford, entitled Sewers, Article III §24 Impact Fee Established, §185-24-D shall be amended by indefinitely extending the deadline with the following conditions:

D. The sewer impact fee described in Subsection C shall be waived for permits issued for repairs or rehabilitation of existing structures beginning DECEMBER 5, 2013. The waiver shall be for a maximum of 5 EDUs per project. The city will continue to collect the impact fee charged by Kent County. Waiver does not apply to new construction.

Section 2. Chapter 185 of the Code of the City of Milford, §185-24-D(1) and §185-24-D(2) shall remain in effect.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Sewer Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

- Creation of 5-9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU)
- Creation of 10-14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDU's)
- Creation of 15-19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDU's)
- Creation of 20-24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDU's)
- Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

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

Section 3. Dates
Adoption November 25, 2013
Effective December 5, 2013

Motion carried.

Adoption/Ordinance 2013-11/Water Code/Chapter 220/Waiver of Impact Fees

Mr. Pikus moved to adopt Ordinance 2013-11, seconded by Mr. Starling:

Ordinance 2013-11/Water Code

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-9, Ordinance 2010-18, Ordinance 2011-17 and Ordinance 2012-20 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of water impact fees for an indefinite period of time.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Chapter 222 §31 of the Code of the City of Milford, entitled Water, shall be amended by indefinitely extending the deadline with the following conditions:

§222-31 I. The water impact fee described in §222-31H shall be waived for permits issued for repairs or rehabilitation of existing structures beginning DECEMBER 5, 2013. The waiver shall be for a maximum of 5 EDUs per project. Waiver does not apply to new construction.

Section 2. Chapter 222 of the Code of the City of Milford, §222-31-I (1) and §222-31-I (2) shall remain in effect.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Water Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

- Creation of 5-9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU)
- Creation of 10-14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDU's)
- Creation of 15-19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDU's)
- Creation of 20-24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDU's)
- Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

§222-31 I. (2) Any structure that does not receive a certificate of occupancy in accordance with this schedule shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

Section 3. Dates
Adoption November 25, 2013
Effective December 5, 2013

Motion carried.

Adoption/Ordinance 2013-12/Electric Tariff/Appendix B/Rules and Regulations

Mr. Pikus moved to adopt Ordinance 2013-12, seconded by Mr. Starling:

Ordinance 2013-12/Electric Tariff/Appendix B

WHEREAS, the City of Milford is encouraging the redevelopment of underused buildings and sites by increasing rehabilitations, upgrades and reuses of existing buildings; and

WHEREAS, the waiver of impact fees authorized by Ordinance 2010-10, Ordinance 2010-19, Ordinance 2011-18 and Ordinance 2012-21 led to more projects being launched; and

WHEREAS, City Council has learned that building permit values increased in 2010, 2011, 2012 and 2013 when compared to the same period in 2009; and

WHEREAS, to further stimulate the local economy, it is the City of Milford's desire to extend the waiver of electric impact fees for an indefinite period.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Appendix B-Electric Tariff-Rules and Regulations shall be amended by indefinitely extending the deadline for the waiver of Electric Impact Fees.

Section 2. Rules and Regulations, Section 3-Customer Advance Usage/Impact Fees and Deposits, Subsection E(1) is hereby amended as follows:

E. The electric impact fee established under this Appendix shall be waived for permits issued for repairs or rehabilitation of existing structures beginning DECEMBER 5, 2013. Waiver does not apply to new construction.

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

Single Family Residential	6 Months
Multi Family Residential	12 Months
Commercial	12 Months

(a) Waiver of Electric Impact Fees for Commercial Entities:

To encourage new business and the expansion of existing businesses, the business must create a minimum of five (5) jobs to employ five (5) full-time employees in the City of Milford in accordance with the following criteria:

- Creation of 5-9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 ESU)
- Creation of 10-14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 ESU's)
- Creation of 15-19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 ESU's)

Creation of 20-24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 ESU's)
Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 ESU's)

b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

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

Section 3. Dates

Adoption November 25, 2013

Effective December 5, 2013

Motion carried.

NEW BUSINESS

Delmarva Power Agreement/Joint Pole Use

Mr. Carmean reported that negotiations have been ongoing with Delmarva Power for some time. Last week, Delmarva Power representatives finally informed him they had agreed to the terms.

The previous pole attachment agreement was signed in 1968 and this is a fifty-year agreement.

Mr. Pikus asked if we are protected legally on this agreement. Solicitor Rutt stated that this has been negotiated for the past six to eight months. He has had many discussions with their legal staff adding this is much more comprehensive than the 1968 agreement. This lays out the rights and obligations and describes who owns what and where the lines will be placed.

Mr. Rutt said that Electric Consultant Alan Cobb from North Carolina addressed the technical aspects of the agreement.

Mr. Pikus moved to approve the Agreement for the Joint Use of Pole Structures between the City of Milford and Delmarva Power as presented, seconded by Mr. Gleysteen. Motion carried.

Suspend/Milford Green Energy Grant Program

Mr. Carmean introduced Scott Lynch, Energy Service Manager of Delaware Municipal Electric Corporation (DEMEC) to discuss some changes to the Green Energy Program and DEMEC's recommendations.

Mr. Lynch referenced the Request to Suspend the current incentives for Photovoltaic Solar Systems in the City of Milford. He explained that the State of Delaware and Sustainable Energy Utility (SEU) has announced their intention to offer a new incentive for photovoltaics. The new incentive matched with the current Milford photovoltaic incentive would be an over-incentive and something the state is trying to prevent.

As a result, DEMEC is asking the city to suspend the current incentive at this time. Due to the unknown nature of the proposed incentive, DEMEC strongly recommends a temporary suspension to the Milford Green Energy Grant Program for PV applications until the nature of the proposed incentive can be determined.

Mr. Lynch noted that a typical solar incentive is approximately \$10,000. Annually, the city brings in a little more than \$30,000. Essentially three solar requests would take up the entire funding for incentives in one year.

He then reported that Milford's current program has a wait of four plus years. To avoid a flood of incentive requests which could potentially put the delay to pay customers many years beyond the four-year mark, this suspension should be considered. As an example, the City of Lewes currently has an incentive wait of forty years which essentially makes a program ineffective.

Mr. Lynch asked that this suspension be approved to allow additional time for DEMEC to better understand the incentive. He will then come back with a recommendation at a later date.

Mr. Grier asked how long it will take before this incentive can be deciphered; Mr. Lynch advised the State of Delaware wants the new incentive ready in January 2014. However, some people believe that is an ambitious goal and the date could be somewhat later and possibly February.

He also reported that Milford's current incentive rebates 33.33% of the cost of a PV system which is the richest incentive in the state. Though there is nothing wrong with that, if other incentives were considered, the money could be spread among a higher number of customers.

When asked about current requests, Mr. Lynch reported there are two completed projects but several pending. He reiterated that the current wait list is four plus years for these customers to receive payment.

Mr. Grier moved for the suspension to the Milford Green Energy Grant Program for PV applications until the nature of the proposed incentive can be determined, seconded by Mr. Gleysteen. Motion carried.

It was confirmed the money would continue to be collected for the Green Energy Program; this action only suspends the ability to submit/receive new applications for photovoltaic systems.

Approval/Highway Sign Proposal/Scott Angelucci

The city manager reminded council of the highway sign project that Scott Angelucci wants to put out on Route 1 in both north and southbound lanes. When the proposal was brought before council, it was in excess of the \$30,000 bid limit which required public bidding. Councilman Shupe suggested Mr. Angelucci try to negotiate the contracts to bring the project total below \$30,000.

Mr. Carmean said that Mr. Angelucci recently brought the proposal back which has been reduced to \$30,460. According to the city manager, the lettering will be done by a different manufacturer. He is now employing local companies to do the work.

The city manager contacted Mr. Angelucci this afternoon to inform him there may still be a problem with council and it may still have to be bid. Mr. Angelucci then asked Downtown Milford (DMI) to contribute to the project.

Mr. Angelucci said they worked hard to reduce the numbers. He recalled the project was pre-approved based on numbers and emphasized the proposal is only \$460 over the \$30,000. After his conversation with the city manager, he contacted DMI and asked if they would be willing to pay for the balance to prevent going over \$30,000 which requires bidding and further delays in getting the signs in place. DMI took a vote on line which resulted in the approval of up to \$750 in order to prevent the number from going above the pre-recommended amount.

Mr. Grier noted that the proposal does not include the cost of the concrete work. He asked if that will be handled as a separate matter. Mr. Angelucci pointed out the original proposal did not include the concrete either. They only presented the costs of the signage and the breakaway brackets. He later learned the original price may have been in jeopardy because the addition of the breakaway brackets are very expensive. There were also questions about whether or not DelDOT would approve the design.

Mr. Angelucci reported that the person who prepared the current sign proposal has previously worked with the State of Maryland and is very familiar with Maryland transportation laws which are similar to Delaware's requirements. He also offered to give a more detailed explanation of how the construction would go forward to get approval from DelDOT. He re-emphasized that the concrete was never part of the bid on the first or second proposal.

He informed council the city has a contractor that does all their concrete work and it would be sent to them. Mr. Angelucci further advised that the concrete will be used for piers that would hold the post with the studs that are part of the breakaway package. That would be offered to the city as far as a design layout on what would be required.

Mr. Pikus asked who will pay for the concrete work; Mr. Angelucci said that we hope the city will be involved with figuring out the concrete piers. Mr. Pikus asked if that means that the city would pay for it. Mr. Angelucci said yes.

Mr. Pikus asked the estimate cost of the four piers; Mr. Angelucci estimates a couple hundred dollars. Mr. Carmean believes it will be less than \$500 or \$600. He thinks that with breakaway framing, the piers would not be aboveground. He feels holes can just be punched in the ground with the concrete level to the ground. If council approves this proposal, he is willing to check with some of our concrete contractors to see if they would consider donating it. City crews can take a digger truck there with instructions from the sign installer and dig the hole. All we would have to pay for is the concrete.

When questioned about DelDOT permits, Mr. Angelucci said that DelDOT will review the design and diagrams. It would have to meet their approval. He noted that this contractor has the diagrams and will provide them to DelDOT. The short package presented is only for council approval. He would then provide the full diagrams for DelDOT.

Mr. Pikus referenced the letter from DelDOT explaining the approval process and asked if those items were addressed; Mr. Angelucci said he does not have the authority to go before DelDOT. He advised that former Economic Development Director Steve Master was arranging to meet with DelDOT though his job has been eliminated.

Mr. Angelucci said that DelDOT requires someone with an official capacity has to meet with them. He said he is only a merchant downtown and they will not talk to him.

When asked if the signs would be placed on DelDOT right-of-ways, Mr. Angelucci said yes and emphasized that someone from the city would actually have the contact with DelDOT to get the approval.

He referenced the letter from DelDOT that expressed concerns that they were hearing about the approval of the sign before they had heard anything about it. He said they want to see what is intended to be done, how it will be constructed to ensure it meets their requirements and reiterated the city will handle that.

When asked if DelDOT approval is required, Mr. Angelucci said they will have the final say. He added what the city is looking to do is request to put this type of signage there. Mr. Pikus asked if the city will present it or the sign installer; Mr. Angelucci said no that would be a city request.

Mr. Carmean said that normally a representative of the sign company would handle this. He referenced Mr. Angelucci's statement that he is familiar with the Maryland regulations. He would make the request on behalf of the city because he is the expert.

The city manager said he is assuming the plan is for the city to own the sign because he does not believe that Scott Angelucci can own it. Mr. Angelucci said it is definitely not his sign.

Mr. Carmean compared this to someone building a home whose contractor would come to the city and request the permit. Signs are handled in the same manner.

The city manager commented that no money will be spent until all permits are approved.

Ms. Wilson asked how anything can be approved if we do not have DelDOT approvals; Mr. Carmean said the cost can be approved though nothing else can be done. Mr. Angelucci said the last time he was before council, he was required to get the cost to the required amount which would allow him to move forward with the contract. His understanding is once that is done, the contract can be awarded and then the contractor would make his proposal to DelDOT.

Ms. Wilson announced that she is not opposed to this, but if the contract is approved tonight, we still have to approve the permits. Therefore, we do not have the final cost. Mr. Carmean assured council there will be no additional costs with the exception of the concrete. He explained that DelDOT has advised they have no permit for the signs and need more information before they can act on the request. He believes DelDOT will do nothing until after council approves the signs. Mr. Carmean emphasized that nothing can be ordered or paid for until all permits have been issued.

Mr. Pikus asked if the city will have the final say on what is on the signs. Mr. Angelucci informed Mr. Pikus the signs will have the branding that was adopted by the city several years ago.

Mr. Angelucci suggested a letter be written by the city to the contractor confirming the approval so that the contractor can inform DelDOT the city already awarded the contract. Mr. Carmean said the minutes will be proof though he will also write a letter.

Mr. Carmean added that he has dealt with numerous billboards in right-of-ways and is confident the sign companies understand that if they do not get the permit, they do not get the job. He asked that be part of the contract and also recommends our solicitor review the document before it is signed. In the meantime, the contractor will have the minutes of the meeting stating the project was approved.

Mr. Grier asked if the contractor plans to provide the official drawing of the signs. Mr. Angelucci noted he has a more detailed design which was pending approval of the contract; he will provide that to council if they wish. Mr. Grier recommends that be viewed by council before it is provided to DelDOT.

Mr. Angelucci said the original drawing showed the description, design and size. However, that was an earlier bid and this is a new one. The design is the same though it contains more detailed information about the breakaways which is what DelDOT is interested in. He is willing to provide council with the diagrams.

When asked how the rendering in the current council packet coincides with what Mr. Angelucci believes the sign will look like, Mr. Angelucci said he does not have a copy. He stated that when they drew the description, they did not have the correct font though the drawing will show what the sign will look like.

Mr. Angelucci confirmed the only thing on the sign is 'Milford-River Town, Art Town, Home Town'. Mr. Pikus asked if something else was supposed to go on the sign; Mr. Angelucci and Mr. Carmean both stated no.

Ms. Wilson recalled a discussion with council when it was suggested that the shops, stores or other merchant related items be added. Mr. Angelucci agreed that was discussed but again pointed out that is not part of the branding.

Mr. Carmean suggests that in lieu of that, the city can have the blue signs installed on Route 1 that would direct drivers to the shopping and downtown areas. Mr. Angelucci commented that is not included with the gateway signs but could be a continuation of the project. He said they also applied for the blue attraction signs but found the costs to be higher than anticipated. He further stated that DMI, though he is no longer a board member, still has the ability to request an RBEG (Rural Business Enterprise Grant) which is how he got the kiosk and banner signs for DMI. That would have been a future part of the signage project.

He said the three elements are banners to mark the gateways into the community, large gateway signs and signs around the perimeter which are attraction signs for hotels, restaurants and shops.

Mr. Carmean said Mr. Angelucci mentioned DMI and his first impression was the request was coming from DMI. Instead, Mr. Angelucci completely came up with the gateway sign on his own. He recalled when the initial proposal was presented by Mr. Angelucci, council directed him to get a reduced price because anything over \$30,000 would have to be bid.

Mr. Angelucci added the signage project idea began at a workshop sponsored by the Delaware Economic Development Office (DEDO). Frazier and Associates came to Milford and did a comprehensive sign workshop for the city. They suggested a study on the type of signs that were needed by the city. The cost of the study was \$50,000. DMI did not believe anyone would agree to pay \$50,000 to conduct the study because they already knew what was needed. As a result, he said that DMI began to break it down into different elements. He said the complete package is similar to ones that were demonstrated through the main street association in other communities.

Mr. Angelucci said these signs will attract visitors by creating a sense of place and make them understand it is worth going downtown.

Mr. Shupe moved to approve the sign project contingent that the cost for the city remains below \$30,000 to prevent going to bid and that DMI pay the overage up to \$700 and that approval is obtained from DeIDOT and any other required agency.

Ms. Wilson asked about the cost of the concrete; Mr. Carmean said that would have to be included in the motion.

Motion seconded by Mr. Pikus. Motion carried.

Recommendation/Additional Change to City of Milford 2013 Comprehensive Plan

Mr. Carmean received a call from the heir of a property owner whose land is along the east side of Route 113. They were under the impression the property was zoned highway commercial but determined it was an R-1. He referenced the future land use map and arrow showing the properties and area he is recommending be changed to commercial.

The city manager would like all road fronting properties along the east side of Route 113 from south city limits, including and up to the McWilliams property be considered for highway commercial zoning.

Anyone with a concern can voice their opinions at a later public hearing.

Though this is being presented for council consideration, the proposal will be sent to the planning commission for their review and recommendation. It will then come back to council for a formal vote.

Mr. Pikus moved to forward the proposed amendment to the planning commission for their review and recommendation, seconded by Ms. Wilson. Motion carried.

Mr. Carmean then pointed out that this amendment to the comp plan will not change the fact it cannot be used for residential purposes because they are grandfathered. Even if the house is demolished, it would remain a residential lot.

With no further business, Mr. Pikus moved to adjourn the Council Meeting, seconded by Mr. Grier. Motion carried.

The Council Meeting was adjourned by Mayor Rogers at 7:55 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 25, 2013

The City Council of the City of Milford met in Workshop Session on Monday, November 25, 2013 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr., Katrina Wilson and James Starling, Sr.

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

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

The Workshop Session convened at 7:55 p.m.

PNC Bank Building Renovations

City Manager Carmean introduced Architect Mike Wheedleton of Davis, Bowen and Friedel who handled the proposed renovations to the interior of the former PNC Bank Building.

Mr. Wheedleton presented a PowerPoint (see attached) displaying the plans for the proposed City of Milford billing office. He described the current layout as it exists today. Also displayed were some 3D renderings of the building once the renovations are completed.

The city manager pointed out the lobby, cashier areas, billing supervisors' office, restrooms and private conference area. He also emphasized that the areas will be under constant camera surveillance. Though it does not currently exist, an entrance will be added to the rear of the building. The vault will become a file room.

Mr. Carmean confirmed the vault has 28-inches of concrete; the secondary vault will house the IT equipment, telephone, fiber optic, wi-fi, etc.

The layout provides enough room for a third teller should that be required in the future.

Mr. Wheedleton reported that one of the major differences from their current operations is the addition of the drive-thru. There is a need to rehab or modernize the pneumatic tube system though they will try to use a lot of what currently exists. The actual drive-thru system, lights, ceiling grid, etc. will be kept.

Diebold has been working with Mr. Wheedleton. Rehabbing the pneumatic system and associated equipment was also discussed.

Mr. Carmean does not believe we will see an increase in walk-in customers in the future. The area is not extremely large but effectively meets our current needs. He believes we will see more customers using the on-line payment system versus paying at this building.

Currently, we will not be using the second floor. There is a large board room which can be used for meetings. The second floor is where the mechanical systems are located. Also, there are storage and two restrooms though one is not usable. At this point, Mr. Carmean only wants to spend very little money there.

The city manager pointed out that an elevator was being considered which would have been put in the rear with an outside shaft. Because of the cost, that was put on hold. It can be added later and accomplished without disturbing any billing activities.

The safe deposit boxes will be removed and either be salvaged or scrapped. Off the back, he noted a very secure gate system and two safes where money could be kept overnight. Because of the added security at this building, there is the possibility of leaving one person in the building by utilizing the drive-thru window so disconnects can be handled in the billing office after hours.

Mr. Wheedleton reported the first floor consists of slightly less than 3,000 square feet; the second floor has 1,300 square feet. The building also has a historical bomb shelter.

He explained that the primary cost of the renovation is the restroom and plumbing. The two restrooms must be made ADA compliant. Electrical upgrades will be done on the first floor and basement in order to meet current codes.

In the rear, some drainage is needed so a small retaining wall will be installed. This is needed because the grade in the back is higher than the first floor.

Mr. Wheedleton then reviewed the remaining slides.

He again referenced the teller areas and noted the exact location of the previous ATM. The night deposit box will be locked from the outside though the vault will remain and used from the inside as a safe.

He reported that the accessible restrooms are single occupancy and do meet the current code.

The bulk will be extended over the teller areas; vacuum tubes have been extended to the counter.

He said that every attempt will be made to save the woodwork in the center area as well as the marble front counter. They are also trying to match the marble to the new counter being installed.

Mr. Carmean confirmed there are trips in the pavement of the drive-thru that control the traffic light coming out of the bank.

Mr. Wheedleton reiterated the lights and ceiling will be kept even though the ceiling tiles will need replacing. A lot of the HVAC duct work will be kept though it will have to be reworked. A new split system will be installed for the IT room in the rear. An old heat pump unit will need to be replaced for the meeting room on the second floor.

Mr. Morrow confirmed the building will have a video recording surveillance system; Mr. Carmean stated yes, adding he also plans to incorporate an audio system. He noted there will be several cameras throughout the building.

The estimated cost of the renovations is \$300,000.

Adjourn

With no further business, the Workshop Session concluded at 8:14 p.m.

Respectfully submitted,

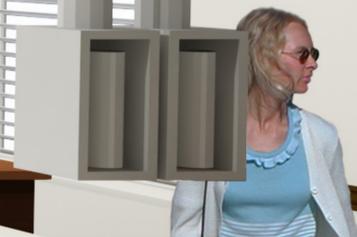
Terri K. Hudson, MMC
City Clerk/Recorder

Attachment: Former PNC Bank Building Proposed Renovations

CITY OF MILFORD
DELAWARE



"THE GARDEN CITY OF TWIN COUNTIES"





ARCHITECTS, ENGINEERS & SURVEYORS
SALISBURY, MARYLAND ■ MILFORD, DELAWARE
410.543.9091 302.424.1441

General Notes:

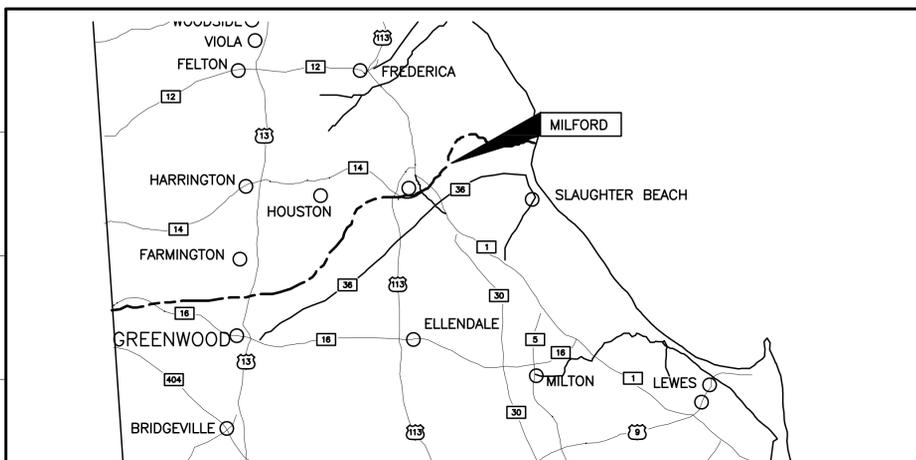
- 1. THESE DRAWINGS ARE PROVIDED FOR THE EXCLUSIVE USE OF THE CITY OF MILFORD. OWNER/ARCHITECT SERVICES AGREEMENT IS FOR ARCHITECTURAL DRAWINGS REQUIRED FOR PERMIT & APPROVAL FOR BUILDING RENOVATIONS. EXTENSIVE DRAWINGS, SPECIFICATIONS ARE NOT PART OF THE OWNER/ARCHITECT AGREEMENT. MECHANICAL & ELECTRICAL DESIGN, COORDINATION & CODE COMPLIANCE IS THE RESPONSIBILITY OF THE CONTRACTOR AND/OR OTHER CONSULTANTS.
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7. ALL EGRESS DOORS SHALL BE READILY OPERABLE FROM THE EGRESS SIDE WITHOUT THE USE OF A KEY OR SPECIAL KNOWLEDGE OR EFFORT. NO BOLTS, HOOKS, OR SIMILAR DEVICES SHALL BE USED. INSTALLATION WILL BE IN ACCORDANCE WITH STANDARD BUILDING CODE, LATEST EDITION.
8. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE STANDARDS ESTABLISHED BY THE AMERICANS WITH DISABILITIES ACT. (ADA).
9. INTERIOR FINISHES SHALL BE IN COMPLIANCE WITH NFPA 101, GOVERNING EDITION.
10. EMERGENCY LIGHTING, EXIT SIGNS AND FIRE EXTINGUISHERS SHALL BE PROVIDED IN ACCORDANCE WITH THE LIFE SAFETY CODE, GOVERNING EDITION.

CITY OF MILFORD
FORMER PNC BANK BLDG RENOVATIONS

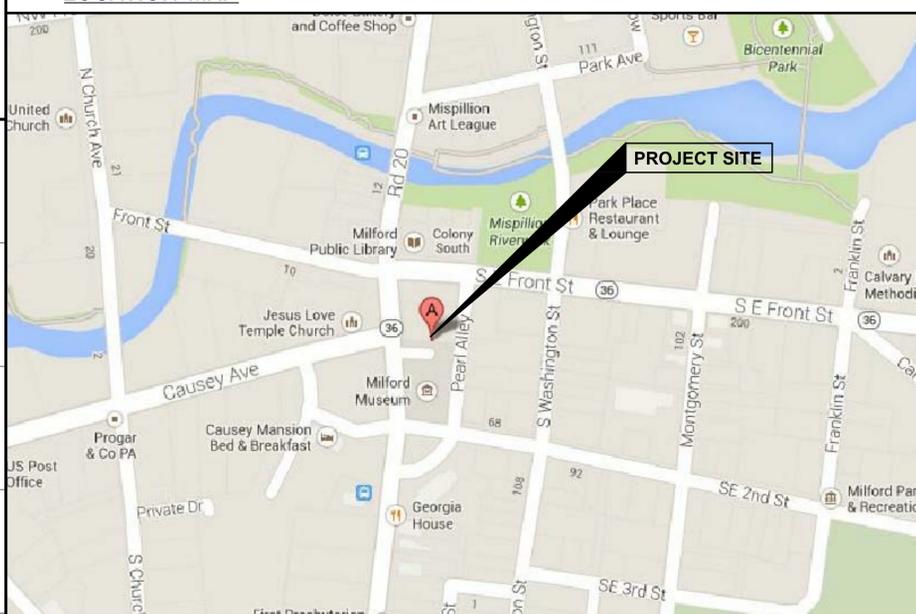
119 SOUTH WALNUT STREET
MILFORD, DELAWARE
SUSSEX COUNTY

BID SET

NOVEMBER 7, 2013
DBF PROJECT NO. 052A154.F03



LOCATION MAP



VICINITY MAP

MATERIAL LEGEND

- NEW MASONRY WALL
NEW METAL STUD WALL
NEW WOOD STUD WALL
BRICK IN ELEVATION
ROOF SHINGLES IN ELEVATIONS
CONCRETE IN PLAN OR DRYWALL IN SECTION
CONCRETE IN SECTION
EARTH IN SECTION
POROUS FILL IN SECTION
WOOD (FINISH) IN SECTION
WOOD (ROUGH) IN SECTION
BRICK IN SECTION
CONCRETE MASONRY UNIT IN SECTION
BATT INSULATION IN SECTION
RIGID INSULATION IN SECTION

GRAPHIC SYMBOL LEGEND

- EXISTING WALL AND DOOR TO BE REMOVED
EXISTING WALL AND DOOR TO REMAIN
PROPERTY LINE
CENTER LINE
HIDDEN LINE
DEMOLITION
COLUMN LINE
REVISION: WINDOW, & ROOM SYMBOLS
LINTEL NUMBER AND EQUIPMENT NUMBER
LEVEL LINE
DETAIL SECTION OR EXTERIOR ELEV.
WALL SECTION CUT
NORTH ARROW

ARCHITECTURAL WORKING DRAWING ABBREVIATIONS

SYMBOLS used as abbreviations

- angle centerline
perpendicular
plate
round

ABBREVIATIONS

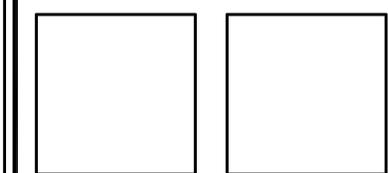
- ABV plate
AFF above finish floor
ACG access
ACFL access floor
AP access panel
ACT acoustical
ACD addendum
ADH adhesive
ADJ adjacent
ADJT adjustable
AGG aggregate
A/C air conditioning
ALT alternate
AL aluminum
ANC anchor, anchorage
AB anchor bolt
ANDO anodized
APX approximate
ARGH architect (tera)
AD area drain
ASB asbestos
ASPH asphalt
AUTO automatic
BP back plaster (ed)
BSMT basement
BRG bearing
BPL bearing plate
BM bench mark
BEL below
BET between
BYL beveled
BIT bituminous
BLK block
BG blocking
BD board
BS both sides
BM both ways
BOT bottom
BRK brick
BRZ bronze
BLDG building
BR bulletin board
CAB cabinet
CPT carpet
CSMT casement
CIPC cast-in-place-concrete
CB catch basin
CK caulking
CLG ceiling
GHT height
CEM cement
PCPL cement plaster (portland)
CTR center
CER ceramic
CT ceramic tile
CMT ceramic mosaic tile
CHBD chalkboard
CHAM chanfer
CR circle
CIRC circumference
CLR clear or clearance
COL column
COMB combination
CNC concrete
CMU concrete masonry unit
CONTR contract (or)
CONST construction
CONT continuous or continue
CLL contract limit line
CJT control joint
CPR copper
CORR corrugated
CNR counter
CFL counterflashing
CFSK countersunk screw
CFS course (s)
CFT cubic feet
CPR cubic yard
DPR drape
DP damp proofing
DL dead load
DEM demolish, demolition
DTL detail
DIAS diagonal
DIAM diameter
DR door
DA double acting
DH double hung
DN down
DNP downspout
D drain
DTI drain tile
DWR drawer
DWS drawing
DF drinking fountain
D dryer

- EF each face
ELEC east
ELEC electric (al)
EP electrical panelboard
EKC electric water cooler
EL elevation
ELEV elevator
EMER emergency
ENG enclose
EQ equal
EGP equipment
EQU estimate
EXCA excavate
EXH exhaust
EXG existing
EJT expansion joint
EB expansion bolt
EXP exposed
EXT exterior
FB face brick
FOC face of concrete
FOF face of finish
FOH face of masonry
FOS face of studs
FF factory finish
FFS fastener, fastener
FN fence
FBO fiberboard
FSL fiberglass
FRP fiberglass reinforced plastic
FIN finish (ed)
FEE finished floor elevation
FEL finished floor line
FE fire alarm
FE fire extinguisher
FEC fire extinguisher cabinet
FIR fireplace
FLG flashing
FLR floor (ing)
FLCO floor cleavest
FD floor drain
FLPL floor plate
FLR floor
FTS footing
FND foundation
FRS frame (s) (ing)
FBO furnished by others
FJR furred (ing)
FUT future
GA gage, gauge
GV galvanized
GC general contract (or)
GL glass, glazing
GLB glass block
GRB grab bar
GVL grade, grading
GT grot
GEPK expansion drywall
HD hardware
HWD hardwood
HCR header
HTG heating
HVAC heating/ventilation/air conditioning
HD heavy duty
HT height
HPE high-density polyethylene
HC hollow core
HM hollow metal
HOR horizontal
HB hose bib
HP handcapped
HWH hot water heater
INCL include (d) (ing)
INS insulate (d) (ion)
INT interior
INW janitor's closet
JC joint
JT joint
KFL kickplate
KIT kitchen
KLS kitchen
LBL label
LAD ladder
LBB lag bolt
LAM laminate
LAV lavatory
LH left hand
L length
LT light
LTL lintel
LVR louver
LH live load
MH manhole
MFR manufacture (er)
MNS masonry
MO masonry opening
MTL material (s)
MUM maximum
MECH mechanic (al)
MCB medicine cabinet
MCR member
MMB membrane
MET metal
MFD metal floor decking
MFR metal furring
MRO metal roof decking
MTRC metal threshold
MVK millwork
MIN minimum
MIR mirror
MISG miscellaneous
MOD molding, moulding
MLD mold receptor
MR mount (ed) (ing)
MOV movable
MUL mullion
NAT natural
NOM nominal
N north
NIC not in contract
NLS not in scale
NPS obscure
OC on center (s)
OP opening
OJ open-web joist
OPP opposite
OPG opening
OAH opposite hand
OD outside diameter
OA overall
OH overhead
PNT paint (ed)
PML panel
PBB panic bar
PTD paper towel dispenser
PTR paper towel receptor
PAR parallel
P parking
PDB particle board
PTN partition
PV pave (d) (ing)
PTMT pavement
PERF perforate
PFL perimeter
PLAS plaster
PLAM plastic laminate
FLCO floor cleavest
PLG plate glass
PND plywood
PLR plaster
PVC polyvinyl chloride
PCF pounds per cubic foot
PLF pounds per lineal foot
PSF pounds per square foot
PSI pounds per square inch
PSL parallel strand lumber
PCC pre-cast concrete
PFB prefabricated
PFP prefinished
PRF preformed
PRTR pressure treated wood
EL epoxy tile
GVT gully tile
RIB riblet, rebate
RL rail (ing)
RWC rain water collector
REF reference
RFL reflect (ed) (ive) (or)
REFR refrigerator
REG register
RE reinforcement (d) (ing)
RCP reinforced concrete pipe
REM remove
RES resilient
RET return
RA return air
RS reverse (side)
REV revision (s), revised
RH right hand
RWN right of way
R rise
RD roof drain
RFL roof hatch
RF roof
RM room
RO rough opening
RUB rubber base
RSL rubble stone
SCH schedule
S screen
SNT sealant
STG seating
SEC section
SSK service sink
SHTH sheathing
SB sheet
SG sheet glass
SH shell, shelving
SHO share (d) (ing)
SJM similar
SKL skylight
SL sleeve
SC solid core
S south
SPC spacer
SPL special
SPEC specification (s)
SQ square
SST stainless steel
STD standard
STA station
STO steel
STR structural
SUS suspended
SYM symmetry (ical)
SYN synthetic
SYS system

INDEX OF DRAWINGS

- T1 TITLE SHEET
A1 DEMOLITION AND PROPOSED FLOOR PLANS
A2 ENLARGED PLANS & ELEVATIONS
A3 DETAILS
A4 SCHEDULES & DETAILS

Consultant:



Revision

Table with 2 columns: Description, Date/By

Project:
CITY OF MILFORD
FORMER PNC BANK BLDG
RENOVATIONS
119 SOUTH WALNUT STREET
MILFORD, DE 19963

Table with 4 columns: Set No., Sheet Title, Bid Set, Title Sheet, Proj.No., Scale, Dwn.By, Date, Sheet No.

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T1

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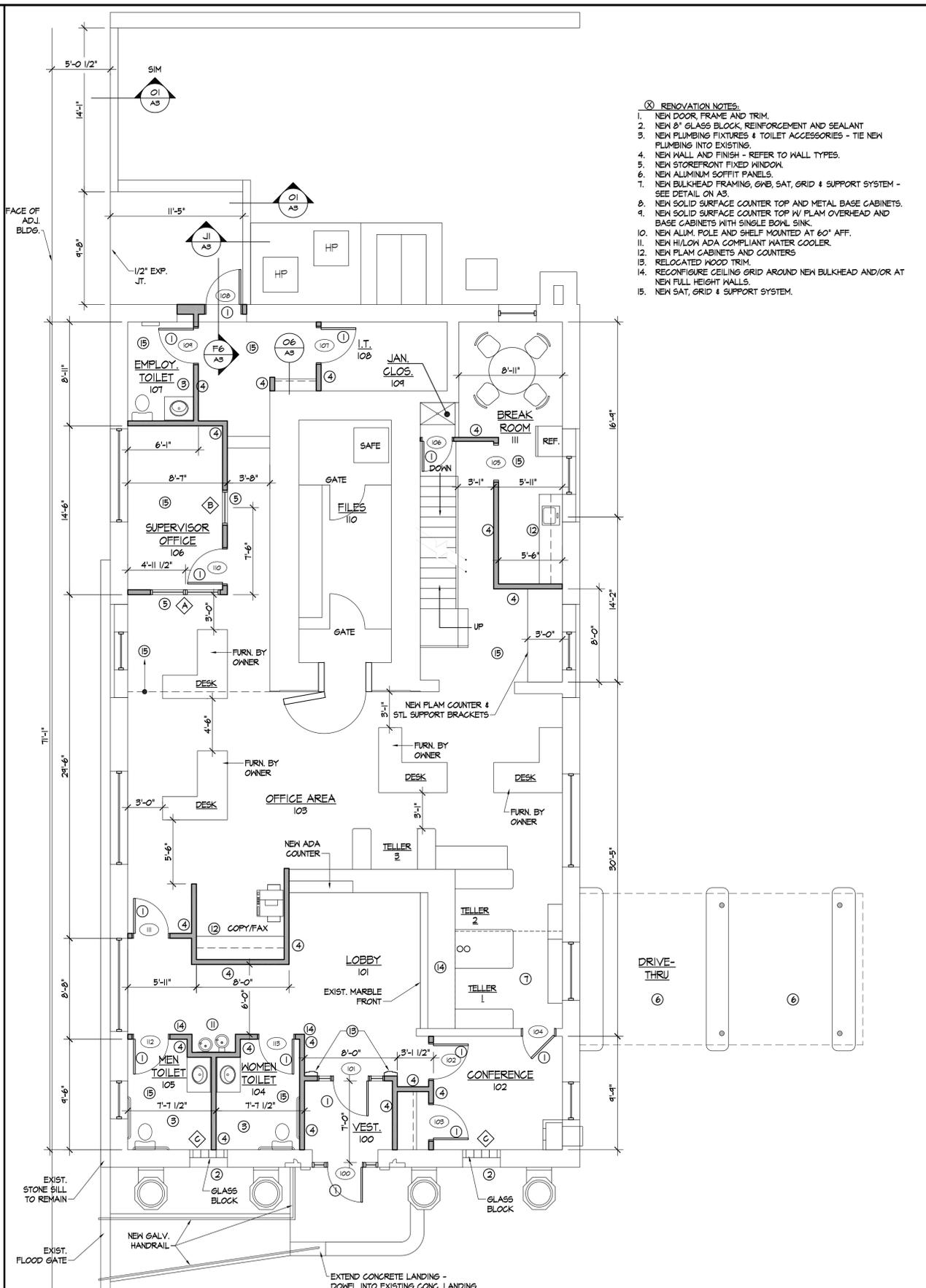
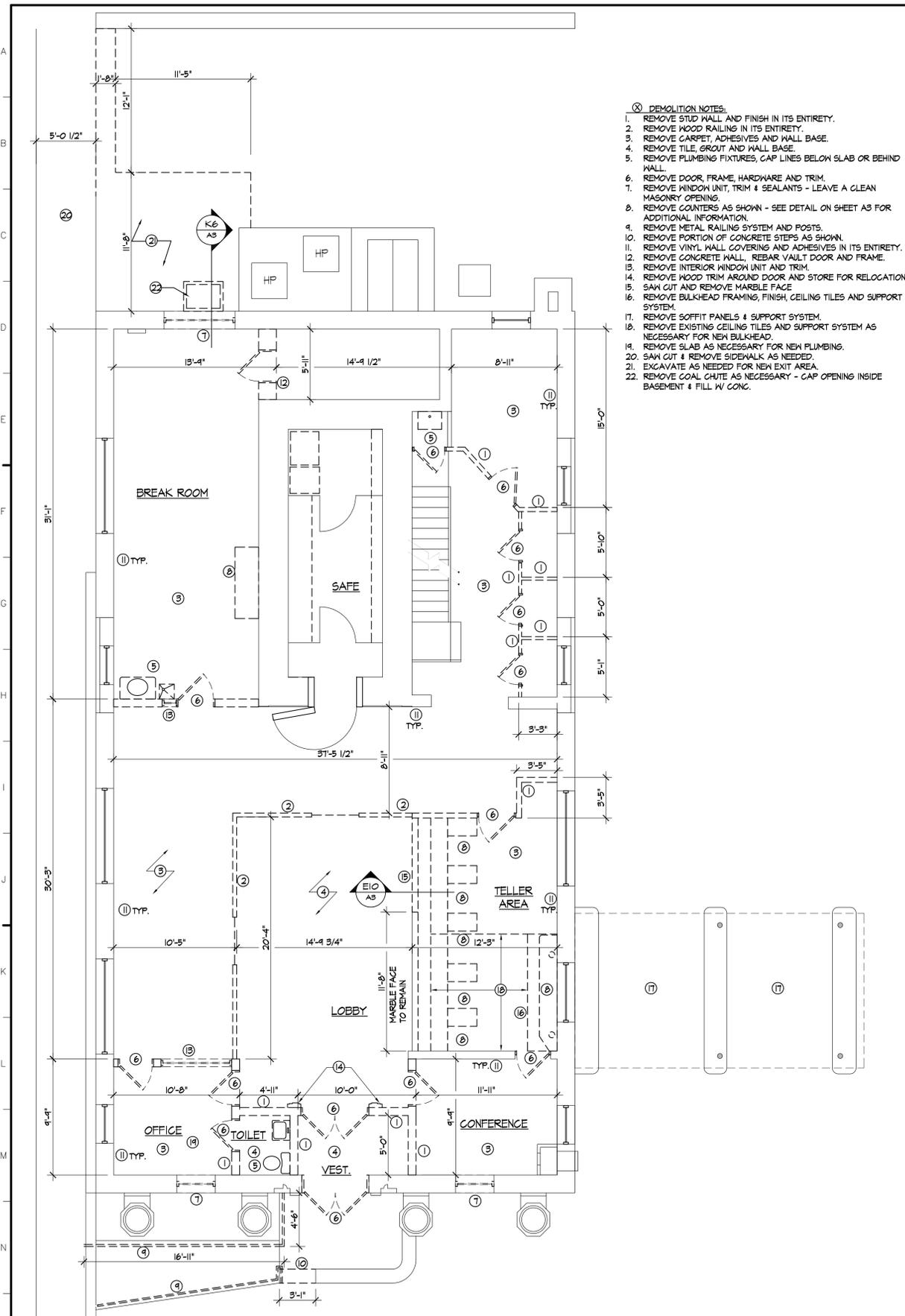
1. NEW WALLS ARE DIMENSIONED TO FACE OF STUD. EXISTING WALLS ARE DIMENSIONED TO EXISTING FINISH.
2. GENERAL CONTRACTOR SHALL PATCH/REPAIR EXISTING GWB AS NEEDED.

RENOVATION NOTES:

1. NEW DOOR, FRAME AND TRIM.
2. NEW 8" GLASS BLOCK, REINFORCEMENT AND SEALANT
3. NEW PLUMBING FIXTURES & TOILET ACCESSORIES - TIE NEW PLUMBING INTO EXISTING.
4. NEW WALL AND FINISH - REFER TO WALL TYPES.
5. NEW STOREFRONT FIXED WINDOW.
6. NEW ALUMINUM SOFFIT PANELS.
7. NEW BULKHEAD FRAMING, GWB, SAT, GRID & SUPPORT SYSTEM - SEE DETAIL ON A3.
8. NEW SOLID SURFACE COUNTER TOP AND METAL BASE CABINETS.
9. NEW SOLID SURFACE COUNTER TOP W/ FLAM OVERHEAD AND BASE CABINETS WITH SINGLE BOWL SINK.
10. NEW ALUM. POLE AND SHELF MOUNTED AT 60" AFF.
11. NEW HI/LOW ADA COMPLIANT WATER COOLER.
12. NEW FLAM CABINETS AND COUNTERS
13. RELOCATED HOOD TRIM.
14. RECONFIGURE CEILING GRID AROUND NEW BULKHEAD AND/OR AT NEW FULL HEIGHT WALLS.
15. NEW SAT, GRID & SUPPORT SYSTEM.

DEMOLITION NOTES:

1. REMOVE STUD WALL AND FINISH IN ITS ENTIRETY.
2. REMOVE WOOD RAILING IN ITS ENTIRETY.
3. REMOVE CARPET, ADHESIVES AND WALL BASE.
4. REMOVE TILE, GROUT AND WALL BASE.
5. REMOVE PLUMBING FIXTURES, CAP LINES BELOW SLAB OR BEHIND WALL.
6. REMOVE DOOR, FRAME, HARDWARE AND TRIM.
7. REMOVE WINDOW UNIT, TRIM & SEALANTS - LEAVE A CLEAN MASONRY OPENING.
8. REMOVE COUNTERS AS SHOWN - SEE DETAIL ON SHEET A3 FOR ADDITIONAL INFORMATION.
9. REMOVE METAL RAILING SYSTEM AND POSTS.
10. REMOVE PORTION OF CONCRETE STEPS AS SHOWN.
11. REMOVE VINYL WALL COVERING AND ADHESIVES IN ITS ENTIRETY.
12. REMOVE CONCRETE WALL, REBAR VAULT DOOR AND FRAME.
13. REMOVE INTERIOR WINDOW UNIT AND TRIM.
14. REMOVE WOOD TRIM AROUND DOOR AND STORE FOR RELOCATION.
15. SAK CUT AND REMOVE MARBLE FACE.
16. REMOVE BULKHEAD FRAMING, FINISH, CEILING TILES AND SUPPORT SYSTEM.
17. REMOVE SOFFIT PANELS & SUPPORT SYSTEM.
18. REMOVE EXISTING CEILING TILES AND SUPPORT SYSTEM AS NECESSARY FOR NEW BULKHEAD.
19. REMOVE SLAB AS NECESSARY FOR NEW PLUMBING.
20. SAK CUT & REMOVE SIDEWALK AS NEEDED.
21. EXCAVATE AS NEEDED FOR NEW EXIT AREA.
22. REMOVE COAL CHUTE AS NECESSARY - CAP OPENING INSIDE BASEMENT & FILL W/ CONC.



01 DEMOLITION FLOOR PLAN
3/16" = 1'-0"

011 PROPOSED FLOOR PLAN
3/16" = 1'-0"

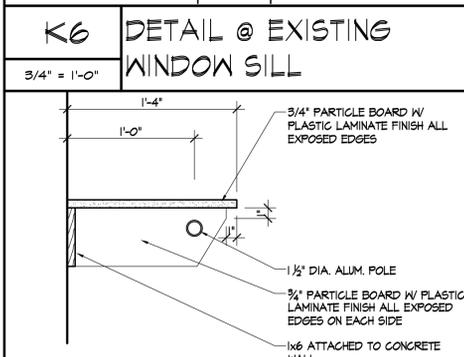
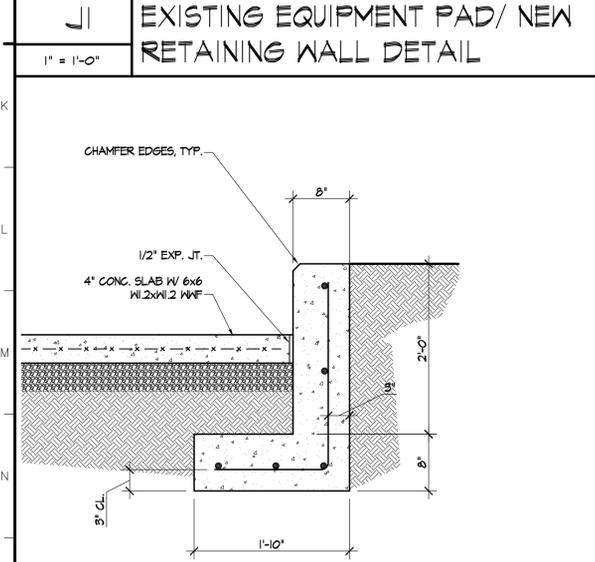
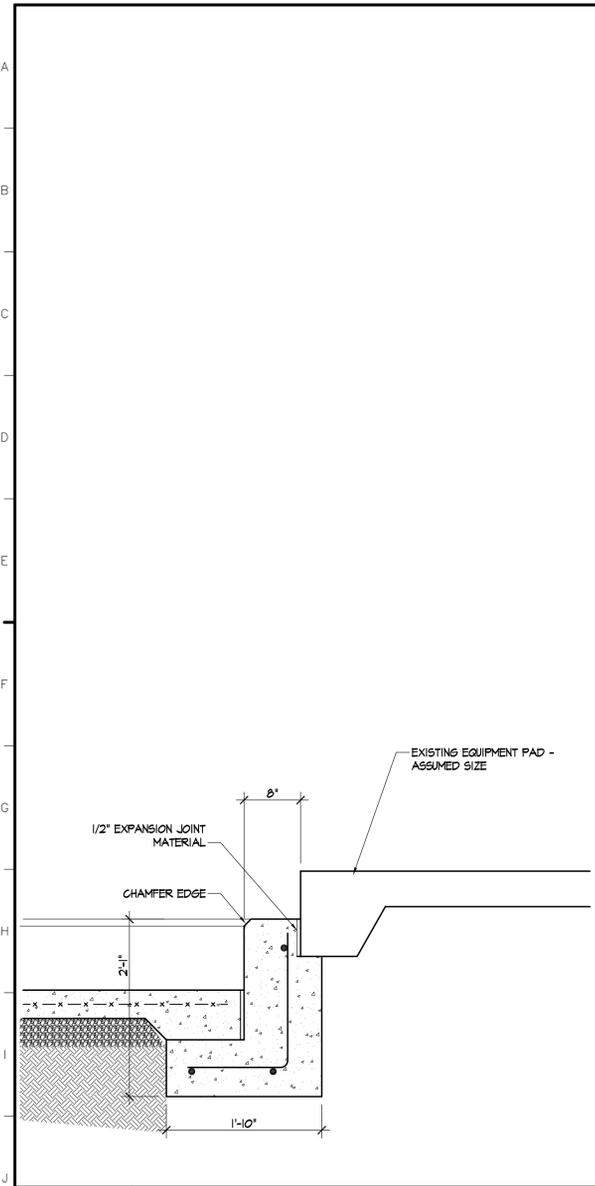
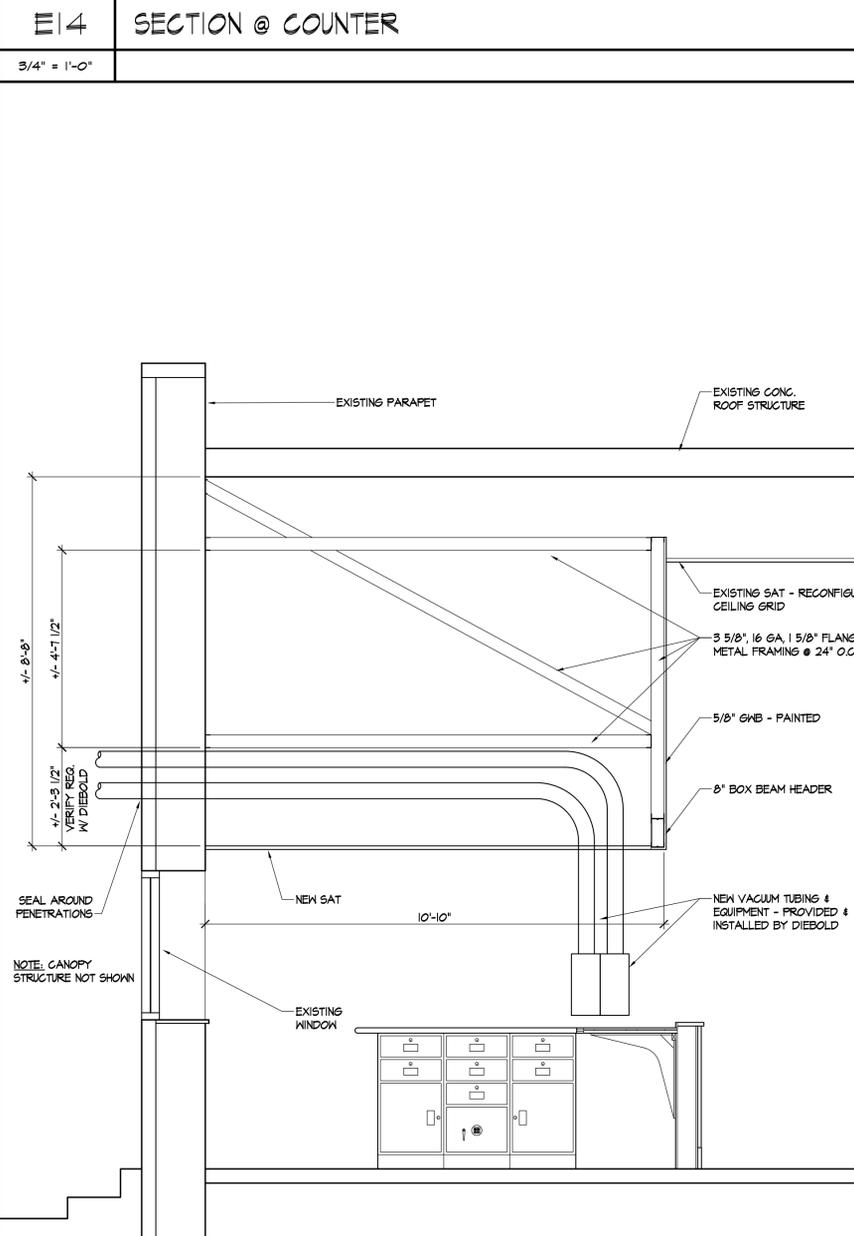
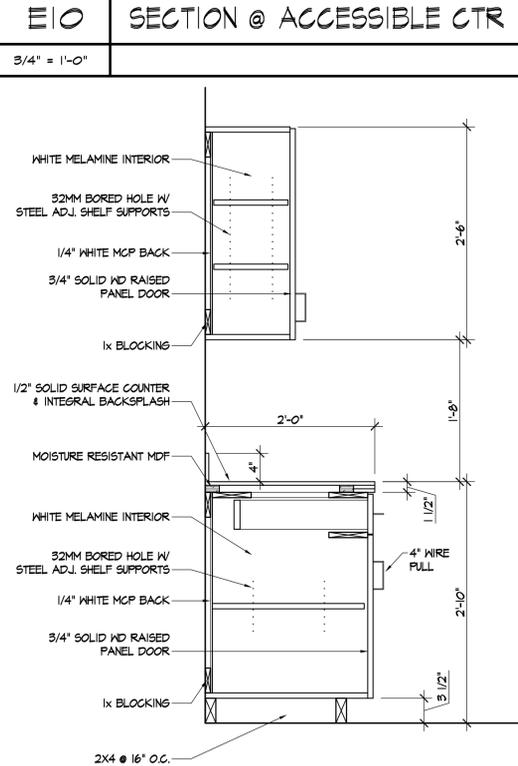
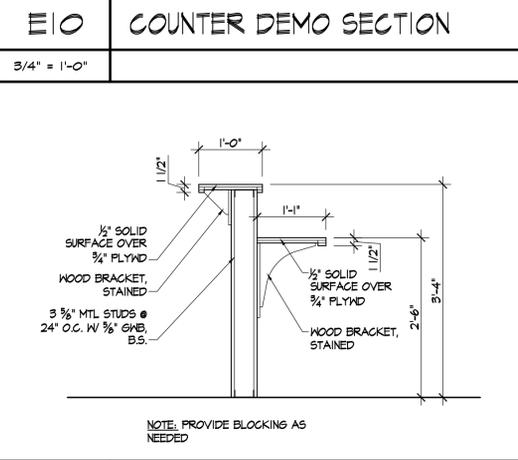
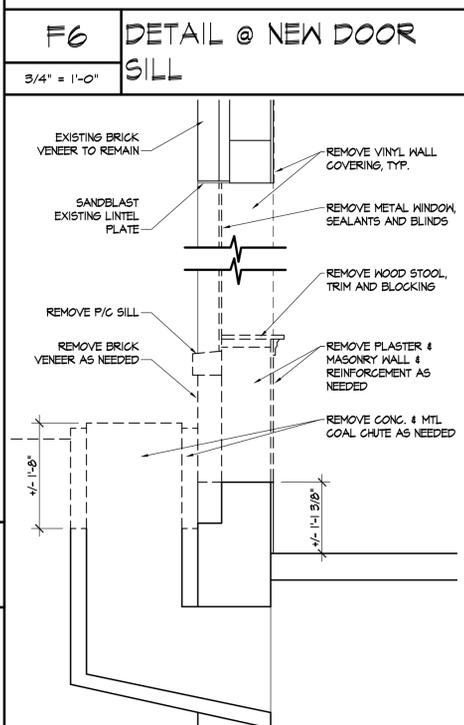
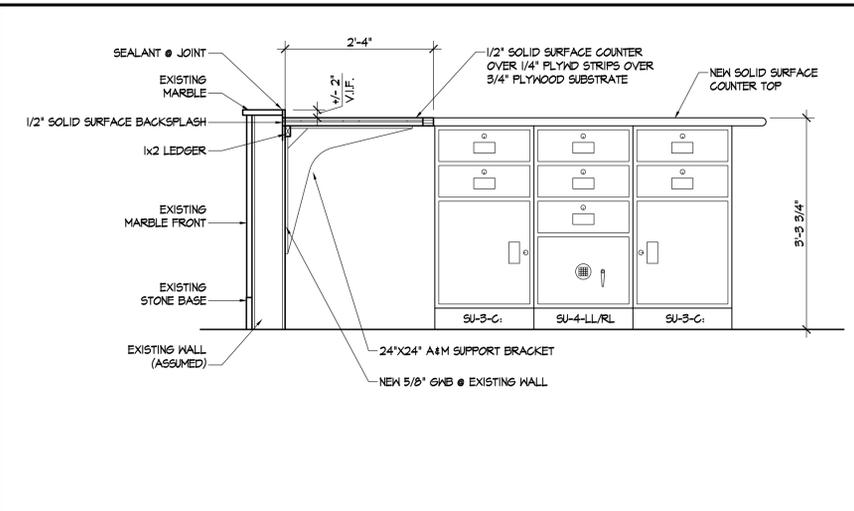
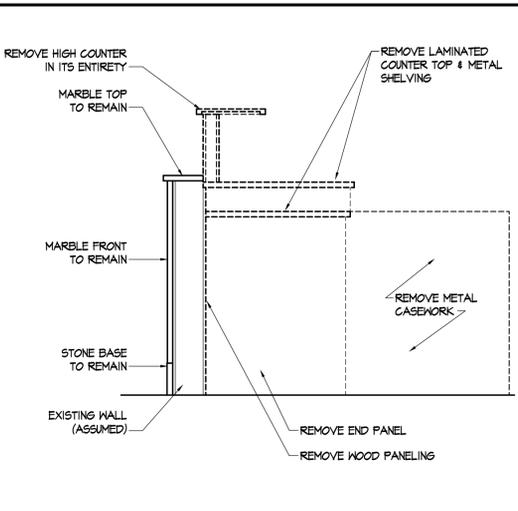
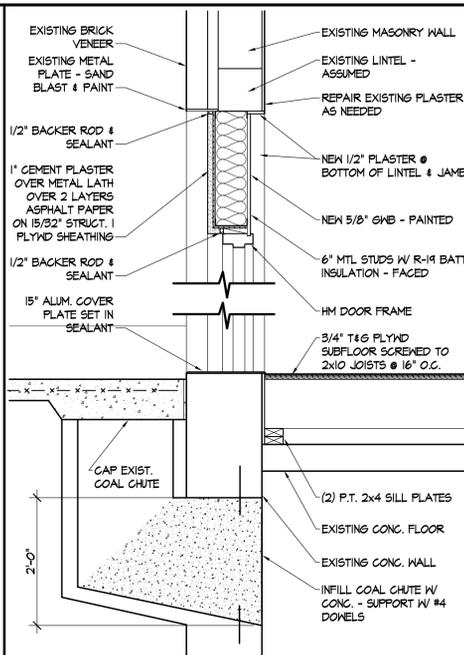
Project:
**CITY OF MILFORD
FORMER PNC BANK BLDG
RENOVATIONS**
119 SOUTH WALNUT STREET
MILFORD, DE 19963

Set No.: BID SET	Sheet Title: DEMOLITION AND PROPOSED FLOOR PLANS
Proj.No.: 052A154.F03	Scale: AS NOTED
Dwn.By: MPB	Date: 11/07/2013

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A1

General Notes:



O1 NEW RETAINING WALL DETAIL
1" = 1'-0"

O6 COAT CLOSET DETAIL
1 1/2" = 1'-0"

O10 SECTION @ CABINET
1" = 1'-0"

O14 SECTION @ BULKHEAD
1/2" = 1'-0"

Consultant:

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Revision

Project:
**CITY OF MILFORD
FORMER PNC BANK BLDG
RENOVATIONS**
119 SOUTH WALNUT STREET
MILFORD, DE 19963

Set No.: BID SET	Sheet Title: DETAILS
Proj.No.: 052A154.F03	Scale: AS NOTED
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A3

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ROOM FINISH SCHEDULE										
NO.	Name	FLR	Base	Walls				Clg	HT	NOTES
				N	S	E	W			
100	VESTIBULE	VCT	VINYL	PT-I	PT-I	PT-I	PT-I	SAT	8'-0"	
101	LOBBY	GPT	WD	PT-I	PT-I	PT-I	PT-I	EXIST	EXISTING	
102	CONFERENCE	GPT	WD	PT-I	PT-I	PT-I	PT-I	SAT	EXISTING	
103	OFFICE AREA	GPT	WD	PT-I	PT-I	PT-I	PT-I	EXIST	EXISTING	
104	WOMEN'S TOILET	VCT	VINYL	PT-I	PT-I	PT-I	PT-I	SAT	8'-0"	
105	MEN'S TOILET	VCT	VINYL	PT-I	PT-I	PT-I	PT-I	SAT	8'-0"	
106	SUPERVISOR OFFICE	GPT	WD	PT-I	PT-I	PT-I	PT-I	SAT	8'-6"	
107	EMPLOYEE TOILET	VCT	VINYL	PT-I	PT-I	PT-I	PT-I	SAT	8'-6"	
108	I.T. CLOSET	EXIST	EXISTING							
109	JANITOR CLOSET	VCT	VINYL	PT-I	PT-I	PT-I	PT-I	SAT	EXISTING	
110	FILES	EXIST	EXISTING							
111	BREAK ROOM	VCT	WD	PT-I	PT-I	PT-I	PT-I	SAT	8'-0"	

GENERAL FINISH SCHEDULE NOTES:
1. VINYL BASE SHALL BE 6" HIGH COVE BASE.

FINISH LEGEND:
EXIST - EXISTING FINISH TO REMAIN
GPT - CARPET
VCT - VINYL COMPOSITION TILE
CT - CERAMIC TILE
PT-I - PAINT
SAT - SUSPENDED ACOUSTICAL TILE

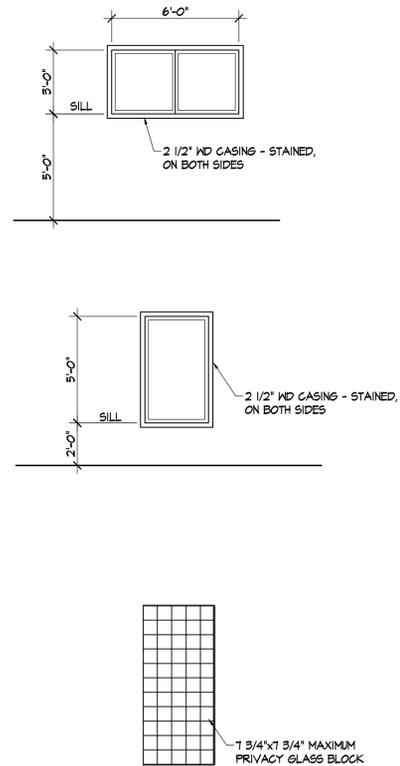
DOOR SCHEDULE												
Number	Type	Mat	Size			Frame		Details			Remarks	
			W	H	TH	Type	Mat	Sill	Jamb	Head	Label	Hdk Set
100	B	ALUM	3'-0"	7'-0"	1 1/2"	--	ALUM	--	--	--	--	--
101	B	ALUM	3'-0"	7'-0"	1 1/2"	--	ALUM	--	--	--	--	--
102	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
103	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
104	--	WD	2'-9"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
105	--	WD	3'-0"	7'-0"	NA	--	HM	--	--	--	--	--
106	--	WD	2'-7"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
107	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
108	--	HM	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
109	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
110	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
111	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
112	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--
113	--	WD	3'-0"	7'-0"	1 3/4"	--	HM	--	--	--	--	--

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ARCHITECTS, ENGINEERS & SURVEYORS
SALISBURY, MARYLAND ■ MILFORD, DELAWARE
410.543.9091 302.424.1441

General Notes:

69 FINISH SCHEDULE

NTS

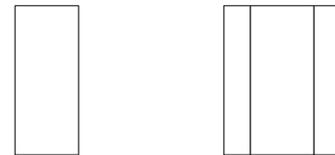


09 WINDOW ELEVATIONS

1/4" = 1'-0"

615 DOOR SCHEDULE

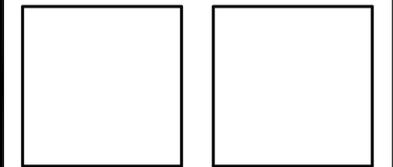
NTS



015 DOOR ELEVATIONS

NTS

Consultant:



Revision

Project:
**CITY OF MILFORD
FORMER PNC BANK BLDG
RENOVATIONS**
119 SOUTH WALNUT STREET
MILFORD, DE 19963

Set No.: **BID SET** Sheet Title: **SCHEDULES/DETAILS**

Proj.No.: 052A154.F03 Scale: AS NOTED Sheet No.:
Dwn.By: MPB Date: 11/07/2013

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3/16" = 1'-0"

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21

*MILFORD CITY COUNCIL
MINUTES OF MEETING
December 9, 2013*

The Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, December 9, 2013.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr., Katrina Wilson and James Starling, Sr.

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

Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Shupe to approve the minutes of the November 18, 2013 Council Meeting as presented. Motion carried.

RECOGNITION

No special guests in attendance.

MONTHLY POLICE REPORT

Chairman Morrow presented the police report on behalf of Chief Hudson. Mr. Pikus moved to accept the police report, seconded by Mr. Shupe. Motion carried.

CITY MANAGER REPORT

ADMINISTRATION

I believe that the leak into the basement has finally been permanently repaired. We have not had any problem with the leak after I had the entire ramp caulked at the seam against the building. This held for a short period, but once again the seam opened up. I decided to have a curb style concrete form poured that attaches to the building and covers the seam.

Carlene Wilson has retired and we have hired her replacement who will begin December 23rd. Ms. Wilson was a pleasure to work with and we all miss her personality and dedication to her job. I will announce the identity of the person hired once she fulfills her obligation to her present employer. Mrs. Hudson, our City Clerk led the interview process with Christine Crouch, Deputy City Clerk, assisting. I was also part of the interview board and was impressed with the caliber of applicants. Once we are out of the holiday season, we give Ms. Wilson a luncheon in appreciation of her service.

STREETS AND SOLID WASTE

I am glad to report that the leaf pickup is going well. Most people have stopped raking leaves onto the sidewalk or in the gutter. There is improvement though not everyone is cooperating. More and more people are taking advantage of the service.

Crews have been working with our mechanic to ready our plows and other snow equipment for the coming months. Everyone hopes we don't need to use the equipment, but we have to be prepared.

ELECTRIC

Our hired contractors are on site and working to get our transmission lines built and extended to the new substation. Part of the infrastructure upgrades are to our present distribution lines on the Milford-Harrington Highway and Canterbury Road. Electric Superintendent Rick Carmean feels the project will completely finished by mid-January.

SEWER AND WATER

Several sewer and water issues will be presented and discussed during the meeting.

Mr. Pikus moved to accept the city manager report, seconded by Mr. Gleysteen. Motion carried.

COMMITTEE & WARD REPORTS

Ward One

Mr. Shupe reported the overpass is nearly completed and DelDOT is indicating it will be finished by February.

Southeast Front Street Paving Project

Mr. Brooks is pleased the Southeast Front Street project is finally on the agenda and proceeding.

Holiday Dinners for Needy

Mr. Starling thanked those that donated items for the Thanksgiving dinner for the needy in November.

COMMUNICATIONS & CORRESPONDENCE

Included in packet.

UNFINISHED BUSINESS

Adoption/Ordinance 2013-13/Chapter 84/Amendment/Bicycles, Skateboards and other Conveyances

Ms. Wilson moved to adopt Ordinance 2013-13 amending Chapter 84 as presented, seconded by Mr. Shupe:

Section 1.

WHEREAS, The City of Milford recognizes that individuals may require the assistance of a motorized scooter or wheelchair in order to facilitate movement; and

WHEREAS, Motorized Scooters and Wheelchairs, when operating, crossing, or traveling on or adjacent to public roadways without proper safety and reflective equipment do thereby create a severe risk of injury or death to both the operator and motorist; and

WHEREAS, The City of Milford desires, through the enactment of this ordinance, to identify and establish the minimum level of safety equipment that is necessary in order to safely operate motorized scooters and wheelchairs on public roadways and sidewalks.

WHEREAS, The City of Milford intends to update Chapter 84 of the Code of the City of Milford to allow for reasonable, safe use of conveyances on City streets and sidewalks.

NOW, THEREFORE, THE CITY OF MILFORD ORDAINS:

Section 2.

Article I "Use on Sidewalks," §1 "Prohibited acts; penalties," Subsection B shall be amended as follows:

This section is hereby deleted in its entirety.

Section 3.

Article IV titled "Motorized Scooters and Wheelchairs," is hereby created and will read as follows:

*Article IV: Motorized Scooters and Wheelchairs**§ 84-8 - Definitions.*

"Motorized Scooters and Wheelchairs" shall mean any self-propelled device, regardless of the number of wheels, powered by any style motor, which is designed and intended primarily for use by individuals with mobility disabilities.

"Public Streets" for purposes of this Article IV shall mean roads, highways, sidewalks or any other thoroughfare dedicated, constructed or maintained by the City of Milford or the State of Delaware within the municipal limits.

§ 84-9 - Safety Equipment.

- A. Daytime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets during daylight hours shall be equipped with at least one of the following:*
- 1. Slow moving vehicle fluorescent triangle on the rear of the device; or*
 - 2. Red safety flag.*
- B. Nighttime Operation: All Motorized Scooters and Wheelchairs operating on Public Streets at night or any other time when lighted lamps are required under 21 Del. C. § 4331 shall be equipped, at a minimum, with all of the following:*
- 1. A lamp emitting a white light which, while the device is on the Public Street, illuminates the Public Street in front of the operator and is visible from a distance of 300 feet in front and from the sides of the motorized scooter or wheelchair.*
 - 2. A red reflector on the rear of the device of the type approved by the Department of Transportation for bicycles, as defined under 21 Del. C. § 4198F(b).*
 - 3. A white, yellow, or red reflector on each side of the device that is visible from a distance of at least 200 feet.*
- C. Every Motorized Scooter and Wheelchair operating on Public Streets shall be equipped with a braking system which enables its operator to stop the device within 25 feet from a speed of 10 miles per hour on dry, level, clean pavement.*

§ 84-10 - Enforcement

This article shall be enforced by the City of Milford Police Department.

§ 84-11 - Fines and Penalties.

A. Any person found in violation of this article shall be penalized as follows:

- 1. First offense: Written Warning.*
- 2. Second offense: \$10 fine.*
- 3. Third offense: \$25 fine.*

4. *Fourth offense: \$50 fine.*

5. *Fifth and subsequent offenses: \$100 fine.*

Section 4. Dates.

Adoption December 9, 2013

Effective January 1, 2014

Motion carried.

Approval/Renewal of First State BMX Lease Agreement

Mr. Pikus asked if BMX provides the city with a copy of their insurance policy; Mr. Rutt explained the city is a loss payee which means they are insured as well. In addition, the city has governmental immunity.

Mr. Pikus asked if someone is hurt and sues BMX, can they come back on the city if they are awarded the maximum amount of their policy; Mr. Rutt said they are unable to come back on the city though they have a million dollars which he feels is substantial.

Mr. Pikus moved to adopt the lease agreement, seconded by Mr. Brooks. Motion carried.

NEW BUSINESS

Award of Bid/Southeast Front Street Rehabilitation Paving Project

The following sealed bids were received, publicly opened and read on October 16, 2013 for the Southeast Front Street Improvement Project:

	SE Front Street Base Bid	SE Front Street Alternate Bid	Columbia Street Base Bid	Columbia Street Alternate Bid
George and Lynch	1,746,262.80	201,595.55	277,410.35	20,771.00
Sam's Construction	1,105,740.00	162,155.00	182,380.00	19,920.00
A-Del Construction	2,008,548.91	210,793.00	277,356.81	21,536.00

Davis, Bowen and Friedel is overseeing the project and has thoroughly reviewed the bids and has been in touch with the references. A letter from Randy Duplechain recommends accepting the proposal offered by Sam's Construction in the amount of \$1,470, 195.00.

Mr. Carmean confirmed this project includes the sidewalk work on Southeast Front Street.

Mr. Pikus recalled the conversation that parking be eliminated on a portion of Southeast Front Street as was requested. Mr. Brooks asked if this was the area between McColley and Marshall Street. Mr. Pikus believes it starts by Calvary Church and runs south to Marshall or McColley where approximately five cars continuously park on the sidewalk. He noted that each of those houses has the capability of using off street parking as was noted by a resident living in the area. The matter will be addressed by the police committee.

Mr. Carmean reminded council that the new curbing will prevent vehicles from jumping the curb. He is confident those residents park in that manner because it is unsafe to park along the street because of the possibility their vehicles may be hit.

Because Southeast Front Street is a state-maintained road, Mr. Carmean will have to confer with DeIDOT to make sure we can eliminate any on-street parking.

Erik Retzlaff of Davis, Bowen and Friedel was present and confirmed the numbers. He reported the total project cost is \$1,705,495.00 which includes their engineering fees. DeIDOT's contribution is estimated at \$798,316.00. In order to

award the \$1,470,195.00 bid to Sam's Construction, Finance Director Jeff Portmann is recommending that \$230,000 be transferred from Municipal Street Aid, \$320,000 from Water Reserves and \$120,000 from Sewer Reserves.

Mr. Pikus confirmed the total project is almost \$2 million; Mr. Carmean said that is because of the additional sidewalk and Columbia Street work that was added.

Mr. Retzlaff verified the sidewalk work would begin east of the Milford Public Library and extend almost to Bridgeham Avenue.

Mr. Brooks moved that the funds be transferred as requested and the bid awarded to Sam's Construction in the amount of \$1,470,195.00, seconded by Mr. Starling. Motion carried.

FY 2013-2014 Budget Amendment/Demolition Projects/Code Enforcement & Inspections

Code Enforcement Officer Lendon Dennis submitted the following request:

On or about April 11, 2013, both properties mentioned above were condemned. I took all necessary steps outlined in the 2006 International Property Maintenance Code to insure buildings were secured, deficiencies identified, owners properly served, and ample time given to correct such discrepancies. Due to noncompliance, Code Enforcement would like to move forward in the razing of the two structures.

I am requesting that funds be transferred from the monies received from grass cutting and transferred to the Demolition line 101-1045-429.68-10.

<i>106 Franklin St</i>	
<i>\$11,858 - Demolition</i>	
<i>\$550 - Asbestos Removal</i>	<i>\$12,408</i>
<i>109 West St</i>	
<i>\$10,500 - Demolition</i>	
<i>\$550 - Asbestos Removal</i>	<i>\$11,050</i>
<i>Grand Total</i>	<i>\$23,458</i>

The official quotes were included in the packet.

Mr. Pikus asked if the city is able to file a lien against the two properties for these amounts; Mr. Rutt stated yes it is a lien that can be collected in the same manner as property taxes that are in arrears. Mr. Pikus asked whether our attorney or staff handles these matters.

Mr. Pikus reported that a lot of liens that should have been filed but never were. He stated they need to be addressed in order for the city to get their money back.

Mr. Pikus moved to transfer \$23,458 from the Grasscutting Revenue Account 101-0000-328.10-30 to Demolition Account 101-1045-429.68-10, seconded by Mr. Gleysteen. Motion carried.

Mr. Carmean then asked about liens being placed against properties for outstanding grasscutting bills. Even though someone has outstanding grasscutting fees, he believes as long as they pay their property taxes we do not place a lien against the property. Mr. Rutt explained the lien is only good on a property for a certain period of time. He said the city could ask to go to a sheriff sale but a grasscutting lien is typically only \$100 or so. Mr. Carmean pointed out that some of our grasscutting bills are in the range of \$4,000 and more. Mr. Rutt said priorities would be considered and judgments, mortgages, and other liens weighed.

Under the Building Code adopted by the City of Milford, demolition costs are treated in the same manner as property taxes. He will determine if that applies to grasscutting fees and provide council with the information at the next meeting.

Mr. Pikus moved to approve the demolition quote at 106 Franklin Street and 109 West Street as presented, seconded by Mr. Starling. Motion carried.

FY 2013-2014 Budget Amendment/Funding Source/Fisher Avenue Sewage Pump Station Budget/Sewer Grinder

Mr. Retzlaff recalled council approving a \$75,000 grinder for the Fisher Avenue Pumping Station in the FY 2013-2014 budget. To save the administrative costs associated with bidding the project, Bearing Construction, who is the contractor at the Washington Street pump station, is willing to undertake the work even though it is at a separate site. He has discussed this with the city manager and public works director who all agree the scope of the work is similar because Bearing is installing a new grinder at the Washington Street Pump Station under their current contract. The only difference is this involves the Fisher Avenue Pump Station.

He also noted the original intent of the sewer bond issued in 2008 was to do sewer improvements at both the Washington Street and Fisher Avenue Pumping Stations.

He emphasized that not bidding the project will save the city some administrative fees. Therefore, they recommend council award the bid through a change order to the Washington Street Pumping Station contract. The contractor will simply move from the existing site to the Fisher Avenue Pump Station to complete the work. Handling this under the Washington Street contract allows it to fall under their maintenance bond and other existing bonds as a means of saving money.

Mr. Carmean reiterated the \$75,000 was approved in this year's budget. According to the city manager, the Fisher Avenue Pump Station was mentioned in the original contract for the Washington Street Pump Station contract. Davis, Bowen and Friedel feel this can be handled through a change order.

When asked the price, Mr. Retzlaff advised the new grinder for Fisher Avenue is \$59,107 which is \$15,000 less than the \$75,000 budgeted. He stated there is already a lump sum figure added to remove and replace a grinder in the existing Washington Street contract which amounts to \$64,500.

Mr. Retzlaff confirmed that council approval is needed to issue the change order. Mr. Carmean said this will prevent having to bid the project independently. Adding in the associated administrative costs will put the total at approximately \$75,000.

Mr. Pikus said that was the original cost of only doing one; Mr. Carmean agreed.

Mr. Carmean asked the solicitor if this can be handled in this manner; Mr. Rutt said he thinks it can be done.

Mr. Pikus moved to approve the Change Order No. 2 to the Washington Street Sewage Pumping Station contract in the amount of \$59,107. Mr. Pikus noted the money is already budgeted. Ms. Wilson seconded motion which carried.

FY 2013-2014 Budget Adjustment/Funding Source/Seabury Avenue Pump Station Rehabilitation Project

Mr. Carmean recalled the council-approved agreement the city entered into with Redner's Market to update the pump station on Seabury Avenue. In that agreement, Redner's pays \$200,000 of the \$400,000. There has been an ongoing problem with Well 9 over the past few years where it has slowly failed. During that time, we were also approached by Redner's to install gas pumps within our wellhead protected areas which is what prompted the agreement.

He requests council approve a \$200,000 transfer from water reserves to pay the city's cost of the project. The city manager noted this project will need to be bid because the cost is over the \$30,000 threshold.

Mr. Shupe moved to transfer \$200,000 from the Water Reserve Account to pay its portion of the Seabury Avenue Pump Station Improvements Project, seconded by Mr. Pikus. Motion carried.

Mr. Rutt advised that Redner's has already provided their portion of the funding.

Approval to Proceed with Bid/Former PNC Bank Renovations

Mr. Carmean said he is requesting council earmark funding for the remodeling and refitting project. Davis, Bowen and Friedel has provided a cost estimate of \$300,000. This will also be bid as is required by the city charter once the money is earmarked and approved.

Mr. Pikus moved to transfer up to \$300,000 from electric reserves to renovate the previous PNC Bank building for use by the city billing office, seconded by Mr. Brooks. Motion carried.

MONTHLY FINANCE REPORT

Chairman Pikus reported that through the fourth month of Fiscal Year 2013-2014 with 33% of the fiscal year having passed, 40.94% of revenues have been received and 30.59% of the operating budget expended.

Cash reserves in the trash fund continue to decrease according to Mr. Pikus. Steps were taken by city council in November to eliminate commercial trash collection to prevent the funds from being depleted.

According to Mr. Pikus, to date, the city has collected \$3.456 million in real estate taxes. We billed out \$3.627 million and he noted that a lot of businesses wait to pay their bill at the end of the year.

Mr. Pikus moved to accept the October 2013 Finance Report, seconded by Mr. Morrow. Motion carried.

ADJOURN

With no further business, Mr. Shupe moved to adjourn the meeting, seconded by Mr. Starling. Motion carried.

Mayor Rogers adjourned the meeting at 7:47 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder