

City of Milford



CITY COUNCIL AGENDA

December 14, 2015 - 7:00 P.M.

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

COUNCIL MEETING

Call to Order - Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Proclamation 2015-26/Deputy City Clerk Christine Crouch

Monthly Police Report

City Manager Report

Committee & Ward Reports

Annexation Report/Lands belonging to Mispillion Realty LLC

Communications & Correspondence

Unfinished Business

Milford Aquarium/Confirmation of Private Funding/Contract

New Business

Acceptance/City of Milford FY 2014-2015 Audit

Holiday Lights Purchase

Volunteer Promotion in the City of Milford

Introduction/Ordinance 2015-25/Change of Zone/Crop Production Services LLC/Holly Hill Road/R3-I2

Introduction/Ordinance 2015-26/Chapter 230/Zoning Code/Article X-Site Plan Review

Introduction/Ordinance 2015-27/Chapter 55/Emergency Closings-Travel-Safety Work Boots Policies

Monthly Finance Report

Executive Session:

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

Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation (Injury Incident)*

Property Sale Update (Devisser House)

MOU (Property Purchase & Property Purchase/Sale)

*Potential Legal Action**

Adjourn

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.

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.

110315 112515 120215 *Added 121115 Pertinent Info Received This Date **Late Change

City of Milford



PROCLAMATION 2015-26

RECOGNIZING CERTIFIED MUNICIPAL CLERK CHRISTINE CROUCH

WHEREAS:

Founded in 1947, the International Institute of Municipal Clerks (IIMC) is a professional non-profit association that promotes continuing education and certification through university and college-based institutes and provides networking solutions, services and benefits to its members internationally;

Aspiring clerks to expand and advance beyond their present levels of development, IIMC has approximately 10,000 members representing municipalities with populations ranging from 250 to more than 10 million people in North America and 15 other countries;

Christine Crouch has completed ten years of employment with the City of Milford, first as an Administrative Assistant in the Building and Code Enforcement Department, then as an Assistant in the City Planning Office and in the past two years as Executive Assistant to the City Manager and Deputy City Clerk;

During these ten years, Christine Crouch has conscientiously and capably served the City of Milford and its citizens and has been dedicated to the highest principles of community service;

The City of Milford, as well as Christine Crouch's co-workers and peers, have greatly benefitted from her professional skills, compassion and courteous and positive attitude during her years of service to this community;

On ___ Christine Crouch, Deputy Clerk of the City of Milford, earned the designation of Certified Municipal Clerk (CMC) awarded by IIMC;

IIMC grants the CMC designation only to those municipal clerks who complete demanding education requirements and who have a record of significant contributions to their local government and their state;

In light of the speed and drastic nature of change these days, lifelong learning is not only desirable, but necessary for the City to keep pace with the demands and changing needs of our citizens; Christine Crouch is at the forefront--ready to take on new challenges and always willing to provide tangible support for others.

NOW, THEREFORE, BE IT PROCLAIMED, THAT I, BRYAN W. SHUPE, MAYOR OF THE CITY OF MILFORD, join with the Members of Milford City Council to thank Christine Crouch for her pursuit of professional excellence and to congratulate her for earning the Certified Municipal Clerk designation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Milford, Delaware to be affixed this 14th day of December 2015.

Mayor Bryan W. Shupe

City Clerk Teresa K. Hudson

Milford Police Department



E. Keith Hudson
Chief of Police



400 N.E. Front Street
Milford, Delaware 19963

TO: Mayor and Members of City Council

FROM: E. Keith Hudson, Chief of Police

DATE: December 14, 2015

RE: Activity Report/November 2015

Monthly Stats:

A total of 531 arrests were made by the Milford Police Department during November 2015. Of these arrests, 101 were for criminal offenses and 430 for traffic violations. Criminal offenses consisted of 44 felonies and 57 misdemeanors.

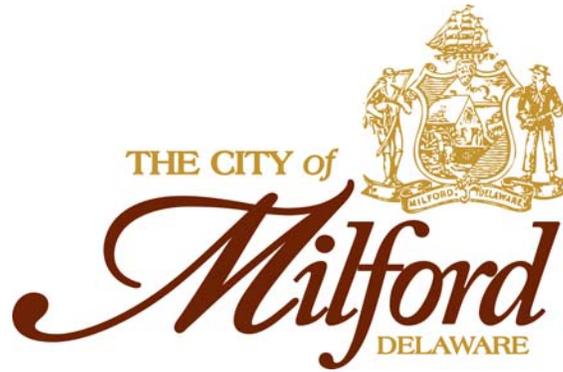
Traffic violations consisted of 126 Special Duty Radar, 5 Drunk-Driving offenses and 299 other charges.

Police officers investigated 41 accidents during the month and issued 120 written reprimands. In addition, they responded to 1022 various complaints including city requests and other agency assistance.

The department is continuing its concentration on neighborhood patrols, traffic enforcement and community relations. Shift officers are checking businesses and doing house checks to ensure all are secure. Foot patrol is being done as time permits in addition to special assignments that have been scheduled.

NOV 2015 ACTIVITY REPORT

	NOV 2015	TOTAL 2015	NOV 2014	TOTAL 2014
COMPLAINTS	1022	12799	1111	13453
CRIMINAL ARRESTS	101	1716	164	1949
Felonies	44	402	30	440
Misdemeanors	57	1314	134	1504
TRAFFIC ARRESTS	430	5058	531	5985
Special Duty Radar	126	1835	155	2376
D.W.I.	5	58	6	56
Other	299	3165	370	3555
REPRIMANDS	120	1239	158	1532
ACCIDENTS	41	633	61	569
Fatal (included in PI)	0	0	0	1
PARKING SUMMONS	5	102	20	237
CRIME PREV. CHECKS	44	343	20	521
FINES RECEIVED	\$ 6,534.20	\$ 104,323.47	\$ 15,133.45	\$ 131,177.40



ELECTRIC DEPARTMENT
(302) 422-1110 FAX (302) 422-1117

180 VICKERS DRIVE
MILFORD, DE 19963

www.cityofmilford.com

To: Jeff Portmann, Finance Director
Rick Carmean, Electric Superintendent

From: Jennifer Anderson, Electric Operations Manager

Date: 12/11/2015

Re: November 2015 Work Report

- The Electric Department completed (17) Work Orders/ Trouble Service Calls in October, and has in progress (12) Work Orders still open at the end of the month.

Electric

- 11/2/15 & 11/3/15 Electric Crew removed 2 big trees on Delaware Ave due to being split to the base and dead. (part of Cole Alley.-City Owned)
- 11/4/15 9 a.m. Bayhealth Meeting
- 11/4/15 Installed new street lighting at Lighthouse Estates.
- 11/5/15 Electric Crew trimmed trees along distribution lines in preparation for winter.
- 11/6/15 Electric Crew moved cubicles back to City Hall, worked on fire siren.
- 11/9/15 Electric Crew installed electric service on Church Hill Rd. and cut a tree on Charles St. that was dead.
- 11/10/15 Electric Crew repaired wire on ground at Church Hill Rd. that was torn down by truck, repaired bad underground at 515 S. DuPont.
- 11/12/15 9 a.m.-3 p.m. Chainsaw Safety Seminar at Brecknock Park in Camden. Jeremiah Curry, Rob Palladino, Brad Dean, and Dale Breeding attended.
- 11/12/15 Electric Dept. Staff Meeting.
- 11/12/15 Electric Crew trimmed trees along distribution lines in preparation for winter.
- 11/13/15 Electric Crews installed new service at Lighthouse Estates.
- 11/16/15-11/20/15 Electric Crews installed Christmas Lights downtown.
- 11/19/15 9 a.m. Bayhealth Meeting.

- 11/20/15 2 p.m. DBF Meeting
- 11/23/15 & 11/24/15 Electric Crews trimmed trees along distribution lines in preparation for winter.
- 11/24/15 Electric Crew put transformer in box at Park for more Christmas Lighting for P & R.
- 11/25/15 Electric Crews restocked trucks, set timers for Christmas Lighting.

Miss Utility Locates

- There were (115) Miss Utility locates completed in November for the Electric and Water Departments.

Council Update November 2015

Streets

- No Report.

Solid Waste

- No Report.

Water/Wastewater

- Continue installation of hydrant flags.
- Pulled sewer pumps at various locations and returned them to location after repairs were done.
- Repaired water leak on West Clarke Avenue
- Installed new cutters on sewer pumps at Knotts Landing Station
- Videoed sewer main on Caulk Road
- Repaired valve box on Truitt & Northwest Third Streets



Milford
Parks & Recreation
Department

MEMO

TO: Mayor and Council

FR: Brad Dennehy
Director of Parks & Recreation

DA: December 11, 2015

RE: Monthly update from the Parks and Recreation Department

Mayor and Council,

At your request here are some highlights from the month of November, from the Parks & Recreation Department.

- Assisted the Mayor with giving City Manager candidates tours of the City.
- Parks and Rec. crews' power washed and painted the Peninsula building roof, and siding (performing this in-house resulted in considerable cost savings).
- Helped the Rotary Club with the location of over 100+ flags in Bicentennial Park for Veterans Day.
- Removed piles of brush from the Union cemetery which was cleaned up by volunteers leading up to Veteran's day.
- Co-ordinated with the lighting installer the location of the low voltage LED lights alongside the park downtown.
- Assisted DMI with the International food market downtown, by delivering trash cans, traffic cones, and removing trash on the following Monday.
- Assisted the Electric Department with beginning to re-key the Armory with standardized keys.



Milford
Parks & Recreation
Department

- Attended a Land Trust meeting, in Dover with the Delaware Division of Parks and Recreation.
- Took delivery and installed a new life saving ring at Marshall Pond, which was purchased with a donation from the Milford Rotary club.
- Installed mulch at some of the key flower beds in the downtown region.
- Worked with the Electric Department to identify several electrical outlets which were not working on Walnut Street.
- Worked with the Electric Department to install the Christmas decorations and lights in the downtown area.
- Came in on the Sunday after Thanksgiving and assisted DMI volunteers with decorating hay racks and light poles for the holiday season. This involves both providing the cuttings, installing the greenery, and clean up.
- Provided some minor equipment for the Milford High School Cross Country annual "Booster" 5kln fundraiser.
- Fall swim lessons continued through November, as did the Lil' Buc wrestling program.
- Youth basketball sign ups saw all age groups full to capacity with a wait list in a couple of divisions (practices begin in December with games beginning in January).
- Responded to an issue with a vehicle running into the Milford community cemetery fence which sustained considerable damage (repairs are due to be made in December).
- Attended the first "Bug & Bud" meeting in preparation for the 2016 event.
- Looked into the possibility of changing the bathroom locks at the Tony Silicato Memorial park bathrooms, to put them on a timer so they will automatically lock after hours.
- Began excavation of a mulched in area at the large dog park.

As always, if you require further information please don't hesitate to contact me.

Thank you.



Milford
Parks & Recreation
Department



One of the Electric poles which was decorated by Parks and Recreation and Downtown Milford volunteers.

•207 Franklin Street • Milford, Delaware 19963 • Telephone (302) 422-1104 • Fax (302) 422-0409

www.cityofmilford.com



TO: Mayor Bryan Shupe & City of Milford Council Members
 FROM: Annexation Committee
 DATE: November 23, 2015
 RE: Annexation Committee Report

A public meeting was held in Council Chambers on November 23, 2015 to consider the annexation request for lands described as:

Property Owner:	Misphillion Realty, LLC
Location:	Adjacent to Fieldstone Avenue (Brookstone Trace subdivision)
Size:	2.0 +/- acres
Existing Zoning:	MR – Medium Residential (Sussex County)
Proposed Zoning:	R-3 (Garden Apartment and Townhouse District)
Tax Map and Parcel Number:	1-30-3.00-80.02

APPLICANT

A petition by the property owners was submitted on October 17, 2014 to annex 2.0 +/- acres into the corporate limits of the City of Milford.

LOCATION

The property is identified as Sussex County tax parcels 1-30-3.00-80.02 and would be located in the 2nd Ward of the City of Milford. The property is off of Old Shawnee Road and adjacent to Fieldstone Avenue within the recorded Brookstone Trace subdivision. The property is currently unimproved and it is anticipated that the owner will incorporate this land into the Brookstone Trace subdivision.

STREETS

The applicant intends to incorporate the property into the Brookstone Trace subdivision and the development of the parcel would gain access to Fieldstone Avenue. Internal street construction, to City standards, will be required and reviewed by the City of Milford as part of the major subdivision or site plan review.

DRAINAGE

Any development of this parcel will be subject to DNREC storm-water regulations and the developer would be required to obtain any and all permits from the Sussex Conservation District and State of Delaware.

ZONING

The area proposed to be annexed is currently zoned MR in Sussex County under the Sussex County Zoning Ordinance. The applicant requests the property to be zoned R-3 (Garden Apartment and Townhouse District) under the City of Milford’s Zoning Ordinance.

SEWER

The area will be served by gravity sewer associated with the recorded Brookstone Trace subdivision. Extensions and improvements to the system are the responsibility of the owner/developer. Additional fees, including County and City impact fees, will be required through the individual lot permitting.

WATER

The area will be served with a water main loop from Fieldstone Avenue and Pebblebrook Drive located within the recorded Brookstone Trace subdivision. Extensions and improvements shall be the responsibility of the owner. Additional fees, including City impact fees, will be required through the individual lot permitting.

ELECTRIC

The City will extend electric from existing power within the Brookstone Trace subdivision. Costs of the improvements shall be the responsibility of the owner. Additional fees, including City impact fees, will be required through the individual lot permitting.

UTILITY AGREEMENT

A utility agreement regarding all infrastructure costs will be required as part of the major subdivision or site plan approval process.

TRAFFIC

Any development of these parcels will be directed through the internal layout of Brookstone Trace subdivision. There are no anticipated traffic impacts associated with this annexation request.

ENVIRONMENTAL ISSUES

The U.S. Army Corp of Engineers will control provisions under Section 404 of wetlands on the parcel. According to the DNREC Environmental Navigator website, the property does not contain state mapped wetlands. Also, the property is not located within an excellent groundwater recharge area nor is it located within the 100-year floodplain.

AREA LAND USES

The parcel is surrounded on the north and east to other moderate density housing types including the Brookstone Trace townhouse development. The parcel is surrounded on the south and west by medium density residential developed lots.

FIRE AND POLICE

The Carlisle Fire Dept. will provide fire and EMS coverage to this area. The City will provide police service.

COMPREHENSIVE LAND USE PLAN

The annexation is consistent with the amended 2008 Comprehensive Plan Future Land Use Plan and is designated as Moderate Density Residential. The Comprehensive Plan was amended by City Council on October 26, 2015 changing the future land use from low density residential to moderate density residential.

PROPERTY TAXES AND OTHER ECONOMIC CONSIDERATIONS

It is anticipated that the property taxes, after development, will increase on this property and the City would benefit from the revenues received from building permits. Construction costs as well as user service fees cannot be determined at this time, as the applicant has not proposed a project to assess.

ADVANTAGES TO THE CITY

1. The property would be within the planning area of the City of Milford.
2. The City would receive revenues (property tax, building permits, etc.) for activity on the property.
3. Potential for additional water, sewer and electric customers.
4. Identified within the Urban Growth Boundary Area of the 2008 Comprehensive Plan.

- 5. Consistent with the Comprehensive Plan Future Land Use Map.
- 6. Increases the amount of housing opportunities within the City limits.

DISADVANTAGES TO THE CITY

- 1. None.

RECOMMENDATION

Based on the issues and comments discussed in this report, the Annexation Committee of the City of Milford recommends approval of the application, following a unanimous vote, with the following comments:

- 1. Annexation is consistent with the "Comprehensive Land Use Plan".
- 2. Property is contiguous to existing City Limits.
- 3. Any changes to the property are subject to review by the City of Milford Planning Commission and/or City Council.
- 4. Property will be served by City Electric, Sewer, and Water. At present, these utilities are available to the site with minimal improvements.
- 5. The annexation will benefit the City through additional revenues, including property taxes.
- 6. An executed Annexation Agreement is required prior to final City Council approval.
- 7. Upon approval of the annexation committee report, a Municipal Annexation Plan of Services will be submitted to the Office of State Planning for their approval.

The property should be annexed with the following zoning classification: R-3

Katrina E. Wilson
Council Representative/Committee Chairman

11/23/15
Date

[Signature]
Council Representative

11/23/15
Date

[Signature]
Council Representative

11/23/15
Date

[Signature]
Planning Commission Chairman

11/23/15
Date



8098 Sandpiper Circle
Baltimore, MD 21224

November 12, 2015

Mr. Richard Carmean
City Manager
Milford
City of Milford
Milford, DE 19963

RE: Important Information—Price Adjustments

We are committed to constantly improving our customers' entertainment and communications experience in your community, and we continue to invest in making their services even better.

Our investment in the X1 user interface has been extremely popular and is helping customers find and enjoy the vast array of content they receive. We continue to bring customers innovative improvements like the X1 voice controlled remote control, the X1 talking guide, X1 Cloud DVR services, and the X1 Sports App. As we make these and other investments, we periodically need to adjust prices due to increases we incur in programming and other business costs. Starting January 1, 2016, new prices will apply to select XFINITY TV and Internet services and equipment as reflected in the enclosed notice.

We are committed to providing our customers with a consistently superior experience, including 24/7 customer service and on-time arrival—or we'll credit the customer \$20. We back up our services with the Comcast Customer Guarantee (visit www.comcast.com/guarantee for details).

We know you may have questions about these changes. If I can be of any further assistance, please contact me at 410.729.8025.

Sincerely,

Chris Comer
Director, Government & Regulatory Affairs

Enclosure:

Sussex County

IMPORTANT PRICE CHANGE INFORMATION

We're writing to let you know that starting on January 1, 2016, prices for select XFINITY TV and Internet services and fees will change. Such changes are a function of a variety of factors including increases to programming and business costs as well as product and technology upgrades.

Have questions? Please call us anytime at 1-800-XFINITY.

If you're currently receiving services on a promotional basis, under a minimum term agreement associated with a specific rate, or in the guaranteed period of one of our SurePrice™ plans, the prices for those specific services will not be affected during the applicable period.

