

City of Milford



CITY COUNCIL AGENDA

Monday, February 11, 2019

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

7:00 P.M.

COUNCIL MEETING

Call to Order - Mayor Archie Campbell

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Proclamation 2019-03/Councilman James O. Starling Sr./Resignation

Proclamation 2019-04/Black History Month

ICMA Fellow Evan Miller/IPA Course Completions

Monthly Police Report

Monthly City Manager Report

Monthly City Finance Report

Committee & Ward Reports

Communication & Correspondence

Unfinished Business

Adoption/Ordinance 2019-06/Chapter 55/Personnel Code/Random Drug Testing Addition ®

Adoption/Ordinance 2019-07/Chapter 19/Economic Development & Redevelopment Code/DDD ®

Bid Award/Public Works Facility/HVAC Replacement & Building Renovations

New Business

Authorization/Milford Community Cemetery/Relief Water Charge

Approval/Funding Appropriation/Milford Community Cemetery/Equipment Loan

Vacancy/City of Milford Planning Commissioner

Acceptance/FY2017-2018 Audit

Introduction/Ordinance 2019-01/Chapter 222/Water Code Amendments
Resolution 2019-01/Updated Water Rates*

Introduction/Ordinance 2019-02/Chapter 185/Sewer Code Amendments
Resolution 2019-02/Updated Sewer Rates*

Introduction/Ordinance 2019-05/Yoder Properties LLC

Conditional Use to allow a Single-family semidetached dwelling on 0.22 +/- acres in an R2 zone.

Property is located at 703 SE Second Street, Milford, Delaware. Present Use: Vacant/Proposed Use:
Single-family semidetached dwelling; Tax Parcel 3-30-7.17-213.00

EXECUTIVE SESSION

Motion to Recess into Executive Session

Pursuant to 29 Del. C. 29 §10004(b)(4) Collective Bargaining Matters

Pursuant to 29 Del. C. §10004(b)(9) Personnel Matter

Return to Open Session

MPD Teamsters Negotiations

Council Appointees Reviews/Discussions

Adjourn

All items on the Council Meeting Agenda are subject to a potential vote.

**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.**

© Public Comment, up to three minutes per person, will be accepted.

012419(R) 012419 012519 013019 013119 020119 020519 Items Clarified/Removed *021119 Typo Corrected

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 14, 2019

A Meeting of the City of Milford Police Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, January 14, 2019.

PRESIDING: Chairperson Katrina Wilson

IN ATTENDANCE: Mayor Arthur Campbell

Committee Members:
Councilmembers Michael Boyle and Lisa Peel

Councilmember Todd Culotta

City Manager Eric Norenberg, Police Chief Kenneth Brown and
City Clerk Terri Hudson

Chairperson Wilson called the Committee Meeting to order at 6:35 p.m.

Authorization & Funding Source/Two Additional Full-time Dispatchers

The Chairperson advised that Chief Brown is asking for two additional full-time dispatchers.

Chief Brown explained he would like to add two more full-time dispatchers for a total of eight. That will allow two dispatchers on each of the four shifts which would prevent using part-time help. It would also put those dispatchers under the supervision of the shift sergeant/supervisor. That will free up a lot of time for his staff officers who are extremely busy trying to schedule part-time dispatchers.

He also said there have also been two eight-hour dispatchers who fill in during the busier times.

He reiterated this has created a lot of additional work for his staff officers.

The Chief explained that running an emergency operations center with only one person is foolish and there should always be at least two people in the building. The 911 centers operate with four dispatchers and that is without the workload Milford Dispatchers have. Though they cover calls for each county, Milford's dispatchers are busier because they also handle people walking into the police department, handle matters for the police officers and handle matters for the City.

Chief Brown said a good example is what occurred on December 14, 2018 at one o'clock in the morning. It was a quiet night and there were two dispatchers working. A caller reported that someone had just broken into his apartment and was holding his family hostage in the living room. The caller said he was able to flee to the bathroom which is how he was able to contact the department through his cell.

When the police units arrive, the officers attempted to get the occupants to come out of the apartments using the PA system though no one complied. The caller continued to give a very descriptive account of what was occurring with the police, emergency vehicles, lights, etc. as well as of the people inside the apartment.

The incident continued for approximately one hour. In that situation the dispatcher is required to stay in contact with the victim. The shift supervisor was directing the dispatchers to call in the SWAT team, Delaware State Police, negotiators, additional Milford units and his four staff officers.

Chief Brown emphasized that one dispatcher would not be able to make those calls or contacts, nor keep up with the radio traffic that was occurring.

Chief said that the complaint was actually a scam as the caller turned out to be an ex-boyfriend who had seen some males enter his ex-girlfriend's apartment. He was pretending that a crime had occurred to cause an inconvenience to his girlfriend hoping that the police would break into the apartment because of the alleged hostage situation.

The Chief stressed that one dispatcher could not have been able to handle that situation, and is the reason he asked for two. However, that was part of a strategic plan that began in 2017. It was submitted as a budget request, but because of financial limitations and other expenses, he was asked to withdraw that request and consider it later in the fiscal year.

He said this became an urgent situation when one of the police recruits, he sent to the Delaware State Police Training Academy, decided to quit half way through. She was formerly a dispatcher and had decided she wanted to be a police officer. She applied, was hired and was sent to the academy. She told Chief Brown that instead she wanted to go back dispatching and no longer wanted to be a police officer.

Chief Brown said he has discussed it with the City Manager because there were no positions available. Because he agreed that she could return to her old job, the City Manager recommended Chief Brown continue her employment and pay her with the money saved this past year due to the number of vacant police positions that had not been filled. That provided enough to pay her until the first of the year at which time Council would need to approve the additional position and funding.

As a result, he will have her fill one of the two new positions which is why this needs to be done now.

When asked about part-time dispatchers, Chief Brown said they have used two dispatchers during busy times for several years. That was to supplement the four full-time twelve-hour dispatchers. The two eight-hour dispatchers only work during peak times. However, that has started to create a lot of work when his staff officers need to schedule one of the two eight-hour dispatchers or one of the five part-time dispatchers.

He reported that the department is at the mercy of the part-time dispatchers because they all have full-time jobs and families. Because of that, they are not always willing to work when they are needed. Besides that, it is a real battle for the department to keep the part-time positions filled.

When asked if Chief Brown is asking to fund two new positions, he said that was always his strategic plan. Right now, it is critical he get the one position approved in order to keep dispatcher that quit the academy in a full-time position.

The Chief has no one to fill the other position at this time. His staff will need to start the hiring process and after someone is hired, they will need to be trained which takes several months. Because of the dispatcher's situation, it is not as important to add the second position right now. Instead, they can bring someone in under a part-time status, get them trained and if they work out, hire them full-time at some point in the future.

It was confirmed that the second dispatcher might be hired in FY20; Chief Brown said that could work.

Chairperson Wilson asked if the coverage can be worked out without the second position; Chief Brown said this will provide the adequate cover at this point.

The Chief said that approximately 50% of the people that apply for a dispatcher position are not suited or end up quitting so it is very difficult to find someone that will work out even after they have been trained.

Mayor Campbell said he talked to Finance Director Portmann who indicated there are funds available in the general fund reserves to take care of the additional dispatcher. If the Police Committee makes a recommendation to authorize, it will need a favorable vote of City Council.

Councilman Boyle is in agreement, particularly if there is funding available for the new dispatcher position noting that the second position will be considered during the FY20 budget. It sounds like there will not be a financial impact at this time.

City Manager Norenberg then reported that the cost for a full-time dispatcher is approximately \$63,000, which includes benefits. The full-time dispatchers make slightly more than the part-time dispatchers.

He said that with the additional full-time dispatcher position, fewer part-time dispatchers will be needed. That will result in an overall savings and the reason Mr. Portmann and he feel there are adequate funds available to pay for the new dispatcher position the remainder of the year.

Mt. Norenberg added that this dispatcher is a good employee otherwise the department would not have sent her to the police academy and is the reason they agreed to keep her working full-time over the past couple weeks, pending authorization.

Councilmember Peel confirmed that moving forward the cost will be \$63,800 for each additional dispatcher per year.

Chief Brown confirmed that the reason the request for the two additional dispatchers was withdrawn was to prevent a tax increase as was the wishes of City Council.

When Councilmember Peel asked where the money will come to pay for the additional dispatchers next year, Mr. Norenberg said they will have to look at everything as they begin the budget process. He met with City Accountant Suzannah Frederick last week to discuss revenues and expenses. They will be instructing department heads over the next few weeks to begin their budget process.

However, there remains two unanticipated items not included in the current fiscal year police budget. One is the two full-time dispatchers and the other will be the economic impact of the Teamsters agreement when approved.

Councilmember Peel feels that is potential recruiting tool for the academy. Dispatching gives them a great idea of the culture and hopefully future dispatchers who want to become police officers will be successful in the academy.

Chief Brown said that both he and Chief Hudson started as dispatchers.

Councilmember Peel also feels it is very important to talk about this in the context of a tax increase and prefers everyone be upfront about this very likely happening this next fiscal year.

Chairperson Wilson said that everyone is in agreement to fund the new position for Jennifer Darlin. When the budget is presented for FY20, the additional position will be considered.

Chief Brown then stated that he understands, but if they cannot hire two dispatchers, there is no need to only hire one because it will take two dispatchers to make this work schedule-wise.

Chairperson Wilson said she supports the two dispatchers, but noted that the funding is not available right now. Chief Brown said he prefers two dispatcher positions be approved but as long as Dispatcher Darlin can continue working in one of the new positions he can wait until July for approval of the second full-time position.

Chairperson Wilson confirmed that Chief Brown wants the committee to recommend adding two new full-time positions.

Councilperson Peel understands the need, but also wants it clear that adding two new positions will require a tax increase to pay for the positions.

Chairperson Wilson said that at this point, we do not know if that will be required.

Accountant Suzannah Frederick said that Mayor Campbell spoke with the Finance Director who confirmed there is money in the general fund reserves right now to fund the two additional full-time positions.

She recalled that when these new positions were being discussed last year, an additional \$83,000 added to the general fund budget is an approximate one-cent tax increase. If taxes are not increased, that amount will need to be cut in another area of the budget. Though there was no tax increase this past year, there were other items trimmed to prevent it.

Ms. Frederick confirmed that revenue forecasts have not yet been examined at this time.

Councilmember Peel agreed that it will increase the overall budget, so there will be a need to squeeze it from somewhere else.

City Manager Norenberg said that at this time, we do not know the full impact of a few revenue items such as the lodging tax. Building permits also continue to increase as well.

On the flip side, we do not know the impact of the Teamsters contract either.

The City Manager applauds the Chief's strategic plan though it is difficult to guarantee the funding of the second dispatcher in the next fiscal year, though everything will be done to make it possible. As Chief Brown indicated, there is turnover in the department that could result in an overall savings. The department has also agreed to back off the use of part-time dispatchers to the degree they were used before Dispatcher Darlin was hired back.

However, Council will need to make the funding decision. Mr. Norenberg suggests committing to attempting to fund the second dispatcher, though he agrees with Councilmember Peel that making a guarantee is risky, especially when you think about requests that have to be considered.

Councilmember Peel asked Chief Brown if he believes there is a way to fenagle money in the budget to fund the additional position; Chief Brown said he is unsure any additional money would be available in his budget.

Chairperson Wilson moved to authorize two positions, one to be filled now with funds that are available and the other to be deferred and considered during the FY 2020 budget reviews, revenue conditions permitting, seconded by Councilmember Boyle. Motion carried.

There being no further business, Chairperson Wilson adjourned the Police Committee meeting at 6:57 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 14, 2019

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 14, 2019.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Todd Culotta, Owen Brooks Jr., Douglas Morrow and Katrina Wilson

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Assistant Solicitor James Sharp, Esquire

ABSENT: Councilmember James Starling Sr.

CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 7:04 p.m.

INVOCATION AND PLEDGE

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

APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes from the December 10 and December 19, 2018 Committee and Council Meetings. Motion to approve made by Councilmember Wilson, seconded by Councilmember Morrow. Motion carried.

RECOGNITION

Proclamation 2019-01/School Choice Week

Julie Collier of the National School Choice Organization in Mission Viejo, California submitted a request for the following proclamation:

WHEREAS, all children in the City of Milford should have access to the highest-quality education possible; and

WHEREAS, the City of Milford recognizes the important role that an effective education plays in preparing all students in the City of Milford to be successful adults; and

WHEREAS, quality education is critically important to the economic vitality of the City of Milford; and

WHEREAS, the City of Milford is home to a variety of high quality, public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and

WHEREAS, the City of Milford has many high-quality teaching professionals in all types of school settings who are committed to educating our children; and

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options.

NOW, THEREFORE, I, Arthur J. Campbell, Mayor of the City of Milford, do hereby proclaim January 20-26, 2019 as School Choice Week in our community and call this observance to the attention of all our citizens.

The document will be forwarded to Ms. Collier.

MONTHLY POLICE REPORT

Police Committee Chairperson Wilson presented the monthly Police Report on behalf of Chief Brown.

Councilman Morrow moved to accept the report, seconded by Councilman Brooks. Motion carried.

MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced his report, noting there is an update of statistics and data from the various departments.

Councilmember Wilson moved to accept the City Manager report, seconded by Councilmember Brooks. Motion carried.

MONTHLY FINANCE REPORT

Finance Committee Chairman Morrow reported that through the fifth month of Fiscal Year 2018-2019 with 42% of the year having passed, 47% of revenues have been received and 39% of the operating budget expended.

Mayor Campbell shared that of the more than \$500,000 that was outstanding in property taxes, approximately \$390,000 has been collected. He attributed that to City Accountant Suzannah Frederick and her staff.

It was confirmed all tax money goes into the general fund, as required.

Councilmember Boyle moved to accept the November 2018 Finance Report, seconded by Councilmember Mergner. Motion carried.

COMMITTEE & WARD REPORTS

Councilmember Brooks reported that a number of his constituents have complained about the disarray of the community garden. He explained that since the growing season concluded, it has been left neglected with no one attending to it or cleaning it up.

He said that Councilman Morrow received one call.

Councilwoman Peel said there is a clean up schedule with a date of February 16th.

City Manager Norenberg said he will follow up, though he is aware that the volunteer leader of the project is also a wildland firefighter and was called to California for the Paradise fire.

COMMUNICATION & CORRESPONDENCE

None to report.

UNFINISHED BUSINESS

Funding Appropriation/Future Police Substation Site/AI Property/Environmental Evaluation Phase II

City Manager Norenberg recalled that Chief Brown wished to acquire this property to meet the temporary needs of the police department while plans proceed for the replacement police facility.

Results of the phase one indicated that twenty to thirty years ago, there were fuel tanks on the property. Some tanks had been removed though no records can be found for the balance. As a result, some ground sampling was done with Phase II currently underway. Because of the wet weather, the core sampling was delayed.

He asked for authorization of the supplemental funding of \$8,490.

Two bus contractors were housed on the site and at some point, it was utilized as a garage for a race car according to Chief Brown.

When asked who is responsible for any contaminated soils found, City Manager Norenberg said the City would need to negotiate though we would look for available state funding.

Councilmember Morrow made a motion for approval of the appropriation of \$8,490 for the Environment Study Phase II, paid from general fund reserves, seconded by Councilmember Wilson. Motion carried.

NEW BUSINESS

Approval/Progressive Engineering Consultants' 2019 Engineering Services Contract

Public Works Mark Whitfield reported that the Electric Department has used Consultant Progressive Engineering out of Virginia for many years. A local company provided the same services but is no longer in business.

As a result, it is the Electric Department's desire to continue working with Progressive who are overseeing several on-going projects. He recommends contracting with them for another year. It was confirmed the rates are very similar with other competitors.

Councilmember Morrow moved to authorize Mayor Campbell to execute the Progressive Engineering Contract, seconded by Councilmember Peel. Motion carried.

DEMEC/Alternate Board Member Designation

Adoption/Resolution 2019-03/Appointment of Director & Alternate Director

City Manager Norenberg shared that with the recent retirement of the Electric Superintendent, a new alternate board member needs to be designated until such time the superintendent position is filled. It is recommended that Public Works Director Mark Whitfield be appointed to serve as the City of Milford's Alternate Director for the DEMEC board, effective January 15, 2019.

When asked for public comments on the resolution, no one responded. Mayor Campbell then closed the floor to public comment.

Councilmember Peel moved to adopt Resolution 2019-03, designating Public Works Director Mark Whitfield as Alternate Director to DEMEC, seconded by Councilmember Morrow:

WHEREAS, the City of Milford is a member of the Delaware Municipal Electric Company ("DEMEC"), a municipal electric company established pursuant to 22Del. C. Chapter 13;

WHEREAS, the City of Milford is authorized to appoint an individual to serve on the DEMEC Board of Directors pursuant to 22Del. C. § 1304(3);

WHEREAS, Article V, Section I of the DEMEC Agreement and Articles of Incorporation, grants the Member City the authority to appoint an alternate director to serve in the absence of the director.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Milford:

- (1) The City Manager shall continue to serve as the Director representing the City of Milford on the DEMEC Board of Directors.
- (2) The Public Works Director shall serve as the Alternate Director in the absence of the Director.
- (3) In the absence of the Director, the Alternate Director shall have full power and authority to act on the City of Milford's behalf.
- (4) This resolution supersedes all prior resolutions related to the appointment of a DEMEC Director and Alternate Director from the City of Milford.

Motion carried.

Authorization/Funding Appropriation/Police Department/Two Additional Full-time Dispatcher Positions

Police Committee Chairperson Wilson reported that the committee met earlier as a result of the Police Chief's request for two full-time dispatchers. She explained that in the past, part-time dispatchers were used. Funds are currently available for one dispatcher for the remaining of the fiscal year. He will be asking for the second position and funding be added to his FY20 budget.

Councilmember Wilson moved to approve two full-time dispatchers, seconded by Councilmember Brooks. Motion carried.

Introduction/Ordinance 2018-31/Conditional Use

DCRAC on behalf of the City of Milford

604 North Walnut Street

Tax Map MD-16-183.06-02-14.00

Present Use: Municipal Facility (Armory); Proposed Use: Community Service Building

Mayor Campbell introduced Ordinance 2018-31.

Planning Director Rob Pierce referenced the conditional use application for the Milford Armory at 604 North Walnut Street for community service facilities.

The ordinance is scheduled for a public hearing at the January 28, 2019, which has been discussed by the Community and Economic Development Committee and the potential tenant several times over the past year.

Councilman Morrow asked that Council be provided with copies of the Planning Commission's discussion and hearing on this matter, prior to January 28th.

Introduction/Ordinance 2019-03/Amended Liborio Watergate LLC Subdivision Plan/

Watergate Subdivision

East side of Marshall Street north of the Elks Lodge Road Intersection

Tax Map 3-30-11.09-029.00; -029.03; -30.00 through -032.00; 3-30-11.09-101.00 through -304.00

Mayor Campbell introduced Ordinance 2019-03.

Mr. Pierce recalled City Council reviewing the preliminary subdivision plan for the Watergate Community this past year. The layout is being amended which will result in a reduction from 303 to 300 residential units.

The Planning Commission will hear the application next Tuesday prior to City Council making a final determination at their January 28th meeting.

Introduction/Ordinance 2019-04/Chapter 230/Zoning Code/Conditional Use Request

Two Farms, Incorporated/Royal Farms

562 & 566 South DuPont Boulevard, Milford, Delaware
Tax Parcels 1-30-3.11-003.00 & 004.00
Zoning Code 230-14(C)(14)

Mayor Campbell introduced Ordinance 2019-04.

Planner Pierce advised that a complete demolition/rebuilt/site plan has been submitted for the Royal Farms convenience store and gas station that currently exists on South DuPont Boulevard adjacent to Shawnee Road.

The site being significantly altered requires another review and conditional use approval, which will be discussed at the January Planning Commission meeting and before Council on January 28th.

Approval/Funding Appropriation/Fuel Management System Replacement

Public Works Director Whitfield recalled when this past August, the city's fuel management system crashed. In an attempt to have it restored, it was determined it would no longer interact with the Windows 7 platform. The equipment and software required to upgrade the old system was approximately \$12,000. Because of the cost, staff investigated other fuel management software alternatives.

After reviewing several vendor proposals, the Fuel Master system through Syntech was found to best meet the city's needs now and into the future. Both Perdue and KSI presently use the system and both recommend it.

The new system is cloud based, which was also recommended by IT staff. The web-based system will alleviate the situation of software being isolated on one PC.

The Syntech system is \$14,915 in addition to an annual fee of \$4,740. The proposed fuel system requires the use of a proximity card/fob for access. There is also an option for a wireless intervention tool that can be added to each vehicle, as budgets allow. The cost of the on-going maintenance will be incorporated into the garage budget, allowing each department to pay a percentage.

The City Finance Director recommends the purchase be funded through general fund reserves.

Mr. Whitfield also presented the proposal to the Finance and Public Works Committee meeting who supported the recommendation.

Councilmember Boyle moved to authorize the purchase of the Syntech Fuel Master Management System in the amount of \$19,655, of which \$14,915 is for the system, to be paid from general fund reserves and \$4,740 is for the web-based service, to be paid from the garage budget, seconded by Councilmember Wilson. Motion carried.

Approval/Funding Appropriation/Project Management City Hall Basement Waterproofing & Restoration

Public Works Director Whitfield recalled previously reporting that professional expertise was being sought on how to proceed with the basement waterproofing and restoration. The City Engineer spent a great deal of time putting together a proposal, though it was later determined it would be more cost effective and better managed in the hands of the experts. Work includes investigative services, as well as the development of a solution to the water infiltration problem.

Proposals were then solicited and received from EDiS out of Wilmington and Whiting Turner from Newark. Both firms were interviewed and the recommendation is that EDiS be awarded the contract in the amount of \$24,700, which was significantly lower than the Whiting Turner proposal of \$33,000.

Councilman Brooks asked if the problem has been identified because the drains are not that old. Mr. Whitfield explained there are different drain systems including the perimeter drain which caused the water to enter the basement. They have also determined there was no drain installed under the ramp system at the time it was installed. As a result, any ground water in the parking lot has no barrier to prevent it from entering the building.

The drains in the bottom of the stairwells are sump drains that go out into the parking lot. They estimate those sumps were installed in the late 1950's or early 60's. The only way to repair the pump is pull the parking lot up and reconstitute a sump with stone or other material.

The plan is to install a pump to capture the water of the perimeter drain in a well and install it in the inlet at a higher elevation.

They are also considering recommendations on how to address the two sumps.

Originally proposed was an inside french drain, though there is evidence that water came through the wall that has no perimeter drain. Any type of barrier such as drywall or steel will trap the water behind the wall and the mold and mildew problem will continue which is the reason the french drain will not work.

Mr. Whitfield explained this is a very complicated project and a number of scenarios are being considered. EDis will be doing the investigative work and testing to come up with the best restoration procedures.

Councilmember Mergner emphasized this is not about the actual work, but instead to provide the plan for what will be needed. It was confirmed that the work will be done by an outside contractor who specializes in these type projects. He recalled the original waterproofing plan put together by Public Works/Engineering was \$250,000 and that did not include any restoration.

When asked if this could happen in another four to five years, Mr. Whitfield stated that if Council wants to continue using the basement, it is his recommendation the city hire the best expertise to ensure it is waterproofed.

Councilman Brooks said why would we want to use it if it continues to flood. Mr. Whitfield explained that is the reason the recommendation is to use actual experts who can determine the best and the most cost-effective way.

When asked what it would be used for, Mr. Norenberg said that continues to be evaluated. Currently, the IT Department is housed in the basement with all their equipment, including the City's primary servers. He said the cost to relocate the equipment will be included in the evaluation. However, that is another reason the city is moving in the cloud-based direction which allows for more options.

When asked what would happen if the company came back with a recommendation not to use the basement, Mr. Whitfield said they were very confident they could take care of the problem. However, everything depends on their investigative work.

Councilmember Brooks asked if the employees in the basement are safe; Mr. Norenberg explained that two rounds of extensive remediation have been done, along with testing. The results are they are safe.

Councilmember Mergner feels there are a lot of issues, including the servers in the basement, employees in the basement and there is a lot to consider.

Councilmember Wilson pointed how much money has been previously spent on the basement because of the ongoing water issues.

The Public Works Director emphasized that based on EDis Findings, it could be much more than \$250,000 though it could be less. Fortunately, the IT staff is in the basement sporadically because their duties require them to work in the field as well. Therefore, they are not there eight hours a day. He also noted that all terminus for fiber optic comes into city hall. If relocating, that alone will be a major project.

It was agreed that Council may need to decide whether or not City Hall is viable anymore. Mr. Norenberg pointed out that we still have staff working upstairs, in addition to the meetings that are held here on a regular basis.

The consensus was to investigate and based on the estimated costs, make some decisions at that point.

Councilmember Wilson feels this will provide Council with the ability to make an informed decision. As a result, she moved to authorize \$24,700 from general fund reserves and award EDiS with the professional services contract related to the City Hall Waterproofing and Restoration Project, seconded by Councilmember Peel. Motion carried.

Based on the water and frozen ground conditions, Mr. Whitfield anticipates the work will take at least three months.

Council Member Appointment/Community & Economic Development Committee

Mayor Campbell recommends Councilmember Culotta be appointed to the Community and Economic Development Committee, as a result of his business background, in addition to the Annexation Committee.

Councilman Brooks moved for approval, seconded by Councilmember Morrow. Motion carried.

EXECUTIVE SESSION

Councilmember Boyle moved to go into Executive Session reference the below statutes, seconded by Councilmember Mergner:

Pursuant to 29 Del. C. §10004(b)(4) Collective Bargaining Matters

Motion carried.

Mayor Campbell recessed the Council Meeting at 7:59 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Council returned to Open Session at 8:13 p.m.

Police Teamsters Negotiations

Mayor Campbell announced that no action was needed as a result of the Executive Session discussion.

ADJOURNMENT

There being no further business, Councilmember Wilson moved to adjourn the Council Meeting, seconded by Councilmember Mergner. Motion carried.

The Council Meeting adjourned at 8:15 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 28, 2019

The City Council of the City of Milford met in Workshop Session on Monday, January 28, 2019 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware at 6:47 p.m.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Todd Culotta, Owen Brooks Jr., Douglas Morrow and Katrina Wilson

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

City Manager Norenberg recalled that the requirement that any organizations supported financially by the City of Milford, is required to provide a quarterly status report to City Council.

Quarterly Update/Downtown Milford, Inc.

DMI Executive Director Murrie Zlotziver thanked Council for allowing him to present the information. He pointed out that the report only covers October-November-December, though he knows there are a lot of events that have occurred in January that are not included in the current report.

Mr. Zlotziver submitted the following report:

The report is divided by the various DMI committees that include Organization, Economic Vitality, Promotion and Design.

- * At the Annual Membership meeting, new board members were elected-
Jason Peel, Denise Morris, Cat Pereffti and Kelly Turner
- * Bylaws were changed to reflect new fiscal year July thru June
- * Tremendous group of volunteers support all events and in particular, the Santa House project;
Volunteer hours estimated 1,363 valued at an estimated \$34,075
- * Big Ask campaign providing potential sponsors the opportunity to donate to their favorite activities on a one-time annual basis
- * Received Kent County Tourism Quaint Village of the Year Award (conjunction with City of Milford and Parks and Recreation)
- * Received Southern Delaware Tourism Best New Event of 2018 for the inaugural Ladybug Festival
- * Met with Nationwide Healthcare Facility Manager and look forward to working with them
- * Continue to update website and Facebook Economic Vitality
- * New downtown brochure continues to be updated and is being handed out at local businesses
- * Continue to developing access to information site providing information on available building spaces in conjunction with the City Planning Office
- * Worked with Kent County Tourism & DE Turf to offer Milford Goody Bag and button/pin that will encourage shopping by DE Turf attendees.
- * Farmers Market
33 Vendors
3,162 estimated shoppers
\$46,243 estimated total sales
- * Five-Year Anniversary of Irish Rose.
- * New business brochure completed

- * Ribbon Cuttings for The Nook, It's About Time
- * Developed new subcommittee to work on new business recruitment
- * Mispillion Fitness closed
- * Participated in Milford Chamber of Commerce Workforce Development Committee
- * Developed & publicized RFP for the Vinyard, recommended and hired Architectural Alliance to handle study
- * Continue to hold monthly Entrepreneurial Network meetings including the formation of a Business Improvement District (BID) Promotion
- * Ladybug Festival Milford new sponsorship packet & recap video; September 21, 2019; budget increased to \$35,000
- * Biggest turnout for Holiday Stroll (carriage rides returned)
- * Santa House (1,120 children 1,388 adults 50 elves, 1,300 stockings 600 volunteer hours),
- * Shop Small Saturday all very successful
- * Event rack card updated.
- * King's Ice Cream very success will be returning May-September
- * City's Birthday celebration will occur every 5 years
- * Bug & Bud Festival
 - Date changed to May 4, 2019
 - Signed contract for TV commercials
 - ABC Channel 47, 140 (30 seconds) or 280 (15 seconds)
- * Advertised in Southern Delaware Spring Summer Vacation Planner
- * St. Patrick's Day Weekend:
 - Concert & Dance Concert March 15, 2019
 - Pub Crawl March 16, 2019
- * Continue to advertise in the Milford Chronicle and Milford Live Design
- * Milford in Bloom sponsored winter greenery planting (light pole baskets)
- * Sail Banner Project banners completed with art supplies now being distributed to businesses and artists with assistance of First State Manufacturing
- * Smaller banner on Walnut Street which will be sold to local businesses for additional advertising and Design Committee income
- * Holiday wreath fundraiser in conjunction with Milford High School FFA
- * Subcommittee establish to review and recommend wayfinding signage and distances to various stores
- * Completed and presented a voluntary Design Guide for Downtown Milford buildings; worked with a Philadelphia Consultant paid by State grant money
- * Working with City Planning Department on updating sign code
- * Building and ground maintenance continue on a regular basis
- * Shop Early, Shop Late, Shop Small button & materials completed promote Third Thursday Shopping Year round; 17 businesses participating and providing 15% discount to patrons with buttons

Mr. Zlotziver encouraged everyone to visit downtown on Third Thursdays. He said they are adding more activities including music, storytelling, puppeteers, etc.

Councilmember Peel commended Mr. Zlotziver for partnering with Milford School District and allowing some of the students to work on the Christmas projects and to sell greenery, as well as participate in the art project. She noted that her children are presently working on their sail banner.

She feels it is very important that younger people get involved and understand their civic responsibility and applauds DMI.

The Director also announced that they now have their second intern, who is now being paid. He predicts they will be hiring a high school intern every year now.

Councilmember Wilson thanked Mr. Zlotziver for the impressive report and recalled that Council had asked that a financial report be provided as well. He apologized adding that was an oversight and he will provide that information during the next report.

Quarterly Update/Milford Museum

No report.

Miscellaneous

It was noted that these are the only two organizations who have received City funds this year. The Carlisle Fire Company will be reporting once their agreement has been executed.

There being no further business, the Workshop concluded at 7:11 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 28, 2019

A Special Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 28, 2019.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Todd Culotta, Owen Brooks Jr., Douglas Morrow and Katrina Wilson

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

Call to Order

The Special Meeting of City Council was called to order at 7:15 p.m.

Resignation/City Council Fourth Ward Seat

Mayor Campbell read the following letter into record:

Dear Mayor Campbell,

As of January 15, 2019, please accept my letter of resignation from my position as city council person of the 4th ward effective immediately. I discussed my plans with you on the telephone on January 15, 2019.

I have been on the council for over 20 years and believe it is time to move forward so a younger person can become part of this important mission. It is bitter-sweet that I must resign. It was not an easy decision, but gradual recognition that my time on the council was drawing near. Given my health and age, and discussing this decision with my wife, I believe it is my time to say farewell.

My wife, the Rev. Dr. Jeanel Starling and I appreciate the many times you helped us with the Free Community Christmas dinners on Christmas Day.

I have enjoyed my time as a servant in this important position and service to the City of Milford, my home town of which I am proud. I have enjoyed working with the council members and staff. Over the years, important issues were discussed and resolved.

I will continue to follow you in the newspapers and on TV. I pray God's richest blessings upon the council as you continue to keep the interest of Milford as your primary goal.

James L. Starling Sr.

Mayor Campbell then read from the City of Milford Charter regarding procedures on filling vacancies:

Article IV. City Council Government –

Composition, Qualifications, Vacancies and Procedure
4.05 - Vacancies, Forfeiture of Office; Filling of Vacancies.

(a) Vacancies.

(1) The Office of the Mayor shall become vacant upon death, resignation, forfeiture, or removal from office in any manner authorized by law, or ceases to be a lawfully registered voter of the City and a resident of the City and the vacancy is confirmed by City Council.

(2) The Office of a Councilmember shall become vacant upon death, resignation, forfeiture, or removal from office in any manner authorized by law, or ceases to be a lawfully registered voter of the City and a resident of the Ward in which he/she resided at the time of the election and the vacancy is confirmed by City Council.

(b) Forfeiture of Office. The Mayor or a Councilmember shall forfeit his or her office if he or she (1) lacks at any time during his or her term of office any qualification for the office prescribed by this Charter or by law, (2) violates any express prohibition of this Charter, or (3) is convicted of a crime involving moral turpitude.

(c) Filling of Vacancies. If a vacancy occurs in the City Council and the remainder of the unexpired term is more than 12 months, the vacancy shall be filled by a special election. If a vacancy occurs in the City Council and the remainder of the unexpired term is less than 12 months, the City Council shall within 45 days of the vacancy being confirmed, by a majority vote of all of its remaining members, appoint a qualified person to fill the vacancy until the person elected at the next regular election takes office.

Mayor Campbell stated that as a result, City Council is authorized to appoint a qualified person to fill the remainder of Councilman Starling's term. As for the term beginning in May 2019, the person will be required to file for the full two year whose filing deadline is February 26, 2019, as any other interested candidate is required to do so.

Confirmation & Appointment/City Council Vacancy

Confirming the vacancy of the Fourth Ward Council seat, Councilmember Wilson moved to appoint Jason James Sr. to fill the vacancy left by long-term Councilman James Starling, Sr., seconded by Councilmember Peel. Motion carried.

Swearing In/Fourth Ward Councilmember/The Honorable Noel Eason Primo

The Honorable Noel Eason Primos of the Superior Court of the State of Delaware was then introduced by Mayor Campbell. Judge Primos then administered the Oath of Office to incoming Councilmember James, who was accompanied by his wife Pamela, who held their family bible during the ceremony.

After the swearing in procedure concluded, Councilman James signed his Oath of Office after which he took his place at the Council dais.

Adjournment

There being no further business, Mayor Campbell adjourned the Council Meeting at 7:21 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 28, 2019

Milford City Council held Public Hearings on Monday, January 28, 2019 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Todd Culotta, Owen Brooks Jr., Douglas Morrow, Jason James Sr. and Katrina Wilson

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

Mayor Campbell called the Public Hearing to order at 7:21 p.m.

City Planning Director Rob Pierce was present. Mr. Pierce advised that Councilman James was a member of the City Planning Commission during the review and hearing of the three agenda items this evening and asked if there was a need for him to recuse himself as a result.

Solicitor Rutt confirmed there is no conflict because he is now a member of the City Council and has voting rights as a result of each new public hearing.

Ordinance 2018-31

*(Delaware Community Reinvestment Act Council) DCRAC on behalf of the City of Milford
Conditional Use*

3.40+/- acres in an R2 Zoning District

604 North Walnut Street, Milford, DE

Present Use: Municipal Facility (Armory); Proposed Use: Community Service Building

Tax Map MD-16-183.06-02-14.00

Mr. Pierce reviewed the application adding, the following:

Milford Parks & Recreation Department utilizes the building in the rear as their maintenance office. The area enclosed by a fence on the west side of the property is used for storage and workshops for the park maintenance staff. Outside the fenced in area, there is an existing community garden on the north side of the property along North Walnut Street.

The public notice was advertised in the Milford Beacon on November 28, 2018 and all properties within 200 feet of the subject parcel received a notice of the hearing(s).

The applicant proposes to utilize the former armory building as a Community Service Building, offering programs and services such as housing assistance, foreclosure prevention, pre-purchase counseling, credit and budgeting assistance, tax controversy assistance, workforce development, job skills training, certifications, will and estate planning.

The initial phase over the first twelve months of operation would involve one employee from DCRAC and one employee from GG4L who will occupy the two offices on the upper level of the armory. The lower level would not be used at this time due to its renovation needs.

Occasionally, other members associated with the two groups may schedule appointments to provide specific services for individuals. There may be a need to hold workshops with up to fifteen attendees in the upper

level. Normal hours of operation would be 8:00 am to 5:00 pm. Training, workshops and related sessions may be offered after hours between 6:00 pm and 8:30 pm.

If approved, the applicant must obtain approval from the City Building Inspector, State Fire Marshal's Office and the State Plumbing Office for uses on the upper levels before a Certificate of Occupancy would be issued.

The application packet included zoning maps showing the zonings of adjacent lots which were primarily low residential thought there is a church and a community deli along that street. A site plan showed its existing conditions and uses, including the Community Garden located to the north of the building.

A floor plan showing the two office spaces that will be used during the first phase of the armory was also included.

The Planning Commission recommended approval of the application at their December 18, 2018 meeting by unanimous vote. No one from the public spoke for or against the application.

It was confirmed that DCRAC would be the anchor tenant.

Lillian Harrison was present on behalf of DCRAC.

Councilmember Mergner asked if other tenants would have individual agreements or would they fall under the umbrella of DCRAC; Mr. Norenberg explained the intent is to have a master tenant thus preventing the City from being involved with subtenants.

He added that the utilities were separated so that Parks and Recreation would be responsible for their usage, and DCRAC would pay their costs.

Because of the use of the common areas (meeting rooms, hallways and restrooms), the master tenant is able to manage those spaces and handle any related rent as a result.

Mr. Pierce confirmed the City still has the responsibility of reviewing any proposed tenant to ensure the associated use meets the deed restrictions that were added by the State of Delaware for community purposes.

Councilman James asked if there has been confirmation that the services being offered by the tenant are a needed service within the community. Mr. Pierce reported that Ms. Harris' provided information related to the need for the various services and asked her to respond.

Lillian Harrison introduced herself as the DCRAC Housing Director adding that her case load grew over the past year to include more clients in Kent County. They believe the Milford location is an ideal location due to their high case load in Sussex County and growing case load in Kent County.

Councilmember Culotta asked if the City later determines that property is better suited for another purpose, can the lease be terminated and another new home be found for DCRAC. Mr. Norenberg said there are provisions that would allow that opportunity though we need to consider the money they are investing the first year in exchange for very little rent to allow them to repair and upgrade the building. Their intent is to do fundraising to be able to fix up the major deficiencies in the building including the HVAC system, roof issues, etc.

He feels that if they are making a good faith effort to provide the community services while fixing up the building that should be honored and the organization be allowed to continue. There were several entities that looked at the armory and because of the major upgrades that were needed, most walked away.

Mr. Rutt explained a conditional use involves a land use of the actual land. For zoning purpose, the land will be redesignated for the specific use being sought under this application which in this case is a community service building. That use attaches to the property until it is revoked or lapses due to nonuse.

The Solicitor pointed out the application has been written for use of the entire 3.4 acres which would include the Community Garden and the building being utilized by Parks and Recreation. However, as part of the approval, Council can restrict the conditional use to the building and parking spaces, and grant a partial conditional use to a specific area of the property.

Ms. Harrison stated that she had asked that the first year will be geared toward planning and the capital campaign for the facility. They need to raise a lot of money due to the condition of the facility and hope that be considered with regard to the City's future planning for the site.

Ms. Harrison confirmed that they are comfortable with restricting the conditional use to the main building. She said they have discussed working in conjunction with those currently using the building and both feel neither will impede the other's use of the property.

Councilmember James referenced the improvements being addressed by the tenant, and asked if there any provisions in the lease that should the tenant move out, all improvements would become the property of the City. It was confirmed that is built in the base lease because the first year is focused on the startup. Once they have a better dollar idea of the investment, the City will be able to better plan when considering future rent.

Councilmember Wilson pointed out that the programs being offered by DCRAC to Milford residents will provide a more quality life. It is a pyramid type of assistance with things from basic needs to housing opportunities to reviewing and considering different types of loan and mortgages. Though Milford has some low-income housing, this will help many residents move up to the next level and she is very supportive of this group's efforts as a result.

Councilmember Wilson felt it was ironic that Ms. Harrison was here asking to locate to a building that was in a state of disrepair, and was willing to put in a lot of work which will result in providing services for our residents while at the same meeting, the group from Kent County was asking for \$30,000 to help Milford.

She encouraged Council to move this process adding that Ms. Harrison came to the City many months ago and has been put on hold since that time. She is anxious to see them get started so people will see the benefit to this community.

Councilmember Boyle asked if the lease includes the entire property, does DCRAC assume the maintenance responsibility for Parks and Recreation and the Community Garden. If so, that is an unnecessary additional burden on them.

It was confirmed the lease is only for the building and immediate grounds including sidewalks and the parking areas only. The remaining property belongs and is the responsibility of the City Parks and Recreation.

Mayor Campbell then opened the floor for public comment.

Jack Dickerson of 609 and 615 North Walnut Street (adjacent to Milford Armory) asked who will be responsible for the exterior of the building and maintenance of the yards. Mr. Norenberg said the first year, the City will continue to be responsible for the maintenance and will mow the grass, shovel the sidewalk,

etc. Eventually, DCRAC will become responsible for that maintenance though the City will ensure it reflects the character and quality of the programs they are providing inside.

Mr. Dickerson said he understands adding that DCRAC has a lot on their plate with the inside of the building at this point. However, the exterior has also begun to decline and his concern is if they are able to handle the exterior to prevent it from continuing to decay. Ms. Harrison said it was something they talked about in the early discussions and the reason they asked the City to assist with the maintenance the first year. She assured Mr. Dickerson they are in agreement with maintaining the exterior of the building as well and are capable and willing to do so.

Mr. Dickerson said he is glad that someone is going to make use of the building and welcomed her as a neighbor.

Greg Kelly lives at 602 North Walnut, which is next door to the armory. He has heard the roof leaks are still active; Ms. Harrison stated that is correct. From Mr. Kelly's perspective, he is living next door to a decaying building and the State of Delaware decided it was not worth saving, as did Milford School District. It was then passed off to the City of Milford. He asked if anyone has provided a price to fix the building.

Ms. Harrison answered that no one has come up with a specific price though that is one of the reasons they asked the City to understand their need the first year and allow for the capital campaign and planning. They understand it will take phases and have walked the building on numerous occasions and are aware of all the problem areas.

She also reported that DCRAC was donated a building in Wilmington. They have just completed a capital campaign to raise funds to upgrade that old bank and understands what is involved and anticipates the next year to eighteen months will be needed for that purpose.

Ms. Harrison confirmed they raised over \$500,000 for the Wilmington facility and is very confident they will raise that amount for this building.

The City Manager said the City is trying to keep the roof band aided until the capital campaign comes through. Based on the approvals this evening, he plans to coordinate with Ms. Harrison in an attempt to prevent raising additional funds beyond what is currently needed.

A conversation then followed regarding various parking scenarios.

Planning Director Pierce referenced an aerial showing the existing layout which includes nine parking spaces on each side of the building. In the initial phase, he does not see that as a problem with the parking because there will be very few people using the building. Once they expand into the basement, the parking lots would need to be improved though that is something that can be discussed with the other tenant(s).

Mr. Kelly said phase one does not sound like a problem but asked what will happen during phase two. Ms. Harrison pointed out that based on the deed restrictions, any additional tenant would have to be a community service type organization/non-profit. She reiterated that the City has the option to review the applicant list prior to or during the lease. They are proposing partner organizations such as Housing Alliance Delaware. Most of their partners provide direct community-based services. None would be a detriment to the community because of the deed restriction and also because of their plan.

Mr. Kelly thanked Ms. Harrison and Council.

Jack Dickerson then asked what type of signage would be permitted; Ms. Harrison said they will be discussing that with the City to determine what is allowed. Most of the services she feels can be communicated because these are the organizations that currently exist. It will involve minimal signage and perhaps something on the front of the building indicating it is the Community Services Building. Extensive signage will not be considered.

Mr. Dickerson said he has had to maintain signage restrictions on his building through a conditional use and feels it is wise to do that considering the residential area. He would not want that to get out of hand if later every unit were to be advertised.

Valerie Newsome stated she was present because of the earlier swearing in ceremony. She does not live in Milford but went to school here and has worked at Milford High School for many years. She believes this is a phenomenal opportunity for Milford and is very supportive. She then offered her help to Ms. Harrison.

Ms. Harrison concluded by stating they take very seriously the needs of the City and the communities that surround it. During their recent meetings with the City, they recognized the Haitian population and their needs. They have reached out and brought on a partnership with a person who is bilingual that can help communicate and provide services for that demographic.

Since they began this process, they have learned of the homeless population in this area and the lack of employment opportunities. Their partner, ECDC has provided day jobs in the hopes of moving them into transitional and then permanent housing. Housing Alliance Delaware also assists in those endeavors.

There being no further comments, Mayor Campbell closed the public comment session related to this application.

As amended, Councilmember Wilson moved to adopt Ordinance 2018-31, approving the conditional use for DCRAC to allow a community service building at the municipal/main building and parking and sidewalks areas at the Milford Armory, contingent upon the execution of the lease, seconded by Councilmember James.

Motion carried by the following unanimous roll call vote:

Mergner-votes to approve because it will be an asset to the community and a good use of the space.

Boyle-votes yes in accordance with the conditions of the Chapter 230(9) and it will provide needed services to the residents of Milford.

Peel-votes yes to approve and feels it is a much better use than a vacant building and agrees the services are needed.

Culotta-votes yes because the services are needed and the improvements to the building will be a benefit to the City of Milford.

Brooks-votes yes adding that he and Ms. Harrison had a long discussion over the phone during which time she answered all his questions.

Morrow-votes yes based on the Planning Commission's recommendation and agrees it is a needed service for the community and is happy to see someone occupy the building.

James-votes yes stating the services are needed and he believes the City of Milford will benefit from the renovations planned for the building.

Wilson-votes yes based on the Planning Commission's recommendation as well as the many needs of our residents.

Ordinance 2019-03

Liborio Watergate LLC known as 'Watergate'

Amended/Final Major Subdivision of 47.39 +/- Acres

*East side of Marshall Street north of the Elks Lodge Road Intersection, Milford, Delaware
300-unit Community (43 Single Family Units, 48 Duplex Units, 129 Townhouse Units, 80 Apartment Units)
Tax Map 3-30-11.09-029.00; -029.03; -30.00 through -032.00;
3-30-11.09-101.00 through -304.00*

Planning Director Pierce provided a brief synopsis of the application and the approved 303-unit subdivision.

The applicant received revised Preliminary Major Subdivision and an amended Planned Unit Development/ Conditional Use approval from City Council on April 23, 2018.

The applicant proposes to reconfigure the existing Watergate subdivision by reducing the number of residential units from 303 to 300. This will be accomplished by modifying the unit types in various locations throughout the subdivision. The result will be a Planned Unit Development with 129 townhouses, 48 single-family semi-detached units and 33 single-family detached units. Ten single-family units and 80 multifamily apartment units remain.

Agency approvals have been obtained. A contingent approval letter received from the City Engineer addressed some minor items though Mr. Pierce believes they were taken care of on the revised plan.

A condition of the approval related to some legal issues with an adjoining property and have also been resolved.

The public notice was advertised in the Milford Beacon on December 19, 2018 and all properties within 200 feet of the subject parcel received a notice of the hearing.

The Planning Commission recommended approval of the amended final major subdivision at their January 22, 2019 meeting by unanimous vote. No one from the public spoke for or against the application.

Mr. Pierce stated the minutes are unavailable but the attorney that represents the adjacent property was present and spoke in favor of the project noting that the terms of the legal issues have been addressed and will be confirmed on the cover sheet prior to the City signing off on the plan.

The packet includes the revised record plan and other related documents for review.

When asked the timeline for completion, Mr. Pierce explained the changes were mainly in the front and the plan will need to be reconfigured with new road layouts and multi-family parking areas that already exists. The developer held off with additional phases until this approval was granted.

Approximately eighty townhouses are complete on the first two streets. Permits have not been pulled on the duplexes due to the lot line reconfigurations.

Mr. Pierce recalled the sewer work that was done in the subdivision which required some townhouses be relocated. That cleaned up the plan and squared off some property lines, created some additional open space, widened some streets and eliminated one-way streets and replaced them with two-way streets. Additional apartments were gained as a result.

Scott Lobdell of Van Cleef Engineering spoke on behalf of the applicant, adding that the City Planner reviewed the history of the subdivision. They took advantage of fixing some questionable layouts on the original plan, including overlapping lot lines and unnecessary alleyways.

The biggest change involved the houses that butt up to the adjacent subdivision. The units were kept the same though the original plan included an alley that extended along the property line and looped to the rear. That was removed which eliminated some impervious areas and relieved some of the traffic between the two subdivisions.

The other change was to the front of the subdivision that involved a layout with some commercial buildings with apartments in the top. The commercial component was removed leaving just a residential use.

Mr. Lobdell reported the developer is ready to move forward with additional phases once the approvals are in place. They did not want to move forward with the lots until the new configuration was approved.

He anticipates pulling permits very quickly once this process is complete.

Mayor Campbell then opened the floor to public comment.

Jennifer Contravo of 207 South Walnut Street recalled a previous meeting involving another amended subdivision at which time she asked the same question of whether there are designated units for disabled persons.

Mr. Lobdell explained the townhouses may be a little difficult for that though it could be accomplished on an as-need basis. The apartments are typically built with the ramps and other items necessary to handle those situations. In addition, handicapped parking is provided throughout the subdivision.

Any requirements of the building code will be complied with. Any extenuating circumstances needed on a certain building type for someone who is purchasing a unit, would also be provided.

When asked if there are handicapped accessible units already designated, Mr. Lobdell said he is unaware of any though the builder is very willing to accommodate those needs.

There being no further responses, Mayor Campbell closed the floor to further comment.

Councilmember Boyle moved to adopt Ordinance 2019-03, approving the amended Final Major Subdivision for the Watergate project as presented, seconded by Councilmember Wilson. Motion carried by the following unanimous roll call vote:

Mergner-votes to approve based on the recommendation of the Planning Commission.

Boyle-votes yes as it conforms with City Code and the City's Comprehensive Plan.

Peel-votes to approve based on the Councilmember Boyle's comments and the Planning Commission's recommendation.

Culotta-votes yes because he likes the idea of that area beginning to develop by adding more housing.

Brooks-votes yes based on the Planning Commission's recommendation.

Morrow-votes yes as recommended by the Planning Commission and because the City needs more affordable housing.

James-votes yes because the City needs more housing and provides more taxable revenues and based on the Planning Commission's recommendation.

Wilson-votes yes based on the Planning Commission's recommendation and because Milford needs more housing and because Council will be very happy when this project is complete considering the time it has been on the books.

Ordinance 2019-04

Two Farms Incorporated

*Conditional Use**3.5 +/- acres of land in a C3 Zoning District**Intersection West side of South Dupont Boulevard, Northwest of Shawnee Road**562 & 566 South DuPont Boulevard**Present Use: Convenience Store with Gas Pumps; Proposed Use: Same**Tax Map & Parcel 1-30-3.11-003.00 & 004.00*

Mr. Pierce reviewed the plan reporting this is a redevelopment of the existing Royal Farms on US Route 113. He explained the conditional use is associated with the preliminary site plan.

The applicant proposes to demolish the existing Royal Farms gas station and convenience store and redevelop the site with a new 5,293 square foot store with gas pumps.

Chapter 230-14(C)(14) states convenience stores with gas pumps are a conditional use subject to special requirements set forth by City Council. Because this is a complete redevelopment, the conditional use review is necessary to ensure there is no adverse impacts to the area.

The packet includes a copy of the zoning map. Mr. Pierce explained the project will be onto the vacant lot and the two parcels consolidated. This consolidation will allow the applicant to move the Route 113 entrance further north than the existing entrance and expand the site's parking capacity.

The site plan was included in the packet. Though the plan does not show sidewalks along the right-of-way which is a requirement of Chapter 197-3(A). The applicant has agreed to add the sidewalk or a shared-use path, contingent upon DelDOT approving their location. That will be shown on the final site plan presented to the Planning Commission (only).

All agency approvals will be required before final sign off by the City and any additional comments will be addressed in relation to utilities and zoning.

The packet includes an evaluation of the proposal based on conditional uses.

The public notice was advertised in the Milford Beacon on December 26, 2018 and all properties within 200 feet of the subject parcel received a notice of the hearing(s).

The Planning Commission reviewed and recommended approval of the Conditional Use at their January 22, 2019, at which time Preliminary Site Plan approval was also granted, contingent upon this approval of this application tonight.

The City received written correspondence from legal counsel representing a neighboring property owner Jerry Kovach asking the record to reflect his request to partner with Royal Farms on any access off the highway. Mr. Kovach has a residentially zoned property to the west of Royal Farms that gains access through a small sliver of land, approximately fifty feet wide.

As a result, the applicant and Mr. Kovach are working together to come up with a solution for a possible shared entrance. The location of the entrance will be at the discretion of DelDOT as part of their evaluation.

Mike Riemann of Becker Morgan Group of 309 South Governors Avenue, Dover, was present on behalf of applicant Two Farms Incorporated, n/a Royal Farms, presented graphics not included in Council packet. He referenced the existing store with full access onto Route 113 and Shawnee Road. The existing store is an older 3,200 square feet, with five fuel pumps that is need of a makeover.

The entire facility will be demolished and the fuel pumps and tanks removed, the site scraped and rebuilt from scratch.

The same process was done in Seaford next to City Hall and the new store will be the same prototype.

He reported that the new facility will be the same configuration, with seven fuel pumps, 5,300 square feet and approximately 75 parking spaces. The current site contains approximately 30 spaces.

The access will remain the same on Shawnee Road and additional stormwater management will be added due to the increase impervious surfaces.

Mr. Riemann said that Mr. Kovach spoke in favor of the project, but asked to discuss sharing an access or a possible easement.

They were informed of the request a couple days prior to the Planning Commission hearing, though they agreed to discuss the possibility and are planning to meet with Mr. Kovach in early February. He cannot make any promises as to how or where the entrance will be configured due to DelDOT providing final authorization.

Mr. Riemann referenced the existing entrance on the new graphic stating it will be pulled back from the entrance today. It was initially pulled back further but because of a major power line, it had to be moved forward.

Mr. Riemann further reviewed the site plan, previously approved by the Planning Commission.

He advised that work will continue as they proceed with agency approvals.

He reported there are currently 20-25 employees which should increase to approximately 40 with the expansion.

Councilman Mergner pointed out the new Royal Farm stores have self-check registers and asked how the number of employees would increase as a result; Mr. Riemann explained that is the result of the larger store, bigger deli, bigger bakery, food prep, etc.

Councilman Mergner referenced the current exit onto Shawnee Road and the issues associated with vehicles attempting to go left, then make a hard right and asked if that had been considered; Mr. Riemann said that was discussed with DelDOT though no revisions are proposed at this point. However, they have not been through the full engineering process. Councilman Mergner recommends moving it further away from the intersection.

A long discussion followed.

Mr. Riemann said that DelDOT reviewed accident statistics at the site but expressed no concerns as a result.

After confirming a crosswalk was not included in the plan, Councilman Mergner recommends that be considered.

Mr. Pierce then added the landscaping along the Shawnee Road access will remain and may be extended to alleviate any trash issues to residential properties.

It was confirmed the same signage will be used. Additional lighting will be added with little or no impact on neighboring properties.

Mayor Campbell opened the floor for public comment. No one responded and the floor was closed.

Councilmember Wilson moved to adopt Ordinance 2019-04, approving a conditional use for Two Farms Incorporated, seconded by Councilmember Morrow. Motion carried by the following unanimous roll call vote:

Mergner-votes to approve based on the recommendation of the Planning Commission.

Boyle-votes yes to approve based on the recommendation of the Planning Commission.

Peel-votes to approve for the same reasons.

Culotta-votes yes because it is important for a business to improve itself and its services to compete with other similar businesses. He thinks the increase of jobs is a benefit as well.

Brooks-votes yes based on the Planning Commission's recommendation.

Morrow-votes yes as was recommended by the Planning Commission.

James-votes yes because it is an enhancement to an already existing facility and because of the additional jobs this brings to the City of Milford and based on the Planning Commission's recommendation.
Wilson-votes yes based on the Planning Commission's recommendation.

There being no further business, Councilmember Wilson moved to adjourn the Council Meeting, seconded by Councilmember Mergner. Motion carried.

The Council Meeting adjourned at 8:25 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 28, 2019

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 28, 2019.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Christopher Mergner, Mike Boyle, Lisa Ingram Peel, Todd Culotta, Owen Brooks Jr., Douglas Morrow, Jason James Sr. and Katrina Wilson

STAFF: City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 8:30 p.m.

INVOCATION AND PLEDGE

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

COMMUNICATION & CORRESPONDENCE

Mayor Campbell announced that he has been appointed to Delaware League of Local Government's Executive Board.

COMMITTEE & WARD REPORTS

Nothing to report.

UNFINISHED BUSINESS

Approval/DCRAC/Armory Lease Agreement

Councilmember Peel moved to approve the lease with DCRAC as discussed previously, seconded by Councilmember Wilson:

THIS LEASE AGREEMENT IS MADE this 28th day of January 2019 by
and between THE CITY OF MILFORD, a political subdivision organized and existing under
the laws of the State of Delaware, with an address of 201 South Walnut Street, Milford,
Delaware 19963 (hereinafter called "Landlord"),

-AND

DELAWARE COMMUNITY REINVESTMENT ACTION COUNCIL, INC., a non-profit
corporation organized and existing under the laws of the State of Delaware, with an address
of 600 S Harrison St, Wilmington, DE 19805 (hereinafter called "Tenant").

WHEREAS, City of Milford owns the building formerly known as the Milford Armory and has committed to the State of Delaware that the building will be used to benefit the residents of Milford and the surrounding area; and

WHEREAS, the Delaware Community Reinvestment Action Council, Inc. (DCRAC) provides budgeting, saving and credit training/counseling, home ownership education, and foreclosure prevention assistance that will benefit the residents of Milford; and

WHEREAS, the former Milford Armory building will more than meet the needs of the DCRAC for its programs and services and DCRAC has committed develop relationships that will bring other non-profit agencies and services, eventually fully utilizing the facility, that will also benefit the residents of Milford; and

WHEREAS, CITY has determined that bringing these services to the community and the repairs, upkeep, payment of utilities and maintenance of the main building occupied by DCRAC offset the need to charge rent during the term of this agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties hereto do hereby agree as follows:

W I T N E S S E T H:

That the parties of this Lease, intending to be legally bound, hereby covenant and agree as follows:

- (1) PREMISES: In order to further the purpose of Tenant, Landlord leases to Tenant and Tenant accepts, as Tenant, the premises described as follows (hereinafter referred to as "the Leased Premises")
The non-exclusive use of the premises known as 604 North Walnut Street,
Milford, Delaware 19963, also known formerly as the Milford Armory.

See Council packet for full version.

Motion carried with no one opposed.

Funding Appropriation/Growmark Property Purchase/New Police Facility

Funding Appropriation/Summers Property Purchase (A-1 Auto Glass)/New Police Facility

NEW BUSINESS

*Contract Approval/Funding Appropriation/Design, Engineering & Architectural Services
/New Police Facility*

City Manager Norenberg reported that the following information relates to the above three agenda items. He then asked Chief Brown to comment on some of the deficiencies of the current police station and site.

Chief Brown shared the following:

The current police department was built in 1979 for 12 officers and 5 civilian personnel. Today Milford has 37 officers, 14 civilians, 6 auxiliary patrol and 1 chaplain who use the same facility.

Safety concerns, space constrictions and legal compliance and environmental issues are a few concerns.

Safety concerns are the biggest issue which is the result of being so open to the public. There is no good way to secure the building. The public has 360-degree access and often people end up behind the police facility. This summer they were playing Pokemon Go and were actually walking up to the back door of the police station.

The police are parking in a parking lot from which they walk prisoners into the building. Visitors park within 40 feet of where the prisoners are coming and going. This is not safe for the officers and it is not safe for the prisoners. If a prisoner takes off running, it will most likely occur when they are going from the vehicle into the building. They are in handcuffs and will either go to the river or across the road which is a state route and major route thru Milford.

The prisoners do not look to see if anything is coming when they are running from the police. That is a huge liability for the city. After they are put in handcuffs, they become the police officers' responsibility even when they initiate a situation as described.

The building is built in a 100-year floodplain and since 1979, flooding threatens the building every time there is a major storm and especially a nor'easter or hurricane. Anything east of Walnut Street floods and they have seen two to three feet of water come up to the back of the police building. That then runs down inside the building because it has no other place to go.

The building was built on the old wastewater treatment facility. Sewer gases often come up through the basement drains and they have no way of knowing the long-term health effects. They are always trying to mitigate that in various way, and sometimes it does help, though it is something that must be dealt with on a regular basis.

The building was built between the river, wetlands to the east, State Route 14 and the Kent County wastewater pumping station to the west. It is landlocked which has been a problem for the past twenty or so years.

The building was built for 12 officers and there is simply not enough room for 37 officers. They have revamped every office space to try and utilize it the best possible way. Most offices were designed for one person have two to three people using them.

The downstairs radio room that houses the equipment for the radios, phone system and electrical system, is stacked with boxes like those that are in the council chambers.

The locker room has been redesigned several times over the years to accommodate more officers. It is crammed so full that right now, they are having to utilize part of the weight room. That is one of the reasons Chief was willing to purchase the A1 Auto building.

People in the lobby cannot be separated. Officers are having to take someone's complaint in one area and it is often in front of someone who is there for an unrelated matter.

Often there are fights in the lobby because opposing parties cannot be separated and there is only one interview room that can be used by the officers.

The meeting/class room is downstairs and has no handicapped access. Civic groups used to utilize that room but that was stopped because people do not have proper access.

Community education can no longer be offered nor can the Citizens Police Academy because it is difficult for people to get in and out and it does not meet the legal requirements for accessibility.

Chief Brown continued by providing the following facts:

The building was built in 1979; in 1980, Milford's population was 5,366 and the city was 3.2 square miles. In 2016, Milford's population was 11,000 and 10 square miles so it more than tripled in size.

In 2019, Chief Brown estimates Milford's population to be over 12,000. The overall square miles continue to grow as well.

They have needed a new facility for several years and Chief Hudson started the process prior to 2009. In 2011, there was a needs assessment done and architectural drawings created as a result. Because of the lack of funding, he was unable to proceed.

Since City Manager Norenberg and Chief Brown got hired, they rekindled the idea and three quick years have passed with nothing being done other than more discussions.

He concluded by stating it is badly needed.

City Manager Norenberg agreed with Chief Brown that planning has been underway for several years. Mayor Campbell and he had a lunch meeting at the Greater Kent Committee/Economic Update. One of the speakers spoke about the

success of Milford which was the result of a lot of preparation and attributed the rise of the Bayhealth Hospital to the southeast area planning. Other communities in Kent County have not taken advantage of the recession and the downtime to do this planning and are behind today because of it.

During that 2009-2011 time frame, there was a lot of planning done for this new department. Grant applications were considered and Chief Hudson and several Councilmembers went to Washington DC and met with federal legislators in an attempt to get federal aid.

Last summer Chief Brown and the City Manager talked to the staff of our US Senators who set up a meeting with the USDA. USDA only offered loan rates and Finance Director Jeff Portmann has other ways to better finance the facility.

The USDA did encourage the City to apply for a grant which ICMA Fellow Evan Miller applied for on behalf of Chief Brown. The intent was to fund the initial phase of the planning and design. However, that grant was denied even though Mr. Miller will continue to look for ways to fund the building and bring much needed cash into the project.

There are many related obligations that have been in place for years, including the purchase of the Growmark property. The purchase agreement was finally executed in 2017 and the City is ready to move forward with the actual purchase.

In recent months, Chief Brown looked into the possibility of purchasing the A1 Auto Glass property. Underground soil testing results just came back with no concerns, so the City is now clear to proceed with that acquisition as well. Environment evaluations were done on the Growmark property over the past couple years and that property has also been cleared.

The last related item is the design contract with Becker Morgan Group. He recalled the presentation at the November Council meeting which included a description of the plan in which police officers, public and business community will provide input as far as the site design of the police station and other potential elements of the site in relation to the surrounding area.

Some edits have been made to the agreement and the final version, included in the packet, was agreed to by Becker Morgan.

If the engineering/architectural contract and land purchase agreements are authorized, Mr. Norenberg shared that Becker Morgan Group will begin work in mid-February. Surveying the two parcels, preparing base plans, meeting with departments and compiling a space needs evaluation will take three to four weeks.

By mid-March/early-April, Becker Morgan Group will begin space planning exercises with staff for the layout of the facility as well as the site itself. A concept site/building plan will be developed to depict the general layout of the site. Additionally, Richard Y. Johnson and Son will prepare a cost estimate based on the concept building and site plan. This cost estimate will be used for discussion purposes only.

In May, they will begin to develop a schematic site plan that will allow a more detailed cost estimate to be developed which will be provided to the public.

By August, Becker Morgan Group will complete the final two tasks, which include presentations of the preliminary schematic building and site plans using 3-dimensional renderings of the building and site concept.

Four public presentations showing the project are planned.

Becker Morgan Group will also provide concept land planning services to create a plan for the residual land not being used by the Milford Police Station.

As a result, preliminary funding is needed as itemized below:

Land Purchases

401 Northeast Front Street –	Total: \$875,000
	- \$50,000 (deposit)
	Due: \$825,000
409 Northeast Front Street –	Total: \$195,000
	- \$2,000 (deposit)
	Due: \$193,000

Architectural / Engineering Services

Becker Morgan Group Due: \$149,000

TOTAL: \$1,167,000

It was confirmed that Mr. Norenberg received an email stating the ground tests were negative at the A1 site. The ground penetrating radar initially identified some metal underground. After it was dug up, it was determined to be some buried metal and nothing to be concerned with.

Councilman Brooks asked the latest status of city hall and in particular the estimate to make the needed upgrades.

City Manager Norenberg explained the consultant is currently evaluating the work needed to make the basement safe and waterproof. About the time the preliminary work will be done on the new police facility, Council may want to consider an option to move the city's IT equipment into the new police facility in order to get it out of the basement.

Mayor Campbell expressed concern that only six people are working out of this building, including him. To spend a large amount of money to properly repair the building does not warrant those few employees. Before any other option can be considered, the Ruby Vale agreement made back in the late 1950's will need to be reviewed to determine any use restrictions. In the meantime, his concern is the basement will flood again after an astronomical amount is spent.

It was suggested making the Front Street property a city complex to include the new police station and a city hall. That seems to be more cost effective than spending another half million dollars to fix up the present city hall not knowing what will occur in the future as far as flooding.

Councilmember Wilson moved to appropriate \$825,000, as outlined in the memo, to complete the purchase of the Growmark property at 401 Northeast Front Street, seconded by Councilmember Culotta. Motion carried.

Councilmember Culotta moved to appropriate \$193,000, as outlined in the memo, to complete the purchase of the A1/Summers property at 409 Northeast Front Street, seconded by Councilmember Wilson. Motion carried.

Councilmember Peel moved to authorize \$149,000 for the Becker Morgan Group Agreement, as recommended, seconded by Councilmember James. Motion carried.

Councilmember Morrow moved to ratify the Becker Morgan Group agreement, seconded by Councilmember Culotta. Motion carried.

Introduction/Ordinance 2019-06/Chapter 55/Random Drug Testing Addition

City Manager Norenberg introduced Ordinance 2019-06, explaining this will add to the personnel ordinance approved in April 2018 random drug testing, pre-employment testing, reasonable suspicion testing and post-accident testing.

It is scheduled for review and adoption at the February 11, 2019 agenda.

Introduction/Ordinance 2019-07/Chapter 19/Economic Development & Redevelopment Amendment

Mayor Campbell introduced Ordinance 2019-07. Planning Director Pierce explained this is an amendment to Chapter 19 in relation to the Downtown Development District local incentives to align with the State of Delaware program minimum threshold.

The ordinance is scheduled for review and adoption at the February 11, 2019 agenda.

EXECUTIVE SESSION

Councilmember Peel moved to go into Executive Session reference the below statutes, seconded by Councilmember James:

Pursuant to 29 Del. C. §10004(b)(4) Collective Bargaining Matters
Pursuant to 29 Del. C. §10004(b)(9) Personnel Matter

Motion carried.

Mayor Campbell recessed the Council Meeting at 9:07 p.m. for the purpose permitted by the Delaware Freedom of Information Act.

Return to Open Session

Council returned to Open Session at 9:25 p.m.

Police Teamsters Negotiations
City Manager Performance Evaluation
Police Chief Performance Evaluation

Mayor Campbell announced that no action was needed as a result of the discussion in Executive Session.

ADJOURNMENT

There being no further business, Councilmember Mergner moved to adjourn the Council Meeting, seconded by Councilmember Culotta. Motion carried.

The Council Meeting adjourned at 9:27 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

City of Milford



PROCLAMATION 2019-03

TO RECOGNIZE AND HONOR COUNCILMAN JAMES O. STARLING SR. UPON THE OCCASION OF HIS RETIREMENT AFTER TWENTY YEARS OF EXEMPLARY SERVICE TO THE CITY OF MILFORD AND TO WISH HIM CONTINUED SUCCESS AND HAPPINESS IN ALL HIS FUTURE ENDEAVORS

WHEREAS, James O. Starling Sr., a loyal Husband, Father, Grandfather and Councilman to the City of Milford, Delaware, submitted a letter announcing his retirement effective January 15, 2019; and

WHEREAS, it is altogether fitting and proper that the members of the Milford City Council pause in their deliberations to express their gratitude to Councilman James O. Starling Sr. for his significant contributions to the people of Milford, Delaware over the past twenty years; and

WHEREAS, always serving admirably with energy, kindness and genuine enthusiasm, Councilman Starling has become a staple in the City of Milford having held the Office of Council for ten consecutive terms as the third longest serving in the Fourth Ward; and

WHEREAS, City residents are grateful to Councilman Starling for his unsurpassed service to this community during a time they counted on his wisdom and guidance to ensure Milford's successful growth for years to come; and

WHEREAS, through his support of City's endeavors, and particularly his continued interest in maintaining the beauty and charm of its neighborhoods, Councilman Starling has worked hard to build a stronger, healthier and safer community; and

WHEREAS, always going the extra mile, Councilman Starling has served the greater Milford Community through his diligent work on various boards, committees and nonprofits that include children services, public works, community affairs, schools, parks, recreation, and churches, in addition to many other positions which have had a positive impact on this City; and

WHEREAS, Councilman Starling remains a prominent influence and source of great wisdom for the entire community; and

WHEREAS, the Mayor and Members of the City Council are grateful for the years of unparalleled dedication that Councilman Starling has devoted and wish him many years of enjoyment in his well-earned retirement.

Now, Therefore, I, Arthur J. Campbell, by the power vested in me as Mayor of Milford, do hereby recognize and honor **Councilman James O. Starling Sr.** for his years of commitment, both personally and professionally, by presenting him with a key to the City, and urge our citizens to acknowledge his tireless efforts in the betterment of this City.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this 11th day of February in the Year of Our Lord, Two Thousand and Nineteen.

Mayor Arthur Campbell

Attest:

City Clerk Teresa K. Hudson

City of Milford



PROCLAMATION 2019-04 BLACK HISTORY MONTH

WHEREAS, in 1915, Dr. Carter G. Woodson—historian, teacher, and author—founded the Association for the Study of African American Life and History (ASALH); and

WHEREAS, in February 1926, Woodson proposed the establishment of Negro History Week and chose the second week of February because it commemorates the birthdays of two men who greatly affected the African American community: Abraham Lincoln and Frederick Douglass; and

WHEREAS, in February 1976, the week-long observance was expanded to a month in honor of the nation's bicentennial; and

WHEREAS, Black History Month continues to be sponsored by its founding organization, who also designates its annual theme; and

WHEREAS, the 2019 theme is Black Migrations, which emphasizes the movement of people of African descent to new destinations and subsequently to new social realities and focuses on the twentieth century through today, that has resulted in a more diverse urban population that changed much of what was known, such as the rise of the Garvey movement, the emergence of black industrial workers and black entrepreneurs, the growing number and variety of urban churches and new religions, new music, and the blossoming of visual and literary arts; and

WHEREAS, the African American community has endured decades of struggle to be recognized as equal among our fellow citizens; and

WHEREAS, the African American community has persevered in order to stand up for the basic rights we are all entitled to—life, liberty and the pursuit of happiness; and

WHEREAS, during February our nation takes pause to reflect on the injustices and struggles hardly fought and overcome by African Americans throughout our nation's history and to pay tribute to the battles they fought in the name of equality.

NOW, THEREFORE, I, Arthur J. Campbell, Mayor of the City of Milford, Delaware, on behalf of Milford City Council, proclaim the month of February 2019 as BLACK HISTORY MONTH and urge all citizens of Milford to participate in the appropriate programs and activities of our schools, churches, museums, libraries and other organizations that recognize and honor the significant achievements Americans of African heritage have made to the City of Milford, the State of Delaware, to the Nation and throughout the World.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed hereto this 11th day of February 2019.

Mayor Arthur J. Campbell

Attest:

City Clerk Teresa K. Hudson

ABSALOM JONES: A SON OF MILFORD

Milford has a history of recognizing the accomplishments of African Americans who have championed the causes of freedom and racial equality in the United States. Among those are:

- Benjamin Banneker, for whom the Banneker Elementary school is named, born in November 1731 and largely self-taught helped survey the original borders of Washington D.C., was renown as a scientist, mathematician, author, naturalist, and farmer. He authored a commercially successful series of almanacs, and corresponded with such figures as Thomas Jefferson on the topics of slavery and racial equality.

- Milford's African American students, dubbed the Milford Eleven, who in 1954 were among the first African American students in the nation to attend a previously all-white high school. Their story has been brought to light by Mr. Orlando Camp, one of the eleven African American students in his book "The Milford Eleven." Although involuntarily withdrawn from the school after attending for less than a month, ultimately full integration of Milford's schools was achieved in no small measure because of the actions initiated by those brave students.

[Finally, in May 2012, in recognition of their efforts, honorary diplomas were awarded to Mr. Kenneth Baynard, Mr. Alex Leo Blue, Mr. Orlando J. Camp, Mr. Charles P. Fleming Jr., Mr. Eugene F. Harris, Ms. Annie Ruth Thompson McDaniel, Ms. Irene PettyJohn, Ms. Edna M. Sharp, Mr. Ronald Vann and Ms. Madalene Staten Young.]

And yet not recognized by Milford is a man who grew to become one of the foremost African American leaders during the post-Revolutionary War period and one of the earliest civil rights advocates in American history.

Near the intersection of Cedar Beach Road, DE Route 36, and Highway 1, there is an historical marker that recognizes a man named Absalom Jones and reads:

Born near this place on a plantation known as "Cedar Town", Jones moved to Philadelphia in 1762 and in 1784 purchased his freedom. He helped to establish the Free African Society in 1787. A leader of the independent African-American church movement, in 1792 he organized St. Thomas' African Episcopal Church (Philadelphia) and in 1804 became the first African-American to be ordained an Episcopal Priest. He reverently opposed slavery and other forms of social injustice.



When I first read this marker, I was intrigued and wanted to learn more about this man's life but, intentions and doing don't always mesh. But reading late 18th and early 19th century U.S. history the name Absalom Jones keeps reappearing. What emerges is a portrait of a significant person in our nation's history who remains mostly unknown.

- Absalom (later to be known as Absalom Jones) was born on November 1746 enslaved to Abraham Wynkoop on a plantation in the Cedar Creek Hundred, in Sussex County in what is now the City of Milford, Delaware.

- As a child Absalom was recognized for his intelligence and trained to work as a house slave. He saved what money he was given and bought books (a primer, a spelling book, and a Bible) and taught himself to read. Upon Wynkoop's death in 1753 the plantation passed to his son Benjamin who nine years later sold the plantation and Jones' family members; moved to

ABSALOM JONES: A SON OF MILFORD

Philadelphia becoming a merchant and bringing 16 year old Absalom with him. Absalom served as a clerk and handyman in the store, allowed to work for himself in the evenings keeping his earnings. He attended a night school for African Americans operated by abolitionist Quakers where he was taught mathematics, and handwriting.

- He married an enslaved woman known as Mary in January 1770 and accumulated enough money to buy her freedom by 1778 so that their children would be free.
- When the British occupied Philadelphia in 1777, Wynkoop fled but, Absalom stayed to run the store. He would not abandon his family, or a house he built and rented to free blacks. He finally obtained his freedom when Wynkoop manumitted him in 1784, at age 38. Not given a last name at birth, Absalom then took the surname "Jones" as an indication of his American identity.
- Now a free man, Jones committed his life to freedom, justice and self-determination advocating for black education reform, ran a school for black children in his home, and took an active stand against slavery, and established supportive services for the black community.
- Jones and Allen co-lead the black community in joining the movement petitioning the Pennsylvania State Legislature for the abolition of slavery which was achieved.
- Jones and Richard Allen, a free man of color and life-long friend, joined St. George's Methodist Episcopal Church in Philadelphia as lay preachers. Their evangelistic success increased black membership tenfold. As a result, racial tensions flared when church officials attempted to segregate the black congregants from the main floor of the church to the balcony. In response, Jones led a walk out of the black members of the congregation during a Sunday service in November 1786.
- Jones and Allen then co-founded the Free African Society a social and humanitarian organization helping widows and orphans, and founded "The African Church."
- The following year Richard Allen founded the African Methodist Episcopal (AME) Church. He was ordained the first black minister in the Methodist Church and later became the AME's first bishop. Meanwhile, Absalom Jones founded the Episcopal Church of St. Thomas which affiliated with the Episcopal Diocese in 1794. In 1802 Absalom Jones was ordained as the first African American Episcopal Priest.
- When the Yellow Fever Epidemic of 1793 struck Philadelphia Absalom Jones organized members of Philadelphia's black community to assist Dr. Benjamin Rush in helping those afflicted by the plague. While many whites (including most doctors) fled the city hoping to escape infection, Jones' corps of black Philadelphians helped nurse the sick, as well as bury the dead.
- Jones was a founding member of Black Masonry in the United States. When the first African Masonic Lodge of Philadelphia was established, he was installed as First Worshipful Master, and later Grand Master of the First African Grand Lodge of Pennsylvania.
- Jones was among the first group of African Americans to petition the U.S. Congress related to the Fugitive Slave Act of 1793. The petition was presented to Congress on January 30, 1797 charging that slavery was immoral, offensive to God, and contrary to the nation's ideal. The House of Representatives declined to accept the petition.

ABSALOM JONES: A SON OF MILFORD

- In 1799 Jones again presented a petition to Congress focused on abolishing slavery, and the international slave trade, also describing in detail the process of kidnapping of free persons of color by slave speculators and their agents and, asserted the petitioners' right "to partake of the Liberties and unalienable Rights" guaranteed by the Declaration and the Bill of Rights.
 - U.S. Representative Robert Waln introduced the petition in the House of Representatives on January 2, 1800, where it sparked a huge debate, prompting the opinion by House members that it had "a tendency to create disquiet and jealousy." The petition was referred to committee, where it too died.
 - In part of because Jones' persistent efforts to petition for abolition, Congress briefly entertained the notion of no longer accepting petitions from citizens but thought better of the idea.
 - Jones continued founding schools for the black community, supported protests against slavery and oppression, and helped to found an insurance company.
 - In 1809 Jones and Allen once more united to found the Society for the Suppression of Vice and Immorality.
 - Absalom Jones died on February 13, 1818 in Philadelphia, PA. He was widely eulogized for his devotion and care of his congregation and of his many contributions to the life of the city. His ashes are enshrined in the altar of the Reverend Absalom Jones Chapel of the African Episcopal Church of St. Thomas.
 - **A Son of Milford:** Absalom Jones, was among the earliest civil rights leaders in American history is among the most renowned leaders of the abolition movement from the 1800s until the adoption of the 13th Amendment. He was an initial driving force for abolition, but because he was preeminent at the beginning of the abolition movement, history has tended to overlook his efforts and focus more on those who were active at the end of the struggle such as Frederick Douglass.
- His Legacy:** A Google search for "Absalom Jones" will generate 832,000 results. But, in Milford, which now includes where the Cedar Town Plantation once stood, he remains virtually unknown.

- His life is still honored by in many ways:

- the Episcopal Church, USA. In 1973 the Episcopal Church, USA added February 13th (the date of his death) as Absalom Jones Feast Day to its calendar.

- Named in his honor are:

- The New Castle Co High *School-Absalom Jones* in Wilmington.

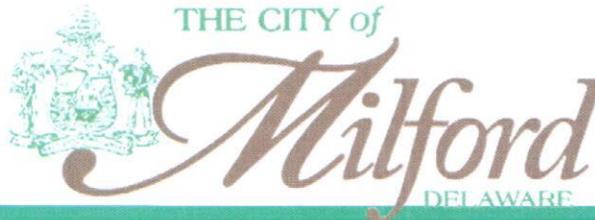
- Absalom Jones Community and Senior Center in Wilmington.

- The Absalom Jones Center for Racial Healing, Atlanta, GA, serves as a local, national, and international resource for the entire Episcopal Church.

Milford should embrace this son of Milford and recognize and honor him for his lifetime work for equality and justice for all Americans.



OFFICE OF THE CHIEF OF POLICE
KENNETH L. BROWN
kenneth.brown@cj.state.de.us



400 NE Front Street
Milford Delaware 19963
302.422.8081 Fax 302.424.2330

TO: Mayor and Members of City Council
FROM: Kenneth L. Brown, Chief of Police 
DATE: February 7, 2019
RE: Activity Report/January 2019

Monthly Stats:

A total of 605 arrests were made by the Milford Police Department during January 2019. Of these arrests, 159 were for criminal offenses and 446 for traffic violations. Criminal offenses consisted of 12 felonies and 147 misdemeanors. Traffic violations consisted of 38 Special Duty Radar, 7 Drunk-Driving charges, 401 other.

Police officers investigated 54 accidents during the month and issued 145 written reprimands. In addition, they responded to 1190 various complaints including city requests and other agency assistance.

Monthly Activities:

Conference Call w/Becker Morgan in reference to new Police Department building on January 4, 2019
Met with Davis Bowen & Fidel in reference to design options for A1 Auto Glass building on January 9, 2019
Teleconference with Julie Kinkopf regarding lawsuit on January 9, 2019
Senior Center Board Meeting at the Milford Senior Center on January 9, 2019
Bayhealth Hospital tour on January 10, 2019
Volunteer at Food Bank of Delaware on January 12, 2019
Senior Center Board Meeting at the Milford Senior Center on January 15, 2019
Conference call with City Manager and Gary Simpler in reference to union contract on January 15, 2019.
Brandywine Counseling Board Meeting January 15, 2019.
Meet with Hook PR and City Manager in reference to new Police Department Building on January 16, 2019.
Attended the Martin Luther King Celebration at Banneker Elementary School on January 21, 2019.
Interview three candidates for DSP Academy Class starting in March 2019, on January 25, 2019.

Lights on Milford Strong Campaign meeting on January 29, 2019.

Awards Ceremony for Civilian of the Year, Officer of the Year and Officer of the Quarter on January 28, 2019.

Training –

All training for January 2019 was performed at the Milford Police Department.

SRO –

Sgt. Masten and Jon Lobiondo (Milford School District Safety and Security) appeared on WGMD Jake Smith Show on January 9, 2019, to discuss school safety related topics.

Sgt. Masten met with Cub Scouts from Pack 186 at the department on January 28, 2019. The group was taken on tour of the building, met with communications personnel, and had the opportunity to meet Audie and Cpl. Marino (MPD K-9 Unit).

S/Cpl. Bloodsworth assisted staff at Benjamin Banneker Elementary School with a "tabletop exercise". Each school is mandated to complete a tabletop exercise and two intruder drills as part of Omnibus School Safety Act.

S/Cpl. Bloodsworth participated in a literacy night at Lulu Ross Elementary School.

Sgt. Masten continues to plan for the 25th Annual Milford's Night Out that is scheduled for August 6, 2019. The featured band will be Clifford Keith, with them advising us of their commitment recently.

K9 Unit –

For the month of January 2019 the Milford Police Department K9 unit had the following stats:

- Utilized 11
- Disorderly Crowd 1
- Building Searches 2
- K9 Demo 2
- Foot Patrols 5
- Drug Sniff 3

Seized Items

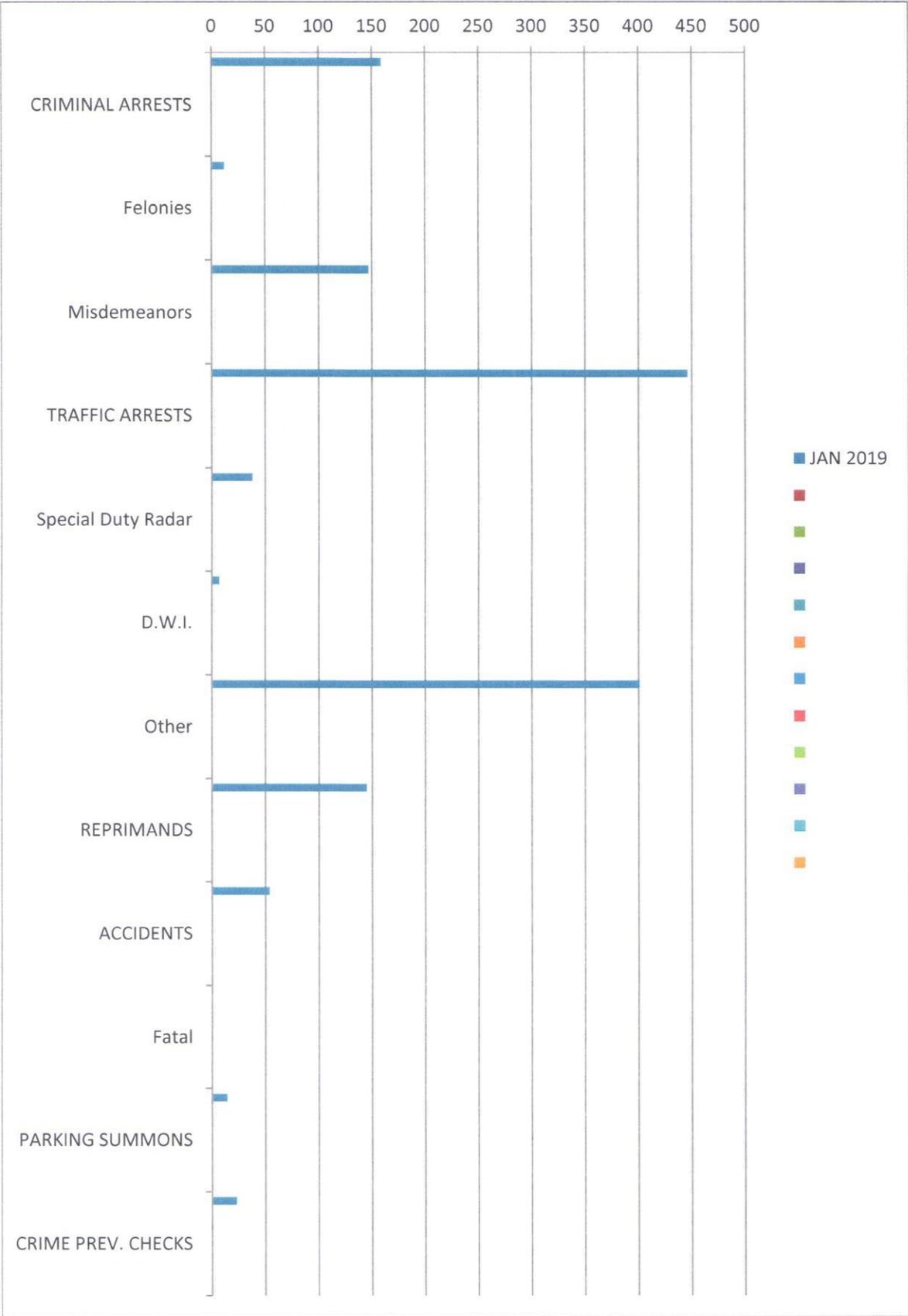
Amount

Value

- Marijuana 6.9 grams
- Other Drug Paraphernalia

JAN 2019 ACTIVITY REPORT

	JAN 2019	TOTAL 2019	JAN 2018	TOTAL 2018
COMPLAINTS	1190	1190	1243	1243
CRIMINAL ARRESTS	159	159	154	154
Felonies	12	12	22	22
Misdemeanors	147	147	132	132
TRAFFIC ARRESTS	446	446	474	474
Special Duty Radar	38	38	138	138
D.W.I.	7	7	12	12
Other	401	401	324	324
REPRIMANDS	145	145	96	96
ACCIDENTS	54	54	38	38
Fatal	0	0	0	0
PARKING SUMMONS	14	14	18	18
CRIME PREV. CHECKS	23	23	22	22
FINES RECEIVED	\$6,444.59	\$ 6,444.59	\$6,061.92	\$ 6,061.92





City Manager's Report February 11, 2019

FINANCE DEPARTMENT

Customer Service Division

No report submitted.

Information Technology Division

Issues Addressed	
Administration/Council	12
Customer Service	20
Finance	23
Parks & Recreation	0
Planning	41
Police	2
Public Works	20
Information Technology	25
Vendor/3 rd Party	18
Total	161

**Does not include routine maintenance items such as changing back up tapes, performing morning systems checks, etc.*

PARKS & RECREATION DEPARTMENT

Parks Division

- The Riverwalk decking removal and replacement project continues and we are hoping to have this project completed in early spring.
- Staff submitted the "Tree City USA" application for the 15th year in a row, in preparation of Arbor Day 2019.
- Park staff removed holiday décor downtown. The new insert system in the hanging baskets worked well.
- Two staff members attended an active shooter/violent intruder preparedness training session in Rehoboth Beach.
- Improvements at the Armory continue with an installation of a base radio unit, an air compressor, and hoses to allow staff to work on equipment. Work was performed on the boiler and is now fully operational.
- Park staff assisted with the mid-January snow storm by pre-treating sidewalks and parking lot facilities, and then plowing snow on 01/13/19. The following day staff continued to assist with plowing and clean-up of facilities.
- Preparations began to schedule a City-wide spring clean-up day and talks have begun with Perdue who always brings out a lot of volunteers.

- The first Bug and Bud committee meeting was held. This year's date will be May 4 from 9am-4pm.
- Director attended the quarterly Milford Community Cemetery Board meeting with the priority being revenue challenges and the need to purchase new equipment in order to continue to maintain the Cemetery to its current standards.

Recreation Division

- Work began on the Parks and Rec spring brochure which will get sent home to local school kids in the next few weeks.
- Programs through January include youth basketball, instructional basketball, beginner taekwondo, youth wrestling and indoor soccer.

PLANNING & DEVELOPMENT DEPARTMENT

Building Inspections & Permitting Division

Building Permits Issued	
Commercial Foundation	0
Commercial Building Permit	9
Construction / Office Trailer	0
Demolition	2
Residential New Construction	9
Residential Renovation/Accessory Structure	13
Roof/Siding	5
Sign	3
Solar Panels	0
Utility (Electric/Water)	3
Total	44

- Brookstone Trace, Milford Ponds, West Shores, Watergate, Lighthouse Estates, Walnut Village and Orchard Hill continue to pull new home construction permits. Cypress Hall and Simpson Crossing may begin construction in upcoming months in the Southwest Neighborhood.

Economic Development Division

Downtown Development District	Investment since 09/16
Private Developers & Homeowners Investment	\$9,447,496.00
State of DE Grants (Reserved or Received)	\$1,256,794.00
Kent/Sussex County Matching Grants	\$21,500.00
City Fee Waivers/Tax Abatements	\$130,792.44

- The City added information to the website regarding Milford's Opportunity Zone which provides tax relief on capital gains that are invested in projects within the designated area. More information can be found on the City's Economic Development website. The Director attended a workshop with State and local officials in Dover related to Opportunity Zones.
- The City has updated the Economic Development webpage and added a mapping portal that provides information on the Opportunity Zone, Downtown Development District Program, Historic Preservation Tax Credits and other economic development incentives and programs that are available for Milford residents and businesses.

Code Enforcement & Licensing Division

Case Activity		Case Violations		Inspections & Licensing	
New Cases	13	Abandoned Vehicle	2	Rental Licenses Issued	217
Closed Cases	19	Dangerous Tree	2	Vendor Licenses Issued	0
Open at Start of Month	86	Furniture	1	Contractors Licenses Issued	117
Open at End of Month	77	Generic	2		
		Property Maintenance	1		
		Rubbish/Garbage	4		
		Weeds & Grass	0		
		Zoning Use	0		
		Total	13		

- 640 of the 784 rental units in Sussex County have been inspected since March 1, 2018 (approximately 83%). Approximately 82% of these units are in compliance.
- 157 rental inspections were performed in Kent County during the month of January 2019.

Planning & Zoning Division

- Department staff volunteered time on a Saturday morning at the Milford Food Bank to prepare take home meals for local school children.
- The Planning Commission reviewed several applications at the January meeting, including the revised Final Major Subdivision for Watergate, a preliminary conditional use and site plan for the Royal Farms on Route 113 and an extension request related to the preliminary approvals for the Hickory Glen subdivision. The Commission recommended approval of the Watergate and Royal Farm applications, while deferring the Hickory Glen extension request until the February Planning Commission meeting.
- The Planning Commission will meet during the month of February to review a conditional use for a duplex on the 700 block of SE Second Street. In addition, the Commission will review the deferred Hickory Glen extension request along with an extension request from Riverwalk Villas for their preliminary site plan approval.
- The Director is working on code amendments to implement the Transfer of Development Rights (TDR) program outlined in the City’s Comprehensive Plan. The hired appraisal consultant is performing the work necessary to establish the transfer credit cost. Once this is completed, the draft ordinance along with the appraisal information will be reviewed by the Planning Commission for a recommendation before a public hearing with the City Council. Staff hopes to have this item on the April agenda.
- The Board of Adjustment met during the month of January to review two requests related to oversized accessory buildings. The Board directed staff to prepare a draft code amendment related to the sizing of accessory sheds since the Board has reviewed and approved several of these in the past few months. The Board also reviewed a variance request related to a minor subdivision application which would eliminate a double fronting lot between Marshall Street and Fisher Avenue, on the 200 block. The Board approved the request which allowed a new buildable lot to be created along Fisher Avenue for single family detached construction.
- The Board of Adjustment will meet during the month of February to review a variance request related to the above-mentioned conditional use for the duplex on the 700 block of SE Second Street. There is also another request related to an oversized accessory shed.
- A working group met twice during January to review the City’s sign ordinance. Items of discussion included sign area, height and location, temporary signs, and off-premise sign regulations. The working group will meet on February 11 to review the final draft and provide

any last comments. Upon completion, staff will schedule a workshop with the Planning Commission, Board of Adjustment and City Council members to review the findings of the working group.

- The Director met with Chesapeake Utilities and DelDOT officials regarding the timing of improvements along NE Front Street. The three parties hope to coordinate construction efforts to minimize costs and inconvenience to the members of the public.
- Staff mailed out letters to notify certain property owners regarding the rezoning of their properties as a result of the adoption of the 2018 Comprehensive Plan. These properties were reviewed by the Planning Commission and City Council at the time of the plan adoption. Public Hearings for these re-zonings will likely occur in April/May of this year.

PUBLIC WORKS DEPARTMENT

Electric Division

Power Outages	7
Poles Replaces (due to age, rot or damage)	1
Closed Work Orders	43
Trouble Service Calls	28
After Hours Calls	4
New Electric Service Installed	15
Preventative Maintenance/Trees Trimmed	*
Miss Utility Locates	374

**Asplundh started 1/2/19 trimming trees and limbs out of the distribution lines throughout the entire city. Will be doing work through the spring.*

- Holiday lights and displays were removed throughout the City.
- Crew assisted with snow removal.
- Staff attended a “Lights On-Milford Strong” meeting which is an initiative for Milford to provide and install led bulbs and sensors on resident’s porches to light up neighborhoods that may be experiencing higher crime rates. H.E.L.P. will be presenting this initiative to Council.

Engineering Division

- Sidewalk Inspection Program – Finalized delineation of City-responsible sidewalks for inclusion in the bid documents to be advertised in early February. Performed a number of re-inspections, field demarcations and site meetings with property owners to ensure deficiencies and required repairs were identified.
- City Hall Basement Waterproofing & Restoration Project – Received Proposals from Construction Management Firms, Awarded Contract to EDiS, Provided Supplemental Documents and awaiting date for Project Kickoff Meeting.
- Shawnee Acres Wastewater Pumping Station:
 - Reviewed with DBF comments on the contract documents for adherence with the City’s PS Standards Documents.
 - Coordinated with DBF & City Solicitor to complete forms required for bidding of project.
- SE Second Street Utility Infrastructure Improvements – Authorized proposal from geotechnical consultant for performance of required pavement corings. Finalized construction drawings based on comments received from coordination with DelDOT’s utility construction permitting section and preparing of Project Specifications & Contract Documents for bidding the project.

- Lead Service Line Replacement Project – Reviewed Presentation Slides for upcoming Water Infrastructure Advisory Council meeting where funding offer will be considered for approval.
- Asset Management Project – Finalized filing of blue prints and construction documents archives.
- DelDOT SR-1/NE Front Street Overpass – Coordinated with Contractor, DelDOT & City Electric Department Staff to stake out the installation of a conduit across SR-1 to get the 10th Street Water Plant on the City’s Fiber Optic Communications Network.
- Standardized Sewage PS Instrumentation & Testing Protocol – Provided comments for the finalizing of the Sewage PS Standards Document.
- Utility Patching Work – Coordinated with paving Contractor to secure proposals for patching of additional utility excavations and follow-up coordination with DelDOT on schedule for repairs.
- Sewer & Water Ordinance Revisions – Finalized documents for potential adoption by Council.
- Ice-Pigging (Beaver Dam Road) – Met with representatives of Ice-Pigging Contractor and Engineering Consultants regarding scope of work and necessary information for potential ice-pigging of underutilized water main installed along Beaver Dam Road.
- D Caulk Water Tower Altitude Valve Installation – Met with DBF to coordinate design documents for installing an altitude valve on the LD Caulk Water Tower.
- Kenton Water Treatment Facility Instrumentation & Controls Upgrades – Met with DBF & Duffield to coordinate scope of work to be included in construction drawings for bidding of the work.
- Pennsylvania Avenue Drainage – Coordinated with DBF regarding survey of area such that corrective work can be designed and bid.
- Sewer Facility Arc Flash Study Initiation – Met with Consultant and Funding Agencies regarding the performance of arc flash studies at the City’s Sewage Pumping Stations to Identify Required Personal Protective Equipment necessary at the various installations.
- 10th Street Water Facility – Reviewed current equipment and specified replacement corrosion-resistant heaters for installation in the Chlorine Room.
- AT&T – Washington Street Water Tower Piping Relocation – Finalized Plans and Issued Approval for AT&T’s Installation of Cellular Equipment at site.
- Bayhealth Health Campus (Lot 2–Nemours Medical Office Building) – Reviewed Shop Drawings and Coordinated Construction Inspection for Utility Work.
- Brookstone Trace – Coordinated corrective action related to stormwater catch basins conflicts in proposed driveways.
- Cypress Hall Residential – Coordinated with Planning Department on review of Subdivision Plans and compiling of comments.
- Hickory Glen – Coordinated review with Engineering Consultant, Performed Initial Review of Off-Site Improvements, Coordinated with Developer’s Engineer on potential abandonment of the existing US Cold Storage PS.
- IG Burton Chrysler – Coordinated with Utilities Department for the performance of an updated hydrant flow test, compiled results and issued to Developer’s Engineer.
- Knotts Landing – Met with Property Owners and President of HOA regarding discharges from sump pumps to the City’s road drainage. Coordinated follow-up meeting with Kent Conservation District.
- Blue Hen Ventures (McColley Property) – Coordinated with Owner’s Contractor regarding requirements for Utility Service Connections.
- Milford Ponds – Coordinated with Sewer Operators and SCADA Technician for the completion of outstanding work at the Pumping Station. Oversaw training of City staff regarding PS controls.

- Mispillion Landing – Issued Review Comments on Construction Drawings.
- Rookery-Nauman Property – Completed Initial Analysis of Utility Service Expansion Required for Provision of Service to the project.
- Royal Farms – Met with Developer & Adjacent Parcel Owner regarding modifications to proposed entrance off of US Rte 113.
- Surf & Turf Steakhouse (Old Bob Evans Site) – Met with Developer’s Designer regarding Existing Utilities and service connection upgrades required for the proposed improvements.
- Old Wal-Mart Site – Coordinated with Utilities Department for the performance of a hydrant flow test, compiled results and issued to Developer’s Engineer.
- Watergate – Finalized plans with Developer’s Engineer and Issued Construction Drawing Approval.
- West Shores – Secured Approval to Operate Water System Expansion, Reviewed Sewer As-Built Information for compliance with City Standards and flagged a number of manholes to be adjusted. Coordinated repair work with Developer’s Engineer.
- Windward by the River – Met with Developer’s Engineer & Planning Department regarding extent of off-site utility extensions. Evaluated options for installation of regional system to define requirements for Developer of the Windward by the River project.
- Wright Property (Johnson Road) – Coordinated with Planning Director regarding Utility Feasibility Response and preparation of budgetary cost estimate for Temporary Electric Service to the project.

Public Service Division

Bulk Pick Ups	41
Brush Collections	0
New Service Deliveries	
Trash	13
Recycle	10
Yard Waste	2
Change Container Size	2
Damaged/Replaced Container	100

- Crews replaced eight stop sign that were knocked down, filled pot holes around town and removed snow on 01/14/19.
- Public Works Facility HVAC replacement bids were received on February 1; lowest bidder was J.T. Richardson at \$324,000.00.
- Window leak was repaired at Customer Service.
- Discolored water complaints due to Nemours water tie in were received from Meadows at Shawnee, Hearthstone, Orchard Hill and Seawatch. All customers were notified of issues and water is clearing.

Solid Waste Diversion Chart

	Solid Waste Tonnage	Curbside Recycling Tonnage	Yard Waste Tonnage	Total Tonnage	Diversion
Jan-18	251.67	51.97	10.20	313.84	19.8%
Feb-18	221.9	54.02	27.61	303.53	26.9%
Mar-18	242.01	54.09	31.36	327.46	26.1%
Apr-18	235.39	63.67	58.85	357.91	34.2%
May-18	296.89	73.84	48.82	419.55	29.2%
Jun-18	273.81	65.83	67.7	407.34	32.8%
Jul-18	262.74	61.66	51.81	376.21	30.2%
Aug-18	289.32	67.50	53.32	410.14	29.5%
Sep-18	252.6	58.80	43.1	354.50	28.7%
Oct-18	280.63	65.17	48.85	394.65	28.9%
Nov-18	273.28	68.61	57.6	399.49	31.6%
Dec-18	239.08	58.71	54.35	352.14	32.1%
TOTAL	3119.32	743.87	553.57	4416.76	29.4%

	Solid Waste Tonnage	Curbside Recycling Tonnage	Yard Waste Tonnage	Total Tonnage	Diversion
2013	3903.34	617.9	473.85	5208.86	25.1%
2014	3206.04	645.88	472.08	4567.90	29.8%
2015	3077.95	642.20	446.27	4425.91	30.5%
2016	3104.05	651.45	462.27	4633.16	33.0%
2017	3094.07	689.61	559.56	4565.16	32.2%
2018 (YTD)	3119.32	743.87	553.57	4416.76	29.4%

**Public System Summary Report
DRBC**

Cost

Water Supply bSection
DNREC
89 Kings Hwy
Dover, DE 19901

302-739-4793

2018

1 Owner of System City of Milford
2 Address 180 Vickers Dr., Milford, DE 19963
3 Respondent Steve Ellingsworth
4 Title Waste Water Technician
5 Phone Number 302-422-1110 ext 1107 Hrs of Op: 7:00-3:30
6 Service Area Name W-1, W-2, W-3, W4, W-5, W-10, W-11, W-12, W-13, W14
7 Service Area Location Milford Muni. Milford Co.: Kent/Sussex W15, W16
8 Withdrawl Location

Month

	9. Total Monthly(Gals)	10. Total Monthly P/S	11. Supplied from	12. Total Monthly Billed
Jan	84,466,600			
Feb	75,176,500			
Mar	76,867,500			
Apr	76,881,900			
May	85,830,200			
Jun	89,280,100			
Jul	99,879,100			
Aug	95,645,300			
Sep	81,707,000			
Oct	86,412,800			
Nov	73,727,600			
Dec	78,178,000			
13. Totals	1,004,052,600			

TP = 1,004,052,600
MS = 973,200,130

30,852,470 ÷
TP = $\frac{1,004,052,600}{30,852,470} =$
= 0.03072794194
X 100 = 3.07%
UNaccounted
Water.

14 Total Population Served **9882** (2010 Census 9589)
15 Number of service connections: Res: **4289**
Comm: **661** Munic: **12** Irrigation: **240** Bulk: **1**
16 Total annual demand by category (MG) Res: **175,017,340**
Comm: **780,137,448** Munic: **388,650** Irrigation: **15,398,692** Bulk: **2,258,000**
17 Unaccounted for: 1 - (MS **973,200,130**) X 100 = **3.07 %**
(TP- **1,004,052,600**)
18 Wastewater facility name: City of Milford

19 Signature: _____ Date: _____

CITY OF MILFORD
FUND BALANCES REPORT

Date: December 2018

Cash Balance - General Fund Bank Balance	4,303,387
Cash Balance - Electric Fund Bank Balance	3,653,794
Cash Balance - Water Fund Bank Balance	1,612,404
Cash Balance - Sewer Fund Bank Balance	181,508
Cash Balance - Trash Fund Bank Balance	62,182

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Economic Development <u>Fund</u>
Beginning Cash Balance	171,608	256,077	2,520,789	\$416,648
Deposits			103,722	
Interest Earned this Month	331	494	4,980	
Disbursements this Month			(41,667)	(\$113,000)
Investments				
Ending Cash Balance	\$171,939	\$256,571	\$2,587,824	\$303,648

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	2,495,402	8,678,830	4,061,352	9,686,594
Deposits				
Interest Earned this Month	3,496	10,188	4,735	12,210
Disbursements this Month	(6,067)	(28,823)	(395)	(137,303)
Investments				
Ending Cash Balance	\$2,492,831	\$8,660,195	\$4,065,692	\$9,561,501

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>
Beginning Cash Balance	2,193,319	\$1,365,014	\$616,015
Deposits	34,080	\$18,012	\$7,800
Interest Earned this Month			
Disbursements this Month			
Investments			
Ending Cash Balance	\$2,227,399	\$1,383,026	\$623,815

INTEREST THROUGH THE SIXTH MONTH OF THE FISCAL YEAR:

General Fund	36,154	Water Fund	16,318
GF Capital Reserves	17,928	Water Capital Reserves	52,237
Municipal Street Aid	2,209	Sewer Fund	4,706
Real Estate Transfer Tax	25,601	Sewer Capital Reserves	24,277
Electric Fund	35,832	Trash Fund	648
Electric Reserves	62,606		

TOTAL INTEREST EARNED TO DATE \$278,516

REVENUE REPORT

Page Two

Date: December 2018	AMOUNT BUDGETED	MTD	YTD	50% of Year Expended YTD%
ACCOUNT				
Economic Development Fund	125,000	68,000	113,845	91.08%
General Fund Reserves	518,455	0	0	0.00%
GF Reserves-New Police Officers	35,488	14,728	50,216	141.50%
Realty Transfer Tax-Police	500,000	41,667	250,000	50.00%
Real Estate Tax	3,927,717	2,421	3,909,611	99.54%
Business License	50,000	4,950	9,200	18.40%
Rental License	85,000	7,900	9,525	11.21%
Building Permits	160,000	18,556	110,610	69.13%
Planning & Zoning	15,000	4,500	24,420	162.80%
Grasscutting Revenue	16,000	0	8,000	50.00%
Police Revenues	462,485	88,135	334,942	72.42%
Misc. Revenues	376,065	33,331	155,578	41.37%
Transfers From	3,370,720	281,893	1,686,360	50.03%
Total General Fund Revenues	\$9,641,930	\$566,081	\$6,662,307	69.10%
Water Revenues	2,848,500	197,336	1,375,791	48.30%
Sewer Revenues	2,614,709	169,359	1,219,035	46.62%
Kent County Sewer	1,850,000	119,776	856,640	46.30%
Solid Waste Revenues	1,178,243	77,993	545,121	46.27%
Electric Revenues	25,547,000	1,666,398	12,528,361	49.04%
TOTAL REVENUES	\$43,680,382	\$2,796,943	\$23,187,255	53.08%
YTD Enterprise Expense		(29,197)		
YTD Enterprise Revenue		28,420		
LTD Carlisle Fire Company Building Permit Fund		436,853		

EXPENDITURE REPORT

Page Three

Date: December 2018

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	522,678	\$80,509	251,230	48.07%	271,448
O&M	117,430	\$8,674	50,922	43.36%	66,508
Capital	0	\$0	0		0
Total City Manager	\$640,108	\$89,183	\$302,152	47.20%	337,956
Planning & Zoning					
Personnel	129,534	\$11,189	69,425	53.60%	60,109
O&M	38,475	\$2,025	15,780	41.01%	22,695
Capital	0	\$0	0		0
Total P, C & I	\$168,009	\$13,214	\$85,205	50.71%	82,804
Code Enforcement & Inspections					
Personnel	297,525	\$21,342	90,074	30.27%	207,451
O&M	99,816	\$14,834	77,890	78.03%	21,926
Capital	0	\$0	0		0
Total P, C & I	\$397,341	\$36,176	\$167,964	42.27%	229,377
Council					
Personnel	31,230	\$3,183	15,419	49.37%	15,811
O&M	55,000	\$1,419	22,472	40.86%	32,528
Council Expense	17,500	\$60	11,898	67.99%	5,602
Contributions	175,500	\$0	75,000	42.74%	100,500
Codification	10,000	\$1,036	6,614	66.14%	3,386
Employee Recognition	21,000	\$12,677	14,966	0.00%	6,034
Insurance	18,200	\$4,349	13,047	71.69%	5,153
Christmas Decorations	10,000	\$0	9,581	95.81%	419
Economic Development	5,000	\$0	845	16.90%	4,155
Resident Survey	15,000	\$0	0	0.00%	15,000
Kent Economic Partnership	30,000	\$0	30,000	100.00%	0
Repair Parking Lot	15,000	\$0	0	0.00%	15,000
Armory Expenses	12,000	\$1,394	4,520	37.67%	7,480
Capital	30,400	\$0	0	0.00%	30,400
Total Council	\$445,830	\$24,118	\$204,362	45.84%	241,468
Finance					
Personnel	427,660	(\$5,857)	184,892	43.23%	242,768
O&M	84,850	\$4,413	35,404	41.73%	49,446
Capital	0	\$0	0		0
Total Finance	\$512,510	(\$1,444)	\$220,296	42.98%	292,214
Information Technology					
Personnel	159,366	\$12,754	76,589	48.06%	82,777
O&M	200,450	\$905	45,188	22.54%	155,262
Capital	49,000	\$0	42,863	87.48%	6,137
Total Information Technology	\$408,816	\$13,659	\$164,640	40.27%	244,176

EXPENDITURE REPORT

Page Four

Date: December 2018

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	4,199,720	\$361,232	2,048,975	48.79%	2,150,745
O&M	592,341	\$45,889	291,593	49.23%	300,748
Capital	95,100	\$0	92,946	97.74%	2,154
Total Police	\$4,887,161	\$407,121	\$2,433,514	49.79%	2,453,647
Streets & Grounds Division					
Personnel	394,200	\$26,759	172,706	43.81%	221,494
O&M	444,305	\$39,245	162,597	36.60%	281,708
Capital	182,000	\$0	68,068	37.40%	113,932
Total Streets & Grounds	\$1,020,505	\$66,004	\$403,371	39.53%	617,134
Parks & Recreation					
Personnel	701,515	\$40,193	343,896	49.02%	357,619
O&M	286,100	\$15,418	114,882	40.15%	171,218
Capital	189,000	\$15,150	48,415	25.62%	140,585
Total Parks & Recreation	\$1,176,615	\$70,761	\$507,193	43.11%	669,422
Total General Fund Operating Budget	\$9,656,895	\$718,792	\$4,488,697	46.48%	5,168,198

EXPENDITURE REPORT

Page Five

Date: December 2018

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	269,170	\$19,404	124,557	46.27%	144,613
O&M	1,216,187	\$74,656	506,200	41.62%	709,987
Capital	1,033,378	\$0	0	0.00%	1,033,378
Debt Service	329,765	\$46,500	111,948	33.95%	217,817
Total Water	\$2,848,500	\$140,560	\$742,705	26.07%	2,105,795
Sewer Division					
Personnel	267,659	\$18,755	120,712	45.10%	146,947
O&M	1,201,036	\$150,275	704,752	58.68%	496,284
Capital	750,524	\$0	158,209	0.00%	592,315
Debt Service	395,490	\$247,946	273,417	69.13%	122,073
Sewer Sub Total	\$2,614,709	\$416,976	\$1,257,090	48.08%	1,357,619
Kent County Sewer	1,850,000	\$148,502	971,536	52.52%	878,464
Total Sewer	\$4,464,709	\$565,478	\$2,228,626	49.92%	2,236,083
Solid Waste Division					
Personnel	355,828	\$25,034	161,256	45.32%	194,572
O&M	822,415	\$91,684	439,695	53.46%	382,720
Capital	0	\$0	0	0.00%	0
Total Solid Waste	\$1,178,243	\$116,718	\$600,951	51.00%	577,292
Total Water, Sewer Solid Waste	\$8,491,452	\$822,756	\$3,572,282	42.07%	4,919,170
Electric Division					
Personnel	1,394,940	\$103,946	632,383	45.33%	762,557
O&M	2,055,683	\$132,291	748,099	36.39%	1,307,584
Transfer to General Fund	2,500,000	\$208,333	1,250,000	50.00%	1,250,000
Capital	976,412	\$0	51,781	5.30%	924,631
Debt Service	319,965	\$268,558	268,558	83.93%	51,407
Electric Sub Total	\$7,247,000	\$713,128	\$2,950,821	40.72%	4,296,179
Power Purchased	18,300,000	\$1,241,062	8,800,619	48.09%	9,499,381
Total Electric	\$25,547,000	\$1,954,190	\$11,751,440	46.00%	13,795,560
TOTAL OPERATING BUDGET	\$43,695,347	\$3,495,738	\$19,812,419	45.34%	23,882,928

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: December 2018

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	50% of Year Expended YTD%	UNEXPENDED BALANCE
Garage					
Personnel	91,215	7,293	45,168	49.52%	46,047
O&M	106,393	7,868	49,342	46.38%	57,051
Capital	50,000	0	41,859	83.72%	8,141
Total Garage Expense	\$247,608	15,161	\$136,369	55.07%	111,239
Public Works					
Personnel	554,980	42,036	256,605	46.24%	298,375
O&M	206,055	7,526	76,800	37.27%	129,255
Capital	10,000	0	0	0.00%	10,000
Total Public Works Expense	\$771,035	49,562	\$333,405	43.24%	437,630
Billing & Collections					
Personnel	559,820	51,421	291,125	52.00%	268,695
O&M	225,650	21,531	101,640	45.04%	124,010
Capital	20,000	16,675	16,675	83.38%	3,325
Total Billing & Collections	\$805,470	89,627	\$409,440	50.83%	396,030
City Hall Cost Allocation					
Personnel	0				0
O&M	63,300	19,072	49,205	77.73%	14,095
Capital	0				0
Total City Hall Cost Allocation	\$63,300	19,072	\$49,205	77.73%	14,095

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.

February 2019

January '19							March '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4	5	6 <i>5:30 SCAT Meeting</i>	7	8	9
10	11 <i>5:30 Finance/Public Works Committee 7:00 Council Meeting</i>	12	13	14	15	16
17	18 <i>Holiday</i>	19	20	21	22	23
24	25 <i>5:30 Police Committee 7:00 Council Meeting</i>	26	27	28 <i>5:30 DLLG Meeting</i>	1	2

3	4	<p>Notes</p> 				
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Calendar Templates by Vertex42
<https://www.vertex42.com/calendars/>

March 2019

February '19							April '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28			28	29	30				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
24	25	26	27	28	1	2
3	4	5	6 <i>5:30 SCAT Meeting</i>	7	8	9
10	11 <i>5:30 Community/Econ Develop Committee 6:30 Council Workshop- Update fr DMI, CFD, Museum 7:00 Council Meeting</i>	12	13	14	15	16
17	18	19	20	21	22	23
24	25 <i>7:00 Council Meeting</i>	26	27	28 <i>5:30 DLLG Meeting</i>	29	30
31	1	Notes 				

April 2019

March '19							May '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2				1	2	3	4
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30	31	
31													

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1	2	3 5:30 SCAT Meeting	4	5	6
7	8 5:30 Finance/Public Works Committee 7:00 Council Meeting	9	10	11	12	13
14	15	16	17	18	19 Holiday	20
21	22 5:30 Police Committee 7:00 Council Meeting	23	24	25 5:30 DLLG Meeting	26	27 10 AM-6 PM Annual Election
28	29	30	1	2	3	4

5	6	<p>Notes</p> 				
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Calendar Templates by Vertex42
<https://www.vertex42.com/calendars/>

May 2019

April '19							June '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6							1
7	8	9	10	11	12	13	2	3	4	5	6	7	8
14	15	16	17	18	19	20	9	10	11	12	13	14	15
21	22	23	24	25	26	27	16	17	18	19	20	21	22
28	29	30					23	24	25	26	27	28	29
							30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1 5:30 SCAT Meeting	2	3	4
5	6 7:00 Swearing In and Organizational Meeting	7	8	9	10	11
12	13 5:30 Community/Econ Develop Committee 7:00 Council Meeting	14	15	16	17	18
19	20	21	22	23 5:30 DLLG Meeting	24	25
26	27 Holiday	28 7:00 Council Meeting	29	30	31	1
2	3	Notes 				

June 2019

May '19							July '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4		1	2	3	4	5	6
5	6	7	8	9	10	11	7	8	9	10	11	12	13
12	13	14	15	16	17	18	14	15	16	17	18	19	20
19	20	21	22	23	24	25	21	22	23	24	25	26	27
26	27	28	29	30	31		28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3 5:00 Budget Hearings	4 5:00 Budget Hearings	5 5:30 SCAT Meeting	6	7	8
9	10 5:30 Finance/Public Works Committee 7:00 Council Meeting	11	12	13	14	15
16	17	18	19	20	21	22
23	24 5:30 Police Committee 6:30 Council Workshop- Update fr DMI, CFD, Museum 7:00 Council Meeting	25	26	27	28	29
30	1	Notes 				

July 2019

June '19							August '19							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1						1	2	3
2	3	4	5	6	7	8	4	5	6	7	8	9	10	
9	10	11	12	13	14	15	11	12	13	14	15	16	17	
16	17	18	19	20	21	22	18	19	20	21	22	23	24	
23	24	25	26	27	28	29	25	26	27	28	29	30	31	
30														

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	1	2	3	4 Holiday	5	6
7	8 5:30 Community/Econ Develop Committee 7:00 Council Meeting	9	10	11	12	13
14	15	16	17	18	19	20
21	22 7:00 Council Meeting	23	24	25	26	27
28	29	30	31	1	2	3
4	5	Notes				

August 2019

July '19							September '19							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6		1	2	3	4	5	6	7
7	8	9	10	11	12	13	8	9	10	11	12	13	14	
14	15	16	17	18	19	20	15	16	17	18	19	20	21	
21	22	23	24	25	26	27	22	23	24	25	26	27	28	
28	29	30	31				29	30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12 5:30 Finance/Public Works Committee 7:00 Council Meeting	13	14	15	16	17
18	19	20	21	22	23	24
25	26 5:30 Police Committee 7:00 Council Meeting	27	28	29	30	31
1	2	Notes				

September 2019

August '19							October '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3			1	2	3	4	5
4	5	6	7	8	9	10	6	7	8	9	10	11	12
11	12	13	14	15	16	17	13	14	15	16	17	18	19
18	19	20	21	22	23	24	20	21	22	23	24	25	26
25	26	27	28	29	30	31	27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Holiday	3	4	5	6	7
8	9 5:30 Community/Econ Develop Committee 7:00 Council Meeting	10	11 5:30 SCAT Meeting	12	13	14
15	16	17	18	19	20	21
22	23 6:30 Council Workshop- Update fr DMI, CFD, Museum 7:00 Council Meeting	24	25	26 5:30 DLLG Meeting	27	28
29	30	1	2	3	4	5
6	7	Notes				

October 2019

September '19							November '19							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
1	2	3	4	5	6	7							1	2
8	9	10	11	12	13	14	3	4	5	6	7	8	9	
15	16	17	18	19	20	21	10	11	12	13	14	15	16	
22	23	24	25	26	27	28	17	18	19	20	21	22	23	
29	30						24	25	26	27	28	29	30	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2 <i>5:30 SCAT Meeting</i>	3	4	5
6	7	8	9	10	11	12
13	14 <i>5:30 Finance/Public Works Committee 7:00 Council Meeting</i>	15	16	17	18	19
20	21	22	23	24 <i>5:30 DLLG Meeting</i>	25	26
27	28 <i>5:30 Police Committee 7:00 Council Meeting</i>	29	30	31	1	2
3	4	Notes				

November 2019

October '19							December '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5	1	2	3	4	5	6	7
6	7	8	9	10	11	12	8	9	10	11	12	13	14
13	14	15	16	17	18	19	15	16	17	18	19	20	21
20	21	22	23	24	25	26	22	23	24	25	26	27	28
27	28	29	30	31			29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4	5 Holiday	6 5:30 SCAT Meeting	7	8	9
10	11 Holiday	12 5:30 Community/Econ Develop Committee 7:00 Council Meeting	13	14	15	16
17	18	19	20	21	22	23
24	25 7:00 Council Meeting	26	27	28 Holiday	29 Holiday	30
1	2	Notes				

December 2019

November '19							January '20						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2			1	2	3	4	
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 <i>5:30 SCAT Meeting</i>	5	6	7
8	9 <i>5:30 Finance/Public Works Committee 7:00 Council Meeting</i>	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24 <i>Holiday</i>	25 <i>Holiday</i>	26	27	28
29	30	31	1	2	3	4
5	6	Notes				

February 11, 2019

TO: Mayor and City Council
FROM: Eric Norenberg
SUBJECT: Alcohol & Drug-Free Workplace Policy

Background and Purpose

On April 9, 2018, City Council enacted Ordinance 2018-08, which amended Chapter 55, Personnel, of the Code of the City of Milford. This ordinance updated the City's Employee Policy Manual to provide employees with important information about the City's rules, practices and procedures, as well as information regarding their own privileges and responsibilities. Section 12.5 of the Employee Policy Manual describes the alcohol & drug-free workplace policy. This section has been expanded upon to include specific guidelines regarding the City's use of preemployment drug testing, random drug testing of safety sensitive employees working in the Police, Public Works and Parks and Recreation Departments, reasonable suspicion testing, or post-accident testing.

City Council intends to conduct alcohol and drug testing under these circumstances to protect the safety and well-being of the general public and staff of the City of Milford. The successful implementation of this policy will help to maintain a safe and healthy working environment for City employees. Additionally, it will enable the City to provide quality service to the public by maintaining efficiency and productivity.

Overview

This policy describes the conditions under which employees are subject to alcohol and drug testing. They include:

- Pre-employment: Any employee who has been conditionally offered employment with the City of Milford will be required to take a drug test as a condition of employment.
- Random: Each employee who is assigned to a position which requires the possession of a CDL or who falls under the category as "safety sensitive" as defined by the appointing authority, may be tested for alcohol content and the use of controlled substances.
- Reasonable Suspicion: Upon the observation of physical, behavioral, speech or performance indicators by two trained supervisors, employees may be tested for alcohol content and the use of controlled substances. All supervisors must have a written record of their direct observations concerning behavior, appearance, order and immediate work performance to support their decision to move forward with reasonable suspicion training.
- Post-accident: Each employee who operated a City vehicle while it was involved in a traffic accident which resulted in the loss of human life or the issuance of a traffic citation, shall be tested for alcohol content and the use of controlled substances.

This policy sets forth testing procedures in accordance to Department of Transportation standards and clarifies who is responsible for the payment of such tests. Additionally, in the case that an employee violates the policy or tests positive, based upon their work history/record and any state law

requirements, the City of Milford may offer the employee the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which may include follow-up alcohol and drug testing at times and frequencies, established by the City.

Recommendation

City Staff recommends that Council make a motion to adopt Ordinance 2019-06 to implement the Alcohol & Drug-Free Workplace Policy. This ordinance will go into effect 10 days after adoption.

CITY OF MILFORD
PUBLIC NOTICE

ORDINANCE 2019-06
CODE OF THE CITY OF MILFORD
PART I-ADMINISTRATIVE LEGISLATION
CHAPTER 55-PERSONNEL

WHEREAS, Chapter 55 of the City of Milford Code governs personnel practices for all City of Milford employees; and

WHEREAS, the Chapter is intended to familiarize employees with important information about the City's rules, practices and procedures, as well as information regarding their own privileges and responsibilities; and

WHEREAS, Section 12.5 of Chapter 55, titled Alcohol & Drug Free Workplace refers to a *Drug-Free Safety Program Policy*; and

WHEREAS, the Milford City Council intends to create this policy and conduct preemployment drug testing, random drug testing of safety sensitive employees working in the Police, Public Works, and Parks and Recreation Departments, or reasonable suspicion drug testing to protect the safety and well-being of the general public and staff of the City of Milford.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. The following terms are hereby added, as shown by underline and bold:

SECTION 1 - GLOSSARY OF DEFINITIONS AND TERMS

City Premises: Includes all buildings, offices, facilities, grounds, parking lots, lockers, places and vehicles owned, leased or managed by the City of Milford or any site on which the City is conducting business.

Illegal Drug: A substance whose use or possession is controlled by federal law but that is not being used or possessed under the supervision of a licensed health care professional. (Controlled substances are listed in Schedules I-V of 21 C.F.R. Part 1308.)

Refuse to Cooperate: To obstruct the collection or testing process; to submit an altered, adulterated or substitute sample; to fail to show up for a scheduled test; to refuse to complete the requested drug testing forms; or to fail to promptly provide specimen(s) for testing when directed to do so, without a valid medical basis for the failure. Employees who leave the scene of an accident without justifiable explanation prior to submission to drug and alcohol testing will also be considered to have refused to cooperate and will automatically be subject to discharge.

Under the Influence of Alcohol: An alcohol concentration equal to or greater than .04, or actions, appearance, speech or bodily odors that reasonably cause a supervisor to conclude that an employee is impaired because of alcohol use.

Section 2. The following text is hereby deleted as indicated by strikethrough:

12.5 ALCOHOL & DRUG-FREE WORKPLACE

~~The City of Milford does not permit the use of illegal drugs by employees or the misuse of alcohol, the sale, purchase, transfer, trafficking, use or possession of any illegal drugs, or arrival or return to work under the influence of any drug (legal or illegal) or alcohol to the extent that job performance is affected. Use of prescription drugs are only permitted when prescribed by a physician who has determined that the substance will not adversely affect the employee's ability to safely perform his or her duties. Specific requirements and implementation procedures are detailed in the Drug Free Safety Program Policy, and the City requires full compliance with said policy.~~

Section 3. The following text is hereby added, as indicated by underline and bold:

12.5.A PROHIBITED ACTIVITIES

Employees are prohibited from engaging in the following activities:

- 1. Using, possessing, buying, selling, manufacturing or dispensing an illegal drug (to include possession of drug paraphernalia).**
- 2. Being under the influence of alcohol or illegal drugs at any point.**
- 3. The operation of any City vehicle in violation of the guidelines set forth in this policy.**
- 4. The refusal to submit to an alcohol or drug test as defined and required by this policy.**

The appropriate law enforcement agency will be notified of any sale, distribution or possession of any illegal substance by an employee at any time.

While use of medically prescribed or some other legal medications and drugs is not a violation of this policy, when such drug use adversely affects job performance, the employee will be required to use sick leave or take a leave of absence. Failing to notify an employee's supervisor before beginning work, when taking medications or drugs which may interfere with the safe and effective performance of duties by a City employee, may result in disciplinary action up to and including termination. Such actions will constitute violation of the City of Milford's Employee Policy Manual. When an employee's driver's license is suspended due to alcohol or drug use and driving is required by the employee's job description, the employee is subject to disciplinary action as described in Section 11.1.

12.5.B TESTING

12.5.B.1 PRE-EMPLOYMENT

Each individual who has been conditionally offered employment with the City of Milford will be required to take a drug test as a condition of employment. The offer of

employment may be withdrawn from any individual whose test reveals the presence of a controlled substance

12.5.B.2. RANDOM

Each employee who is assigned to a position which requires the possession of a CDL or who falls under the category as “safety sensitive” as defined by the Appointing Authority, may be tested for alcohol content and for the use of controlled substances.

Such test shall be conducted on a random, unannounced basis quarterly and in accordance with this policy.

12.5.B.3. REASONABLE SUSPICION

The request to undergo a reasonable suspicion test must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odor. These observations may include indications of the chronic and withdrawal effects of controlled substances as defined by the Federal Motor Carrier Safety Administration (FMCSA). Two trained supervisors must witness the conduct and be trained in the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of controlled substances.

12.5.B.4. POST-ACCIDENT

Each employee who operated a City vehicle while it was involved in a traffic accident which resulted in the loss of human life or the issuance of a traffic citation shall be tested for alcohol content and for the use of controlled substances.

12.5.C TESTING PROCEDURES

All testing required by this policy will be conducted in accordance with the Omnibus Transportation Employee Testing Act of 1991. The testing will only be conducted by certified, qualified individuals who are either employed by a contractor hired by the City for this purpose or are sworn, law enforcement personnel. To ensure accuracy, employee's must be tested immediately following reasonable suspicion or post-accident as described above.

Testing will be done for the following substances, however not limited to:

- Marijuana (THC)
- Cocaine
- Amphetamines and methamphetamine
- Opioids
- Phencyclidine (PCP)

Refusal by an employee to cooperate or submit immediately to an alcohol and/or drug test when requested by management, will constitute insubordination and is cause for disciplinary action in accordance with 11.1 of this manual.

12.5.D PAYMENT

The City shall pay the cost of testing for alcohol and controlled substances. The employee shall pay the cost of any confirmation test requested by the employee to deny the use of a controlled substance if the results of the initial test are positive. If the results of the confirmation test are negative, the City shall pay the cost of the confirmation test. The City shall not pay the cost of evaluating, counseling or rehabilitation which may be required by the Omnibus Transportation Employee Testing Act of 1991.

12.5.E POSITIVE TESTS

Confirmation of drug or alcohol use or abuse will result in disciplinary action in accordance with Section 11.1 of this manual. Two disciplinary actions relating to drug or alcohol use may be cause for termination.

Discipline for being under the influence of alcohol or nonprescribed controlled substances during non-job-related activities will be based on the employee's work history, previous disciplinary actions and previous identification of substance use problems.

Employees who test positive, or otherwise violate this policy, will be subject to discipline, up to and including termination. Depending on the circumstances, the employee's work history/record and any state law requirements, the City of Milford may offer an employee who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which could include follow-up alcohol and drug testing at times and frequencies established by the City. These follow-up tests will be determined by the Human Resources Administrator and Department Head and will take place for a minimum of one year but not more than two years. A waiver of the right to contest any termination resulting from a subsequent positive test will also be provided. If the employee either does not complete the rehabilitation program or tests positive after completing the rehabilitation program, the employee will be immediately discharged from employment.

Section 4. Dates:

City Council Introduction: 01/28/19

Adoption: 02/11/19

Effective: 02/21/19

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.

City of Milford

PUBLIC NOTICE

The following ordinance is under review by Milford City Council:

ORDINANCE 2019-07

WHEREAS, in 2016, the City of Milford desires to adopted an ordinance to provide procedures for the consideration of economic development incentives and the use of economic development tools; and

WHEREAS, the State of Delaware raised the minimum threshold for small Downtown Development District (DDD) projects from \$15,000 to \$25,000; and

WHEREAS, to be consistent with the State of Delaware in the consideration and review of new development or redevelopment within the City of Milford, it is appropriate to adopt Ordinance 2019-07.

NOW THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section I.

Chapter 19 - ECONOMIC DEVELOPMENT AND REDEVELOPMENT

Section II.

Article II, is hereby amended to read as follows (new language will be bold and underlined and deleted language will be stricken through):

ARTICLE III - Specific Economic Development Incentive Programs

An applicant for economic incentives under this chapter must apply for and meet the conditions of one of the SEDIP programs available under this Article III.

§ 19-8. - Greater Milford Business Complex Incentive Program.

§ 19-9. - Downtown Development District Incentive Program.

A. Eligibility.

- (1) Eligible Projects shall include any new residential or commercial construction, redevelopment, or expansion within the Downtown Development District and meet the following criteria:
 - (a) Is located within the target area; and
 - (b) The fair market value of the materials to be used and the labor to be performed on the project exceeds the ~~sum of \$15,000~~ **minimum investment amount required by the State of Delaware Downtown Development District Rebate Program**; and
 - (c) Is for commercial, office, and/or residential use; and
 - (d) Conforms to the intent of this ordinance.

- (2) In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in the City of Milford zoning ordinance. Construction or renovation of an accessory building as defined in the City of Milford zoning ordinance shall not be eligible for development incentives.

Section III.

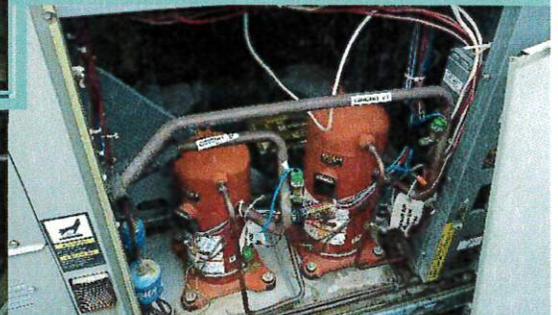
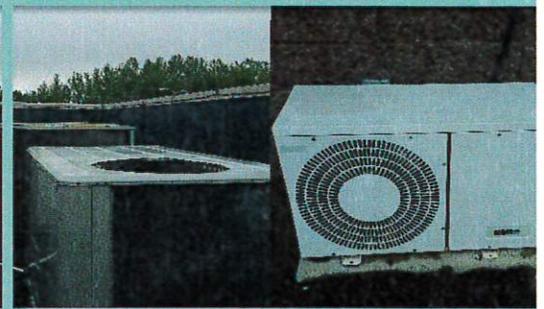
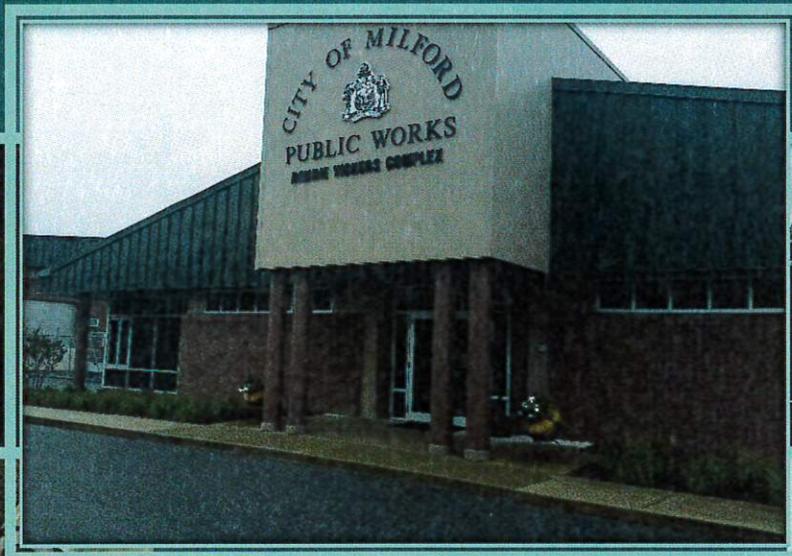
Dates:

Introduction: January 28, 2019

Adoption: February 11, 2019

Ordinances are effective ten days following adoption by City Council.

Milford Public Works Administration Building *HVAC Systems Analysis*



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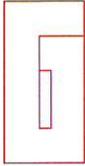
June 9, 2017
W.O.#: 17035

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Gipe Associates, Inc.

CONSULTING ENGINEERS

W.O.#: 17035

June 9, 2017

Mrs. Christie L. Murphy
Assistant Supervisor for Solid Waste & Facilities
City of Milford Public Works Facility
180 Vickers Drive
Milford, Delaware 19963

Project: Milford Public Works Administration Building
Reference: HVAC Systems Analysis

Dear Christie:

Thank you for the opportunity to assist you with evaluating the heating, ventilating, and air conditioning (HVAC) systems at the Milford Public Works Administration Building (Approximately 10,000 square feet) located in Milford, Delaware.

INTRODUCTION

The existing HVAC systems were installed in 2003 and are approximately 14 years old. In addition, there have been many comfort complaints and questions about the installed capacity and it is our hope that you will find that the following report provides a solid overview of the HVAC systems with specific focus on the capacity versus required cooling and heating loads. All of the existing cooling systems contain R-22 refrigerant, which is currently being phased out of use in refrigerant systems in the United States due to ozone depletion in the atmosphere. Therefore, due to the age of the HVAC systems and type of refrigerant in the installed cooling systems the time is ideal to consider either equipment upgrades or system replacements.

The following report will review the existing HVAC systems, provide ventilation calculation analysis, cooling/heating load calculation analysis and evaluate options for improving the HVAC systems based on the results of our analysis. We also will include all relevant information in the Appendix so that in the future you have a comprehensive location for information related to the HVAC systems at the Milford Public Works Administration Building. First, we will spend some time evaluating and describing the existing HVAC systems.

To assist with describing the HVAC systems we have prepared the following HVAC zoning diagram (See Figure #1) that graphically illustrates what area of the building is served by what type and number of HVAC equipment/systems.

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Suite 223
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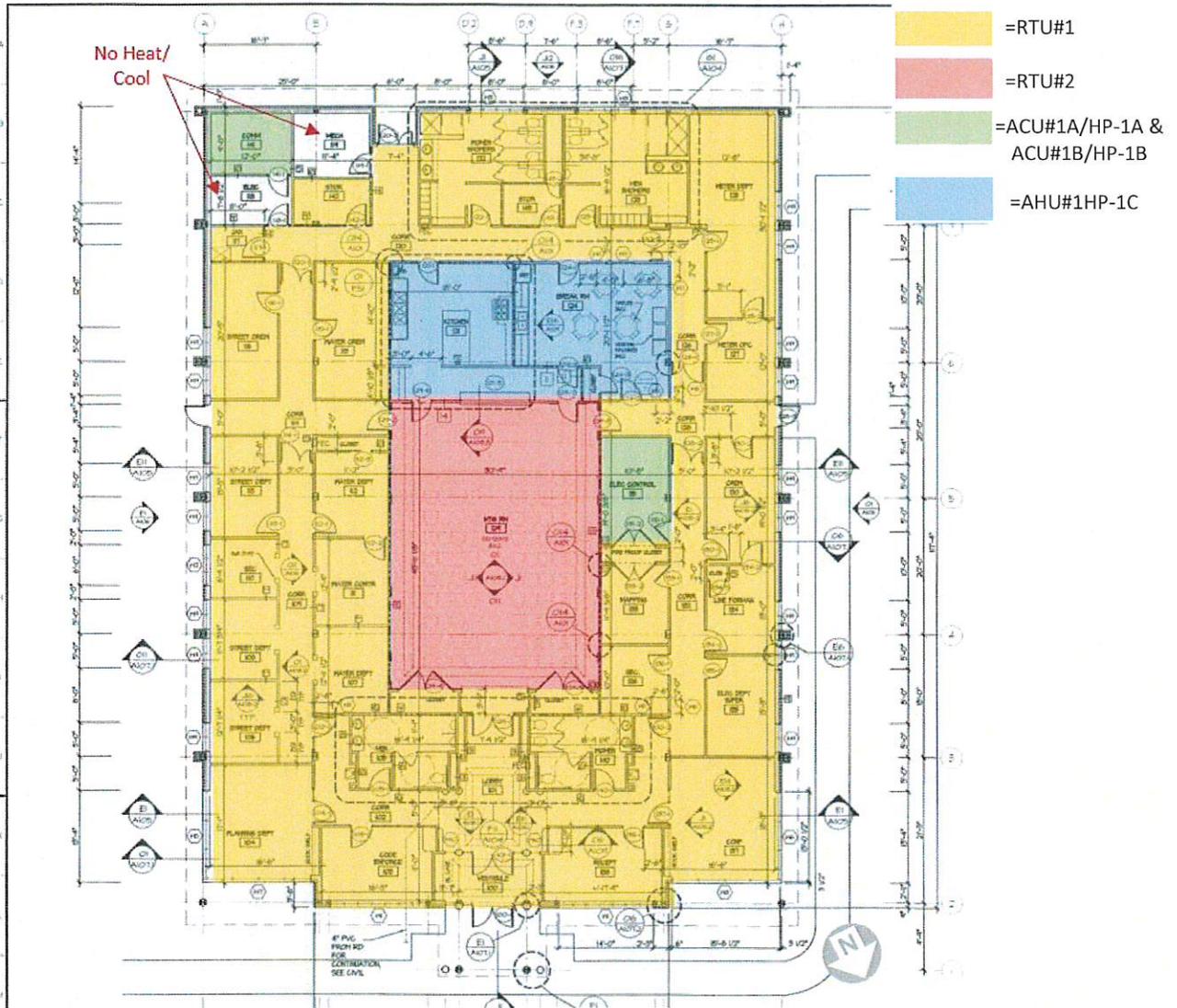


Figure # 1- HVAC Zoning Diagram
(Not to Scale)

As shown, the Milford Public Works Administration Building is basically served by the following types of equipment:

Tag	Equipment Type	Description
RTU #1	Packaged Rooftop Unit	Variable air volume rooftop unit with direct expansion cooling and natural gas heat
RTU #2	Packaged Rooftop Unit	Constant volume rooftop unit with Direct Expansion cooling and natural gas heat
ACU-1A/HP-1A	Ductless Split System Heat Pumps	Direct expansion heat pumps (Typical of 2)
ACU1B/HP-1B	Ductless Split System Heat Pumps	Direct expansion heat pumps (Typical of 2)
AHU #1/ HP-1C	Split System Heat Pump	Split system Heat Pump with direct expansion heating /cooling and auxiliary electric heat.

Table # 1- Existing HVAC System Types

The colored shaded areas in Figure #1 identify the spaces of the building served by each type of HVAC System. Figure # 2, is an HVAC equipment location diagram that is similar to Figure #1, however we have added in the locations of the existing HVAC units to clearly identify the locations of equipment in or around the building.

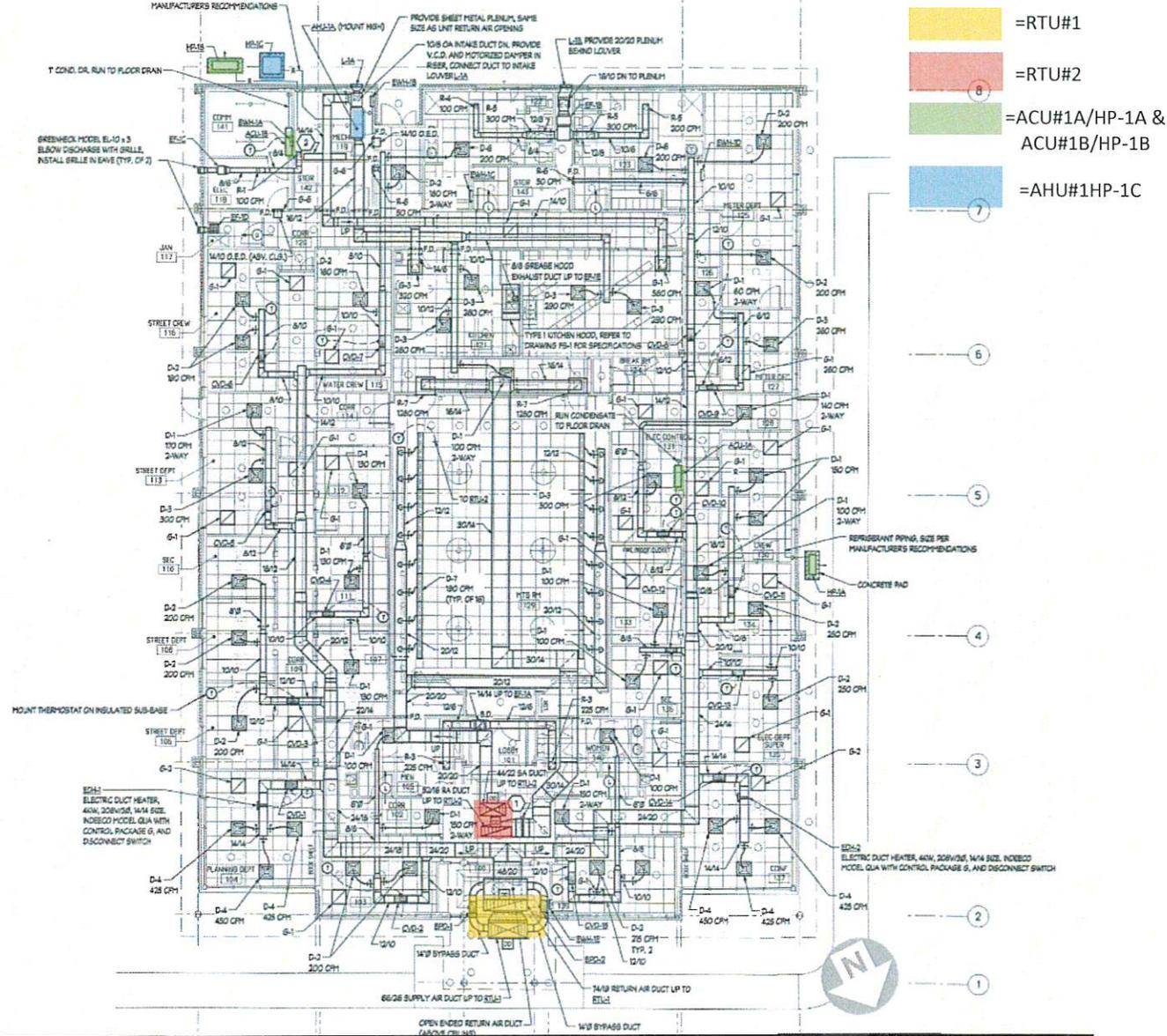


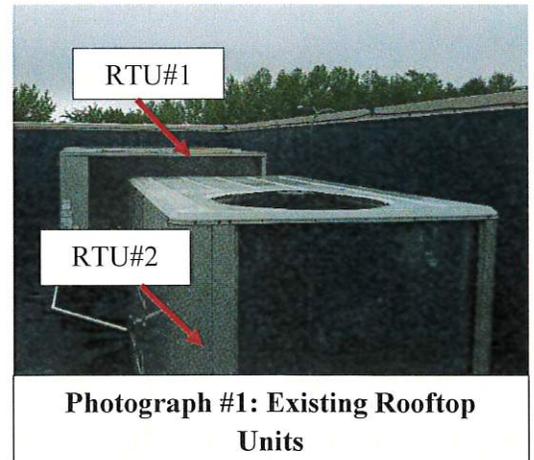
Figure # 2- HVAC Equipment Location Diagram
(Not to Scale)

Hopefully, these two figures clearly identify the areas served by each HVAC system and the locations of the Existing HVAC equipment.

EXISTING ROOFTOP UNITS

As graphically illustrated, the majority of the Milford Public Works Administration Building is heated and cooled with rooftop HVAC units located in a depressed well on the roof as shown in Photograph #1.

Both Rooftop units are direct expansion rooftop units utilizing R-22 refrigerant for cooling and natural gas furnaces for heating. However, each unit serves different areas of the building and contains different components which we will describe in detail. We were able to obtain catalog data for the rooftop units along with the original submittal data and the same have been included in Appendices A through D.



Rooftop Unit #1

Rooftop Unit #1 serves the perimeter spaces and as previously discussed is a “variable air volume” (VAV) unit. As shown in Figure #3, the supply fan in Rooftop Unit #1 itself is a constant volume fan, but the system operates at the terminal level as a variable air volume unit by incorporating VAV boxes to vary the air flow to the spaces based on the space temperature set points.

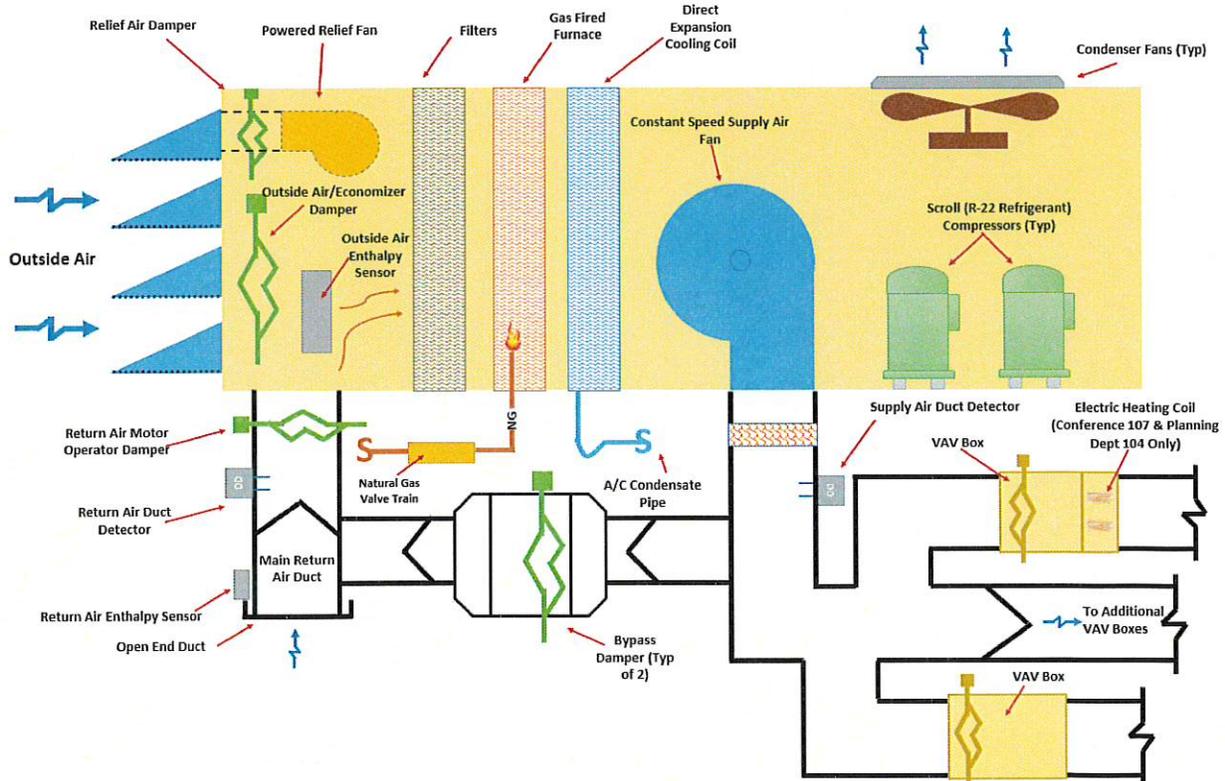


Figure #3- Rooftop Unit #1 Schematic

When the VAV box airflow rates modulate downward due to the VAV box dampers modulating toward the closed position, the duct system pressure rises forcing the modulating bypass dampers to open. In essence, this creates the temperature control capability of a VAV system with the use of a constant

volume rooftop unit utilizing bypass dampers for air flow modulation. In addition, as shown in Figure #3 Rooftop Unit #1 includes the following components:

1. Economizer dampers with enthalpy control.
2. Power Relief fan.
3. Duct smoke detectors.
4. Multiple scroll compressors.
5. Multiple condenser fans.
6. Two Bypass dampers between the supply and return ducts.
7. Return air plenum.

One thing that we feel is very poor about the existing design is that the same utilizes the ceiling above the spaces as a “return air plenum”. Rooftop Unit #1 employs such an approach in an attempt to reduce return air ductwork. We feel that this is a very poor approach because any leaks in the building envelope will result in unconditioned outside air being pulled into the return air plenum. To rectify this with the existing Rooftop Unit #1 system would require a detailed analysis to verify if space is available to route a fully ducted return air system. If the space is available we would recommend that a fully-hard ducted return air system be installed from all spaces back to Rooftop Unit #1.

Next, we will review rooftop unit # 2.

Rooftop Unit # 2

As shown in Figure #4, Rooftop Unit #2 is similar to Rooftop Unit #1 with the main difference being that Rooftop Unit #2 is a constant volume unit and does not utilize any VAV boxes or fan air flow rate modulation.

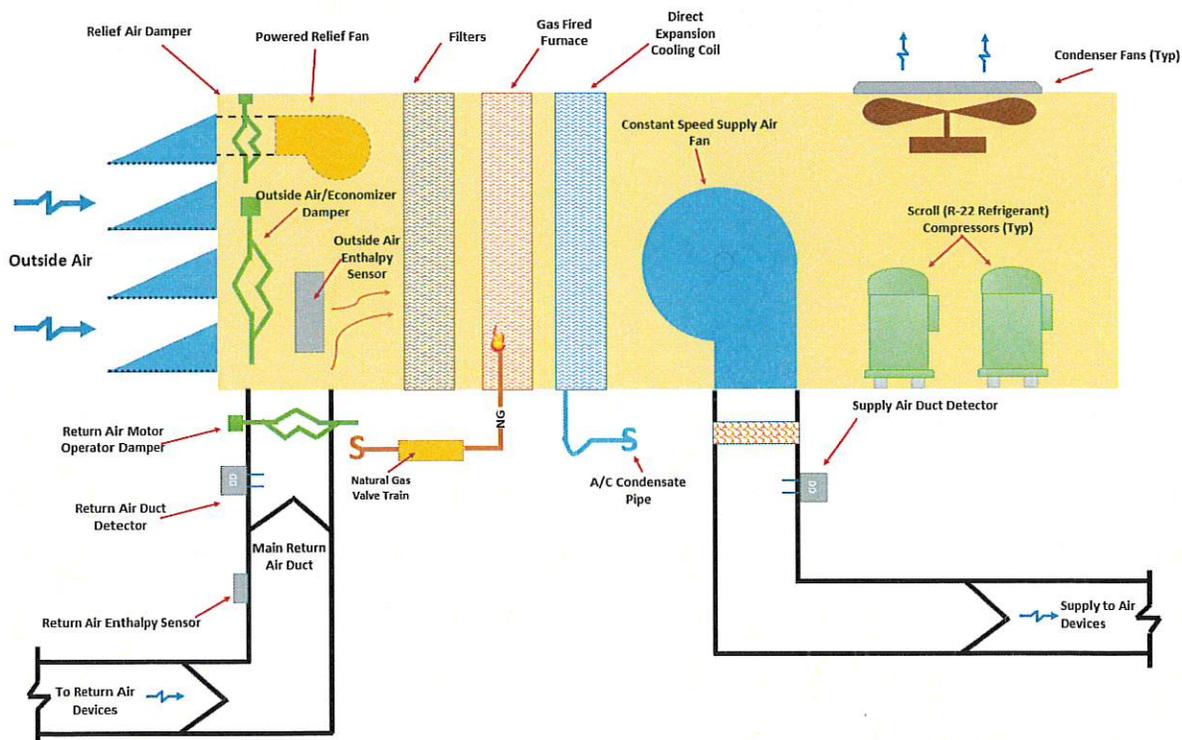


Figure #4 - Rooftop Unit #2 Schematic

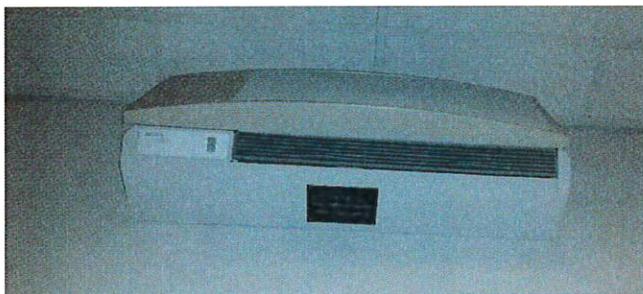
Rooftop Unit #2 includes the following components:

1. Economizer dampers with enthalpy control.
2. Power relief fan.
3. Duct smoke detectors.
4. Multiple scroll compressors.
5. Multiple condenser fans.

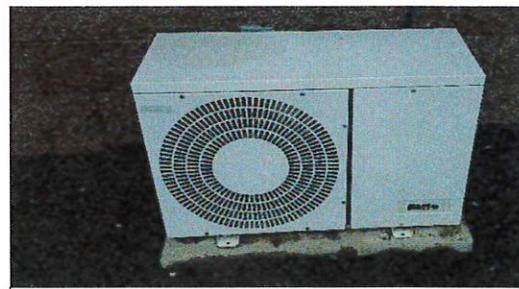
Rooftop Unit #2 serves the main meeting room and it is our understanding that the original expected people load for this space was overstated potentially resulting in this unit being “oversized” for its current expected people load. We will further discuss this later in the report when we review the engineering calculations. However, it is worth noting that the original mechanical drawings (See Appendix E – Drawing M101 – Drawing Note #1) indicated that this unit was supposed to be provided with a space carbon dioxide sensor (CO₂) that would modulate the outside air to maintain the space CO₂ level at 800 parts per million (ppm) by modulating the outside air damper closed when no one was in the room. We feel that this was a good feature of the original design, but we doubt if the same is operating as intended because there is no mention of the same being tested in the original Test and Balance Report. If the CO₂ sensor was installed we highly recommend that the same be calibrated and the sequence of operation along with outside air flow measurement be verified. Next, we will review the ductless units.

EXISTING DUCTLESS UNITS

The Milford Public Works Administration Building contains two ductless heat pump units which are very similar. As shown in Photographs #2 and #3, the indoor ductless heat pump units are wall hung units with grade mounted exterior variable speed heat pump compressors.



Photograph #2: Indoor Ductless Unit ACU-1A



Photograph #3: Outdoor Ductless Unit Heat Pump HP-1A

Ductless system ACU-1A/HP-1A serves the Electric Control Room 131 and was likely installed to provide supplemental cooling due to a high internal cooling load. Please note that this room is also served by a supply air device from Rooftop Unit #1 which may result in the ductless unit “competing” with the rooftop unit regarding space temperature control. We suspect this was originally designed like this to provide ventilation for occupants in this room. If occupants actually work in Electric Control Room 131 then the supply duct and diffuser must remain; however, if Electric Control Room 131 is not an occupied room then this air device could be capped to prevent the rooftop unit from “competing” with the ductless unit serving this room.

Ductless system ACU-1B/ HP-1B serves the Communications Room 141 which is “filled” with IT equipment and other heat producing equipment. We will verify later in the report the loads on both of these spaces because it is our understanding that you are considering re-locating a ductless unit from the Garage to replace the unit that serves the Communications Room 141.

The ductless units are arranged as shown in Figure #5 on the next page.

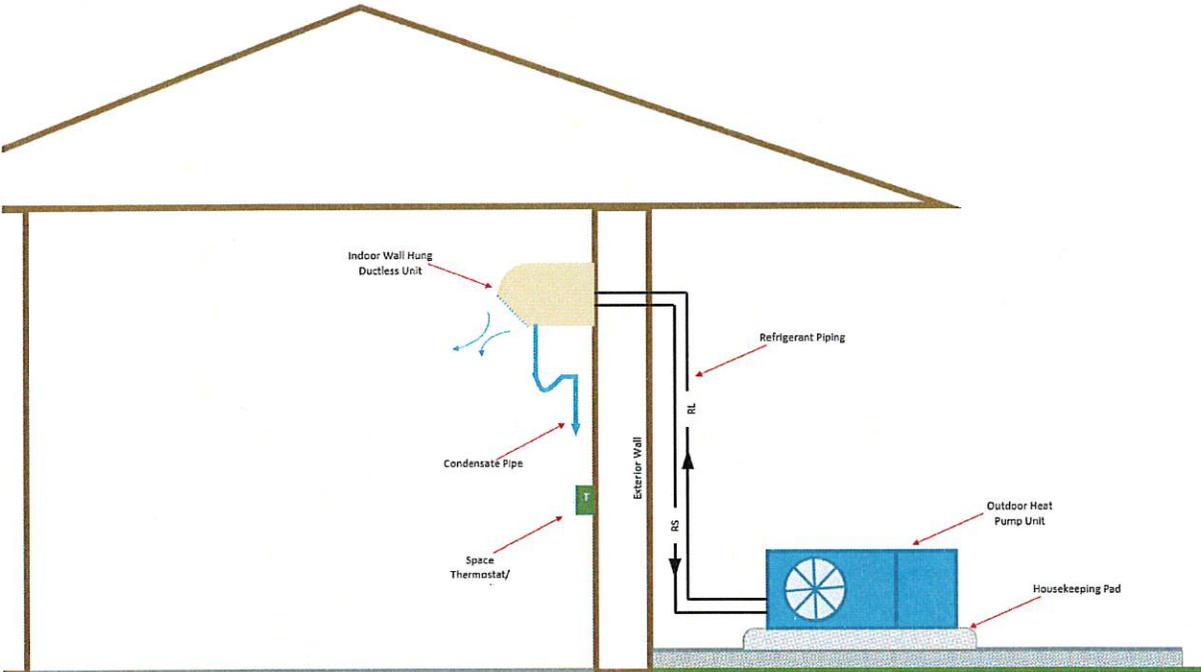


Figure # 5: Ductless Units ACU-1A/HP-1A and ACU-1B/HP-1B Schematic Diagram

As indicated the ductless units consist of the following components:

1. Indoor wall hung fan coil unit
2. Exterior variable speed heat pump unit
3. Wall controller
4. Condensate and refrigerant piping.

We were not provided a copy of the original submittal, however, the catalog data for the ductless units can be found in Appendix F. Next, we will review the final HVAC system in the building which is the split system heat pump that serves the kitchen area.

EXISTING SPLIT SYSTEM HEAT PUMP

The split system heat pump system is identified on the original drawings as Indoor Unit AHU #1 and Outdoor Heat Pump #1C. Photograph #4 illustrates the Outdoor



Photograph #4: Split System Heat Pump #1C

Heat Pump #1C that is located to the rear of the building adjacent to the gas meter and outdoor Ductless Heat Pump Unit #1B.

The indoor unit (AHU #1) is hung in the mechanical room at the rear of the building.

Figure #6 is a schematic diagram of the equipment associated with the existing Split System Heat Pump.

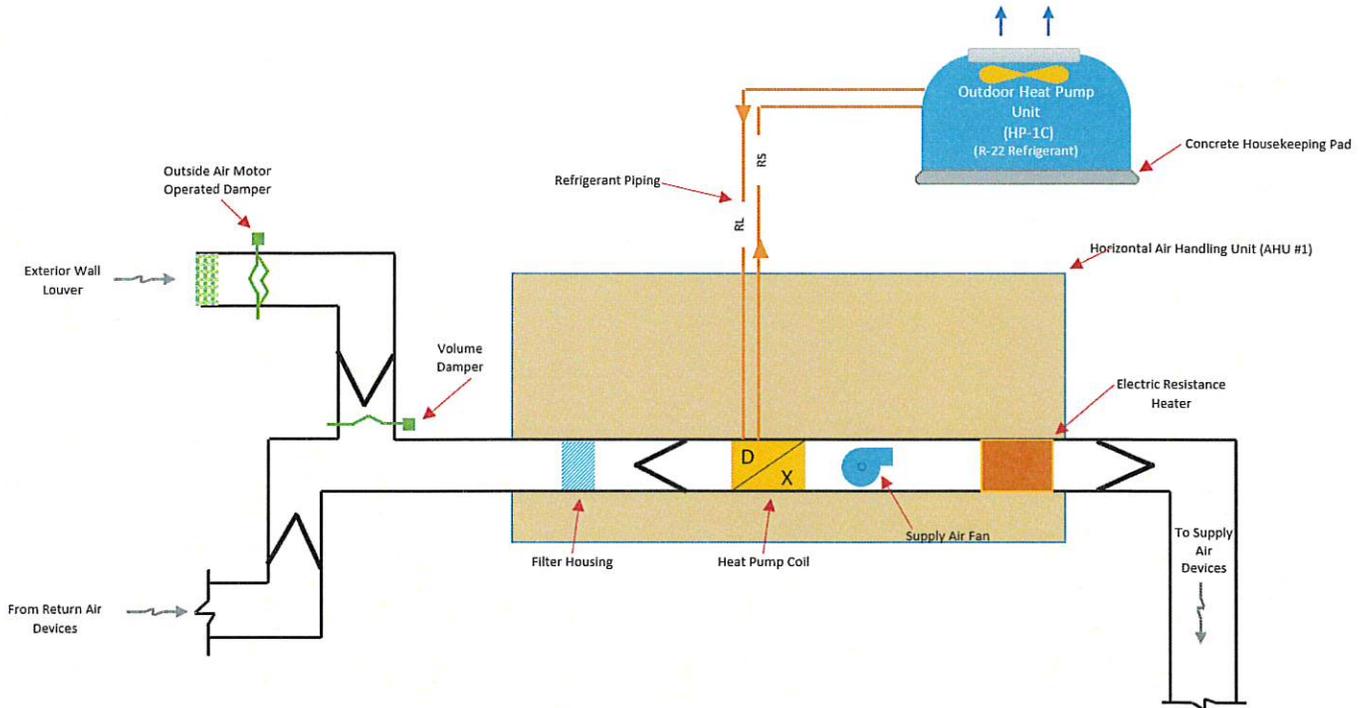


Figure # 6- Split System Heat Pump

As shown, the split system heat pump system is a typical residential split system and includes the following components:

1. Direct expansion Outdoor heat pump.
2. Residential air handling unit.
3. Outside air motor operated damper for fresh air.
4. Constant volume supply air fan.
5. Electric auxiliary electric heater for back up heat and defrost.
6. Condensate piping and refrigerant piping.

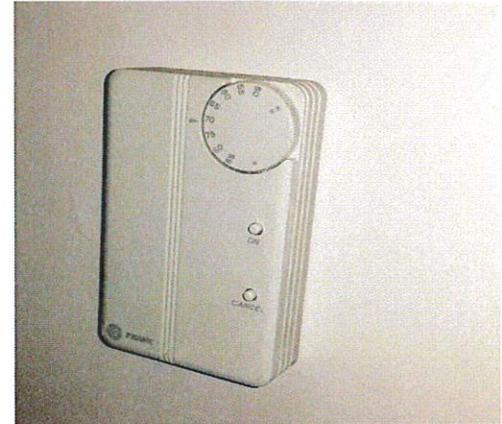
We have enclosed the original submittal data for AHU-1A/HP-1C in the Appendix G.

Finally, to close out our review of the existing HVAC equipment we feel it is prudent to discuss the existing automatic temperature control systems.

AUTOMATIC TEMPERATURE CONTROL SYSTEM

The HVAC equipment is essentially all controlled with packaged controls. The two rooftop units utilize unitary controllers as manufactured by Trane and the same connect to space thermostats that are interfaced with the VAV boxes. A typical space thermostat is shown in Photograph #5.

The space thermostats essentially control the VAV boxes by modulating the dampers to vary the air flow based on deviation from space temperature set point. The main automatic temperature control panels are located in the mechanical room near the rear of the building. The existing automatic temperature control system is extremely limited and does not really allow the Milford Department of Public Works the ability to properly schedule and trend variables to properly control the space conditions in the building and to do the same in an efficient manner. We highly recommend that the existing automatic temperature control system be replaced with a modern BACnet compatible web-based automatic temperature control system.



Photograph #5: Typical VAV Box Thermostat

The final section of this portion of our report is a summary table (See Table #2 below) that documents the original design conditions for all of the existing HVAC equipment.

HVAC System		RTU#1	RTU#2	ACU#1A/HP1A	ACU1B/HP1B	AHU#1/HP1C
System Type		Packaged Rooftop Unit with Gas Heat	Packaged Rooftop Unit with Gas Heat	Ductless Split System Heat Pump	Ductless Split System Heat Pump	Split System Heat Pump With Auxiliary Electric Heat
Manufacturer	Air Handling Unit	Trane	Trane	EMI	EMI	Trane
	Heat Pump Unit			EMI	EMI	Trane
Model # Serial #	Air Handling Unit	YCD301C3H ABA/ 247101080D	YSC102A3R HAO/ 24810053BL	WHP12A360A0 00C/1-03-D- 6941-15	WHP18A360AA0 000/1-03-D-6952- 15	TWE042C140A/ 2345L011V
	Heat Pump Unit			SHC12DA0000 AAOA/ 1-03-D-6831-15	SHC18DF0000A AOA/1-03-C- 6180-13	2TWB0042A100 AB/ 3151TNJ1F
Total Airflow Rate		8,800 cfm	3,060 cfm	400 cfm	600 cfm	1,200 cfm
External Static Pressure		1.25 inches H ₂ O	.7 inches H ₂ O	0 inches H ₂ O (Ductless Unit)	0 inches H ₂ O (Ductless Unit)	.50 inches H ₂ O
Supply Fan Motor Horsepower		7.5	2.0	N/A (Ductless Unit)	N/A (Ductless Unit)	.50
Supply Fan Electrical Characteristic		208 volt/ 3 phase/60hz	208 volt/ 3 phase/60hz	115volt/ 1 phase/ 60hz	115volt/ 1 phase/ 60hz	208 volt/ 1 phase/60hz

HVAC System	RTU#1	RTU#2	ACU#1A/HP1A	ACU1B/HP1B	AHU#1/HP1C
Cooling Coil Total Capacity	290,000 btu/hr	103,000 btu/hr	12,000 btu/hr	18,700 btu/hr	43,000 btu/hr
Cooling Coil Entering Air Temperature	80.4°F DB, 67.4°F WB	80°F DB, 66°F WB	80°F DB, 67°F WB	80°F DB, 67°F WB	81°F DB, 68°F WB
Cooling Coil Leaving Air Temperature	55°F DB, 54°F WB	61.5°F DB, 60°F WB	56°F DB, 55°F WB	56°F DB, 55°F WB	60°F DB, 58°F WB
Cooling Coil Sensible Capacity	233,000 btu/hr	61,000 btu/hr	10,000 btu/hr	15,000 btu/hr	27,000 btu/hr
Outside Air Flow Rate	1,800 cfm	850 cfm	N/A (Ductless Unit)	N/A (Ductless Unit)	300 cfm
Heating Total Capacity	324,000 btu/hr	166,000 btu/hr	11,400 btu/hr (See Note #1)	16,800 btu/hr (See Note #1)	45,000 btu/hr (See Note #1)
Heating Coil Entering Air Temperature	59°F	54°F	70°F	70°F	55°F
Heating Coil Leaving Air Temperature	93°F	104°F	96°F	95°F	89.7°F
Notes:	Note #1: At 47°F ambient				

Table #2 – Existing HVAC Equipment Performance & Capacity Characteristics

We will refer back to Table #2 later in the report when we compare calculated ventilation air flow rates and loads to the installed equipment ventilation air flow rates and loads.

Due to its importance to comfort and performance, Gipe Associates took a considerable amount of time trying to track down the original Test and Balance (TAB) Report from when the project was first “turned over” to the Milford Department of Public Works. We were able to obtain a copy of the 2003 TAB Report and we feel that we should review the same because many of the findings are very interesting and need to be addressed. The next section of our report reviews the 2003 TAB Report and provides recommendations based on our review.

REVIEW OF THE ORIGINAL TEST AND BALANCE REPORT

The original Test and Balance Report dated August 2003 was obtained by Gipe Associates, Inc. from Butler Balancing Company for our use in preparing our study. We are not confident that this was the final Test and Balance Report, but it was the only data we were able to obtain after contacting multiple sources. Due to testing/balancing’s importance to the performance of HVAC (Heating, Ventilating, and Air Conditioning) systems, we feel it was prudent to review the same and note any observations. The complete Test and Balance Report is included in the Appendix H and our summary of observations are provided below.

Test and Balance Report Observations	Recommendations
1. Numerous return air devices were missing volume dampers.	Volume dampers should be installed on all return air devices to allow proper balancing.
2. Exhaust air volume dampers were found to be missing at a few exhaust air outlets.	Install volume dampers and test/balance to design air flow rates.
3. No coil temperature readings were taken in heating or cooling mode.	Dry bulb and wet bulb temperatures of all coils should be tested and recorded in both heating mode and cooling to verify performance.

Test and Balance Report Observations	Recommendations
4. Summary sheet: None of the rooftop units or air handling units were able to be traversed.	At this point there is very little that could be done except utilize the sum of the outlet totals as the total air flow rate.
5. Page #1: RTU#1 is low on total air flow. The unit was originally designed for 8,870 cfm at the outlets but is only delivering 7,104 cfm. This results in a 20% deficiency in total air flow rate.	The ductwork should be sealed. The bypass damper should be inspected to verify that the same is not leaking air.
6. Page 3: The outside air flow rate and return air flow rate for RTU #1 were never measured and reported in the <u>TAB Report</u> .	The amount of outside air is crucial to the performance and energy use of this rooftop unit. We highly recommend that the unit be re-tested and retro-commissioned if the decision is made to retain the same in the future.
7. Pages 4, 5, 6, and 7: The majority of RTU#1 VAV boxes are low on supply air flow.	This will result in poor VAV box control and insufficient heating/cooling. We recommend that all airflow rates be re-tested and all VAV boxes be retro-commissioned if it is decided to retain the existing system.
8. Page 5: The supply air device volume dampers in the storage room adjacent to the Meter Department is not accessible due to the drywall ceiling.	We recommend that an access door be provided and installed to allow balancing of the air flow rate serving this room.
9. Page 8: RTU#2 was tested with dirty filters.	All equipment should be tested with new clean filters to provide a proper baseline of performance and airflow.
10. Page 10: A complete temperature profile under design conditions was not recorded for RTU #1 and RTU #2.	All coils and gas furnaces should be tested and both dry bulb and wet bulb temperatures recorded entering and leaving the same. This must be done in winter and summer.
11. Page 10, 11, & 12: RTU#2 was originally balance to within 10% of the design air flow rates for supply air, return air, and outside air.	The original Drawing M101 indicates that this unit was to be provided with a CO ₂ sensor to control outside air. If this was installed than the outside air needs to be tested to confirm proper demand controlled ventilation operation.
12. Page 14: AHU#1 temperature profiles were not provided at design cooling/heating conditions.	All coils including the auxiliary electric heating coil must be tested with the dry bulb and wet bulb temperatures recorded at the inlet and outlet of each coil under design condition in winter and summer.
13. Page 16: Exhaust fan 21A measured airflow rate (339 cfm) is 24% below the design airflow rate (450 cfm).	The ductwork should be reviewed for duct leakage and all leaks repaired. The fan should be re-tested after all leaks are repaired.
14. Page 18: Exhaust fan 1B was never tested due to access issues.	Access panels should be installed to allow proper testing and balancing of exhaust fan 1B.
15. Page 19: Exhaust Fan 1B outlet totals (494 cfm) which is way below the design air flow rate (900 cfm) by 45%	The ductwork should be reviewed for duct leakage and all leaks repaired. The fan should be re-tested after all leaks are repaired.
16. Page 22: Exhaust Fan 1D air flow rate was tested, but the fan data was not recorded.	Exhaust fan 1D fan data shall be tested and recorded.
17. Pages 24, 25, 26, 27, 28, 29, 30: The Maintenance Garage ventilation fans are all way below design air flow rates. These fans are not located within the administration building and are outside the scope of our report.	The Maintenance Garage ventilation fans are all substantially below the design air flow rate. We would recommend sheeve changes to at least increase fan speeds to gain whatever additional air flow is achievable without overloading the fan motors. Also the duct traverses and outlet totals substantially deviate from one another suggesting excessive duct leakage. This needs to be investigated and corrective action taken.

Table #3 – Summary of Test and Balance Report Observations

We hope that based on our review of the TAB Report that it is obvious that the original testing and balancing work was not complete nor, to the best of our knowledge, did any of the noted issues actually get addressed. If this is the case and this was the only TAB Report produced then we highly recommend that the entire system be Tested and Balanced and the same be retro-commissioned to verify not only proper air flow rates, but also verify temperatures, and the sequences of operation.

Next, we will review a few miscellaneous observations.

MISCELLANEOUS OBSERVATIONS

In addition to our review of the existing HVAC systems we also noted the following miscellaneous observations shown in Table #4 that will need to be addressed:

Miscellaneous Observations	Recommendations
1. Condensate drain piping is not insulated.	To prevent condensation we feel that all condensate drain piping should be insulated with minimum 1-inch thick insulation.
2. Condensate overflow safety switches are not installed on existing air handling units or rooftop units.	Install U.L. 508 certified condensate overflow safety switches interlocked to alarm should primary drain pan overflow during cooling operation.
3. Building envelope appears very loose and leaky with air movement through the return air plenum.	Blower door test the administration building and perform infrared camera imaging to identify energy leaks in the building envelope and seal the same.
4. We previously mentioned R-22 refrigerant as the existing refrigerant. This refrigerant is being phased out and many manufacturers will not sell new equipment with this refrigerant. In addition, the future cost of R-22 is certain to increase due to the limited quantity of the same that will be available in the future.	We would highly recommend that any repair or replacement equipment utilize R-410A refrigerant due to its low toxicity, low flammability, and zero ozone depletion potential.
5. The electric re-heat coils that serve the two (2) front corner rooms (Conference Room 137 and Planning Department 104) do not operate.	These coils should be inspected and the high limit temperature safeties checked and the airflow proving switches checked. We suspect these units to be “locked-out” on a safety.
6. Compressor failures with the existing Rooftop Unit #1 has been an ongoing issue.	We believe this issue is related to an incomplete <u>Test & Balance Report</u> and a unit that may not be controlling as originally specified. Complete TAB services and then retro-commissioning of the existing HVAC system should be implemented.
7. During our detailed inspection of RTU#1. The ambient temperature was 58°F and we noticed mechanical cooling was operating without the benefit of the economizer cycle.	The enthalpy devices that control the economizer cycle shall be inspected, calibrated and tested. The economizer cycle shall then be commissioned to ensure proper unit operation.
8. The supply air fan that serves Rooftop Unit #1 has a very loud noise similar to the noise created by a bad bearing.	The unit bearings and fan wheel should be inspected for proper lubrication and fan wheel balance, respectively. Based on the inspections corrective action should be taken.
9. All of the indoor and outdoor coils on all units should be chemically cleaned due to noticeable fouling on the fins.	The coils should be cleaned with a biodegradable coil cleaner and all coil fins combed out.

10. When RTU#1 is engaged in cooling mode, both condenser fans operate simultaneously. We would expect the condenser fans to stage with cooling operation.	The staging of the condenser fans should be tested to make sure the refrigerant compressors and condenser fans stage in sequence to prevent, unnecessary fan energy consumption and short cycling of the refrigeration system.
11. The open end return air duct serving RTU#1 is very dirty and needs to be cleaned.	Clean the return air duct including the return air duct detector serving the unit.

Table #4 – Miscellaneous Observations

Next, we will review our detailed ventilation and HVAC load calculations.

ENGINEERING CALCULATIONS

Ventilation Calculations

Due to its contribution to load calculations and the health and well-being of the staff and visitors to the Milford Public Works Administration Building, we have calculated the ventilation or fresh air flow rates needed to properly ventilate the building. One of the most important criteria for determining the ventilation air flow rates besides the square footage of each room is the expected peak people density. Gipe Associates requested feedback from the staff at the Milford Public Works Administration Building and they provided the following people count (See Table #5 below) for our use in ventilation calculations and load calculations.

Room Name/Number	Square Footage	Owner Desired Occupancy for Load Calculations
Vestibule 100	114.79	0
Lobby 101	233.75	0
Corridor 102	145.59	0
Code Enforcement 103	172.36	1
Planning Dept 104	246.89	1
Mens 105	150.62	0
Street Dept 106	118.87	1
Water Dept 107	133.28	1
Street Dept 108	115.36	1
Corridor 109	240.78	0
Secretary 110	84.09	1
Water Control 111	123.69	1
Water Dept 112	155.99	1
Street Dept 113	146.73	1
Corridor 114	130.2	0
Water Crew 115	208.65	1
Street Crew 116	196.26	2
Janitor 117	38.48	0
Electric 118	85.24	0
Mechanical 119	104.81	0
Corridor 120	377.99	0

Room Name/Number	Square Footage	Owner Desired Occupancy for Load Calculations
Kitchen 121	266.43	2
Women's/Showers 122	258.35	0
Men's/Showers 123	293.24	0
Break Room 124	387.87	12
Meter Dept 125	335.76	1
Corridor 126	127.08	0
Meter Office 127	115.88	1
Corridor 128	127.8	0
General Meeting 129	1560.22	35
Crew 130	182.65	1
Electric Control 131	183.58	0
Corridor 132	249.13	0
Mapping 133	115.35	1
Line Foreman 134	123.41	1
Elec Dept Supervisor 135	146.55	1
Sec 136	98.5	0
Conference 137	263.31	1
Reception 139	184.85	6
Women's 140	150.12	0
Comm 141	108	0
Storage 142	72.86	0
Storage 143	49.86	0
Unnamed Corridor	145.15	0

Table #5: Owner Desired Occupancy per Room

Based on ASHRAE 62.1- Ventilation for Acceptable Indoor Air Quality criteria, we calculated the ventilation requirements (See Appendix I) for each HVAC system as shown in Table #6 below:

HVAC System	Original Ventilation Air Flow Rate	Calculated Ventilation Air Flow Rate	% difference
RTU # 1	1800 CFM	1630 CFM	+9.4%
RTU # 2	850 CFM	323 CFM	+62%
Ductless Unit 1A/HP-1A	0 CFM	0 CFM	0%
Ductless Unit 1B/HP-1B	0 CFM	0 CFM	0%
Split system AHU # 1/HP-1C	300 CFM	187 CFM	+37%

Table #6: Ventilation Airflow Rate Summary

As indicated, the original ventilation air flow rates are higher than what we calculated. This is primarily a result of our using the current occupancy counts based on Table #5, which are likely much lower than what was utilized when the building was originally designed.

Please understand that we cannot just calculate the ventilation air flow rate for each system based on ASHRAE 62.1 Ventilation for Acceptable Indoor Air Quality requirements and “blindly “apply the same. We must also consider the building’s continuous exhaust air flow rates and provide sufficient ventilation air to keep the building under a slight positive pressure or neutral relative to the outside. Therefore, using the original exhaust fan schedule on drawing M002 (See Appendix E) the minimum exhaust air flow rate for the building would be calculated as follows:

Exhaust fan	Exhaust air flow Rate	Comment
Exhaust Fan 1A	450 CFM	Serves toilet rooms
Exhaust Fan 1B	900 CFM	Serves toilet rooms
Exhaust Fan 1C	200 CFM	Serves non-conditioned mechanical and electric rooms
Exhaust Fan 1D	100 CFM	Serves Janitor’s Closet
Exhaust Fan 1E	600 CFM	Kitchen hood fan operation is intermittent so we will exclude the same from our calculation.

Table #7- Maximum Exhaust Air Flow Rate

The Kitchen Hood Exhaust Fan #1E will operate rarely and very intermittently so we can ignore its exhaust air flow rate. Therefore, if we add up the remaining exhaust fans we would arrive at total exhaust air flow rate of 1,650 CFM. To prevent the building from going under a negative pressure, we would need to provide a minimum ventilation air flow rate to the building of at least 1,650 cfm. To achieve this we would then assign the following ventilation air flow rates to each existing HVAC system as follows:

HVAC System	“Design” Ventilation Air Flow Rate	Comments
RTU # 1	1,650 CFM	We increased this value from the calculated value of 1630 cfm to 1650 cfm to match the general exhaust.
RTU # 2	323 CFM	This was our calculated ventilation air flow rate.
Ductless Unit 1A/HP-1A	N/A	Ductless units cannot provide fresh air.
Ductless Unit 1B/HP-1B	N/A	Ductless units cannot provide fresh air.
Split System AHU #1/HP-1C	187 CFM	This unit serves the kitchen which includes a 600 cfm exhaust fan, but since the hood use is so intermittent we chose to utilize the calculated ventilation rate.

Table #8 - Design Ventilation Air Flow Rates for Each HVAC System

Therefore, the remaining calculations in our report will utilize the above “Design” air flow rates for the ventilation air on each HVAC system.

Now that we have determined the correct amount of ventilation air for each HVAC system we can calculate the cooling and heating loads utilizing the same.

Heating and Cooling Load Calculations

Prior to making recommendations relative to the existing HVAC improvements/replacement, we feel it is prudent to verify the capacities and total air flow rates of the existing HVAC systems.

The existing HVAC units serve various spaces as previously illustrated in Figure #1. We have utilized an hourly analysis load program (Carrier HAP Version 5.01) to determine the capacities, air flow rates, and ventilation air flow rates.

The capacity or heating/cooling load calculations are based on the following assumptions:

Heating Coil Leaving Air Condition	95°F DB
Cooling Coil Leaving Air Conditions	55°F DB, 54°F WB
Wall U-Value =	0.045 Btu/hr/s.f./°F
Roof U-Value =	0.034 Btu/hr/s.f./°F
Window U-Value =	0.826 Btu/hr/s.f./°F
Lighting Power Density Average =	1.6 watts/ft ²
Interior Plug Load Average Density =	0.5 watts/ft ²
Space Interior Design Condition Heating	72°F DB
Space Interior Design Condition Cooling	75°F DB, 55%RH
Infiltration Air Flow Rate =	0.1 CFM/s.f.
Ambient Design Condition Heating =	10°F DB
Ambient Design Condition Cooling =	95°F DB 78°F WB

Table #9 - Heating/Cooling Load Calculation Assumption

Based on the above assumptions the heating/cooling load coil calculations were performed (See Appendix J) and compared to the original HVAC units' performance data as follows:

		Original Scheduled Coil Data	Calculated Coil Load Values	% Difference
RTU #1	Heating Capacity	324,000 btu/hr	275,091 btu/hr	+15%
	Cooling Sensible Capacity	233,000 btu/hr	209,940 btu/hr	+9%
	Cooling Total Capacity	290,000 btu/hr	304,650 btu/hr	-5%
	Supply Air Flow Rate	8,800 cfm	6,703 cfm	+23%
RTU #2	Heating Capacity	166,000 btu/hr	56,623 btu/hr	+65%
	Cooling Sensible Capacity	61,000 btu/hr	39,790 btu/hr	+34%
	Cooling Total Capacity	103,000 btu/hr	59,620 btu/hr	+42%
	Supply Air Flow Rate	3,060 cfm	1,417 cfm	+52%
Ductless ACUIA/HP-1A	Heating Capacity	11,400 btu/hr	400 btu/hr	+96.5%
	Cooling Sensible Capacity	10,000 btu/hr	4,200 btu/hr	+58%
	Cooling Total Capacity	12,000 btu/hr	4,200 btu/hr	+65%
	Supply Air Flow Rate	400 cfm	196 cfm	+51%
Ductless ACUIB/HP-1B	Heating Capacity	16,800 btu/hr	2,450 btu/hr	+85%
	Cooling Sensible Capacity	15,000 btu/hr	9,244 btu/hr	+38%
	Cooling Total Capacity	18,700 btu/hr	9,928 btu/hr	+46.9%
	Supply Air Flow Rate	600 cfm	427 cfm	+28%
Split System AHU#1/HP-1C	Heating Capacity	45,000 btu/hr	27,985 btu/hr	+37.8%
	Cooling Sensible Capacity	27,000 btu/hr	18,430 btu/hr	+31.7%
	Cooling Total Capacity	43,000 btu/hr	27,710 btu/hr	+35.5%
	Supply Air Flow Rate	1,200 cfm	632 cfm	+47.3%

Table #10 Heating/Cooling Coil Load Calculation Summary

Please note, the calculations above, also include the heating and cooling load for the ventilation airflow rate calculated in the previous section of the report.

As indicated in Table #10, the installed equipment capacities far exceed the calculated required capacities for each of the HVAC systems. The major contributors to this scenario are as follows:

1. The people or occupancy counts used for the load calculations are much lower than what was originally assumed.
2. The resulting ventilation loads utilizing the lower people or occupancy counts result in lower coil cooling and heating loads.

It is safe to say that the existing HVAC systems are substantially oversized for the current expected peak loads. The oversizing will in the future and in the past has resulted in poor temperature/humidity control and higher than necessary utility costs. The next section of the report will review HVAC options based on the results of our calculations.

HVAC OPTIONS

As previously stated the main goals of evaluating the HVAC systems at the Milford Public Works Building are as follows:

1. Prolong the life of replacement HVAC equipment.
2. Incorporate energy recovery if possible.
3. Improve the temperature/humidity in the building.
4. Eliminate the return air plenum on RTU #1.
5. Provide automatic temperature controls that allow monitoring, trending, scheduling, and remote adjustments of set points.
6. Improve reliability of the HVAC system.

Based on these goals, Gipe Associates feels there are three (3) reasonable HVAC options that should be considered as follows:

- Option #1 – Repair and Re-use Rooftop Units
- Option #2 – Replace Existing Rooftop Units
- Option #3 – Install New VRV Air Cooled System with Decoupled Ventilation System

Next, we will review the details of each option.

Option #1 – Repair and Re-use Existing Rooftop Units

Option #1 would involve re-using the existing rooftop units in place. This would involve the installation of automatic temperature controls on the existing rooftop units and reusing the ductless units (Units AC-1A/HP-1A & AC-2A/HP-1B) and the split system Heat Pump AHU #1/HP-1C.

Option #1 would involve the following work and tasks:

1. Coordination with Milford Public Works Department on any possible long weekends to allow proper time for repairs.
2. Lock/tag out all applicable energy sources.
3. Furnish Milford Public Works Department with a complete service report.
4. Submit a Test/Balance Report to Milford Public Works Department for review.
5. Air Survey the Existing Systems.
6. Re- Sheave Units as needed.
7. Install New Belts on units as needed.

8. Clean evaporator coils.
9. Clean condenser coils
10. Service gas furnaces / flue gas analysis
11. Install new return air duct system for RTU-1
12. Clean all drain pans and condensate pipes
13. Clean fan wheels
14. Remove and replace ceilings for return air duct installation.
15. Perform start-up of new HVAC units
16. Test and Balance all New systems
17. Address demand controlled ventilation RTU 2.
18. Install new controls on RTU-1, RTU-2, and HP 1C.
19. Commissioning of all HVAC systems.
20. Clean existing return ductwork that is re-used.

Table #11 – Option #1 Repair and Re-use Existing Rooftop Units

We would estimate the construction cost to implement Option #1 to be approximately \$174,144. Please refer to the detailed cost estimate in Appendix K.

Option #2 – Replace Existing Rooftop Units and VAV Boxes

Option #2 would involve a complete replacement of all rooftop units and VAV boxes. This will require removal of each rooftop unit and each VAV box. The new units would incorporate variable frequency drives and deletion of the bypass dampers.

Option #2 would involve the following scope and tasks:

1. Lock/tag out all applicable energy sources.
2. Replace Rooftop Unit #1.
3. Install VFD (RTU-1 Supply and exhaust).
4. Replace Rooftop Unit #2.
5. Air Survey the Existing Systems.
6. Replace VAV Boxes W/New - Include Electric Heat
7. Install new duct smoke detectors.
8. Install new roof curbs.
9. Remove Existing Bypass duct/ dampers.
10. Remove existing Rooftop Units.
11. Crane Rental/ Rigging.
12. Install new return air duct system for RTU-1.
13. Phasing Costs.
14. Electrical Connections for New Rooftop units.
15. Remove and Replace ceilings for return air duct installation.
16. Perform start-up of new HVAC units.
17. Test and Balance all new systems.
18. Address demand controlled ventilation - RTU 2.
19. Install new controls on RTU-1, RTU-2, and HP-1C.
20. Commissioning of all HVAC systems.
21. Clean existing return ductwork that is re-used.
22. Electrical Connections for New VAV Boxes.
23. Miscellaneous Ductwork and Air Devices.
24. Mechanical Insulation.

25. Vibration isolators for New VAV Boxes.
26. Patch and Repair.
27. Miscellaneous gas and condensate piping.
28. Furnish Milford Public Works Department with complete start-up report.
29. Submit Test/Balance Report to Milford Public Works Department.

Table #12 – Option #2 Replace AHUs and Condensing Units – Scope/Tasks

We would estimate the construction cost to implement Option #2 to be approximately \$368,192. (Please refer to the detailed cost estimate in Appendix L.)

Obviously, Option #2 costs substantially more to implement than Option #1. However, first cost, should not be the only criteria since the existing units are already 14 years old. The final option deviates from the existing HVAC system approach and considers new technologies.

Option #3 – Install new VRV Air Cooled System/Decoupled ERV Units

Option #3 would involve removing the existing rooftop units and installing a new VRV Air Cooled System and decoupled energy recovery unit.

Air side variable refrigerant volume (VRV) system (heat pumps) and 100% Outside Air Direct Expansion (DX) with energy recovery ventilators (air-cooled) would be provided for cooling/heating and delivering the code amount of ventilation, respectively. The outside air energy recovery ventilator would be a packaged system with an enthalpy wheel and natural gas fired furnace. The variable refrigerant volume system will allow simultaneous heating and cooling throughout the zones by utilizing individual ductless heat pump units. Variable speed compressors would be utilized in the VRV heat pump compressor units in the energy recovery ventilators.

The basic layout of the VRV system is indicated below in Figure #7.

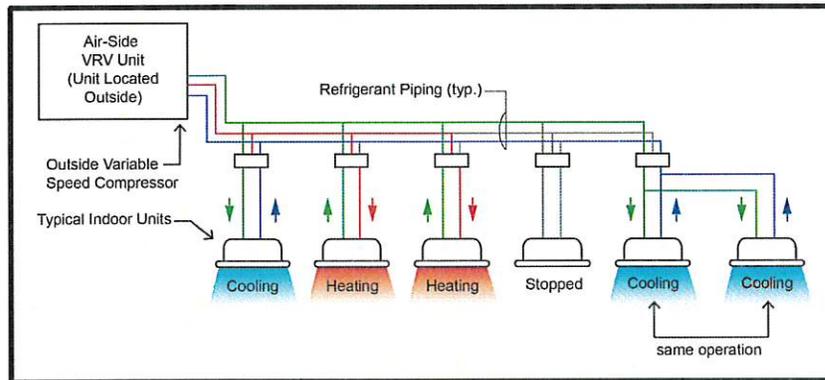


Figure #7 – Option #3 - VRV Heat Pump System

For this system the energy recovery ventilator shall utilize direct expansion cooling with variable speed compressors. Outside air heating will be provided by a natural gas fired furnace as shown in Figure #8.

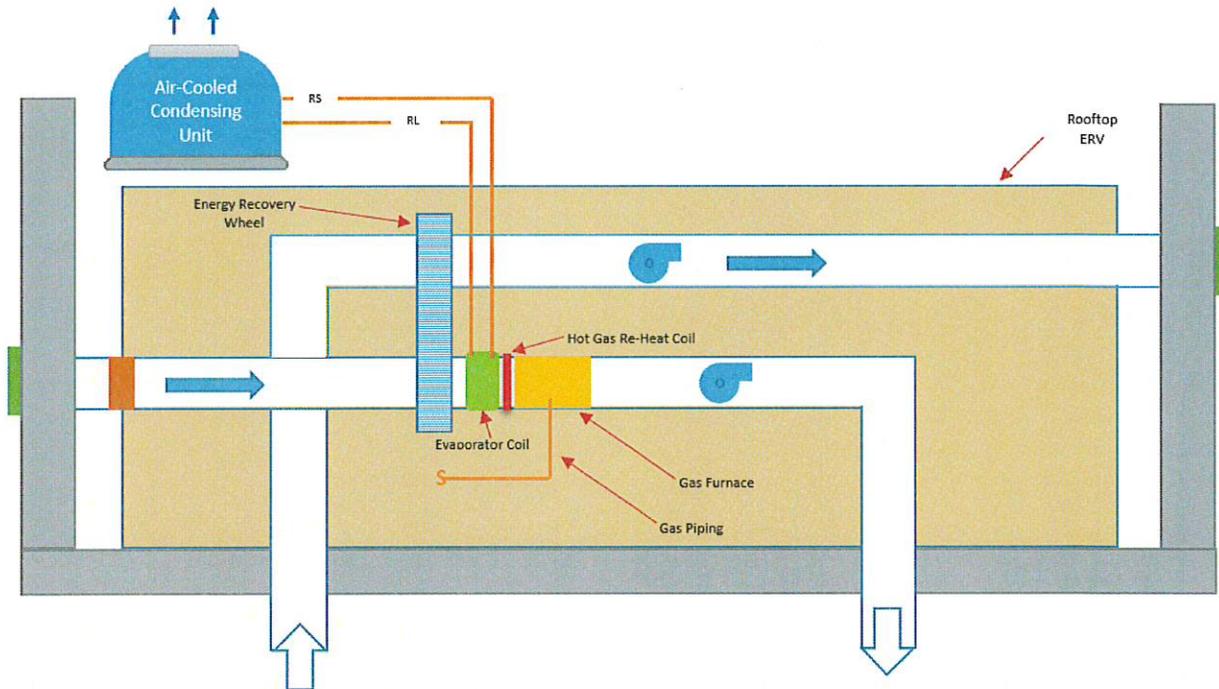


Figure #8 – Typical DX Energy Recovery Ventilator with Gas Heat

The energy recovery ventilators will be provided with variable frequency drives and demand controlled ventilation. The ventilation system will monitor the carbon dioxide levels and allow the energy recovery ventilator to reduce air flow rates when the occupancy and carbon dioxide levels are low.

For dehumidification each ERV unit shall include a hot gas re-heat coil that will provide “free” refrigerant re-heat for precise temperature and humidity control based on both a discharge air temperature sensor and a space mounted humidity sensor.

Heating for Option #3 would be provided by a packaged natural gas fired furnace. The following summarizes the advantages and disadvantages of Option #3.

Advantages:

1. Improved efficiency and zoning when compared to repair (Option #1) and replacement (Option #2) approaches.
2. Multiple units such that failure of one does not impact remainder of building.
3. Variable speed compressor technology provides reduced operating costs at part load.
4. Very Small Refrigerant piping utilized for heating/cooling distribution.
5. Inherent energy recovery.
6. Easy to operate and understand.
7. Decoupled ventilation air for excellent humidity control and energy efficiency.

8. Smaller ductwork distribution due to de-coupled outside air.
9. Units are remotely located outside and air-cooled, which can be easily serviced and maintained.
10. Flexibility exists to meet cooling/heating load requirements.
11. No impact to building façade.
12. Utilizes exhaust air energy recovery.
13. Very low noise levels.
14. Due to gas heat – no defrost is needed in the winter for the ERV units.
15. Reduced outside air flow rate when compared to Option #1 and Option #2 since air flow is decoupled from the heating/cooling units.
16. Substantial increase in the number of zones (thermostats) when compared to Options #1 and #2.

Disadvantages:

1. Condensate piping from all ductless equipment must be routed outside.
2. Exterior condensing/heat pump units will be exposed to the elements.
3. Requires defrost cycle for the VRV equipment in the winter months due to air cooled compressors.

Option #3 would involve the following scope and tasks:

1. Replace Rooftop Unit #2.
2. Remove VAV Boxes and replace with duct.
3. Install new duct smoke detectors.
4. Install new roof curbs.
5. Remove existing bypass duct/dampers.
6. Remove existing rooftop units.
7. Crane rental/Rigging.
8. Install new exhaust air duct system for new energy recovery unit.
9. Phasing Costs
10. Electrical connections for new VRV-ERV units.
11. Remove and replace ceilings for duct install.
12. Perform start-up of new HVAC units.
13. Address demand controlled vent- RTU-2
14. Install new controls on ERV, RTU-2, and HP-1C.
15. Commissioning of all HVAC systems
16. Install ERV unit.
17. Miscellaneous ductwork, air devices.
18. Install VRV system (includes piping and controls)

19. Concrete housekeeping pad for VRV units.
20. Install mechanical insulation.
21. Patch and repair work.
22. Miscellaneous gas and condensate piping.
23. Coordinate with Milford Public Works Department.
24. Lock/tag out all applicable energy sources.
25. Furnish Milford Public Works Department with complete start-up report.
26. Submit a Test/Balance Report to Milford Public Works Department.

Table #13 - Option #3 (New VRV Air-Cooled Unit/Decoupled ERV Units) Scope/Tasks

We would estimate the construction cost to implement Option #3 to be approximately \$606,144.00. Please refer to the detailed cost estimate in Appendix M. The final section of our report will summarize our findings and provide our recommendations.

SUMMARY & RECOMMENDATIONS

We hope that the preceding sections of our HVAC Analysis have clearly identified the following major findings related to the existing HVAC systems:

1. The existing HVAC systems are 14 years old and nearing the end of their useful life expectancy of 15 to 18 years.
2. The existing cooling systems all contain R-22 refrigerant which should be phased out of the building and be replaced with equipment that utilizes R-410A refrigerant.
3. Rooftop Unit #1 utilizes a return air plenum rather than a ducted return air system resulting in issues due to the envelope not being tight.
4. Demand controlled ventilation operation on RTU#2 needs to be commissioned and the CO₂ sensor calibrated/tested.
5. The automatic temperature control system is not user friendly and is very limited in its ability to schedule equipment, monitor equipment and trend equipment.
6. When the HVAC system were originally tested/balanced many issues were noted in the TAB Report that have never been addressed resulting in an incomplete start-up and balancing of the original installed HVAC systems.
7. The existing RTU#1 has operational issues related to economizer operation and compressor/condenser fan staging.
8. The existing electric duct coils serving the front two (2) corner spaces are not operational.
9. The original specified ventilation (fresh air) air flow rates are slightly higher than what is needed to meet current ventilation code.
10. All of the existing HVAC systems are substantially oversized when you compare the installed capacities with the calculated heating, cooling, and air flow rate calculations.

Based on the above major findings we previously presented three HVAC options as follows:

HVAC Option #1 – Repair and re-use rooftop units	\$174,144.00
HVAC Option #2 – Replace existing rooftop units	\$368,192.00
HVAC Option #3 – Install new VRV Air Coupled System with Decoupled Ventilation System	\$606,144.00

Table #14 – Summary HVAC Options and Estimated Construction Cost

Due to the age of the existing rooftop units, and the inherent limitations of a variable air volume system to provide proper ventilation, temperature control, and humidity control, we would recommend that the HVAC Option #3 (Install new VRV Air Coupled System with Decoupled Ventilation) be pursued as a long term solution for the building.

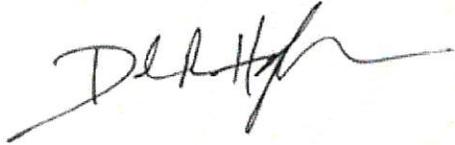
HVAC Option #1 (Repair and Re-use Rooftop Units) and HVAC Option #2 (Replace Existing Rooftop Units) are obviously substantially less first cost than HVAC Option #3. However, in our opinion these options do not fully address all of the goals of a long term HVAC system for the building. Therefore, we recommend that you seriously consider replacement of the existing HVAC systems with a new HVAC system using current technologies. Of course, should you decide to pursue Option #1 or Option #2 or any combination of the same, we would be glad to assist you with the same.

We appreciate the opportunity to review the HVAC systems at the Milford Public Works Administration Building and look forward to reviewing our finding with you after you have had a chance to review our HVAC system Analysis Report.

Thank you for allowing Gipe Associates, Inc. to serve you.

Very truly yours,

GIPE ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read 'DRH', with a long horizontal flourish extending to the right.

David R. Hoffman, P. E., C.P.D., LEED AP
President

DRH/lks



PUBLIC WORKS DEPARTMENT
180 Vickers Drive
Milford, DE 19963

PHONE 302.422.1110
FAX 302.422.1117
www.cityofmilford.com

To: Eric Norenberg, City Manager
From: Mark A. Whitfield, Public Works Director
Subject: Public Works Administrative Building HVAC Replacement/Upgrade
Date: February 6, 2019

In the 2019 Capital Budget, staff recommended and Council approved funding for the replacement and upgrade of the Public Works Administrative Building HVAC system. The present system has reached the end of its useful life and has become both costly to repair as well as unreliable. In 2017, the City contracted with Gipe Associates of Easton MD to evaluate and recommend replacement options. A copy of the report is attached.

On February 1, 2019, bids for the recommended HVAC work were opened. The low bidder, Joseph T. Richardson, Inc, of Harrington, DE was the low bidder at \$324,000. The engineer's estimate for the work was \$308,672. The engineering fees for the project is expected to be \$25,000.

The 2019 Capital Budget included \$450,000 for work at the Public Works Facility, including replacement of the HVAC (\$350,000), renovations to the lunchroom and locker room (\$90,000), and LED lighting (\$10,000). While the project cost was more than the engineer's estimate, sufficient funds were budgeted to complete the work. Bids for the locker room/lunch room renovations were placed on hold until bids were received for the HVAC work.

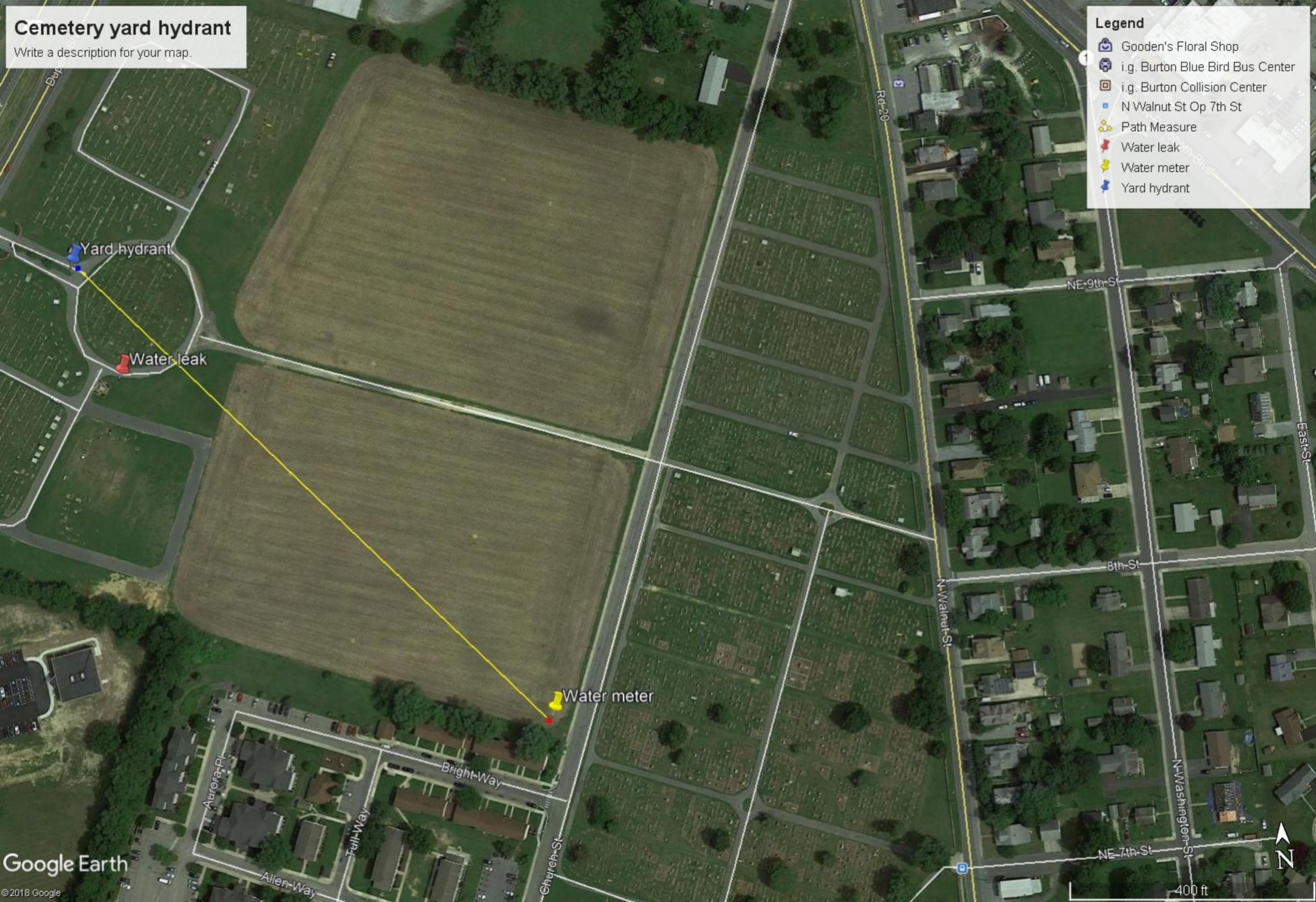
Recommendation: Staff recommends City Council award the Public Works Administrative Building HVAC contract to Joseph T. Richardson of Harrington DE in the amount of \$324,000 with funding as follows: \$162,000 from Electric Reserves and \$81,000 each from Water and Sewer Reserves.

Cemetery yard hydrant

Write a description for your map.

Legend

- Gooden's Floral Shop
- i.g. Burton Blue Bird Bus Center
- i.g. Burton Collision Center
- N Walnut St Op 7th St
- Path Measure
- Water leak
- Water meter
- Yard hydrant





A Public Power Community

119 S. Walnut St
Milford, DE 19963

Office Hours: M-F 8 am- 4:30 pm
Office Phone #: 302-422-6616

Visit us online:
www.cityofmilford.com



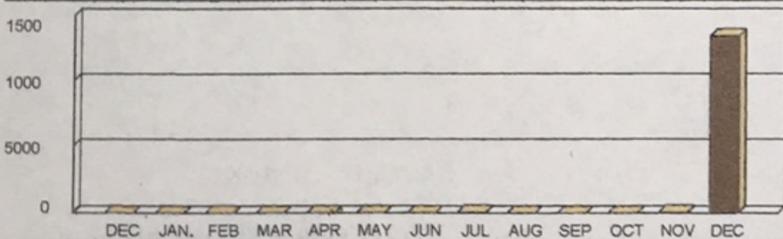
CURRENT METER INFORMATION

Type	Service Period	Days	Meter Number
WA	11/26/18 12/28/18	32	W15616822HE

Account History/Water

PERIOD	DAYS	GAL USED	DAILY AVG GAL
CURRENT	32	134580	4206
LAST MONTH	31	610	20
YEAR AGO	31	10	0

YOUR MONTHLY WATER USAGE IN GALLONS



ACCOUNT STATEMENT

ACCOUNT INFORMATION

CUSTOMER NAME: MILFORD COMMUNITY CEMETARY
ACCOUNT # 10403-58940 **CYCLE-ROUTE:** 04-08
SERVICE ADDRESS: N CHURCH ST
BILL DATE: 01/16/19
DUE DATE: 02/07/19



ACCOUNT ACTIVITY

PREVIOUS BILL 6.55
 PAYMENTS -6.60
 ADJUSTMENTS 0.05

NEW CHARGES

WA WATER 533.32
TOTAL CURRENT CHARGES 533.32

STATEMENT SUMMARY

BALANCE FORWARD 0.00
 CURRENT CHARGES 533.32
TOTAL AMOUNT DUE 533.32
 AFTER 02/07/19, PAY 541.32

SPECIAL MESSAGE

TOTAL AMOUNT DUE

533.32



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P.O. Box 159 • Milford, DE 19963

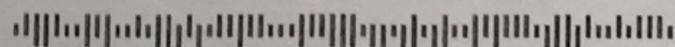
REMITTANCE INFORMATION

ACCOUNT NUMBER 10403-58940
CYCLE-ROUTE: 04-08
SERVICE ADDRESS: N CHURCH ST
DUE DATE: 02/07/19
TOTAL AMOUNT DUE 533.32
 AFTER 02/07/19, PAY 541.32

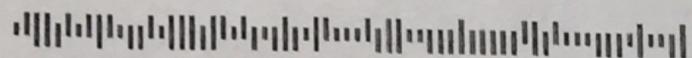
To change mailing address check here and fill out back of form.

AMOUNT ENCLOSED

00000014 10Z 3449370 00 00000027



141 SP 0.470 0.4700
 MILFORD COMMUNITY CEMETARY
 300 S REHOBOTH BLVD
 MILFORD DE 19963-1532



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



00001040300005894053332

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
FAX 302.422.0409
www.cityofmilford.com

MEMO

TO: Eric Norenberg
City Manager

FR: Brad Dennehy
Dir. Parks & Recreation

DA: 1/31/19

RE: Request from Milford Community Cemetery Board

Eric,

As you are aware there was a water leak at the Milford Community cemetery sometime in December. As soon as the leak was discovered the water was turned off. However we believe the leak happened over a long weekend and went undiscovered for almost 4 days. When the ground thaws out the necessary repairs will be made and the water meter will be removed, thus preventing a similar type of occurrence happening in the future.

The Milford Community Cemetery board met on 1/25/19, and is officially asking the Milford Council for relief from the current charges of \$533.32 due to the cemetery being a non-profit and also because the cemetery is facing financial hardships.

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

Thank you.

PARKS & RECREATION DEPARTMENT
207 Franklin Street
Milford, DE 19963



PHONE 302.422.1104
FAX 302.422.0409
www.cityofmilford.com

MEMO

TO: Eric Norenberg
City Manager

FR: Brad Dennehy
Dir. Parks & Recreation

DA: 2/05/19

RE: Request from Milford Community Cemetery Board

Eric,

As you are aware, the City Parks and Recreation Department is tasked with maintaining the Milford Community Cemetery as part of the agreement between the Milford Community Cemetery Board and the City of Milford.

For the past twelve months the Community Cemetery Board has been needed to replace mowers and equipment for the cemetery as the old ones are worn out. Because of a downward trending in burials and lot sales in recent years, the Cemetery is facing financial hardship and is unable to purchase new equipment from its available revenue. In fact, finances are so tight that the Board recently raised fees so that there would be more revenue to reimburse the City for the maintenance expenses during the 2019 growing season. (These trends are being seen regionally and nationally.)

Without adequate cash flow to replace equipment, the Board was hopeful that these mowers could be replaced using monies from the perpetual care trust fund. However, the terms of the trust fund do not permit withdrawal of the principle (confirmed by City Solicitor Rutt).

The Milford Community Cemetery Board met on January 25, 2019, and voted to ask the Milford Council to approve a loan to the Cemetery Board to fund two replacement mowers and two replacement line trimmers (for a total of \$16,260). The Cemetery would make quarterly payments to the City without interest for four years, until the principal was paid back. Under the advice of the Finance Director, the mowers and other equipment would remain the property of the Milford Community Cemetery and would be only for use within the Cemetery.

As the Director of Parks and Recreation, I am responsible for overseeing the maintenance of the Cemetery. It is my opinion it is vital that this equipment be replaced for this upcoming season, we simply cannot go through another growing season with broken, old and worn out equipment. I trust

the Council is aware of the importance of maintaining the Cemetery to a high standard, as it is located on the gateways into the City.

Finally, as you know, the Community Cemetery Board is currently researching other models of cemetery maintenance and funding, particularly for those cemeteries previously operated by non-profit groups. We are hope that strategies can be identified to stabilize the Community Cemetery budget and provide for long-term sustainability for this community asset.

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

Thank you.

Quote Summary

Prepared For:
 City Of Milford
 DE

Prepared By:
 James Messick Jr
 Taylor and Messick, Inc.
 325 Walt Messick Road
 Harrington, DE 19952
 Phone: 302-398-3729
 jimmy@taylormessick.com

Quote Id: 18897451
Created On: 31 January 2019
Last Modified On: 31 January 2019
Expiration Date: 28 February 2019

Equipment Summary	Selling Price	Qty	Extended
JOHN DEERE 636M 18.5HP* Commercial QuikTrak with 36 In. 7- Gauge Floating Deck	\$ 6,450.00 X	2 =	\$ 12,900.00
Equipment Total			\$ 12,900.00

Quote Summary

Equipment Total	\$ 12,900.00
SubTotal	\$ 12,900.00
Total	\$ 12,900.00
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 12,900.00

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Quote Id: 18897451

JOHN DEERE 636M 18.5HP* Commercial QuikTrak with 36 In. 7-Gauge Floating Deck

Hours:

Stock Number:

				Selling Price
				\$ 6,450.00
Code	Description	Qty	Unit	Extended
2361TC	636M 18.5HP* Commercial QuikTrak with 36 In. 7-Gauge Floating Deck	2	\$ 8,489.00	\$ 16,978.00
Standard Options - Per Unit				
001A	United States and Canada	2	\$ 0.00	\$ 0.00
Standard Options Total				\$ 0.00
Other Charges				
	Freight	2	\$ 205.90	\$ 411.80
	EnviroCrate	2	\$ 40.00	\$ 80.00
Other Charges Total				\$ 491.80
Suggested Price				\$ 17,469.80
Customer Discounts				
Customer Discounts Total			\$ -2,284.90	\$ -4,569.80
Total Selling Price				\$ 12,900.00

BURKE EQUIPMENT COMPANY



54 ANDREWS LAKE RD - FELTON, DE 19943

QUOTE

DATE: February 1, 2019

Sales Representative: **Bob Cooke**
 302-284-0123 Office
 302-632-1763 Mobile
 302-284-0225 Fax
 bcooke@burkeequipment.com

BILL TO NAME 1: CITY OF MILFORD DEPT OF PARKS
 AND REC
 ADDRESS 1: RALPH SKINNER "RJ"
 ADDRESS 2: 207 FRANKLIN ST
 CITY, STATE, ZIP: MILFORD,DE.19963
 COUNTY: KENT
 HOME OR OFFICE PH: 302 422 1104
 MOBILE PH: 302 242 2224
 FAX:
 EMAIL: rskinner@milford-de.gov

CUSTOMER PO#

Make	Model	Serial Number	Description	Amount
TORO	22298		KAWA.FJ180V KAI,3 SPEED,BBC 21" COMMERCIAL H.D	\$1,299.00
			govt.dicount after promo price	-\$63.00
STIHL	FSA90R		COMMERCIAL HD STRING TRIMMER	\$260.00
STIHL	FSA90R		COMMERCIAL HD STRING TRIMMER	\$260.00
STIHL	FSA90R		COMMERCIAL HD STRING TRIMMER	\$260.00
STIHL	4850 400 6541	QUANTITY - 6	AP300 AK LITHIUM-ION HD BATTERY 6 @ 161.50 EACH	\$969.00
STIHL	4850 430 5702	QUANTITY -3	3 @ \$125.00 EACH	\$375.00

TRADE IN INFORMATION

Make	Model	Serial Number	Description	ALLOWANCES
ALL TRADE ALLOWANCES:				\$0.00

OR CONSIGNMENT AGREEMENT:

I AGREE THERE IS NO LIEN ON ANY TRADE OR CONSIGNMENT EQUIPMENT:
 INITIAL HERE -> _____
 IF THERE IS A LIEN LIST THE LIEN HOLDER HERE: _____
 WHAT INSURANCE COMPANY INSURES THIS EQUIPMENT?

 WHAT IS THE PAYOFF?

Outstanding Loan Balance:

Invoice Subtotal:	\$3,360.00
Less Trade Allow + Outstanding Loan Bal:	\$0.00
SUBTOTAL:	\$3,360.00
TAX:	\$0.00
TAG & TITLE FEES:	\$0.00
LESS DEPOSIT RECEIVED:	
TOTAL AMOUNT DUE:	\$3,360.00

CUSTOMER SIGNATURE:

DATE:

CHAINING BATTERY SYSTEM

FSA 90 R
AP Series/ 4863



Weight w/o Battery: 2.8 kg (6.2 lbs.)
Weight w/AP 300: 4.5 kg (9.9 lbs.)
Run Time* w/AP 300: Up to 30 minutes
Cutting Width: 38 cm (15")
Optional Accessories:
Battery belt w/bag, cable and adapter (4850 490 0100)
Additional battery bag (4850 491 0101)
Double shoulder Harness for battery belt (4850 490 0301)

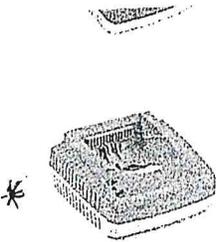
STRIKELIGHT™



* AP 300 Battery

3.75 lbs 4850 400 6541 D134C5

AK Lithium-Ion Battery Chargers



* AL 500 High-speed Charger with Cooling Fan

4850 430 5702 D104C96

Battery Cover

**BOB COOKE
BURKE EQUIPMENT CO.
(302) 632-1763**

- **Chapter 57 - PLANNING COMMISSION**

[HISTORY: Adopted by the City Council of the City of Milford 11-14-1967. Amendments noted where applicable.]

- **§ 57-1. - Establishment.**

There is hereby established, pursuant to 22 Del. C. § 701 et seq., the Milford Planning Commission.

- **§ 57-2. - Membership; terms of office.**

The Commission shall consist of no less than 5 and no more than 9 members as recommended by the Mayor and appointed by the Council. The term of each member so appointed and confirmed shall be for three years, except that of the members first appointed, three shall be appointed to a term of three years, three shall be appointed to a term of two years and three shall be appointed to a term of one year.

[Ord. No. 2017-21, § 1, 10-9-2017]

- **§ 57-3. - Removal; vacancies.**

Any member of the Planning Commission may be removed for cause, after a public hearing, by the Mayor with the approval of the City Council. A vacancy occurring otherwise than by expiration of term shall be filled for the unexpired term in the same manner as an original appointment.

CITY OF MILFORD

Milford, Delaware

Financial Statements

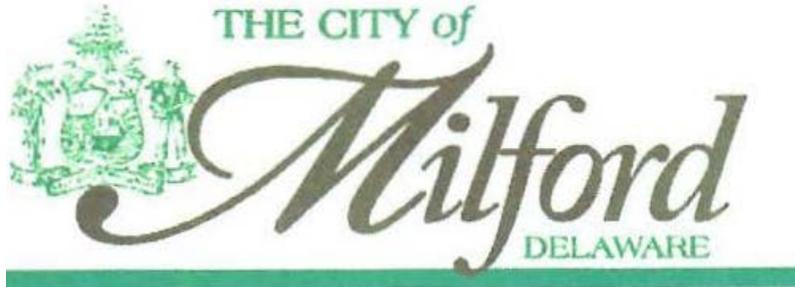
For The Year Ended June 30, 2018

CITY OF MILFORD, DELAWARE

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TRANSMITTAL LETTER

January 15, 2019

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, 2018.

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, required supplementary information and schedules, and additional information and reports, 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, 2018. The independent auditor's report is located at the front of the financial section of this report, pages 1-3.

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 10,000 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,



Eric Norenberg
City Manager



Jeffrey Portmann
Finance Director



Certified Public Accountants

Member Firm Private Companies Practice
Section AICPA Division for CPA Firms

BECK, VILLATA & CO., P.C.
www.beckvillata.com

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

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Milford, DE

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Milford, DE as of and for the year ended June 30, 2018, 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, 2018, 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 required supplementary information, as listed in the table of contents, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 January 15, 2019, on our consideration of the City of Milford, DE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Milford, DE's internal control over financial reporting and compliance.

Beck Villata & Co PC

Beck, Villata & Co., P.C.

Voorhees, NJ

January 15, 2019

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2018

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, 2018. 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-iv 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 \$84.4 million (net position). This number must be viewed in the context that a significant portion of the City's net position, \$44.6 million (52.9%) 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 \$6.5 million (7.7%). The remaining \$33.3 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 \$7.1 million in fiscal year 2018.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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 \$8.9 million. Within this total \$1.3 million is restricted by specific legal requirements and \$2.5 million has been committed and assigned to specific types of expenditures. The remaining \$5.1 million is unassigned fund balance in the general fund and can be used for any lawful purpose.
- Revenues from the City's governmental activities increased by approximately \$1.1 million to \$7.8 million, due mainly to increases in real estate transfer taxes and other special revenue items.
- The City had total liabilities of approximately \$22.7 million as of June 30, 2018, a decrease of \$2.1 million from the prior year.
- The City 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

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

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.)

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.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2018

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

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.

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. 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 20 to 22 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 24 through 47.

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 \$84.4 million as of June 30, 2018.

The largest portion of the City's net position, \$44.6 million (52.8%) 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 the 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, 2018

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

An additional portion of the City's net position \$6.6 million (7.8%) represents resources that are subject to restriction on how they may be used. The remaining balance of unrestricted net position of \$33.2 million (39.4%) 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 \$48 thousand and increased in the Business type activities by \$1.1 million. The City's total liabilities decreased by \$2.1 million to \$22.7 million

Overall the City had an increase in net position of \$7.1 million (9.2%).

Governmental Activities - Governmental activities net position increased by \$1.7 million. Net position invested in capital assets, net of related debt increased by \$1.8 million, or 12.8%. Unrestricted net position increased by \$880 thousand or 13.5%.

Excluding transfers from business-type activities and special items, total revenues for governmental activities increased from the previous year by \$1.1 million. General revenue (excluding transfers and special items) had a net increase of \$455 thousand or 8.9%. Property taxes increased \$80 thousand, fees and fines increased by \$167 thousand and licenses and permits increased by \$116 thousand. Total expenses for governmental activities increased by \$226 thousand, an increase of 2.7% over the prior year.

Business-Type Activities - Net position from business-type activities increased by \$5.4 million, or 10% from \$54 million to \$59.4 million. Net position invested in capital assets, net of related debt, increased by \$1.9 million. Unrestricted net position increased by \$1.3 million, while restricted net position decreased by \$136 thousand from the previous year.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
 For the Year Ended June 30, 2018

Amounts in Thousands Unless Stated Otherwise
 (Unaudited)

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 9,602	\$ 9,650	\$ 33,687	\$ 34,784	\$ 43,289	\$ 44,434
Capital assets, net	15,059	16,856	42,149	44,470	57,208	61,326
Total Assets	<u>24,661</u>	<u>26,506</u>	<u>75,836</u>	<u>79,254</u>	<u>100,497</u>	<u>105,760</u>
Deferred outflows of resources	<u>1,516</u>	<u>1,355</u>	<u>378</u>	<u>356</u>	<u>1,894</u>	<u>1,711</u>
Long term liabilities	1,777	1,727	18,064	16,222	19,841	17,949
Other liabilities	833	823	4,111	3,905	4,944	4,728
Total Liabilities	<u>2,610</u>	<u>2,550</u>	<u>22,175</u>	<u>20,127</u>	<u>24,785</u>	<u>22,677</u>
Deferred inflows of resources	<u>318</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>370</u>
Net Position						
Net investment in capital assets	15,059	16,856	23,548	27,784	38,607	44,640
Restricted	1,999	693	5,979	5,843	7,978	6,536
Unrestricted	6,191	7,392	24,512	25,856	30,703	33,248
Total Net Position	<u>\$ 23,249</u>	<u>\$ 24,941</u>	<u>\$ 54,039</u>	<u>\$ 59,483</u>	<u>\$ 77,288</u>	<u>\$ 84,424</u>

As of June 30, 2018, 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, 2018

Amounts in Thousands Unless Stated Otherwise

(Unaudited)

The following table provides a summary of the City's operations for the year ended June 30, 2018 with comparative totals for the year ended June 30, 2017.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 122	\$ 97	\$ 33,618	\$ 34,595	\$ 33,740	\$ 34,692
Operating grants and contributions	493	1,156	-	-	493	1,156
General Revenues:						
Property taxes	4,742	5,044	-	-	4,742	5,044
Franchise taxes	720	543	-	-	720	543
Impact fees	-	-	276	380	276	380
Sale of Business Park Land	-	169	-	-	-	169
Investment earnings	52	89	190	318	242	407
Forgiveness of debt	-	-	-	1,342	-	1,342
Miscellaneous	506	686	-	-	506	686
Total revenues	<u>6,635</u>	<u>7,784</u>	<u>34,084</u>	<u>36,635</u>	<u>40,719</u>	<u>44,419</u>
Expenses						
General government	2,020	2,078	-	-	2,020	2,078
Public safety	4,679	4,698	-	-	4,679	4,698
Public works	593	683	-	-	593	683
Culture and recreation	1,047	1,133	-	-	1,047	1,133
Interest on long term debt	3	-	744	362	747	362
Electric	-	-	21,632	21,585	21,632	21,585
Water	-	-	1,659	1,808	1,659	1,808
Sewer	-	-	3,246	3,672	3,246	3,672
Trash	-	-	1,102	1,264	1,102	1,264
Total expenses	<u>8,342</u>	<u>8,592</u>	<u>28,383</u>	<u>28,691</u>	<u>36,725</u>	<u>37,283</u>
Increase (decrease) in net assets before transfers and special items	(1,707)	(808)	5,701	7,944	3,994	7,136
Transfers	2,500	2,500	(2,500)	(2,500)	-	-
Change in net position	793	1,692	3,201	5,444	3,994	7,136
Net position, July 1	22,456	23,249	50,838	54,039	73,294	77,288
Net position, June 30	<u>\$ 23,249</u>	<u>\$ 24,941</u>	<u>\$ 54,039</u>	<u>\$ 59,483</u>	<u>\$ 77,288</u>	<u>\$ 84,424</u>

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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 \$8.7 million. Within this total \$693 thousand is restricted by specific legal requirements, for street improvements, and \$3.6 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 \$680 thousand prior to the use of prior balances and reserves. The actual general fund balance increased by \$39 thousand as the result primarily of reductions in general government costs as well as increases in certain government revenues as previously discussed. Actual general fund expenditures were 1% less than 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 \$9.6 million for water, \$4.1 million for sewer, \$12.1 million for electric and \$124 thousand for Sanitation. The total of all enterprise funds' net position at the end of the fiscal year was \$59.4 million. Change in net position for enterprise funds in 2018 were an increase of \$2.7 million in the water fund, an increase of \$1 million in the sewer fund, an increase of \$1.8 million in the electric fund (net of \$2.5 million transfer to the general fund) and a decrease of \$57 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 1% or \$85 thousand. Management's estimate of the General Funds budgeted revenues increased \$68 thousand or 1.4% from original budget based on year to date experience.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
 For the Year Ended June 30, 2018

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 \$18.6 million (down from \$19.6 million in the prior year), 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	
	2017	2018	2017	2018	2017	2018
General Obligation Bonds	\$ -	\$ -	\$ 8,473	\$ 7,905	\$ 8,473	\$ 7,905
DE Revolving Fund Loans	-	-	4,454	3,189	4,454	3,189
USDA Loan	-	-	4,477	4,386	4,477	4,386
Kent County Note	-	-	1,196	1,172	1,196	1,172
Total	\$ -	\$ -	\$ 18,600	\$ 16,652	\$ 18,600	\$ 16,652

During fiscal 2018, the City's outstanding debt decreased by \$1.9 million as a result of the following:

**Forgiveness of debt in the amount of \$1.3 million upon completion of the Washington Street Water Treatment Facility Replacement Project, in accordance with its debt agreement with the State of Delaware.

**Regular principal payments on its other debt obligations.

No new debt obligations were incurred in fiscal year 2018.

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 39 to 41 of this report.

CITY OF MILFORD, DELAWARE

Management's Discussion and Analysis
For the Year Ended June 30, 2018
(Unaudited)

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$61.3 million (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, 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 \$4.1 million or 7.2%. Additional information on the City's capital assets can be found in Note 9 on pages 37 and 38 of this report. Major capital asset events during the current fiscal year included the following:

General Fund

- o \$70 thousand for a crack sealer and service truck for the Streets Department.
- o \$87 thousand for public safety vehicles
- o \$49 thousand in IT costs for servers.
- o \$189 thousand for a parks and recreation dump truck, mower, tractor, and armory building improvements.

Electric Fund

- o \$142 thousand for GIS software and hardware.
- o \$257 thousand to improve electric infrastructure.
- o \$330 thousand for a service truck, trencher and sedan.

Water Fund

- o \$244 thousand for a dump truck and two service vehicles.

Sewer Fund

- o \$405 thousand for a backhoe, dump truck and a service truck.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The fiscal 2019 budget for general fund revenues increased 2.8% over fiscal 2018. In the upcoming fiscal year, the City continues to see signs of growth for new housing building permits. Rates charged for water, sewer, solid waste and electric remained unchanged.

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, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Equivalents	\$ 6,407,492	\$ 8,710,491	\$ 15,117,983
Investments	2,783,288	21,598,283	24,381,571
Receivables	351,336	3,271,929	3,623,265
Inventories	39,799	1,203,738	1,243,537
Prepaid Expenses	67,829	-	67,829
Total Current Assets	<u>9,649,744</u>	<u>34,784,441</u>	<u>44,434,185</u>
Capital Assets			
Land, Infrastructure and Other Assets not being depreciated	18,446,167	1,490,599	19,936,766
Utility System	-	62,310,438	62,310,438
Buildings and Improvements	4,473,766	7,048,390	11,522,156
Equipment and Vehicles	6,915,457	8,094,369	15,009,826
Construction in Progress	20,971	-	20,971
Less: Accumulated Depreciation	(13,000,248)	(34,474,035)	(47,474,283)
Net Capital Assets	<u>16,856,113</u>	<u>44,469,761</u>	<u>61,325,874</u>
Total Assets	<u>26,505,857</u>	<u>79,254,202</u>	<u>105,760,059</u>
Deferred Outflows of Resources	<u>1,354,931</u>	<u>355,901</u>	<u>1,710,832</u>
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	617,880	2,557,766	3,175,646
Customer Deposits	-	649,948	649,948
Bonds and Notes Payable	-	651,063	651,063
Compensated Absences	204,660	46,814	251,474
Total Current Liabilities	<u>822,540</u>	<u>3,905,591</u>	<u>4,728,131</u>
Noncurrent Liabilities			
Net Pension Liability	908,119	-	908,119
Bonds and Notes Payable	-	16,034,434	16,034,434
Compensated Absences	818,640	187,253	1,005,893
Total Noncurrent Liabilities	<u>1,726,759</u>	<u>16,221,687</u>	<u>17,948,446</u>
Total Liabilities	<u>2,549,299</u>	<u>20,127,278</u>	<u>22,676,577</u>
Deferred Inflows of Resources	<u>370,286</u>	<u>-</u>	<u>370,286</u>
NET POSITION			
Net Investment in Capital Assets	16,856,113	27,784,264	44,640,377
Restricted for Capital Improvements:			
Budgeted by City Council	692,770	2,024,746	2,717,516
Impact Fees	-	3,818,160	3,818,160
Unrestricted	7,392,320	25,855,655	33,247,975
Total Net Position	<u>\$ 24,941,203</u>	<u>\$ 59,482,825</u>	<u>\$ 84,424,028</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, 2018

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	\$ 2,078,132	\$ -	\$ 328,697	\$ -	\$ (1,749,435)		\$ (1,749,435)
Public Safety	4,698,240	-	52,148	-	(4,646,092)		(4,646,092)
Public Works	682,585	-	774,726	-	92,141		92,141
Culture and Recreation	1,133,359	97,245	-	-	(1,036,114)		(1,036,114)
Total Governmental Activities	8,592,316	97,245	1,155,571	-	(7,339,500)		(7,339,500)
Business-Type Activities							
Electric Fund	21,702,442	25,830,935	-	-		4,128,493	4,128,493
Water Fund	1,939,090	2,828,570	-	-		889,480	889,480
Sewer Fund	3,785,738	4,730,300	-	-		944,562	944,562
Trash Fund	1,263,595	1,204,891	-	-		(58,704)	(58,704)
Total Business-Type Activities	28,690,865	34,594,696	-	-		5,903,831	5,903,831
Total Primary Government	\$ 37,283,181	\$ 34,691,941	\$ 1,155,571	\$ -	(7,339,500)	5,903,831	(1,435,669)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					5,044,436	-	5,044,436
Franchise Taxes					542,769	-	542,769
Sale of Business Park Land					169,065	-	169,065
Loss on Sale of Capital Assets					-	-	-
Impact Fees					-	380,237	380,237
Unrestricted Investment Earnings					88,800	317,822	406,622
Miscellaneous					668,385	1,341,507	2,009,892
Special item - Gain on Sale of Assets					-	-	-
Change in Net Position in Internal Service Fund					18,338	-	18,338
Transfers					2,500,000	(2,500,000)	-
Total General Revenues, Special Items, and Transfers					9,031,793	(460,434)	8,571,359
Change in Net Position					1,692,293	5,443,397	7,135,690
Net Position- Beginning of Year					23,248,910	54,039,428	77,288,338
Net Position - End of Year					\$ 24,941,203	\$ 59,482,825	\$ 84,424,028

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

**CITY OF MILFORD, DE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,788,832	\$ 3,263,581	\$ 213,042	\$ 6,265,455
Investments	2,783,288	-	-	2,783,288
Taxes Receivable, net of allowance for doubtful accounts	127,337	117,674	-	245,011
Other Receivables	74,318	-	-	74,318
Prepaid Expenses	67,829	-	-	67,829
Total Assets	<u>\$ 5,841,604</u>	<u>\$ 3,381,255</u>	<u>\$ 213,042</u>	<u>\$ 9,435,901</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 177,863	\$ 35,320	\$ 8,610	\$ 221,793
Compensated Absences - Current	183,254	-	-	183,254
Other Accrued Expenses	104,982	-	-	104,982
Other Payables	233,964	-	127	234,091
Total Liabilities	<u>700,063</u>	<u>35,320</u>	<u>8,737</u>	<u>744,120</u>
Fund Balances:				
Restricted	692,770	-	-	692,770
Nonspendable	67,829	-	-	67,829
Assigned	-	3,345,935	204,305	3,550,240
Unassigned	4,380,942	-	-	4,380,942
Total Fund Balances	<u>5,141,541</u>	<u>3,345,935</u>	<u>204,305</u>	<u>8,691,781</u>
Total Liabilities and Fund Balances	<u>\$ 5,841,604</u>	<u>\$ 3,381,255</u>	<u>\$ 213,042</u>	<u>\$ 9,435,901</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, 2018

Total Fund Balance, Governmental Funds	\$	8,691,781
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 Position.		16,856,113
Internal Service funds are used by management to charge the costs of centrally managed services to using funds and departments. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. The increase is equal to the Internal Service Net Position.		96,458
Some liabilities and other items 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 Position. These items include deferred outflows and inflows of resources related to its state pension plan, its net pension liability, and its long-term compensated absences.		(703,149)
Net Position of Governmental Activities	\$	<u>24,941,203</u>

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, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 4,128,218	\$ -	\$ -	\$ 4,128,218
Real Estate Transfer Taxes	-	916,218	-	916,218
Fees and Fines	164,808	-	-	164,808
Licenses and Permits	377,961	-	-	377,961
Sale of Business Park Land	169,065	-	-	169,065
Intergovernmental	328,697	826,874	-	1,155,571
Charges for Services	-	-	97,245	97,245
Investment Earnings	61,611	27,189	-	88,800
Miscellaneous	378,039	41,099	249,247	668,385
	<u>5,608,399</u>	<u>1,811,380</u>	<u>346,492</u>	<u>7,766,271</u>
EXPENDITURES				
Current:				
General Government	1,498,142	-	-	1,498,142
Public Safety	4,616,824	151,071	-	4,767,895
Public Works	682,585	-	-	682,585
Culture and Recreation	980,877	-	152,482	1,133,359
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	790,489	1,640,539	-	2,431,028
	<u>8,568,917</u>	<u>1,791,610</u>	<u>152,482</u>	<u>10,513,009</u>
Total Expenditures	<u>8,568,917</u>	<u>1,791,610</u>	<u>152,482</u>	<u>10,513,009</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(2,960,518)</u>	<u>19,770</u>	<u>194,010</u>	<u>(2,746,738)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,000,000	-	-	3,000,000
Transfers Out	-	(500,000)	-	(500,000)
	<u>3,000,000</u>	<u>(500,000)</u>	<u>-</u>	<u>2,500,000</u>
Total Other Financing Sources and Uses	<u>3,000,000</u>	<u>(500,000)</u>	<u>-</u>	<u>2,500,000</u>
Net Change in Fund Balances	39,482	(480,230)	194,010	(246,738)
Fund Balances - Beginning	<u>5,102,059</u>	<u>3,826,165</u>	<u>10,295</u>	<u>8,938,519</u>
Fund Balances - Ending	<u>\$ 5,141,541</u>	<u>\$ 3,345,935</u>	<u>\$ 204,305</u>	<u>\$ 8,691,781</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, 2018**

Net change in fund balances - total governmental funds: \$ (246,738)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Some items reported in the statement of activities, including changes in deferred outflows and inflows of resources, pension liability, and compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 162,796

Internal Service funds are used by management to charge the costs of centrally managed services to using funds and departments. The increase is equal to the net change in the Internal Service Net Position. 18,338

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 \$2,431,028 exceeded depreciation expense of \$673,131 in the current period. 1,757,897

Change in net position of governmental activities \$ 1,692,293

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

**CITY OF MILFORD, DE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018**

Business Type Activities - Enterprise Funds

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 3,022,530	\$ 3,842,873	\$ 1,684,952	\$ 160,136	\$ 8,710,491	\$ 142,037
Investments	9,719,519	8,109,765	3,768,999	-	21,598,283	-
Accounts Receivable, net of allowance for doubtful accounts	2,540,325	209,832	324,892	136,897	3,211,946	32,007
Other Receivables	6,854	750	51,879	500	59,983	-
Inventories	1,182,600	21,138	-	-	1,203,738	39,799
Total Current Assets	<u>16,471,828</u>	<u>12,184,358</u>	<u>5,830,722</u>	<u>297,533</u>	<u>34,784,441</u>	<u>213,843</u>
Non-Current Assets:						
Capital Assets:						
Land and Improvements	1,434,592	27,369	28,638	-	1,490,599	-
Utility System	19,885,279	21,706,509	20,718,650	-	62,310,438	-
Buildings and Improvements	6,981,196	10,853	50,691	5,650	7,048,390	21,340
Equipment and Furniture	3,814,422	1,596,910	1,188,545	1,494,492	8,094,369	108,778
Less Accumulated Depreciation	<u>(15,914,733)</u>	<u>(8,545,439)</u>	<u>(9,086,862)</u>	<u>(927,001)</u>	<u>(34,474,035)</u>	<u>(83,459)</u>
Total Non-Current Assets	<u>16,200,756</u>	<u>14,796,202</u>	<u>12,899,662</u>	<u>573,141</u>	<u>44,469,761</u>	<u>46,659</u>
Total Assets	<u>32,672,584</u>	<u>26,980,560</u>	<u>18,730,384</u>	<u>870,674</u>	<u>79,254,202</u>	<u>260,502</u>
Deferred Outflows of Resources						
Deferred Charges on Refundings	<u>199,154</u>	<u>-</u>	<u>156,747</u>	<u>-</u>	<u>355,901</u>	<u>-</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	1,688,200	16,506	353,894	109,644	2,168,244	57,014
Salaries Payable	22,473	4,015	3,964	3,778	34,230	-
Other Accrued Expenses	355,292	-	-	-	355,292	-
Customer and Other Deposits	611,598	-	-	38,350	649,948	-
Compensated Absences	34,451	4,099	4,099	4,165	46,814	21,406
Bonds, Notes and Loans Payable	<u>216,964</u>	<u>170,727</u>	<u>263,372</u>	<u>-</u>	<u>651,063</u>	<u>-</u>
Total Current Liabilities	<u>2,928,978</u>	<u>195,347</u>	<u>625,329</u>	<u>155,937</u>	<u>3,905,591</u>	<u>78,420</u>
Non-Current Liabilities:						
Compensated Absences	137,803	16,394	16,394	16,662	187,253	85,624
Bonds, Notes and Loans Payable	<u>4,754,285</u>	<u>6,706,302</u>	<u>4,573,847</u>	<u>-</u>	<u>16,034,434</u>	<u>-</u>
Total Non-Current Liabilities	<u>4,892,088</u>	<u>6,722,696</u>	<u>4,590,241</u>	<u>16,662</u>	<u>16,221,687</u>	<u>85,624</u>
Total Liabilities	<u>7,821,066</u>	<u>6,918,043</u>	<u>5,215,570</u>	<u>172,599</u>	<u>20,127,278</u>	<u>164,044</u>
NET POSITION						
Net Investment in Capital Assets	11,229,507	7,919,173	8,062,443	573,141	27,784,264	46,659
Restricted for Capital Improvements:						
Budgeted by City Council	1,135,078	595,904	293,764	-	2,024,746	-
Impact Fees	572,815	1,987,572	1,257,773	-	3,818,160	-
Unrestricted	<u>12,113,272</u>	<u>9,559,868</u>	<u>4,057,581</u>	<u>124,934</u>	<u>25,855,655</u>	<u>49,799</u>
Total Net Position	<u>\$ 25,050,672</u>	<u>\$ 20,062,517</u>	<u>\$ 13,671,561</u>	<u>\$ 698,075</u>	<u>\$ 59,482,825</u>	<u>\$ 96,458</u>

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, 2018

	<u>Business Type Activities - Enterprise Funds</u>					<u>Governmental Activities -Internal Service Fund</u>
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>	<u>Total</u>	
REVENUES						
Charges for Services	\$ 25,154,531	\$ 2,805,657	\$ 4,480,182	\$ 1,200,363	\$ 33,640,733	\$ 1,661,352
Miscellaneous	676,404	22,913	250,118	4,528	953,963	-
Total Operating Revenues	<u>25,830,935</u>	<u>2,828,570</u>	<u>4,730,300</u>	<u>1,204,891</u>	<u>34,594,696</u>	<u>1,661,352</u>
OPERATING EXPENSES						
Personal Services	2,274,690	279,829	452,650	394,178	3,401,347	1,147,926
Contractual Services	17,655,319	43,063	2,396,698	286,607	20,381,687	118,612
Utilities	5,488	244,359	256	-	250,103	1,600
Repairs and Maintenance	563,745	88,834	35,905	105,462	793,946	165,238
Other Supplies and Expenses	87,052	633,214	327,273	389,045	1,436,584	191,012
Insurance Claims and Expenses	70,739	13,548	4,641	9,134	98,062	3,884
Depreciation	927,991	505,374	454,974	79,169	1,967,508	14,742
Total Operating Expenses	<u>21,585,024</u>	<u>1,808,221</u>	<u>3,672,397</u>	<u>1,263,595</u>	<u>28,329,237</u>	<u>1,643,014</u>
Operating Income (Loss)	<u>4,245,911</u>	<u>1,020,349</u>	<u>1,057,903</u>	<u>(58,704)</u>	<u>6,265,459</u>	<u>18,338</u>
NON-OPERATING REVENUES (EXPENSES)						
Interest and Investment Revenues	144,650	118,910	52,325	1,937	317,822	-
Impact Fees	76,550	303,687	-	-	380,237	-
Forgiveness of Debt	-	1,341,507	-	-	1,341,507	-
Interest Expense	(117,418)	(130,869)	(113,341)	-	(361,628)	-
Total Non-Operating (Expenses) Revenues	<u>103,782</u>	<u>1,633,235</u>	<u>(61,016)</u>	<u>1,937</u>	<u>1,677,938</u>	<u>-</u>
Income (Loss) Before Transfers	<u>4,349,693</u>	<u>2,653,584</u>	<u>996,887</u>	<u>(56,767)</u>	<u>7,943,397</u>	<u>18,338</u>
Transfers Out	(2,500,000)	-	-	-	(2,500,000)	-
Change in Net Position	<u>1,849,693</u>	<u>2,653,584</u>	<u>996,887</u>	<u>(56,767)</u>	<u>5,443,397</u>	<u>18,338</u>
Net Position - Beginning of Year,	<u>23,200,979</u>	<u>17,408,933</u>	<u>12,674,674</u>	<u>754,842</u>	<u>54,039,428</u>	<u>78,120</u>
Net Position - End of Year	<u>\$ 25,050,672</u>	<u>\$ 20,062,517</u>	<u>\$ 13,671,561</u>	<u>\$ 698,075</u>	<u>\$ 59,482,825</u>	<u>\$ 96,458</u>

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

**CITY OF MILFORD, DE
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2018**

	ENTERPRISE FUNDS					Internal Service Fund
	Electric	Water	Sewer	Trash	Total	
Cash Flows from Operations:						
Receipts from Customers	\$ 25,306,991	\$ 2,827,026	\$ 4,532,613	\$ 1,196,981	\$ 33,863,611	\$ 1,668,227
Other Operating Receipts	676,404	22,913	253,170	4,528	957,015	-
Payments to Suppliers	(18,301,669)	(1,036,464)	(3,050,098)	(697,522)	(23,085,753)	(482,429)
Payments to Employees	(2,234,412)	(283,617)	(456,488)	(396,336)	(3,370,853)	(1,113,933)
Insurance Premiums Paid	(70,739)	(13,548)	(4,641)	(9,134)	(98,062)	(3,884)
Net Cash Provided by Operating Activities	<u>5,376,575</u>	<u>1,516,310</u>	<u>1,274,556</u>	<u>98,517</u>	<u>8,265,958</u>	<u>67,981</u>
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	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:						
Net cash for additions to Property, Plant and Equipment	(2,387,306)	258,756	(1,499,022)	(274,742)	(3,902,314)	(9,493)
Principal Paid on Debt	(85,000)	(481,585)	(150,207)	-	(716,792)	-
Interest Paid on Debt	(117,418)	(130,869)	(113,341)	-	(361,628)	-
Impact Fees Received	76,550	303,687	-	-	380,237	-
Net Cash Flows Provided by (Used in) Capital and Related Financing Activities	<u>(2,513,174)</u>	<u>(50,011)</u>	<u>(1,762,570)</u>	<u>(274,742)</u>	<u>(4,600,497)</u>	<u>(9,493)</u>
Cash Flows from Investing Activities:						
Net Proceeds/(Purchases) from Sales and Maturities of Short-Term Investments	(1,659,222)	(712,936)	403,774	-	(1,968,384)	-
Income on Investments	144,650	118,910	52,325	1,937	317,822	-
Net Cash Flows Provided by (Used in) Investing Activities	<u>(1,514,572)</u>	<u>(594,026)</u>	<u>456,099</u>	<u>1,937</u>	<u>(1,650,562)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,151,171)</u>	<u>872,273</u>	<u>(31,915)</u>	<u>(174,288)</u>	<u>(485,101)</u>	<u>58,488</u>
Cash and Cash Equivalents at Beginning of Year	<u>4,173,700</u>	<u>2,970,600</u>	<u>1,716,867</u>	<u>334,424</u>	<u>9,195,591</u>	<u>83,549</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,022,529</u>	<u>\$ 3,842,873</u>	<u>\$ 1,684,952</u>	<u>\$ 160,136</u>	<u>\$ 8,710,490</u>	<u>\$ 142,037</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:						
Operating Income	\$ 4,245,911	\$ 1,020,349	\$ 1,057,903	\$ (58,704)	\$ 6,265,459	\$ 18,338
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation and Amortization	927,991	505,374	454,974	79,169	1,967,508	14,742
Effect of Changes in Operating Assets and Liabilities:						
Accounts Receivable, net	109,165	21,369	55,483	(10,232)	175,785	6,875
Inventory	(10,839)	17	-	-	(10,822)	(13,587)
Accounts Payable and Accrued Expenses	20,774	(27,011)	(289,966)	83,592	(212,611)	7,620
Salaries Payable	2,367	211	161	(360)	2,379	-
Customer Deposits	43,295	-	-	6,850	50,145	-
Liability for Compensated Absences	37,911	(3,999)	(3,999)	(1,798)	28,115	33,993
Net Cash Provided by Operating Activities	<u>\$ 5,376,575</u>	<u>\$ 1,516,310</u>	<u>\$ 1,274,556</u>	<u>\$ 98,517</u>	<u>\$ 8,265,958</u>	<u>\$ 67,981</u>
Noncash Capital and Financing Activities						
Additions to Property, Plant and Equipment Financed by:	\$ (2,387,306)	\$ (127,652)	\$ (1,499,022)	\$ (274,742)	\$ (4,288,722)	\$ (9,493)
Delaware Revolving Loan	-	386,408	-	-	386,408	-
Net Cash	<u>(2,387,306)</u>	<u>258,756</u>	<u>(1,499,022)</u>	<u>(274,742)</u>	<u>(3,902,314)</u>	<u>(9,493)</u>
Reduction of Drinking Water Loan		\$ (1,341,507)			\$ (1,341,507)	\$ -
Forgiveness of Debt by State of Delaware		1,341,507			1,341,507	-
Net cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF MILFORD, DE
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018

ASSETS	<u>AGENCY</u>
Cash and Cash Equivalents	<u>\$ 254,045</u>
Total Assets	<u><u>\$ 254,045</u></u>
 LIABILITIES	
Due to Other Governments	\$ 250,434
Deferred Revenue - Trust Fund	<u>3,611</u>
Total Liabilities	<u><u>\$ 254,045</u></u>

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

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 are organized to provide explanations, including required disclosures, of the City's financial activities for the year ended June 30, 2018.

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.

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, 2018

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.

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.

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.

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 Fund - The special revenue fund accounts 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.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Government-Wide and Fund Financial Statements (Continued)

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, or accountability.

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.

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

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

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.

Budgetary Process

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.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Budgetary Process (CONTINUED):

- 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 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 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.

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."

Inventories

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

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Inventories (CONTINUED):

Inventory in the general fund consists of gasoline and diesel fuel held for consumption. Inventory in the internal service fund consists of garage 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 inventories have been presented on an average cost basis.

Capital Assets

Capital 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. Capital assets are recorded at historical cost if purchased, and at fair market value if donated. The capitalization threshold for all capital assets is \$5,000. No dollar threshold is set for land. Capital asset depreciation is recognized using the straight-line method over the estimated lives of the respective assets.

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.

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 GASBS No. 16 (GASB Cod. Sec. C60), Accounting for Compensated Absences.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

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.

Subsequent Events

Subsequent events were evaluated through January 15, 2019, which is the date the financial statements were available to be issued. Management of the City has determined that there were no other such events that warranted adjustment to or disclosure in these financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Delaware Public Employees' Retirement System (DPERS) and additions to/deductions from DPERS fiduciary net position have been determined on the same basis as they are reported by DPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

Decreases in net assets that related to future periods are recorded as deferred outflows of resources in a separate section of the City's government-wide statement of net position. Deferred outflows of resources are generally reported in the City's statement of net position for pension contributions made subsequent to the measurement date. Deferred outflows of resources also include the difference in the carrying value of refunded debt and its reacquisition price, which is then amortized over the shorter of the life of the refunded or refunding bond.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

Deferred Inflows of Resources

Increases in net assets that apply to future periods are recorded as deferred inflows of resources in a separate section of its government-wide statement of net position. Deferred inflows of resources are reported in the City's statement of net position for actual pension plan investment earnings in excess of projected amounts included in determining pension expense. Deferred inflows of resources are attributed to pension expense over a total of 5 years, including the current year.

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.

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.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

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 GASBS No. 62, *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, 2018.

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.

CITY OF MILFORD, DELAWARE
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2018

**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)

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 position. The details of these differences are presented below:

Land, Infrastructure and Other Assets	\$18,446,167
Buildings and Improvements	4,473,766
Equipment and Furniture	6,915,457
Construction in Progress	20,971
Less: Accumulated Depreciation	<u>(13,000,248)</u>
Net Capital Asset Differences	<u>\$16,856,113</u>

Noncurrent Liability Differences

Noncurrent liabilities are not due and payable in the current period and, therefore, would not be reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net position.

The details of these noncurrent liability differences are presented below:

Long-Term Portion of Compensated Absences	(\$ 818,640)
Deferred Outflows of Resources-Pension	1,354,931
Deferred Inflows of Resources-Pension	(370,286)
Net Pension Liability	(908,119)
Other	38,965
Total Current and Long-Term Liability Differences	<u>(\$ 703,149)</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 differences primarily result from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental fund financial statements.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

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	\$2,431,028
Depreciation	(673,131)
Net Difference	<u>\$1,757,897</u>

Long-Term Debt Issuance and Repayment Differences

When long-term debt is issued, it is reported as another 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 governmental activities had no such debt during the year ended June 30, 2018.

Other Differences

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds as expenditures. These items include the net changes during the year in the following accounts:

Long-Term Compensated Absences	\$ 93,141
Net Pension Liability	(143,036)
Deferred Inflow-pension	51,855
Deferred Outflow-pension	160,836
Net Difference	<u>\$ 162,796</u>

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, 2018, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet and statement of net assets.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - REAL ESTATE TAXES

The tax on real estate in the City area for the fiscal year 2018 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 lienied by the City. The schedules of real estate taxes levied for the fiscal year 2018 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, 2018 was \$2,840 (\$2,731 in fiscal year 2017), \$1,501 (\$1,443 in fiscal year 2017), and \$600 per Estimated Discharge Usage (EDU)(\$600 in fiscal year 2017), 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, 2018 from impact fees is \$3,818,160.

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, 2018, 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, 2018

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, 2018, 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, 2018, the City's investments consist of the following:

<u>Description</u>	<u>Category</u>	<u>Amount Market</u>	<u>Carrying</u>
Money Market Funds	1		
PFM Asset Management LLC		\$ 5,239,571	\$ 5,239,571
Certificates of Deposit	1		
PFM Asset Management LLC		<u>19,142,000</u>	<u>19,142,000</u>
Total		<u>\$24,381,571</u>	<u>\$24,381,571</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - CAPITAL ASSETS:

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2018:

Year Ended June 30, 2018

<u>Description</u>	<u>Balances</u> <u>07/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u> <u>& Transfers</u>	<u>Balances</u> <u>06/30/18</u>
City Department:					
Land	\$ 8,144,966	\$ -	\$ -	\$ -	\$ 8,144,966
Buildings and Improvements	4,259,508	-	-	21,342	4,280,850
Vehicles and Equipment	4,885,814	227,824	-	9,493	5,123,131
Construction in Progress	<u>173,607</u>	<u>20,971</u>	<u>-</u>	<u>(173,607)</u>	<u>20,971</u>
Total Capital Assets	17,463,895	248,795	-	(142,772)	17,569,918
Accumulated Depreciation	<u>(6,299,666)</u>	<u>(330,979)</u>	<u>-</u>	<u>(14,742)</u>	<u>(6,645,387)</u>
Total City Department, Net	<u>\$11,164,229</u>	<u>(\$ 82,184)</u>	<u>\$ -</u>	<u>(\$ 157,514)</u>	<u>\$10,924,531</u>
Street Department:					
Land Improvements	\$ 8,250,301	\$1,591,740	\$ -	\$ 459,160	\$10,301,201
Buildings and Improvements	192,916	-	-	-	192,916
Vehicles and Equipment	<u>1,442,614</u>	<u>349,712</u>	<u>-</u>	<u>-</u>	<u>1,792,326</u>
Total Capital Assets	9,885,831	1,941,452	-	459,160	12,286,433
Accumulated Depreciation	<u>(6,012,709)</u>	<u>(342,152)</u>	<u>-</u>	<u>-</u>	<u>(6,354,861)</u>
Total Street Department, Net	<u>\$ 3,873,122</u>	<u>\$1,599,300</u>	<u>\$ -</u>	<u>\$ 459,160</u>	<u>\$ 5,931,582</u>
<u>Description</u>	<u>Balances</u> <u>07/01/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u> <u>& Transfers</u>	<u>Balances</u> <u>06/30/18</u>
Total Government					
Capital Assets:					
Land and Land Improvements	\$16,395,267	\$1,591,740	\$ -	\$ 459,160	\$18,446,167
Buildings and Improvements	4,452,424	-	-	21,342	4,473,766
Vehicles and Equipment	6,328,428	577,536	-	9,493	6,915,457
Construction in Progress	<u>173,607</u>	<u>20,971</u>	<u>-</u>	<u>(173,607)</u>	<u>20,971</u>
Total Governmental					
Capital Assets	27,349,726	2,190,247	-	316,388	29,856,361
Accumulated Depreciation	<u>(12,312,375)</u>	<u>(673,131)</u>	<u>-</u>	<u>(14,742)</u>	<u>(13,000,248)</u>
Total Governmental					
Capital Assets, Net	<u>\$15,037,351</u>	<u>\$1,517,116</u>	<u>\$ -</u>	<u>\$ 301,646</u>	<u>\$16,856,113</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - CAPITAL ASSETS (CONTINUED):

The following schedule presents the capital activity of the business-type activities for the year ended June 30, 2018:

Description	Year Ended June 30, 2018				06/30/18
	Balances 07/01/17	Adjustments Additions	Deletions	Balances & Transfers	
Electric Fund:					
Land	\$ 1,404,437	\$ -	\$ -	\$ 30,155	\$ 1,434,592
Buildings and Improvements	6,981,196	-	-	-	6,981,196
Electric System	17,984,179	1,410,205	-	490,895	19,885,279
Vehicles and Equipment	3,358,369	456,053	-	-	3,814,422
Total Capital Assets	29,728,181	1,866,258	-	521,050	32,115,489
Accumulated Depreciation	(14,986,742)	(927,991)	-	-	(15,914,733)
Net Book Value	\$14,741,439	\$ 938,267	\$ -	\$ 521,050	\$16,200,756
Water Fund:					
Land	\$ 27,369	\$ -	\$ -	\$ -	\$ 27,369
Buildings and Improvements	10,853	-	-	-	10,853
Water System	21,574,233	127,652	-	4,624	21,706,509
Vehicles and Equipment	1,601,534	-	-	(4,624)	1,596,910
Total Capital Assets	23,213,989	127,652	-	-	23,341,641
Accumulated Depreciation	(8,040,065)	(505,374)	-	-	(8,545,439)
Net Book Value	\$15,173,924	\$ (377,722)	\$ -	\$ -	\$14,796,202
Waste Water Fund:					
Land	\$ 28,638	\$ -	\$ -	\$ -	\$ 28,638
Buildings and Improvements	50,691	-	-	-	50,691
Waste Water System	19,279,055	138,209	-	1,301,386	20,718,650
Vehicles and Equipment	1,129,118	59,427	-	-	1,188,545
Total Capital Assets	20,487,502	197,636	-	1,301,386	21,986,524
Accumulated Depreciation	(8,631,888)	(454,974)	-	-	(9,086,862)
Net Book Value	\$11,855,614	\$ (257,338)	\$ -	\$1,301,386	\$12,899,662
Trash Fund:					
Buildings and Improvements	\$ 5,650	\$ -	\$ -	\$ -	\$ 5,650
Vehicles and Equipment	1,219,750	274,742	-	-	1,494,492
Total Capital Assets	1,225,400	274,742	-	-	1,500,142
Accumulated Depreciation	(847,832)	(79,169)	-	-	(927,001)
Net Book Value	\$ 377,568	\$ 195,573	\$ -	\$ -	\$ 573,141
Description	Balances 07/01/17	Adjustments Additions	Deletions	Balances & Transfers	06/30/18
Total Enterprise Funds					
Land	\$ 1,460,444	\$ -	\$ -	\$ 30,155	\$ 1,490,599
Buildings and Improvements	7,048,390	127,652	-	-	7,176,042
Electric System	17,984,179	1,410,205	-	490,895	19,885,279
Water System	21,574,233	-	-	-	21,574,233
Waste Water System	19,279,055	138,209	-	1,301,386	20,718,650
Vehicles and Equipment	7,308,771	790,222	-	-	8,098,993
Total Fixed Assets	74,655,072	2,466,288	-	1,822,436	78,943,796
Accumulated Depreciation	(32,506,527)	(1,967,508)	-	-	(34,474,035)
Net Book Value	\$42,148,545	\$ 498,780	\$ -	\$1,822,436	\$44,469,761

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM DEBT OBLIGATIONS:

Long-Term liability activity for the year ended June 30, 2018 is summarized as follows:

Governmental Activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Within One Year
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Liabilities:					
Net Pension Liability	1,051,155	-	(143,036)	908,119	-
Compensated Absences	906,873	116,427	-	1,023,300	204,660
Governmental Activities Long-Term Liabilities	<u>\$ 1,958,028</u>	<u>\$ 116,427</u>	<u>\$ (143,036)</u>	<u>\$ 1,931,419</u>	<u>\$204,660</u>

Business Activities:

Bonds Payable:					
Series 1992A Capital Appreciation Bond	\$ 390,000	\$ -	\$(390,000)	\$ -	\$ -
Series of 2016 General Obligation Bonds	8,065,000	-	(160,000)	7,905,000	400,000
	8,455,000	-	(550,000)	7,905,000	400,000
Add: Bond Premium	37,171	-	(3,679)	33,492	3,555
Less: Bond Discount	(19,088)	-	19,088	-	-
Total Bonds Payable	8,473,083	-	(534,591)	7,938,492	403,555
Revolving Funds Loans -					
State of Delaware 2010	748,851	-	(50,979)	697,872	52,004
State of Delaware 2011	3,705,224	127,652	(1,341,507)	2,491,369	77,180
Note Payable - Kent County	1,196,333	-	(24,227)	1,172,106	24,777
Note Payable - USDA	4,477,243	-	(91,585)	4,385,658	93,547
Total Bonds and Notes Payable	18,600,734	127,652	(2,042,889)	16,685,497	651,063
Other Liabilities:					
Compensated Absences	205,952	28,115	-	234,067	46,814
Business-Type Activities Long-Term Liabilities	<u>\$18,806,686</u>	<u>\$ 155,767</u>	<u>(\$ 2,042,889)</u>	<u>\$16,919,564</u>	<u>\$697,877</u>

General Obligation Bonds

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.

Series 2016

On December 6, 2016, the City issued General Obligation Bonds, Series of 2016 in the aggregate principal amount of \$8,065,000, with interest rates ranging from 2.0% to 2.55%. The proceeds of the 2016 bond proceeds were utilized to

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED):

Series 2016 (continued)

refund the Series A of 2011 General Obligation bonds in the outstanding principal amount of \$7,850,000. The 2016 bonds are scheduled to mature January 1, 2037. Semi-annual interest payments commenced July 1, 2017, while annual principal payments commenced January 1, 2018. The bonds had an original issue premium of \$37,171, the unamortized portion of which is included in the balance reflected in the financial statements at June 30, 2018. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1.3 million.

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, 2018 is \$4,385,658, which represents total expenditures incurred on the project 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 note is scheduled to mature June 28, 2053.

State of Delaware

The City received funds in connection with its Wastewater Collection System Expansion project through financing agreements with the Delaware Water Pollution Control Revolving Fund. Funds received for the first part of the project were repaid in full during fiscal year June 30, 2017. Additional funds were received for the second part of the project under a separate financing agreement. The balance on this obligation as of June 30, 2018 is \$697,872. Semi-annual payments of \$32,852 include interest calculated at an annual rate of 2.0%. The note is scheduled to mature July 1, 2030.

The City has also received funds from the State of Delaware in connection with its Washington Street Water Treatment Facility Replacement Project. The funds were provided by the DE Drinking Water State Revolving Fund only as expenditures were incurred by the City and approved by the State. The total committed loan amount was \$4 million. Interest only payments commenced September 1, 2012 and were due semi-annually at 1% per annum on the balance outstanding as the project progressed. The project was completed during fiscal year June 30, 2018 in the total amount of \$3,832,876. In accordance with the agreement, upon completion of the project, thirty-five percent of the amounts advanced have been forgiven, resulting in forgiveness of debt in the amount of \$1,341,507. The remaining balance of \$2,491,369 will be amortized over a twenty-year period from the original advance with interest at 1% per annum. The note is scheduled to mature September 1, 2033.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (CONTINUED):

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, 2018 is \$1,172,106 and is scheduled to mature November 10, 2050.

Long-Term Debt outstanding at June 30, 2018 is summarized as follows:

	<u>Interest Rate</u> %	<u>Amount Outstanding</u>		<u>Electric Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
		<u>Issue Date</u>	<u>Maturity Date</u>				
General Obligation Bonds							
Series of 2016	2.0-2.55	12/6/2016	1/1/2037	\$4,950,000	\$2,955,000	\$ -	\$7,905,000
USDA	2.125	6/28/2013	6/28/2053	-	-	4,385,658	4,385,658
State of DE FAB#120.33	2.0	12/22/2009	7/1/2030	-	697,872	-	697,872
State of DE 2012A-SRF	1.0	3/15/2012	9/1/2033	-	2,491,369	-	2,491,369
Note Payable-Kent County	2.25	11/12/2012	11/10/2050	-	1,172,106	-	1,172,106
Total Long-Term Debt				<u>\$4,950,000</u>	<u>\$7,316,347</u>	<u>\$4,385,658</u>	<u>\$16,652,005</u>

The annual requirements to amortize all debt outstanding as of June 30, 2018 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 647,508	\$ 320,533	\$ 968,041
2020	734,459	307,712	1,042,171
2021	749,704	294,356	1,044,060
2022	765,046	280,531	1,045,577
2023	780,483	266,479	1,046,962
2024-2028	4,107,447	1,112,702	5,220,149
2029-2033	4,051,746	722,365	4,774,111
2034-2038	2,181,609	395,789	2,577,398
2039-2043	948,965	235,737	1,184,702
2044-2048	1,056,456	127,948	1,184,404
2049-2053	628,582	20,412	648,994
Total	<u>\$16,652,005</u>	<u>\$4,084,564</u>	<u>\$20,736,569</u>

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - 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 12 - DEFERRED COMPENSATION PLAN:

The City has a deferred compensation plan under Internal Revenue Code (IRC) 457(b) which is available to substantially all City full-time employees. Participants may make salary deferral contributions from their base salaries to the Plan during a calendar year of up to 100% of their net compensation up to the allowable maximum under IRC 457(b)(2). The City will match 100% of the participant's salary deferral contributions up to a maximum of 6% of the participant's base salary. Total contributions to the Plan by the City for the year ended June 30, 2018 was \$225,911.

NOTE 13 - PENSION PLANS:

Defined Contribution Plan

The City has a defined contribution plan under IRC 401(a) which was available to substantially all City full-time employees through December 31, 2004. For plan years beginning January 1, 2005, the City no longer makes contributions to the plan, coinciding with the effective date it elected to participate in the State of Delaware's County and Municipal Pension Plans. All participants in the plan remain in the plan until they separate employment from the City and can continue to invest funds in their respective accounts. The plan is administered by VOYA Financial, and was last amended and restated January 25, 2016 in order to comply with applicable IRS rules and regulations.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - PENSION PLANS (CONTINUED):

State of Delaware's County and Municipal Pension Plans

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. Below is a description of each of these plans:

Police and Firefighters' Pension Plan

The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System and managed by its Board of Pension Trustees (the Board). The plan, which is Delaware's County and Municipal Police and Firefighter Pension Plan, covers City sworn police officers. The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

Service benefits under the plan include 2.5% of final average monthly compensation multiplied by years of credited service up to 20 years, plus 3.5% of final average monthly compensation multiplied by years of service in excess of 20 years. The final monthly compensation is the monthly average of the highest three years of compensation. There are also disability benefits as well as survivor benefits provided by the plan. An employee is vested upon 5 years of credited service.

Employer contributions to the plan are determined annually by the Board of Pension Trustees. The employer contribution policy is set by State law and required contributions by active members and by participating employers. The contributions required by participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2018 was 11.42% of payroll. In addition, employees are required to contribute 7% of compensation.

Other Employees' Pension Plan

The City contributes to a governmental cost-sharing multiple-employer defined benefit pension plan administered by the Delaware Public Employees' Retirement System and managed by its Board of Pension Trustees (the Board). The plan, which is Delaware County and Municipal Other Employees Pension Plan, covers all full-time non-uniformed City employees as well as elected officials.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - PENSION PLANS (CONTINUED):

The State of Delaware General Assembly is responsible for setting benefits and amending plan provisions. The State Board of Pension Trustees determines the contributions required. The board is comprised of five members appointed by the Governor and confirmed by the State Senate, plus two ex officio members.

Service benefits include 1/60th of final average monthly compensation multiplied by years of credited service, subject to maximum limitations. For this plan, the final average monthly compensation is the monthly average of the highest five years of compensation. There are also disability benefits as well as survivor benefits provided by the plan. An employee is vested upon 5 years of credited service.

Employer contributions to the plan are determined annually by the Board of Pension Trustees. The employer contribution policy is set by State law and required contributions by active members and by participating employers. The contributions required by participating employers are based on an actuarial valuation and are expressed as a percentage of annual covered payrolls during the period for which the amount is determined. The employer contribution rate in fiscal year 2018 was 7.09% of payroll. In addition, employees are required to contribute 3% of compensation in excess of \$6,000.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The components of the total net pension liability of each plan as of the June 30, 2017 measurement date were as follows:

	<u>Police & Firefighters</u>	<u>Other Employees</u>
Total pension liability	\$335,948,000	\$52,353,000
Plan fiduciary net position	<u>325,867,000</u>	<u>45,874,000</u>
Employer net pension liability	<u>\$ 10,081,000</u>	<u>\$ 6,479,000</u>
Plan fiduciary net position as percentage of total pension liability	97.0%	87.6%
Proportionate share of net pension liability	<u>\$ 239,714</u>	<u>\$ 668,405</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued):

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2016 to June 30, 2017. The City's proportionate share of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - PENSION PLANS (CONTINUED):

As of June 30, 2017 and 2016, the City's proportion for each plan is as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Increase (Decrease)</u>
Police & Firefighters	2.3778%	2.3824%	(0.0046)
Other Employees	10.3161%	10.8534%	(0.5373)

For the year ended June 30, 2018, the City recognized pension expense for the plans as follows:

Police & Firefighters	\$270,196
Other Employees	<u>301,391</u>
Total	<u>\$571,587</u>

At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Police & Firefighters</u>		<u>Other Employees</u>	
	<u>Deferred</u>		<u>Deferred</u>	
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Difference between expected and actual experience	\$ 57,363	\$ 146,188	\$ 181,559	\$ 45,050
Change of assumptions	202,382	88,328	213,480	-0-
Net difference between projected and actual investment earnings	122,181	25,530	76,034	-0-
Contributions subsequent to the measurement date	<u>217,625</u>	<u>-0-</u>	<u>284,307</u>	<u>-0-</u>
Total	<u>\$ 599,551</u>	<u>\$ 260,046</u>	<u>\$ 755,380</u>	<u>\$ 110,240</u>

A total of \$501,932 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date were recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over five years.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, and update procedures were used to roll forward the total pension liability to June 30, 2017.

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - PENSION PLANS (CONTINUED)

The following actuarial assumptions were used and applied to all periods included in the measurement:

- Investment return - 7.1%, includes inflation at 2.50%
- Salary increases - Effective average of 2.50%, which reflects an allowance for inflation of 2.50%, plus merit.

The change in the discount rate assumption to 7.0% from 7.2% was due to an adoption by the Board of Trustees in Fiscal Year 2017. Mortality rates were based on the RP-2014 tables with gender adjustments for healthy annuitants and disabled retirees and an adjusted version on MP-2015 mortality improvement scale on a fully generational basis.

The total pension liabilities are measured based on assumptions pertaining to interest rates, inflation rates and employee demographics in future years. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates the larger the impact on the future financial statements.

Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments, and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5%	5.7%
International Equity	13.7%	5.7%
Fixed Income	26.6%	2.0%
Non-Traditional Investments	22.7%	7.8%
Cash & Equivalents	3.5%	0.0%

CITY OF MILFORD, DELAWARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - PENSION PLANS (CONTINUED):

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The change in the discount rate assumption to 7% from 7.2% was due to adoption by the Board of Trustees in fiscal year 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates determined by the Board of Pension Trustees, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability

The following presents the City's net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage lower (6.0%) or 1-percentage higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
County and Municipal P&F	<u>\$63,750,000</u>	<u>\$10,081,000</u>	<u>(\$33,617,000)</u>
County and Municipal Other	<u>\$14,579,000</u>	<u>\$6,479,000</u>	<u>(\$182,000)</u>

Pension Plan Fiduciary Net Position

Detailed information about DPERS' fiduciary net position is available in DPERS Comprehensive Annual Financial Report which can be found on the System's website at <https://open.omb.delaware.gov>.

**CITY OF MILFORD, DE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 3,820,560	\$ 3,820,560	\$ 4,128,218	\$ 307,658
Fees and Fines	140,000	140,000	164,808	24,808
Licenses and Permits	176,000	236,000	377,961	141,961
Sale of Business Park Land	-	-	169,065	169,065
Intergovernmental	307,750	307,750	328,697	20,947
Investment Earnings	10,000	10,000	61,611	51,611
Miscellaneous	297,256	305,065	378,039	72,974
	<u>4,751,566</u>	<u>4,819,375</u>	<u>5,608,399</u>	<u>789,024</u>
EXPENDITURES				
Current:				
General Government	1,368,539	1,470,835	1,498,142	(27,307)
Public Safety	4,544,420	4,523,155	4,616,824	(93,669)
Public Works	765,989	778,910	682,585	96,325
Culture and Recreation	936,278	927,135	980,877	(53,742)
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	799,340	799,340	790,489	8,851
	<u>8,414,566</u>	<u>8,499,375</u>	<u>8,568,917</u>	<u>(69,542)</u>
Total Expenditures				
Deficiency of Revenues Over Expenditures	(3,663,000)	(3,680,000)	(2,960,518)	719,482
OTHER FINANCING SOURCES				
Real Estate Transfer Tax (from Special Revenue Fund)	500,000	500,000	500,000	-
Transfers In From Electric Fund	2,500,000	2,500,000	2,500,000	-
	<u>(663,000)</u>	<u>(680,000)</u>	<u>39,482</u>	<u>719,482</u>
Net Change in Fund Balance				
DEFICIENCY FUNDED BY				
General Fund Prior Balance and Reserves	663,000	680,000	(39,482)	(719,482)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures				

See accompanying notes to required supplementary information.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE LAST THREE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>County & Municipal Police and Firefighters' Pension Plan</u>			
Proportion of the net pension liability (asset)	2.3779%	2.3824%	2.4964%
Proportionate share of the net pension liability (asset)	\$ 239,714	\$ 378,701	\$ (131,558)
Covered-employee payroll	\$ 1,905,658	\$ 1,944,111	\$ 1,735,698
Proportionate share of the net pension liability as a percentage of covered-employee payroll	12.6%	19.5%	-7.6%
Plan's fiduciary net position	\$ 325,867,000	\$ 284,298,000	\$ 273,109,000
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.0%	94.7%	-102.0%
<u>County & Municipal Other Employees' Pension Plan</u>			
Proportion of the net pension liability (asset)	10.3165%	10.8530%	12.1628%
Proportionate share of the net pension liability (asset)	\$ 668,405	\$ 672,454	\$ 5,230
Covered-employee payroll	\$ 3,476,349	\$ 3,628,008	\$ 3,630,778
Proportionate share of the net pension liability as a percentage of covered-employee payroll	19.2%	18.5%	0.1%
Plan's fiduciary net position	\$ 45,874,000	\$ 39,292,000	\$ 37,840,000
Plan fiduciary net position as a percentage of the total pension liability	87.6%	86.4%	99.9%

See accompanying notes to required supplementary information.

**CITY OF MILFORD, DELAWARE
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE LAST THREE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>County & Municipal Police and Firefighters' Pension Plan</u>			
Contractually required contribution	\$ 269,023	\$ 240,395	\$ 251,302
Contributions in relation to the contractually determined contribution	<u>269,023</u>	<u>240,395</u>	<u>251,302</u>
Contribution (excess) deficiency	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered-employee payroll	<u>\$ 1,905,658</u>	<u>\$ 1,944,111</u>	<u>\$ 1,735,698</u>
Contributions as a percentage of covered-employee payroll	<u>14.12%</u>	<u>12.37%</u>	<u>14.48%</u>
<u>County & Municipal Other Employees' Pension Plan</u>			
Contractually required contribution	\$ 259,355	\$ 225,472	\$ 235,458
Contributions in relation to the contractually determined contribution	<u>259,355</u>	<u>225,472</u>	<u>235,458</u>
Contribution (excess) deficiency	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered-employee payroll	<u>\$ 3,476,349</u>	<u>\$ 3,628,008</u>	<u>\$ 3,630,778</u>
Contributions as a percentage of covered-employee payroll	<u>7.46%</u>	<u>6.21%</u>	<u>6.49%</u>

See accompanying notes to required supplementary information.

CITY OF MILFORD, DELAWARE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - GENERAL

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered part of the basic financial statements.

NOTE 2 - BUDGETARY BASIS

The budgetary comparison schedule is prepared on a basis that is consistent with generally accepted accounting principles (GAAP).

NOTE 3 - PENSION PLANS

The following notes pertain to both the County and Municipal Police and Firefighters Pension Plan and the County and Municipal Other Employees' Pension Plan.

Changes in Benefit Terms

None

Changes in Assumptions

The changes in assumptions used to determine total pension liability are described in Note 13 to the financial statements.

Method and Assumptions used in calculations of actuarially determined contributions

The actuarially determined contribution rates in the Schedule of Employers' Contributions are calculated as of the June 30 two years prior to the end of the fiscal year in which the contributions are reported. Complete descriptions of the methods and assumptions used to determine the contribution rates for Fiscal Year 2018 can be found in the June 30, 2016 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

- Actuarial Cost Method - Entry Age Normal
- Amortization Method - Open 10 Year Level Percent of Payroll
- Remaining Amortization Period - 10 Years
- Asset Valuation Method - 5 Year Smoothed Market
- Actuarial Assumptions
 - o Discount Rate - 7.0%
 - o Amortization Growth Rate 3.0%
 - o Price Inflation - 3.0%

CITY OF MILFORD, DELAWARE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 3 - PENSION PLANS (CONTINUED):

10-year Reporting Requirements

The preceding required supplementary schedules, as related to pensions, are intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF MILFORD, DE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

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	\$ 4,385,660
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>1,232,132</u>
Total Expenditures of Federal Awards			<u>\$ 5,617,792</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF MILFORD, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Milford, Delaware under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only the selected portion of the operations of the City of Milford, Delaware, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Milford.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The City of Milford has elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

NOTE 4 - 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, 2018 is \$4,477,243, 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 September 30, 2017.

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

CITY OF MILFORD, DELAWARE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Clean Water State Revolving Funds (CFDA 66.458)-(CONTINUED):

of financing for construction of wastewater treatment facilities and implementation of water management activities. As of June 30, 2017, a total of \$1,895,587 received by the City under the loan program were federal awards, while the remaining portion of the total outstanding loan of \$3,705,224 were state award funds. CWSRF outstanding loans for which the related project is completed do not have continuing compliance requirements.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Milford, Delaware, as of and for the year ended June 30, 2018, 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 January 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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. Accordingly, we do not express 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. We did identify a deficiency in internal control (Item 2017-001), 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 the 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

The City of Milford, Delaware's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The 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
January 15, 2019



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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 THE UNIFORM GUIDANCE**

To the City Council
City of Milford, Delaware

Report on Compliance for Each Major Federal Program

We have audited the City of Milford, Delaware's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Milford, Delaware's major federal programs for the year ended June 30, 2018. The 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the 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 the City of Milford, Delaware's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2018.

Report on Internal Control Over Compliance

Management of the 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 the 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 the Uniform Guidance, 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Beck Villalobos & Co PC

Voorhees, NJ
January 15, 2019

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Milford, Delaware were prepared in accordance with GAAP.
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 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 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was:
 - Environmental Protection Agency, passed through State of DE Department of Health and Social Services, Capitalization Grants for Drinking Water State Revolving Funds, CFDA No. 66.458.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. City of Milford, DE was determined to be a low-risk auditee.

CITY OF MILFORD, DELAWARE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2018

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

Finding 2018-001 - Financial Statement Preparation

Condition: The City of Milford, like many governmental units, has historically relied on its auditors to assist in drafting 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.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF MILFORD
PUBLIC NOTICE

ORDINANCE 2019-01
CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
CHAPTER 222-WATER

WHEREAS, the City of Milford provides public water services to its customers within City limits and to some customers outside the City limits; and

WHEREAS, the City of Milford has previously adopted water regulations and established rates; and

WHEREAS, the City's Public Works Staff proposes changes to the Code, that include additional definitions, reference Kent County Delaware's code when applicable, move fees, rates and fines from the Chapter and create a new Resolution for them, increase fines, increase inspection fees, and add service line specifications and permit requirements; decrease the size of land required for an irrigation well; and

WHEREAS, City Council found that the updated provisions are in the best interest of the health, safety, convenience and general welfare of the citizens of the City.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. Section §222-1.- Schedule of water rates and charges is hereby repealed and replaced with the following:

§ 222-1. - Definitions.

As used in this chapter, the following terms shall have the following meanings:

AGRICULTURAL WELL-A well used for the watering of livestock, poultry, aquaculture uses, or solely for the watering of household yards and gardens or for other purposes related to farming in general. Water is not used for human consumption or to service a dwelling.

CITY-The City of Milford, Delaware with administrative offices at 201 South Walnut Street.

CITY COUNCIL-The group of elected officials acting as governing body for the City.

CITY MANAGER-The duly appointed or designated chief administrative officer of the City.

CORE INFRASTRUCTURE-The core infrastructure includes the main and system valves.

CROSS CONNECTION-Actual or potential connections between a potable water supply and a non-potable source, where it is possible for a contaminant to enter the drinking water supply.

CUSTOMER/OWNER-The party contracting for a supply of water to a property as hereinafter classified:

A. A building under one roof, owned or leased by one party and occupied as one residence or business.

B. A combination of buildings owned or leased by one party in one common enclosure and occupied by one owner or business.

C. The one side of a double house having a solid, vertical partition wall.

D. Each side or part of a building occupied by more than one family or business.

E. Each apartment, office or suite of offices located in a building having several such apartments, offices or suites of offices and using in common one or more halls and one or more means of entrance, except that an owner of an apartment house or building accommodating families or businesses may become responsible for all water used on the premises, and such owner shall be considered as the customer.

DEWATERING WELL-A well used to remove ground water for construction of footings, sewer lines, building foundations, elevator shafts, etc.

DOMESTIC WELL-A well primarily used for potable non-public water supply purposes and which may be used for non-potable purposes, excluding heat pump supply.

HEAT PUMP CLOSED LOOP WELL-A sealed and pressurized loop of pipe containing a heat exchange solution which is circulated below the earth's surface and utilizes groundwater for the purpose of heat transfer.

HEAT PUMP RECHARGE WELL-A well constructed and primarily used for injecting ground water source heat pump effluent back into an aquifer, and which may be used for other non-potable water supply purposes provided prior written approval is obtained from the City.

HEAT PUMP SUPPLY WELL-A well constructed primarily to obtain ground water as a source for heat pump supply purposes and which shall not be used for other purposes such as domestic water supply.

INDUSTRIAL WELL-A well which is used in the processing, washing, packaging, or manufacturing of a product excluding food and beverages.

IRRIGATION WELL-A well which is used for the watering of lands or crops other than household lawns and gardens.

MONITOR WELL-A well installed for the sole purpose of the determination of subsurface conditions and collecting ground water samples.

OBSERVATION WELL-A well used for the sole purpose of determining ground water levels.

PERSON-Any resident, firm, corporation, company, association or group.

POTABLE WATER-Any water which is in compliance with all the primary health related drinking water standards specified in the Delaware Regulations Governing Public Drinking Water Systems and the US EPA Safe Drinking Water Act, and is acceptable for human consumption.

POND FILL WELL-A well used to supply water for wet ponds in a subdivision.

PUBLIC WELL-A well which is used to supply water to more than three dwelling units; 25 or more employees; in the manufacture of ice, foods, or beverages; to the public in food washing, processing, or preparation in a plant, restaurant, or other facility.

TEST WELL-A well installed to ascertain the lithology and water transmission properties of an aquifer or geologic materials and which may be used to determine water quality; a well which is not used on a permanent basis.

STOP-The curb stop or service valve of the service connection to the customer. In cases where a curb stop is not present, the limits of the City's maintenance responsibilities

shall be the right-of-way or appropriate property line. The City is not responsible for maintenance of any water service line connections on private property.

Section 2. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-2. - Posting of rates and regulations; contract with City.

- A. Copies of the schedule of water rates and ~~charges~~ **fees** established by the City and of the rules and regulations governing the supply of water service are open to inspection at City Hall, 201 South Walnut Street, Milford, Delaware.
- B. ~~These~~ **The** rules and regulations, which have been adopted by the City, are a part of the contract with every person and any political subdivision that takes water service, and every such person or political subdivision, by taking of the water service, agrees to be bound thereby. All customers of the water system of the City who continue to accept water service from the City shall be conclusively deemed to have a contract with the City for water service in accordance with the rules and regulations and the rates set forth herein. No new application for service between any such customer and the City shall be required.

Section 3. Section §222-3.-Definitions is hereby repealed and replaced with the following:

222-3. - Schedule of water rates and charges.

The City does hereby fix and charge the monthly water rates and charges set forth in the Water Fee Schedule as adopted by Resolution by Milford City Council, and shall be collected from the customers of the water system under operation of the City of Milford. The City shall bill all customers on a monthly basis. The City shall read meters monthly.

Section 4. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-4. - Connection to City water system.

- A. **Meters required-Where there is no water meter or where water meter readings are not available, the owner or user of the premises served shall install and pay for a meter approved by the City for measuring water consumption. The City may require the owner of a nonresidential establishment to pay for the cost and maintenance of special installations of water meters.**
- A- **B.** All owners of improved property in the City of Milford abutting upon but not presently connected with the existing water system are hereby required to connect their premises to the water system within 90 days from the effective date of this chapter. All such owners of improved property which shall abut upon future water improvements when constructed shall thereupon connect therewith. All such owners of unimproved property which shall be improved in the future shall connect promptly with any such water system then or subsequently abutting thereon.
- B- **C.** Property not connected to the water system shall be subject to the minimum water charge beginning with the month ~~next~~ following the passage of 90 days from the time the water system is available to the property, whether or not the property is connected to the system.
- D. Permit required for repair-When necessary or advisable to make any alteration or repair to any connection already in place, application shall be made to the City for a permit, in the same manner as for new connections.**

Section 5. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-6. - Application for water service.

D. When application is made for temporary use of water, requiring a temporary connection, the cost of installation and removal of such temporary facilities shall be borne by the applicant, and the applicant shall pay the temporary use fee of ~~\$50 per day and \$4 per 1,000 gallons~~ **as listed in the Water Fee Schedule.**

E. New water service customers shall be required to pay an account set up fee as outlined in the Water Fee Schedule. This fee will not be required if the customer is also applying for new electric service.

Section 6. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-9. - Service lines to ~~curb~~ **stop**; fee.

A. The City will ~~make~~ **inspect** all connections to its mains, ~~and furnish and install all service lines from the main to and including the meter box.~~ **Costs for City inspection services shall be as outlined in the Water Fee Schedule. The City reserves the right to furnish and install all service lines from the main to and including the meter box or allow the owner to utilize the services of a Contractor approved by the City.**

B. ~~All~~ **Taps** and lines ~~larger than 3/4 inch~~ shall be made for the customer at actual cost to the City, or ~~according to the rate schedule, whichever applies~~ **as listed in the Water Fee Schedule.** Connection fees other than time and materials shall be paid for at the time of application. For connection fees based on actual cost, a deposit of ~~\$400~~ will be required at the time of application, and the remainder of the cost will be billed at completion of the job **and must be paid prior to the issuance of a Certificate of Occupancy.** All of the service lines will be the property of the City and under the control of the City. No service connection will be installed during the period that street openings are prohibited by City regulations or at any time when, in the judgment of the City, working conditions are unfavorable for installation either by reason of weather, temperature, conditions of soil or otherwise. The City will be responsible for the maintenance and repair of the service line between the main and the ~~curbline~~ **outlet of the meter.**

C. The City reserves the right to charge a connection/inspection fee based on time and materials in any instance where unusual conditions for the installation of such a connection prevail. The determination to invoke this policy is a decision of the City Manager.

D. The location of service will be designated by the City, and no service line shall occupy the same trench with any facility of a public service company or be within three feet of any open excavation or vault, **or within 10 feet of any sanitary sewer** unless such installation plan shall have been previously authorized and approved by the City as evidenced by its written permission.

G. ~~In all installations or replacements of service lines, only one premises of one customer will be permitted to be supplied through one service pipe.~~ If one premises of one customer shall have one structure so divided by partition walls as to permit separate ownership, at any time, of the several divisions of the structure or shall have two or more separate and distinct structures thereon susceptible to more than one and the same ownership, the City will provide two or more separate service stops, as may be required, at the termination of one service connection of ample capacity, and the customer will be required to install,

accordingly, two or more separate service lines. **These costs shall be borne by the customer.**

Section 7. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-10. - Service lines from ~~curb~~ **stop** to premises.

- A. All service lines from the ~~curb~~ **stop** to the premises shall be installed at the expense of the customer and remain an appurtenance of the premises to be supplied and accordingly maintained in proper condition. The service line shall comply with the City's specifications for material and location or otherwise have the City's approval. The service line shall be laid at a minimum depth of 30 inches throughout its length and shall terminate in a brass stop of an approved pattern within the premises, at a point easily accessible to the occupant at all times, for protection against leaks and freezing in piping of the premises and to facilitate repairs thereto.

Section 8. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-12. - Service discontinuance; fees.

- D. A **service re-connection** fee ~~may~~ **will** be charged ~~for turning on water in restoration of service~~ after discontinuance for reasons other than those contained in Subsection C. Should such a service call be required after normal duty hours on weekends or holidays, an after-hour fee will be charged **as listed in the Water Fee Schedule.**

E. The City Manager is hereby authorized to promulgate rules and procedures establishing circumstances and conditions which would permit waiver of the re-connection fee.

F. Service discontinuance is subject to the rules and regulations set forth in the State of Delaware Code, Title 25, Residential Landlord-Tenant Code, Chapter 53.

Section 9. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-13. - Opening and closing valves.

The operation of a service stop or valve is absolutely prohibited to anyone other than an employee of the City in the regular line of duty, ~~except that a regularly licensed plumber will be permitted to operate the same when necessary in conjunction with his proper work on the relevant premises, but he shall invariably leave the stop or valve in the same position as found.~~

Section 10. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-15. - Temporary uses.

- A. Contractors, builders or others will be required to obtain a ~~written permit~~ **water** from the City **at the Public Works Facility or through special metering provisions provided by the City.** ~~before using water for any of their several construction purposes.~~ The City may require a guaranty deposit from contractors and builders.
- B. Water for such purposes shall be paid for at the temporary use fee rate ~~provided for herein~~ **as listed in the Water Fee Schedule.**

Section 11. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-16. - Meters.

- B. All meters, ~~to include the meter box,~~ will be furnished and installed by the City and shall remain the property of the City. They shall be accessible to the City at all reasonable hours and shall be subject to its control exclusively. The City only shall possess the right to determine the style and size of the meter to be installed.
- C. Metered service contemplates the supply of water through an individual service line and meter to each and every occupant of the premises supplied. Where the premises are not adapted for such separate meter installations, in the judgment of the City, one common service line will be permitted and one meter installation will be made accordingly; ~~however, the charge for service may be made on the same basis as if an individual meter were installed for each and every occupant of the premises.~~
- E. Meters will be maintained by the City so far as ordinary wear is concerned, but loss or damage due to freezing, hot water or external causes shall be paid for by the customer. Where hot-water or heating systems or boilers are so constructed that there is a possibility of hot water being forced back through the meter, the customer shall protect the meter by installing a check valve **backflow preventer** on the outlet side of the meter and shall, for his own protection, insert a safety valve in connection with the hot-water or heating system. The City will not be liable for any damage due to the failure of the customer's safety valve.
- F. The ~~charge fee~~ for reinstallation or changing of a meter when removed because of damage not caused by the City shall ~~equal the actual costs to the City for reinstallation~~ **be charged equal to the Meter Installation fee as listed in the Water Fee Schedule.**
- G. Meter accuracy.
 - (1) The City may test or replace a customer meter at any time after notification by the customer that he desires to have his meter tested. **The Customer may request one (1) courtesy meter test every two (2) years. Any request outside the two (2) year period would require the meter testing fee as listed in the Water Fee Schedule.**
 - (2) After receipt of a written request and **meter** testing fee as listed below **in the Water Fee Schedule**, the City will test the accuracy of a customer's meter. If the meter accuracy is within plus or minus 2%, the meter is considered accurate, ~~and~~ the **meter** testing fee shall be retained by the City. If the meter accuracy is not within plus or minus 2%, the meter will be replaced or repaired at the City's expense, and the **meter** testing fee shall be returned to the customer.
- H. **Liability for Tampering. Tampering is expressly forbidden. In the event of the City's meter or other property being tampered or interfered with, the Customer being supplied through such equipment shall pay the amount which the City may estimate is due for Service used but not registered on the City's meter, and for any repairs or replacements required, and such changes in Customer installations as may be required by the City. Furthermore, the Customer may be subject to a utility tampering fee in accordance with the Water Fee Schedule. When the City discovers evidence of tampering, services may be terminated and the police will be notified for possible criminal charges. Upon request and pending police action, the Customer may be reconnected after all applicable fees have been paid.**

Section 12. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-20. - Private fire service.

- B. Approved detector checks with bypass meters may be required by the City on new or existing private fire service lines. The detector check and bypass meter shall be installed by the customer **inside the building** at the customer's expense and maintained by the customer.
- C. Private fire service charges shall be determined by the City according to the rates for private fire hydrants and service lines as given ~~herein~~ **as listed in the Water Fee Schedule.** These charges are compensation for standing ready to serve.

Section 13. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-22. - Bills and payment.

- A. Bills as rendered for any indicated period of service, either special, monthly or quarterly, will show the proper charge therefor as determined by the applicable rate schedule; also, they will show the amount of any abatement or deduction allowed or any fee or additional charge due and payable under the rules and regulations. Bills shall **remain in the property owner's name and shall** be considered as duly rendered when delivered at or mailed to the ~~recorded~~ address ~~of the customer,~~ as provided by ~~him~~ **the owner** for that purpose, ~~or to the premises supplied.~~ Nonreceipt of a bill shall never constitute a waiver thereof. The rates as established shall be an assessment and shall be billed to the owner of the property. All bills for water service are due and payable as indicated on the bill. Late fees for water service, if not paid by the due date, shall be charged beginning the day following the due date.
- F. The appropriate charges listed in the Water Fee Schedule shall be billed and payable not more frequently than monthly and from and after their due date shall constitute a lien upon the real estate serviced by these facilities. Such liens shall have the same priority and superiority as the general tax lien of the City.**

Section 14. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-23. - Vacation or closing of premises.

The customer shall notify the City in the event of vacation of premises or closing the same temporarily, requesting the City to shut off the water. In such case the meter will be read and a bill rendered accordingly; however, at the option of the City shutting off the water, the meter may be removed and the account closed as of that date. Such notification shall be in writing, delivered at the office of the City. **The customer will be charged a re-connection fee for service discontinuance and service restoration as listed in the Water Fee Schedule.**

Section 15. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-27. - Main extensions; public works agreement and aid-in-construction.

- H. All main extensions shall be constructed in public rights-of-way **or designated utility easements conveyed to the City.** The applicant shall grant to the City any easements across his property that are necessary for the main extension or future extensions thereof.
- K. The ~~applicant~~ **owner** shall dedicate and the City will accept by written notification the dedication of any water mains and appurtenances constructed under the main extension as

contained in the public works/utility agreement, provided that the same are installed and tested in compliance with City specifications. **All costs incurred by the City for said testing shall be reimbursed by the owner at a rate of actual cost plus 10%.**

- L. The City reserves the right to construct the main extension on its own, at the applicant's expense. If the City decides to construct the main extension, an estimate of preconstruction costs **including a 10% contingency fee** will be furnished to the applicant for approval and for deposit of the estimated amount. After preconstruction engineering and administrative items are completed, an estimate of construction and related costs will be furnished to the applicant for approval and deposit. After receiving the deposits, the City will proceed with the main extension construction. A tabulation of the total main extension costs will be submitted to the applicant. If the total cost is less than the applicant's total deposits, the City will return any excess moneys deposited. If the total cost exceeds the applicant's deposits, the applicant shall pay the excess amount prior to the receipt of water service.

Section 16. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-29. - Backflow ~~prevention devices.~~

~~A. When, in the opinion of the City, facilities operated within a customer's premises present a potential cross-connection of nonpotable water within the City's water system, the City reserves the right to install a backflow prevention device in accordance with City specifications.~~

A. No customer shall permit any conditions to exist upon premises serves whereby there exists, or in the opinion of the City, could exist a back flow into the mains of the City of non-potable matter, hot or other liquids or any leakage or seepage of such into said main.

B. For prevention of back flow causing loss to both the City and the customer, all connections are required to have a gate valve or ball valve on each side of the meter as an A.S.S.E. approved backflow preventer on the outlet side of the meter of a type approved by the City. It is recommended that a safety valve be installed at some convenient location on the house piping to relieve excess pressure due to heating water.

C. The return of water to the City's system from non-contact equipment (e.g., heat pumps) or any other type of equipment is prohibited. All customers with heat pump, Geo-Thermal systems must install a testable backflow preventer at a location as outlined in this section.

D. Connections to sewers and sewer flushing chambers are prohibited.

~~B. E.~~ The costs of furnishing and installing any backflow prevention device shall be borne by the customer, who shall also retain ownership of it and be responsible for testing and maintaining it. The City reserves the right to require that backflow prevention devices be tested at least once in every twelve-month period.

F. Customer shall be responsible for having all back flow prevention devices inspected by an A.S.S.E certified inspector at installation and tested at regular intervals as required by A.S.S.E. standards. Owner shall maintain installation certificate and testing results for all devices such that the can be provided at the City's request.

Section 17. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-30. - Violations and penalties.

- A. Any person or any officer of any firm or corporation violating any of the provisions of this chapter shall, upon conviction thereof before a District Magistrate, be sentenced to pay a fine of ~~not less than \$25 nor more than \$300, together with costs of prosecution.~~ **as outlined in the Water Fee Schedule.**

Section 18. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-31. - Impact fees.

- A. Definitions. As used in this section, the following terms shall have the meanings indicated: FIXTURE UNIT (FU)-A term having a value equal to 1/6 of a single EDU. Allocation of fixture units for the purpose of establishing a commercial EDU classification under the provisions of this section shall be as follows: **defined in the most recent impact fee ordinance adopted by the Kent County Levy Court.**

Type of Fixture (quantity of one)	Number of Fixture Units
Three-bowl commercial sink	2
Washstand or lavatory	1
Toilet	2
Bath and shower	1
Mop sink or service sink	1
Flush urinal	1
Continuous flush urinal	3
Convenience outlet	1
Domestic dishwasher	1
Commercial dishwasher	4
Drinking fountain	1
Garbage disposal	1
Residential washing machine	1

GPD — Gallons per day.

IMPACT FEE-A one-time fee imposed by the City upon the owner(s) of any new, remodeled, restored or enlarged residential, commercial, institutional or industrial structure or structures or any combination thereof which results in an increased water usage, **including irrigation usage.**

- C. If two or more dwellings, apartments, stores, offices or industrial units are connected through a service line, the impact fee payable ~~under the schedule below~~ **as listed in the Water Fee Schedule** shall be computed as though each such dwelling, apartment, store, office, or industrial unit were a separate property or user with a separate connection to the water.

D. Specific assessment by usage category **shall be defined in the most recent impact fee ordinance adopted by the Kent County Levy Court.**

Usage Category	Total EDUs
Assisted living facilities	1 plus 1 per 2 living units
Bars and lounges	1 plus number of FUs/6
Bus stations and other public depots	1 plus number of FUs/6
Campgrounds and travel trailer parks	1 plus 1 per 2 spaces
Campgrounds and travel trailer parks with waste handling facilities	2 plus number of FUs/space
Car washes with water recycling	1 plus 2 per wash bay
Churches and associated facilities	1 plus number of FUs/6
Churches without associated facilities, such as day cares, schools, rectories, etc., and without food service functions for fundraising and/or any other nonparishioner for profit activities	1 plus number of FUs/12
Convenience store with rest rooms open to the public	1 plus FUs/4
Convention halls and public gathering places	1 plus number of FUs/6
Convention halls and other public gathering places used at a frequency of not more than one event per week and without any for profit activities.	1 plus number of FUs/12
Delicatessen and food take outs	1 plus number of FUs/6
Dormitories	1 plus 1 per 2.5 beds
Drive in food service	1 plus number of FUs/6
Fire stations with associated convention halls used at a frequency of more than one event per week and without any for profit activities	1 plus number of FUs/6
Fraternal and/or civic organizations used at a frequency of not more than once per week (If other commercial activities are operating from these premises, they are treated as separate accounts.)	1 plus number of FUs/9
Hospitals	1 plus 1 per 2 beds
Hotels and motels without restaurants	1 plus 1 per 3 rooms or 1 plus 1 per 2 suites
Laundromat	1 plus 1 per commercial washer* or 1 plus 1 per 2 standard washers*
Marina without boat waste pumping facilities	1 plus number of FUs/6
Marina with boat waster pumping facilities	1 plus number of FUs/6

Municipal buildings	1 plus number of FUs/6
Nursing homes	1 plus 1 per 3 beds
Office buildings with public access	1 plus number of FUs/6
Office buildings without public access	1 plus number of FUs/9
Prisons	1 plus 1 per 2 beds
Restaurants and eating places, with rest rooms	1 plus number of FUs/6
Retail store	1 plus number of FUs/6
Schools without full service kitchen	1 plus 1 per 30 certified students**
Schools without shower facilities	1 plus 1 per 30 certified students**
Schools with full service kitchen or with showers	1 plus 1 per 25 certified students**
Service station with service bays	1 plus number of FUs/6
Service station with wash bays	1 plus number of FUs/4
Warehouse/storage buildings	1 plus number of FUs/9

NOTES:

* — A reduction of 15% will be applied to each subcategory, if an equal number of dryers and washers are offered and multiple types of washers (top loaded and front loaded) are made available.

** — Number of students (design capacity) as certified by the Delaware Department of Education.

E. EDUs assigned to establishments not covered ~~above~~ **by the Kent County Ordinance** shall assure that each establishment, in the opinion of the City Engineer, is given an assignment of EDUs compatible with its use of the City water system. The applicant shall submit a special EDU request for the planned water capacity needed.

G. Existing structures destroyed or demolished will not be charged an impact fee for the reconstruction, provided that the replacement structure has the same or lower EDU count and occurs within 24 months of the demolition. If the EDU calculation results in an increase in service, then a pro rata fee will be charged on the change in EDUs.

~~G.~~ **H.** If a developer proposes a new development with an average daily flow of 2,500 gpd or more, to connect to the City's water infrastructure (i.e., transmission lines, and/or other related appurtenances), but the infrastructure is not sized to handle both the peak daily demand and/or fire flows from the existing users of the drainage basin and the proposed new development, the developer shall perform one of the following in addition to the payment of the impact fees:

- (1) Construct the necessary improvements to accommodate the existing users and the new proposed development, prior to connecting; or
- (2) Sign a public works agreement stating that the necessary improvements will be constructed in accordance with the terms and conditions outlined in said agreement.

H. I. Impact fee schedule. Fees will be automatically adjusted on an annual basis as follows: **as listed in the Water Fee Schedule.**

Effective Date	Impact Fee Per EDU
	\$1,845
August 1, 2008	\$1,919
July 1, 2009	\$1,996
July 1, 2010	\$2,075
July 1, 2011	\$2,158
July 1, 2012	\$2,245
July 1, 2013	\$2,335
July 1, 2014	\$2,428
July 1, 2015	\$2,525
July 1, 2016	\$2,626
July 1, 2017	\$2,731
July 1, 2018	\$2,840
July 1, 2019	\$2,954
July 1, 2020	\$3,072
July 1, 2021	\$3,195
July 1, 2022	\$3,323
July 1, 2023	\$3,456
July 1, 2024	\$3,594
July 1, 2025	\$3,738
July 1, 2026	\$3,887
July 1, 2027	\$4,043

Section 19. The following text is hereby removed as indicated by strikethrough and is hereby added as indicated by underline and bold:

§ 222-32. - Wells.

B. Upon the issuance of a permit by the City ~~State of Delaware~~, the following types of wells are allowed to be installed, constructed, developed, maintained and used within the City limits and/or the area served by the City's water system.

(2) Agricultural wells on properties of ~~three~~ two or more acres. (The intended use of agricultural wells in the City of Milford is for irrigation of open space, public grounds, school grounds, parks and recreational playing fields.)

(6) Pond fill wells for maintaining water levels within a wet storm management pond within a subdivision.

Section 20. Dates:

City Council Introduction: 02/11/2019

Adoption: 02/19/2019

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.

**CITY OF MILFORD
RESOLUTION 2019-01
WATER FEE SCHEDULE**

Now, Therefore, be it Resolved, the following resolution was adopted by majority vote of City Council on March 11, 2019:

MONTHLY BILLING FEES			
<i>Description</i>		<i>Fee</i>	
Usage Fee; Residential; In-City Users	0 gallons of metered water	\$3.25 per month	
	1-4,000 gallons of metered water consumption	\$3.25 per 1,000 gallons, per month	
	4,001-8,000 gallons of metered water consumption	\$3.50 per 1,000 gallons, per month	
	Over 8,000 gallons of metered water consumption	\$4.00 per 1,000 gallons, per month	
Usage Fee; Residential Out-of-City Users	0 gallons of metered water	\$3.25 per month	
	1-4,000 gallons of metered water consumption	\$4.88 per 1,000 gallons, per month	
	4,001-8,000 gallons of metered water consumption	\$5.25 per 1,000 gallons, per month	
	Over 8,000 gallons of metered water consumption	\$6.00 per 1,000 gallons, per month	
Usage Fee; Commercial	1" meter	Up to 10,000 gallons	\$32.50 per month
		10,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	1.25" meter	Up to 15,000 gallons	\$48.75 per month
		15,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	1.5" meter	Up to 25,000 gallons	\$81.25 per month
		25,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	2" meter	Up to 50,000 gallons	\$162.50 per month
		50,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	3" meter	Up to 125,000 gallons	\$406.25 per month
		125,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	4" meter	Up to 300,000 gallons	\$975.00 per month
		300,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	6" meter	Up to 800,000 gallons	\$2,600.00 per month
		800,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	8" meter	Up to 1.2M gallons	\$3,900.00 per month
		1.21M-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
10" meter	Up to 1.6M gallons	\$5,200.00 per month	
	1.61M-31M gallons	\$2.60 per 1,000 gallons, per month	
	Over 31M gallons	\$3.25 per 1,000 gallons, per month	
12" meter	Up to 2M gallons	\$6,500.00 per month	
	2.1M-31M gallons	\$2.60 per 1,000 gallons, per month	

	Over 31M gallons	\$3.25 per 1,000 gallons, per month
Temporary Water Usage Fee		\$50.00 per day, plus \$4.00 per 1,000 gallons, per month
Fire Line/Hydrant, Private	Availability Fee	\$15.00 per month
Late Monthly Utility Payment Fee		1.50% per month
Water Tampering Fee		\$250.00 per occurrence
Water Account Set Up Fee		\$50.00 each
Water Service Re-connection Fee		
Service Call; during normal business hours		\$50.00 per occurrence
Service Call; after normal business hours		\$100.00 per occurrence
Water Meter Testing Fee		\$100.00
PERMITTING FEES		
<i>Description</i>		<i>Fee</i>
Water Tap/Connection Permit		\$10.00
Water Tap/Connection Fee		Actual City cost
Water Line Installation Fee		Actual City cost, plus 10%
Water Line Inspection Fee		\$35.00
Water Line Re-inspection Fee		\$50.00
Water Meter Fee	Residential, 1"	\$200.00
	Commercial, 1"	\$350.00
	Over 1"	Calculated on individual basis
Water Meter Installation Fee		\$35.00
Fire Line	2" line size	\$2,500
	4" line size	\$3,000
	6" line size	\$3,500
	8" line size	\$4,000
	10" line size	\$6,000
Impact Fee, City	July 1, 2018	\$2,840 per EDU
	July 1, 2019	\$2,954 per EDU
	July 1, 2020	\$3,072 per EDU
	July 1, 2021	\$3,195 per EDU
	July 1, 2022	\$3,323 per EDU
	July 1, 2023	\$3,456 per EDU
	July 1, 2024	\$3,594 per EDU
	July 1, 2025	\$3,738 per EDU
	July 1, 2026	\$3,887 per EDU
July 1, 2027	\$4,043 per EDU	
Impact Fee, Irrigation		\$2,840 per connection
MISC FEES		
<i>Description</i>		<i>Fee</i>
Penalties & Fines		Not less than \$50 nor more than \$1,000 plus cost of prosecution

Be it further Resolved, that to remain consistent with the effective date of Ordinance 2019-01, Resolution 2019-01 shall become EFFECTIVE MARCH 21, 2019.

CITY OF MILFORD
PUBLIC NOTICE

ORDINANCE 2019-02
CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
CHAPTER 185-SEWERS

WHEREAS, the City of Milford provides sewer services to its customers within City limits and to some customers outside the City limits; and

WHEREAS, the City of Milford has previously adopted sewer regulations and established rates; and

WHEREAS, the City's Public Works Staff proposed changes to the Code, that include additional definitions, reference Kent County Delaware's code when applicable, move fees, rates and fines from the Chapter and create a new Resolution for them, increase fines, increase inspection fees and installation fees, and add service line specifications and permit requirements; and

WHEREAS, City Council found that the updated provisions are in the best interest of the health, safety, convenience and general welfare of the citizens of the City.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1.

Chapter 185 is hereby amended by deleting language indicated by strikethrough and adding language shown in bold and underlined.

Section 2.

§ 185-2. - Definitions and word usage.

CITY MANAGER-The duly appointed or designated chief administrative officer of the City.

CITY STANDARDS – Construction standard specifications as approved by the City Manager.

CLEANOUT - A capped vertical pipe installed on the sewer lateral service between the building and the main for accessing the sewer line to remove blockages. The cleanout is typically installed at the right-of-way or appropriate property line denoting the extents of the City's maintenance responsibilities. In cases where a cleanout is not present, the limits of the City's maintenance responsibilities shall be the right-of-way or appropriate property line. The City is not responsible for maintenance of any sewer lateral connections on private property.

KENT COUNTY – See Kent County Sewer System

~~PH—The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.~~

Section 3.

§ 185-3. - Use of public sewers.

- B. ~~No~~ **It shall be unlawful for any** person shall discharge or cause to be discharged any stormwater, surface water, groundwater, roof runoff, subsurface drainage, cooling water or unpolluted industrial process waters to any sewerage designated by the ~~Council~~ **City** as a sanitary sewer. Stormwaters and all other unpolluted drainage shall be discharged to such sewers as are designated as combined sewers or storm sewers by the ~~Council~~ **City** or to a natural outlet as approved by the ~~Council~~ **City**. Industrial cooling water and air-conditioning water may be discharged, upon approval of a DNREC permit, to a storm sewer or natural outlet.
- C. ~~No~~ **It shall be unlawful for any** person shall discharge or cause to be discharged into the **City sewer system** ~~any of the following described sanitary sewage or industrial wastes into the City sewer system~~ **that are prohibited per the Kent County Code, Chapter 180, originally adopted in April of 1976, as amended.:**
- ~~(1) Any liquid or vapor having a temperature of higher than 150° F.~~
 - ~~(2) Any water or waste which may contain more than 100 parts per million, by weight, of fat, oil or grease.~~
 - ~~(3) Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.~~
 - ~~(4) Any solid wastes resulting from the processing or preparation, cooking and dispensing of food or from the processing, storage, and sale of produce, which wastes are commonly considered as constituting garbage and which have not been ground or shredded to the degree of fineness as would be accomplished by a household type garbage disposal unit.~~
 - ~~(5) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, cotton, wood, paunch manure or other solids or viscous substance capable of causing obstruction to the flow in sewers or other interference with proper operation of the sewage works.~~
 - ~~(6) Any waters or wastes having a pH lower than 6.0 or higher than 9.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment or personnel of the sewage works.~~
 - ~~(7) Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the receiving waters of the sewage treatment plant. Toxic wastes shall include wastes containing cyanide, copper and/or chromium ions.~~
 - ~~(8) Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant.~~
 - ~~(9) Any noxious or malodorous gas or substance capable of creating a public nuisance.~~
 - ~~(10) Any hazardous or explosive substances threatening public safety and health.~~
- D. Review by City and county officials.
- (1) The admission into the City sewer system of any sanitary sewage or industrial wastes having a five-day biochemical oxygen demand (BOD) greater than 200 parts per million by weight or containing suspended solids of more than 300 parts per million by weight or a chlorine demand in excess of 15 parts per million or having more than minimal quantities of the substances defined in Subsection C above **the Kent County Code,**

Chapter 180, originally adopted in April of 1976, as amended, shall be subject to the review and approval of the City and Kent County Engineer's offices.

- (2) Where necessary, in the opinion of the Kent County Engineer's office, to reduce the BOD, suspended solids, chlorine demand or the objectionable characteristics as proscribed herein ~~and in Subsection C,~~ the county may require the person discharging such sanitary sewage or industrial wastes to provide, at his own expense, such preliminary treatment as may be necessary to conform the effluent to the standards herein specified.

Section 4.

§ 185-4. - Methods of measuring volume and concentration.

- B. Whenever a person purchasing water from the City of Milford and discharging sanitary sewage or industrial waste into the City sewer system also discharges unpolluted cooling water to either a separate storm sewer or other outlet, an allowance for the amount of water so discharged shall be made in computing the sewer charges. The person so discharging cooling water shall, at his own expense, install a meter or meters, as required, to indicate accurately to the satisfaction of the ~~Council~~ **City** the amount of water claimed as a credit.
- C. Whenever a person using a private water supply discharges sanitary sewage or industrial wastes to the City sewer system, the charges for such discharge shall be in accordance with the schedule of rates set forth in Article II. Such person, however, either shall install, at his expense, a water meter or meters as may be required to measure the total volume of water used on the premises or shall install, at his expense, a meter on the sewer line leaving the premises so as to measure the entire flow of waste discharged to the City sewer system.
- (1) No meter for measurement either of the water or sewage shall be installed until a plan for such installation is submitted to the ~~Council~~ **City** and approved as satisfactory. All meters or other measuring devices installed or required to be used under the provision of this article shall be under the control of the ~~Council~~ **City**.
- D. The ~~Council~~ **City** shall be responsible for the reading of water and/or sewage meters when installed. Where, in the opinion of the ~~Council~~ **City**, it is not necessary to install a meter, measurements of the discharge to the sewer shall be made quarterly by the City, and the measurements so made shall be used for determining the sewer charge for that quarter. Any person dissatisfied with the sewer rate so determined may, at his own cost, install a meter or meters as provided by Subsection C.

Section 5.

§ 185-5. - Surcharge.

- B. Whenever, in the opinion of the ~~Council~~ **City**, it becomes necessary to impose a surcharge on owners discharging into the City sewer system effluent exceeding the characteristics of normally treatable sanitary sewage or industrial wastes, in order to defray the costs of treatment charged to the City by the Kent County Disposal District No. 1, the ~~Council~~ **City** may add to the quarterly rates charged to such owners a surcharge computed in accordance with the following formulas: **applicable sections of the Kent County Code, originally adopted April of 1976, as amended.**
- (1) ~~Flow in million gallons per quarter, times 8.34, times (BOD minus 300), times \$0.0125 per pound.~~

~~(2) Flow in million gallons per quarter, times 8.34, times (total suspended solids minus 300), times \$0.0125 per pound.~~

Section 6.

§ 185-6. - Analysis of sample wastes.

- A. The ~~Council~~ **City** may provide for the collection and analysis of samples of industrial wastes as a basis for determination of whether additional charges should be made for excessive BOD, suspended solids or oxygen demand. Representative samples for a full working day shall be taken at hourly intervals during a normal working day, or during the peak season if the industry being sampled is of a seasonal nature, and such samples shall be composited in accordance with the flow at the time of sampling.
- C. When required by the ~~Council~~ **City**, the owner of any property discharging industrial waste to the City sewer system shall install a suitable control manhole in the sewer to facilitate observation, sampling, and measurement of the waste. Such manhole, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by the ~~Council~~ **City**. The manhole shall be installed by the owner, at his expense, and shall be maintained by him so as to be safe and accessible at all times.
- D. The ~~Council~~ **City** and/or its duly authorized representatives shall at all reasonable times be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of this article.
- F. No statement contained in this article shall be construed as preventing any special arrangement or agreement between the ~~Council~~ **City** and/or Kent County Disposal District No. 1 and any person whereby an industrial waste of unusual strength or character may be accepted by them for treatment, subject to payment therefor by the person concerned.

Section 7.

§ 185-8. - Failure to comply.

In the event that any person shall fail or refuse, upon receipt of written notice from the ~~Council~~ **City**, to remedy any unsatisfactory condition within 60 days, then the ~~Council~~ **City** may refuse to permit said person to discharge his sewage into the municipal sewer system until the order of the ~~Council~~ **City** in this respect shall have been fully complied with.

Section 8.

§ 185-9. - Violations and penalties.

For violation of this article, the penalties as set forth in ~~§ 185-21~~ **the Sewer Fee Schedule** shall apply.

Section 9.

ARTICLE II - Rates and Regulations

§ 185-10. - Schedule of rates and charges.

The Council has the authority to establish sewer rates and charges set forth in the ~~following~~ **Sewer Fee Schedule**. Said fees shall be collected from the customers of the sewer system under the operation of the City of Milford. The rates and regulations shall be reviewed on an annual basis and adjusted as necessary. Each user of the wastewater facilities will be notified annually of effective user charge rates either by mail or advertisement in a paper of general circulation within the City of Milford.

- ~~A. Rate schedule based on metered water consumption.~~
- ~~(1) City service rate:~~
 - ~~(a) Zero to 1,000 gallons: \$10 minimum per month.~~
 - ~~(b) Over 1,000 gallons: \$2.78 per 1,000 gallons.~~
 - ~~(2) County service rate. This fee is an adjustable sewer charge for sewage treatment performed by the Kent County Disposal District No. 1. It will be adjusted annually to the actual billing and flow documented by Kent County. This rate will be charged to each customer based on total water meter consumption recorded.~~
- ~~B. Rate schedule based on metered sewage flows.~~
- ~~(1) City service rate:~~
 - ~~(a) Zero to 1,000 gallons: \$10 minimum per month.~~
 - ~~(b) Over 1,000 gallons: \$2.78 per 1,000 gallons.~~
 - ~~(2) County service rate. This fee is an adjustable sewer charge for sewer treatment performed by the Kent County Disposal District No. 1. It will be adjusted annually to the actual billing and flow documented by Kent County. This rate will be charged to each customer based on total metered sewage flow recorded up to the average of the four quarters immediately preceding the effective date of this chapter. The rate is set by Kent County.~~
- ~~C. Industrial incentive rate. The rate for the flow exceeding the established average as defined above shall be the county service rate per 1,000 gallons in effect at the time.~~
- ~~D. Out of City surcharge. Wastewater facility charges to out of City customers shall be at a rate of 1.5 times the in City user rate established by the City unless special services agreements are executed between the City of Milford and the customer.~~

Section 10.

§ 185-13. - Application for sewer service.

- C. The customer shall obtain a connection permit and pay the connection fee therefor, in accordance with the ~~rates and charges specified herein~~ **fees listed in the Sewer Fee Schedule.**
- D. Fees.
 - (1) Connection fee. The purpose of the sewer connection fee is to establish a means to recover the City's cost of tapping mains and installing service lines in public rights-of-way. The City reserves the right to perform the connection to existing mains and install service lines **at actual cost to the City**, however, it is the property owner's responsibility to obtain a licensed contractor to perform this work. **Such fees shall be paid to the City prior to the issuance of a certificate of occupancy.**

Section 11.

§ 185-15. - Connection required.

- B. Improved property not connected to the sewer system shall be subject to the minimum sanitary sewer charge beginning with the quarter ~~next~~ following from the time the sewer system is available to the property, whether or not the property is connected to the system.
- C. The City will inspect all connections to its mains, extensions of main sewer lines and installation of all service lines from the main to the curb. **Cost for City inspection services shall be as outlined in the Sewer Fee Schedule. The Obtaining a licensed contractor and the cost of all construction shall be the responsibility of the customer. In the instance when**

the connections are installed by the City, the cost to the customer shall be as outlined in the Sewer Fee Schedule. When a customer, for his own convenience, desires a change in the location of an existing sewer line and when such change involves extension, relocation or abandonment of a main sewer line, the actual cost of the work shall be borne by the customer **as per the Sewer Fee Schedule.** Each house or other dwelling place must be serviced through an individual connection. Buildings containing apartments or commercial establishments shall be serviced by one service line to the main.

- D. Connections at curblines. All connections to the sewer shall be made at the end of the lateral at the curblines. Y-branches or Ts will be placed in the mains as constructed or to be constructed, and laterals will be extended to the curb or property line at all improved properties at an appropriate location; but in the event that laterals and connections to the now existing or future sewer system are necessary at locations other than at points where laterals have been placed, such laterals will be constructed by the customer and inspected by the City, upon written application to the City, but only after the inspection fee ~~prescribed by the previous § 185-13~~ **as outlined in the Sewer Fee Schedule** has been paid.
- F. It is the duty of the owner to cause the buildings erected on his premises requiring sewage drainage to be connected therewith at his own expense and subject to the payment of the connection fee and ~~the annual sewer rental~~ **all usages fees** for the use of the same. Upon failure of any such owner to comply with the requirements of a connection notice issued by the City, together with a copy of this article, and if the City Council shall deem it necessary for the preservation of public health, the City Manager shall cause such connection to be made at the expense of the owner, who shall thereupon become subject to a penalty or fine as ~~hereinafter provided~~ **outlined in the Sewer Fee Schedule.**
- G. Cleanout required. ~~When the length of a house connection is in excess of 100 feet, or if it is required by the City Manager or his duly authorized representative, a cleanout shall be installed adjacent to the connection with the building.~~ **It is the duty of the owner to cause a cleanout to be installed on all newly constructed and repaired existing lines as set forth in the City Standards. In existing homes where no cleanout is present, it shall be the owner's responsibility to clear any blockages and maintain service lines from the structure to the City's main sewer line.**
- H. Permit required for repair. When necessary or advisable to make any alteration or repair to any lateral or ~~house~~ connection already in place, application shall be made to the City for a permit, in the same manner as for new connections.

Section 12.

§ 185-16. - Separate connections; private sewers.

- A. Every building must have its connection to the ~~conveying sewer line in the street~~ **City cleanout at the property line** or public way in which said sewer is laid.
- B. **An industrial or commercial establishment having two or more buildings may construct its own trunk sewer to serve said buildings by connecting each building separately to that trunk line and connecting the trunk to the main sewer, provided that such private sewer system has been inspected and approved by the City and that a plan suitable for permanent record has been furnished the City. All private sewers shall be maintained and repaired at the expense of the owner of the premises served thereby, subject to the direction, inspection and approval of the City.**

~~B.~~ **C.** Separate house sewers required. A separate house sewer will be required for each individual building or house, whether constructed as a detached unit or as one of a pair or row, but a single house sewer ~~will~~ **may** be permitted to serve an apartment house or other permanent multiple-unit structure.

Section 13.

§ 185-17. - Bills and payment.

A. Bills as rendered for any indicated period of service, either special, monthly or quarterly, will show the proper charge therefor as determined by the applicable **Sewer Fee Schedule**; also, they will show the amount of any abatement or deduction allowed or any fee or additional charge due and payable under the rules and regulations. Bills shall be considered as duly rendered when delivered at or mailed to the recorded address of the customer, as provided by him for that purpose, or to the premises supplied. Nonreceipt of a bill shall never constitute a waiver thereof. The rates as established shall be an assessment and shall be billed to the owner of the property. All bills for sewer service are due and payable as indicated on the bill. Late fees for sewer service, if not paid by the due date, shall be charged beginning the day following the due date.

B. The City Manager is hereby authorized to promulgate rules and procedures establishing circumstances and conditions which would permit waiver of the late fees.

Section 14.

§ 185-18. - ~~Special treatment for~~ **Objectionable** discharges.

F. Installation of grease traps. All hotels, restaurants, boardinghouses or other public eating places shall install adequate grease traps in their system of plumbing or piping. The type and size shall be approved by the ~~City Manager or his designated representative~~ **State Health Department**. Such grease traps shall be cleaned at frequent intervals to prevent grease from entering the sewer system.

Section 15.

§ 185-20. - Remedy by City upon noncompliance.

Should any person or persons refuse, neglect or fail to comply with any of the terms, provisions and requirements of this article or with any notice given in conformity with or pursuant to the provisions hereof, then the City Manager is empowered and directed to engage all labor and to furnish all materials necessary or required to comply with said notice. The cost and expenses thereof, together with 10% added thereon as a penalty, and including all delinquent sewer service charges and penalties, as provided in ~~§ 185-10A and B of this article~~ **Sewer Fee Schedule**, shall be and remain a lien for 10 years from the date of assessment of such charge. Such lien shall have priority over any other lien, encumbrance or conveyance, even though such other lien or liens may be of a date prior to the time of attaching of this lien. The City Manager shall have the same authorities, remedies and powers with respect to the collection of this charge as are provided for the collection of taxes.

Section 16.

§ 185-21. - Violations and penalties.

A. The owner or owners who shall fail, neglect or refuse to comply with or who shall violate the terms, requirements and conditions of this article or of any notice as aforesaid shall, upon

conviction before the District Magistrate, be sentenced to pay a fine of not less than \$50 nor more than \$500, together with costs of prosecution **as outlined in the Sewer Fee Schedule.**

Section 17.

ARTICLE III - Sewer Impact Fee

§ 185-23. - Definitions.

FIXTURE UNIT (FU) — A term having a value equal to 1/6 of a single EDU. Allocation of fixture units for the purpose of establishing a commercial EDU classification under the provisions of this article shall be as follows: **defined in the most recent impact fee ordinance adopted by the Kent County Levy Court.**

Type of Fixture (quantity of one)	Number of Fixture Units
Three bowl commercial sink	2
Washstand or lavatory	1
Toilet	2
Bath or shower	1
Mop sink or service sink	1
Flush urinal	1
Continuous flush urinal	3
Convenience outlet	1
Domestic dishwasher	1
Commercial dishwasher	4
Drinking fountain	1
Garbage disposal	1
Residential washing machine	1

Section 18.

§ 185-24. - Impact fee established.

- A. Prior to the issuance of a certificate of occupancy by the Code Official or other duly authorized representative, all developers or owners of newly constructed structures requiring sanitary sewer service shall pay the applicable impact fee per EDU to the City of Milford. The City reserves the right to bar occupancy of any such structure and withhold sanitary sewer service until such time as the aforementioned fee is paid in full. The fee per EDU as shown on the following schedule **outlined in the Sewer Fee Schedule** shall represent the impact fee to be used for construction, maintenance and expansion of the City's wastewater system.
- B. Impact fees shall be in accordance with the following schedule **Sewer Fee Schedule**.
 - (1) — The schedule shall be reviewed annually by the Mayor and Council and may be adjusted to incorporate revisions as necessary.
- C. — Impact fee schedule. Fees will be automatically adjusted on an annual basis as follows:

Effective Date	Impact Fee Per EDU
	\$975
August 1, 2008	\$1,014
July 1, 2009	\$1,055
July 1, 2010	\$1,097
July 1, 2011	\$1,141
July 1, 2012	\$1,186
July 1, 2013	\$1,234
July 1, 2014	\$1,283
July 1, 2015	\$1,334
July 1, 2016	\$1,388
July 1, 2017	\$1,443
July 1, 2018	\$1,501
July 1, 2019	\$1,561
July 1, 2020	\$1,623
July 1, 2021	\$1,688
July 1, 2022	\$1,756
July 1, 2023	\$1,826
July 1, 2024	\$1,899
July 1, 2025	\$1,975
July 1, 2026	\$2,054
July 1, 2027	\$2,136

D.— Specific assessment by usage category.

Usage Category	Total EDUs
Assisted-living facilities	1 plus 1 per 2 living units
Bars and lounges	1 plus number of FUs/6
Bus stations and other public depots	1 plus number of FUs/6
Campgrounds and travel trailer parks	1 plus 1 per 2 spaces
Campgrounds and travel trailer parks with waste handling facilities	2 plus number of FUs/space
Car washes with water recycling	1 plus 2 per wash bay
Churches and associated facilities	1 plus number of FUs/6

Churches without associated facilities, such as day cares, schools, rectories, etc., and without food service functions for fundraising and/or any other nonparishioner for profit activities	1 plus number of FUs/12
Convenience store with rest rooms open to the public	1 plus number of FUs/4
Convention halls and public gathering places	1 plus number of FUs/6
Convention halls and other public gathering places used at a frequency of not more than one event per week and without any for profit activities.	1 plus number of FUs/12
Delicatessen and food take-outs	1 plus number of FUs/6
Dormitories	1 plus 1 per 2.5 beds
Drive-in food service	1 plus number of FUs/6
Fire stations with associated convention halls used at a frequency of more than one event per week and without any for profit activities	1 plus number of FUs/6
Fraternal and/or civic organizations used at a frequency of not more than once per week (If other commercial activities are operating from these premises, they are treated as separate accounts.)	1 plus number of FUs/9
Hospitals	1 plus 1 per 2 beds
Hotels and motels without restaurants	1 plus 1 per 3 rooms or 1 plus 1 per 2 suites
Laundromat	1 plus 1 per commercial washer* or 1 plus 1 per 2 standard washers*
Marina without boat waste pumping facilities	1 plus number of FUs/6
Marina with boat waste pumping facilities	1 plus number of FUs/6
Municipal buildings	1 plus number of FUs/6
Nursing homes	1 plus 1 per 3 beds
Office buildings with public access	1 plus number of FUs/6
Office buildings without public access	1 plus number of FUs/9
Prisons	1 plus 1 per 2 beds
Restaurants and eating places, with rest rooms	1 plus number of FUs/6
Retail store	1 plus number of FUs/6
Schools without full-service kitchen	1 plus 1 per 30 certified students**

Schools without shower facilities	1 plus 1 per 30 certified students**
Schools with full-service kitchen or with showers	1 plus 1 per 25 certified students**
Service station with service bays	1 plus number of FUs/6
Service station with wash bays	1 plus number of FUs/4
Warehouse/storage buildings	1 plus number of FUs/9

NOTES:

* A reduction of 15% will be applied to each subcategory, if an equal number of dryers and washers are offered and multiple types of washers (top loaded and front loaded) are made available.

** Number of students (design capacity) as certified by the Delaware Department of Education.

E. EDUs assigned to establishments not covered above shall assure that each establishment, in the opinion of the City Engineer, is given an assignment of EDUs compatible with its use of the City water system. The applicant shall submit a special EDU request for the planned capacity needed.

F. C. No exemptions or abatements from the assessment of sewer impact fees shall be granted without the approval of City Council. Refer to Chapter 19, Economic Development and Redevelopment, for specific economic development incentive programs.

Section 19. Dates:

City Council Introduction: 02/11/2019

Adoption: 02/19/2019

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.

**CITY OF MILFORD
RESOLUTION 2019-02
SEWER FEE SCHEDULE**

Now, Therefore, be it Resolved, the following resolution was adopted by majority vote of City Council on March 11, 2019:

MONTHLY BILLING FEES		
<i>Description</i>		<i>Fee</i>
Usage Fee; In-City Users	0-1,000 gallons of metered water consumption	\$10.00 per month
	Over 1,000 gallons of metered water consumption	\$2.78 per 1,000 gallons per month
	Kent County Sewer Treatment	As determined by Kent County per month
Usage Fee; Out-of-City Users	0-1,000 gallons of metered water consumption	\$15.00 per month
	Over 1,000 gallons of metered water consumption	\$4.17 per 1,000 gallons per month
	Kent County Sewer Treatment	As determined by Kent County per month
Late Monthly Utility Payment Fee		1.50% per month
PERMITTING FEES		
<i>Description</i>		<i>Fee</i>
Sewer Utility Permit		\$10.00
Sewer Tap/Connection Fee		Actual City cost
Sewer Inspection Fee		\$35 per inspection
Sewer Re-inspection Fee		\$50.00 per inspection
Impact Fee, Kent County	As determined by Kent County	Per EDU
Impact Fee, City	July 1, 2018	\$1,501 per EDU
	July 1, 2019	\$1,561 per EDU
	July 1, 2020	\$1,623 per EDU
	July 1, 2021	\$1,688 per EDU
	July 1, 2022	\$1,756 per EDU
	July 1, 2023	\$1,826 per EDU
	July 1, 2024	\$1,899 per EDU
	July 1, 2025	\$1,975 per EDU
	July 1, 2026	\$2,054 per EDU
	July 1, 2027	\$2,136 per EDU
MISC FEES		
<i>Description</i>		<i>Fee</i>
Penalties & Fines		Not less than \$100 nor more than \$1,000 plus cost of prosecution

Be it further Resolved, that to remain consistent with the effective date of Ordinance 2019-02, Resolution 2019-02 shall become EFFECTIVE MARCH 21, 2019.



DATA SHEET FOR YODER PROPERTIES, LLC

Planning Commission Meeting: February 19, 2019

City Council Meeting: February 25, 2019

Application Number / Name	:	19-001 / Yoder Properties, LLC
Applicant	:	Yoder Properties, LLC 10222 Woodyard Road Greenwood, DE 19950
Owner	:	Same
Application Type	:	Conditional Use
Present Comprehensive Plan Map Designation	:	Low Density Residential
Present Zoning District	:	R-2 (Residential District)
Present Use	:	Vacant
Proposed Use	:	Single-family Semi-detached
Size and Location	:	0.228 +/- acres of land located along the north side of SE Second Street between Fisher Avenue and Charles Street. Addressed as 703 & 705 SE Second Street.
Tax Map & Parcel	:	3-30-7.17-213.00

ENC: Staff Analysis Report
Exhibit A – Location & Zoning Map
Exhibit B – Property Survey



STAFF REPORT
January 2, 2019

Application Number / Name	:	19-001 / Yoder Properties, LLC
Present Comprehensive Plan Designation	:	Low Density Residential
Present Zoning District	:	R-2 (Residential District)
Present Use	:	Vacant
Proposed Use	:	Single-family Semi-detached
Tax Map & Parcel	:	3-30-7.17-213.00
Size and Location	:	0.228 +/- acres of land located along the north side of SE Second Street between Fisher Avenue and Charles Street. Addressed as 703 & 705 SE Second Street.

I. BACKGROUND INFORMATION:

- The applicant proposes to subdivide a parcel of land into two parcels for the construction of a single-family semi-detached dwelling. The property formerly contained a two-family dwelling which was demolished in 2017.
- According to Chapter 230-10(C), single-family semidetached dwellings are considered a conditional use subject to approval of a conditional use permit from City Council.
- The minor subdivision required variances from the minimum lot width requirement for a duplex along with an exceedance of the maximum lot coverage. The applicant requested a reduction of the lot width for Lot A from 40 feet to 34.53. The applicant requested permission to increase the lot coverage of Lot A from 30% to 37.06% and to increase the lot coverage of Lot B from 30% to 37.53%. These variance requests were reviewed by the Board of Adjustment at the February 14, 2019 meeting.

II. STAFF ANALYSIS:

Based on the information presented, the City of Milford Code, and the Comprehensive Plan, staff submits the following regarding the request for the Conditional Use application:

- Other than the lot width and maximum lot coverage variances outlined above, the proposed minor subdivision meets the requirements of Chapter 230 Zoning and Chapter 200 Subdivision of Land. The minor subdivision will be reviewed administratively per Chapter 200 upon decision from City Council regarding the Conditional Use application.
- Separate utility services will be provided for each dwelling unit as shown on the provided utility plan. The utility plan has been reviewed and approved by the City Engineer.
- The applicant will be required to replace sidewalk sections that are in poor or failing condition prior to the issuance of a certificate of occupancy.
- Evaluation based on the criteria found under Chapter 230-48 Conditional Uses.

A. The presence of adjoining similar uses.

As shown on the attached zoning and location map, the property is surrounded on all sides by properties zoned R-2. There are a few parcels zoned C-1 Neighborhood Commercial one block west of the subject parcel. The adjacent parcel to the west contains a two family dwelling, and there are three other two family dwellings within 200 feet of the subject parcel. Only one of the four two-family dwellings is a traditional side by side duplex, while the other three are single-family detached structures converted into two units.

B. An adjoining district in which the use is permitted.

The proposed use is permitted by conditional use within the R-2 and permitted by-right in the R-3 & R-8 zoning districts.

C. There is a need for the use in the area proposed as established by the Comprehensive Plan.

The Comprehensive Plan designates this area as Low Density Residential, which is intended to provide residential housing options in the forms of detached and semi-detached product. The proposed use would be appropriate based on the Comprehensive Plan.

D. There is sufficient area to screen the conditional use from adjacent different uses.

The proposed use is residential and is surrounded by other residential uses. Screening would not be required.

- E. The use will not detract from permitted uses in the district.

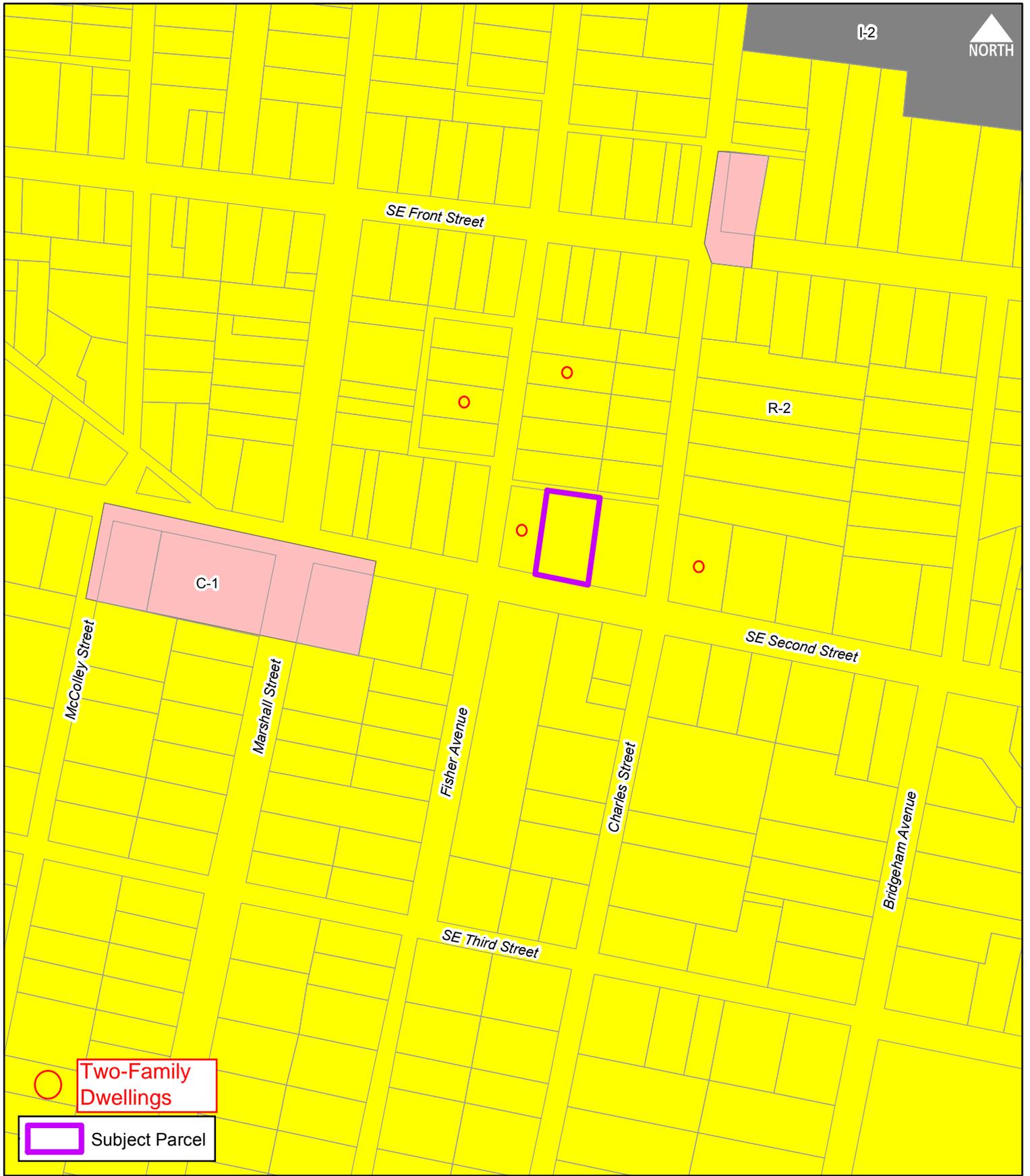
The subject parcel is located in an existing residential neighborhood and is surrounded by older single-family detached and two-family dwellings. There are four two-unit dwellings within 200 feet of the subject property, two of which are on SE Second Street while the other two are on Fisher Avenue. Only one of the four two-family dwellings is a traditional side by side duplex, while the other three are single-family detached structures converted into two units.

- F. Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

The site is located in an existing residential area along a State maintained major collector road. Driveways will be installed along the alleyway to the rear of the property and DelDOT entrance permits will not be needed. No screening is necessary since adjacent parcels contain similar low density residential uses.

III. AGENCY COMMENTS:

- DelDOT – No comments solicited
- Sussex Conservation District – No comments solicited
- State Fire Marshal – No comments solicited



○ Two-Family Dwellings

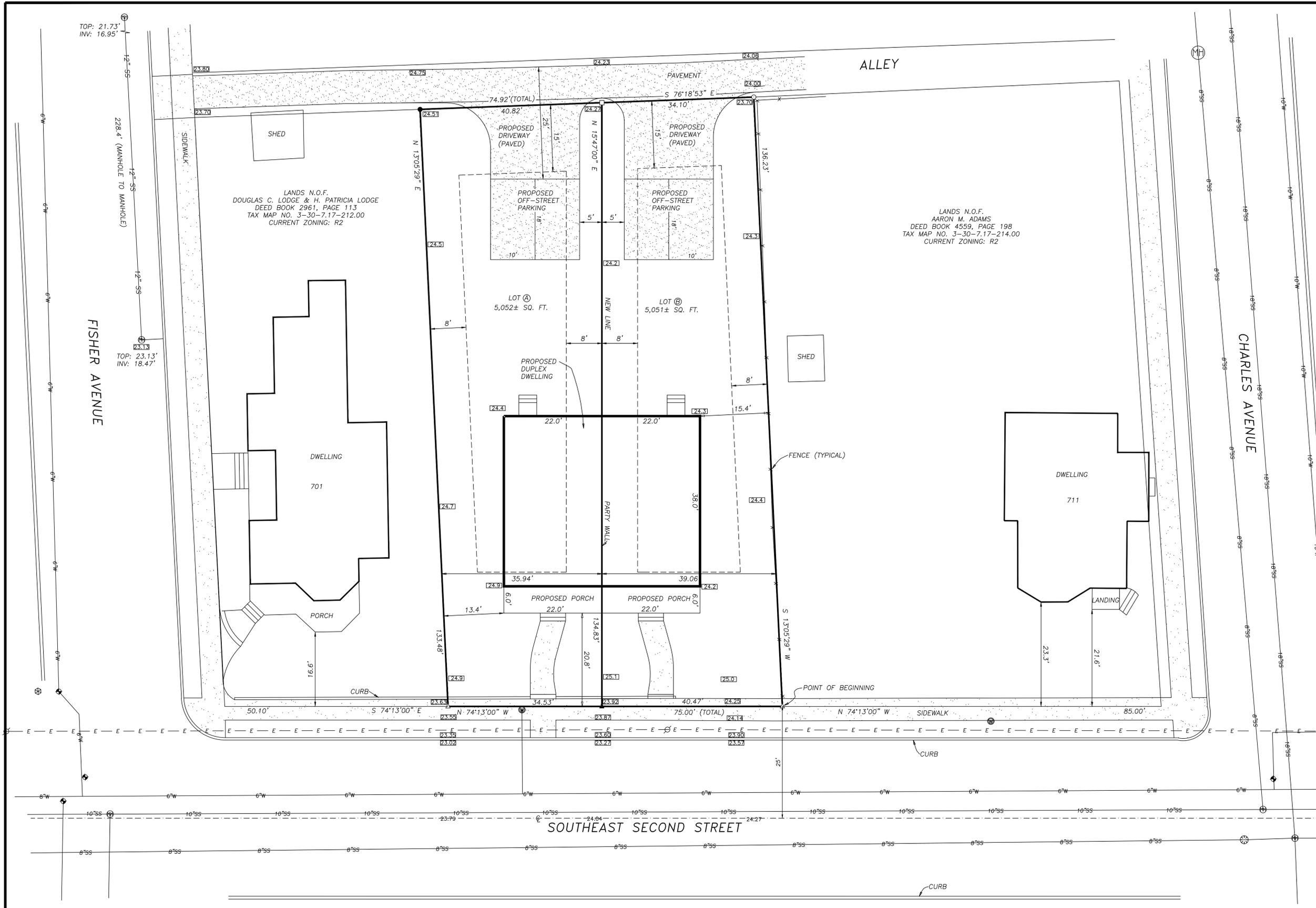
▭ Subject Parcel



Scale: Feet
0 100 200

Drawn by: WRP Date: 01/02/19

Title: **Conditional Use & Variance
Yoders Properties, LLC
Location & Zoning Map**



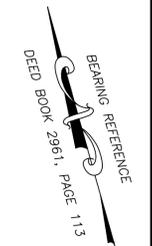
DATA COLUMN:

- OWNERS NAME: YODER PROPERTIES, LLC
10222 WOODYARD ROAD
GREENWOOD, DE 19950
- TAX MAP NO. 3-30-7.17, PARCEL 213.00
- ZONING: R-2
- CURRENT USE: RESIDENTIAL (VACANT)
PROPOSED USE: SINGLE-FAMILY SEMI-DETACHED
- SETBACKS: FRONT 30'
SIDE 8'
REAR 15'
- WATER, SEWER & ELECTRIC PROVIDER: CITY OF MILFORD
- MINIMUM LOT AREA REQUIRED: 4,000 SQ.FT.
PROPOSED LOT A: 5,052± SQ.FT.
PROPOSED LOT B: 5,052± SQ.FT.
- MINIMUM LOT WIDTH REQUIRED: 40'
PROPOSED LOT WIDTH: LOT A: 34.53', LOT B: 40.47'
- MAXIMUM LOT COVERAGE: 30%
PROPOSED LOT A: 1,872± SQ.FT. (37.06%)
PROPOSED LOT B: 1,896± SQ.FT. (37.53%)
- MAXIMUM BUILDING HEIGHT ALLOWED: 35'
PROPOSED BUILDING HEIGHT: 30'
- REQUIRED PARKING: 5 SPACES
PROPOSED PARKING: 5 SPACES
- BY GRAPHIC SCALING AND PLOTTING, THIS PROPERTY FALLS WITHIN THE LIMITS OF ZONE "X" AS PER THE NATIONAL FLOOD INSURANCE PROGRAM, FLOOD INSURANCE RATE MAP NUMBER 10005C041K, EFFECTIVE DATE: MARCH 16, 2015
- NO WETLANDS AS PER THE U.S. FISH AND WILDLIFE NATIONAL WETLANDS INVENTORY
- PROPERTY DOES NOT INCLUDE SOURCE WATER PROTECTION AREAS (WELL-HEAD OR EXCELLENT RECHARGE AREAS) AS PER DNREC ENVIRONMENTAL NAVIGATOR.
- AVERAGE BUILDING SETBACK:
701 SOUTHEAST SECOND STREET: 16.6'
711 SOUTHEAST SECOND STREET: 23.3'
AVERAGE: 19.95'

- NOTES:**
- CLASS "B", SUBURBAN SURVEY
 - SOURCE OF TITLE: DEED BOOK 4957, PAGE 307
THIS BOUNDARY SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A COMPLETE TITLE REPORT AND IS SUBJECT TO ANY ENCUMBRANCES, RESTRICTIONS, EASEMENTS AND/OR RIGHTS OF WAY THAT MIGHT BE REVEALED BY A THOROUGH TITLE SEARCH
 - ALL SETBACKS MUST BE VERIFIED BY THE HOME OWNER AND/OR CONTRACTOR WITH THE APPROPRIATE REGULATORY AUTHORITY

LEGEND:

- △ FOUND DRILL HOLE
- FOUND IRON BAR
- FOUND IRON PIPE
- ◻ SET DRILL HOLE
- ◻ SET IRON BAR
- ⊕ WATER VALVE
- ⊕ FIRE HYDRANT
- ⊕ SANITARY SEWER MANHOLE
- ⊕ MANHOLE
- ⊕ WATER METER
- UTILITY POLE
- - - BUILDING SETBACK LINE
- 6"W EXISTING WATER MAIN
- 8"SS EXISTING SANITARY SEWER
- E EXISTING OVERHEAD ELECTRIC
- 23.27 EXISTING SPOT ELEVATION



OWNER'S CERTIFICATION:
I, JAY YODER, ON BEHALF OF YODER PROPERTIES, LLC, HEREBY CERTIFY THAT WE ARE THE LEGAL OWNERS OF THE PROPERTY DESCRIBED AND SHOWN ON THIS PLAN, THAT THE PLAN WAS MADE AT OUR DIRECTION, AND THAT WE ACKNOWLEDGE THE SAME TO BE OUR ACT AND DESIRE THE PLAN TO BE RECORDED ACCORDING TO THE LAW.

JAY YODER DATE _____

CITY APPROVAL:
CITY ENGINEER APPROVAL
CONSTRUCTION IMPROVEMENT PLANS HAVE BEEN REVIEWED AND ARE FOUND TO BE IN GENERAL CONFORMANCE WITH THE CITY OF MILFORD CONSTRUCTION SPECIFICATIONS AND DETAILS. THE OWNER AND HIS ENGINEER AND/OR SURVEYOR ASSUME ALL RESPONSIBILITY FOR DESIGN AND ACCURACY OF INFORMATION SHOWN HEREON.

SIGNATURE: _____ DATE: _____
ERIK RETZLAFF, P.E.

SURVEYOR'S STATEMENT
I, R.B. KEMP, III, registered as a Professional Land Surveyor in the State of Delaware, hereby state that the information shown on this plan has been prepared under my supervision and meets the standards of practice as established by the State of Delaware Board of Professional Land Surveyors. Any changes to the the property conditions, improvements, boundary or property corners after the date shown hereon shall necessitate a new review and certification for any official or legal use.

CITY OF MILFORD APPROVAL
CITY MANAGER: _____ DATE: _____
ERIC NORENBURG

R.B. KEMP, III, P.L.S. 541

Prepared By
ADAMS-KEMP ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
217 SOUTH RACE STREET
GEORGETOWN, DELAWARE 19947
PHONE: (302) 856-6699
WWW.ADAMSKEMP.COM

MINOR SUBDIVISION SURVEY & SITE PLAN
PREPARED FOR
YODER PROPERTIES, LLC
FOR PROPERTY KNOWN AS
703 SOUTHEAST SECOND STREET
SITUATED IN
CITY OF MILFORD, CEDAR CREEK HUNDRED, SUSSEX COUNTY, STATE OF DELAWARE
SCALE: 1" = 10'
DATE: DECEMBER 27, 2018
PLAN NO. 181113-D

DATA COLUMN:

- OWNERS NAME: YODER PROPERTIES, LLC
10222 WOODYARD ROAD
GREENWOOD, DE 19950
- TAX MAP NO. 3-30-7.17, PARCEL 213.00
- ZONING: R-2
- CURRENT USE: RESIDENTIAL (VACANT)
PROPOSED USE: SINGLE-FAMILY SEMI-DETACHED
- SETBACKS: FRONT 30'
SIDE 8'
REAR 15'
- WATER, SEWER & ELECTRIC PROVIDER: CITY OF MILFORD
- BY GRAPHIC SCALING AND PLOTTING, THIS PROPERTY FALLS WITHIN THE LIMITS OF ZONE "X" AS PER THE NATIONAL FLOOD INSURANCE PROGRAM, FLOOD INSURANCE RATE MAP NUMBER 10005C041K, EFFECTIVE DATE: MARCH 16, 2015
- NO WETLANDS AS PER THE U.S. FISH AND WILDLIFE NATIONAL WETLANDS INVENTORY
- PROPERTY DOES NOT INCLUDE SOURCE WATER PROTECTION AREAS (WELL-HEAD OR EXCELLENT RECHARGE AREAS) AS PER DNREC ENVIRONMENTAL NAVIGATOR.
- SITE WAS PREVIOUSLY OCCUPIED AND HAS SOME CONCRETE DEBRIS, AND DISTURBED SOILS.

UTILITY PLAN NOTES:

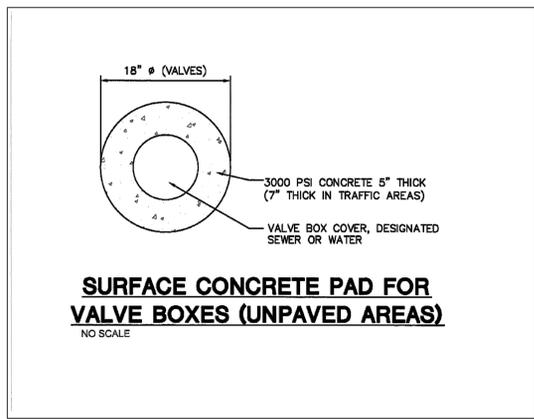
- Restore stone & dirt alley to original condition after installation of sanitary sewer.
- Restore sidewalk and Fisher Avenue to original condition after installation of sanitary sewer. Sidewalk is currently in poor condition.
- 6" sewer lateral shall be SDR35, all fittings shall be SDR26.
- Cleanouts in the Alley and the Sidewalk shall be traffic bearing type with a 4" thick concrete collar.
- Connect proposed 6" sanitary sewer to existing 12" sanitary sewer in Fisher Ave with a wye.
- Existing water meter at SE 2nd St. shall be replaced with a Dual Meter Pit.
- 1" laterals shall connect the new Dual Meter Pit to each of the two proposed residences.
- Water service laterals shall be 1" HDPE CTS SDR9.

NOTES:

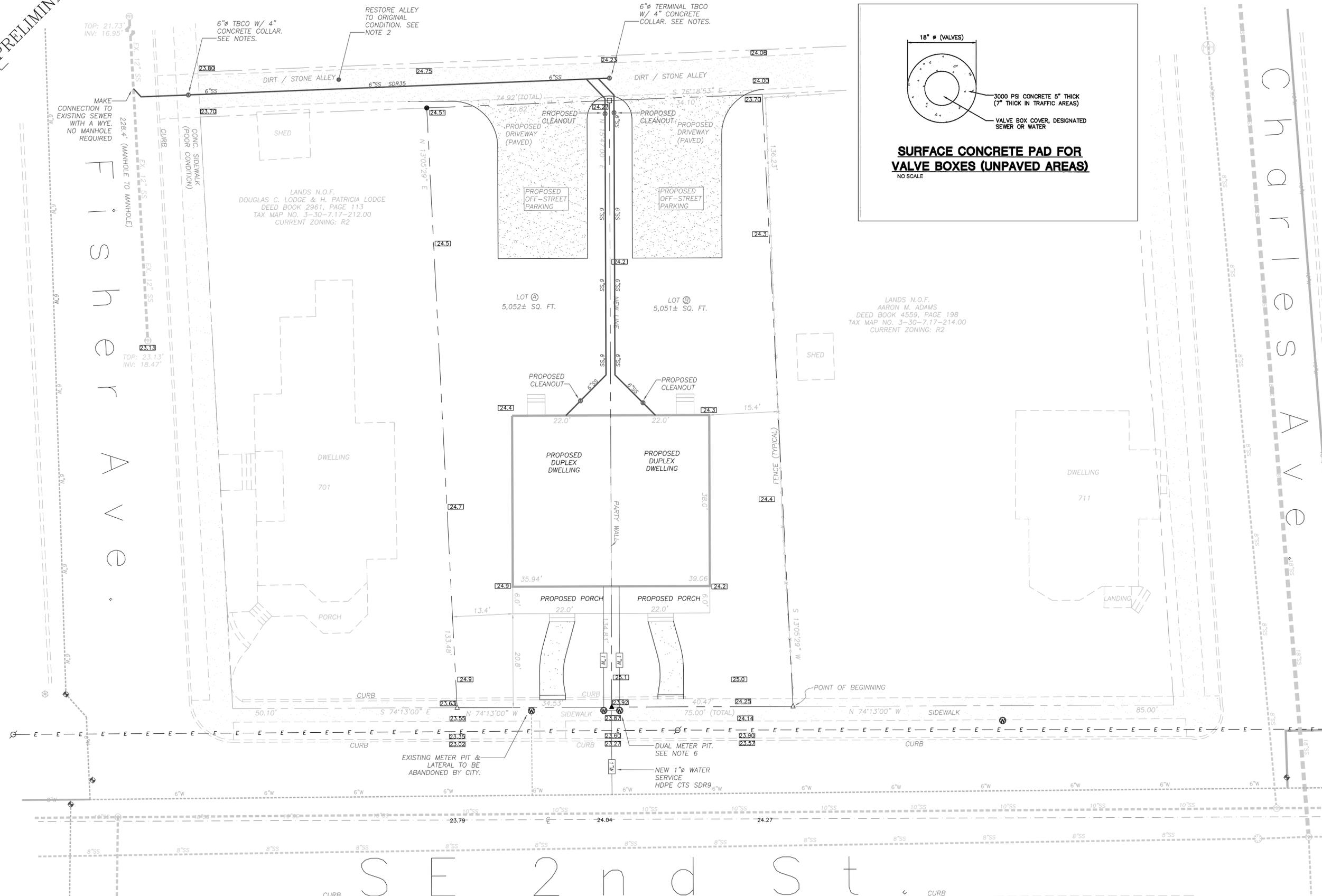
- CLASS "B", SUBURBAN SURVEY
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- ALL SETBACKS MUST BE VERIFIED BY THE HOME OWNER AND/OR CONTRACTOR WITH THE APPROPRIATE REGULATORY AUTHORITY

LEGEND:

	WATER VALVE
	FIRE HYDRANT
	SANITARY SEWER MANHOLE
	MANHOLE
	WATER METER
	SANITARY SEWER CLEANOUT
	UTILITY POLE
	PROPOSED SANITARY SEWER
	PROPOSED H ₂ O SUPPLY LATERAL
	EXISTING WATER MAIN
	EXISTING SANITARY SEWER
	EXISTING OVERHEAD ELECTRIC
	EXISTING SPOT ELEVATION



PRELIMINARY



CITY APPROVAL:

CITY ENGINEER APPROVAL
CONSTRUCTION IMPROVEMENT PLANS HAVE BEEN REVIEWED AND ARE FOUND TO BE IN GENERAL CONFORMANCE WITH THE CITY OF MILFORD CONSTRUCTION SPECIFICATIONS AND DETAILS. THE OWNER AND HIS ENGINEER AND/OR SURVEYOR ASSUME ALL RESPONSIBILITY FOR DESIGN AND ACCURACY OF INFORMATION SHOWN HEREON.

SIGNATURE: ERIK RETZLAFF, P.E. DATE: _____
PRELIMINARY

CITY OF MILFORD APPROVAL

PRELIMINARY

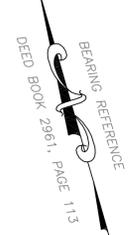
CITY MANAGER: ERIC NORENBERG DATE: _____

Utility Plan Prepared By:
DOLBY & ASSOCIATES, INC
22183 SUSSEX HWY.
SEAFORD, DE 19973
(302) 629-0314
dolbyandassociates.com

Survey & Base Drawing by:
ADAMS-KEMP ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
217 SOUTH RACE STREET
GEORGETOWN, DELAWARE 19947
(302) 856-6699
adamskemp.com

UTILITY PLAN

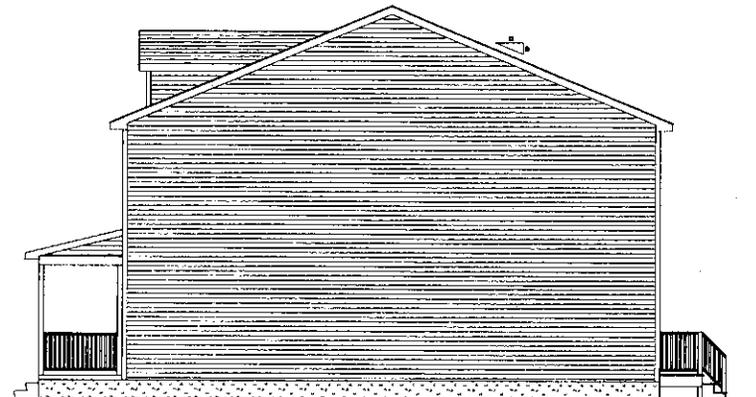
PREPARED FOR
YODER PROPERTIES, LLC
FOR PROPERTY KNOWN AS
703 SOUTHEAST SECOND STREET
SITUATED IN
CITY OF MILFORD, CEDAR CREEK HUNDRED, SUSSEX COUNTY, STATE OF DELAWARE
SCALE: 1" = 10'
DATE: 12/13/18
REV1: 12/26/18



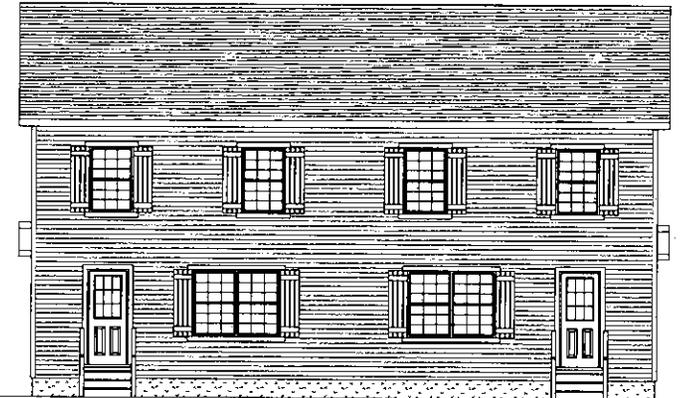
THIRD FLOOR
 SECOND FLOOR
 FIRST FLOOR



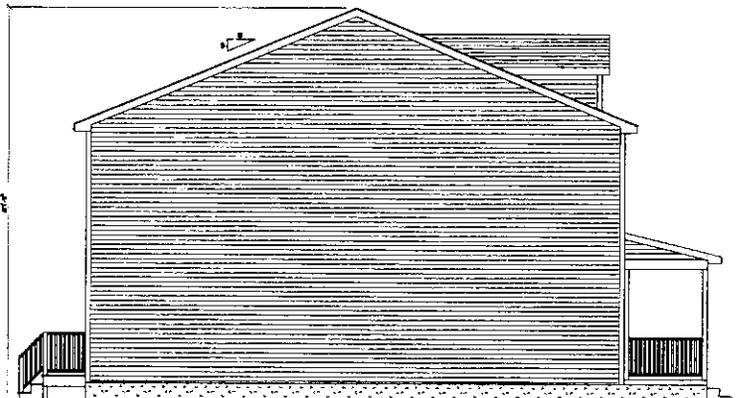
FRONT ELEVATION



RIGHT ELEVATION



REAR ELEVATION



LEFT ELEVATION

NOTE: THE FOLLOWING DESIGNS ARE BASED ON 302 IRC.

M.R. Designs, Inc. 3042 BROADWAY, WELTON, NE 17060 www.mrdesigns.com www.facebook.com/mrdesigns	103 SOUTHEAST 2ND ST. DUPLEX 103 SOUTHEAST 2ND ST. DUPLEX Miami, FL	19343
	DRAWN BY: JACOB CLIFTON SCALE: 1/4" = 1'-0" DATE: Tuesday, May 6, 2014	PAGE: 1 ELEVATIONS

§ 230-10. - R-2 Residential District.

In an R-2 District no building or premises shall be used and no building shall be erected or altered which is arranged, intended or designed to be used except for one or more of the following uses and complying with the requirements so indicated.

- A. Purpose. The purpose of the R-2 District is to permit housing at a greater density than in the R-1 District by providing for the orderly development of low- to medium-density residential housing into those areas where public services are available. This district also allows for professional home occupations. Finally, it protects existing developments of this nature and excludes noncompatible ones.
- B. Permitted uses: all uses permitted in the R-1 District.
- C. Conditional uses: all uses specified as conditional uses in the R-1 District, and the following uses may be permitted with the approval of a conditional use permit by the Milford City Council in accordance with Article IX of this chapter:

(1) Single-family semidetached dwelling.

(a) Ownership.

- [1] Dwelling units and individual lots of a single-family semidetached dwelling may be owned separately if separate utility systems are provided and if separate lots for all dwelling units in a building are created at the same time in conformance with Chapter 200, Subdivision of Land, of this Code.
- [2] Provisions satisfactory to the City Council shall be made to assure that areas of common use of the occupants, but not in individual ownership, shall be maintained in an acceptable manner without expense to the general public.

D. Design requirements. No apartment/dwelling units shall be located within a cellar.

E. Site requirements.

- (1) The structure shall be so located as to provide proper access to the building for fire-fighting equipment, trash collection and deliveries.
- (2) Off-street parking shall be provided at the rate of 2 1/2 spaces for every dwelling unit on each lot.

F. Facilities.

- (1) Outdoor light fixtures shall be provided at locations that will assure the safe and convenient use of walks, steps, parking areas, driveways, streets and other such facilities.
- (2) Facilities for temporary trash/refuse storage shall be provided in such a manner that is adequate for the dwelling units they must support.

G. Area regulations.

- (1) For permitted uses and single-family semidetached dwellings not separately owned:
 - (a) Minimum interior lot area shall be 8,000 square feet and minimum corner lot area shall be 13,000 square feet.
 - (b) Maximum lot coverage shall be 30%.
 - (c) Minimum lot width shall be 80 feet.
 - (d) Height of buildings shall not exceed three stories or 35 feet. Accessory buildings shall not exceed 15 feet in height.
 - (e) Minimum front building setback line shall be 30 feet.

- (f) Minimum rear yard setback shall be 15 feet. For lower lots the rear yard may be reduced 20% in depth to allow for the skewing of a residential dwelling on its lot.
 - (g) Side yards shall be provided as follows: each lot shall have two side yards a minimum width of eight feet on each side.
 - (h) Parking shall comply with the requirements provided in Article IV of this chapter.
 - (i) Signs shall comply with the requirements in Article VI of this chapter.
 - (j) Decks, subject to the following requirements:
 - [1] The deck cannot be located in the front yard.
 - [2] A minimum distance of 10 feet must be maintained from the deck to the rear property line.
- (2) For single-family semidetached dwellings separately owned:
- (a) Minimum interior lot area shall be 4,000 square feet and minimum corner lot area shall be 6,500 square feet.
 - (b) Maximum lot coverage shall be 30%.
 - (c) Minimum lot width shall be 40 feet.
 - (d) Height of buildings shall not exceed three stories or 35 feet. Accessory buildings shall not exceed 15 feet in height.
 - (e) Minimum front building setback line shall be 30 feet.
 - (f) Minimum rear yard setback shall be 15 feet. For lower lots the rear yard may be reduced 20% in depth to allow for the skewing of a residential dwelling on its lot.
 - (g) Side yard shall be provided as follows: each lot shall have one side yard a minimum width of eight feet.
 - (h) Parking shall comply with the requirements provided in Article IV of this chapter.
 - (i) Signs shall comply with the requirements in Article VI of this chapter.

ARTICLE IX - Conditional Uses

§ 230-46. - Purpose.

- A. The intent of the conditional use is to maintain a measure of control over uses that have an impact on the entire community. Generally, conditional uses may be desirable in certain locations for the general convenience and welfare. They must use the property in a manner that assures neither an adverse impact upon adjoining properties nor the creation of a public nuisance. In short, because of the nature of the use, it requires sound planning judgment on its location and site arrangement.
- B. Conditional use permits may be issued for any of the conditional uses for which a use permit is required by the provisions of this chapter, provided that the City Council shall find that the application is in accordance with the provisions of this chapter after duly advertised hearings held in accordance with the provisions of Article XII.

§ 230-47. - Application and approval procedures.

- A. The application for a conditional use shall first be made with the Code Official, who shall then forward the materials to the Planning Commission.
- B. The Planning Commission shall study such information and make recommendations to the City Council within 60 days of the Code Official's referral to the Commission after holding a public hearing.

- C. The Council shall then act within 60 days of the receipt of the Commission's recommendation to either approve with conditions or deny such use after holding a public hearing. The Council's decision shall be based on the determination that the location of the use is appropriate, it is not in conflict with the Comprehensive Plan and it is consistent with the purpose and intent of this chapter.

§ 230-48. - Criteria for evaluation.

The following criteria shall be used as a guide in evaluating a proposed conditional use:

- A. The presence of adjoining similar uses.
- B. An adjoining district in which the use is permitted.
- C. There is a need for the use in the area proposed as established by the Comprehensive Plan.
- D. There is sufficient area to screen the conditional use from adjacent different uses.
- E. The use will not detract from permitted uses in the district.
- F. Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

§ 230-49. - Conditions for approval; expiration.

- A. In granting any conditional use permit, the City Council may designate such conditions as will, in its opinion, assure that the use will conform to the requirements as stated in § 230-48 and that such use will continue to do so.
- B. Construction or operation shall be commenced within one year of the date of issuance or the use permit becomes void.
- C. A reapplication for a use permit for the same lot or use shall not be considered by the City Council within a period of 365 days from its last consideration. This provision, however, shall not impair the right of the Council to propose a use permit on its own motion.
- D. See fee schedule.
- E. If a conditional use permit is granted under the provisions of this article, the City Council shall direct the Code Official to officially notify the applicant, in writing, of all conditions approved by the Council.
- F. The approval of a conditional use is valid for one year. Unless permits are obtained or construction or use is substantially underway, all provisions of the conditional use are automatically rescinded. Permits may be revoked by the Council for failure to comply with the stated conditions of approval or applicable regulations.

CITY OF MILFORD
NOTICE OF PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, February 19, 2019 beginning at 7:00 p.m.

A FINAL PUBLIC HEARING beginning at 7:00 p.m. will be held before Milford City Council on Monday, February 25, 2019.

ORDINANCE 2019-05

Yoder Properties LLC for a Conditional Use to allow a Single-family semidetached dwelling on 0.22 +/- acres in an R2 zone. Property is located at 703 SE Second Street, Milford, Delaware.

Present Use: Vacant/Proposed Use: Single-family semidetached dwelling

Tax Parcels 3-30-7.17-213.00

WHEREAS, the City of Milford Planning Commission has considered the conditional use application at a Public Hearing on Tuesday, February 19, 2019; and

WHEREAS, Milford City Council held a Public Hearing on Monday, February 25, 2019, to allow for public comment and further review of the ordinance and related recommendations and comments; and

WHEREAS, it is deemed in the best interest of the City of Milford to approve the Conditional Use, as herein described.

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

Section 1. Upon the adoption of this ordinance, Yoder Properties LLC is hereby granted a Conditional Use Permit to allow a Single-family semidetached dwelling, in accordance with the proposed application, approved plans and any conditions set forth at the Public Hearings.

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

Section 3. Dates.

Planning Commission Public Hearing: February 19, 2019

City Council Introduction: February 11, 2019

City Council Public Hearing: February 25, 2019

Effective: March 7, 2019

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

Additional information may be obtained by contacting the Planning Department at 302-424-8396 or by accessing the city website at www.cityofmilford.com.

Advertised: Beacon: 01/30/19