

City of Milford



CITY COUNCIL AGENDA

Monday, February 25, 2019

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

7:00 P.M.

PUBLIC HEARINGS

ORDINANCE 2019-05

Yoder Properties LLC for a Conditional Use

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

Adoption of Ordinance

COUNCIL MEETING

Call to Order - Mayor Archie Campbell

Invocation

Pledge of Allegiance

Communication & Correspondence

Unfinished Business

Appointment/City of Milford Planning Commissioner

*Adoption/Ordinance 2019-01/Chapter 222/Water Code Amendments ®

Adoption/Resolution 2019-01/Updated Water Rates ®

*Adoption/Ordinance 2019-02/Chapter 185/Sewer Code Amendments ®

Adoption/Resolution 2019-02/Updated Sewer Rates ®

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

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

Acceptance/City of Milford FY17-18 Audit

New Business

Council Member Appointment/Finance & Public Works Committee and Police Committee
Authorization/Preliminary Site Plan & Preliminary Major Subdivision/Extension #5
Morris & Ritchie Associates Inc on behalf of Dunn Development LLC
Hickory Glen/Milford-Harrington Highway
Tax Map MD-16-173.00-01-21.00; -22.00
Budget Adjustment/Public Works/Wastewater Division/Wastewater Treatment I&I Line Item
Budget Adjustment/Customer Service Department/Overtime Costs
Authorization/State Mosquito Control Spray Policy

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

Ratification/MPD Teamsters Agreement
Authorization & Funding Appropriation/MPD Teamsters Agreement

Adjournment

All items, other than those on a Workshop Session 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.

010319 012319 020119 020519 020619 021119 021419 *021919 Action Corrected



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.

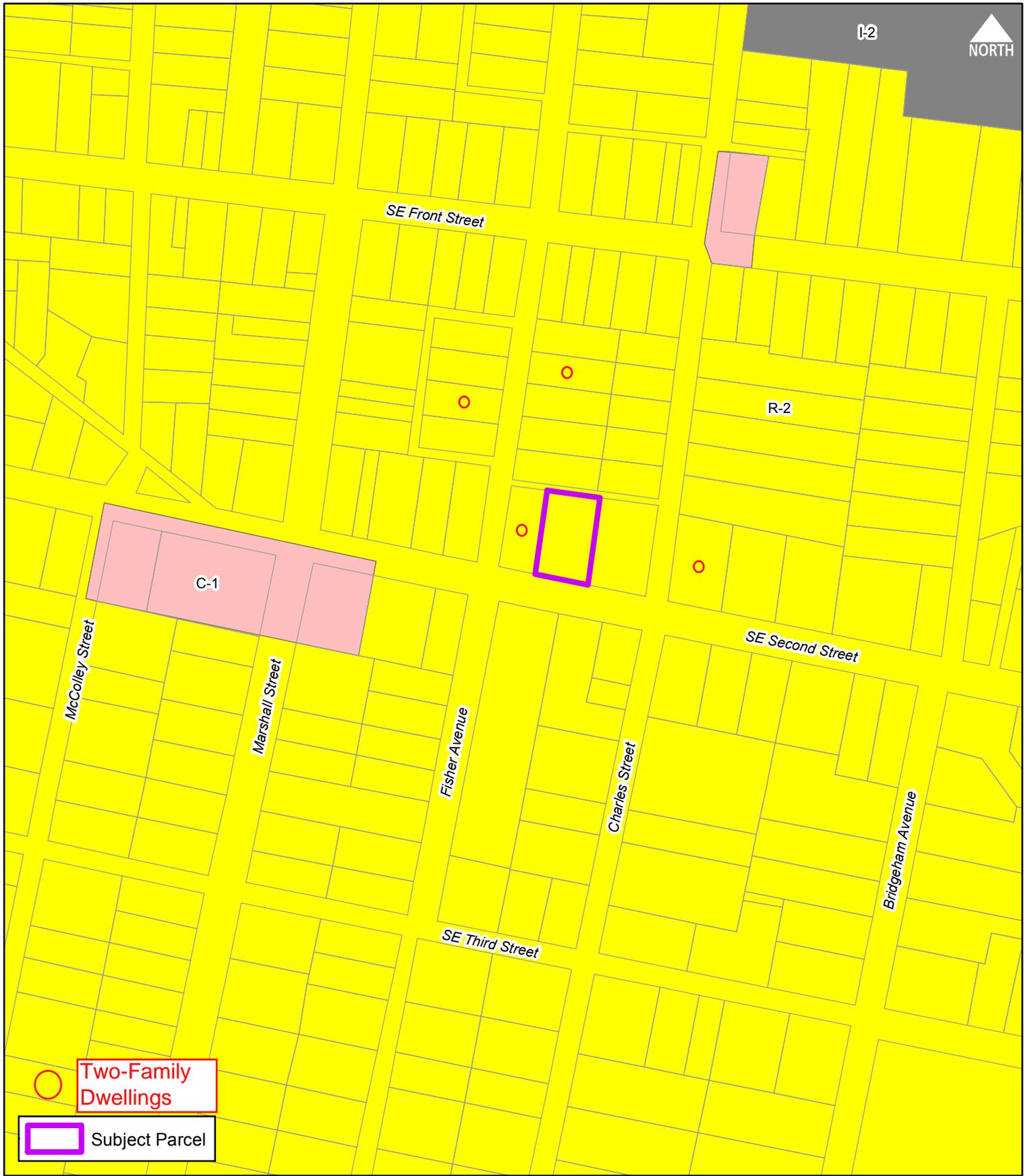
The subject parcel is located in an existing residential neighborhood and is surrounded by older single-family detached and two-family dwellings. There are four two-unit dwellings within 200 feet of the subject property, two of which are on SE Second Street while the other two are on Fisher Avenue. Only 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

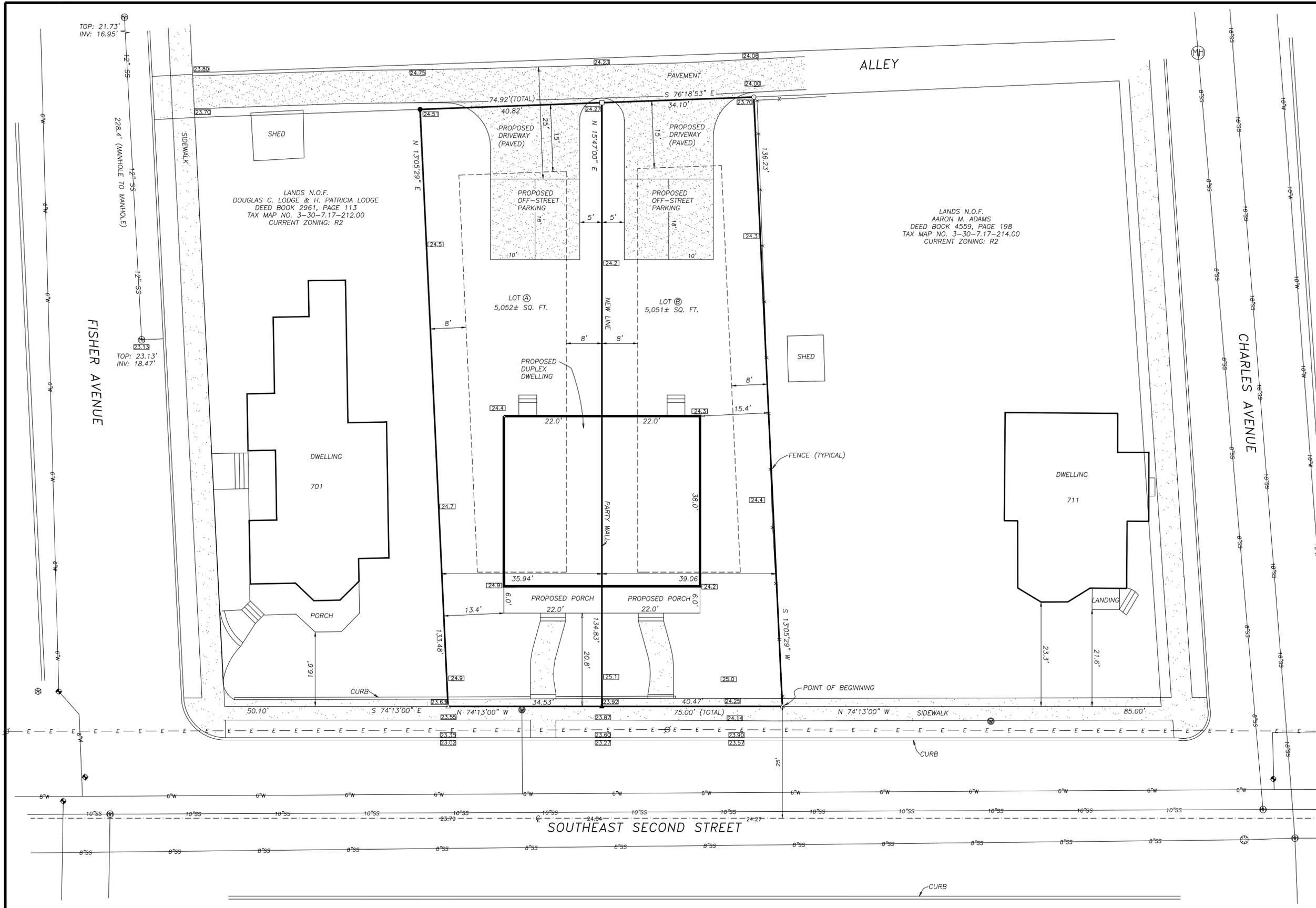


Scale: Feet
0 100 200

Drawn by: WRP Date: 01/02/19

Title:

Conditional Use & Variance
Yoders Properties, LLC
Location & Zoning Map



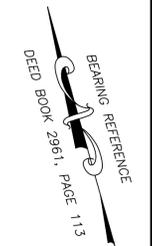
DATA COLUMN:

- 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
CITY OF MILFORD APPROVAL
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 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

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SIDE 8'
REAR 15'
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- 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:

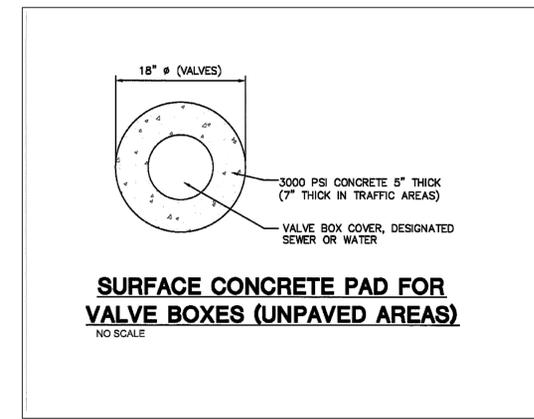
- Restore stone & dirt alley to original condition after installation of sanitary sewer.
- Restore sidewalk and Fisher Avenue to original condition after installation of sanitary sewer. Sidewalk is currently in poor condition.
- 6" sewer lateral shall be SDR35, all fittings shall be SDR26.
- Cleanouts 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:

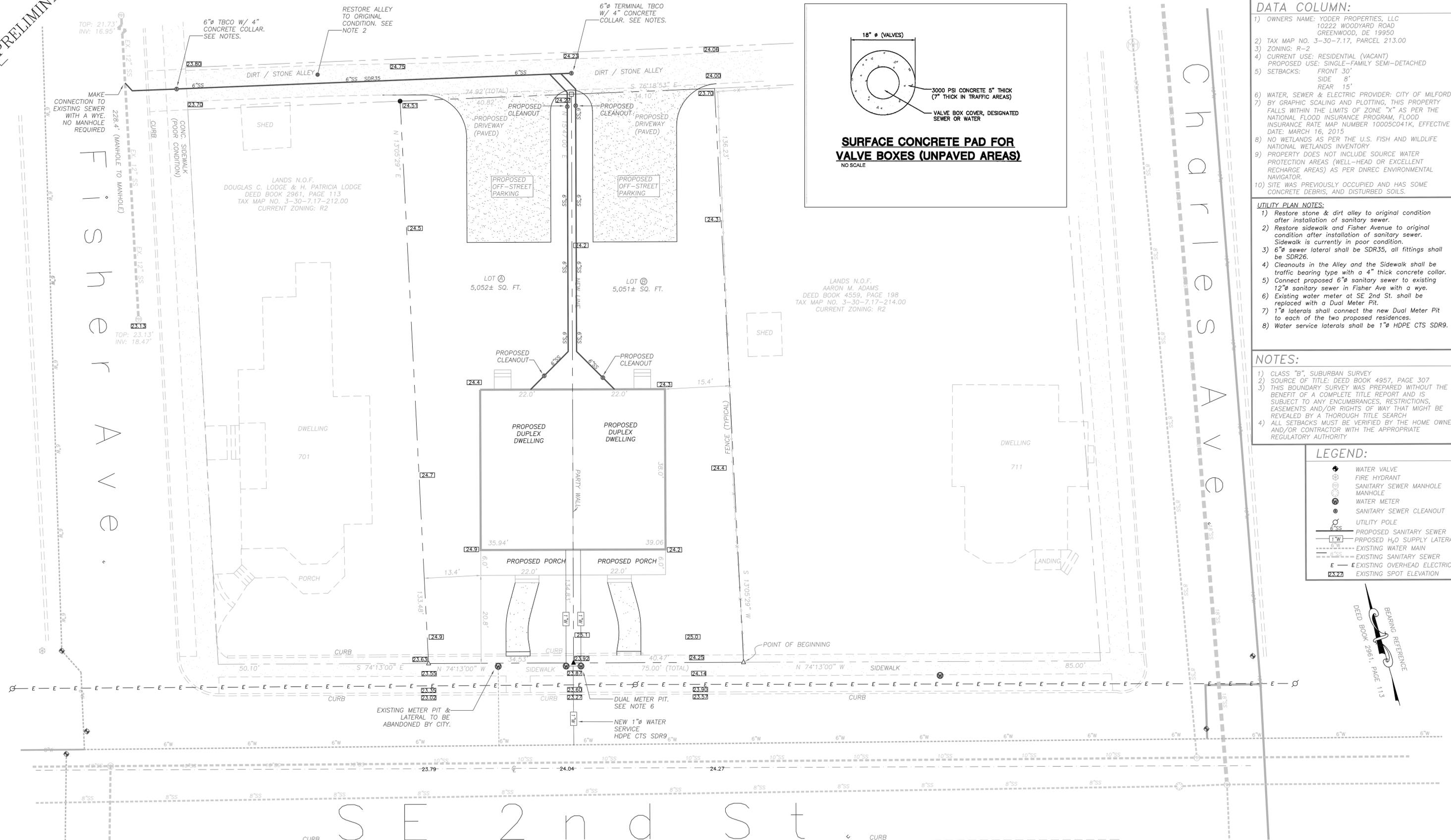
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LEGEND:

- WATER VALVE
- FIRE HYDRANT
- SANITARY SEWER MANHOLE
- MANHOLE
- WATER METER
- SANITARY SEWER CLEANOUT
- UTILITY POLE
- PROPOSED SANITARY SEWER
- PROPOSED H₂O SUPPLY LATERAL
- EXISTING WATER MAIN
- EXISTING SANITARY SEWER
- EXISTING OVERHEAD ELECTRIC
- EXISTING SPOT ELEVATION



[PRELIMINARY]



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SIGNATURE: _____ DATE: _____
ERIK RETZLAFF, P.E. PRELIMINARY

CITY OF MILFORD APPROVAL

CITY MANAGER: _____ DATE: _____
ERIC NORENBERG

[PRELIMINARY]

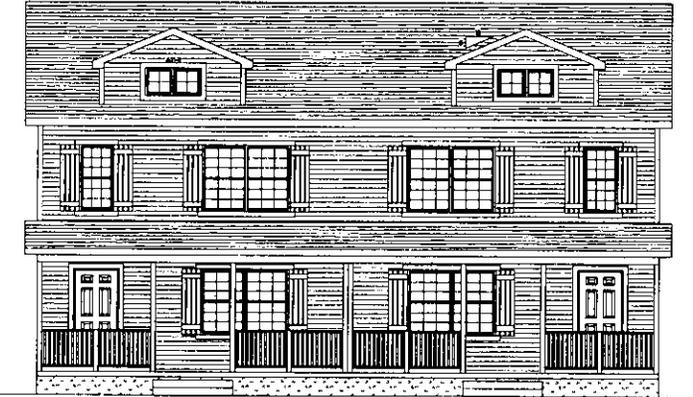
Utility Plan Prepared By:
DOLBY & ASSOCIATES, INC
22183 SUSSEX HWY.
SEAFORD, DE 19973
(302) 629-0314
dolbyandassociates.com

Survey & Base Drawing by:
ADAMS-KEMP ASSOCIATES, INC.
PROFESSIONAL LAND SURVEYORS
217 SOUTH RACE STREET
GEORGETOWN, DELAWARE 19947
(302) 856-6699
adamskemp.com

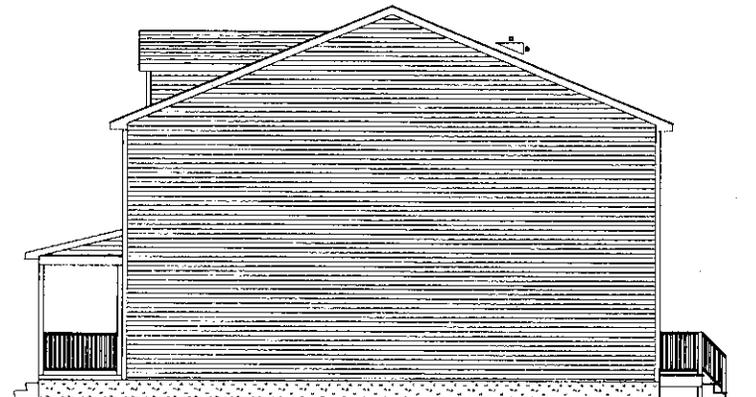
UTILITY PLAN

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

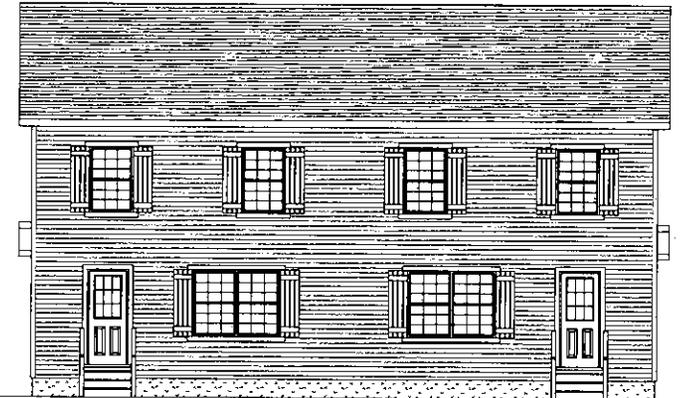
THIRD FLOOR
 SECOND FLOOR
 FIRST FLOOR



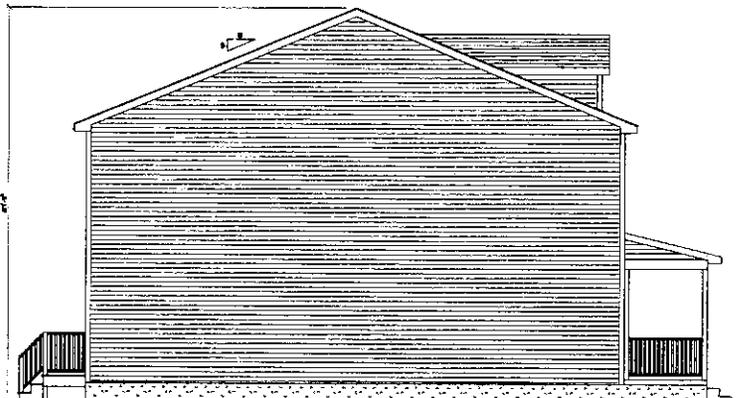
FRONT ELEVATION



RIGHT ELEVATION



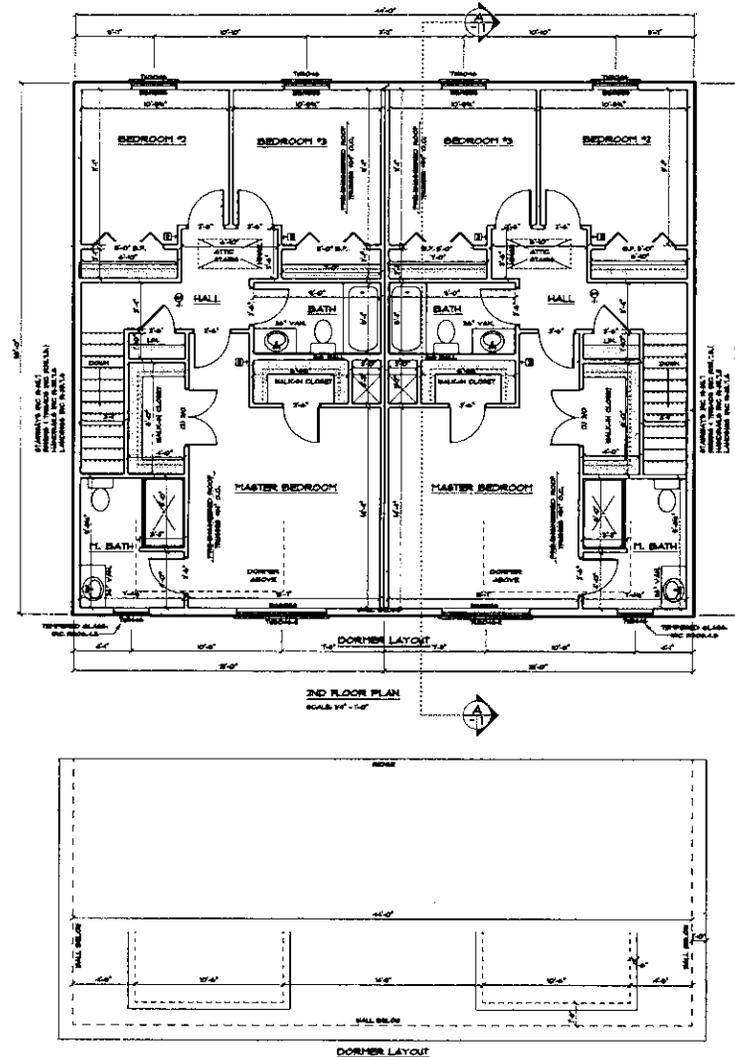
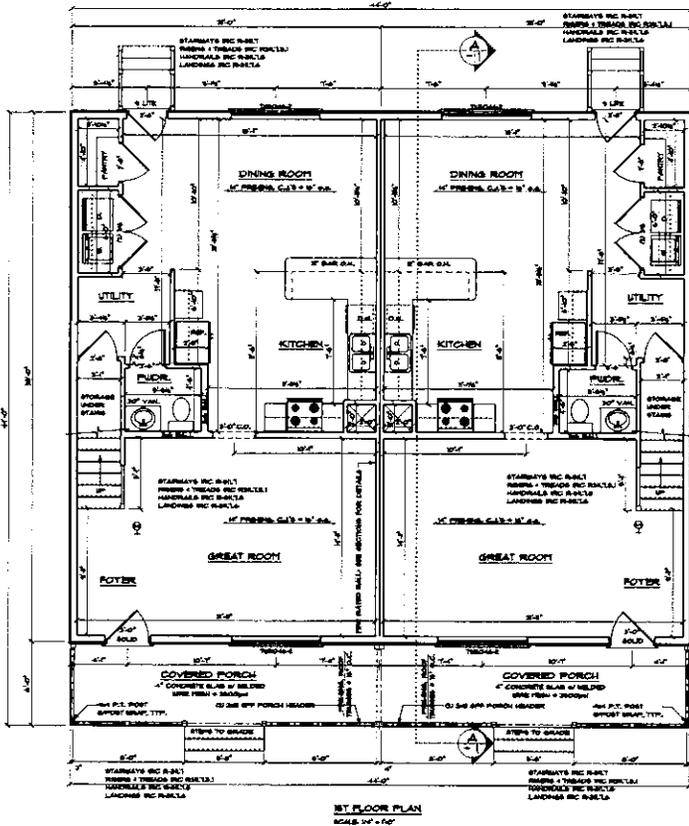
REAR ELEVATION



LEFT ELEVATION

NOTE: THE FOLLOWING DESIGNS ARE BASED ON 302 IRC.

M.R. Designs, Inc. <small>3015 BROADWAY, WELLS, ME 04090 WWW.MRDESIGNS.COM</small>	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



HOUSE SPECIFICATIONS:

- 3/4" EXTENSION WALLS
- 3/4" RIGID INSULATION, 2" R-19
- 2ND FLOOR: 2" RIGID INSULATION, 2" R-19
- 1ST FLOOR AREA: 288 SQ. FT. 8 1/2" LIFT
- 2ND FLOOR AREA: 288 SQ. FT. 8 1/2" LIFT
- TOTAL HEATING: 576 SQ. FT. 16.5 BTU/H SQ. FT.
- FRONT PORCH AREA: 88 SQ. FT. 8 1/2" LIFT 16.5 BTU/H SQ. FT.
- REAR PORCH AREA: 88 SQ. FT. 8 1/2" LIFT 16.5 BTU/H SQ. FT.
- HALL: 8' 0" WIDE, 8' 0" HIGH, 8' 0" DEEP
- ALL WINDOWS AND DOORS AS SHOWN AND OPENING AS NOTED BY ARCHITECT
- ALL WINDOWS AND DOORS ARE TO APPROVED WALLS (NOTIFY STRUCTURAL)
- ALL WINDOW HEADS: 2ND FLOOR: 2" RIGID INSULATION, 2" R-19; 1ST FLOOR: 2" RIGID INSULATION, 2" R-19
- ALL WINDOW HEADS: 2ND FLOOR: 2" RIGID INSULATION, 2" R-19; 1ST FLOOR: 2" RIGID INSULATION, 2" R-19
- ELECTRIC HEAT PUMP LOCATED IN GARAGE/POOR

CODE NOTES:

- 1. SHOWS DETENTION BATTERY BACKUP AND INTERCONNECTED, RC SLAB
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NOTE: THE FOLLOWING DIMENSIONS ARE BASED ON 300 IFC

M.R. Designs, Inc. 3000 BROADWAY, SUITE 100, WILSON, NC 27157 WWW.MRDESIGNS.COM	103 SOUTH-EAST 2ND ST. DUPLEX 103 SOUTH-EAST 2ND ST. DUPLEX 27104	19863
	DRAWN BY: JACOB CLIFTON SCALE: 1/4" = 1'-0" DATE: THURSDAY, MAY 13, 2010	DATE:

§ 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



Sussex County Association of Towns

20 W Fourth Street, Blades, Delaware 19973

S.C.A.T. Dinner for Wednesday, March 6, 2019

- Town of Bethany Beach*
- Town of Bethel*
- Town of Blades*
- Town of Bridgeville*
- Town of Dagsboro*
- Town of Delmar*
- Town of Dewey Beach*
- Town of Ellendale*
- Town of Fenwick Island*
- Town of Frankford*
- Town of Georgetown*
- Town of Greenwood*
- Town of Henlopen Acres*
- Town of Laurel*
- City of Lewes*
- City of Milford*
- Town of Millsboro*
- Town of Millville*
- Town of Milton*
- Town of Ocean View*
- City of Rehoboth Beach*
- City of Seaford*
- Town of Selbyville*
- Town of Slaughter Beach*
- Town of South Bethany*
- Sussex County Council*

LOCATION: Laurel Volunteer Fire Department
 205 W 10th Street
 Laurel, DE 19956

TIME: 6:00 pm - Social (cash bar)
 6:30 pm - Dinner

HOST: Town of Laurel

SPEAKER: Brian Shannon, Laurel Redevelopment Corporation

COST: \$28.00

MENU: Mixed Garden Salad with assorted dressings
 Fried Chicken
 Roast Bottom Round of Beef
 Ricotta Cheese Stuffed Shells
 Red Skin Potatoes with Seasoned Butter Sauce
 Broccoli Spears with Cheese Sauce
 Green Beans
 Beets
 Assorted Rolls
 Cheesecake
 Unsweet Iced Tea, Coffee

PLEASE RSVP TO CHRISTINE NO LATER THAN 02/26/19

For those bringing guests, please make checks payable to:
 Town of Laurel



DELAWARE LEAGUE OF LOCAL GOVERNMENTS

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

Phone: 302-678-0991 Fax: 302-678-4777 Email: cfluft@udel.edu

President Lew Killmer

Executive Director Carl F. Luft

To: League Members
From: Carl F. Luft, Executive Director
Subject: 2019 Congressional Visit
Date: January 16, 2019

A handwritten signature in black ink, appearing to be "CFL", is written to the right of the recipient information.

The annual Congressional visit to Washington, D. C. will be on Wednesday, March 13, 2019. The meeting will begin at 10 a. m. in the Capitol Visitor Center, Room SVC 203. Both Senators Carper and Coons and Congresswoman Lisa Blunt Rochester will speak to our group. This meeting date is set annually at the same time the National League of Cities Congressional City Conference occurs.

The tentative schedule of speaking order is as follows:

10:00 am Representative Lisa Blunt Rochester
11:00 am Senator Tom Carper
12:15 pm Senator Chris Coons

Check in is at the Senate Appointments Desk, near the gift shop. Each attendee will obtain a pass upon check in.

If you are planning to attend, please call, email or fax your reservation to the League office no later than February 27, 2019. For security purposes, be sure to include First and Last Name, Title and Municipality for each attendee. In addition, list any Federal issues or topics you would like to discuss with our delegation.

Thank you.

- **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.

From: noreply@civicplus.com <noreply@civicplus.com>

Sent: Thursday, January 17, 2019 1:36 PM

Subject: Online Form Submittal: Application for Boards and Commissions

Application for Boards and Commissions

Applications for Boards and Commissions are always accepted. Should a vacancy occur, the City will review all applications on file.

Which Board or Commission are you applying for? Planning Commission

Applicant Name: Duvanel Louis

Street Address: 401 North Street

City, State, Zip:
Milford, DE 19963

Home Phone Number: 302-422-2729

Personal Phone Number: 302-257-0306

Email Address: duvanel.louis@yahoo.com

How long have you been a resident of Milford? 24 years

Are you registered to vote in the City of Milford? Yes

Are you a plot owner in the Milford Community Cemetery? No

Occupation and Employer: ParaProfessional - Milford School District

Describe any special knowledge, education, experience, qualities or talents you have that are relevant to the Board or Commission on which you are interested in serving: I am Bilingual with good listening skills. I am Fair & Open-Minded. I always Prepared and ready to go. I have the ability to Communicate well.

Community and/or civic groups of which you are a member: n/a

Please describe why you wish to serve on this Board or Commission:

I wish to serve on this Planning and zoning board is because I want to Have a Voice in Decision Making. I've been interested in city government since high school ,but didn't know way to go. Finally I want to understand the planning and zoning process so' that I can make a difference.

Do you, your spouse or any immediate family members have any potential conflicts of interest (personal or financial) that could require you to recuse yourself from votes of the board/commission for which you are applying?

No

If yes, please describe:

Field not completed.

Thank you for your willingness to serve the City of Milford! Please be aware of the time commitment for the Board or Commission you are interested in serving on by reviewing the below information.

Board of Adjustment

[Additional Information](#)

Board of Appeals

[Additional Information](#)

Parks and Recreation
Advisory Board

[Additional Information](#)

Planning Commission

[Additional Information](#)

By submitting this form, you certify the information contained is true and correct.

Email not displaying correctly? [View it in your browser.](#)



To: Eric Norenberg, City Manager
From: Mark A. Whitfield, Public Works Director
Subject: Water Code Revisions
Date: February 20, 2019

The Finance and Public Works Committee as well as the Public Works Department is recommending several changes be made the Water Code. Changes to the Code include:

1. Establish a Schedule of Rates, Fees and Fines. Because rates, fees and fines may change on an annual basis, creating a Schedule of Rates, Fees and Fines would allow Council to change fees and fines by Resolution, rather than making a Code change.
2. Define curb "stop". Presently, the ordinance is vague and states "curb or curblines". The terminus of City responsibility ends at the meter pit or "curb stop".
3. Clearly define the temporary uses of water and where it can be obtained. This is not addressed in the present ordinance.
4. Backflow Preventer valve. Require backflow preventer valve on all services (presently there is state legislation pending for this requirement. Backflow preventer valves ensures the safety of the water in the City system by preventing water from being siphoned into the system from private residences and businesses.
5. Fixture Units and Impact Fees. Presently we use Kent Counties flow per fixture units and impact fees based on Specific Assessment by Usage. Rather than changing the code every time Kent County changes theirs, simply refer to Kent Co in the Code.
7. Increase fines from minimum \$25/maximum \$300 to \$50 minimum/\$1000 maximum. The proposed fines are in line with other municipalities in the area.
8. Irrigation meters and connections. Based on water used in comparison to regular household water usage, staff recommends a 1 EDU charge be set as an impact fee for irrigation meters.
9. Irrigation wells/Agricultural wells. Presently, Ag Wells and Irrigation Wells are prohibited unless the lot is three (3) acres or more. Should the size of the lot be reduced, or the restriction eliminated? Staff has concerns with the potential number of wells drawing from the same aquifer in a small geographic area. The number of parcels in the City are as follows:

3 ac or more – 256 parcels = 3813 ac
2.5 ac or more – 302 parcels = 3939 ac
2 ac or more – 352 parcels = 4049 ac
1.5 ac or more – 426 parcels = 4174 ac
1 ac or more – 558 parcels = 4327 ac
There are 6247 total parcels in the City totaling 5,589 acres.

Irrigation wells pose two concerns for staff: the opportunity for cross connection to the domestic water supplied by the City; and the amount of water being drawn from the aquifer, which may impact City wells. While the Code clearly defines that the water supply lines from the well cannot be connected to the City, and there are provisions to allow the City to inspect for cross connection. Most irrigation wells are shallow and do not pull from the same aquifer as the City wells, although that is not to say it may have an impact on the lower aquifers at some point.

On the flip side, the impact on the City's water system to serve irrigation for large lots would be significant.

Lastly, the present provisions in the Code prohibit irrigation wells for the purpose of watering household lawns and gardens. The present Code allows irrigation wells for agricultural purposes only.

The Finance and Public Works Committee recommends the Code be changed to allow irrigation wells be permitted for lawns and gardens, and the restriction on wells be reduced to 2 acres or more.

9. Pond-Fill Well. The Code is silent regarding whether a well solely used for filling a wet pond within a subdivision is permissible. As long as the well is used for solely this purpose, staff feels they should be permissible.
10. Water/Sewer Inspection Fee – presently there is a one-time charge of \$35 for the inspection. Unfortunately, staff is called multiple times for inspections. First, \$35 does not cover the cost of a single inspection and second, the intent was there would be at most, two (2) inspections. Staff recommends changing the ordinance to allow for a flat \$100 fee for inspection, that would include two (2) site inspections, and a \$50 fee for each inspection visit beyond the two (2). The fee increase proposed appears to be in line with most other municipalities in the area.
11. Account Set-up Fee – staff recommends that a \$50 account set-up fee be added to the ordinance to pay for the staff time in creating a new City utility account. The fee would be charged only if there is/was no other utility account with the City. Presently there is a \$50 charge for electric service account. If a property already has an electric account, the City would not collect another \$50.
12. Service Line Specifications and Permit. Presently, no language exists in the Code regarding the pipe installation and inspection from the structure to the meter pit (private property). This is not covered under the Building Code, and typically the City does the inspection on new construction as well as replacement lines. For new services, a permit is required due to the meter installation, however, no permit is required if a line is

replaced. Staff recommends a new section to address both the installation specifications and permit for service line replacements.

13. At the request of the Customer Service Department, a section was added to permit the City Manager (or his designee) to waive certain fees.

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**

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		<u>\$250.00 per occurrence</u>
Water Account Set Up Fee		<u>\$50.00 each</u>
Water Service Re-connection Fee		
Service Call; during normal business hours		<u>\$50.00 per occurrence</u>
Service Call; after normal business hours		<u>\$100.00 per occurrence</u>
Water Meter Testing Fee		<u>\$100.00</u>
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		\$100.00
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 \$25 nor more than \$300, together with the cost of prosecution <u>Not less than \$50 nor more than \$1,000 plus cost of prosecution</u>

Mayor Arthur J. Campbell

Attest: _____

City Clerk Teresa Hudson

Adoption Date:

Effective Date:



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: Sewer Code Revisions
Date: February 20, 2019

The Finance and Public Works Committee as well as the Public Works Department is recommending several changes be made to the Sewer Code. Changes to the Code, including:

1. Establish a Schedule of Rates, Fees and Fines. Because rates, fees and fines may change on an annual basis, creating a Schedule of Rates, Fees and Fines would allow Council to change fees and fines by Resolution, rather than making a Code change.
2. Define "Cleanout". Presently, the Sewer Ordinance uses the word "curb" or "curbline" similar to the Water Ordinance. "Cleanout" or some other term should be utilized to establish a breakpoint for City's versus Owner's maintenance responsibility.
3. Define "City Manager" under Section 185-2 and include definition as "the Chief Administrative Official of the City as selected by Council or his duly appointed representative". Throughout the Ordinance, it states that "the City Manager shall cause specific work to be done" or "if required by the City Manager". As this is a position held within the City, this legally requires all of those items to come directly from that position.
4. If the City wishes to require any out-of-town customer desiring sewer service to annex into the City, this should be included under Section 185-3 of the ordinance.
5. Remove EDU & Fixture Count Tabulations. Presently we use Kent Counties flow per fixture units and impact fees based on Specific Assessment by Usage. Rather than changing the code every time Kent County changes theirs, simply refer to Kent Co in the Code.
6. Increase fines from minimum \$50/maximum \$500 to minimum \$100 /\$1000 maximum.
7. Water/Sewer Inspection Fee – Presently there is a one-time charge of \$35 for the inspection. Unfortunately, staff is called multiple times for inspections. First, \$35 does not cover the cost of a single inspection. Secondly, the intent was for there would be, at most, two (2) inspections. Staff recommends changing the ordinance to allow for a flat \$100 fee for inspection, which includes two (2) site inspections, and a \$50 fee for each inspection visit beyond the two (2).

8. Cleanout Installation Fee – Currently, the fee for installing a cleanout is \$300. Based on how I interpret the Code, the City would be installing the cleanout. Costs for the materials alone are close to \$300. Staff recommends changing this to Construction Cost (Materials & Labor) plus 10% Administrative Fee.
9. Service Line Specifications and Permit. Presently, no language exists in the Code regarding the pipe installation and inspection from the structure to the City supplied service line from the main. This is not covered under the Building Code, and typically the City does the inspection on new construction as well as replacement lines. For new services, a permit is required due to connection to the sewer, however, no permit is required if a line is replaced. Staff recommends a new section to address both the installation specifications and permit for service line replacements.
10. At the request of Customer Service, a section was added to allow the City Manager (or his designee) to waive certain fees.

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**

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	\$4.17 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	\$2.78 per 1,000 gallons per month
Late Monthly Utility Payment Fee		<u>1.50% per month</u>
PERMITTING FEES		
<i>Description</i>		<i>Fee</i>
Sewer Utility Permit		<u>\$10.00</u>
Sewer Tap/Connection Fee		<u>Actual City cost</u>
Sewer Inspection Fee		<u>\$100 per inspection</u>
Sewer Re-inspection Fee		<u>\$50.00 per inspection</u>
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 \$50 nor more than \$500, together with the cost of prosecution <u>Not less than \$100 nor more than \$1,000 plus cost of prosecution</u>

Mayor Arthur J. Campbell

Attest: _____

City Clerk Teresa Hudson

Adoption Date:

Effective Date:

February 20, 2019

TO: Mayor and City Council
FROM: Jamesha Eaddy
Eric Norenberg
SUBJECT: Follow-up on Ord. 2019-06

Purpose and Background

At the February 11, 2019 meeting, the City of Council discussed proposed Ordinance 2019-06 regarding drug testing for employees. (The background memo from that meeting is attached.) As a result of the discussion at the last meeting, staff and the City Solicitor did additional research and recommend City Council consider approving amendments to the ordinance prior to adoption.

Discussion

Safety Sensitive vs. All Employees: Some states and localities have adopted or required testing programs that focus on the employees who are at greater risk of harming themselves or others if drug or alcohol use was taking place in the workplace. However, Delaware has no such regulation. In recent years, an environment of comradery and teamwork has been developed in the City of Milford. Accordingly, we believe treating everyone equally with respect to random drug and alcohol testing will be understood and accepted. Thus, Section 12.5.B.2 is recommended to be amended to read as follows:

12.5.B.2. RANDOM

Each employee who is assigned to a position which requires the possession of a CDL shall be part of the CDL random testing pool. All other employees shall be placed in the non-CDL pool for random testing for alcohol and for the use of controlled substances. Such test shall be conducted on a random, unannounced basis quarterly and in accordance with this policy.

In addition, the word Alcohol shall be added to Section 12.5.C. Testing Procedures.

Under the influence while On Duty: During the presentation on February 11, Human Resources Administrator Eaddy noted the need to amend section 12.5.A.2 to make it clear that the prohibited activity was during work hours. So, as noted earlier Section 12.5.A.2 is recommended to be amended to read as follows:

2. Being under the influence of alcohol or illegal drugs while on duty.

Minor Incidents / Accidents: During the discussion with City Council on February 11, there were questions about whether other accidents or injuries should constitute automatic Post Accident Testing. HR Administrator Eaddy checked with our Worker's Compensation provider and reviewed claims history. The Worker's Compensation provider, DEFIT, reported that, "We do not have a policy requiring

drug testing for any worker's compensation claim that is filed. It would be up to the employer to decide if they want to implement a policy. It is not required by the worker's compensation carrier. In my opinion, we should only test if there is reasonable suspicion. Testing for all worker's compensation claims is an unnecessary cost and we want employees to report injuries and not impact the morale." Fortunately, our claim history reveals very few significant injuries, death, etc. Many of the claims receive are minor (thumb jammed in the door, etc.). In addition, we have reduced claims in recent years due to the automated sideloading refuse trucks.

As a reminder, Section 12.5.B.4. POST-ACCIDENT testing covers all employees, not just CDL drivers: 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.

As noted at the last meeting, any accident or incident that takes place on public streets would likely be investigated by police. So, even if there was no loss of life, if the investigating officer felt it was appropriate, the employee could be sent for substance abuse testing. Incidents or accidents that take place in a building or worksite, should be investigated by supervisors if there was an injury or property damage. In either case, if there was reason to suspect alcohol or drug use was a factor in the incident, the probable cause provisions of this policy would be utilized. Accordingly, no changes are recommended.

All incidents or accidents require prompt notification of Human Resources, ensuring that this policy will be followed.

Recommendation

It is recommended that Ordinance 2019-06 be approved with the following amendments:

- Section 12.5.B.2 is recommended to be amended to read as follows:

12.5.B.2. RANDOM

Each employee who is assigned to a position which requires the possession of a CDL shall be part of the CDL random testing pool. All other employees shall be placed in the non-CDL pool for random testing for alcohol and for the use of controlled substances. Such test shall be conducted on a random, unannounced basis quarterly and in accordance with this policy.

- Section 12.5.A.2 is recommended to be amended to read as follows:
 2. Being under the influence of alcohol or illegal drugs while on duty.
- The word Alcohol shall be added to Section 12.5.C. Testing Procedures.

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, City Council intends to create this policy and conduct preemployment drug testing and random drug testing of all employees 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 while on duty.**
- 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 shall be part of the CDL random testing pool. All other employees shall be placed in the non-CDL pool for random testing for alcohol and for the use of controlled substances. Such test shall be conducted on a random, unannounced quarterly basis 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:

- Alcohol
- 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

City Council Re-Introduction (after changes): 02/25/19

Adoption:

Effective:

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.

#6 (not advertised)

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.

Downtown Development District - Project List - February 19, 2019

Applicant Name	Date	Private Investment	State Rebate	County Rebate	City Waivers/Tax Abatements	Total Incentives	Project Description	Project Size
Sorghum Mill Holdings, LLC	12/9/2016	\$ 15,000.00	\$ -	\$ -	\$ 80.00	\$ 80.00	Interior and Exterior Renovations	Small Project
Ling Xiao	5/16/2017	\$ 15,000.00	\$ -	\$ -	\$ 8,108.00	\$ 8,108.00	Interior Commercial Renovation	Small Project
Joan Durand	4/3/2018	\$ 15,000.00	\$ -	\$ -	\$ 3,730.60	\$ 3,730.60	Conversion from Rental Unit to Owner Occupied, Residential Rehabilitation	Small Project
Hello Masu, LLC	12/19/2018	\$ 15,500.00	\$ -	\$ -	\$ -	\$ -	Exterior Renovation	Small Project
Lang & Mark Redden	6/20/2018	\$ 16,800.00	\$ -	\$ -	\$ 155.00	\$ 155.00	Residential Renovation	Small Project
Black, Helene	3/10/2017	\$ 18,000.00	\$ -	\$ -	\$ 95.00	\$ 95.00	Exterior renovations, new roof	Small Project
Sorghum Mill Holdings, LLC	12/9/2016	\$ 20,000.00	\$ -	\$ -	\$ 105.00	\$ 105.00	Interior and Exterior Renovations	Small Project
Joseph Wiley	4/17/2018	\$ 24,495.00	\$ 4,899.00	\$ -	\$ 10.00	\$ 4,909.00	Residential Rehabilitation	Small Project
Robert Donovan	11/9/2017	\$ 28,000.00	\$ -	\$ -	\$ 185.00	\$ 185.00	Residential Interior & Exterior Renovations	Small Project
Barry Peterman	8/30/2018	\$ 29,035.00	\$ -	\$ -	\$ 195.00	\$ 195.00	New siding and doors	Small Project
Anthony Vari	1/11/2019	\$ 30,000.00	\$ -	\$ -	\$ 1,138.20	\$ 1,138.20	Interior Commercial Renovation	Small Project
Larry Smith	4/3/2018	\$ 35,000.00	\$ -	\$ -	\$ 245.00	\$ 245.00	Residential Rehabilitation	Small Project
Sudler Lofland	5/2/2018	\$ 38,000.00	\$ -	\$ -	\$ 285.00	\$ 285.00	Commercial Roof, Siding and Windows	Small Project
Rockaway Likeness, LLC	11/23/2016	\$ 40,000.00	\$ -	\$ -	\$ 655.00	\$ 655.00	New Single-Family Detached Dwelling	Small Project
Wattay Accounting	2/19/2019	\$ 42,000.00	\$ -	\$ -	\$ 330.00	\$ 330.00	Commercial interior renovations	Small Project
James Hartnett	11/13/2018	\$ 47,500.00	\$ -	\$ -	\$ 355.00	\$ 355.00	Residential rehabilitation	Small Project
Harry Greenwell	10/4/2017	\$ 50,000.00	\$ -	\$ -	\$ 300.00	\$ 300.00	Interior / Exterior Renovations	Small Project
Juan Hernandez	3/12/2018	\$ 55,000.00	\$ -	\$ -	\$ 345.00	\$ 345.00	Residential Rehabilitation & Addition	Small Project
Christian Owens	12/6/2016	\$ 68,127.00	\$ 13,625.00	\$ 1,500.00	\$ 355.00	\$ 15,480.00	Residential Interior & Exterior Renovations	Small Project
Zook, Cordelia & Justin	2/14/2017	\$ 69,223.00	\$ 15,349.00	\$ -	\$ 1,190.80	\$ 16,539.80	Interior/Exterior Renovations	Small Project
Wavecrest, LLC	5/15/2017	\$ 70,000.00	\$ -	\$ -	\$ 1,252.80	\$ 1,252.80	Interior/Exterior Renovations	Small Project
Inns on the Mispillion, LLC	8/28/2017	\$ 70,000.00	\$ -	\$ -	\$ 420.00	\$ 420.00	Residential Renovations	Small Project
River Lights Cafe	4/9/2018	\$ 75,780.00	\$ -	\$ -	\$ 4,987.60	\$ 4,987.60	Commercial Renovation	Small Project
Riverwalk Center at Milford	8/16/2018	\$ 82,000.00	\$ -	\$ -	\$ 1,398.20	\$ 1,398.20	Commercial renovation	Small Project
100 Charles Street, LLC	10/2/2017	\$ 89,508.00	\$ 17,902.00	\$ -	\$ 5,938.60	\$ 23,840.60	Residential Interior / Exterior Renovations	Small Project
Downtown Properties of Milford, LLC	12/21/2017	\$ 93,386.00	\$ -	\$ -	\$ 6,576.00	\$ 6,576.00	New Single-family Detached	Small Project
Cordelia & Justin Zook	8/1/2017	\$ 95,000.00	\$ 18,803.00	\$ -	\$ 520.00	\$ 19,323.00	Residential Rehabilitation - Interior and Exterior renovations	Small Project
Zook Property Management	9/14/2017	\$ 116,660.00	\$ 23,332.00	\$ -	\$ 3,305.00	\$ 26,637.00	Complete Interior & Exterior Renovation of existing Single Family Dwelling	Small Project
J&R Marshall West LLC	12/18/2018	\$ 125,000.00	\$ -	\$ -	\$ 1,275.00	\$ 1,275.00	New Single-Family Detached Dwelling	Small Project
J&R Marshall West LLC	12/18/2018	\$ 125,000.00	\$ -	\$ -	\$ 5,616.00	\$ 5,616.00	New Single-Family Detached Dwelling	Small Project
Greater Milford Development Corporation	6/30/2017	\$ 157,161.00	\$ 31,432.00	\$ 10,000.00	\$ 3,971.60	\$ 45,403.60	Conversion of office space into DE Music School	Small Project
Towers Bed & Breakfast	8/29/2018	\$ 163,505.00	\$ 32,701.00	\$ -	\$ -	\$ 32,701.00	Restoration of Historic Structure	Small Project
Wavecrest, LLC	1/25/2017	\$ 200,000.00	\$ -	\$ -	\$ 1,050.00	\$ 1,050.00	Full rehabilitation of existing two-family dwelling unit	Small Project
Il Nostro Locale, LLC	10/7/2016	\$ 250,000.00	\$ -	\$ -	\$ 20,485.60	\$ 20,485.60	Renovation of vacated bank into an Italian Restaurant	Small Project
Triple Moon	11/9/2016	\$ 277,148.00	\$ 50,000.00	\$ 10,000.00	\$ 7,334.40	\$ 67,334.40	Interior and Exterior renovation of historic building, conversion of single family home to Bed and Breakfast Operation	Small Project
Downtown Properties of Milford, LLC	2/19/2019	\$ 787,501.00	\$ 135,000.00	\$ -	\$ -	\$ 135,000.00	Complete historic restoration, first floor commercial with (3) apartments on second and third floors	Large Project
Downtown Properties of Milford, LLC	12/2/2016	\$ 872,768.00	\$ 135,554.00	\$ -	\$ 7,378.80	\$ 142,932.80	Complete historic restoration, first floor commercial with (2) apartments on second and third floor.	Large Project
Greater Milford Development Corporation	11/21/2016	\$ 1,420,900.00	\$ 248,792.00	\$ -	\$ 45,576.24	\$ 294,368.24	Conversion of vacated commercial space into professional office space	Large Project
Devreco	6/27/2018	\$ 1,992,500.00	\$ 259,500.00	\$ -	\$ 2,370.00	\$ 261,870.00	Commercial Renovation	Large Project
200 Front LLC	6/27/2018	\$ 2,587,000.00	\$ 404,905.00	\$ -	\$ -	\$ 404,905.00	8-unit Townhouse Development	Large Project
		\$ 10,322,497.00	\$ 1,391,794.00	\$ 21,500.00	\$ 137,318.44	\$ 1,550,612.44		

CITY OF MILFORD

Milford, Delaware

Financial Statements

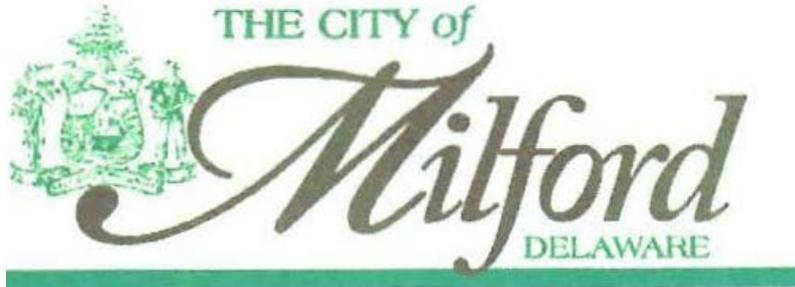
For The Year Ended June 30, 2018

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	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	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	5,376,575	1,516,310	1,274,556	98,517	8,265,958	67,981
Cash Flows from Non-Capital Financing Activities:						
Operating Transfers (Out)	(2,500,000)	-	-	-	(2,500,000)	-
Net Cash Flows Used in Non-Capital Financing Activities	(2,500,000)	-	-	-	(2,500,000)	-
Cash Flows from Capital and Related Financing Activities:						
Net cash 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	(2,513,174)	(50,011)	(1,762,570)	(274,742)	(4,600,497)	(9,493)
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	(1,514,572)	(594,026)	456,099	1,937	(1,650,562)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,151,171)	872,273	(31,915)	(174,288)	(485,101)	58,488
Cash and Cash Equivalents at Beginning of Year	4,173,700	2,970,600	1,716,867	334,424	9,195,591	83,549
Cash and Cash Equivalents at End of Year	\$ 3,022,529	\$ 3,842,873	\$ 1,684,952	\$ 160,136	\$ 8,710,490	\$ 142,037
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	\$ 5,376,575	\$ 1,516,310	\$ 1,274,556	\$ 98,517	\$ 8,265,958	\$ 67,981
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	\$ (2,387,306)	\$ 258,756	\$ (1,499,022)	\$ (274,742)	\$ (3,902,314)	\$ (9,493)
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	<u>\$14,741,439</u>	<u>\$ 938,267</u>	<u>\$ -</u>	<u>\$ 521,050</u>	<u>\$16,200,756</u>
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	<u>\$15,173,924</u>	<u>\$ (377,722)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$14,796,202</u>
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	<u>\$11,855,614</u>	<u>\$ (257,338)</u>	<u>\$ -</u>	<u>\$1,301,386</u>	<u>\$12,899,662</u>
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	<u>\$ 377,568</u>	<u>\$ 195,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,141</u>
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	<u>\$42,148,545</u>	<u>\$ 498,780</u>	<u>\$ -</u>	<u>\$1,822,436</u>	<u>\$44,469,761</u>

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
 - Discount Rate - 7.0%
 - Amortization Growth Rate 3.0%
 - 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.



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 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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www.beckvillata.com

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Robert K. Griffin, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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 CHARTER

· **ARTICLE III. - POWERS OF THE CITY –** · **COUNCIL AND MAYOR**

3.07 - Mayor - General Powers.

The Mayor may establish such committees, appoint committee members, and designate the committee Chairs as he or she deems necessary for the proper administration of City Council.

Mayor Campbell recommendation:

Councilman Jason James be appointed to:

Finance Committee

Police Committee

CURRENT COUNCIL COMMITTEES:

COMMITTEE	CHAIR	MEMBERS
Annexation	Owen Brooks	Chris Mergner, Todd Culotta
Community & Economic Development	Chris Mergner	Owen Brooks, Katrina Wilson, Todd Culotta
Finance & Public Works	Doug Morrow	Lisa Peel, Mike Boyle
Police	Katrina Wilson	Lisa Peel, Mike Boyle

MORRIS & RITCHIE ASSOCIATES, INC.

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,
AND LANDSCAPE ARCHITECTS



Date: November 01, 2018

City of Milford
201 S. Walnut St.
P.O. Box 159
Milford, DE 19963

Attention: Mr. Robert Pierce

Subject: Hickory Glen (Project No. 13-196)
Preliminary Plan Approval Extension

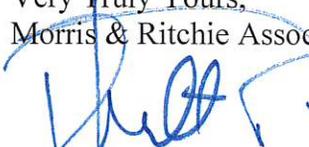
Dear Mr. Pierce:

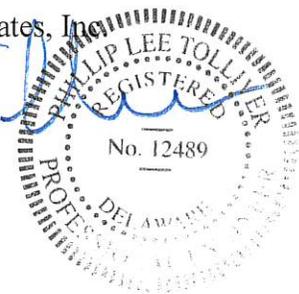
On behalf of our client, Mr. Eric Dunn of Dunn Development, LLC, and in regards to the above referenced plan, we hereby formally request a twelve (12) month extension for the previously approved Preliminary Plan. The Preliminary Site Plan was previously granted extension approval by the Milford Planning Commission on January 16, 2018, and in the near future is scheduled to expire in accordance with Section 200-4.A.(5) of the City Subdivision Ordinance. The Preliminary Major Subdivision Plan was previously granted extension approval by the Milford City Council on January 22, 2018, and is also scheduled to expire in accordance with Section 200-4.A.(5) of the City Subdivision Ordinance.

We have been diligently working on developing the construction plans related to this project and this 12 month extension is necessary in order to finalize all approvals including Record Plats related to the project. To facilitate the extension request we would like Hickory Glen to be placed on the Planning Commission and City Council agendas.

Should you have any questions or comments regarding this issue, please feel free to contact me.

Very Truly Yours,
Morris & Ritchie Associates, Inc.


Phillip L. Tolliver, P.E.
Principal



18 Boulden Circle, Suite 36, New Castle, DE 19720 (302) 326-2200 Fax: (302) 326-2399

www.mragta.com

Abingdon, MD
(410) 515-9000

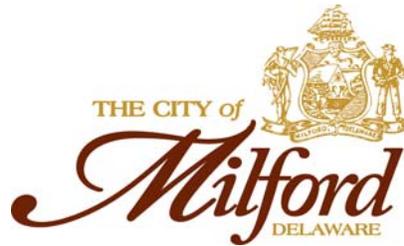
Laurel, MD
(410) 792-9792

Towson, MD
(410) 821-1690

Georgetown, DE
(302) 855-5734

New Castle, DE
(302) 326-2200

Sterling, VA
(703) 674-0161



PLANNING & ZONING DEPARTMENT
P 302.424.3712, F 302.424.3559

201 SOUTH WALNUT STREET
MILFORD, DE 19963

www.cityofmilford.com

March 6, 2018

Mr. Phil Tolliver
Morris & Ritchie Associates, Inc.
18 Boulden Circle, Suite 36
Wilmington, DE 19720

RE: Application Number: 13-196
Application Name: Hickory Glen
Application Type: Preliminary Site Plan and Major Subdivision Extension
Tax Parcel Number(s): MD-16-173.00-01-21.00 & 22.00

Mr. Tolliver,

According to our records, the Planning Commission for the City of Milford granted you a one-year extension for Preliminary Site Plan approval for the proposed Hickory Glen subdivision on January 16, 2018. Per City Code, Chapter 230-52, Zoning, A (4), "*Preliminary approval from the Planning Commission shall be void after one year, unless an extension is requested by the owner and approved for good cause by the Planning Commission prior to the expiration.*" Final Site Plan Approval or an extension must be obtained prior to January 16, 2019 in order to avoid expiration of the preliminary approval.

Also, City Council granted you a one-year extension for the Preliminary Major Subdivision approval for the proposed Hickory Glen subdivision on January 22, 2018. Per City Code, Chapter 200-4, Subdivision of Land, A (5), "*Preliminary approval from City Council shall be void after one year, unless an extension is requested by the owner and approved by City Council prior to the expiration.*" Final Major Subdivision Approval or an extension must be obtained prior to January 22, 2019 in order to avoid expiration of the preliminary approval.

Furthermore, please contact the Public Works Department to coordinate the Engineering review.

Feel free to contact me at 302-424-8396 or via email at rpierce@milford-de.gov should you have any questions.

Sincerely,

Rob Pierce
Planning & Development Director

cc: Erik Retzlaff, P.E. – City Engineer

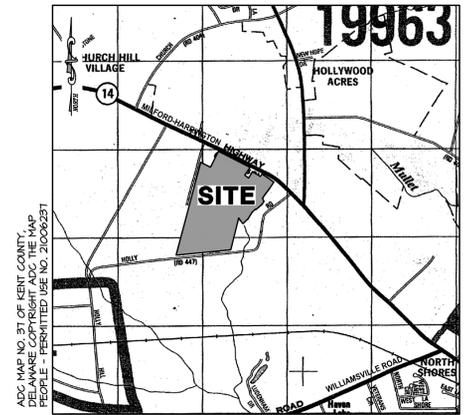
GENERAL NOTES

- NO CERTIFICATES OF OCCUPANCY WILL BE ISSUED FOR ANY LOT UNTIL ALL STREET SIGNS ARE IN PLACE FOR THE STREETS LEADING FROM THE ENTRANCE TO THE DEVELOPMENT TO THE LOT FOR WHICH THE PERMIT IS TO BE ISSUED.
- ALL LOTS WITHIN THIS DEVELOPMENT SHALL HAVE ACCESS FROM INTERNAL SUBDIVISION STREETS ONLY. DIRECT ACCESS TO COUNTY ROADS FROM INDIVIDUAL LOTS IS PROHIBITED.
- A HOMEOWNERS ASSOCIATION SHALL BE ESTABLISHED FOR, BUT NOT LIMITED TO, ALL FUTURE MAINTENANCE AND REPAIRS OF ALL STORMWATER MANAGEMENT FACILITIES, SUBDIVISION ENTRANCE SIGNS, AND ALL OPEN SPACE AREAS.
- ALL PUBLIC UTILITIES NOT LOCATED WITHIN COUNTY ROAD RIGHT-OF-WAY SHALL BE CONTAINED WITHIN A PUBLIC DRAINAGE AND UTILITY EASEMENT.
- ALL OPEN SPACES AND STORMWATER MANAGEMENT FACILITIES SHALL BE MAINTAINED BY A HOMEOWNERS ASSOCIATION (H.O.A.) WITH THE RESPONSIBILITY OF MAINTENANCE FOR THE H.O.A. TO BEGIN AT THE COMPLETION OF THE PROJECT.
- THE OWNER/DEVELOPER UNDERSTANDS THAT THE TRACT DEPICTED HEREON MAY BE IMPACTED BY WETLANDS REGULATED BY THE ARMY CORPS OF ENGINEERS AND IS ADVISED TO CONTACT THE ARMY CORPS OF ENGINEERS FOR INFORMATION AND GUIDANCE IN REGARD TO JURISDICTIONAL DETERMINATIONS AND FEDERAL PERMITS PRIOR TO THE START OF CONSTRUCTION.
- THE KENT CONSERVATION DISTRICT RESERVES THE RIGHT TO ADD, MODIFY OR DELETE ANY EROSION AND SEDIMENT CONTROL MEASURES AS IT DEEMS NECESSARY.
- THE KENT CONSERVATION DISTRICT RESERVES THE RIGHT TO ENTER PRIVATE PROPERTY FOR PURPOSES OF PERIODIC SITE INSPECTION.
- ALL APARTMENT BUILDINGS SHALL HAVE SPRINKLER SYSTEMS AND SHALL MEET FIRE LANE MARKING REQUIREMENTS.
- ALL FIRE LANES, FIRE HYDRANTS, EXITS, STANDPIPES, AND SPRINKLER SHALL BE MARKED IN ACCORDANCE WITH THE STATE FIRE PREVENTION REGULATIONS, DATED JANUARY 15, 1993 AND LAST REVISED JULY 1, 1991.
- ALL SUBDIVISION STREETS AND ENTRANCES SHALL BE ACCESSIBLE TO FIRE APPARATUS. ALL STRUCTURES SHALL PROVIDE ACCESS TO FIRE APPARATUS WITHIN 100 FEET OF THE FRONT DOOR.
- PRIOR TO FINAL PLAN APPROVAL AND RECORDATION, ALL DELAWARE FIRE MARSHAL REQUIREMENTS SHALL BE MET.
- ALL EROSION AND SEDIMENT CONTROL MEASURES SHALL CONFORM TO THE DELAWARE EROSION AND SEDIMENT CONTROL HANDBOOK, DATED 1984.
- ALL ROADWAYS SHALL BE CONSTRUCTED TO CITY OF MILFORD AND STATE OF DELAWARE, DEPARTMENT OF TRANSPORTATION STANDARDS AND SPECIFICATIONS AND SHALL BE DEDICATED TO PUBLIC USE.
- AS PART OF THIS PRELIMINARY PLAN, A WAIVER FROM SECTION 230-19.4.B(3)(h) REFERING TO ALLEYS IN THE REAR OF TOWNHOME UNITS WILL BE REQUESTED.
- ALL ELECTRICAL, TELEPHONE, TV CABLE, COMMUNICATIONS, ETC. LINES AND CABLES SHALL BE PLACED UNDERGROUND.
- DECLARANT HEREBY GRANTS TO THE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL, DIVISION OF SOIL AND WATER CONSERVATION SEDIMENT AND STORMWATER PROGRAM OR ITS DELEGATED AGENCY, THE RIGHT, PRIVILEGE, AND AUTHORITY TO ENTER UPON SAID PREMISES AND INSPECT STORMWATER MANAGEMENT AREAS WITHIN STORMWATER MANAGEMENT EASEMENTS. IN EVENT THAT THE DELEGATED AGENCY DETERMINES THAT MAINTENANCE IS REQUIRED WITHIN SAID STORMWATER MANAGEMENT AREAS, ALL EXPENSES SHALL BE THE RESPONSIBILITY OF THE MAINTENANCE CORPORATION.
- MAINTENANCE OF ALL STORMWATER FACILITIES ON SITE INCLUDING BUT NOT LIMITED TO STORMWATER PONDS, BIO-FILTRATION AREAS AND ROCK OUTLET PROTECTION, SHALL BE THE RESPONSIBILITY OF THE DEVELOPER UNTIL SUCH TIME AS ALL MAINTENANCE IS TURNED OVER TO THE HOMEOWNERS ASSOCIATION FOR LONG TERM MAINTENANCE.
- ALL ENTRANCES SHALL CONFORM TO THE STATE OF DELAWARE DEPARTMENT OF TRANSPORTATION STANDARDS AND SPECIFICATIONS AND WILL BE SUBJECT TO ITS APPROVAL.
- SUBDIVISION SIGNS WILL NOT BE PERMITTED WITHIN THE DEDICATED RIGHTS-OF-WAY.
- IN NO CASE SHALL A TREE OVER 12 INCHES IN DIAMETER MEASURED THREE FEET FROM THE BASE BE REMOVED WITHOUT PRIOR APPROVAL BY THE CITY ARBORIST.
- A LANDSCAPE PLAN SHALL BE APPROVED BY THE CITY PLANNER PRIOR TO THE FINAL PLAN APPROVAL. SAID LANDSCAPE PLAN SHALL CONFORM WITH SECTION 200-5 (H)(1)(e) & (f) OF THE MILFORD CODE.
- A COMBINATION OF EARTHEN BERMS AND LANDSCAPE PLANTINGS WILL BE USED ALONG HOLLY HILL ROAD TO REDUCE NOISE FROM THE BALTIMORE AIRCOIL FACILITY.
- PRIOR TO RECORD PLAT APPROVAL, A COPY OF THE HOA DOCUMENTS WILL BE SUBMITTED TO THE CITY OF MILFORD.
- THE PURPOSE OF THE BOARDWALKS SHOWN ON THIS PLAN ARE TO ALLOW RESIDENTIAL ACCESS FROM APARTMENT BUILDINGS 1-10 TO THE CLUBHOUSE AREA. NO TREE CLEARING OR EARTHEN FILL SHALL TAKE PLACE AS A RESULT OF BOARDWALK CONSTRUCTION.
- THE PURPOSE OF THE MAINTENANCE BUILDING SHOWN WITHIN THE APARTMENT SECTION WILL BE TO STORE TOOLS AND MATERIALS NECESSARY IN THE CONTINUAL MAINTENANCE AND UPKEEP OF THE APARTMENT UNITS AND WILL BE USED BY THE HOA-EMPLOYED MAINTENANCE COMPANY.
- ALL OPEN SPACE WITHIN THE SUBDIVISION IS WITHIN AN ACCESS AND MAINTENANCE EASEMENT FOR THE RESIDENTS OF THE SUBDIVISION AND CAN THEREFORE BE USED FOR RECREATIONAL ACCESS AS WELL AS MAINTENANCE ACCESS (MOWING, ETC.)

HICKORY GLEN PRELIMINARY PLAN

INDEX OF DRAWINGS

SHEET 1	TITLE SHEET
SHEET 2	SITE PLAN
SHEET 3	EXISTING CONDITIONS PLAN



LOCATION MAP

SCALE: 1" = 2000'



VICINITY SKETCH

1" = 800'

SITE DATA

TAX MAP PARCELS:
5-16-173.00-01-21.00
5-16-173.00-01-22.00

DEED B.V.P.:
D-2521-141

OWNER:
WALTER N. THOMAS, II
1335 MILFORD-HARRINGTON HIGHWAY
MILFORD, DE 19963

SITE ADDRESS:
1335 MILFORD-HARRINGTON HIGHWAY
MILFORD, DE 19963

DEVELOPER/APPLICANT:
DUNN DEVELOPMENT, LLC
160 SENECA SHORE ROAD
FERRYVILLE, MD 21903
ATTN: MR. ERIC DUNN

EXISTING ZONING:
R-8 (CITY OF MILFORD)

PROPOSED ZONING:
R-8 (CITY OF MILFORD)

PROPOSED USE:
RESIDENTIAL

TOTAL SITE AREA:
71.918± AC (SURVEY)

AREA OF LOT A (OTHER LANDS OF DUNN DEVELOPMENT LLC):
3.268± AC

REMAINING SITE AREA:
68.65± AC

ALLOWABLE DENSITY:
68.65 AC. - 2.64 AC WETLANDS) = 66.01 AC X 8 UNITS/ACRE = 528 UNITS

PROPOSED DENSITY:
399 UNITS TOTAL
20 APARTMENT BUILDINGS, 12 UNITS PER BUILDING = 240 UNITS
24 TOWNHOME GROUPS (4-8 UNITS PER GROUP) = 154 TOWNHOMES

AREA CALCULATIONS:

WIN PROPOSED STREETS R.O.W.	9.50 ± AC (TOTAL SITE)
WIN EXISTING WOODLAND	4.29 ± AC
WIN WOODLAND PRESERVATION	3.84 ± AC
WIN WETLANDS	2.64 ± AC
WIN ZONE 3 SW PROTECTION AREA	14.69 ± AC
AREA OF APARTMENT SECTION:	34.88 ± AC (INCLUDING R/W), 32.46 ± AC (NOT INCLUDING R/W), 2.42 ± AC R/W WITHIN APARTMENT AREA
OPEN SPACE REQUIRED:	40% = 12.98 ± AC
TOTAL OPEN SPACE PROVIDED:	16.93 ± AC (NOT INCLUDING WETLANDS AND SWM AREAS)
RECREATIONAL OPEN SPACE PROPOSED:	2.62 ± AC
MAXIMUM LOT COVERAGE:	20%
AREA OF TOWNHOME SECTION:	33.77 ± AC (INCLUDING R/W), 26.69 ± AC (NOT INCLUDING R/W), 7.08 ± AC R/W WITHIN TOWNHOME AREA
AREA OF TOWNHOUSE LOTS	10.00 ± AC
MINIMUM T.H. LOT SIZE:	2,200 SF
AVERAGE T.H. LOT SIZE:	2,738 SF
MAXIMUM LOT COVERAGE:	60%
OPEN SPACE REQUIRED:	40% = 10.68 ± AC
TOTAL OPEN SPACE PROVIDED:	12.56 ± AC (NOT INCLUDING WETLANDS AND SWM AREAS)
RECREATIONAL OPEN SPACE PROPOSED:	3.16 ± AC
MAX. IMPERVIOUS WIN ZONE 3 SWPA:	35% ALLOWED, 30% PROPOSED (4.31 ± AC)

PARKING SPACES:

	REQUIRED	PROPOSED
APARTMENTS (2.5 SPACES PER UNIT):	600	742
TOWNHOMES (2.5 SPACES PER UNIT):	348	398
CLUBHOUSE (1 SPACE PER 150 S.F.F.A.):	21	26 (INCLUDES 2 FOR TOT LOT)

BUILDING SETBACKS:

	TOWNHOMES	APARTMENTS
FRONT YARD	30'	35'
SIDE YARD	15'	N/A
REAR YARD	15'	N/A
BETWEEN UNITS (FACE/SIDE)	60'/30'	64'/45'
PROPERTY BOUNDARY	60'	35'

WATER:
CITY OF MILFORD PUBLIC WATER

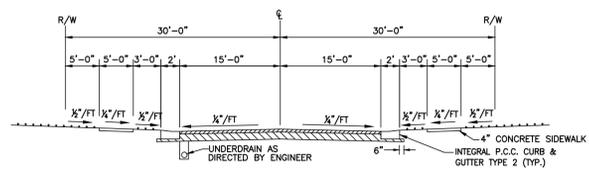
SEWER:
CITY OF MILFORD PUBLIC SEWER

TOPOGRAPHIC REFERENCE:
HORIZONTAL - DELAWARE COORDINATE SYSTEM NAD 83/86
VERTICAL - NAVD 88

FLOODPLAIN REFERENCE:
FEMA MAP #100010362H, EFFECTIVE MAY 23, 2003

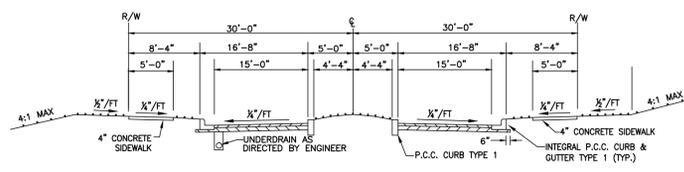
WETLAND REFERENCE:
DELINEATED BY GEO-TECHNOLOGY ASSOC., INC. ON JUNE 3, 2010

BUILDING HEIGHTS:
TOWNHOMES: 3 STORIES
APARTMENTS: 3 STORIES OR 35'
MAX. PERMITTED: 3 STORIES (35')
MAX. PROPOSED: 3 STORIES



TYPICAL TOWNHOME STREET SECTION

NOT TO SCALE



SHAGBARK DRIVE TYPICAL SECTION

NOT TO SCALE

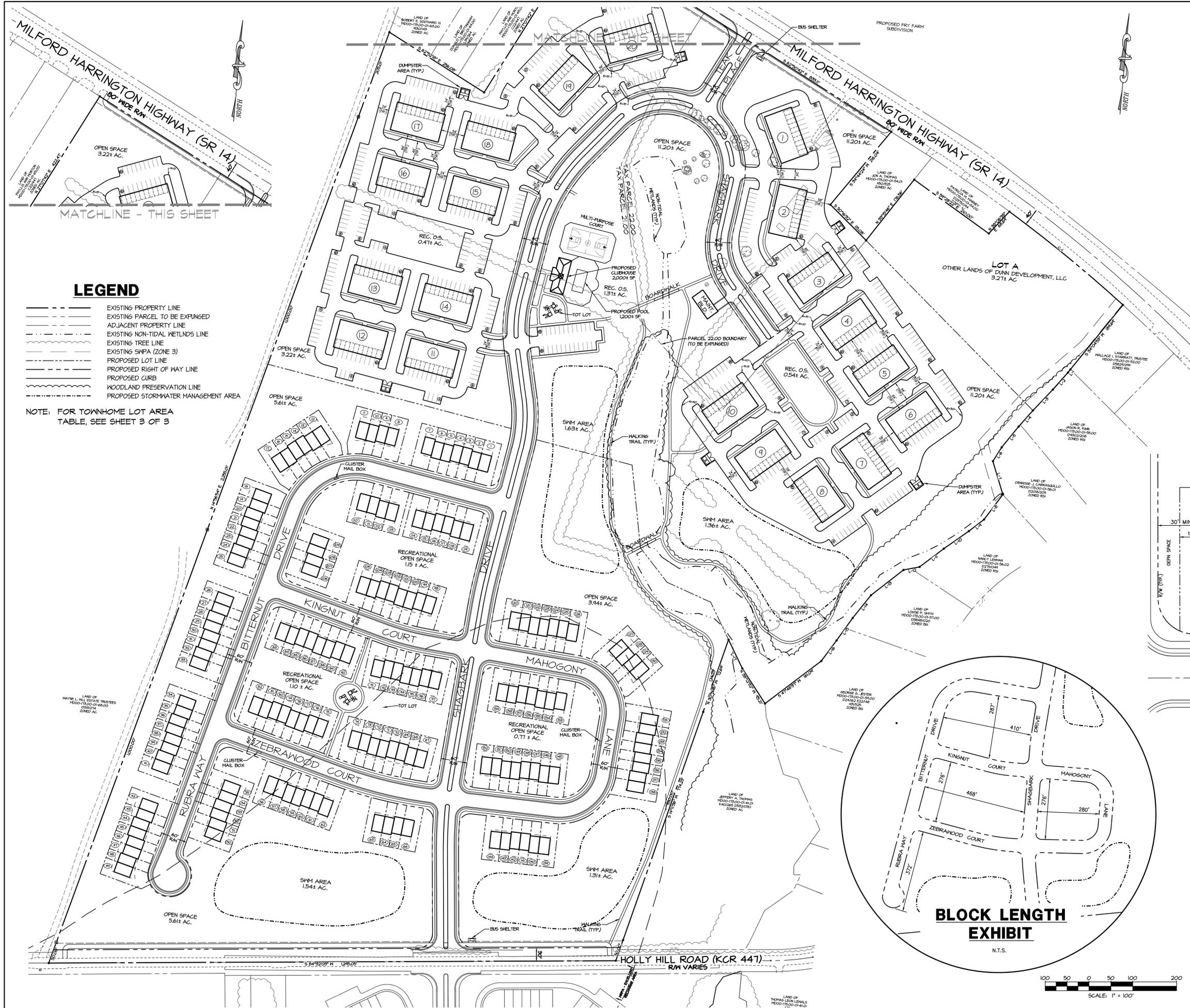
ENGINEER'S CERTIFICATION

I, PHILLIP L. TOLLIVER, HEREBY CERTIFY THAT I AM A REGISTERED ENGINEER IN THE STATE OF DELAWARE, THAT THE INFORMATION SHOWN HEREON HAS BEEN PREPARED UNDER MY SUPERVISION AND TO MY BEST KNOWLEDGE AND BELIEF REPRESENTS GOOD ENGINEERING PRACTICES BY THE APPLICABLE LAWS OF THE STATE OF DELAWARE.

PHILLIP L. TOLLIVER, P.E.

DATE

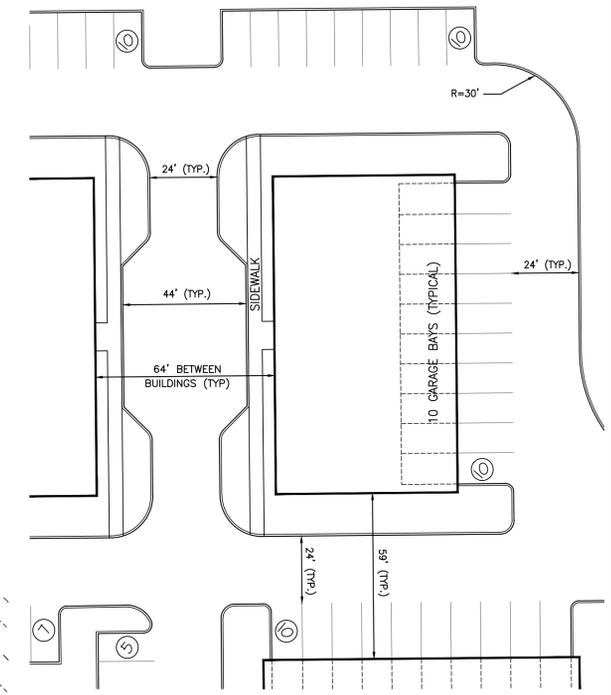
		MORRIS & RITCHIE ASSOCIATES, INC. ENGINEERS, PLANNERS, SURVEYORS AND LANDSCAPE ARCHITECTS 18 BOULDEN CIRCLE, SUITE 36 NEW CASTLE, DELAWARE 19720 (302) 326-2200 FAX: (302) 326-2399 WWW.MRAGTA.COM	
		PRELIMINARY PLAN TITLE SHEET FOR HICKORY GLEN	
ENGINEER'S SEAL	CITY OF MILFORD	KENT COUNTY, DELAWARE	
DATE	REVISIONS	JOB NO.: 16302.01	
6/03/13	PER DAC COMMENTS 4/17/13	SCALE: AS SHOWN	
7/31/13	PER COMMENTS 7/16/13	DATE: 2/28/13	
10/10/13	PER COMMENTS 8/16/13	DRAWN BY: CWB	
11/13/13	PER COMMENTS 11/7/13	DESIGN BY: CWB	
		REVIEW BY: PLT	
		SHEET: 1 of 3	



LEGEND

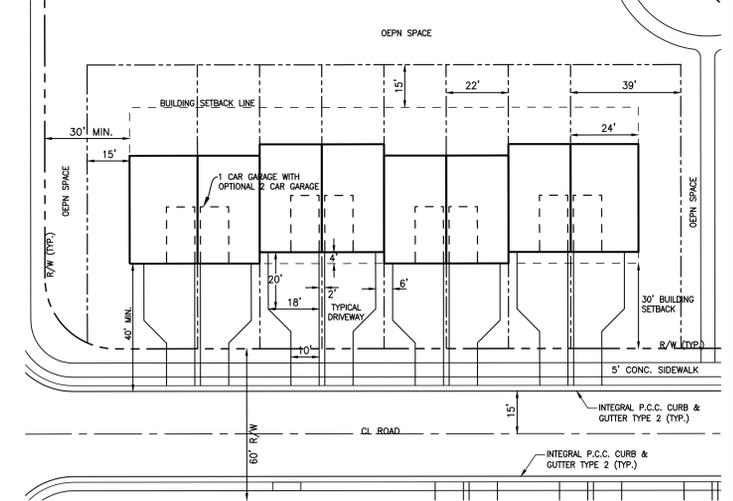
- EXISTING PROPERTY LINE
- EXISTING PARCEL TO BE EXPUNGED
- ADJACENT PROPERTY LINE
- EXISTING NON-TIDAL WETLANDS LINE
- EXISTING TREE LINE
- EXISTING SWPA (ZONE 3)
- PROPOSED LOT LINE
- PROPOSED RIGHT OF WAY LINE
- PROPOSED CURB
- WOODLAND PRESERVATION LINE
- PROPOSED STORMWATER MANAGEMENT AREA

NOTE: FOR TOWNHOME LOT AREA TABLE, SEE SHEET 3 OF 3



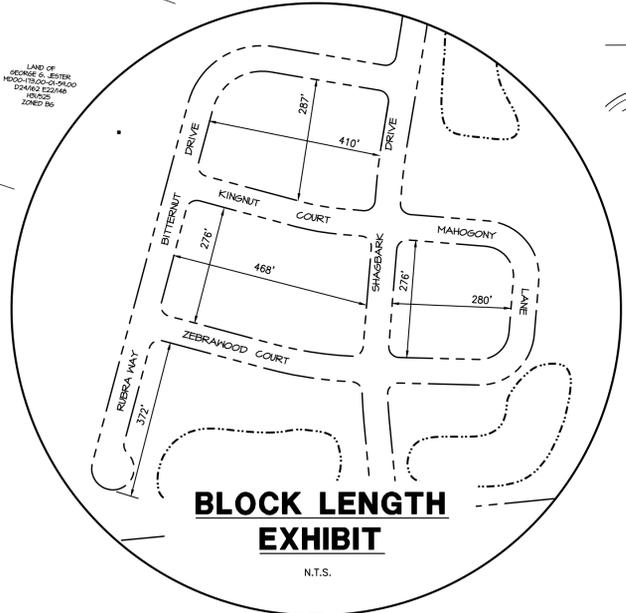
TYPICAL APARTMENT DETAIL

SCALE: 1" = 30'



TYPICAL TOWNHOME BLOCK

SCALE: 1" = 30'



BLOCK LENGTH EXHIBIT



MIRA
MORRIS & RITCHIE ASSOCIATES, INC.
 ENGINEERS, PLANNERS, SURVEYORS AND LANDSCAPE ARCHITECTS
 18 BOLDEN CIRCLE, SUITE 36
 NEW CASTLE, DELAWARE 19720
 (302) 326-2200
 FAX: (302) 326-2399
 WWW.MRAGTA.COM

ENGINEER'S SEAL		CITY OF MILFORD	KENT COUNTY, DELAWARE
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11/13/13	PER COMMENTS 11/7/13	DESIGN BY: CWB	
		REVIEW BY: PLT	
		SHEET: 2 of 3	

PRELIMINARY PLAN SITE PLAN FOR HICKORY GLEN



BOUNDARY CURVE TABLE

LINE	DELTA	RADIUS	ARC	CHORD BEARING	CHORD	TANGENT
C-1	5°34'08"	3341.81'	335.20'	555°51'04"E	335.01'	161.74'

BOUNDARY LINE TABLE

LINE	BEARING	DISTANCE
L-1	S32°56'34"W	9.00'
L-2	S36°21'16"W	51.71'
L-3	S38°28'07"W	65.98'
L-4	S36°31'41"W	48.90'
L-5	S34°05'54"W	61.05'
L-6	S21°13'21"W	31.34'
L-7	S21°42'17"E	71.44'
L-8	S30°53'41"W	71.70'
L-9	S41°36'00"W	43.38'
L-10	S44°53'24"W	64.91'
L-11	S41°55'06"W	64.19'
L-12	S14°09'47"W	31.17'
L-13	S41°00'07"W	94.01'
L-14	S33°44'05"W	66.74'
L-15	S30°33'37"W	62.71'
L-16	S31°20'18"W	58.11'
L-17	N30°51'16"W	72.64'

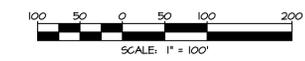
TOWNHOME LOT AREA TABLE

LOT #	AREA (S.F.)						
1	3843	41	3400	81	2200	121	2200
2	2200	42	3400	82	3843	122	2200
3	2200	43	2200	83	3843	123	2200
4	2200	44	2200	84	2200	124	2200
5	2200	45	2200	85	2200	125	2200
6	2200	46	2200	86	2200	126	3400
7	3400	47	2200	87	2200	127	4163
8	3400	48	2208	88	2200	128	2214
9	2201	49	4142	89	2200	129	2214
10	2228	50	3400	90	3400	130	4163
11	4088	51	2200	91	4075	131	3496
12	4228	52	2200	92	2235	132	2200
13	2210	53	2200	93	2204	133	2200
14	2210	54	2200	94	2201	134	2200
15	2210	55	3400	95	2204	135	2200
16	2210	56	3400	96	2232	136	2200
17	4228	57	2200	97	4015	137	2200
18	3880	58	2200	98	3484	138	3496
19	2200	59	2200	99	2305	139	3403
20	2200	60	2200	100	2322	140	2200
21	2200	61	2200	101	2314	141	2200
22	2200	62	3402	102	2300	142	2200
23	2200	63	3431	103	2276	143	2200
24	2200	64	2202	104	2253	144	3400
25	3400	65	2202	105	3431	145	3844
26	3400	66	3431	106	3843	146	2200
27	2200	67	3418	107	2200	147	2200
28	2200	68	2247	108	2200	148	2200
29	2200	69	2321	109	3400	149	2200
30	2200	70	2332	110	3874	150	2200
31	2200	71	2332	111	2200	151	2200
32	2200	72	2321	112	2200	152	3884
33	3400	73	2247	113	3400	153	3400
34	3400	74	3474	114	3400	154	2200
35	2200	75	3400	115	2200	155	2200
36	2200	76	2200	116	2200	156	2200
37	2200	77	2200	117	2200	157	2200
38	2200	78	2200	118	2200	158	2200
39	2200	79	2200	119	3843	159	3400
40	2200	80	2200	120	3400		

NOTE: THE NON-TIDAL WETLANDS SHOWN HEREON WERE DELINEATED BY GEO-TECHNOLOGY ASSOC., INC. ON JUNE 3, 2010

LEGEND

	EXISTING PROPERTY LINE
	ADJACENT PROPERTY LINE
	EXISTING NON-TIDAL WETLANDS LINE
	EXISTING SANITARY FORCE MAIN
	EXISTING OVERHEAD ELECTRIC
	EXISTING TREE LINE
	EXISTING WOODS





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PRELIMINARY PLAN
EXISTING CONDITIONS PLAN
 FOR
HICKORY GLEN

ENGINEER'S SEAL	CITY OF MILFORD	KENT COUNTY, DELAWARE
DATE	REVISIONS	JOB NO.: 16302.01
6/03/13	PER DAC COMMENTS 4/17/13	SCALE: AS SHOWN
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		SHEET: 3 of 3



Hickory Glen

CITY OF MILFORD, DELAWARE



Jeff identified that our December Kent County bill looked out of line. Probably due to increased rain in the last six month, we have had increased sewer billings: \$405,000 out of our \$475,000 annual budget in only 6 months.

I suggest that a budget request from council be approved to raise the budget for I & I to \$700,000.

This is a \$225,000 request from sewer reserves to cover the deficit.



TO: Mayor and City Council
FROM: Mark Whitfield, Public Works Director
Eric Norenberg, City Manager
DATE: February 20, 2019
SUBJECT: **Budget Adjustment/Wastewater Treatment Inflow & Infiltration (I&I)**

Purpose and Background

The City of Milford collects wastewater via our sewer system and then transmits the wastewater to Kent County for treatment. Due to inflow and infiltration (I&I) of groundwater or stormwater into our underground sewer mains, more wastewater is sent to Kent County for treatment than is sold from our water system. We budget for the treatment of the I&I water each year and plan capital projects to repair or replace aging wastewater lines that allow the I&I. Due to greater rainfall than anticipated thus far this fiscal year, our I&I costs are exceeding the budgeted allocation. Accordingly, the purpose of this memo is to request additional funding for treatment of I&I water.

Discussion

The average daily flow for Kent County Pump Station 7 in Milford was around average for the last few months at 3.18 million gallon per day. Per Kent County, “with all the rain last year we are experiencing elevated ground water levels that are causing infiltration that we have not seen before. The average daily flows at the WWTP (wastewater treatment plant) have increased in the last 3 months from 13 MGD to 17.5 MGD as a result.” To be sure we have been billed accurately, the meters at PS 7 were calibrated in October 2018.

Our Capital Improvement Program has projects planned for the future to reduce I&I and the associated financial impact. Currently, we have a capital improvement project to investigate and repair I&I into the Truitt Avenue pump station. And, sewer improvements are planned prior to the planned DeIDOT improvements on Southeast Second Street and Northeast Front Street. As a matter of course, prior to other street paving projects, the condition of underground utilities will be assessed.

Fiscal Impact

Through December, \$405,000 has been spent treating I&I water out of a budget of \$475,000. The Finance Director forecasts at least another \$150,000 to \$200,000 for the next six months. He recommends increasing the \$475,000 budget to \$600,000 with the additional \$125,000 coming from the Wastewater Reserves.

KENT COUNTY COST ADJUSTMENT SEWER GALLONS BILLED

FY18-19	Kent County Gallons	City Gallons			Billed to our Custom	Paid to Kent County	Difference	Rate	I & I	Adjust. & Rounding
July	107,326,000	74,384,195	32,941,805	0.69	\$174,092	\$251,143	(\$77,051)	0.0023	77,084	\$33
August	81,524,000	81,717,420	(193,420)	1.00	\$191,230	\$190,766	\$464	0.0023	(453)	\$11
September	92,933,000	67,803,737	25,129,263	0.73	\$158,687	\$217,463	(\$58,776)	0.0023	58,802	\$26
October	111,514,000	73,274,942	38,239,058	0.66	\$171,487	\$260,943	(\$89,456)	0.0023	89,479	\$23
November	86,472,000	54,496,133	31,975,867	0.63	\$127,538	\$202,344	(\$74,806)	0.0023	74,824	\$18
December	108,553,000	63,461,646	45,091,354	0.58	\$148,502	\$254,014	(\$105,512)	0.0023	105,514	\$2
January	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
February	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
March	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
April	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
May	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
June	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
	588,322,000	415,138,073	173,183,927	0.71	\$971,536	\$1,376,673	(\$405,137)		\$405,250	\$113

*\$475,000 BUDGETED
FOR THE YEAR*

KENT COUNTY COST ADJUSTMENT SEWER GALLONS BILLED

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December	108,553,000	63,461,646	45,091,354	0.58	\$148,502	\$254,014	(\$105,512)	0.0023	105,514	\$2
January	85,683,000	53,788,912	31,894,088	0.63	\$126,112	\$200,498	(\$74,386)	0.0023	74,632	\$246
February	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
March	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
April	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
May	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
June	0	0	0	ERR	\$0	\$0	\$0	0.0023	0	\$0
	674,005,000	468,926,985	205,078,015	0.70	\$1,097,648	\$1,577,171	(\$479,523)		\$479,883	\$359



February 20, 2019

To: Mayor and Council
From: Suzannah Frederick
Subject: Customer Service Overtime Appropriation

Purpose

The purpose of this memo is to review budget impacts of increased overtime experienced by the Customer Service Office and request a supplemental appropriation to cover the projected overtime through the end of the fiscal year.

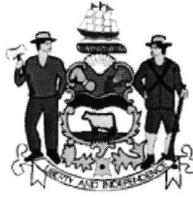
Background and Discussion

Over the last year, the Customer Service Office has seen an unexpected change in volume and work demand due to the AMI project needs. Historically, the department has not exceeded its budgeted overtime of \$6,000. Unfortunately, when the budget was prepared for this year, the employee demands for the AMI project were unknown.

Though we spoke with other communities prior to beginning the AMI project, we were not aware of the demands on Customer Service staff that the AMI project would require. Now that the project is underway, we are finding that other communities that have gone through a meter conversion have confirmed we are not alone. Other communities also report having a year of long workdays to balance the changes in procedures and software related to the new metering program. The City of Milford has a dedicated team of Utility Clerks that have stepped up to the demands and have worked more overtime than expected over this fiscal year.

Fiscal Impact

It is requested that City Council authorize additional funding of \$20,000 to cover current and projected overtime through end of year out of Reserves that were used to fund the AMI project: \$10,000 out of Electric Reserves, \$5,000 out of Water Reserves, \$5,000 out of Sewer Reserves.



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES &
ENVIRONMENTAL CONTROL
DIVISION OF FISH & WILDLIFE

89 Kings Highway
Dover, DE 19901

MOSQUITO CONTROL
SECTION

Phone: (302) 739-9917
Fax: (302) 739-6157

January 29, 2019

Eric Norenberg
City of Milford
201 South Walnut Street
Milford, DE 19963

Re: Do you want State Mosquito Control services in your city/town next year?

Dear Sir or Madam:

It's now time for you to think about the start of another mosquito control season, involving our program now inquiring about whether your city or town might again want to receive (or might newly want to receive) the State's mosquito control services for the upcoming year (2019). By mid-March, 2019 the **Delaware Mosquito Control Section** will once again start its statewide spring woodland control program (to control larval mosquitoes breeding in wet woodlands). We'll then be performing from early April into early November our usual range of other statewide efforts to control these pests and public health menaces, which can originate from coastal tidal marshes, freshwater wetlands, and within developed or domestic settings. As such, **we now want to know if your city or town wants to participate in our control program for the upcoming year**, and to receive at no cost to your municipality the State's mosquito control services.

Potential problems if for some reason you choose not to sign up

In addition to our usual concern for mosquito nuisance problems and their quality-of-life and economic impacts (for local economies based on tourism, outdoor recreation, hosting outdoor events, animal husbandry), plus our traditional concern for possible transmission to humans or horses of highly virulent Eastern Equine Encephalitis (EEE), this upcoming season also carries the specter for the quite probable continued occurrence of a relatively new mosquito-borne disease problem given much publicity over the past 15 years or so, being West Nile Encephalitis (WNE), which also affects both humans and horses. While WNE might not be as sickening or deadly a problem as EEE, it will probably more frequently occur, and still be quite problematic for some people who contract this virus. We are now also on the lookout in Delaware for a recent mosquito-borne disease to hit the country affecting people, being chikungunya virus that first came to the Western Hemisphere in December, 2013 in the Caribbean, and for which Delaware the past five summers has had a few imported cases of this disease brought back by travelers to the Caribbean and Central or South America, but fortunately not yet any locally-transmitted chikungunya. The newest mosquito-borne that has now landed at our doorstep three years ago by way of South America and the Caribbean, having many characteristics similar to chikungunya including being a recent import from the Old World, but now with an additional concern for pregnant women in possibly leading to microcephaly and other development issues among newborns, is Zika virus. Fortunately to date,

***We Bring You Delaware's Great Outdoors
through Science and Service***

we've had no locally-transmitted cases of Zika, and we're working hard to see this doesn't occur, whereby your hopeful cooperation and participation in our mosquito control program then also helps.

It's important to understand that if at this time your municipality chooses not to participate in the Section's program, then in event of your sudden change of mind, perhaps due to intolerable nuisance or disease problems sometime during the upcoming year, the Section might *not* be able to take control actions until all the agreements and procedures contained herein are fulfilled by your city or town. This can then slow down or even preclude the Section's ability to take or deliver timely response actions.

What you need to do to participate

In order to best serve the public, the Delaware Department of Natural Resources and Environmental Control (DNREC) has developed and adopted the enclosed **Mosquito Control Spray Policy** to govern applications of insecticides, with particular emphasis on the spraying of aerially- or ground-applied adulticides (insecticides to kill adult mosquitoes), and to a lesser degree for aerially- or ground-applied larvicides (insecticides to kill immature mosquitoes in their aquatic stages), within incorporated cities or towns. Aerial spraying of adulticides or larvicides might be done by fixed-wing aircraft or helicopter. Ground application of adulticides will be done by truck-mounted sprayers (a.k.a. "foggers"). Ground application of larvicides might be done by truck-mounted sprayers, backpack sprayers, or hand tosses. We are not requesting your endorsement for our ability to undertake ground applications of larvicides, but we are for all types of aerial spraying for adulticiding or larviciding, as well as for ground applications of adulticides.

The Spray Policy requires annual consent by municipalities before the Section will undertake certain types of needed insecticide spraying within a city or town's jurisdictional boundaries; provides for contact persons to represent both the municipality and the State; allows through a municipality's own devices for identification of human health-related "No-spray zones" for adulticides (if any); and addresses mosquito control in event of a declared public health emergency. This annual consent can be indicated by completing and returning to the Section the enclosed "**Municipality Endorsement**" form. There is also the option on the endorsement form to indicate that your city or town does not wish to participate. We would greatly appreciate your returning the endorsement form in either case. Without receiving the endorsement signed in some manner by the time requested, the Section will assume that your city or town does **not** wish to participate in the upcoming year's control program.

Please note that just by your signing and returning the Municipality Endorsement form it does **not** mean that you then automatically receive **all** of our mosquito control services whenever needed without any further actions on your part. Converse to this and as a specific exception (exclusive of a public health emergency that Mosquito Control might recognize), and as described in our Spray Policy (see Section III-4), **each and every time** that you want Mosquito Control to undertake any adulticide spraying (to control adult mosquitoes), done by us either via ground-based or aerial applications within or over areas in your municipality's jurisdiction, **your municipality's designated Mosquito Control contact person** (as you will have indicated on the Municipality Endorsement form, or alternatively it could be some other appropriate city or town official) **must contact the Mosquito Control Section and request such adulticiding**. Please note that there can be occasions when we might recommend to your city or town that such type of spraying be undertaken (based on technical information that our program collects), and whereby we advise you that your municipality should then officially request that we take such spray actions. However, in many instances it will be more a matter of your first contacting us on an **event-by-event** basis that you want Mosquito Control to apply adulticides (which could be determined by your municipality as being necessary or desirable for us to undertake via several avenues, such as your hearing from your citizens or constituents about intolerable local mosquito infestations, or by other means or devices that your city or town might have at your disposal).

The Mosquito Control Section also requires all participating municipalities **to prepare and sign a waiver on official city or town letterhead stationery** permitting spray applications by low-flying aircraft, in order to comply with Federal Aviation Administration (FAA) regulations, and return such to us when done.

Additionally, we have included a map of your city or town's area that was made from a pertinent section(s) of a USGS 7-1/2" topographic map(s), **for your municipality to delineate its current incorporated boundaries;** and for you **to also indicate and delineate requests for human health-related adulticide No-spray Zones (if any)** in regard to adulticide aerial spraying, adulticide ground spraying, or both. In regard to requesting any human-health-related adulticide No-Spray Zones, you will then also have to follow-up with additional information when making such requests in accordance with our Mosquito Control Spray Policy.

Information about the products we use

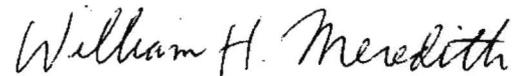
We have provided a CD in this packet containing insecticide product labels and Safety Data Sheets (SDS) for the insecticides mentioned in our enclosed Spray Policy, which constitute the range of products that we might use this upcoming season. These written materials, although technical in nature, can provide a wealth of information to any concerned individuals regarding an insecticide's safety for human health, wildlife or the environment. And of course we only use EPA-registered products for the purpose at-hand, safely done in full accordance with federally-approved label instructions. Please note that we also send our daily Spray Announcements to you throughout the control season via e-mail, and that you can also receive notice of this via our new Spray Zone Notification System (SZNS), with more details about the latter in our Mosquito Control Spray Policy. We have also included a copy of our public information handout "Mosquito Control in Delaware," which you can reproduce and use however you see fit.

If your city or town wishes to participate in the Section's mosquito control program next year, please sign and return **by no later than COB on Friday, March 8, 2019:**

1. the enclosed Municipality Endorsement;
2. an FAA waiver letter giving us permission to aerially spray over your city/town, written on your city/town letterhead;
3. the enclosed USGS topo map, where you have drawn your municipality's current boundaries along with any changes since last year, or have indicated any requested No-spray Zones.

Your response no matter where you might be located in Delaware should now be mailed to: **Delaware Mosquito Control Section, 1161 Airport Road, Milford, DE 19963 (Attn: Anne Newlin)**. If you have any questions, please call me at (302) 739-9917. Thank you for your cooperation.

Sincerely,



William H. Meredith, Ph.D.
Environmental Program Administrator
Delaware Mosquito Control Section

- Encl. Mosquito Control Spray Policy (for your information)
CD copy of product labels and Safety Data Sheets (SDS)
Municipality Endorsement form (to be signed and returned)
"Mosquito Control in Delaware" (an informational handout)
USGS topo map (to indicate municipal boundaries and return)



February 19, 2019

TO: Mayor and City Council
FROM: Eric Norenberg
Ken Brown
SUBJECT: Collective Bargaining Agreement - Teamster Local 326

Purpose and Background

The purpose of this memo is to review the changes in the Teamster agreement for Milford police officers and sergeants that were agreed to during collective bargaining over the past year, and were ratified by Local 326 during a membership meeting last week. It is recommended that the City Council approve the agreement. In addition, it is recommended that the funding for the agreement be approved as outlined in the fiscal impact section of this memo.

Discussion

In addition to minor corrections and clean up in the agreement, the following are key changes included in the proposed Collective Bargaining Agreement (CBA):

Work Period Definition: The definition of a regular work period of 80 hours and the calculation of hours worked is updated.

Special Duty: Extra Duty is now referred to as Special Duty to align with common terminology. The rate is increased to \$65 to align with other similar agencies, but remains at the current \$50/hour for the Milford School District.

Regular Salaries: The pay chart implemented in the last CBA will continue to be in use with the 1.5% step increase each year up to a cap in particular ranks. However, the annual increase will occur on a member's anniversary date. In addition, in each year of the three-year agreement, there will be the following adjustments:

Year 1: 2.5% (effective and retroactive to July 1, 2018)

Year 2: 2.75% (effective July 1, 2019)

Year 3: 3.0% (effective July 1, 2020)

Shift Differential: Clarified to be paid only for hours worked between 7 p.m. and 7 a.m., not entire shifts that overlapped those hours and not for Special Duty or Grant-funded assignments. This will also aid in timekeeping and payroll.

Military Leave Pay: Puts current practice into writing in the CBA: Officers that serve in the military will receive the difference between their military pay and their normal wages as if they had worked.

Health Care Insurance: Increases premiums paid by members to 15% on July 1, 2020 if this same change is put into effect for all other City employees.

Holiday Accrual Program: This program was never officially identified in any prior CBA. It was implemented by a prior Chief, but there is no record of City Council authorization and the fiscal impacts have not been budgeted. Through the negotiations, changes to the program were agreed to by both parties to reduce the growth of this liability to the City and increase opportunities to reduce balances. Here are the key provisions:

- All banked, accrued holiday pay will be considered vested.
- Commencing with the ratification of the new Collective Bargaining Agreement by Milford and Local 326, employees working a holiday will be paid holiday pay in the pay period that the holiday falls; provided, however, that an officer may request to accrue his/her holiday pay to be used as vacation hours subject to any such accrued holiday hours not used by December 15 shall be paid in the last pay period before December 31 at the officer's effective hourly rate in effect on the date of payment.
- Employees not on duty on a holiday, shall be paid for that day and will not accrue an alternative day off.
- Accrued holiday pay may be used for vacation, extended medical leave/FMLA or when sick leave balance is exhausted.
- An employee who is assigned to work on a holiday and fails to report and perform such work for any reason other than a reason covered by an approved leave, shall not receive pay for the holiday.
- Employees may elect to sell back up to 80 hours of holiday accrual hours during each fiscal year. Payment for holidays sold back will be made on the last pay date in July.

Sick Leave: Employees shall be paid accrued sick leave upon resignation, retirement, termination, or death up to a maximum of 240 hours (an increase from 156).

Clothing Allowance (Non-Uniform): All non-uniform officers of the Criminal Investigations Division shall receive a \$350 clothing allowance twice a year for purchase of clothes in place of uniforms. This is an increase from \$325. This is currently paid to four detectives who are members of the bargaining unit.

K-9 Unit: This new section affirms prior practice of payment of one hour per day for care of the K-9 and delineates the ranks that can become a K-9 handler.

Fiscal Impact:

As we have reviewed with the City Council during the past year, there are costs associated with this agreement, as well as increases in other benefits directly associated with police officers (e.g. pension premium increases of more than 16% in each of the first two years of the agreement). In addition, wage increases impact other employee related expenses (ERE), such as the 457 match. To partially offset those costs, we have tried to implement provisions that will save money over the course of this agreement and beyond (notably the increase in healthcare premiums in the third year and key changes to the holiday accrual program). Other changes will make timekeeping and payroll processing more efficient for Police Department Administration staff and Finance Department staff.

The following table shows the projected fiscal impact in each year of the CBA. Included in the numbers are known costs associated with contractual provisions, forecasted promotions and external or ERE related increases that impact the MPD payroll budget. Not included are academy costs and the wage for the first three fiscal years for the five additional officers approved by City Council last summer.

	Year 1	Year 2	Year 3
Direct Wage Costs	\$104,011	\$ 76,096	\$ 76,320
ERE Costs	\$115,871	\$ 70,616	\$ 69,456
Total	\$219,882	\$160,222	\$163,021

While revenues are growing in some other areas of the general fund, needs elsewhere are growing as well. In order to fund this contract, a policy decision will need to be made regarding minor tax increase(s) to support the increases in each year of the contract:

	Year 1	Year 2	Year 3
Total Needed	\$219,882	\$160,222	\$163,021
Offset by \$ already budgeted	\$22,500		
Possible Savings		\$30,000	\$30,000
Net Required	\$197,382	\$130,222	\$133,021
Tax Rate Needed	\$0.023	\$0.016	\$0.016

The timing of the tax levies will need to be confirmed during the meeting on Monday.