BUNDLED PACKAGES ¹			XFINITY LATINO PAQUETE TRIPLE		CURRENT	NEW
QUAD PLAY PACKAGES			CURRENT	NEW		
Quad Play Package pricing below is additional to Triple Play Package pricing						
With Secure 300³ add	\$39.95	No Change			\$170.49	\$171.49
SurePrice²	\$35.00	No Change			\$144.99	No Change
With Secure 350³ add	\$49.95	No Change				
SurePrice²	\$45.00	No Change			\$100.85	No Change
TRIPLE PLAY PACKAGES			CURRENT	NEW		
Starter XF Triple Play Bundle						
Includes Digital Starter for primary outlet, Performance Pro Internet and XFINITY Voice Unlimited™						
	\$147.49	\$148.49			\$74.95	\$77.95
SurePrice⁴	\$124.99	No Change			\$64.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$119.99	No Change			\$59.99	No Change
Preferred XF Triple Play Bundle						
Includes Digital Preferred for primary outlet, Performance Pro Internet and XFINITY Voice Unlimited™						
	\$160.49	\$161.49			\$78.95	\$81.95
SurePrice⁴	\$134.99	No Change			\$74.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$129.99	No Change				
HD Preferred XF Triple Play Bundle						
Includes Digital Preferred and Starz® for primary outlet, HD Technology Fee, Performance Pro Internet and XFINITY Voice Unlimited™						
	\$170.49	\$171.49			\$81.95	\$84.95
SurePrice⁴	\$144.99	No Change			\$74.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$139.99	No Change				
HD Preferred Plus XF Triple Play Bundle						
Includes Digital Preferred, HBO® and Starz® for primary outlet, HD Technology Fee, Blast!™ Internet and XFINITY Voice Unlimited™						
	\$190.49	\$191.49			\$123.90	\$126.90
SurePrice⁴	\$164.99	No Change			\$109.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$159.99	No Change			\$99.99	No Change
HD Premier with Sports XF Triple Play Bundle⁵						
Includes Digital Preferred, HBO®, Showtime®, Starz®, Cinemax®, Sports Entertainment Package and DVR or AnyRoom® DVR Service for primary outlet, HD Technology Fee, Blast!™ Internet and XFINITY Voice Unlimited™						
	\$215.49	\$216.49			\$159.80	\$162.80
SurePrice⁴	\$184.99	No Change			\$109.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$179.99	No Change				
HD Complete XF Triple Play Bundle⁵						
Includes Digital Premier, Sports Entertainment Package, The Movie Channel® and AnyRoom® DVR Service for primary outlet, Digital Additional Outlet Service on up to 3 TVs, HD Technology Fee, Blast!™ Internet, Wireless Gateway, and XFINITY Voice Unlimited™						
	\$245.49	\$246.49			\$179.99	\$182.99
SurePrice⁴	\$224.99	No Change			\$139.99	No Change
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/2013)	\$219.99	No Change				
Economy XF Triple Play						
Includes Digital Economy for primary outlet, Economy Plus Internet and Xfinity Voice Local with More®						
	\$92.85	No Change				
XFINITY LATINO PAQUETE TRIPLE			CURRENT	NEW		
XFINITY 3300 Latino						
Includes XFINITY TV 300 Latino for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited™ and Carefree Minutes Latin America 300.						
	\$134.99	\$135.99				
SurePrice⁴	\$114.99	No Change				
XFINITY 3450 Latino						
Includes XFINITY TV 450 Latino for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited™ and Carefree Minutes Latin America 300.						
	\$142.49	\$143.49				
SurePrice⁴	\$134.99	No Change				
SurePrice⁴ (for 12 month promotion customers subscribing 12/19/13 thru 5/19/14)	\$124.99	No Change				
SurePrice⁴ (for 12 month promotion customers subscribing before 12/18/13)	\$119.99	No Change				
XFINITY 3600 Latino						
Includes Digital Preferred and XFINITY TV Latino for primary outlet, Performance Pro Internet, XFINITY Voice Unlimited™ and Carefree Minutes Latin America 300.						
	\$160.49	\$161.49				
SurePrice⁴	\$134.99	No Change				
DOUBLE PLAY PACKAGES			CURRENT	NEW		
Internet Plus						
Includes Limited Basic, HBO®, Streampix™, a standard definition digital converter and remote for the primary outlet and Performance Internet.						
	\$74.95	\$77.95				
SurePrice⁴	\$64.99	No Change				
SurePrice⁴ (for 12 month promotion customers subscribing before 9/29/14)	\$59.99	No Change				
Internet Pro Plus with Showtime®						
Includes Digital Economy, Streampix and Showtime® for primary outlet and Performance Pro Internet						
	\$78.95	\$81.95				
SurePrice⁴	\$74.99	No Change				
Internet Pro Plus with HBO®						
Includes Digital Economy, Streampix and HBO® for primary outlet and Performance Pro Internet						
	\$81.95	\$84.95				
SurePrice⁴	\$74.99	No Change				
XFINITY 2300 Latino						
Includes XFINITY TV 300 Latino for primary outlet and Performance Internet.						
	\$103.90	\$106.90				
SurePrice⁴	\$89.99	No Change				
XFINITY 2450 Latino						
Includes XFINITY TV 450 Latino for primary outlet and Performance Internet.						
	\$123.90	\$126.90				
SurePrice⁴	\$109.99	No Change				
SurePrice⁴ (for 12 month promotion customers subscribing before 5/19/14)	\$99.99	No Change				
XFINITY 2600 Latino						
Includes Digital Preferred and XFINITY TV Latino for primary outlet and Performance Internet.						
	\$159.80	\$162.80				
SurePrice⁴	\$109.99	No Change				
XFINITY 2150 Latino						
Includes XFINITY TV 150 Latino for primary outlet and Economy Plus Internet.						
	\$60.90	No Change				
Premier XF Double Play						
Includes Digital Premier for primary outlet and Performance Pro Internet						
	\$179.99	\$182.99				
SurePrice⁴	\$139.99	No Change				
XFINITY TV						
BASIC SERVICES			CURRENT	NEW		
Limited Basic					\$19.75	\$20.95
Broadcast TV Fee					\$3.25	\$3.75
Expanded Basic⁶ Includes standard definition digital converter and remote for primary outlet					\$50.20	\$49.00
DIGITAL SERVICES			CURRENT	NEW		
Digital Economy Includes Limited Basic, additional digital channels and a standard definition digital converter and remote for the primary outlet, access to Pay-Per-View and On Demand programming and Music Choice®					\$39.95	No Change
With XFINITY Voice or Internet Service					\$37.95	No Change
Digital Starter Includes Limited Basic, Expanded Basic, MoviePlex, access to Pay-Per-View and On Demand programming, and Music Choice®.					\$69.95	No Change
Digital Preferred Includes Digital Starter, additional digital channels, Encore®, access to Pay-Per-View and On Demand programming and Music Choice®					\$87.90	No Change
Digital Preferred plus One Premium Includes Digital Preferred for primary outlet and choice of Showtime®, Starz®, Cinemax® or The Movie Channel®					\$99.90	No Change

XF TRIPLE PLAY PACKAGE REWARDS / XFINITY LATINO PAQUETE TRIPLE REWARDS	HD Preferred XF and						
	Regular Price (Current/New)	Starter XF and XFINITY 3450 Latino (Current/New)	Preferred XF and XFINITY 3600 Latino (Current/New)	XFINITY 3650 Latino (Current/New)	HD Preferred Plus XF (Current/New)	HD Premier with Sports XF (Current/New)	HD Complete XF (Current/New)
HBO® 9	\$15.00 / No Change	\$15.00 / No Change	\$15.00 / No Change	\$15.00 / No Change	Included / No Change	Included / No Change	Included / No Change
Showtime® 9	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	Included / No Change	Included / No Change
Starz® 9	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	Included / No Change	Included / No Change	Included / No Change	Included / No Change
Cinemax® 9	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	Included / No Change	Included / No Change
The Movie Channel® 9	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	\$12.00 / No Change	Included / No Change
HD Technology Fee 15	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	Included / No Change	Included / No Change	Included / No Change	Included / No Change
DVR Service 16,17	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	Included / No Change	N/A / No Change
AnyRoom® DVR Service 11,19	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	\$10.00 / No Change	Included / No Change
Digital Additional Outlet Service (SD or HD) 20	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	Included (up to 3) / No Change
with HD 18	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	Included (up to 3) / No Change
with DVR Service	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change
with AnyRoom® DVR Service 38	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change	\$19.95 / No Change
with AnyRoom® DVR Service (client)	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	\$9.95 / No Change	Included (up to 3) / No Change
Blast!® Speed Upgrade	\$65.95 / \$69.95	\$12.00 / \$13.00	\$12.00 / \$13.00	\$12.00 / \$13.00	Included / No Change	Included / No Change	Included / No Change

DIGITAL SERVICES	CURRENT	NEW	INTERNATIONAL SELECTIONS 9	CURRENT	NEW
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Digital Preferred with HBO® Includes Digital Preferred for primary outlet and HBO®	\$102.90	No Change	The Israeli Network	\$19.99	No Change
Digital Preferred plus Two Premiums Includes Digital Preferred for primary outlet and choice of two premium channels of Showtime®, Starz®, Cinemax® or The Movie Channel®	\$111.90	No Change	Rai Italia (Italian)	\$9.99	No Change
Digital Preferred with HBO® and One Premium Includes Digital Preferred for primary outlet, HBO® and choice of Showtime®, Starz®, Cinemax® or The Movie Channel®	\$114.90	No Change	TV5MONDE (French)	\$9.99	No Change
Digital Premier Includes Digital Preferred for primary outlet, HBO®, Showtime®, Starz®, Cinemax®, and The Movie Channel®	\$152.85	No Change	TV Japan (Japanese)	\$24.99	No Change
XFINITY TV 150 Latino Includes Limited Basic, XFINITY TV Latino, standard definition digital converter and remote for primary outlet.	\$30.95	No Change	Phoenix Info News (Chinese/Mandarin)	\$9.99	No Change
XFINITY TV 200 Latino Includes Digital Economy and XFINITY TV Latino for primary outlet.	\$41.95	No Change	Phoenix North America (Chinese/Mandarin)	\$9.99	No Change
XFINITY TV 300 Latino Includes XFINITY TV 200 Latino and additional digital channels for primary outlet.	\$49.95	No Change	Phoenix Info News & Phoenix North America	\$14.99	No Change
XFINITY TV 450 Latino Includes XFINITY TV 300 Latino and additional digital channels for primary outlet.	\$69.95	No Change	CCTV-4 (Chinese/Mandarin)	Not Sold Separately	No Change
			CTI-Zhong Tian Channel (Chinese/Mandarin)	Not Sold Separately	No Change
			CTI-Zhong Tian Channel & CCTV-4 (Chinese/Mandarin)	\$11.99	No Change
			Dragon Pack (Chinese/Mandarin)	\$19.99	No Change
			Includes CCTV-4, CTI-Zhong Tian Channel, Phoenix Info News, Phoenix North America and ET-Super		
			GMA Pinoy TV (Filipino)	\$11.99	No Change
			TFC (Filipino)	\$11.99	No Change
			TFC & GMA Pinoy TV (Filipino)	\$19.99	No Change
			Channel One Russia (Russian)	\$14.99	No Change
			RTN (Russian)	\$14.99	No Change
			TV1000 Russian Kino (Russian)	\$9.99	No Change
			Russian 3 Pack (Russian)	\$22.99	No Change
			Includes Channel One Russia, RTN and Russian Kino		
			Willow Plus (South Asian/Cricket Sport)	\$14.99	No Change
			Willow Plus with any Desi 3, 4 or Mega Pack	\$7.00	No Change
			STAR India PLUS (South Asian - Hindi)	\$11.99	No Change
			SET Asia (Sony) (South Asian)	\$14.99	No Change
			TV Asia (South Asian)	\$14.99	No Change
			Zee TV (South Asian)	\$14.99	No Change
			SET Asia (Sony) & Zee TV (South Asian)	\$24.99	No Change
			SET Asia (Sony) & STAR India PLUS (South Asian)	\$24.99	No Change
			TV Asia & Zee TV	\$24.99	No Change
			Zee TV & STAR India PLUS (South Asian)	\$24.99	No Change
			STAR Pack (South Asian)	\$24.99	No Change
			Includes ABP News, STAR India PLUS, Life OK and STAR India GOLD		
			Desi Pack (South Asian)	\$29.99	No Change
			Includes SET Asia (Sony), Zee TV, STAR India PLUS, and Willow		
			Desi 3 Pack (South Asian)	\$29.99	No Change
			Includes SET Asia (Sony), Zee TV and TV Asia		
			Desi 4 Pack (South Asian)	\$32.99	No Change
			Includes SET Asia (Sony), Zee TV, STAR India PLUS and Life OK		
			Desi 5 Pack (South Asian)	\$32.99	No Change
			Includes SET Asia (Sony), Zee TV, TV Asia, STAR India PLUS, and Willow		
			Desi Mega & Willow Pack (South Asian)	\$42.99	No Change
			Includes SET Asia (Sony), Zee TV, TV Asia, STAR India PLUS, ABP News, Life OK, STAR India GOLD, and Willow		
			TV Globo (Portuguese / Brazilian)	\$19.99	No Change
			WKTV (Korean)	\$14.99	No Change

BASIC AND DIGITAL ANCILLARY SERVICES	CURRENT	NEW
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HBO® 9	\$15.00	No Change
Showtime® 9	\$12.00	No Change
Starz® 9	\$12.00	No Change
Cinemax® 9	\$12.00	No Change
The Movie Channel® 9	\$12.00	No Change
Playboy® 9	\$21.95	No Change
Digital Preferred 11 Over 60 channels including CMT, Disney XD, National Geographic Channel, Science Channel, Encore, MLB Network, NBA TV and NFL Network	\$17.95	No Change
XFINITY TV Latino 9 Includes 52 channels of Spanish language programming.	\$17.95	No Change
Family Tier 19 Includes 13 channels including C-SPAN, Discovery Family Channel, Food Network, HGTV, PBS Kids Sprout, National Geographic Channel and The Weather Channel.	\$14.95	No Change
Sports Entertainment Package 11 Includes 22 channels including CBS Sports Network, FCS Atlantic, FCS Central and FCS Pacific.	\$8.95	\$9.95
HD Technology Fee 15	\$9.95	No Change
DVR Service 16,17	\$10.00	No Change
AnyRoom® DVR Service 11,19	\$10.00	No Change
Digital Additional Outlet Service (SD or HD) 20	\$9.95	No Change
with HD 18	\$9.95	No Change
with DVR Service	\$19.95	No Change
with AnyRoom® DVR Service 38	\$19.95	No Change
with AnyRoom® DVR Service (client)	\$9.95	No Change
Digital Adapter Additional Outlet Service (SD or HD) 7	\$2.99	\$3.99
with Digital Economy 12	\$2.99	\$3.99
with Family Tier 13	\$2.99	\$3.99
with XFINITY TV Latino 14	\$2.99	\$3.99

PAY-PER-VIEW AND ON DEMAND SUBSCRIPTION SERVICES ²² (MONTHLY EXCEPT AS NOTED)		
	CURRENT	NEW
Eros Now	\$12.99	No Change
Eros Now w/ South Asian Premium Network	\$9.99	No Change
here! On Demand	\$7.99	No Change
Filipino On Demand	\$7.99	No Change
Filipino On Demand w/a Filipino international selection	\$5.99	No Change
The Jewish Channel On Demand	\$6.99	No Change
Too Much For TV On Demand	\$14.99	No Change
Disney Family Movies On Demand	\$5.99	No Change
Pay-Per-View and On Demand Movies and Events ²⁴ (per title or event)	Prices Vary	No Change
Streampix ²³	\$4.99	No Change
Vivid on Demand Subscription ²⁵	\$19.99	No Change

SPORTS PACKAGES ²²		
MLB Extra Innings[®]	Call 1-800-XFINITY for pricing	
MLS Direct Kick	Call 1-800-XFINITY for pricing	
NHL[®] Center Ice[®]	Call 1-800-XFINITY for pricing	
NBA League Pass	Call 1-800-XFINITY for pricing	

VIDEO EQUIPMENT	CURRENT	NEW
Converter Box (Limited Basic Service Only)	\$1.00	No Change
Converter Box (All Others Excluding Limited Basic Only and DTA)	\$2.50	No Change
Remote Control	\$0.18	No Change
HD Converter Box (Limited Basic Service Only)	\$2.30	\$2.00
Digital Adapter ^{21,26} (Limited Basic Only - Primary Outlet, SD or HD)	No Charge	No Change
Digital Adapter ^{21,26} (Limited Basic Only - 1st and 2nd Additional Outlets, SD or HD)	No Charge	No Change
Digital Adapter ^{21,26} (Limited Basic Only - 3rd Additional Outlet and above, SD or HD)	\$0.50	No Change
CableCard (first card in device)	No Charge	No Change
CableCard (second card in same device)	\$1.00	\$0.80

INSTALLATION FEES ²⁷ (PER OCCURRENCE UNLESS NOTED)				
	Initial Installation of Service		After Initial Installation of Service	
	CURRENT	NEW	CURRENT	NEW
Unwired Home ²⁸ (Standard Installation)	\$45.75	\$39.50	N/A	No Change
Wired Home ²⁸ (Standard Installation)	\$33.00	\$30.30	N/A	No Change
Hourly Service Charge ²⁸ (Custom Installation)	\$35.80	\$35.20	\$35.80	\$35.20
Additional Outlet (new)	\$14.40	\$14.20	\$33.20	No Change
Activate Pre-Existing Additional Outlet (New price of \$24.60 effective 3/1/16)	\$6.10	\$5.75	\$22.95	\$24.60
Relocate Additional Outlet (New price of \$32.65 effective 3/1/16)	\$14.50	\$14.25	\$30.30	\$32.65
Connect VCR/DVD (Effective 3/1/16)	\$7.75	\$8.20	\$19.00	\$19.60
	CURRENT		NEW	
Upgrade/Downgrade of Service No in-home visit required	\$0.00		No Change	
Upgrade of Service In-home visit required (Effective 3/1/16)	\$28.45		\$29.45	
Downgrade of Service In-home visit required (Effective 3/1/16)	\$12.40		\$12.45	
In-Home Service Visit Video, per occurrence (Effective 3/1/16)	\$37.05		\$37.15	

REACTIVATION FEES (NO IN-HOME VISIT REQUIRED - PER OCCURRENCE UNLESS NOTED)		
	CURRENT	NEW
Video Only	\$1.99	No Change
Internet or Voice Only	\$6.00	No Change
Video and Voice or Video and Internet	\$7.99	No Change
Voice and Internet	\$12.00	No Change
Video, Voice and Internet	\$13.99	No Change

MISCELLANEOUS FEES (PER OCCURRENCE UNLESS NOTED)		
	CURRENT	NEW
Customer-Owned Video Equipment Credit (See www.comcast.com/equipmentpolicy for additional information)	\$2.50	No Change
Regional Sports Fee ²⁹ (per month)	\$1.00	\$3.00
Service Protection Plan ³⁰ (per month) Inside home wiring protection for your cable TV, high-speed Internet and phone services.	\$4.95	\$5.95
X1 Platform Upgrade Fee	\$49.95	No Change
Field Collection Charge Visit to customer's residence required to collect past due balance or unreturned equipment.	\$25.00	\$30.00

MISCELLANEOUS FEES (PER OCCURRENCE UNLESS NOTED)		
	CURRENT	NEW
Returned Payment Item (each)	\$25.00	No Change
Late Fee - DE	\$9.50	No Change
Late Fee - MD	10% past balance due	No Change
Convenience Fee - Agent For payment made by phone with a Customer Care Representative	\$5.99	No Change
Unreturned or Damaged Equipment Fees ³² (per piece)	Replacement Cost	No Change
Self Install Kit ³¹	\$15.00	No Change
Self Install Kit Shipping and Handling	\$9.95	No Change
Self Install Kit Shipping and Handling (Priority Shipping)	\$29.95	No Change

XFINITY [®] VOICE ³³		
	CURRENT	NEW
XFINITY Voice - Unlimited[™]	\$44.95	No Change
With TV and Internet Service	\$39.95	No Change
XFINITY Voice - Local with More[®]	\$34.95	No Change
With TV and/or Internet Service	\$24.95	No Change

CAREFREE MINUTES [®] INTERNATIONAL CALLING PLANS		
	CURRENT	NEW
Carefree Minutes Latin America 300	\$9.95	No Change
Carefree Minutes World Select 300	\$9.95	No Change

OTHER CHARGES (PER MONTH UNLESS OTHERWISE INDICATED)		
	CURRENT	NEW
Voice Mail	\$3.95	No Change
Additional Line with Calling Features	\$21.95	No Change
Additional Line without Calling Features	\$11.95	No Change
Voice/Data Modem	\$10.00	No Change
Voice/Data Modem DOCSIS 3.0 Kit (for purchase, one-time charge)	\$149.00	No Change
New Activation Fee (per occurrence)	\$29.95	No Change
Standard Installation (per occurrence)	\$99.00	No Change
In-Home Service Visit Voice, per occurrence	\$40.00	No Change
Unreturned or Damaged Equipment Fees ³² (per piece)	Replacement Cost	No Change

XFINITY [®] INTERNET ³⁴				
	XFINITY Internet Service Only		with XFINITY TV or Voice Service	
	CURRENT	NEW	CURRENT	NEW
Economy Plus	\$39.95	No Change	\$29.95	No Change
Performance Starter ³⁵	\$49.95	No Change	\$49.95	No Change
Performance	\$66.95	\$69.95	\$53.95	\$56.95
Performance Pro ³⁶	\$76.95	\$79.95	\$63.95	\$66.95
Blast![®]	\$78.95	\$82.95	\$65.95	\$69.95
Extreme 505 ^{36,37}	\$399.95	\$299.95	\$399.95	\$299.95
	CURRENT		NEW	
Voice/Data Modem (monthly)	\$10.00		No Change	
Wireless Gateway (monthly)	\$10.00		No Change	
Ciena 3931 Modem & Netgear Wireless Router [®] (monthly)	\$19.95		No Change	
Additional IP Address (per IP Address) (monthly)	\$6.95		No Change	
Data Modem DOCSIS 3.0 Kit (for purchase, one-time charge)	\$99.00		No Change	
Wireless Adapter (each, one-time charge)	\$30.00		No Change	
In-Home Service Visit Internet, per occurrence	\$40.00		No Change	
Professional Internet Installation (per occurrence)	\$99.00		No Change	
Wireless Networking On-Site Professional Set-Up (with Xfinity TV, Xfinity Voice or Xfinity Internet) (per occurrence)	\$49.95		No Change	
Wireless Networking On-Site Professional Set-Up (Separate Trip, per occurrence)	\$99.95		No Change	
Wireless Networking On-Site Professional Set-Up (Additional Device, per occurrence)	\$29.95		No Change	
Extreme 505 Activation Fee	\$249.00		No Change	
Extreme 505 Professional Internet Installation (per occurrence)	\$249.00		No Change	
Unreturned or Damaged Equipment Fees ³² (per piece)	Replacement Cost		No Change	

Certain services available separately or as a part of other levels of service. Comcast service is subject to Comcast's standard terms and conditions of service. Unless otherwise specified, prices shown are the monthly charge for the corresponding service, equipment or package. Prices shown do not include applicable taxes, franchise fees, FCC fees, Regulatory Recovery Fee, Public Access fees, other state or local fees or other applicable charges (e.g., per-call toll or international charges). After a notice of an increase in rates, you may change your level of service at no additional charge for a period of 30 days from the effective date of the change. Please refer to your billing statement for your Local Franchising Authority's name and address. Prices, services and features are subject to change. If you are a video service customer and you own a compatible digital converter or CableCARD device, please call 1-800-XFINITY for pricing information or visit www.comcast.com/equipmentpolicy. For information about XFINITY policies and terms of service, go to www.comcast.com/policies.

- 1 Requires a Voice/Data Modem, except for HD Complete Triple Play.
- 2 SurePrice only available for 12 months to Quad Play customers with Starter XF Triple Play, Preferred XF Triple Play and HD Preferred XF Triple Play customers after 12 month promotional pricing with 12 month contract. SurePrice only available to Quad Play customers with HD Premier with Sports XF Triple Play and HD Complete XF Triple Play customers after 24 month promotional pricing with 24 month contract.
- 3 XFINITY Home Secure 300 and XFINITY Home Secure 350 requires 2 year agreement with early termination fee if terminated prior to end of term. For additional information on XFINITY Home Security go to www.xfinity.com/home.
- 4 SurePrice only available for 12 months to XF Triple Play or XFINITY Latino Paquete Triple, Internet Plus, Internet Pro Plus with HBO®, Internet Pro Plus with Showtime®, Premier XF Double Play, XFINITY 2300 Latino, XFINITY 2450 Latino and XFINITY 2600 Latino customers after 12 month promotional package.
- 5 AnyRoom® DVR Service is included with HD Premier with Sports XF Triple Play and HD Complete XF Triple Play if AnyRoom® DVR Service is installed on primary outlet.
- 6 Requires purchase of Limited Basic.
- 7 Includes digital adapter and remote. Digital service tier on additional outlet corresponds to digital service tier on primary outlet. Does not include access to On Demand content, premium channels or programming guide. Not available to customers with Limited Basic only.
- 8 Requires Extreme 505
- 9 Requires digital converter or CableCARD and Limited Basic.
- 10 Requires digital converter and purchase of Limited Basic and cannot be combined with Expanded Basic. Family Tier programming included in Digital Services except for XFINITY TV Latino.
- 11 Requires Digital Starter.
- 12 Requires Digital Economy on primary outlet. Does not include access to On Demand content, premium channels or on screen programming guide.
- 13 Requires Family Tier on primary outlet. Does not include access to On Demand content, premium channels or on screen programming guide.
- 14 Requires XFINITY TV Latino on primary outlet. Does not include access to On Demand content, premium channels or on screen programming guide.
- 15 Not available to customers with Limited Basic only. Must subscribe to HD Technology Fee to receive HD programming.
- 16 Requires HD Technology Fee. Digital Additional Outlet Service required for DVR Service on additional outlets. Not available to customers with Limited Basic only.
- 17 Subject to availability.
- 18 Requires HD Technology Fee.
- 19 Sold only with Digital Additional Outlet Service for up to 3 TVs, maximum 3 clients per household. Required HD Technology Fee and professional installation. Not available to customers with Limited Basic only.
- 20 Not Available to Limited Basic only customers. Digital service tier on additional outlet corresponds to digital service tier on primary outlet.
- 21 Does not provide access to premium services, pay-per-view, video-on-demand, the interactive electronic programming guide or other two-way interactive services.
- 22 Requires digital converter and Limited Basic. Sports packages will automatically renew at the start of each season at that seasons full-season early-bird rate, provided Comcast still carries the package. Subscription will automatically be billed in 4 total payments. Call 1-800-XFINITY to cancel subscription or automatic renewal up to 30 days into the season. Charges are non-refundable after the first 30 days of the season. Other restrictions may apply. Customers enrolled in the auto-renewal program moving to another Comcast serviceable address and continuing service with Comcast in or out of season, will remain enrolled in the auto-renewal program.
- 23 Requires digital converter and Limited Basic to receive Streampix on television. Streampix included with the following tiers of service: HD Preferred Plus XF Triple Play, HD Premier with Sports XF Triple Play or HD Complete XF Triple Play. HD content requires subscription to HD Technology/HD Service fee. Streaming to iOS device requires Xfinity TV app, Internet service with bandwidth of at least 600 Kbps and a subscription to Limited Basic. Streaming to laptop/computer requires equipment meeting minimum requirements posted at <http://customer.comcast.com/help-and-support/internet/requirements-to-run-xfinity-internet-service/>. Internet service with bandwidth of at least 600Kbps and a subscription to Limited Basic.
- 24 Price of Pay-Per-View and On Demand Movie or Event is displayed prior to the completion of the Pay-Per-View or On Demand ordering process.
- 25 One month minimum purchase required. Not available in all areas.
- 26 Not available to customers with Expanded Basic.
- 27 Does not include installation charges for Extreme 505 Internet Service, XFINITY Home Security, Wireless Networking, XFINITY Internet or XFINITY Voice activation fees.

- 28 Standard installations include installations up to 125 feet from existing Comcast plant. Custom installations include installations which require in-wall wiring or installations in extensive drop ceilings, basements, or crawl spaces.
- 29 Applies to XFINITY TV Digital Starter and above and XFINITY TV 450 Latino.
- 30 See <http://www.comcast.com/spp> for information on Service Protection Plan.
- 31 Does not apply to CableCARD Self Install Kit.
- 32 Please contact 1-800-XFINITY for questions regarding equipment replacement charges.
- 33 Requires a Voice/Data Modem. Unlimited Local and Long Distance package pricing applies only to direct dialed calls from home to locations in U.S., Canada, China, Hong Kong, India, Mexico, Puerto Rico, Singapore, South Korea and certain other U.S. territories. Plans do not include other international calls. For more information regarding XFINITY Voice pricing go to <http://www.comcast.com/corporate/about/phonetermsandservice/comcastdigitalvoice/cdvrsatepricing.html>.
- 34 Voice/Data modem required. For more information regarding XFINITY Internet go to <http://www.comcast.com/highspeedinternet>.
- 35 Download speed up to 6 Mbps and upload speed up to 1 Mbps. Many factors affect speed. Actual speeds may vary and are not guaranteed.
- 36 Not available in all areas. May require installation and non-refundable installation charge.
- 37 Requires 3 year contract. Ciena 3931 modem & Netgear router additional. Activation and professional installation fees additional. Extreme 505 does not qualify for Comcast 30-day money back guarantee.
- 38 Non-client includes Digital Additional Outlet charge.

XFINITY Home Licenses:

AL: 001484, 001504 **Alarm company operators are licensed and regulated by the Alabama Electronic Security Board of Licensure, 7956 Vaughn Road, PMB 392 Montgomery, AL 36116, Phone (334) 264-9388, Fax (334) 264-9332; AR:** 12-030; **AZ:** ROC 280515, BTR 18287-0; **CA:** CSLB 974291, ACO 7118 **licensed and regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA, 95814; CT:** 1040196, ELC 0189754-C5; **DE:** FAL-0299, FAC-0293, SSPS 11-123; **FL:** EF0000921, EF20001002, EF0001095; **GA:** LVU406303, LVU406264, LVU406190; LVU406354; **IL:** PACA 127-001503; **LA:** F1691; **MA:** SS-001968; **MD:** 107-1776, **Baltimore County:** RK9552, **Howard County:** ER00990, **Washington County:** EL-R-0218, **Harford County:** 00005321, **Calvert County:** L0188, **Prince George's County:** 13958-2014-0; **ME:** LM50017039; **MI:** 3601206217; **MN:** TS674412; **MS:** 15018010; **NC:** 2335-CSA; **NJ:** 34BF00047700; **NM:** 373379; **NY:** licensed by the N.Y.S. Department of State 12000305421, **Putnam County:** L00812; **OH:** 53-89-1732; **OR:** CCB 192945 **All electrical work is performed by a licensed subcontractor; SC:** SCBA-13497, SCFA-13440; **TN:** ACL 1597, ACL 1604; **TX:** B-16922,-02571, ACR-1672104,-1818 **We are licensed by the Texas Department of Public Safety Private Security Board whose address is: P.O. Box 4087, Austin, TX 78773, (512) 424-7710; UT:** 8226921-6501; **WA:** COMCABS892DS; **VT:** ES-02366; **VA:** 2705145289, DCJS 11-7361; **WASHINGTON, DC:** ECS 902687, BBL 60251200009; **WV:** WV049211.
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Milford Aquarium Business Plan/Match Money

Economic Development Chair Grier advised that prior to the last council meeting on March 9th, his committee met with the Finance Committee. Committee members attending were Mr. Mergner, Mr. Pikus, Mr. Morrow, Mr. Starling and himself. Councilman Brooks also attended.

He reported that the Aquarium Group came before them to request \$46,000 to pay for a comprehensive business plan for the aquarium concept. The cost of the original business plan was only \$9,000 because it was more of a boiler plate plan. The proposed \$46,000 plan will be done by a company whose sole expertise is aquarium business plans. There was a lot of information provided and the minutes are included in the packet for council to review.

The committees came to a compromise where a recommendation was made that if the aquarium is able to raise \$23,000, the city would match that amount. Such match would be paid from the economic development funds. That motion passed with a 5-0 vote.

Mr. Pikus emphasized that the aquarium group must raise that amount in two years.

Mr. Grier noted that their President Bill Pilecki is in attendance.

Mr. Morrow moved that the recommendation of the Economic Development and Finance Committee to provide a match of \$23,000 for a community aquarium comprehensive business plan, to be paid from the economic development fund, and the same amount be raised by the aquarium group no later than March 9, 2017. After that date, no city match money will be provided.

Mr. Gleysteen said before he votes, he asked the rate of return based on the business plan; Mr. Pilecki stated this business plan will allow them to proceed with the next level of fundraising. It would specifically allow them to solicit larger donors and apply for federal grant money. The larger donors request the type of information that will be made available by the more comprehensive business plan.

He explained the rate of return is not part of the picture right now and this will not generate revenues today or tomorrow, but will show that an aquarium and associated businesses would be sustainable in the area.

Mr. Pilecki added that the aquarium will bring over one hundred jobs and tourism to the community.

Mr. Pikus then seconded the motion. Motion carried.

Comcast Agreement

Solicitor Rutt recalled submitting a number of changes to the Comcast agreement several weeks ago. Last night he received an e-mail from the Comcast representative asking for some clarification on a schedule that was attached. Upon receipt of the information, an updated version would be sent.

The information was provided and the new agreement should be ready for a vote at the next meeting.

Mr. Pikus asked if we are operating without a contract; Mr. Rutt explained the existing contract that expired in November contains automatic extension language that covers all parties. He recalled a letter he received that extended that contract.

Mr. Pikus feels this is the longest negotiation the city has ever been involved in. Mr. Morrow agrees but added that Mr. Rutt should be commended for adding some other fees that were never included in the previous contracts which will bring additional revenues into the city.

Mayor Shupe agreed and pointed out this Comcast agreement continues to be added to the agenda for updates each month. The intent is to keep council informed of any changes.

CITY OF MILFORD

Milford, Delaware

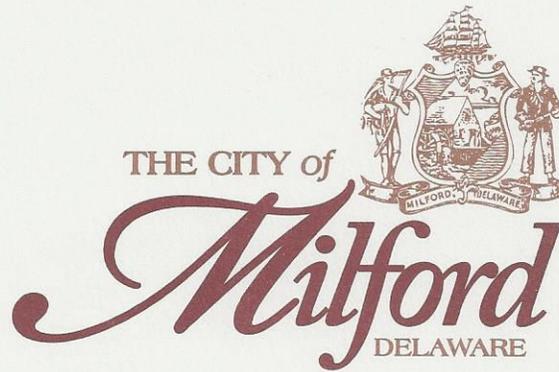
Financial Statements

For The Year Ended June 30, 2015

CITY OF MILFORD, DELAWARE

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302.424.5140
FAX 302.424.5932

10 S.E. 2ND STREET
MILFORD, DE 19963

www.cityofmilford.com

TRANSMITTAL LETTER

October 30, 2015

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, 2015.

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's Discussion and 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, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2015. 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 9,000 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 auditor's 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,



Jeff Portmann
Finance Director,
Interim City Manager



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, 2015, 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, 2015, 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 4-13 and page 20 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 relates 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015, 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.

Back Villata + Co PC

Voorhees, NJ
October 30, 2015

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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, 2015. 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 auditor's 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 \$69.5 million (net position). This number must be viewed in the context that a significant portion of the City's net position, \$37.7 million (54.2%) 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 \$4.3 million (6.2%). The remaining \$27.5 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 position increased by approximately \$486 thousand in fiscal year 2015

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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 \$8.1 million. Within this total \$1.1 million is restricted by specific legal requirements and \$2.6 million has been committed and assigned to specific types of expenditures, The remaining \$4.4 million is unassigned fund balance in the general fund and can be used for any lawful purpose.
- The City's liabilities decreased by \$2.6 million due primarily to buy back of its 2005 Electric Bond Issue in September 2014.
- The City has seen certain revenues stagnate or decline over the last several years due to the economic conditions 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 Position 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, 2015

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 14 and 15 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 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, 2015

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, billing services and city hall building maintenance cost allocation programs. Because these services predominantly benefit business-type rather than governmental functions, they have been included within business-type 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 43.

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 position and especially net position by category may serve over time as a useful indicator of a government's financial position. In the case of the City, total net position was \$69.5 million as of June 30, 2015.

The largest portion of the City's net position, \$37.7 million (54.2%) 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, 2015

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

An additional portion of the City's net position \$4.3 million (6.2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$27.5 million (39.6%) may be used to meet the government's ongoing obligations to citizens and creditors. The current and other assets increased in the Governmental activities by \$204 thousand and decreased in the Business type activities by \$4.5 million. The decrease in the current and other assets in its Business-type activities is primarily due to investment in capital assets, as well as the buy back of its 2005 Electric Bond Issue in the amount of \$2.6 million. The City's long-term liabilities decreased by \$3 million.

Overall the City had an increase in net position of \$2.5 million (3.8%).

Governmental Activities - Governmental activities net position increased by \$1.2 million. Net position invested in capital assets, net of related debt increased by \$639 thousand or 4.5%. Unrestricted net position increased by \$486 thousand or 8.2%.

Excluding transfers from business-type activities and special items, total revenues for governmental activities increased from the previous year by \$1.3 million. General revenue (excluding transfers and special items) had a net increase of \$520 thousand or 10.8%. In Program Revenues, fees and fines decreased by \$48 thousand and operating grants and contributions increased by \$889 thousand. Total expenses for governmental activities increased by \$622 thousand or 8.1%.

Business-Type Activities - Net position from business-type activities increased by \$1.3 million, or 2.8% from \$45.9 million to \$47.2 million. Net position invested in capital assets, net of related debt, increased by \$6.1 million. Unrestricted net position decreased by \$2.9 million, while restricted net position increased by \$1.8 million from the previous year.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$ 8,225	\$ 8,680	\$ 32,355	\$ 27,840	\$ 40,580	\$ 36,520
Capital assets, net	14,331	14,922	35,504	38,934	49,835	53,856
Total Assets	<u>22,556</u>	<u>23,602</u>	<u>67,859</u>	<u>66,774</u>	<u>90,415</u>	<u>90,376</u>
Deferred Outflows of Resources	-	-	127	88	127	88
Long term liabilities	822	876	19,456	16,360	20,278	17,236
Other liabilities	675	384	2,622	3,311	3,297	3,695
Total Liabilities	<u>1,497</u>	<u>1,260</u>	<u>22,078</u>	<u>19,671</u>	<u>23,575</u>	<u>20,931</u>
Net Position						
Net investment in capital assets	14,218	14,857	16,779	22,832	30,997	37,689
Restricted	1,170	1,077	5,107	3,265	6,277	4,342
Unrestricted	5,671	6,408	24,022	21,094	29,693	27,502
Total Net Position	<u>\$ 21,059</u>	<u>\$ 22,342</u>	<u>\$ 45,908</u>	<u>\$ 47,191</u>	<u>\$ 66,967</u>	<u>\$ 69,533</u>

As of June 30, 2015, the City has positive balances in all three categories of net position, 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, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

The following table provides a summary of the City's operations for the year ended June 30, 2015 with comparative totals for the year ended June 30, 2014.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 154	\$ 106	\$ 32,762	\$ 33,391	\$ 32,916	\$ 33,497
Operating grants and contributions	814	1,703	-	-	814	1,703
General Revenues:						
Property taxes	4,161	4,122	-	-	4,161	4,122
Franchise taxes	341	437	-	-	341	437
Impact fees	-	-	117	170	117	170
Investment earnings	15	18	34	31	49	49
Miscellaneous	280	710	(1)	33	279	743
Total revenues	<u>5,765</u>	<u>7,096</u>	<u>32,912</u>	<u>33,625</u>	<u>38,677</u>	<u>40,721</u>
Expenses						
General government	1,907	2,031	-	-	1,907	2,031
Public safety	4,134	4,504	-	-	4,134	4,504
Public works	719	854	-	-	719	854
Culture and recreation	928	922	-	-	928	922
Interest on long term debt	3	2	619	636	622	638
Electric	-	-	21,949	22,991	21,949	22,991
Water	-	-	1,601	1,495	1,601	1,495
Sewer	-	-	3,691	3,664	3,691	3,664
Trash	-	-	1,136	1,056	1,136	1,056
Total expenses	<u>7,691</u>	<u>8,313</u>	<u>28,996</u>	<u>29,842</u>	<u>36,687</u>	<u>38,155</u>
Increase (decrease) in net assets before transfers and special items	(1,926)	(1,217)	3,916	3,783	1,990	2,566
Special item - sale of land	18	-	-	-	18	-
Transfers	<u>2,500</u>	<u>2,500</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
Change in net position	592	1,283	1,416	1,283	2,008	2,566
Net position, July 1	<u>20,467</u>	<u>21,059</u>	<u>44,492</u>	<u>45,908</u>	<u>64,959</u>	<u>66,967</u>
Net position, June 30	<u>\$ 21,059</u>	<u>\$ 22,342</u>	<u>\$ 45,908</u>	<u>\$ 47,191</u>	<u>\$ 66,967</u>	<u>\$ 69,533</u>

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2015

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 balances 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 \$8.1 million. Within this total \$1.1 million is restricted by specific legal requirements, for street improvements, and \$2.6 million has been committed and assigned to specific types of expenditures. The remaining \$4.4 million is unassigned fund balance in the general fund and can be used for any lawful purpose. In the general fund, the City budgeted (as amended) a fund balance decrease in the current year of \$300 thousand prior to the use of prior balances and reserves. The actual general fund balance increased by \$182 thousand as the result primarily of reductions in general government costs. Actual general fund expenditures were within 5% 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 position of the respective enterprise funds are \$7.1 million for water, \$3.6 million for sewer, \$9.7million for electric and \$530 thousand for Sanitation. The total of all enterprise fund net position exclusive of the internal service funds at the end of the fiscal year was \$47.1 million. Change in net position for enterprise funds in 2015 were an increase of \$1.1 million in the water, an increase of \$319 thousand in the sewer, a decrease of \$154 thousand in the electric (net of \$2.5 million transfer to the general fund) and a decrease of \$42 thousand in the sanitation fund.

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 2.5% or \$190 thousand. Management's estimate of the General Funds budgeted revenues increased \$35 thousand or .7% from original budget based on year to date experience.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
 For the Year Ended June 30, 2015

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 \$16,282 million, all backed by the full faith and credit of the government.

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

	Government Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
General Obligation Bonds	\$ 112	\$ 92	\$ 14,395	\$ 10,813	\$ 14,507	\$ 10,905
DE Revolving Fund Loans	-	-	2,255	2,360	2,255	2,360
USDA Loan	-	-	1,009	1,774	1,009	1,774
Kent County Note	-	-	1,265	1,243	1,265	1,243
Total	<u>\$ 112</u>	<u>\$ 92</u>	<u>\$ 18,924</u>	<u>\$ 16,190</u>	<u>\$ 19,036</u>	<u>\$ 16,282</u>

During the fiscal year, the City's total debt decreased by \$2.8 million or 14.5%, largely the result of its buy back of the 2005 Electric Bond Issue for \$2.6 million. There were additional borrowings in connection with capital projects under agreements with the United States Department of Agriculture (USDA) as well as under a Delaware State Revolving Loan agreement.

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, 2015

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, 2015 amounts to \$53.8 million (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, intangibles, improvements, and infrastructure assets. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was \$4 million or 8.1%. Additional information on the City's capital assets can be found in note 9 on pages 36 and 37 of this report. Major capital asset events during the current fiscal year included the following:

- o Continued work on "Goat Island" Nature Park in the amount of \$80 thousand.
- o Expenditures of \$40 thousand towards the Can Do Playground restrooms.
- o Expenditures of \$71 thousand for the purchase of public safety vehicles.
- o Expenditures of \$200 thousand for sewer pump station improvements.
- o Costs of \$242 thousand incurred in connection with the start of a water plant replacement project at Washington Street.
- o Expenditures of \$922 thousand for continued construction of the new Southeast water storage tank and treatment plant.
- o Expenditures of \$125 thousand for a water power generator at the 10th Street site.
- o The Electric Division completed its new substation for \$1.5 million, and completed renovations on the PNC Bank building in the amount of \$441 thousand which is being used as the new billing office.
- o A digger truck was purchased for \$245 thousand.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The fiscal 2016 budget for general fund revenues increased 2.9% over fiscal 2015. In the upcoming fiscal year, the City continues to see signs of improvements from the recent economic downturn. Rates charged for water, sewer and electric remained unchanged. The solid waste revenue was increased by \$50 cents per customer per month to offset additional costs of recycling and yard waste disposal. The City is building a new water storage and treatment facility in the southeast area and building a new water treatment plant to replace the old Washington Street 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 POSITION
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Equivalents	\$ 6,061,526	\$ 9,973,453	\$ 16,034,979
Investments	2,046,347	13,524,753	15,571,100
Receivables	295,434	3,125,415	3,420,849
Inventories	-	1,216,452	1,216,452
Other Assets	247,418	-	247,418
Capital Assets			
Land, Infrastructure and Other Assets not being depreciated	15,790,067	1,460,444	17,250,511
Utility System	-	53,421,426	53,421,426
Buildings	4,356,374	7,054,785	11,411,159
Equipment and Furniture	5,869,338	6,555,121	12,424,459
Less: Accumulated Depreciation	<u>(11,064,042)</u>	<u>(29,557,414)</u>	<u>(40,621,456)</u>
 Total Assets	 <u>23,602,462</u>	 <u>66,774,435</u>	 <u>90,376,897</u>
 Deferred Outflows of Resources			
Deferred Charges on Refundings	<u>-</u>	<u>87,816</u>	<u>87,816</u>
LIABILITIES			
Accounts Payable and Accrued Expenses	384,397	2,857,299	3,241,696
Customer Deposits	-	453,759	453,759
Long-Term Liabilities			
Due Within One Year			
Bonds and Notes Payable	15,267	1,304,441	1,319,708
Compensated Absences	156,332	51,577	207,909
Due in More Than One Year			
Bonds and Notes Payable	79,050	14,797,567	14,876,617
Compensated Absences	<u>625,328</u>	<u>206,305</u>	<u>831,633</u>
 Total Liabilities	 <u>1,260,374</u>	 <u>19,670,948</u>	 <u>20,931,322</u>
NET POSITION			
Net Investment in Capital Assets	14,857,420	22,832,354	37,689,774
Restricted	1,077,027	3,265,088	4,342,115
Unrestricted	<u>6,407,641</u>	<u>21,093,861</u>	<u>27,501,502</u>
 Total Net Position	 <u>\$ 22,342,088</u>	 <u>\$ 47,191,303</u>	 <u>\$ 69,533,391</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, 2015**

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	\$ 2,033,170	\$ 22,413	\$ -	\$ -	\$ (2,010,757)		\$ (2,010,757)
Public Safety	4,503,945	-	-	-	(4,503,945)		(4,503,945)
Public Works	854,311	-	1,703,298	-	848,987		848,987
Culture and Recreation	922,219	83,886	-	-	(838,333)		(838,333)
Total Governmental Activities	8,313,645	106,299	1,703,298	-	(6,504,048)		(6,504,048)
Business-Type Activities							
Electric Fund	23,288,154	25,566,340	-	-		2,278,186	2,278,186
Water Fund	1,643,503	2,649,498	-	-		1,005,995	1,005,995
Sewer Fund	3,853,924	4,168,325	-	-		314,401	314,401
Trash Fund	1,056,172	1,007,208	-	-		(48,964)	(48,964)
Total Business-Type Activities	29,841,753	33,391,371	-	-		3,549,618	3,549,618
Total Primary Government	\$ 38,155,398	\$ 33,497,670	\$ 1,703,298	\$ -	\$ (6,504,048)	\$ 3,549,618	\$ (2,954,430)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					4,122,043	-	4,122,043
Franchise Taxes					437,413	-	437,413
Impact Fees					-	169,780	169,780
Unrestricted Investment Earnings					18,087	30,667	48,754
Miscellaneous					709,731	32,773	742,504
Transfers					2,500,000	(2,500,000)	-
Total General Revenues, Special Items, and Transfers					7,787,274	(2,266,780)	5,520,494
Change in Net Position					1,283,226	1,282,838	2,566,064
Net Position- Beginning of Year					21,058,862	45,908,464	66,967,326
Net Position - End of Year					\$ 22,342,088	\$ 47,191,302	\$ 69,533,390

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

**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	<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	\$ 2,685,592	\$ 3,368,595	\$ 7,339	\$ 6,061,526
Investments	2,046,347	-	-	2,046,347
Taxes Receivable, Net of Allowance for Doubtful Accounts	135,375	29,489	-	164,864
Other Receivables	130,066	504	-	130,570
Prepaid Expenses	247,418	-	-	247,418
Total Assets	<u>\$ 5,244,798</u>	<u>\$ 3,398,588</u>	<u>\$ 7,339</u>	<u>\$ 8,650,725</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 86,688	\$ 7,184	\$ 2,443	\$ 96,315
Compensated Absences - Current	156,332	-	-	156,332
Other Accrued Expenses	277,756	-	-	277,756
Other Payables	9,821	-	505	10,326
Total Liabilities	<u>530,597</u>	<u>7,184</u>	<u>2,948</u>	<u>540,729</u>
Fund Balances:				
Restricted	-	1,077,027	-	1,077,027
Nonspendable	247,418	-	-	247,418
Assigned	-	2,314,377	4,391	2,318,768
Unassigned	4,466,783	-	-	4,466,783
Total Fund Balances	<u>4,714,201</u>	<u>3,391,404</u>	<u>4,391</u>	<u>8,109,996</u>
Total Liabilities and Fund Balances	<u>\$ 5,244,798</u>	<u>\$ 3,398,588</u>	<u>\$ 7,339</u>	<u>\$ 8,650,725</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 POSITION
June 30, 2015

Total Fund Balance, Governmental Funds \$ 8,109,996

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. 14,951,737

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Assets.

Some liabilities, (such as Notes 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. (719,645)

Net Position of Governmental Activities \$ 22,342,088

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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Parks and Recreation Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 3,739,534	\$ -	\$ -	\$ 3,739,534
Real Estate Transfer Taxes	-	382,509	-	382,509
Fees and Fines	214,118	-	-	214,118
Licenses and Permits	223,295	-	-	223,295
Intergovernmental	-	1,703,298	-	1,703,298
Charges for Services	22,413	-	83,886	106,299
Investment Earnings	13,529	4,558	-	18,087
Miscellaneous	516,054	193,677	-	709,731
	<u>4,728,943</u>	<u>2,284,042</u>	<u>83,886</u>	<u>7,096,871</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	1,314,604	-	-	1,314,604
Public Safety	4,206,078	297,867	-	4,503,945
Public Works	854,311	-	-	854,311
Culture and Recreation	834,332	-	87,887	922,219
Debt Service:				
Principal	17,719	-	-	17,719
Interest	2,120	-	-	2,120
Capital Outlay	337,531	1,194,505	-	1,532,036
	<u>7,566,695</u>	<u>1,492,372</u>	<u>87,887</u>	<u>9,146,954</u>
Total Expenditures				
(Deficiency) Excess of Revenues Over Expenditures	<u>(2,837,752)</u>	<u>791,670</u>	<u>(4,001)</u>	<u>(2,050,083)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,020,000	-	-	3,020,000
Transfers Out	-	(520,000)	-	(520,000)
	<u>3,020,000</u>	<u>(520,000)</u>	<u>-</u>	<u>2,500,000</u>
Total Other Financing Sources and Uses				
Net Change in Fund Balances	182,248	271,670	(4,001)	449,917
Fund Balances - Beginning	<u>4,531,953</u>	<u>3,119,734</u>	<u>8,392</u>	<u>7,660,079</u>
Fund Balances - Ending	<u>\$ 4,714,201</u>	<u>\$ 3,391,404</u>	<u>\$ 4,391</u>	<u>\$ 8,109,996</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, 2015**

Net change in fund balances - total governmental funds:	\$ 449,917
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.	(76,004)
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 \$1,532,036 exceeded depreciation expense of \$640,442 in the current period.	891,594
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>17,719</u>
Change in net position of governmental activities	<u><u>\$ 1,283,226</u></u>

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

**CITY OF MILFORD, DE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<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	\$ 3,746,010	\$ 3,746,010	\$ 3,739,534	\$ (6,476)
Real Estate Transfer Tax (from Special Revenue Fund)	500,000	520,000	520,000	-
Fees and Fines	173,000	173,000	214,118	41,118
Licenses and Permits	215,000	221,737	223,295	1,558
Charges for Services	15,000	23,000	22,413	(587)
Investment Earnings	6,500	6,500	13,529	7,029
Miscellaneous	467,960	467,960	516,054	48,094
	<u>5,123,470</u>	<u>5,158,207</u>	<u>5,248,943</u>	<u>90,736</u>
EXPENDITURES				
Current:				
General Government	1,413,145	1,559,585	1,314,604	244,981
Public Safety	4,180,270	4,200,270	4,206,078	(5,808)
Public Works	893,285	893,285	854,311	38,974
Culture and Recreation	831,740	855,740	834,332	21,408
Debt Service:				
Principal	17,720	17,720	17,719	1
Interest and Other Charges	2,800	2,800	2,120	680
Capital Outlay	428,630	428,630	337,531	91,099
	<u>7,767,590</u>	<u>7,958,030</u>	<u>7,566,695</u>	<u>391,335</u>
Deficiency of Revenues Over Expenditures	(2,644,120)	(2,799,823)	(2,317,752)	482,071
OTHER FINANCING SOURCES				
Transfers In From Electric Fund	2,500,000	2,500,000	2,500,000	-
Net Change in Fund Balance	(144,120)	(299,823)	182,248	482,071
DEFICIENCY FUNDED BY				
General Fund Prior Balance and Reserves	144,120	299,823	-	(299,823)
Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,248</u>	<u>\$ 182,248</u>

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

CITY OF MILFORD, DE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

Business Type Activities - Enterprise Funds

	Electric	Water	Sewer	Trash	Total	Internal Service Fund
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 5,181,950	\$ 2,565,212	\$ 1,885,986	\$ 242,934	\$ 9,876,082	\$ 97,371
Investments	4,330,990	5,759,383	3,184,380	250,000	13,524,753	-
Accounts Receivable, net of allowance for doubtful accounts	2,484,293	201,413	307,645	120,206	3,113,557	-
Other Receivables	10,608	750	-	500	11,858	-
Inventories	1,160,000	23,154	-	-	1,183,154	33,298
Total Current Assets	13,167,841	8,549,912	5,378,011	613,640	27,709,404	130,669
Non-Current Assets:						
Capital Assets:						
Land and Improvements	1,404,437	27,369	28,638	-	1,460,444	-
Utility System	17,831,269	17,378,920	18,211,237	-	53,421,426	-
Buildings and Improvements	6,981,196	17,248	50,691	5,650	7,054,785	-
Equipment and Furniture	3,266,618	1,439,720	710,236	1,037,634	6,454,208	100,913
Less Accumulated Depreciation	(13,389,082)	(7,441,090)	(7,860,917)	(811,545)	(29,502,634)	(54,780)
Total Non-Current Assets	16,094,438	11,422,167	11,139,885	231,739	38,888,229	46,133
Total Assets	29,262,279	19,972,079	16,517,896	845,379	66,597,633	176,802
Deferred Outflows of Resources						
Deferred Charges on Refundings	-	65,061	22,755	-	87,816	-
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,829,962	328,705	223,850	43,759	2,426,276	35,877
Salaries Payable	41,530	10,425	10,424	13,834	76,213	-
Other Accrued Expenses	265,518	-	53,415	-	318,933	-
Customer Deposits	453,759	-	-	-	453,759	-
Compensated Absences	23,404	5,313	5,313	5,248	39,278	12,299
Bonds, Notes and Loans Payable	151,274	774,929	378,238	-	1,304,441	-
Total Current Liabilities	2,765,447	1,119,372	671,240	62,841	4,618,900	48,176
Non-Current Liabilities:						
Compensated Absences	93,614	21,253	21,253	20,991	157,111	49,194
Bonds, Notes and Loans Payable	4,944,616	3,867,413	5,985,538	-	14,797,567	-
Total Non-Current Liabilities	5,038,230	3,888,666	6,006,791	20,991	14,954,678	49,194
Total Liabilities	7,803,677	5,008,038	6,678,031	83,832	19,573,578	97,370
NET POSITION						
Net Investment in Capital Assets	10,998,548	6,779,825	4,776,109	231,739	22,786,221	46,133
Restricted for Capital Improvements	736,764	1,075,181	1,453,143	-	3,265,088	-
Unrestricted	9,723,290	7,174,096	3,633,368	529,808	21,060,562	33,299
Total Net Position	\$ 21,458,602	\$ 15,029,102	\$ 9,862,620	\$ 761,547	\$ 47,111,871	\$ 79,432

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

CITY OF MILFORD, DE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business Type Activities - Enterprise Funds					Internal Service Fund
	Electric	Water	Sewer	Trash	Total	
REVENUES						
Charges for Services	\$ 25,236,876	\$ 2,615,875	\$ 4,105,208	\$ 1,003,931	\$ 32,961,890	\$ 1,173,501
Miscellaneous	329,464	33,623	63,117	3,277	429,481	-
Total Operating Revenues	25,566,340	2,649,498	4,168,325	1,007,208	33,391,371	1,173,501
OPERATING EXPENSES						
Personal Services	1,871,060	278,139	432,308	499,681	3,081,188	722,390
Contractual Services	19,569,063	57,371	2,300,756	280,995	22,208,185	77,403
Utilities	7,365	208,051	26,081	-	241,497	1,322
Repairs and Maintenance	442,233	85,944	29,618	71,272	629,067	175,709
Other Supplies and Expenses	173,359	515,738	484,008	160,697	1,333,802	166,156
Insurance Claims and Expenses	91,312	18,422	5,752	11,976	127,462	6,860
Depreciation	836,672	330,451	385,774	31,551	1,584,448	7,476
Total Operating Expenses	22,991,064	1,494,116	3,664,297	1,056,172	29,205,649	1,157,316
Operating Income (Loss)	2,575,276	1,155,382	504,028	(48,964)	4,185,722	16,185
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenues	11,496	8,135	4,165	6,871	30,667	-
Impact Fees	39,600	130,180	-	-	169,780	-
Miscellaneous Revenue	16,588	-	-	-	16,588	-
Interest Expense	(297,090)	(149,387)	(189,627)	-	(636,104)	-
Total Non-Operating (Expenses) Revenues	(229,406)	(11,072)	(185,462)	6,871	(419,069)	-
Income (Loss) Before Transfers	2,345,870	1,144,310	318,566	(42,093)	3,766,653	16,185
Transfers In	-	-	-	-	-	-
Transfers Out	(2,500,000)	-	-	-	(2,500,000)	-
Changes in Net Assets	(154,130)	1,144,310	318,566	(42,093)	1,266,653	16,185
Net Position - Beginning of Year,	21,612,732	13,884,792	9,544,054	803,640	45,845,218	63,247
Net Position - End of Year	\$ 21,458,602	\$ 15,029,102	\$ 9,862,620	\$ 761,547	\$ 47,111,871	\$ 79,432

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, 2015**

	ENTERPRISE FUNDS					Internal Service Fund
	Electric	Water	Sewer	Trash	Total	
Cash Flows from Operations:						
Receipts from Customers	\$ 24,919,464	\$ 2,627,198	\$ 4,112,257	\$ 995,744	\$ 32,654,663	\$ 1,178,983
Other Operating Receipts	324,091	250,759	17,385	3,277	595,512	-
Payments to Suppliers	(20,208,249)	(614,146)	(2,797,358)	(515,089)	(24,134,842)	(423,325)
Payments to Employees	(1,880,634)	(280,844)	(435,014)	(495,750)	(3,092,242)	(736,726)
Insurance Premiums Paid	(91,312)	(18,422)	(5,752)	(11,976)	(127,462)	(6,860)
Net Cash Provided by (used in) Operating Activities	3,063,360	1,964,545	891,518	(23,794)	5,895,629	12,072
Cash Flows from Non-Capital Financing Activities:						
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 for additions to Property, Plant and Equipment	(1,548,135)	(1,929,380)	(190,233)	(157,202)	(3,824,950)	(55,799)
Principal Paid on Debt	(2,755,000)	(674,098)	(377,816)	-	(3,806,914)	-
Interest Paid on Debt	(297,090)	(149,387)	(189,627)	-	(636,104)	-
Non-Operating Capital	16,588	-	-	-	16,588	-
Impact Fees Received	39,600	130,180	-	-	169,780	-
Net Cash Flows Used in Capital and Related Financing Activities	(4,544,037)	(2,622,685)	(757,676)	(157,202)	(8,081,600)	(55,799)
Cash Flows from Investing Activities:						
Net Proceeds/(Purchases) from Sales and Maturities of Short-Term Investments	2,125,150	(458,232)	218,390	-	1,885,308	-
Income on Investments	11,496	8,135	4,165	6,871	30,667	-
Net Cash Flows Provided by (Used in) Investing Activities	2,136,646	(450,097)	222,555	6,871	1,915,975	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,844,031)	(1,108,237)	356,397	(174,125)	(2,769,996)	(43,727)
Cash and Cash Equivalents at Beginning of Year	7,025,981	3,673,449	1,529,589	417,059	12,646,078	117,311
Cash and Cash Equivalents at End of Year	\$ 5,181,950	\$ 2,565,212	\$ 1,885,986	\$ 242,934	\$ 9,876,082	\$ 73,584
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:						
Operating Income	\$ 2,575,276	\$ 1,155,382	\$ 504,028	\$ (48,964)	\$ 4,185,722	\$ 16,185
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation and Amortization	836,672	330,451	385,774	31,551	1,584,448	7,476
Effect of Changes in Operating Assets and Liabilities:						
Accounts Receivable, net	(330,409)	228,459	(38,683)	(8,187)	(148,820)	5,482
Inventory	20,942	11,135	-	-	32,077	8,982
Accounts Payable and Accrued Expenses	(37,171)	241,823	43,105	(2,125)	245,632	(11,717)
Salaries Payable	(1,311)	422	421	1,776	1,308	-
Customer Deposits	7,624	-	-	-	7,624	-
Liability for Compensated Absences	(8,263)	(3,127)	(3,127)	2,155	(12,362)	(14,336)
Net Cash Provided by (Used in) Operating Activities	\$ 3,063,360	\$ 1,964,545	\$ 891,518	\$ (23,794)	\$ 5,895,629	\$ 12,072
Noncash Capital Financing Activities						
Additions to Property, Plant and Equipment	\$ (328,479)	\$ (5,855,817)	\$ (190,233)	\$ (157,202)	\$ (6,531,731)	\$ (32,012)
Adjustments and Transfers of Capital Assets	(1,219,656)	2,761,520	-	-	1,541,864	(23,787)
Financed by:						
Delaware Revolving Loan	-	242,429	-	-	242,429	-
USDA Loan	-	922,488	-	-	922,488	-
Transfers from Internal Service Fund	-	-	-	-	-	-
Net Cash	\$ (1,548,135)	\$ (1,929,380)	\$ (190,233)	\$ (157,202)	\$ (3,824,950)	\$ (55,799)

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

CITY OF MILFORD, DE
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

ASSETS	<u>AGENCY</u>
Cash and Cash Equivalents	<u>511,603</u>
Total Assets	<u><u>\$ 511,603</u></u>
 LIABILITIES	
Due to Other Governments	142,762
Deferred Revenue - Trust Fund	<u>368,841</u>
Total Liabilities	<u><u>\$ 511,603</u></u>

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

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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 accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB).

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, 2015.

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 position 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, 2015

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, 2015

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 three 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, 2015 was \$368,841.

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, 2015

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, 2015

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.

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, 2015

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 position. 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 Position:

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charges on refundings reported in the government-wide statement of net position. This deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bond.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City did not have any items that qualified for reporting in this category.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

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.
- **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, 2015.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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	\$15,790,067
Building and Improvements	4,356,374
Equipment and Furniture	5,869,338
Less: Accumulated Depreciation	<u>(11,064,042)</u>
Net Capital Asset Difference	<u>\$14,951,737</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

**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 Position (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	\$ 625,328
Current Portion of Bonds Payable	15,267
Long-Term Portion of Bonds Payable	<u>79,050</u>
Total Current and Long-Term Liability Differences	<u>\$ 719,645</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	\$1,532,036
Depreciation	(640,442)
Net Difference	<u>\$ 891,594</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>\$ 17,719</u>
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CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015, 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 2015 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 2015 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, 2015 was \$2,428 (\$2,335 in fiscal year 2014), \$1,283 (\$1,234 in fiscal year 2014), and \$600 per Estimated Discharge Usage (EDU) (\$600 in fiscal year 2014), 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, 2015 from impact fees is \$2,269,148.

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, 2015, 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, 2015

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, 2015, 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, 2015, 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		\$15,071,100	\$15,071,100
Certificates of Deposit	1		
Delaware Federal Credit Union		500,000	500,000
Total		\$15,571,100	\$15,571,100

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - FIXED ASSETS

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2015:

Description	Year Ended June 30, 2015				
	Balances 07/01/14	Additions	Deletions	Adjustments & Transfers	Balances 06/30/15
City Department:					
Land	\$ 7,256,055	\$ -	\$ -	\$ 615,555	\$ 7,871,610
Buildings and Improvements	4,067,267	96,190	-	-	4,163,457
Vehicles and Equipment	4,397,194	244,143	23,456	(80,400)	4,537,481
Construction in Progress	1,184,923	-	792,642	(392,281)	-
Total City Depreciation	16,905,439	340,333	816,098	142,874	16,572,548
Accumulated Depreciation	(5,336,101)	(355,587)	(23,456)	19,636	(5,648,596)
Total City Department, Net	\$11,569,338	\$ (15,254)	\$792,642	\$ 162,510	\$10,923,952
Street Department:					
Land Improvements	\$ 6,420,514	\$1,012,574	\$ -	\$ 485,369	\$ 7,918,457
Buildings and Improvements	192,918	-	-	-	192,918
Vehicles and Equipment	1,278,545	53,312	-	-	1,331,857
Total City Department	7,891,977	1,065,886	-	485,369	9,443,232
Accumulated Depreciation	(5,130,591)	(284,855)	-	-	(5,415,446)
Total Street Department, Net	\$ 2,761,386	\$ 781,031	\$ -	\$ 485,369	\$ 4,027,786

Description	Year Ended June 30, 2015				
	Balances 07/01/14	Additions	Deletions	Adjustments & Transfers	Balances 06/30/15
Total Government Capital Assets:					
Land	\$13,676,569	\$1,012,574	\$ -	\$1,100,924	\$15,790,067
Buildings and Improvements	4,260,185	96,190	-	-	4,356,375
Vehicles and Equipment	5,675,739	297,455	23,456	(80,400)	5,869,338
Construction in Progress	1,184,923	-	792,642	(392,281)	-
Total Governmental Capital Assets	24,797,416	1,406,219	816,098	628,243	26,015,780
Accumulated Depreciation	(10,466,692)	(640,442)	(23,456)	19,636	(11,064,042)
Total Governmental Capital Assets, Net	\$14,330,724	\$ 765,777	\$792,642	\$ 647,879	\$14,951,738

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - FIXED ASSETS (CONTINUED)

The following schedule presents the capital activity of the business-type activities for the year ended June 30, 2015:

Description	Year Ended June 30, 2015				
	Balances 07/01/14	Additions	Deletions	Adjustments & Transfers	Balances 06/30/15
Electric Fund:					
Land	\$ 1,404,437	\$ -	\$ -	\$ -	\$ 1,404,437
Buildings and Improvements	6,543,768	-	-	437,428	6,981,196
Electric System	17,104,323	-	4,255,912	4,982,858	17,831,269
Vehicles and Equipment	2,863,220	328,479	-	74,919	3,266,618
Total Fixed Assets	27,915,748	328,479	4,255,912	5,495,205	29,483,520
Accumulated Depreciation	(12,532,773)	(836,672)	-	(19,637)	(13,389,082)
Net Book Value	<u>\$15,382,975</u>	<u>\$ (508,193)</u>	<u>\$4,255,912</u>	<u>\$5,475,568</u>	<u>\$16,094,438</u>
Water Fund:					
Land	\$ 27,369	\$ -	\$ -	\$ -	\$ 27,369
Buildings and Improvements	17,248	-	-	-	17,248
Water System	14,434,731	5,830,817	-	(2,886,628)	17,378,920
Vehicles and Equipment	1,289,612	25,000	-	125,108	1,439,720
Total Fixed Assets	15,768,960	5,855,817	-	(2,761,520)	18,863,257
Accumulated Depreciation	(7,110,639)	(330,451)	-	-	(7,441,090)
Net Book Value	<u>\$ 8,658,321</u>	<u>\$5,525,366</u>	<u>\$ -</u>	<u>\$(2,761,520)</u>	<u>\$11,422,167</u>
Waste Water Fund:					
Land	\$ 28,638	\$ -	\$ -	\$ -	\$ 28,638
Buildings and Improvements	50,691	-	-	-	50,691
Waste Water System	18,211,237	-	-	-	18,211,237
Vehicles and Equipment	520,003	190,233	-	-	710,236
Total Fixed Assets	18,810,569	190,233	-	-	19,000,802
Accumulated Depreciation	(7,475,143)	(385,774)	-	-	(7,860,917)
Net Book Value	<u>\$11,335,426</u>	<u>\$ (195,541)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,139,885</u>
Trash Fund:					
Buildings and Improvements	\$ 5,650	\$ -	\$ -	\$ -	\$ 5,650
Vehicles and Equipment	880,431	157,203	-	-	1,037,634
Total Fixed Assets	886,081	157,203	-	-	1,043,284
Accumulated Depreciation	(779,994)	(31,551)	-	-	(811,545)
Net Book Value	<u>\$ 106,087</u>	<u>\$ 125,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,739</u>
Total Enterprise Funds:					
Land	\$ 1,460,444	\$ -	\$ -	\$ -	\$ 1,460,444
Buildings and Improvements	6,617,357	-	-	437,428	7,054,785
Electric System	17,104,323	-	4,255,912	4,982,858	17,831,269
Water System	14,434,731	5,830,817	-	(2,886,628)	17,378,920
Waste Water System	18,211,237	-	-	-	18,211,237
Vehicles and Equipment	5,553,266	700,915	-	200,027	6,454,208
Total Fixed Assets	63,381,358	6,531,732	4,255,912	2,733,685	68,390,863
Accumulated Depreciation	(27,898,549)	(1,584,448)	-	(19,637)	(29,502,634)
Net Book Value	<u>\$ 35,482,809</u>	<u>\$4,947,284</u>	<u>\$4,255,912</u>	<u>\$ 2,714,048</u>	<u>\$38,888,229</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM DEBT OBLIGATIONS

Long-Term liability activity for the year ended June 30, 2015 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	\$ 109,980	\$ -	(\$ 17,719)	\$ 92,261	\$ 14,664
Bond Premium	2,737	-	(681)	2,056	603
Other Liabilities: Compensated Absences	710,155	71,505	-	781,660	156,332
Governmental Activities Long-Term Liabilities	<u>\$ 822,872</u>	<u>\$ 71,505</u>	<u>(\$ 18,400)</u>	<u>\$ 875,977</u>	<u>\$171,599</u>

Business Activities:

Bonds Payable: Series 1992A Capital Appreciation Bond	\$ 1,670,000	\$ -	(\$ 420,000)	\$ 1,250,000	\$465,000
Series 2005 General Obligation Bonds	2,600,000	-	(2,600,000)	-	-
Series A of 2011 General Obligation Bonds	8,435,000	-	(290,000)	8,145,000	295,000
Series B of 2011 General Obligation Bonds	1,690,020	-	(272,281)	1,417,739	225,336
	14,395,020	-	(3,582,281)	10,812,739	985,336
Add: Bond Premium	129,656	-	(17,237)	112,419	8,437
Less: Bond Discounts	(261,113)	-	61,324	(199,789)	(2,986)
Total Bonds Payable	14,263,563	-	(3,538,194)	10,725,369	990,787
Revolving Funds Loans - State of Delaware	803,126	-	(90,245)	712,881	92,972
State of Delaware 2010	895,841	-	(48,025)	847,816	48,025
State of Delaware 2011	556,541	242,429	-	798,970	-
Note Payable - Kent County	1,265,835	-	(22,649)	1,243,186	23,164
Note Payable - USDA	1,008,776	922,488	(157,478)	1,773,786	149,493
Total Bonds and Notes Payable	18,793,682	1,164,917	(3,856,591)	16,102,008	1,304,441
Other Liabilities: Compensated Absences	284,580	-	(88,191)	196,389	39,278
Business-Type Activities Long-Term Liabilities	<u>\$19,078,262</u>	<u>\$ 1,164,917</u>	<u>(\$3,944,782)</u>	<u>\$16,298,397</u>	<u>\$1,343,719</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Bonds payable at June 30, 2015 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	\$ -	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000
Series A 2011	2.00-4.40	6/30/2011	11/1/2037	-	5,045,000	3,100,000	-	8,145,000
Series B 2011 Refunding	2.00-3.00	6/30/2011	11/1/2021	92,261	-	426,424	991,315	1,510,000
Total Amounts Outstanding				\$ 92,261	\$ 5,045,000	\$ 3,526,424	\$ 2,241,315	\$ 10,905,000

The annual aggregate maturities for all of the general obligation bonds as of June 30, 2015 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2016	\$ 1,000,000	\$ 338,456	\$ 1,338,456
2017	930,000	326,582	1,256,582
2018	950,000	311,657	1,261,657
2019	575,000	294,632	869,632
2020	590,000	277,157	867,157
2021-2025	2,090,000	1,157,376	3,247,376
2026-2030	2,185,000	778,362	2,963,362
2031-2035	1,905,000	330,939	2,235,939
2036-2040	680,000	30,142	710,142
Total	\$ 10,905,000	\$ 3,845,303	\$ 14,750,303

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, 2015

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. On September 2, 2014, the City bought back it's 2005 Bond Issue in the amount of \$2,600,000, plus accrued interest of \$49,937.

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 commenced 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, 2015.

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 10 year term 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, 2015 is \$1,773,786, which represents total expenditures incurred on the project to date of \$2,096,812, less principal payments made. Under the terms of the note, the City is making quarterly payments in the amount of \$46,500, 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 for the project by July 1, 2016.

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 balance of the obligation as of June 30, 2015 is \$1,243,186 and is scheduled to mature November 10, 2050. The total cost to the City for the line was \$1,298,871, and was recorded as a period expense in the 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, 2015

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 balance on this related note as of June 30, 2015 is \$712,881. 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, 2015 is \$847,816. 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>
2016	141,962	37,408	179,370
2017	145,757	33,613	179,370
2018	149,656	29,714	179,370
2019	153,665	25,705	179,370
2020	157,781	21,589	179,370
2021-2025	500,731	55,118	555,849
2026-2030	<u>311,145</u>	<u>17,370</u>	<u>328,515</u>
	<u>\$1,560,697</u>	<u>\$220,517</u>	<u>\$1,781,214</u>

The City has also 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 only payments commenced September 1, 2012 and are due semi-annually 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, 2015 is \$798,970, which represents the total amount of advances received on the project, net of \$45,000 received which was forgiven during fiscal 2014.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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. 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.

Along with the prior service cost, the City is obligated to pay the ongoing regular contribution rate (6.62% for fiscal year 2015). For sworn officers, the contribution rate was 15.52% for fiscal year 2015. 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.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events were evaluated through October 30, 2015, which is the date the financial statements were available to be issued.

In September 2015, the City approved issuance of a general obligation bond to the United States Department of Agriculture (USDA) of up to \$1.6 million to partially finance the construction costs associated with the City's approved improvements, rehabilitations, upgrades and repairs to its sewer system.

Management of the City has determined that there were no other such events that warranted adjustment to or disclosure in these financial statements.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 - NEW ACCOUNTING STANDARDS

The GASB issued Statement No. 65, "*Items Previously Reported as Assets and Liabilities.*" which became effective for fiscal year 2014. The objective of Statement No. 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources.

The implementation of Statement No. 65 resulted in restatement of the beginning net position of the business-type activities in the government-wide financial statements and the beginning net position of the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds in the City's prior fiscal year financial statements. Issuance costs, previously amortized over the life of the debt issuance, are now expensed at the time of issue.

Statement No. 65 implementation also resulted in deferred charges on refunding being reclassified to Deferred Outflow of Resources instead of a reduction to the debt liability. The deferred charges continue to be amortized as interest expense over the life of the bonds.

The GASB has issued Statement No. 68, "*Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*", which became effective in fiscal 2015. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. Management has determined that there was not a material impact of this Standard on its financial statements.

The GASB has also issued Statement No. 69, "*Government Combinations and Disposals of Government Operations*", and Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", both of which will be effective September 30, 2015. Management has not yet determined if there will be any impact of these Standards on the financial statements.

**CITY OF MILFORD, DE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 1,773,786
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>620,742</u>
Total Expenditures of Federal Awards			<u>\$ 2,394,528</u>

CITY OF MILFORD, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015 is \$1,008,776, which represents total expenditures incurred on the project to date, less principal payments made. Under the terms of the note, the City is making quarterly payments of \$46,500, 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 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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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 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, 2015, 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, 2015.

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 Villatoro & Co PC

Voorhees, New Jersey
October 30, 2015



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www.beckvillata.com

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Robert K. Griffin, CPA

**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, 2015. 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, 2015.

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, 2015

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

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 qualify as a low-risk auditee.

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2015

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.

City of Milford



NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: DECEMBER 15, 2015
CITY COUNCIL PUBLIC HEARING: JANUARY 25, 2016

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, December 15, 2015 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, January 25, 2016 at 7:00 p.m. before Milford City Council. Following the hearing the ordinance may be adopted, with or without amendments.

ORDINANCE 2015-25

Change of Zone/Lands belonging to Crop Production Services LLC

Tax Parcel MD-16-18207-01-01.00 through 99.00

MD-16-18207-02-01.00 through 99.00

MD-16-18207-03-01.00 through 23.00

34.17 +/- Acres

Current Zone R3/Proposed Zone I2

AN ORDINANCE OF THE CITY OF MILFORD, DELAWARE to amend the zoning map of the City of Milford by rezoning 34.17 +/- acres of real property from R3 to I2 on Holly Hill Road, Milford, Delaware. Present Use: Vacant. Proposed Use: Fertilizer Sales and Storage Facility. Tax Map and Parcel: MD-16-18207-01-01.00 through 99.00, MD-16-18207-02-01.00 through 99.00, MD-16-18207-03-01.00 through 23.00

WHEREAS, the City of Milford Planning Commission will consider the change of zone application at a Public Hearing on December 15, 2015; and

WHEREAS, Milford City Council will hold a Public Hearing on January 25, 2016 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a change of zone as herein described.

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

Upon the adoption of this ordinance, tax map and parcels MD-16-18207-01-01.00 through 99.00, MD-16-18207-02-01.00 through 99.00, MD-16-18207-03-01.00 through 23.00, owned by Crop Production Services located on Holly Hill Road, is hereby zoned I2.

Dates:

Introduction: December 14, 2015

Planning Commission Public Hearing & Recommendation: December 15, 2015

Adoption (Projected) Date: January 25, 2016

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302-424-3712.

Advertised: Beacon 11/11/15

NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: JANUARY 19, 2016
CITY COUNCIL PUBLIC HEARING: JANUARY 25, 2016

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, January 19, 2016 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, January 25, 2016 at 7:00 p.m. before Milford City Council. Following the hearing, the ordinance may be adopted, with or without amendments.

ORDINANCE 2015-26
CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
CHAPTER 230-ZONING
ARTICLE X-SITE PLAN REVIEW
§230-52- REVIEW PROCEDURES

WHEREAS, the City of Milford deems it necessary to assure that the large-scale developments are in accord with the Comprehensive Plan and that such developments comply with the regulations of this chapter. Site plans are required to assure good arrangement and appearance of new development; ensure harmony with existing structures; assure consistency with the City's adopted building and design standards, the Comprehensive Plan, and the City's Standard Specifications for Installation of Utility Construction Projects and Subdivision Pavement Design; to provide an understanding of the impacts of proposed development on public facilities and services and ensure the availability and adequacy of the same; and to otherwise meet the purposes of this chapter; and

WHEREAS, the Planning Department deems it necessary to update the Site Plan Review procedures.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1.

An Ordinance to Amend the Code of the City of Milford by Amending Chapter 230 entitled Zoning by adding and renumbering as follows:

A. Preliminary approval.

- (1) A preliminary plan and documents, as specified by the Planning Department, shall be prepared by the applicant and submitted in accordance with the submission schedule as determined by the City Planner, along with the appropriate fees, as specified in § 230-57.
- (2) The Development Advisory Committee (DAC) shall review the application and plan. Comments from the DAC must be addressed via either submitting revised plans and/or necessary documents or via a narrative submitted to the City Planner. Upon confirmation by the City Planner that all DAC issues have been addressed satisfactorily, the application will then be scheduled to be heard by the Planning Commission.

- (3) The Planning Commission shall review the application and shall approve the application with or without conditions, deny the application, or table the application.
 - (4) Preliminary approval from the Planning Commission shall be void after one year, unless an extension is requested by the owner and approved for good cause by the Planning Commission prior to the expiration.
- B. Final approval.
- (1) A final plat and documents, as specified by the Planning Department, shall be prepared by the applicant and submitted in accordance with the submission schedule as determined by City Planner, along with the appropriate fees, as specified in § 230-57.
 - (2) The Development Advisory Committee (DAC) shall review the application and plan. Comments from the DAC must be addressed via either submitting revised plans and/or necessary documents or via a narrative submitted to the City Planner. The final plan shall also be reviewed by the City Planner for confirmation that the application is designed in accordance with all subdivision, zoning and other land use regulations of the City. The final plan shall also be reviewed by the City Engineer for confirmation that the application is designed consistent with the preliminary plan, if applicable, and in accordance with the construction standards and specifications of the City. Upon confirmation by the City Planner and City Engineer that all issues have been addressed satisfactorily, the application will be scheduled to be heard by the Planning Commission.
 - (3) The Planning Commission shall review the application and shall approve the application with or without conditions, deny the application, or table the application.
 - (4) **Prior to receiving final site plan approval, the City Engineer shall provide a copy of the signed subdivision agreement to the City Planner.**
 - (5) Within 90 days of final approval from Planning Commission, the applicant shall record the plat at the County Recorder of Deeds office and provide the City Planner a receipt of the recordation including the deed book and page number. Prior to recording the plat, five copies of the plat must be submitted to the City Planner for stamping and signing. Three sets will be returned to the applicant.
 - (6) Upon recordation of the plat, the applicant shall provide the Land Data Manager of the City a mylar copy of the plat including the deed book and page printed thereon.
 - (7) Failure to record the plat within 90 days of Planning Commission approval will result in the approval being voided.
- C. The site plan review by the Planning Commission shall be limited to those proposed developments enumerated by this chapter and to those proposed developments that require a site plan review as determined by the City Planner. No other site plans shall be considered by the Planning Commission for review.
- ~~D. Prior to the Planning Commission holding a public hearing to review the application for the site plan, the City Engineer shall provide a copy of the signed subdivision agreement to the City Planner.~~

Section 2. Dates.

Planning Commission Review and Public Hearing: January 19, 2016

City Council Review and Public Hearing: January 25, 2016

Adoption: January 25, 2016

Effective: February 4, 2016

This ordinance shall take effect and be in force ten days after its adoption.

A complete copy of the Code of the City of Milford is available by request through the City Clerk's office or by accessing the city website at www.cityofmilford.com.

Advertised: Beacon 11/25/15

AN ORDINANCE AMENDING CHAPTER 55 “PERSONNEL” OF THE CODE OF THE CITY OF MILFORD

Ordinance 2015-27 Chapter 55-Personnel

Section 1.

WHEREAS, City Council finds that it is in the best interests of the City that employees remain informed and trained in activities, developments and professional trends affecting the affairs of the City; and

WHEREAS, City Council believes that attendance at institutions, meetings, conferences and other gatherings are of value to the City and its citizens; and

WHEREAS, public resources should only be used when there is a benefit to the City; and

WHEREAS, an updated policy that provides guidance to City employees on the use and expenditure of City resources is needed.

Section 2.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 875 of Article VIII Employee Conduct, Disciplinary Action and Grievance Procedure of Chapter 55 of the City of Milford Code, is hereby repealed and replaced with the following language:

Section 875 TRAVEL ON OFFICIAL CITY BUSINESS

The following information will amend Section 875, Travel on Official City Business:

Whenever an employee travels for City related business (training, meeting, seminar, conference, etc.), the employee must obtain prior authorization from their supervisor(s), including authorization of budget expenditures, for the estimated cost of the travel. Per Diem Rates (www.gsa.gov/perdiem) and Mileage Reimbursement Rates (www.gsa.gov/mileage) should be confirmed with the Finance Department, by contacting the Accounts Payable Administrator with the details, which should include the date(s), location(s) of the travel and any services that will be included in any registration fees, before processing a purchase order, for the employee's per diem and or mileage reimbursement.

The City encourages, the use of any authorized available City vehicle, especially for local travel; however, if the employee has been approved to use their privately-owned vehicle, they can request mileage reimbursement for the actual miles (round trip) between locations. If more than one employee is traveling to the same event, the City encourages the sharing of vehicles to conserve fuel and City funds. When two or more employees travel together in a privately-owned vehicle, only one mileage reimbursement will be approved.

When employees are booking hotel reservations, they should obtain the lowest rate possible. Some

conferences have discounted blocks of rooms reserved and most hotels offer a government rate, which may be lower than an advertised rate. After obtaining the hotel rates, the employee must obtain approval from their supervisor, of the hotel expense, prior to the final booking of the hotel reservation.

Employees must acquire receipts for any expenses (hotel, parking, gas, rental car, taxi, tolls, etc.), which are being charged directly to the City or those which will be submitted for reimbursement to the employee. The receipts, with an itemized expense sheet should be turned in to the employee's supervisor, immediately upon the employee's return to work. The supervisor, after the review and approval of the receipts, should complete a purchase order for any reimbursement due to the employee or for any expenses that had not previously been processed through the purchase order system. The supervisor should then submit the signed approved receipts to the Accounts Payable Administrator to be processed for payment, with the next payment cycle.

Section 3.

WHEREAS, special or emergency circumstances arise from time to time warranting the closure of city offices during prescribed hours for the support and protection of the health, safety and welfare of the citizens and staff of the City of Milford; and

WHEREAS, it is in the best interests of the citizens and staff of the City of Milford that the City Manager or designee be authorized to direct the temporary closure of city offices in such circumstances for the efficient operation of the city, safety to employees and citizens or other special or emergency circumstances.

Section 4.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 670 (Emergency Closings) of Article VI Work Conditions and Hours of Chapter 55 of the Code of the City of Milford, is hereby repealed and replaced with the following language:

Section 670 EMERGENCY CONDITIONS

Emergency conditions, including but not limited to severe weather, fire, flood, natural disaster, acts of terrorism, State of Emergency, etc. can disrupt City of Milford operations and interfere with work schedules. These extreme circumstances may require the City Manager or designated appointee, to issue an emergency closing because of expected or existing conditions. To help determine when an emergency closing is needed, the City of Milford will follow the State of Delaware and/or Kent County and Sussex County emergency closing alerts, but is not limited to just those closings. In the event that such an emergency closing occurs before 8:00 am or after 4:30 pm (normal business hours), the closing will be posted on the city's website (www.cityofmilford.com) and the City Manager or designated appointee will contact each department supervisor, who will then notify their staff if or when they need to report during the emergency closing. City of Milford emergency closing information will also be provided to local media.

Since, the City of Milford is responsible for providing essential public services during emergency conditions, each department supervisor or appointed designee will determine which employees are essential to their department's operation or department's designated duties, during the emergency

closing. The supervisor or appointed designee will notify each employee that is classified as "essential" when they are required to work during the emergency closing.

When an emergency closing occurs during normal M-F work hours, "non-essential" non-exempt and exempt employees that have been allowed to leave work, report to work on a delay opening or not report for work shall receive a supplement of hours to ensure that they have 8 hours of pay or salary for the day. "Essential" non-exempt employees which are required to work shall be paid their regular 8 hours of pay for the day, plus time and one half for the actual number of hours worked during the emergency closing. "Essential" exempt employees which are required to work shall receive their salary for the day and be granted compensatory time off, as approved by the City Manager.

Police Department patrol officers and dispatchers are classified "essential" personnel and are required to work their normal scheduled shifts. Depending on the circumstances of the emergency closing, the Chief of Police will determine which other police officers will be considered essential and may require additional staff to report.

The Police Department officers and dispatchers will be granted compensatory time, equal to the number of hours, that the City of Milford emergency closing was in effect during a normal 8 hour business day. These compensatory hours will be added to the holiday accrual bank, for each officer and dispatcher.

If inclement weather does not result in an emergency closing, for the City of Milford and an employee is unable to commute to work, due to the weather conditions, the employee should contact their supervisor prior to the start of their shift, to make arrangements to obtain transportation to work or be approved to use vacation leave.

Section 5.

WHEREAS, quality protective footwear, which meets or exceeds current OSHA Standards is needed to support the safety of a number of designated Employees throughout the City; and

WHEREAS, it is in the best interest of the City that a clear policy regarding the purchase of safety shoes by City Employees be available for them to follow.

Section 6.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

A new Section 615 entitled "Safety Work Boots" is hereby added to Article VI Word Conditions and Hours of Chapter 55 of the City of Milford Code to read as follows:

SAFETY WORK BOOTS

Safety Work Boots, which meet or exceed the requirement and safety standards, as defined in each departments' duties, will be purchased for employees who hold the following positions, each fiscal year, during the month of October.

DEPARTMENT POSITION

Public Works:	Director, Public Works
Electric:	Superintendent, Electric Electric Line Foreman Electric Lineman, Lead Lineman Electric Lineman, First Class Electric Lineman, Second Class Electric Lineman, Third Class Electric Utility Groundsman Meter/SCADA Technician Warehouse Manager Meter Technician
Garage:	Head Mechanic
Water/Sewer:	Supervisor, Water & Sewer Water Treatment Operator Utility Crew Leader Utility Worker Water & Sewer Technician Meter Technician
Streets & Solid Waste:	Supervisor, Streets & Solid Waste Assistant Supervisor, Streets & Solid Waste Streets Crew Leader Equipment Operator Construction Worker/Equipment Operator Solid Waste Driver Solid Waste Driver/Refuse Collector Refuse Collector
Customer Service:	Meter Technician
Code Enforce/Inspections:	Code Enforcement Official
Parks & Recreation:	Director, Parks & Recreation Superintendent, Parks Park Technician I

A newly hired employee filling any of the above eligible positions, will have their initial pair of safety work boots purchased for them after a successful three months evaluation of their six month introductory period.

Supervisors or their appointed department designee will be responsible to select the appropriate safety shoe(s) from an approved vendor of safety work boots, which meet the safety requirements of their department's approved positions, with a maximum price to be established by the City Manager.

The Supervisor, or appointed department designee, will arrange appointed times to take their employees to have a fitting of the shoes. Shoe purchases must be charged to the Supervisor's City of

Milford credit card and once a purchase order has been completed, the credit card receipts should be forwarded to the Finance Department's Accounts Payable Administrator.

Police Officers of the Milford Police Department are hereby exempt from the provisions of Section 615 of Chapter 55 of the Code of the City of Milford.

Section 7. Introduction 12-14-2015
 Adoption 12-16-2015

670 EMERGENCY CLOSINGS

Emergency conditions, such as severe weather, fire, flood or earthquake, can disrupt company operations and interfere with work schedules, as well as endanger employees' well-being. These extreme circumstances may require the closing of the work facility. In the event that such an emergency occurs during non-working hours, local radio/TV stations will be asked to broadcast a closing notification.

When operations are required to close, the time off from scheduled work will be unpaid. Employees who work on a day when operations are officially closed will receive regular pay.

875 TRAVEL ON OFFICIAL CITY BUSINESS

Whenever you are authorized to travel out of town on official business, the City will allocate you a \$40 per diem rate for travel expenses incurred during the trip. In addition, if your trip expenses exceed \$40, then you will be reimbursed the extra money upon presentation of receipts involving prior approved travel.

Use of personal vehicles will entail compensation at established rates. If more than one individual is involved, the City encourages the sharing of vehicles to conserve fuel and City funds. If a City vehicle can be used, this is preferred over the use of private vehicles for in-state travel.

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: October 2015

Cash Balance - General Fund Bank Balance	\$4,849,274
Cash Balance - Electric Fund Bank Balance	\$4,645,940
Cash Balance - Water Fund Bank Balance	\$1,674,736
Cash Balance - Sewer Fund Bank Balance	\$1,427,319
Cash Balance - Trash Fund Bank Balance	\$223,974

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Solid Waste <u>Reserves</u>
Beginning Cash Balance	446,654	1,134,249	1,579,756	0
Deposits			36,746	
Interest Earned this Month	51	133	184	
Disbursements this Month	(15,185)		(48,333)	
Investments				250,000
Ending Cash Balance	\$431,520	\$1,134,382	\$1,568,353	\$250,000

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	783,596	6,188,435	3,169,923	5,245,782
Deposits				
Interest Earned this Month	211	754	384	634
Disbursements this Month			(44,112)	(5,277)
Investments	250,000			
Ending Cash Balance	\$1,033,807	\$6,189,189	\$3,126,195	\$5,241,139

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>	Economic Development <u>Fund</u>
Beginning Cash Balance	\$1,322,511	875,957	376,515	944,028
Deposits	25,654	13,340	6,600	
Interest Earned this Month				
Disbursements this Month				
Investments				
Ending Cash Balance	\$1,348,165	\$889,297	\$383,115	\$944,028

INTEREST THROUGH THE FOURTH MONTH OF THE FISCAL YEAR:

General Fund	3,698	Water Fund	1,140
GF Capital Reserves	677	Water Capital Reserves	2,322
Municipal Street Aid	226	Sewer Fund	632
Real Estate Transfer Tax	569	Sewer Capital Reserves	1,225
Electric Fund	2,454	Trash Fund	2,262
Electric Reserves	1,861		

TOTAL INTEREST EARNED TO DATE \$17,066

REVENUE REPORT

Page Two

33% of Year Expended

Date: October 2015	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Economic Development Fund	175,805	0	74,196	42.20%
General Fund Reserves	300,000	0	19,201	6.40%
Realty Transfer Tax-Police	575,000	48,333	188,333	32.75%
Real Estate Tax	3,731,000	13,719	3,721,716	99.75%
Business License	35,000	350	2,900	8.29%
Rental License	85,000	350	2,350	2.76%
Building Permits	60,000	8,372	27,860	46.43%
Planning & Zoning	15,000	4,600	7,782	51.88%
Grasscutting Revenue	16,000	2,000	8,000	50.00%
Police Revenues	437,000	176,373	219,355	50.20%
Misc. Revenues	268,000	25,053	46,619	17.40%
Transfers From	3,215,480	267,956	1,071,826	33.33%
Total General Fund Revenues	\$8,913,285	\$547,106	\$5,390,138	60.47%
Water Revenues	2,901,930	218,489	972,325	33.51%
Sewer Revenues	2,306,500	197,765	879,633	38.14%
Kent County Sewer	1,700,000	138,755	631,288	37.13%
Solid Waste Revenues	1,113,855	90,592	363,254	32.61%
Electric Revenues	26,070,126	1,728,756	9,454,539	36.27%
TOTAL REVENUES	\$43,005,696	\$2,921,463	\$17,691,177	41.14%
YTD Enterprise Expense		18,467		
YTD Enterprise Revenue		35,714		
LTD Carlisle Fire Company Building Permit Fund		115,475		

EXPENDITURE REPORT

Page Three

Date: October 2015

33% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	481,755	\$14,881	207,736	43.12%	274,019
O&M	143,905	\$27,055	73,072	50.78%	70,833
Capital	0	\$0	0		0
Total City Manager	\$625,660	\$41,936	\$280,808	44.88%	344,852
Planning & Zoning					
Personnel	164,730	\$12,188	48,172	29.24%	116,558
O&M	40,130	\$3,280	8,795	21.92%	31,335
Capital	0	\$0	0		0
Total P, C & I	\$204,860	\$15,468	\$56,967	27.81%	147,893
Code Enforcement & Inspections					
Personnel	150,420	\$11,291	44,140	29.34%	106,280
O&M	67,940	\$3,276	18,535	27.28%	49,405
Capital	0	\$0	0		0
Total P, C & I	\$218,360	\$14,567	\$62,675	28.70%	155,685
Council					
Personnel	31,225	\$2,207	10,038	32.15%	21,187
O&M	45,480	\$4,027	12,687	27.90%	32,793
Council Expense	19,365	\$2,455	13,407	69.23%	5,958
Contributions	211,000	\$1,200	67,700	32.09%	143,300
Codification	4,500	\$650	4,496	99.91%	4
Employee Recognition	9,000	\$0	0	0.00%	9,000
Insurance	24,365	\$0	9,760	40.06%	14,605
DEDO/Downtown Grant	23,250	\$0	0	0.00%	23,250
Armory Expenses	20,000	\$49	2,998	14.99%	17,002
Total Council	\$388,185	\$10,588	\$121,086	31.19%	267,099
Finance					
Personnel	359,015	\$27,262	106,563	29.68%	252,452
O&M	58,855	\$13,864	24,405	41.47%	34,450
Capital	6,425	\$0	6,424	99.98%	1
Total Finance	\$424,295	\$41,126	\$137,392	32.38%	286,903
Information Technology					
Personnel	189,010	\$8,946	35,058	18.55%	153,952
O&M	175,480	\$14,448	35,085	19.99%	140,395
Capital	62,760	\$0	50,331	80.20%	12,429
Total Information Technology	\$427,250	\$23,394	\$120,474	28.20%	306,776

EXPENDITURE REPORT

Page Four

Date: October 2015

33% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,897,786	\$268,161	1,096,233	28.12%	2,801,553
O&M	496,719	\$40,936	214,951	43.27%	281,768
Capital	84,000	\$1,456	80,095	95.35%	3,905
Total Police	\$4,478,505	\$310,553	\$1,391,279	31.07%	3,087,228
Streets & Grounds Division					
Personnel	470,530	\$30,626	117,812	25.04%	352,718
O&M	458,605	\$39,254	122,058	26.62%	336,547
Capital	120,000	\$0	0	0.00%	120,000
Debt Service	17,140	\$0	0	0.00%	17,140
Total Streets & Grounds	\$1,066,275	\$69,880	\$239,870	22.50%	826,405
Parks & Recreation					
Personnel	578,680	\$44,980	204,330	35.31%	374,350
O&M	259,923	\$2,928	67,345	25.91%	192,578
Capital	241,292	\$1,500	29,326	12.15%	211,966
Total Parks & Recreation	\$1,079,895	\$49,408	\$301,001	27.87%	778,894
Total General Fund					
Operating Budget	\$8,913,285	\$576,920	\$2,711,552	30.42%	6,201,733

EXPENDITURE REPORT

Page Five

Date: October 2015

33% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	310,855	\$22,325	90,336	29.06%	220,519
O&M	1,029,160	\$64,086	274,092	26.63%	755,068
Capital	583,000	\$6,479	28,933	4.96%	554,067
Debt Service	978,915	\$0	95,379	9.74%	883,536
Total Water	\$2,901,930	\$92,890	\$488,740	16.84%	2,413,190
Sewer Division					
Personnel	310,855	\$23,325	91,330	29.38%	219,525
O&M	1,151,560	\$89,485	282,982	24.57%	868,578
Capital	286,630	\$2,468	48,842	17.04%	237,788
Debt Service	557,455	\$12,736	25,471	4.57%	531,984
Sewer Sub Total	\$2,306,500	\$128,014	\$448,625	19.45%	1,857,875
Kent County Sewer	1,700,000	\$152,383	631,286	37.13%	1,068,714
Total Sewer	\$4,006,500	\$280,397	\$1,079,911	26.95%	2,926,589
Solid Waste Division					
Personnel	390,810	\$29,132	114,828	29.38%	275,982
O&M	723,045	\$48,990	213,184	29.48%	509,861
Capital	0	\$0	0		0
Total Solid Waste	\$1,113,855	\$78,122	\$328,012	29.45%	785,843
Total Water, Sewer Solid Waste	\$8,022,285	\$451,409	\$1,896,663	23.64%	6,125,622
Electric Division					
Personnel	1,256,805	\$91,384	345,935	27.52%	910,870
O&M	1,708,726	\$107,734	458,732	26.85%	1,249,994
Transfer to General Fund	2,500,000	\$208,333	833,333	33.33%	1,666,667
Capital	635,000	\$0	2,595	0.41%	632,405
Debt Service	344,595	\$0	0	0.00%	344,595
Electric Sub Total	\$6,445,126	\$407,451	\$1,640,595	25.45%	4,804,531
Power Purchased	19,625,000	\$1,366,056	6,666,817	33.97%	12,958,183
Total Electric	\$26,070,126	\$1,773,507	\$8,307,412	31.87%	17,762,714
TOTAL OPERATING BUDGET	\$43,005,696	\$2,801,836	\$12,915,627	30.03%	30,090,069

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: October 2015

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	33% of Year Expended YTD%	UNEXPENDED BALANCE
Garage					
Personnel	87,380	6,556	25,736	29.45%	61,644
O&M	73,580	4,933	16,814	22.85%	56,766
Capital	0	0	0		0
Total Garage Expense	\$160,960	11,489	\$42,550	26.44%	118,410
Public Works					
Personnel	162,720	5,534	21,907	13.46%	140,813
O&M	208,075	6,724	37,167	17.86%	170,908
Capital	0	0	0		0
Total Public Works Expense	\$370,795	12,258	\$59,074	15.93%	311,721
Billing & Collections					
Personnel	539,665	40,077	159,759	29.60%	379,906
O&M	208,420	16,893	62,717	30.09%	145,703
Capital	20,000	0	17,285	86.43%	2,715
Total Billing & Collections	\$768,085	56,970	\$239,761	31.22%	528,324
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	57,630	3,234	16,557	28.73%	41,073
Capital	0	0	0		0
Total City Hall Cost Allocation	\$57,630	3,234	\$16,557	28.73%	41,073

ALL COSTS SHOWN ON PAGE 6 ARE ALSO INCLUDED IN THE VARIOUS DEPARTMENTS LISTED ON PAGES 3-5 OF THE EXPENDITURE REPORT WHO UTILIZE THE SERVICES OF THE DEPARTMENTS LISTED ABOVE. INTERSERVICE FUNDS ARE ENTIRELY FUNDED BY OTHER CITY DEPARTMENTS.

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 13, 2015

A Meeting of the City Manager Search Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Tuesday, October 13, 2015.

IN ATTENDANCE: Committee Members:
Mayor Bryan W. Shupe, Presiding
Interim City Manager Jeffrey Portmann
Electric Superintendent Rick Carmean

City Clerk/Recorder Terri Hudson

CALL TO ORDER

Search Manager Catherine Tuck Parrish of Novak Consulting Group was in attendance.

Mayor Shupe called the Search Committee Meeting to order at 3:36 p.m. The purpose of the meeting is to review application documents submitted by applicants for the position of City Manager and discuss subsequent elements of the hiring process.

EXECUTIVE SESSION

Mr. Portmann moved to go into Executive Session pursuant to 29 Del. C. §10004(b)(9) - Personnel Matters (City Manager Candidates). Motion seconded by Mr. Carmean and carried unanimously.

Mayor Shupe recessed the Council Meeting at 3:36 p.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

RETURN TO OPEN SESSION

The Committee returned to Open Session at 5:00 p.m.

ADJOURN

The Search Committee Meeting adjourned at 5:01 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 16, 2015

A Meeting of the City Manager Search Committee was held in the IT Conference Room in the Lower Level of Milford City Hall, 201 South Walnut Street, Milford Delaware on Friday, October 16, 2015.

IN ATTENDANCE: Committee Members:
 Mayor Bryan W. Shupe, Presiding
 Interim City Manager Jeffrey Portmann
 Electric Superintendent Rick Carmean

 City Clerk/Recorder Terri Hudson

CALL TO ORDER

Mayor Shupe called the Search Committee Meeting to order at 2:00 p.m. The purpose of the meeting was to interview a candidate for the position of City Manager. The candidate was leaving the country prior to the regularly scheduled meeting on October 20, 2015 at which time formal interviews will be held before the committee. Because the candidate was unable to be physically present due to short notification, the interview was done by video conferencing.

EXECUTIVE SESSION

Mr. Portmann moved to go into Executive Session pursuant to 29 Del. C. §10004(b)(9) - Personnel matters (City Manager Candidate), seconded by Mr. Carmean. Motion carried.

Mayor Shupe recessed the Council Meeting at 2:01 p.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

Candidate A was the sole applicant interviewed.

RETURN TO OPEN SESSION

City Council returned to Open Session at 3:48 p.m.

No action required at this time.

ADJOURN

The Search Committee Meeting was adjourned at 3:48 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 20, 2015

A Meeting of the City Manager Search Committee, appointed by Milford City Council, was held in the Public Works Conference Room at 180 Vickers Drive, Milford, Delaware on Tuesday, October 20, 2015.

IN ATTENDANCE: Committee Members:
 Mayor Bryan W. Shupe, Presiding
 Interim City Manager Jeffrey Portmann
 Electric Superintendent Rick Carmean

 City Clerk/Recorder Terri Hudson

CALL TO ORDER

Search Manager Catherine Tuck Parrish of Novak Consulting Group was in attendance.

Mayor Shupe called the Search Committee meeting to order at 9:07 a.m. The purpose of the meeting was to interview five (5) candidates for the position of City Manager. It was noted that the sixth candidate to be interviewed on this date had withdrawn from the process last night.

EXECUTIVE SESSION

Mr. Portmann moved to recess into Executive Session pursuant to 29 Del. C. §10004(b)(9) - Personnel Matters (City Manager Candidate Interviews). The motion was seconded by Mr. Carmean and unanimously carried.

Mayor Shupe recessed the City Manager Search Committee Meeting at 9:08 a.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

RETURN TO OPEN SESSION

The committee returned to Open Session at 4:41 p.m.

Each committee member announced their top choices. Upon committee consensus, Candidates A, E and F were chosen as finalists.

Candidates A, E and F will be re-interviewed by City Council at a Special Council Meeting on Monday, November 2, 2015. The intent is to appoint a City Manager at the conclusion of the next meeting.

ADJOURN

The Executive Session adjourned at 5:00 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
 MINUTES OF MEETING
 October 26, 2015

Milford City Council held a Public Hearing on Monday, October 26, 2015 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan W. Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Garrett Grier III, Lisa Ingram Peel, James Burk, Owen Brooks, Jr., and James Starling, Sr.

Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Public Hearing to order at 6:59 p.m.

Community Development Block Grant Program - Sussex & Kent County - Fiscal Year 2016

Adoption of Resolutions 2015-28; 2015-29; 2015-30; 2015-31; 2015-32

Mayor Shupe advised the City of Milford, Delaware, in cooperation with Sussex County Council, Kent County Levy Court and the Delaware State Housing Authority, is holding a public hearing for the purpose of providing any interested citizens the opportunity to comment on the municipality's application for funds under the Delaware Community Development Block Grant Program.

Brad Whaley from Sussex County and Albert Biddle from Kent County were in attendance to present the information.

Mr. Whaley thanked the mayor and council for allowing them to hold this public hearing. He explained that their offices apply for and administer the Community Development Block Grant (CDBG) funding for towns and cities in Kent and Sussex Counties. This funding originates from HUD (Department of Housing and Urban Development) and the Delaware State Housing Authority (DSHA) administers the Delaware CDBG Program. The purpose of DSHA is to provide affordable, decent, safe and sanitary housing to low and moderate income persons. The funding has been used for mainly housing rehabilitation and demolition, small infrastructure projects, sewer and water connections, etc.

He advised that approximately \$2.2 million is available, on a competitive basis, for both Sussex and Kent Counties.

Mr. Whaley explained the Delaware State Housing Authority, thru their consolidated plan, lists the activities the funding can be used for. He emphasized it must benefit people with low to moderate income levels.

The current guidelines, established by HUD, are as follows:

		Kent County			Sussex County	
	30% OF MEDIAN	LOW	MODERATE	30% OF MEDIAN	LOW	MODERATE
1 Person	13,900	23,150	37,050	13,300	22,200	35,500
2 Person	15,930	26,450	42,350	15,000	25,350	40,550
3 Person	20,090	29,750	47,650	16,850	28,500	45,600
4 Person	24,250	33,050	52,900	18,700	31,650	50,650
5 Person	28,410	35,700	57,150	20,200	34,200	54,750
6 Person	32,570	38,350	61,400	21,700	36,750	58,800
7 Person	36,730	41,000	65,600	23,200	39,250	62,850
8 Person	40,890	43,650	69,850	24,700	41,800	66,900

Mr. Whaley informed council that a great deal of funding goes toward basic housing repairs, including roofs, doors,

windows, plumbing, heating and electrical upgrades.

On the Sussex side over the past ten years, Milford has received more than \$378,000 for 28 households. Funding was last received in FY14.

Mr. Biddle reported that Kent County operates under the same guidelines though the income limits, established by HUD, are slightly higher.

He emphasized that housing rehabilitation has been the backbone of the Delaware State Housing Authority's funding and the majority of what Milford has benefitted from over the years. Infrastructure, demolition, sidewalks and similar projects have been completed.

Mr. Biddle noted there is a very small waiting list in Milford and asked council to encourage eligible homeowners to contact either county office for additional information. He reiterated that to qualify, the home must be owner-occupied and income eligible.

Mr. Whaley also explained the purpose of the public hearing is to allow residents and officials to provide recommendations on what they should apply for in the upcoming year. They understand that housing rehab is a big concern in all towns and the goal is to keep the housing stock stable.

When asked for questions or comments, no one responded.

Mayor Shupe felt that the challenge is to get the information out to our citizens so they understand the program. Once we receive that information, we will share it with our residents. Mr. Brooks suggested the information be published in all three newspapers.

Mayor Shupe opened the floor to public comment; no one responded. The public comment session was then closed.

Mayor Shupe thanked Mr. Whaley and Mr. Biddle for attending this evening.

Councilman Grier later moved to adopt the following five resolutions, seconded by Mr. Burk:

RESOLUTION 2015-28
Sussex County

ENDORING PROJECT TO BE SUBMITTED TO THE DELAWARE STATE HOUSING AUTHORITY FOR FUNDING FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AUTHORIZING TODD F. LAWSON, SUSSEX COUNTY ADMINISTRATOR TO SUBMIT APPLICATION.

WHEREAS, the City of Milford resolves to apply for Community Development funds from the Delaware State Housing Authority in accordance with appropriate regulations governing Community Development Block Grants State of Delaware Program for Block Grants as contained in Sections 570.488-499 24 CFR U.S. Department of Housing and Urban Development; and

WHEREAS, the City of Milford has met the application requirements of (Attachment E Delaware Community Block Grant Program Policies and Procedures) Citizen Participation requirements; and

WHEREAS, Sussex County plans on accomplishing the requested projects with CDBG funds; and

WHEREAS, the City of Milford hereby agrees to allow Sussex County to accomplish the projects in the targeted areas of Milford; and

WHEREAS, the City of Milford and Sussex County are in agreement with this activity.

NOW, THEREFORE, BE IT RESOLVED by the City of Milford and Sussex County that they endorse and grant permission for the following activity:

APPLICATION: Rehabilitation/Infrastructure/Demolition

Total Infrastructure project cost is \$ _____, total CDBG grant request is \$ _____. Matching funds in the amount of \$ _____ will be provided by the City of Milford general funds.

NOTE: To be used for Infrastructure projects only.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF A RESOLUTION PASSED BY THE CITY OF MILFORD, SUSSEX COUNTY, ON THE 26th DAY OF OCTOBER 2015.

WE GIVE MAYOR AUTHORIZATION TO SIGN RESOLUTION:

Council Members

Garrett Grier, III	Owen Brooks, Jr.
Christopher Mergner	Douglas Morrow
Lisa Ingram Peel	James Starling, Sr.
James Burk	Katrina Wilson

 Bryan W. Shupe
 Mayor

I DO HEREBY CERTIFY THAT THE FOREGOING TITLE OF RESOLUTION ADOPTED BY THE CITY OF MILFORD IS THE SAME TITLE OF RESOLUTION NO. _____ ADOPTED BY THE COUNTY COUNCIL OF SUSSEX COUNTY ON THE ____ DAY OF _____.

 Robin A. Griffith
 Clerk of the County Council

Resolution 2015-29
 CITIZEN PARTICIPATION
 CERTIFICATE OF ASSURANCE
 Sussex County

It is hereby assured and certified to the Delaware State Housing Authority that Sussex County, Delaware, has met application requirements of (Attachment E Delaware Community Development Block Grant Program Policies and procedures) citizen participation requirements, and that Sussex County has:

- 1) made available information concerning the amount of funds that may be applied for;
- 2) made known the range of activities that may be undertaken with these funds;
- 3) made known the fact that more applications will be submitted to the State of Delaware than can be funded;
- 4) outlined the processes to be followed in soliciting and responding to the views and proposals of citizens, communities, nonprofit agencies and others in a timely manner; and
- 5) provided a summary of other important program requirements.

The City of Milford has held a Public Hearing on October 26, 2015 with required notice for all citizens, including low and moderate income persons, to have an opportunity to present their views and proposals. The City of Milford has by resolution and after one Public Hearing, endorsed this application.

s/Mayor Bryan Shupe

RESOLUTION 2015-30
Requirement for Fair Housing
Sussex County

WHEREAS, the City of Milford recognizes the importance of fair housing for the citizens of Milford; and

WHEREAS, the City of Milford supports the goals of the Federal Fair Housing Law.

NOW, THEREFORE, BE IT RESOLVED, that the City of Milford heartily encourages all parties involved in the renting, selling or financing of housing in the City of Milford to insure that no person shall, on the grounds of race, color, national origin or sex, be discriminated against or denied a fair and equal opportunity for housing; and

BE IT FURTHER RESOLVED, that the City of Milford, when acting as administrator of a Community Block Grant, is hereby authorized to take such actions as deemed necessary to affirmatively further fair housing in connection with the said Community Development Block Grant.

This RESOLUTION was passed by a majority of the Council of the City of Milford on October 26, 2015.

s/Mayor Bryan Shupe

RESOLUTION 2015-31
Authorizes Levy Court of Kent County to Submit Application

The City Council of Milford, Delaware, hereby authorizes its Mayor, Bryan W. Shupe, to submit the Fiscal Year 2016 Community Development Block Grant (CDBG) application and all understandings and assurances therein contained, and furthermore authorizes the Levy Court of Kent County to Act as the official representative of the City of Milford in connection with the submission of the Fiscal Year 2016 CDBG applicant and to provide such additional information as may be required. In the event the City of Milford's application is funded, the Levy Court of Kent County is hereby authorized to administer the funded application on behalf of the City of Milford.

This resolution was passed by a majority of the Council of the City of Milford on October 26, 2015.

s/Mayor Bryan Shupe

RESOLUTION 2015-32
Requirement for Fair Housing
Kent County

WHEREAS, the City of Milford recognizes the importance of fair housing for the citizens of Milford; and

WHEREAS, the City of Milford supports the goals of the Federal Fair Housing Law.

NOW, THEREFORE, BE IT RESOLVED, that the City of Milford heartily encourages all parties involved in the renting, selling or financing of housing in the City of Milford to insure that no person shall, on the grounds of race, color, national origin or sex, be discriminated against or denied a fair and equal opportunity for housing; and

BE IT FURTHER RESOLVED, that the Kent County Levy Court, when acting as administrators of a Community Block Grant for the City of Milford, is hereby authorized to take such actions as deemed necessary to affirmatively further fair housing in connection with the said Community Development Block Grant.

This RESOLUTION was passed by a majority of the Council of the City of Milford on October 26, 2015.

s/Mayor Bryan Shupe

Motion carried with no one opposed.

*City of Milford Comprehensive Plan Amendment
Adoption/Ordinance 2015-16*

City Planning Coordinator Rob Pierce reported these items were heard by the Planning Commission on September 15th and includes several clean up areas that need to be amended on future land use maps for current applications.

The first is a future land use map amendment for the Perdue site. He recalled a few months ago council adopted a zoning amendment for their site plan expansion. They consolidated four lots and in order to legally allow that, all lots are required to have the same zoning classification. As a result, the smaller parcel that butts up to NE Front Street will have to be changed from C-3 to I-1. The land use amendment would change the parcel from commercial to employment.

Mayor Shupe asked for public comments; no one responded.

Mr. Pierce then reported that the Amberwood Subdivision is a recorded subdivision on Holly Hill Road. The property is currently owned by Crop Production Services and all lots are unimproved. The owner would like to consolidate all parcels and change the zone from R-3 to I-2. To accomplish that, the city is requesting a change from moderate density residential to employment in future land use maps.

Mayor Shupe asked for public comments; no one responded.

The planning coordinator advised the next item involves two parcels on NE Front Street off Wilkerson Terrace. They are currently designated moderate density residential in our comp plan; one is currently zoned I-1 and one is zoned R-2.

Mr. Wilkerson owns additional properties in the area that are zoned I-1. The intent is to bring all parcels into compliance and make them all uniform. The request is to change the two larger parcels from moderate density residential to employment. He will then follow thru with the change of zone application process.

Mayor Shupe asked for public comments; no one responded.

Mr. Pierce referenced two parcels adjacent to Brookstone Trace that were purchased by the developer of Brookstone Trace. The developer would like to incorporate these into the overall subdivision plan. In order to accomplish that, they will first have to be annexed.

The subdivision is currently designated moderate density residential and the area to be annexed is low density residential. A comp plan amendment is required to allow him to proceed with the annexation.

Mayor Shupe asked for public comments; no one responded.

The planner then reported that the Armory facility is currently zoned low density residential zoning. He reminded council the city is restricted on the armory's use and requires state approval for anything other than a public use.

He stated that because this has already been through the PLUS process, changing its designation to employment will allow some type of office or educational use. When that occurs, the city would not have to go through another comp plan amendment process.

A use will be discussed later this evening even though there are current plans. His intent was to change the zoning from residential to something more appropriate for the facility.

Mayor Shupe asked for public comments; no one responded.

The next property is in our Southeast Master Plan and requires a future land use map amendment. The comp plan was revised to include area sites, but this block at the intersection of Elks Lodge and Wilkins Roads was omitted. This includes

White Oak Mobile Home Park and a couple individual strip lots. He said because we do not allow mobile home parks in the R-1 or R-2 district, it will need to be changed to R-3.

When questioned, Mr. Pierce confirmed that mobile homes are permitted under the R-3 or R-8.

Mr. Pierce emphasized that this comp plan has already been through the PLUS process and the state agencies are in agreement with the amendments.

Mayor Shupe asked for public comments; no one responded. The floor was then closed to any further public comments.

Mr. Grier moved to approve the following comprehensive plan amendment, seconded by Mr. Burk:

Perdue Real Estate Holdings, Inc., N Rehoboth Boulevard (MD-16-183.07-01-01.00; change of future land use designation from commercial to employment)

Motion carried.

Mr. Burk moved to approve the following comprehensive plan amendment, seconded by Mr. Grier:

Crop Production Services f/k/a Amberwood Subdivision, Holly Hill Road (MD-16-182.07-01-01.00 through MD-16-182.07-01-99.00, MD-16-182.07-02-01.00 through MD-16-182.07-02-99.00, MD-16-182.07-03-01.00 through MD-16-182.07-03-23.00; change in future land use designation from moderate density residential to employment)

Motion carried.

Mr. Grier moved to approve the following comprehensive plan amendment, seconded by Mr. Starling:

Charles Wilkerson, NE Front Street (MD-16-183.08-01-04.00, MD-16-183.07-01-23.00; change in future land use designation from moderate density residential to employment)

Motion carried.

Ms. Peel moved to approve the following comprehensive plan amendment, seconded by Mr. Mergner:

Misphillion Realty, LLC, Old Shawnee Road (1-30-3.00-080.02; change in future land use designation from low density residential to moderate density residential)

Motion carried.

Mr. Starling moved to approve the following comprehensive plan amendment, seconded by Mr. Mergner:

City of Milford-Armory, N Walnut St (MD-16-183.06-02-14.00; change in future land use designation from low density residential to employment)

Motion carried.

Mr. Grier moved to approve the following comprehensive plan amendment, seconded by Ms. Peel:

SE Master Plan/Corp Fellowship Realty, Chad Holleger, Elmer Fannin, James Cannon Jr, George & Darlene Freeman & White Oak Mobile Home Park, Wilkins Road (3-30-15.00-053.00 through 3-30-15.00-057.00; change in future land use designation from low density residential to high density residential)

Motion carried.

With no further business, the Public Hearing was adjourned by Mayor Shupe at 7:13 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 26, 2015

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, October 26, 2015.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Garrett Grier III, Lisa Ingram Peel, James Burk, Owen Brooks, Jr., and James Starling, Sr.

Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:15 p.m.

INVOCATION AND PLEDGE

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

EXECUTIVE SESSION

Mr. Burk moved to go into Executive Session reference below reasons, seconded by Mr. Grier:

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

Motion carried.

Mayor Shupe recessed the Council Meeting at 7:16 p.m. for the purpose of an Executive Session as permitted by Delaware's Freedom of Information Act.

RETURN TO OPEN SESSION

City Council returned to Open Session at 8:05 p.m.

Potential Land Purchase

Mr. Grier moved to approve economic development funds be used to pay for the appraisal and the DBF proposal related to the potential land purchase discussed in executive session, seconded by Mr. Burk. Motion carried.

Land Sale/Swap

Ms. Peel moved to authorize the execution of the sales agreement and land exchange as discussed in executive session, seconded by Mr. Mergner. Motion carried.

Armory Lease

Mr. Grier moved to table this matter until further information is obtained, seconded by Mr. Mergner. Motion carried.

RECOGNITION

Proclamation 2015-24/Community Planning Month

Mayor Shupe referenced the following proclamation declaring October as National Community Planning Month:

WHEREAS, change is constant and affects all cities, towns, suburbs, counties, boroughs, townships, rural areas, and other places; and

WHEREAS, community planning and plans can help manage this change in a way that provides better choices for how people work and live; and

WHEREAS, community planning provides an opportunity for all residents to be meaningfully involved in making choices that determine the future of their community; and

WHEREAS, the full benefits of planning requires public officials and citizens who understand, support, and demand excellence in planning and plan implementation; and

WHEREAS, the month of October is designated as National Community Planning Month throughout the United States of America and its territories, and

WHEREAS, The American Planning Association and its professional institute, the American Institute of Certified Planners, endorse National Community Planning Month as an opportunity to highlight the contributions sound planning and plan implementation make to the quality of our settlements and environment; and

WHEREAS, the celebration of National Community Planning Month gives us the opportunity to publicly recognize the participation and dedication of the members of planning commissions and other citizen planners who have contributed their time and expertise to the improvement of the City of Milford, Delaware; and

WHEREAS, we recognize the many valuable contributions made by professional community and regional planners in the State of Delaware and extend our heartfelt thanks for the continued commitment to public service by these professionals;

NOW, THEREFORE, BE IT RESOLVED THAT, the month of October 2015 is hereby designated as Community Planning Month in the City of Milford, Delaware in conjunction with the celebration of National Community Planning Month.

COMMUNICATIONS

Mayor Shupe acknowledged the work of the Community Parade Committee this past Wednesday. He also wanted to thank the committee for providing his wife and him with a horse-drawn carriage for the parade.

UNFINISHED BUSINESS

None to report.

NEW BUSINESS

Southeast Master Plan Amendment-Thawley and Mr. Wiggles Properties

Planning Coordinator Pierce reported that involves a potential application for a future land use map amendment to the Southeast Master Plan.

He wants to give council some history of the southeast neighborhood considering some amendments have been addressed this year.

He advised that in 2005, a developer proposed a residential development east of Route 1 in Sussex County. The city became concerned that if this subdivision was to be constructed, the city would be the provider of services without the benefit of a

tax base to support those services. Therefore, Milford engaged in conversations with the developer, other property owners and the State Planning Office to explore the annexation of this area.

The state supported a comprehensive amendment that would allow for annexation and development in this area. However, the development would have to occur in accordance with a master plan that would have to be developed by the city and the state.

The comprehensive plan was amended in 2006 to include the area east of Route 1 as an annexation area, subject to the master plan. This allowed annexation of these properties to begin.

The master plan began in 2008 with the signing of a Memorandum of Agreement (MOA) between the city, State Planning, DeIDOT and the Department of Agriculture. Eventually DNREC, Delaware State Housing Authority and the Historic Preservation Office became partners in the master plan.

The goal of the master plan was to provide a predictable, shovel-ready development along with proactive preservation.

He referenced the exhibit (attached) that was adopted in the 2008 Comprehensive Plan pointing out the heavy uses and high density residential areas and highway/commercial areas planned. He referenced the proposed site of the hospital or Innovation Park at the time.

Mr. Pierce reported there was a lot of heavy development being planned in the southeast area which caused the state to be unhappy considering the area lacked infrastructure. Because of this problem, the city engaged in a complete rewrite of its comprehensive plan which resulted in an entirely new document being adopted in 2008-2009. During this rewrite, the city was broken out into several neighborhoods for planning purposes. The areas covered by the MOA were in the southeast neighborhood, though it also included some areas west of Route 1 which were considered the southeast neighborhood.

The MOA set forth the general conditions of the master plan, including the requirement that the city nor the state would provide any subdivision, site plan, development approval or permits for new development activities prior to the completion of the master plan, and then only in compliance with the master plan. That is the reason so much activity was needed for the hospital to locate in this area.

Three public workshops were held in the fall of 2009 and over 1,000 invitations mailed to those who lived or owned property in the southeast area. A preferred scenario was developed based on the University of Delaware modeling software, input from the three workshops and input from key stakeholders which included the school district, Kent and Sussex Counties, nearby towns, fire companies and EMS. As a result, the 2008 comprehensive plan was amended to include the southeast master plan in 2011.

He explained that things were scaled back as a result of the southeast master plan to provide one area of commercial, the employment center for the hospital and low density residential.

Mr. Pierce noted the 2008 comprehensive plan would have allowed for up to 15,000 new dwelling units and approximately 40,000 new residents. The master plan, which amended the comprehensive plan, would only yield approximately 12,000 new homes and 30,000 new residents.

Over the last few months, the southeast master plan has been amended. The site of the hospital was changed from commercial to employment. He believes Wickersham was included in the July amendment to bring that area into conformance by changing it to high density residential.

Tonight he is presenting a concept to modify the Thawley and Mr. Wiggles property east of Route 1 from low density to highway commercial.

He then reported that on October 2014 an application was received for a change of zone on parcel 56.00 from R-1 to C-3. In order to accomplish this, the comprehensive plan needed to be changed. Upon receiving that application, it was forwarded to Davis, Bowen and Friedel (DBF) for review. They provided a letter to the applicant stating the plan was not consistent with

the comprehensive plan.

During the same period of time, annexation request for parcels 70.00, 70.02, 70.05, 70.06, & 70.06 was received. They are currently low density residential in the county though the developer is asking it be annexed in with a C-3 (highway commercial) zoning. This will result in a total of nine acres of highway commercial area.

In November 2014, DBF provided comments back to the applicant stating the request was not consistent with the comp plan whose future land use plan designated the area as low density. The request went dormant for several months.

In late August, a letter was received from the applicant's attorney requesting the city take appropriate steps to amend the Southeast Neighborhood Master Plan.

Mr. Pierce said he is only asking council to give him a general idea of councils' wishes and whether or not to proceed with the PLUS process. He emphasized that tonight's recommendation is not a vote to approve the application and only allows him to take it to PLUS and the state planning office for their review. At that point, DelDOT, Department of Agriculture, DNREC and other state agencies will comment. Once the PLUS comments are received, the city will schedule planning commission and city council public hearings for approval, denial or tabling of the southeast master plan amendment.

Mr. Grier confirmed that Mr. Pierce's concept is to take this to PLUS before it goes to the planning commission. Mr. Pierce confirmed that after this meeting, he will file a southeast master plan amendment and request the matter be heard at the end of November. We should receive their comments the end of December and public hearings can be scheduled in January or February.

City Solicitor Rutt added that the planning commission did review this and recommended that council allow him to take the application to PLUS. Mr. Pierce pointed out that this will only allow us to determine what kind of comments we will receive back.

Mr. Grier asked if that was a unanimous decision of the planning commission. Mr. Pierce advised it was more of a discussion and no formal vote was taken.

Mr. Pierce stressed this is a significant change to Milford's master plan and they could see this in the near future for a vote. He recommended council really think about this because he wants them to be prepared to make an informed decision.

Mr. Burk confirmed that this will change east of Route 1 from low density to highway commercial.

Mr. Pierce said if council has any concerns or questions he is willing to address them in his staff report. In the meantime, we will receive comments back from the state.

Mr. Grier said it makes sense to have commercial right off the highway. Mr. Mergner is very concerned with the residential areas surrounding this site. The type of commercial could have a big impact on those residents, considering the size of the property and the scope of the commercial and impact on the residents. Traffic should be considered as well though council should learn more about that when the comments are received from the state.

He referenced the large residential neighborhood behind this property that will be substantially affected.

No motion was required.

Mr. Pierce reiterated the only intent of this discussion was to inform council this was going to the PLUS process.

Authorization/CTF Funding/Swap-Out/Representative Harvey Kenton/Cemetery Roads/General Fund Reserves

Approval of \$27,000 is needed for the cemetery road project to be funded through a legislative swap by Representative Kenton. The Interim City Manager is recommending we use general fund monies so a motion for a transfer of \$27,000 from general fund reserves is needed.

The representative will be reimbursing the city out of the legislative funds committed to the Airport Road rehabilitation project.

Mayor Shupe further explained that the city is moving forward with Airport Road repairs. As a result, we have requested financial assistance from our local legislators for this project.

In the meantime, the cemetery roads need to be repaved and we have asked for assistance with that project as well.

Solicitor Rutt further explained this is a community transportation fund request. In the past, the legislators have provided funding and this is already a budgeted project. That money will go toward the project and the funds will be cut in the same amount that will be budgeted back to the general fund to be used for another purpose. It is a swap of budgeted dollars for money being provided by Representative Kenton.

Mr. Rutt confirmed this was done for the Can-Do Playground as well as the Church of God parking lot.

Mr. Burk moved to approve the legislative swap and a transfer of \$27,000 from general fund reserves for the cemetery road project, seconded by Ms. Peel. Motion carried.

DBF Proposal/Fisher Avenue Pump Station Rehab Project

PE Erik Retzlaff referred to the proposal for providing services associated with the Fisher Avenue Pump Station Rehabilitation Project. This project is the first phase of a multi-phase USDA-funded Sewer System Improvement Project approved in the September 1, 2015 referendum.

It includes two items already completed and not included in the formal proposal and more of an on-call service:

Assist the city with preparation of the USDA funding application and prepare the required preliminary engineering and environmental reports for obtaining project funding; also participate in any public hearings and presentations to City Council and the public in advance of the project referendum.

Lump Sum Fee: \$21,757.60

Preliminary Engineering Services-conduct an assessment of the existing pumping station and made recommendations for the necessary rehabilitation and upgrades including cost estimates associated with the recommended work.

Lump Sum Fee: \$4,800.00

The first project was to rehabilitate one of the city's largest pumping stations on the corner of Fisher Avenue. This is a crucial part of the overall infrastructure. Estimated costs are as follows:

ENGINEERING DESIGN, PERMITTING & SURVEY SERVICES
Lump Sum Fee: \$70,500.00

BID PROCUREMENT SERVICES
Lump Sum Fee: \$6,600.00

CONTRACT ADMINISTRATION SERVICES
Estimated Fee: \$38,800.00

RESIDENT PROJECT REPRESENTATIVE (RPR) SERVICES
Estimated Fee: \$58,500.00

EXCLUSIONS/ADDITIONAL SERVICES
Payment terms shall be in accordance with our attached rate schedule.

Should council approve the proposal, the proposal will be converted to the proper USDA form prior to execution by the city. USDA concurrence is also needed.

It was confirmed this project was included in the September referendum.

Mr. Rutt expressed concern and asked if there was a request for proposal versus a one-contract option. He questioned if this went out for bid because the city charter requires public bidding for anything over \$30,000.

Mr. Retzlaff responded by stating that professional services are exempt from that requirement. Mr. Rutt agreed though he is raising a red flag because of the number. Mr. Retzlaff further explained this was item one of the multi-phase project that included pump station improvements, monitoring system improvements and collection system improvements.

He emphasized this is not the construction phase which will be bid as is noted in the proposal. The estimated construction cost for the project is \$1.2 million.

Mr. Mergner confirmed this will allow DBF to begin the process; Mr. Retzlaff agreed adding this will allow them to prepare the documents and associated work to get to the construction phase.

Mr. Grier asked if this is total of all related professional services on the project; Mr. Retzlaff explained the \$1.2 million is the estimate only for the Fisher Avenue Pumping Station improvements. Within the \$4 million, over \$375,000 was included for professional services. Typically, there is 7 to 8% is for design services and a similar number for the construction phase as is noted in Section G-Exclusions/Additional Services.

Mr. Mergner asked if the city awarded DBF this contract; Mr. Rutt said there is no bidding requirement for professional services.

Mr. Grier moved to approve the DBF Proposal 052A169 for the USDA Sewer System Improvements Project I Engineering Services as presented, seconded by Mr. Brooks. Motion carried.

Change Order Request/SE Milford Water Project/New Well/Funding Authorization

The following letter was received from Principal Randy Duplechain of Davis, Bowen and Friedel:

Please find attached a proposed change order from Kuhn Construction Company in the amount of \$197,920.00. This change order is for the installation of the new 210-foot deep, 8-inch diameter water production well including a new well pump, associated piping, meter vault and electrical and control work necessary to operate the new well. As part of this change order Kuhn Construction is also requesting an additional 8 weeks of construction time be added to their existing contract to allow time for installation of the new well and control work.

As you may remember, the City contracted with our office earlier this year to install an approximately 210-foot deep test well at the Southeast Milford Water Treatment Facility site. The purpose of this test well was to determine aquifer water quality and potential yield from a possible second source of water. Results of the test well indicated water quality at that depth to be acceptable with the potential aquifer yield in the range of 125 GPM. Based on these positive results the previous city manager asked that our office prepare the necessary design documents to obtain a change order price for installation of a second production well at this site. We therefore completed the project design and coordinated with the contractor to obtain the attached change order.

Following is a breakdown of anticipated costs and remaining available project funds.

<i>Estimate of remaining USDA project funds:</i>	<i>\$120,000.00</i>
<i>Kuhn Construction Company change order request:</i>	<i>\$197,920.00</i>
<i>DBF well design and contractor coordination: (already complete)</i>	<i>\$7,800.00</i>

Estimate of DBF construction administration and inspection services necessary to oversee and administer the installation of the new well and associated piping and controls during the additional 8 weeks of construction time:

\$30,600.00

Anticipated Project Shortfall =

\$116,320.00

As discussed, the City Public Works Department would also like to install a chain link fence around the entire tank and well facility for security purposes. We estimate the cost of this work to be in the range of \$30,000.00.

Should City Council approve the above well and chain link fence work, we request the transfer of \$150,000.00 be approved from the City's Water Reserves Account to this project to cover the anticipated funding shortfall.

Mr. Retzlaff recalled when there was money secured through the Safe Drinking Water Fund (SRF) in the amount of \$3.5 million. The city turned that money down and instead opted to pay for those improvements out of reserves. This supplementary well was included in that request.

It was confirmed the sewer and water departments have reviewed this request.

If council decides not to accept this as a change order, Mr. Retzlaff advised that formal documents will need to be prepared for the public bidding process. However, it can be issued through a change order of an existing contract in order to save the associated costs and time of a separate contract.

Mr. Mergner commented it is a large change order; Mr. Retzlaff said it is considered supplemental work to the current project. He noted that the cost of drilling a well, based on current requirements, is approximately \$80,000. Adding the pump and motor is another \$25,000 to \$30,000. Piping, instrumental and electrical upgrades are another \$50,000.

Mr. Burk asked if the Interim City Manager has had any input and noted that the letter was addressed to him. It was confirmed a copy was sent to Mr. Portmann.

Mr. Retzlaff said there is a need for additional capacity right now because of the daily demands throughout the week. Even with all wells, it is difficult to keep up with the industrial demand. There is a need to balance it off the system. Mr. Burk recalled the previous city manager discussed that when we had a similar problem and Perdue was required to stop production.

Mr. Retzlaff agreed adding that the previous city manager was included in the design review and associated work.

Mr. Burk moved to approve the Kuhn Construction Company Change Order in the amount of \$197,920.00, seconded by Mr. Brooks. Motion carried.

Mr. Grier moved to approve the transfer of \$150,000.00 from water reserves to cover the anticipated funding shortfall, seconded by Mr. Starling. Motion carried.

ADJOURN

Mr. Burk moved to adjourn, seconded by Ms. Peel. Motion carried.

Council meeting was adjourned at 8:34 p.m.

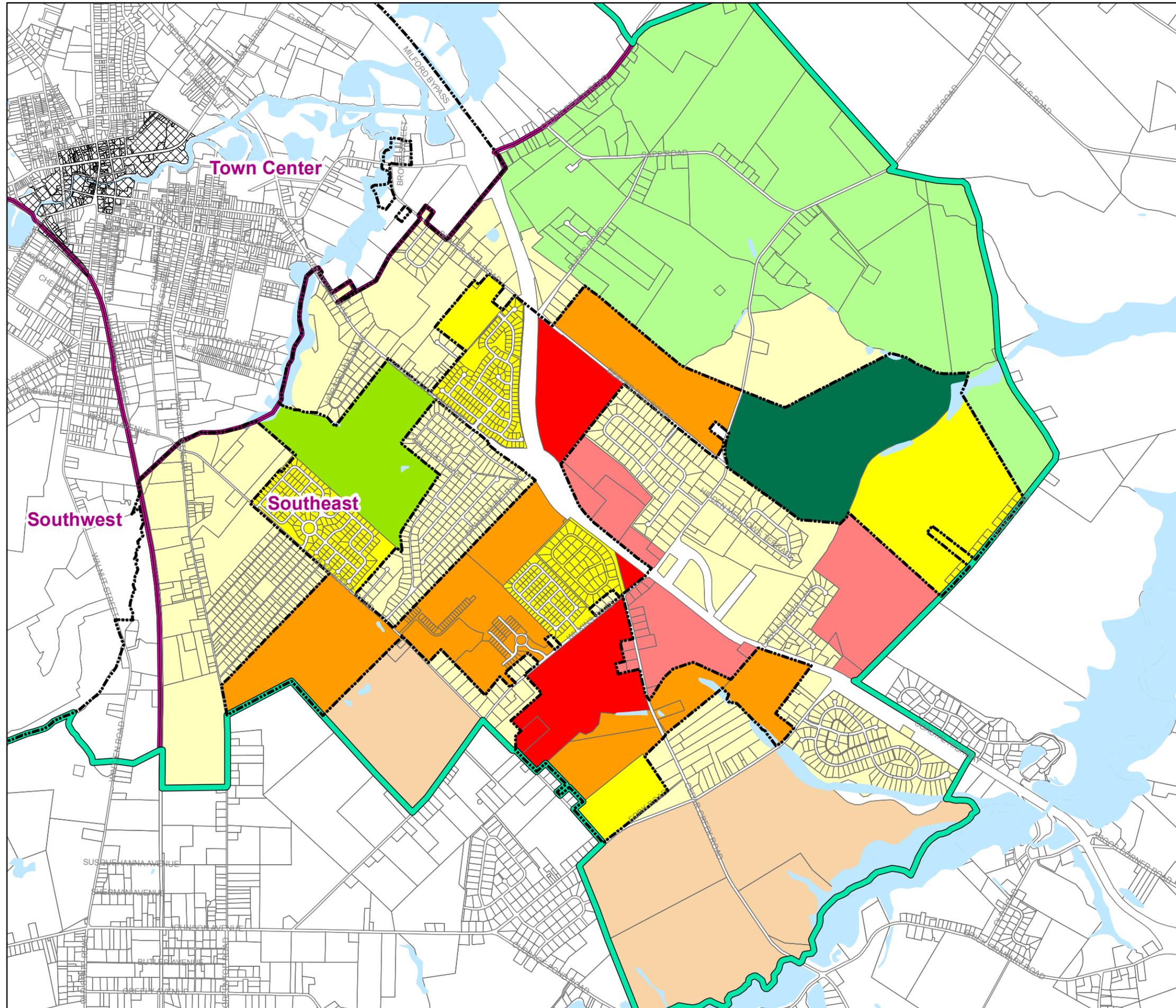
Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

Attachments:
Maps (SE Milford)

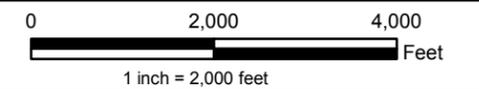
Milford Comprehensive Plan

Figure 14B Neighborhood Map - Southeast



Legend

- City Boundary
- County Boundary
- Urban Growth Boundary
- Water
- Neighborhood Boundary
- Downtown
- Future Land Use**
- Business Park
- Government
- Employment
- Highway/Commercial
- Proposed Highway/Commercial
- Industrial
- Institutional
- Low Density Residential
- Proposed Low Density Residential
- Moderate Density Residential
- Proposed Moderate Density Residential
- Open Space
- Proposed Institutional
- Proposed Open Space
- Transfer Station
- Proposed Thompsonville Intersestion



Data Sources:
 Roads - DELDoT
 State, County, Municipal Boundaries - State of Delaware
 Future Land Use, Neighborhood Boundaries - City of Milford

MILFORD CITY COUNCIL
MINUTES OF MEETING
October 26, 2015

The City Council of the City of Milford met in Workshop Session on Monday, October 26, 2015 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Garrett Grier III, Lisa Ingram Peel, James Burk, Owen Brooks, Jr., and James Starling, Sr.

Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe convened the Workshop Session of Council at 8:34 p.m.

Solid Waste Code/Yard Waste Additional Container Fee

Mayor Shupe recalled Councilman Mergner brought a complaint to council from a resident regarding an additional yard waste container fee. His concern was he originally paid \$60 for the additional container when the yard waste program was initiated. In the past year, that \$60 was refunded in lieu of a \$12 per month fee added.

City staff was asked to review the service and determine the monthly average yard waste cost. The following document was submitted:

FUEL.....1,562.40 gallons x 1.9110 (Market price as of 10/16/15) = \$2,985.75/ fuel per year	\$1.64 per customer x 2 stops per month=	\$3.30
<i>(2,985.75/1,820 YW customers)</i>		
VEHICLE MAINT/REPAIR.....\$40,000 ÷ 12 months = \$3,333 /Maintenance & Repairs per month		\$1.85
<i>(Annual budget amount / amount of YW customers)</i>		
NEW TRASH TRUCK\$157,203/3=52,401 per year depreciation	1820 x 24=43,680 (2 pickups per month per container)	
<i>(New replacement every 3 years, newest purchase -2014)</i>		52,401 ÷ 43,680 = \$1.20
REFUSE COLLECTOR LABOR.....\$.5133 per stop (2 men per truck) =	\$1.5399 per customer x 2 stops per month =	\$3.10
<i>(Average 3 Minute Stop @ 0.2566 per man)</i>		
ADMINISTRATIVE COST.....	32 hours @ \$24.86= \$795.52/Cost per month ÷ 1820 =	\$.45
DISPOSAL COST.....	\$14,452 (annual) ÷ 1820 = \$7.94 per customer ÷ 12 =	\$.66
CONTAINER COST.....		\$56 ÷ 84 months = \$.66 per stop
<i>(Container replacement approximately every 7 years)</i>		

APPROXIMATE MONTHLY COST PER CUSTOMER: \$ 11.22

Approximate yard waste customers as of September 2015**1820**

Labor Rate “Refuse Collector” Grade 3.....**\$15.40 per hour**

Labor Rate “Administrative Asst.”**\$24.86 per hour**

Average container cost **\$56.00**

Mayor Shupe noted the approximate monthly cost per customer is \$11.22 compared to \$12.00 for an additional container.

Mr. Brooks reiterated that originally the city charged a one-time fee of \$60 a month which was reimbursed and a \$12 a month fee added which totals \$144 per year. He noted that the city lost half their customers when that fee was implemented because they thought that monthly fee was too high. However, it now looks like we are just breaking even.

He recalled the previous city managers have claimed we were losing money on commercial trash though we were making money on the residential side.

Mr. Brooks said he was asked by a resident if he could return the container for six months of year, then pick it up to be used for the other six months. That would save residents \$72 a year.

Mayor Shupe said that council can put any policy in place if that is what is needed. However, if that were done, we would need to consider the additional manpower time and associated costs required to pick the container up and return it twice a year.

Mr. Mergner said this is a good breakdown, but the truck is already out there. Repairs are needed regardless of whether there are one or two containers. There is a smaller incurred cost for fuel and labor as well as the container itself. The homeowner's argument is that the crews are already there and the cost is minimal to pickup the additional container. He agrees there is an additional cost. If this is creating additional work for our crews, our customers need to pay those cost. He feels this illustrates that.

Mr. Mergner appreciates the work that went into this to provide this breakdown. It will definitely help communicate the city costs to the residents who are disputing these costs. He also agrees that if an additional container is producing more waste, then the resident should pay for it.

Mr. Brooks does not feel he is paying \$12 for one yard waste container. Instead he is paying \$24 a month and has three cans. His regular trash is being picked up four times a month and recycling is picked up twice.

Mr. Burk noted that Mr. Mergner received a complaint and asked if anyone else has received a complaint. Mr. Brooks said he received a complaint in Walmart and talked about it for forty-five minutes.

Mr. Burk said he has not received any complaints; Mr. Starling has not had any complaints. Mr. Burk said he is happy we receive weekly service.

Mr. Grier asked if the complaint to Mr. Brooks was about the price. Mr. Brooks said yes and the resident said that if he had not complained, the city would not have thought about changing it and adding the additional \$12 fee per month for the extra container. He told Mr. Brooks that because he complained about the \$60 fee, he is now paying \$144 a year.

Mr. Mergner feels there are not a lot of extra containers still out, but perhaps it is a situation where we should only charge for a certain number of months for yard waste and possibly April through October. He is not sure what kind of administration work would be associated with that. If they are not using it from November through January or February, we could base the fee on only those months.

He does agree there is more work for our crews with the extra container and we need to make the customers accountable for that.

Mr. Brooks suggests that instead of charging \$12 a month, we only charge \$6 a month for the entire year and not provide the service for those six months.

Mayor Shupe feels that if council decides not to charge for those months, he would recommend customers keep their containers throughout the year to prevent picking up and dropped the containers off which is additional work and time.

Mr. Grier confirmed that what is being considered is a \$6 monthly fee though the additional yard waste container would only be picked up six months of the year.

Mr. Brooks said it can be done in any manner. He has people complain to him all the time and some people say nothing. He feels he gets his month's worth of all three services.

Mr. Mergner said he wanted the details so he can respond to this resident. He will definitely communicate this back to this person. He does not feel any additional changes are needed and this solidified what is in place.

If everyone else agrees, he feels we need to move on.

Solid Waste/Bulk Pickup Fee

Mr. Brooks recalled the complaint he received from a property owner that was included in a previous council packet. He had a sofa picked up and was charged a \$50 bulk pickup fee.

The property owner felt it was very high considering this was one item. He lived outside the city and had trash service through Kent County who would pick up a sofa for no additional fee.

Mayor Shupe received a complaint from a neighbor who had put out a front door for pickup. It was placed next to the trash and he was charged a \$50 fee.

Mr. Brooks stated that if a city trash truck picked up ten items at five different houses, the cost would be \$500. He feels that could be done in less than two hours. He asked if the city is overcharging for this service; Mayor Shupe talked with the city planner about this issue. One of the things that needs to be considered is if the \$50 is enough of a challenge to deter people from putting these items out or just leaving them in their yards. Then we have to deal with it through code enforcement and in the meantime have to look at these unsightly yards. He feels it may be a deterrent and might prevent people from putting the items out curbside for pickup.

Mr. Brooks recalled a similar situation on North Walnut Street that sat there for a long time.

Mr. Mergner asked the cost to dispose of these items. Ms. Hudson said the cost at DSWA is based on the weight of the object. Mr. Mergner asked if it is the same cost charged to a private service; Mr. Burk feels it is a lower fee due to the city's volume and bulk charges.

Ms. Hudson explained that Kent County contracts the service out to a private hauler and the trash trucks are capable of picking these items up on their regular route. In Milford, it requires an additional route is needed to accommodate bulk pickup.

Mayor Shupe agreed the county trucks are capable of picking up both trash and any bulk items.

Mr. Burk said he took an item to the dump in Georgetown. It cost him \$25, in addition to the time, effort and gas to ride down there. When he considers that, the \$50 fee may not be excessive. He probably could have taken the item to the transfer station and it may have been less expensive, but it definitely involved more time and gas.

Mayor Shupe asked for comments about changing the \$50 fee.

Mr. Mergner asked to consider what other municipalities are charging compared to Milford. Mayor Shupe agrees adding that we will get that information and bring this back to council at the next meeting.

Mr. Mergner appreciates the information that was presented tonight adding that council now has an explanation when they are questioned. He emphasized this information is very helpful and appreciated the time that went into it.

With no further business, the Workshop Session concluded at 8:45 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder