

# City of Milford



## **CITY COUNCIL AGENDA**

**Monday, March 11, 2019**

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

**6:30 P.M.**

### **WORKSHOP**

Quarterly Update/Downtown Milford, Inc.  
Quarterly Update/Milford Museum

**7:00 P.M.**

### **COUNCIL MEETING**

Call to Order - Mayor Archie Campbell

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Monthly Police Report

Monthly City Manager Report

Monthly City Finance Report

Committee & Ward Reports

Communication & Correspondence

Unfinished Business

Adoption/Ordinance 2019-01/Chapter 222/Water Code Amendments ①

Adoption/Resolution 2019-01/Updated Water Rates ①

Adoption/Ordinance 2019-02/Chapter 185/Sewer Code Amendments ①

Adoption/Resolution 2019-02/Updated Sewer Rates ①

Acceptance/City of Milford FY17-18 Audit

Authorization/First State Manufacturing/Land Exchange

New Business

Milford Little League/Relief/Water Bills/Pipe Damage  
Adoption/Resolution 2019-04/Appointment DDD Administrator ®  
Update/City of Milford Election  
Appointment/City of Milford Board of Election  
Introduction/Ordinance 2019-09/Shawnee Farm LLC/Conditional Use  
Introduction/Ordinance 2019-10/Shawnee Farm LLC/Amended Preliminary Major Subdivision  
Authorization/Downtown Development District Boundary/Expansion  
Authorization/AT&T Water Tower Lease  
Authorization/Electric/Power Cost Adjustment  
Presentation/Authorization/Lights On-Milford Strong Campaign

EXECUTIVE SESSION

Motion to Recess into Executive Session  
Personnel Matters

Return to Open Session  
Council Appointees Review/Evaluation

Adjourn

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

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

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

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## Downtown Milford, Inc. Highlights July 2018 - March 2019

### Organization

- **Our Mission:** Partnering to build Milford's historic downtown into a unique, vibrant and livable place for all.
- **Our Vision:** Our community will become a unique and vibrant destination place, a welcoming focal point for community gatherings, and a desirable place to live, shop, learn, work and enjoy recreational activities.
- Developed and implemented Strategic Plan 2018-2020
- Annual Membership Meeting (Nov. 1), Volunteer Appreciation Picnic (Aug. 19) & Board Retreat (Feb. 2)
- New Board Members: Jason Peel, Denise Morris, Cat Perfetti & Kelly Turner
- Volunteer hours estimated 2,715 valued at an estimated \$53,135
- Big Ask campaign initiated giving sponsors the opportunity to donate to their favorite activities on a one-time annual basis. Raised \$18,350 to date
- Awards: Kent County Tourism's Quaint Village of the Year & Southern Delaware Tourism's Best New Event 2018 – Ladybug Festival - Milford
- Community liaison with Nationwide Healthcare, Mobious Group, Milford Rotary and Osher Lifelong Learning Institute
- Senator Tom Carper visited DMI and the Vinyard Shipyard on Jan. 22
- King's Ice Cream @ the Santa House - very successful & will be returning in 2019

### Economic Vitality

- New downtown marketing materials: business brochure, business map, Shop Early, Shop Local, Shop Local, updated business resources tab on website
- Collaborating with the City Planning Office on access to available building spaces for rent or sale
- Developed new subcommittee to work on new business recruitment
- Vinyard Project: RFP issues and accepted Architectural Alliance's proposal. Funding commitments received from the City of Milford (\$15,000) & Kent County (\$15,000). Exploring applying for USDA Grant for the second phase for planning promotional material.
- 2018 Riverwalk Farmers Market: 33 vendors, 3,162 estimated shoppers & \$46,243 estimated total sales
- Collaborate with the Milford Chamber of Commerce through quarterly meetings and workforce development committee
- Monthly Entrepreneurial Network meetings

### Promotion

- 2018 Ladybug Music Festival: estimated 3,000 attendees, 14 venues, \$25,000 sponsorships & additional \$17,500 of in-kind services. DE Division of the Arts Grant request for 2019 \$10,500

- Special 2018 3<sup>rd</sup> Thursdays: Artists & Artisans, Light Up the River, Milford City Birthday Party
- 2019 event rack card included in electric bill
- 2018 Holiday Stroll: carriage rides returned and largest turnout in history of event
- 2018 Santa House: 1,120 children, 1,388 adults, 50 elves, 1,300 stockings, 600 volunteer hours
- 2019 Bug & Bud Festival date change: May 4 with New Kid Zone activities
- New 2019 events: St Patrick's weekend Irish Music & Dance Concert (March 15) and Jazz & Film Noir Festival (August 2 & 3)
- Contract for TV commercials with ABC Channel 47 for six commercials
- Advertising & Promotions: Milford Chronicle, Milford Live, Delaware Visitors Guides, Delaware Explore, Sussex 2019 Profile, social media, DMI website, press releases

#### Design

- Milford in Bloom Winter 2018 planting; Spring 2019 will happen in May
- Sail Banner Project: 20+ large banners decorated by local artists to be placed along the Riverwalk. An additional 10+ small banners to be decorated by local businesses to be placed in the downtown shopping district. Funded by a grant from the Lion's Club.
- 30 branded bicycle racks to be placed around the city – placement has begun. \$10,000 raised through crowd funding & a National Main Street Grant
- Created Design Guide for Downtown Milford
- Wayfinding signage committee looking to improve signage to downtown businesses
- 2018 Holiday Wreath Sale
- Working with City Planning Department on updating sign code
- Letter being sent to businesses/property owners reminding them of DMI's Sign & Paint Grants as well as our Small Business Loan program and the Efficiency Smart program

#### Other

- Building and ground maintenance continues on a regular basis

Downtown Milford, Inc.  
Budget

		Approved FY 10/19	Proposed Short year end 11/1 - 6/30/19	Proposed 7/1 - 6/30/20
<b>Income</b>				
4000	<b>Operations Income</b>			
4010	Grant Income			
4020	City of Milford	\$ 46,000.00	\$ -	\$ 46,000.00
4030	DEDO Delaware Economic Development			
	<b>Total Grant Income</b>	<u>46,000.00</u>	<u>-</u>	<u>46,000.00</u>
4100	Director Occupancy Contribution	4,500.00	3,000.00	4,500.00
4190	Interest Income	250.00	190.00	250.00
	<b>Total Operations Income</b>	<u>50,750.00</u>	<u>3,190.00</u>	<u>50,750.00</u>
4200	<b>Organization Committee Income</b>			
4210	Corporate Sponsors	7,500.00	7,500.00	7,500.00
4270	Ice Cream Rental	4,000.00	1,600.00	4,000.00
4300	General Sponsors	7,500.00	7,500.00	7,500.00
4350	Board Support (\$50 x 14)	700.00	700.00	700.00
	<b>Total Organization Committee Income</b>	<u>19,700.00</u>	<u>17,300.00</u>	<u>19,700.00</u>
4400	<b>Promotion Committee Income</b>			
4410	Bug and Bud Festival			
4412	Games and Activities	4,500.00	4,500.00	4,500.00
4414	Sponsorships	10,000.00	10,000.00	10,000.00
4416	Vendors			
4418	Arts & Crafts	11,875.00	11,875.00	11,875.00
4420	Food	3,000.00	3,000.00	3,000.00
4422	Non-profit	1,250.00	1,250.00	1,250.00
	<b>Total Vendors</b>	<u>16,125.00</u>	<u>16,125.00</u>	<u>16,125.00</u>
	<b>Total Bug and Bud Festival</b>	<u>30,625.00</u>	<u>30,625.00</u>	<u>30,625.00</u>
4440	Santa House			
4442	Donors	1,800.00	1,800.00	1,800.00
	<b>Total Santa House</b>	<u>1,800.00</u>	<u>1,800.00</u>	<u>1,800.00</u>
4450	Holiday Stroll	-	-	-
4460	St. Patrick's Pub Crawl			
4462	Bib Sales	10,000.00	10,000.00	10,000.00
	<b>Total St. Patrick's Pub Crawl</b>	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>
4480	Irish Dance & Music Concert			
4482	Ticket Sales	3,500.00	3,500.00	3,500.00
	<b>Total Dance &amp; Music Concert Income</b>	<u>3,500.00</u>	<u>3,500.00</u>	<u>3,500.00</u>
4500	3rd Thursday Events			
4502	Small Business Saturday			
4505	Light up the River	1,100.00	-	1,100.00
4506	Music Grant	5,000.00	-	5,000.00
4507	Food Vendors	1,600.00	-	1,600.00
	<b>Total 3rd Thursday Events Income</b>	<u>7,700.00</u>	<u>-</u>	<u>7,700.00</u>

Downtown Milford, Inc.  
Budget

	<u>Approved FY 10/19</u>	<u>Proposed Short year end 11/1 - 6/30/19</u>	<u>Proposed 7/1 - 6/30/20</u>
4530	Gift Certificates		
4540	Jazz & Film Noir Festival		
4542	10,000.00	-	10,000.00
4544	1,500.00	-	1,500.00
4546	<u>3,805.00</u>	<u>-</u>	<u>3,805.00</u>
	Total Jazz & Film Noir Festival	-	15,305.00
4570	Ladybug Festival		
4572	35,000.00	-	35,000.00
4574	2,500.00	-	2,500.00
4576	1,500.00	-	1,500.00
4578	<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>
	Total Ladybug Festival	-	41,500.00
	<b>Total Promotion Income</b>	<b>45,925.00</b>	<b>110,430.00</b>
4600	Design Committee Income		
4610	Milford in Bloom		
4611	3,500.00	3,500.00	3,500.00
4612	2,000.00	2,000.00	2,000.00
4613	<u>1,500.00</u>	<u>1,500.00</u>	<u>1,500.00</u>
	Total Milford in Bloom	7,000.00	7,000.00
	<b>Total Design Committee Income</b>	<b>7,000.00</b>	<b>7,000.00</b>
4800	EV Committee Income		
4810	Farmers Market		
4811	8,790.00	1,300.00	8,790.00
4812	60.00	30.00	60.00
4814	<u>300.00</u>	<u>50.00</u>	<u>300.00</u>
	Total Farmers Market	1,380.00	9,150.00
4880	<u>60,000.00</u>	<u>60,000.00</u>	<u>-</u>
	<b>Total EV Committee Income</b>	<b>61,380.00</b>	<b>9,150.00</b>
	<b>Total Income</b>	<b>\$ 134,795.00</b>	<b>\$ 197,030.00</b>

Downtown Milford, Inc.  
Budget

Expenses	Approved FY 10/19	Proposed Short year end 11/1 - 6/30/19	Proposed 7/1 - 6/30/20
<b>5000 Operations Expenses</b>			
5010 Accounting Fees - Tax	750.00	-	750.00
5015 Administrative Assistant	8,600.00	5,720.00	8,600.00
5020 Bank Charges	50.00	30.00	50.00
5030 Computer & Software Expense	250.00	150.00	250.00
5060 Donations			
5064 Milford Parade	50.00	-	50.00
5066 Misc. Memorials	50.00	50.00	50.00
Total Donations	100.00	50.00	100.00
5100 Insurance	2,100.00	798.00	2,100.00
5120 Internet and Domain Name	1,000.00	800.00	1,000.00
5130 Website Enhancements	700.00	400.00	700.00
5250 Postage and Delivery	750.00	400.00	750.00
5300 Repairs & Maintenance (Equipment)	500.00	300.00	500.00
5350 Stationary & Printing (Copy Works)	800.00	500.00	800.00
5360 Supplies	1,000.00	550.00	1,000.00
5380 Taxes & Licensing	50.00	50.00	50.00
5390 Telephone	2,000.00	1,400.00	2,000.00
5400 Travel, Training & Entertainment			
5404 Local Meetings/Training	800.00	320.00	800.00
5406 National Main Street Convention	3,600.00	2,600.00	3,600.00
Total Travel, Training & Entertainment	4,400.00	2,920.00	4,400.00
5610 Meals & Discretionary Expenses	1,000.00	300.00	1,000.00
5800 Executive Director Expenses			
5830 Health Insurance	1,430.00	953.36	1,430.00
5820 Payroll Taxes	3,210.00	1,900.00	3,210.00
5810 Salary	37,420.00	25,000.00	37,420.00
5840 Residence Fringe Benefit	4,500.00	4,500.00	4,500.00
Total Executive Director Expenses	46,560.00	32,353.36	46,560.00
5900 Office/House Occupancy Expense			
5920 Repairs and Maintenance	1,200.00	800.00	1,200.00
5930 Utilities			
5932 Electric	2,200.00	1,300.00	2,200.00
5934 Fuel Oil	3,000.00	3,000.00	3,000.00
5940 Refuse/Trash	300.00	200.00	300.00
5945 Director - Residence	(3,100.00)	(2,100.00)	(3,100.00)
5950 Water/Sewer	400.00	250.00	400.00
Total Utilities	2,800.00	2,650.00	2,800.00
Total Office/House Occupancy Expense	4,000.00	3,450.00	4,000.00
6180 DMI Fixed Asset			
6181 New Computer	1,500.00	1,500.00	-
6182 New Printer	500.00	500.00	-
Total DMI Fixed Asset Expense	2,000.00	2,000.00	-
<b>Total Operations Expenses</b>	<b>76,610.00</b>	<b>52,171.36</b>	<b>74,610.00</b>

Downtown Milford, Inc.  
Budget

	Approved FY 10/19	Proposed Short year end 11/1 - 6/30/19	Proposed 7/1 - 6/30/20
6200	<b>Organization Committee Expenses</b>		
6210	500.00	-	500.00
6270	-	-	500.00
6280	200.00	130.00	200.00
6350	800.00	800.00	800.00
6590	4,000.00	4,000.00	-
	<u>5,500.00</u>	<u>4,930.00</u>	<u>2,000.00</u>
6400	<b>Promotion Committee Expenses</b>		
6410	<b>Bug and Bud Expenses</b>		
6412	800.00	800.00	800.00
6414	2,000.00	2,000.00	2,000.00
6416	7,200.00	7,200.00	7,200.00
6416	1,000.00	1,000.00	1,000.00
6418	9,040.00	9,040.00	9,040.00
6419	50.00	50.00	50.00
6420	1,500.00	1,500.00	1,500.00
	<u>21,590.00</u>	<u>21,590.00</u>	<u>21,590.00</u>
6440	<b>Santa House Expenses</b>		
6441	125.00	125.00	125.00
6442	200.00	200.00	200.00
6443	400.00	400.00	400.00
6445	400.00	400.00	400.00
6447	500.00	500.00	500.00
6449	1,000.00	1,000.00	1,000.00
	<u>2,625.00</u>	<u>2,625.00</u>	<u>2,625.00</u>
6459	200.00	200.00	200.00
6460	<b>St. Patrick's Pub Crawl</b>		
6462	700.00	700.00	700.00
6464	1,000.00	1,000.00	1,000.00
6465	300.00	300.00	300.00
6466	450.00	450.00	450.00
6468	50.00	50.00	50.00
	<u>2,500.00</u>	<u>2,500.00</u>	<u>2,500.00</u>
6480	<b>Irish Music &amp; Dance Concert</b>		
6482	400.00	400.00	400.00
6484	200.00	200.00	200.00
6486	10.00	10.00	10.00
6487	250.00	250.00	250.00
6488	200.00	200.00	200.00
6489	500.00	500.00	500.00
	<u>1,560.00</u>	<u>1,560.00</u>	<u>1,560.00</u>
6452	<b>Entrepreneur Network</b>		
6454	500.00	330.00	500.00
6456	1,000.00	650.00	1,000.00
	<u>1,500.00</u>	<u>980.00</u>	<u>1,500.00</u>
6485	900.00	900.00	900.00
6510	<b>3rd Thursday Events</b>		
6512	250.00	250.00	250.00
6515	400.00	-	400.00
6516	700.00	-	700.00
6518	5,000.00	3,300.00	5,000.00

Downtown Milford, Inc.  
Budget

	Approved FY 10/19	Proposed Short year end 11/1 - 6/30/19	Proposed 7/1 - 6/30/20
6519 Buttons Milford	500.00	330.00	500.00
Total 3rd Thursday Events Expenses	6,850.00	3,880.00	6,850.00
6530 Gift Certificates - Giveaways	600.00	400.00	600.00
6540 Jazz & Film Noir Festival			
6541    Films	1,200.00	1,200.00	1,200.00
6542    Food	1,000.00	1,000.00	1,000.00
6543    Entertainment	2,000.00	2,000.00	2,000.00
6544    Rental Facility	1,000.00	1,000.00	1,000.00
6546    Misc. Supplies	500.00	500.00	500.00
Total Jazz & Film Noir Expenses	5,700.00	5,700.00	5,700.00
6560 Ladybug Festival			
6561    Venue Fees	2,500.00	-	2,500.00
6562    T-Shirt Purchases	755.00	-	755.00
6563    Production Cost	35,000.00	-	35,000.00
6564    Promotion Cost	700.00	-	700.00
Total Ladybug Festival Expenses	38,955.00	-	38,955.00
6570 Advertising/Promotional			
6573    Internet Advertising	5,000.00	5,000.00	5,000.00
6574    Print Advertising	4,500.00	2,250.00	4,500.00
6575    Radio Advertising - BMI	300.00	200.00	300.00
6670    Total Advertising/Promotional Expenses	9,800.00	7,450.00	9,800.00
Total Promotion Committee Expenses	92,780.00	47,785.00	92,780.00
6600 Design Committee Expenses			
6610 Milford in Bloom			
6613    Flowers/Wreath Purchases	1,600.00	1,200.00	1,600.00
6614    Baskets, Liners, Plants	3,500.00	3,500.00	3,500.00
Total Milford in Bloom	5,100.00	4,700.00	5,100.00
6650 Public Art Project			
6652    Maintenance	300.00	120.00	300.00
Total Public Art Project	300.00	300.00	300.00
6630 Signage - Directional	1,500.00	1,500.00	-
6645 Five for Free Paint	250.00	150.00	250.00
6660 WSFS Façade Project - C/O	4,500.00	3,000.00	1,500.00
6670 Sailboat Banner Project - C/O	2,000.00	2,000.00	-
Total Design Committee Expenses	13,650.00	11,650.00	7,150.00
6800 EV Committee Expense			
6810 Farmer's Market Expenses			
6812    Entertainment	350.00	175.00	350.00
6814    Market Labor	3,900.00	1,950.00	3,900.00
6816    Misc. Expenses	1,250.00	550.00	1,250.00
6819    FM New Assets	650.00	325.00	650.00
Total Farmer's Market Expenses	6,150.00	3,000.00	6,150.00
6880 Vineyard Shipyard - Feasibility Study	60,000.00	60,000.00	-
6890 Recruiting - Pamphlets	400.00	265.00	400.00
Total EV Committee Expense	66,550.00	63,265.00	6,550.00
<b>Total Expenses</b>	<b>255,090.00</b>	<b>179,801.36</b>	<b>183,090.00</b>
<b>Net Operating Income (Loss)</b>	<b>\$ 1,940.00</b>	<b>\$ (45,006.36)</b>	<b>\$ 13,940.00</b>

Downtown Milford, Inc.  
Budget

	Approved FY 10/19	Proposed Short year end 11/1 - 6/30/19	Proposed 7/1 - 6/30/20
<b>Other Income (Expense)</b>			
9020 Major Expenses - Office Improvements	\$ (5,000.00)	\$ (5,000.00)	\$ -
9640 Transfer from Reserves - Operations - Office Improvements	5,000.00	5,000.00	-
9642 Transfer from Reserves - Design - Banner Project	2,000.00	2,000.00	-
9644 Transfer from Reserves - Design - WSFS Façade	4,500.00	3,000.00	1,500.00
9646 Transfer from Reserves - Organization - Bike Rack	4,000.00	4,000.00	-
<b>Total Other Income (Expense)</b>	<b>\$ 10,500.00</b>	<b>\$ 9,000.00</b>	<b>\$ 1,500.00</b>
 <b>Net Income (Loss)</b>	 <b>\$ 12,440.00</b>	 <b>\$ (36,006.36)</b>	 <b>\$ 15,440.00</b>

## MARCH 2019 REPORT FROM THE MILFORD MUSEUM

### EVENTS

- 1) Agreed to be open and participate in DMI 3rd Thursdays.
- 2) Wrote flyer and press release for Speaker's Series talks beginning in February. Orlando Camp was our speaker with a full house of 130 people attending. March program will be Marvin Schelhouse & David Kenton talking about General A.T.A. Torbert.
- 3) Attend Downtown Entrepreneurs meetings.
- 4) Attended State Tourism Workshop in Dover.
- 5) Held first "Winter Blues" Dance at Senior Center. 50 people attended.
- 6) Held Chamber's February PRO meeting at the Museum.
- 7) Attended Chamber Luncheon.
- 8) Claudia Leister was the speaker for the Chamber's February Sunrise Seminar.

### EXHIBITS

- 1) Both the "Made In Milford" and "A Legacy of Caring: From Milford Emergency Hospital to Bayhealth Memorial Hospital" will remain on display for 2019 since they are integral to our Milford story.
- 2) Removed Christmas Exhibit.
- 3) Painted wall and re-arranged ship building exhibit. Printed and dry mounted new photographs and information on Vinyard Shipyard Project.
- 4) Met with Mimi Galligan from MAL to discuss June exhibit partnership of Museum artwork made in Milford by well-known Delaware artists.

### VISITATION

(Visitation from June 1, 2018 to Dec 30, 2018 = 2,151)

January = 165 visitors

February = 310

### PROJECTS

- 1) Compiled and mailed Winter newsletter. Color printing is compliments of Davis, Bowen & Friedel.
- 2) Met with Techno Goober to discuss new website.
- 3) Purchased two lateral file cabinets. Moved them to basement for genealogical files, and re-arranged other large items.
- 4) Unfortunately had theft of our donation box on February 21. New box has been purchased and will be bolted to the stand.

### UPCOMING EVENTS

- 3/7 Marvin Schelhouse and David Kenton will be our speakers from 7pm -8pm at the Century Club. They will share the stories of General A.T.A. Torbert and Milford during the Civil War.
- 4/4 Joan Lofland and Claudia Leister will be our speakers from 7pm - 8pm at the Century Club. They will share a slideshow of newly discovered "lantern slides" of early Milford scenes.
- 5/2 Dan Griffith will be our speaker from 7pm - 8pm at the Century Club. Dan was the former State Archaeologist. He will share a new program entitled "Seventeenth Century Indian Towns in Sussex County, Delaware".
- 5/4 Visit our booth at the BUG & BUD FESTIVAL.
- 5/17 ROARING 20's LAWN PARTY AT CAUSEY MANSION -You won't want to miss our 5<sup>th</sup> year celebrating this fun event!
- 5/25 SOUTH MILFORD WALKING TOUR. Join local historian David Kenton to learn more about Milford's shipbuilding history. Tour starts at the Museum at 10:00am. Cost \$10/person.
- 6/6 Charles Hammond will be our speaker from 7pm - 8pm at the Century Club. He will share stories of the "Milford Seven". The first group of African-American students to officially graduate from Milford High School.

6/22 NORTH MILFORD WALKING TOUR. Join local historian David Kenton to learn more about downtown Milford's early history. Tour starts at the Museum at 10:00am. Cost \$10/person.

The Museum joins DMI for 3<sup>rd</sup> Thursdays in Downtown Milford. We will be open late and offer a 15% discount on a Milford ornament. Be sure to pick up your free participation button in advance. We have them at the museum!

**MILFORD MUSEUM  
PROJECTED BUDGET  
FOR FISCAL YEAR 2019 & 2020**

<b>INCOME</b>	<b>PROJECTED FY19</b>	<b>ACTUAL Thru February</b>	<b>PROJECTED FY20</b>
Grants	\$38,000	37,560	38,000
Membership Dues	\$4,000	4,050	4,500
Donations	\$3,500	3,000	3,500
Capital Campaign	\$10,000	9,500	10,000
Misc. Royalties	\$100	100	100
Events	\$5,000	9,345	10,000
Sale Materials	\$2,000	2,300	2,000
Dividends	\$2,000	1,200	1,000
<b>TOTAL ESTIMATED INCOME</b>	<b>\$64,600</b>	<b>\$67,055</b>	<b>\$69,100</b>

<b>EXPENSES</b>	<b>PROJECTED FY19</b>	<b>ACTUAL Thru February</b>	<b>PROJECTED FY20</b>
Payroll	\$43,000	45,000	45,000
Office Supplies	\$2,000	1,341	1,300
Utilities	\$8,600	12,154	12,150
Maintenance	\$200	635	200
Advertising	\$4,000	2,821	2,000
Printing/Sales Items	\$2,700	1,952	2,000
Events	\$350	7,362	7,000
Exhibits	\$200	200	200
Dues & Subscriptions	\$200	243	250
Misc. & Franchise Taxes	\$200	191	200
<b>TOTAL ESTIMATED EXPENSE</b>	<b>\$65,000</b>	<b>\$71,899</b>	<b>\$70,300</b>

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 11, 2019

A Meeting of the City of Milford Finance and Public Works Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, February 11, 2019.

PRESIDING: Chairperson Douglas Morrow

IN ATTENDANCE: Mayor Arthur Campbell

Committee Member Michael Boyle

City Manager Eric Norenberg and City Clerk Terri Hudson

ABSENT: Committee Member Lisa Peel

CALL TO ORDER

Chairperson Morrow called the Committee Meeting to order at 5:31 p.m.

Public Works Director Mark Whitfield and City Accountant Suzannah Frederick were also in attendance.

UNFINISHED BUSINESS

*Report/City Hall Mold Remediation Report*

Committee members were reminded that Sussex Environmental Consultants was retained to conduct a moisture and mold evaluation in the basement of City Hall. The evaluation was requested to ensure that the property had no evidence of mold or moisture in the basement from a previous flood.

Mr. Whitfield reported that we are in the process of purchasing a hygrometer to check on moisture levels in the basement. Dehumidification equipment is there and available when needed. Result of the analysis for samples obtained identified normal mold spore levels which means there is no imminent danger to anyone in the basement. The recommendation is for the relative humidity be maintained to less than 60% to prevent potential for mold in the future.

It was noted that the IT staff continues to work in the basement though a large portion of their days are spent at other locations.

*Update/Shawnee Acres Pump Station Bid Submission Delay*

Mr. Whitfield recalled previous discussions regarding the replacement of the Shawnee Acres Pump Station. It will be replaced with a pump system that is much more reliable than the current system that was installed 25 years ago.

This is a USDA funded project with authorizations required as it proceeds.

At the time the project was to be bid, a letter from the City Solicitor was missing which was related to the ownership of the right-of-way and/or lands where the pipes and pump station were to be located. The bid had to be delayed because Mr. Rutt was out on medical leave.

After that was resolved, the government shutdown impacted the USDA, which caused the bid to again be delayed. He shared that though the bids could have been opened, but nothing awarded in lieu of another government shutdown as their concurrence is required.

Ms. Frederick reminded the Committee that of the two USDA loans totaling \$4 million, \$400,000 is out of pocket. Of that, \$1 million will fund the Fisher Avenue, Shawnee Acres and Northeast Pump Station Projects.

NEW BUSINESS

*Proposed Changes/Winter Yard Waste Collection*

Public Works Director Whitfield then discussed the lack of participation in yard waste collection during the winter months.

Though one vehicle is assigned to collect yard waste on all streets on Mondays, only 28 containers were set out. The week prior, which covered a two-week period (because of the MLK holiday), 46 containers were picked up.

In comparison, 137 containers were picked up during the last week of December and first week of January. After that, there seems to be an extreme decline. Participation will continue to be tracked through the remainder of the winter. Because of the time involved with the truck and driver, reducing the pickup to once a month may be considered after the New Year holiday. Another option may be a subscription based-system. In that situation, any customer needing a pickup would call and request the service to eliminate a truck from traveling throughout the City for eight hours with so few pickups.

He confirmed that in the peak of the season in August-September, 150 +/- are picked up. In addition, only 1/3 of all customers have a yard waste container.

Mr. Whitfield prefers collections are consistent and assigning Monday a yard waste day seems to have worked out well with this exception.

He is looking for feedback in hopes of making a decision before the schedule is distributed in June.

Chairman Morrow agrees that during late January and February, once a month collection would be sufficient. Councilman Boyle feels that depending on the weather, collections would need to be resumed in very early spring.

Mr. Norenberg encouraged Committee Members to talk with their constituents and get their opinions. At a minimum, it would be a once-a-month pickup in late winter though customers could call and request a pickup when needed.

It was agreed to continue monitoring the collections and provide that information in a couple months. At that time, the Committee will offer some recommendation.

*Bid Award Recommendation/Public Works Facility HVAC*

Mr. Whitfield recalled that during the 2019 budget, Council approved funding for the replacement and upgrade of the Public Works Administrative Building HVAC system. A consultant was hired to evaluate and recommend replacement options who estimated the project at \$308,672.

Bids were received and opened on February 1, 2019. The low bidder, Joseph T. Richardson, Inc, of Harrington, DE was the low bidder at \$324,000. In addition, related engineering fees are expected to be around \$25,000.

Though the project cost was slightly more than the estimate, sufficient funds were budgeted to complete the work.

As a result, he is recommending the bid be awarded to Joseph T. Richardson in the amount of \$324,000, to be paid with \$162,000 from Electric Reserves and \$81,000 from both the Water and Sewer Reserves.

Mr. Whitfield then provided a synopsis of the work that will be required adding that between more than \$26,000 has been spent just to keep the current HVAC system operating properly.

The general consensus of the Committee was to move forward.

The lunchroom and locker room renovation project had been on hold to ensure this more urgent project was funded and completed. The renovations will be bid in the near future.

Mr. Whitfield confirmed the roof is a metal roof so it will last much longer than traditional roofing material. However, an extensive gutter repair project was required and completed this past spring.

*Review/FY18-19 City of Milford Audit*

This item is also on the Council agenda this evening.

Chairman Morrow asked the Committee to read pages 60 to 62 which is the auditor's findings though nothing of concern was noted.

Ms. Frederick advised that this was received late last week and she has not had the opportunity to review it though it has been presented for the Committee to review. Anyone with questions should call or email the City Manager or the Finance Department.

She added that this year's audit was actually reviewed by the AICPA (American Institute of CPA's) who is an external organization. Our auditors have audits chosen randomly through the AICPA and Milford's was selected this year. As a result, it received their assessment as well.

*Update/Customer Service*

Ms. Frederick reported that over the last year the AMI Project has been integrating with the Smart Meter Project. The software side has taken 100% of the Customer Service Supervisor/IT Software Specialists' time who is currently split between customer service and IT. As a result, there has been a structural change and this employee is transitioning more into her field of expertise which will allow her to address the metering and associated problems.

In the meantime, some high performing staff members were given an opportunity to take on a more supervisory role, one on the customer side and the other on the utility billing side.

The metering program continues to consume more time than originally expected and staff is working overtime to meet the demands of customer calls, walk in's and understanding and conquering the new billing system.

She and the Public Works Director have had discussions with other municipalities and have determined that the AMI project will take a full year, after installation, to reach optimization levels.

Water meters are 50% completed. They have been somewhat of an obstacle as some are not reading on a regular basis which has resulted in additional issues. This is creating more work and time for the utility clerks and besides their normal billing and customer service duties, a lot of follow up is needed on the meters.

Chairman Morrow asked if there are more problems than originally anticipated; Ms. Frederick said they were unprepared for the amount of time required for our Software Specialist. AMP and DEMEC have been working to try and streamline the process. DEMEC actually did a customer service study for all municipalities and have provided a lot of helpful information that will be used in restructuring the department.

However, as a result of the smart meters, the department is being modernized which required a big shift to bring things up to date.

Chairman Morrow is pleased with the project considering it was discussed for more than twenty years but was always placed on the backburner.

Ms. Frederick then explained the process involved and the importance of our Software Specialist who is liaison for the three consultants involved. They were informed that a lot of municipalities hire an IT person full-time just to oversee and manage the project.

The Software Specialist has been reassigned to IT while they continue to assess and address other items related to the utility billing, customer service and finance options.

In the meantime, there is an immediate need for an additional person to relieve the phone and counter. That will provide the time for utility staff and two supervisors to adjust to their new roles.

Approved funding for temp wages is available. As a result, Ms. Frederick is asking for a temp to fill in for at least the next two weeks while staff continues to address these other issues.

With the increase in workload and considering the growth of Milford, Councilman Boyle asked if another full-time position will be needed. Ms. Frederick said another position will be needed, though they prefer to complete the evaluation at this point.

The City Manager recalled when more than two years ago, the Public Works Director was presenting a lot of his observations about his department and a proposed reorganization plan.

According to Mr. Norenberg, they are in the process of planning some changes though no direction or decisions will be required tonight. In the meantime, Ms. Frederick is spending a lot of time monitoring and evaluation to find ways to optimize customer services.

Between now and the next meeting, there are going to be a number of recommendations. He reported that some supplemental funding is needed to cover the overtime incurred over the past few months and will be presented at the next Council meeting.

Ms. Frederick also noted that a few years ago, the City had a full-time tax assessor. A portion of those duties were then handled by Christine Crouch and customer service. All those duties are now handled by customer service though no one specific employee is assigned to taxes.

Chairman Morrow referenced the City hiring an outside tax assessor several years ago. Mr. Norenberg confirmed that is still in place, though that creates additional work for the customer service staff who need to respond and answer every day concerns and questions.

Councilman Boyle expressed concern the City is growing so fast we are playing catch up in a number of areas. Staff has to increase and the City cannot simply count on new technologies because right now it appears to be slowing things down. Ms. Frederick agreed the learning curve is creating these needs. The department has the same amount of staff they have had for many years though they continue to look for technical ways to enhance things which takes additional time.

Mr. Norenberg said that the HR Manager is also evaluating their needs. From the accounting/financial side and the HR side, he believes they will be able to provide a better plan in moving forward, in addition to bringing in some additional software to provide some self-service options for customers.

One problem being addressed is that our customers were never able to make payments over the phone. The new software will allow that option in addition to many other options, including payment arrangements and budget benefits.

#### *Update/Capital Improvement Plan*

Ms. Frederick reported that IMCA Fellow Evan Miller created the CIP last year which he presented during the FY 18-19 budget hearings.

She then provided an update of the projects and their status (see attached).

When questioned, Mr. Whitfield discussed the depreciation table/schedule which is being developed. That will be used to spread the cost of capital assets over a number of future budgets.

Mayor Campbell expressed concern about the interest fee being considered for property owners who will finance the work through the City. Ms. Frederick shared with the Committee the amount of additional work associated with that repayment plan which the interest fee will help recover in terms of dollars.

It was agreed the interest could be discussed when the sidewalk project is added to a future agenda.

There being no further business, Chairperson Morrow adjourned the Police Committee meeting at 6:49 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder

Attachment: CIP/Capital Budget Updated Report

Draft Capital Budget

06/04/18

Department	Project	Dept Priority	Funding Source	2019	Status as of 2/11/2019
<b>Electric</b>	<b>Equipment</b>				
Electric	SCADA/Smart Metering Wall Monitor	Essential	Enterprise Fund (equipment)	\$100,000	Delayed, connectivity issues, AMI project
			Total Equipment (Budget page 26)	<b>\$100,000</b>	
<b>Electric</b>	<b>Vehicles</b>				
Electric	Replace 2000 International Line Truck (E-110)	Essential	Enterprise Fund (vehicles)	\$175,000	Bucket truck, waiting on delivery
Electric	Replace 2003 Vermeer 8550 Trencher (E-130)	Essential	Enterprise Fund (vehicles)	\$105,000	Not yet purchased
Electric	Replace 2005 Excursion with similar 4x4 vehicle (E-106)	Essential	Enterprise Fund (vehicles)	\$50,000	Not yet purchased
			Total Vehicles (Budget page 26)	<b>\$330,000</b>	
<b>Electric</b>	<b>Projects</b>				
Electric	DEL1 Substation Testing	Essential	Enterprise Fund Reserves	\$50,000	Complete, crack CT that investigating for repairs
Electric	DEL2 Substation Testing	Essential	Enterprise Fund Reserves	\$75,000	Complete. \$18,580
Electric	Riverwalk Light Pole Powdercoat/Retrofit Phase II	Essential	Enterprise Fund Reserves	\$35,000	Will be done in spring
Electric	Traffic Signal Head Refurbishment - Church/Walnut/Washington	Essential	Enterprise Fund Reserves	\$150,000	Delayed
Electric	GIS/Mapping - Smart Metering	Essential	Enterprise Fund Reserves	\$40,000	AMI project.
Electric	Air Break Switch	Essential	Enterprise Fund Reserves	\$72,000	1/23/19 Air Break \$38,712.00; Partial - remainder on order
			Total Projects (Budget page 38)	<b>\$422,000</b>	
			<b>Total Electric</b>	<b>\$852,000</b>	
<b>Water</b>	<b>Equipment</b>				
Water	Electronic Variable Message Board	Essential	Enterprise Fund	\$20,000	On order, very close to \$20,000
			Total Equipment (Budget page 17)	<b>\$20,000</b>	
<b>Water</b>	<b>Vehicles</b>				
Water	Replace W-1 Ford F-250 Pickup	Essential	Enterprise Fund	\$38,000	Not yet purchased
Water	Replace S-5 Kod C70 Dump Truck (Moved from streets)	Essential	Enterprise Fund	\$176,000	Not yet purchased
Water	Replace W-4 Ford Van (Electric?)	Essential	Enterprise Fund	\$30,000	Not yet purchased
			Total Vehicles (Budget page 17)	<b>\$244,000</b>	
<b>Water</b>	<b>Projects</b>				
Water	Tenth St Water Treatment Facility Test Well, etc.	Essential	Water Reserve	\$625,000	Delayed (likely FY2020)
Water	Protection Upgrades Caulk & 10th Street Towers	Essential	Water Reserve	\$30,000	Stevie working on
Water	Water Treatment Facility Monitoring and Process Control Upgrades (4&5)	Essential	Water Reserve	\$250,000	Consultant working on
Water	Water Tower Altitude Valve at Caulk Tower	Essential	Water Reserve	\$75,000	Working on
Water	City-wide Valve & Hydrant Replacement/Improvements	Deferrable	Water Reserve	\$250,000	Spring 2019
Water	Install Automated Blow-off Valves	Deferrable	Water Reserve	\$50,000	Working on, few have been ordered.
Water	Replacement of Lead Water Service Lines	Essential	Water Reserve/Loan. This will be discussed when the USDA loan application is brought to Council	\$250,000	Not included in total Projects.
			Total Projects (Budget page 33)	<b>\$1,280,000</b>	
			<b>Total Water</b>	<b>\$1,544,000</b>	

Draft Capital Budget

06/04/18

Department	Project	Dept Priority	Funding Source	2019	Status as of 2/11/2019
<b>Sanitary Sewers</b>	<b>Equipment</b>				
Sewer	Electronic Variable Message Board	Essential	Enterprise Fund	\$20,000	On order, very close to \$20,000
			Total Equipment (Budget page 19)	<b>\$20,000</b>	
<b>Sanitary Sewers</b>	<b>Vehicles</b>				
Sewer	Replace SE-2 Ford F250 Pickup	Essential	Enterprise Fund	\$35,000	Not yet purchased
Sewer	Replace Caterpillar Backhoe with Wheeled Loader	Essential	Enterprise Fund	\$150,000	Purchased in September, total cost \$158,209, unrounded balance of \$8,209 will come from the sale of the old piece of equipments (sale price \$31,500).
Sewer	Replace S-4 with Hook Truck with Dump/Flatbed & Plow	Essential	Enterprise Fund	\$220,000	Not yet purchased
			Total Vehicles (Budget page 19)	<b>\$405,000</b>	
<b>Sanitary Sewers</b>	<b>Projects</b>				
Sewer	Standardized Sewer Pump Station Controls	Essential	Sewer Reserves	\$50,000	consultant working on
Sewer	Fruitt Avenue Pump Station Groundwater Investigation and Repair	Essential	Sewer Reserves	\$250,000	no action
Sewer	SCADA Instrumentation Upgrades & Integration	Essential	Sewer Reserves	\$50,000	consultant working on
Sewer	Targeted Inflow and Infiltration Investigation & Repair	Essential	Sewer Reserves	\$100,000	no action
			Total Projects (Budget page 37)	<b>\$450,000</b>	
			<b>Total Sewer</b>	<b>\$875,000</b>	
<b>Streets</b>	<b>Equipment</b>				
Streets	Replace 1995 Aeri Crack Sealer (S-22)	Essential	General Fund Reserves	\$70,000	Purchased \$64,952.50 11/2018
			Total Equipment (Budget page 11)	<b>\$70,000</b>	
<b>Streets</b>	<b>Vehicles</b>				
Streets	Replace 2005 Ford F250 PU w/plow & salt spreader (S-1)	Essential	General Fund Reserves (1/2 cost, \$27,000 in 2018)	\$27,000	Purchased, \$27,000 was budgeted in FY 2018 and FY 2019. Total purchase price was \$45,142.
			Total Vehicles (Budget page 11)	<b>\$27,000</b>	
<b>Streets</b>	<b>Projects</b>				
Streets	West Street Curb and Sidewalk Project	Essential	CDBG/General Fund (match)	\$40,000	no action
Parking	NE Front Street Parking Lot Enhancements	Essential	Economic Development Fund (Budget Page 40)	\$45,000	\$4,361 electrical and lighting upgrades
			Total Projects (Budget Page 11)	<b>\$85,000</b>	
<b>To Be Discussed</b>					
Streets	Street Resurfacing and Rehabilitation, ADA Ramps	Essential	Municipal Street \$183k pg 35, RTT \$757k pg 39)	\$940,000	no action
Streets	Financing for Private Sidewalk Improvements	Essential	General Fund Reserves	\$75,000	n/a
Streets	Walnut Street Pedestrian Crossing (Landscaping) 85000 remaining bal?	Desirable	General Fund/Grant AARP (30K-35K)	\$9,000	Updated proposal will be seen soon, will be under budget
			<b>Total Streets</b>	<b>\$182,000</b>	
<b>Parking</b>	<b>Projects</b>				
Parking	City Hall Parking Lot Enhancements	Desirable	General Fund Reserves (Budget page 14)	\$15,000	no action/summer 2019
			<b>Total Parking</b>	<b>\$15,000</b>	
<b>Fleet Service (Garage)</b>	<b>Projects</b>				
Garage	Vehicle Diagnostic Scanners (2; 1 @ 19,000 and 1 @ 16,000)	Essential	Reserves - repay out of Garage over 5 years	\$35,000	7/2018 Diagnostic reader purchased \$16,855.35, 9/26/18 Truck Scanner \$10,010
Garage	Replace Fuel Pumps	Essential	Reserves - repay out of Garage over 5 years	\$15,000	11/2018 Upgrade Fuel System \$14,993.40
			<b>Total Fleet Services (Garage)</b>	<b>\$50,000</b>	

Overbudget, used sale of old backhoe to make up difference

Under budget \$5,047

under budget \$8,858

Under budget \$8,135

Draft Capital Budget

06/04/18

Department	Project	Dept Priority	Funding Source	2019	Status as of 2/11/2019
<b>Facilities</b>	<b>Projects - City Hall</b>				
Facilities	Replace City Hall Exterior Doors	Essential	General Fund Reserves	\$30,400	Christie getting quotes on this 2/2019
<b>Facilities</b>	<b>Projects - Public Works</b>				
Facilities	Replace Analog Cameras w/ IP	Essential	Facility Maintenance Line Item	\$10,000	
Facilities	HVAC - Upgrade & Repair	Essential	Water/Sewer/Electric Reserves	\$310,000	
Facilities	Loop & Detectors Board Installation (2)	Essential	Facility Maint Line Item	\$3,500	
Facilities	Front Fence Repairs	Deferrable	Facility Maint Line Item	\$5,000	
Facilities	Phase II - Breakroom/Locker Room Redesign	Deferrable	Water/Sewer/Electric Reserves	\$60,000	Approved by Council on August 13th. DBF is beginning to design the locker room/breakroom. \$450,000 was approved by council with \$112,500 coming from each Water Reserves and Sewer Reserves and \$225,000 coming from Electric Reserves. 10/2018 Updated Bid back of \$324,000, working on cost for lockerroom
Facilities	LED Lighting Upgrade & Replacement (all facilities)	Deferrable	Green Energy Fund. \$20,000 in fund	\$30,000	Christie waiting on state contract pricing through GE Electric 02/2019
<b>Facilities</b>	<b>Projects - Customer Service</b>				
Facilities	Customer Service Building Window Replacement	Desirable	Enterprise Fund Reserves (Budget page 31)	\$20,000	Quality Exteriors (out of Hamington) completed in December \$16,675 02/2019
<b>Total Facilities</b>				<b>\$468,900</b>	
<b>Parks &amp; Recreation</b>	<b>Projects</b>				
Parks & Recreation	Riverwalk and Pedestrian Bridge Decking Painting	Essential	General Fund Reserves	\$15,000	Reached out to one contractor, has not heard back yet.
Parks & Recreation	Armory Renovations for Workshop	Essential	General Fund Reserves	\$25,000	Rcvd two bids, working on third bid last week
Parks & Recreation	Riverwalk Concrete Repairs	Essential	General Fund Reserves	\$15,000	Completed 12/2018
Parks & Recreation	Tony Silicato Memorial Park Electric Installation	Essential	General Fund Reserves	\$15,000	met with Electric Department last week, will install walk way lighting and installing power run to existing bathrooms
Parks & Recreation	S Washington and SE Front Basketball Court Repairs	Desirable	General Fund Reserves	\$10,000	Waiting for warmer weather to get quotes on repairs
<b>Total Projects (Budget page 13)</b>				<b>\$80,000</b>	
<b>Parks &amp; Recreation</b>	<b>Equipment</b>				
Parks & Recreation	Ford F-350 Dual Cab Dump Truck (PR-3)	Essential	General Fund Reserves	\$60,000	\$55,077 Ordered November, should receive February
Parks & Recreation	New Holland Loader Attachment	Deferrable	General Fund Reserves	\$7,000	Looking to combine loader and mower to more cost effective solution
Parks & Recreation	Ventrac Tractor with Mulching Mower	Desirable	General Fund Reserves	\$27,000	Purchased, total price \$28,713 with shipping. 10/2018
Parks & Recreation	Kubota Zero Turn Mower (PR-18)	Essential	General Fund Reserves	\$15,000	Looking to combine loader and mower to more cost effective solution
<b>Total Equipment (Budget page 13)</b>				<b>\$109,000</b>	
<b>Total Parks &amp; Recreation</b>				<b>\$189,000</b>	
<b>IT</b>	<b>Projects</b>				
IT	Server Refresh (3 @ 9,000) and Firewall Boxes (4 @ 5,500)	Essential	General Fund Reserves	\$49,000	2 servers, 6 firewalls purchased total \$42,864
<b>Total Information Technology</b>				<b>\$49,000</b>	
<b>Police</b>	<b>Vehicles</b>				
Police	Police Vehicles (2 per year @ 45,000/each)	Essential	General Fund Reserves	\$87,100	Purchased, total price \$83,874 10/2018
<b>Total Vehicles (Budget page 9)</b>				<b>\$87,100</b>	
<b>Police</b>	<b>Buildings</b>				
Police	Air Curtains Over Doorways	Essential	General Fund Reserves	\$8,000	\$6570 purchase cost, \$ 4395 Installation cost total \$10,965
<b>Total Building (Budget page 9)</b>				<b>\$8,000</b>	
<b>Total Police</b>				<b>\$95,100</b>	

Totals by Department			
Total Electric			\$852,000
Total Water			\$1,544,000
Total Sanitary Sewer			\$875,000
<b>Total Enterprise Funds</b>			<b>\$3,271,000</b>
Total Streets			\$182,000
Total Parking			\$15,000
Total Fleet Services (Garage)			\$50,000
Total Facilities			\$468,900
Total Parks & Recreation			\$189,000
Total Information Technology			\$49,000
Total Police			\$95,100
<b>Total General Fund</b>			<b>\$1,049,000</b>
<b>Grand Total</b>			<b>\$4,320,000</b>

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 11, 2019

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, February 11, 2019.

PRESIDING: Mayor Archie Campbell

IN ATTENDANCE: Councilpersons Mike Boyle, Todd Culotta, Owen Brooks Jr.,  
Douglas Morrow and Jason James

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

COUNSEL: Assistant Solicitor James Sharp, Esquire

ABSENT: Councilmembers Christopher Mergner, Lisa Peel and Katrina Wilson

CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 7:03 p.m.

Public Works Director Mark Whitfield, City Accountant Suzannah Frederick and Planning Director Rob Pierce were also present.

INVOCATION AND PLEDGE

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

APPROVAL OF PREVIOUS MINUTES

Included in the packet were minutes from the January 14, 2019 and January 28, 2019 Committee and Council Meetings. Motion to approve made by Councilmember Brooks, seconded by Councilmember Morrow. Motion carried.

RECOGNITION

*Proclamation 2019-03/Recognizing Former Councilman James O. Starling, Sr.*

Former Councilman Starling and wife Dr. Jeanel Starling were in attendance.

Mayor Campbell read the following proclamation into record:

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

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

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

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

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

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

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

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

*WHEREAS, the Mayor and Members of the City Council are grateful for the years of unparalleled dedication that Councilman Starling has devoted and wish him many years of enjoyment in his well-earned retirement. Now, Therefore, I, Arthur J. Campbell, by the power vested in me as Mayor of Milford, do hereby recognize and honor Councilman James O. Starling Sr. for his years of commitment, both personally and professionally, by presenting him with a key to the City, and urge our citizens to acknowledge his tireless efforts in the betterment of this City.*

The Mayor expressed his appreciation to Mr. Starling and presented him and Dr. Starling with the official proclamation, along with a key to the City.

*Proclamation 2019-04/Black History Month*

Mayor Campbell read the following proclamation declaring February as Black History Month, into record:

*Black History Month-February 2019*

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

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

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

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

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

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

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

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

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

Councilman Boyle then read into record 'Absalom Jones: A Son of Milford' who grew to become one of the most foremost African American leaders during the post-Revolutionary War period and one of the earliest civil rights advocates in American history.

Upon its conclusion, Councilman Boyle asked Council to support a request for the Milford Museum to further research the accomplishments of this gentleman and give him due recognition.

#### MONTHLY POLICE REPORT

Police Chief Kenneth Brown presented the monthly Police Report, stating that arrest and other numbers fell within normal limits.

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

#### MONTHLY CITY MANAGER REPORT

City Manager Norenberg referenced the report included in the packet. He reported that the 2019 KSI calendar features one of the Parks and Recreation employees.

Parks and Recreation Director Brad Dennehy was in attendance and added that through a partnership with KSI, Client Doug Humes came on board in September. He worked the majority of their season partial days, and quickly became an essential member of their team. Mr. Dennehy looks forward to working with him in the future and encouraged Council to read the associated information on KSI's calendar page.

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

#### MONTHLY FINANCE REPORT

Finance Committee Chairman Morrow reported that through the sixth month of Fiscal Year 2018-2019 with 50% of the year having passed, 53% of revenues have been received and 45% of the operating budget expended.

He reported that the Planning and Zoning Department fees continue to increase, with some more than double of what was budgeted. In addition, police fines actually increased this month.

Councilmember Boyle moved to accept the December 2018 Finance Report, seconded by Councilmember James. Motion carried.

## COMMITTEE &amp; WARD REPORTS

None to report.

## COMMUNICATION &amp; CORRESPONDENCE

None to report.

## UNFINISHED BUSINESS

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

HR Manager Jamesha Eaddy was in attendance.

City Manager Norenberg recalled that last year, City Council adopted an amendment that completely overhauled the personnel manual. Prior to that, very few changes had been made since the early 1990's. Some policies were kept though a number were updated and modernized.

Several additional polices were to be added, including a new section to address drug testing to ensure a safe workplace for our employees and the public.

Mr. Norenberg noted that ICMA Fellow Evan Miller and HR Director Eaddy have worked on the document, which has also been reviewed by individual department heads.

HR Manager Eaddy then reported that the alcohol and drug free workplace policy has been expanded to include specific guidelines regarding the City's pre-employment drug testing, random drug testing of safety sensitive employees working in the Police, Public Works and Parks and Recreation Departments, reasonable suspicion testing and post-accident testing.

The policy sets forth testing procedures in accordance with the Department of Transportation standards and clarifies who is responsible for payment of tests. It is also consistent with the policies of Newark, Georgetown and Del Tech. It has also been reviewed by legal counsel.

She then asked that the public notice be changed, specifically Section 12.5.A.2, to read as follows:

Being under the influence of alcohol or illegal drugs at any point  
to  
Being under the influence of alcohol or illegal drugs while on duty.

Mayor Campbell asked what type of testing will be performed; Ms. Eaddy said the City requires a urine analysis which The Lab at Seascap performs.

Councilmember Brooks said when he worked at DuPont, anyone suspicion of drug use was sent to the medical section where a sample was taken. He also commented that the Delaware State Police K9 units would show up periodically and walk around the vehicles in DuPont's parking lot.

She explained that pre-employment would be done at hire; random testing would be done by the Lab at Seascap. Seascap will have a pool of employees and they will select the employee randomly.

In terms of reasonable suspicion, there is criteria and it cannot be based on a hunch, for example. It must involve physical behavior and psychological signs; two trained supervisors will need to witness the behavior and note the observations.

It was confirmed the original Section 12.5 is being deleted.

Councilman Morrow asked if the only difference is the addition of the random testing, because all other testing appears to be in place. Ms. Eaddy agreed it is being fine-tuned to ensure a consistent policy that is outlined and provides details so that when we sent employees for testing the policy can be referenced.

Councilman Morrow stated that under Section 12.5.C, the second paragraph does not mention alcohol and recommended it be added.

Councilman Culotta questioned:

...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...

He asked who makes that determination. Ms. Eaddy said we have a reasonable accommodation form that the employee will need to take to their doctor. If an absence was needed, or if they are able to perform their job with a reasonable accommodation, the provider will make the decision based on their job description. HR will follow up from there.

Ms. Eaddy confirmed that safety sensitive employees consist of police officers, public works and parks and recreation employees. Councilman James asked if a safety sensitive employee could be someone that is not driving a vehicle, but could be performing some type of electric work. Ms. Eaddy explained that all electric employees have CDL's so those restrictions already apply.

Councilman James asked if there are any safety-sensitive employees that do not have a CDL; Ms. Eaddy said police and parks and recreation do not have CDL's. He asked if those employees qualify as safety sensitive because they operate a city vehicle and referenced the post-accident requirement related to loss of life or damage.

He asked what would happen if an accident occurred involving some sort of construction equipment.

Ms. Eaddy said that operating some type of work equipment and causing damage or injury is not part of the proposed policy and referenced the section involving an employee that injures themselves or damages equipment.

Councilman James asked if they would be tested for drugs/alcohol at that point.

Ms. Eaddy said that is not in the proposed policy. Mr. Norenberg said at that point, it would involve reasonable suspicion but it would not be the result of the accident. However, the reasonable suspicion language would encompass that situation. In addition, Milford Police would most likely be called for field sobriety testing, etc.

Councilman Culotta referenced:

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.

Councilman James stated that is his point and that only involves a motor vehicle. From his work experience, he has witnessed other accidents that can cause substantial damage or hurt someone, that were the result of being impaired by drugs.

Ms. Eaddy commented that the reason the citation or human fatality was added is because that is a Department of Transportation regulation. Because of that, there could be one policy for the CDL drivers and another policy to test everyone else. In make it fair, citation and fatality are listed as the reasons for post-accidents. Otherwise, CDL drivers could not be tested outside that regulation.

Councilman Morrow asked if testing could be done following a workman comp accident or any accident where injury occurs. He reiterated Section 12.5.B.4 that only addresses vehicles.

Councilman James agreed that is his concern.

Mr. Norenberg stated that the City has a complete safety policy and program that covers a lot of items that go beyond this. However, they did not want to restate those things or make this policy too complicated. If there was an accident, whether it involved a forklift or a chainsaw that resulted in an injury, those supervisors assessing the situation who may notice an odor or behavior would document it. A second supervisor would be called and it would then fall under the definition of reasonable suspicion because the injury may have been caused by possible impairment.

The City Manager added that in addition to supervisor training, refresher training will be critical as well.

Councilman Morrow said that similar policies related to post-accident situations involve workman compensation in addition to vehicle accidents.

Solicitor Rutt pointed out that employees need to cooperate following an accident as is noted in the definition of refuse to cooperate. He noted that accident is not defined so it could be interpreted as any type of accident.

Councilman Morrow prefers testing be performed post-accident in relation to a workman compensation claim which is also a benefit to both the City's insurance and workman comp program.

Solicitor Rutt recommends adding accident to the definition section to expand on what constitutes an accident. Both Councilman James and Morrow felt that would be appropriate.

Mr. Norenberg stated the ordinance does not need to be adopted tonight, though he recommends taking public comment. The amended document will be brought back at the next meeting.

Councilman Boyle asked why this does not apply to all city employees and not just safety-sensitive employees; he worked for the government and the private industry and everyone was tested, including management. He feels it goes beyond accidents and specifically an individual who may be compromised and hurts themselves or someone else on the job.

He is concerned applying it to one segment of employees.

Ms. Eaddy confirmed that random testing only applies to the safety sensitive category and all other employees are subject to pre-employment, reasonable suspicion and post-accident.

Councilman Boyle again asked the reason for only random testing of safety sensitive employees. The consensus of Council was that this should apply across the board.

Solicitor Rutt agreed that separating one group could create a discrimination issue. He said it is not unusual for this to apply to safety sensitive employees, though there are other policies, including those codified in the Delaware Code for prison guards and different groups, where distinguishing features apply.

Councilman James questioned the safety sensitive category and whether that only applies to someone with a CDL or everyone who operates a City vehicle. Mayor Campbell shared that his past experience where hair follicles were tested in lieu of urine testing.

Mayor Campbell then opened the floor to public comment.

David Wilkinson stated he is a retired Deputy Warden from Delaware Department of Corrections and they drug tested upper administration all the way to support staff to prevent any discrimination issues. The Department was sued and lost in court. One employee is no better than another when it comes time for random testing and not only when there is suspicion of a drug or alcohol issue. He was randomly tested three months in a row as the Deputy Warden.

There being no further comments, the floor was closed.

Mayor Campbell directed the matter to be placed on a future agenda to allow for further evaluation by staff.

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

Mr. Pierce reported that the State of Delaware recently increased the minimum threshold in the small DDD projects from \$15,000 to \$25,000. Milford's code is currently set at \$15,000. His recommendation is to eliminate that number and replace it with a blanket statement to align with the State's DDD Rebate Program.

He further explained that the sum of investment would increase from \$15,000 to \$25,000 to receive 20% of the hard cost investment. Local incentives are tied to the State program and in his opinion Milford's should match those thresholds and eligibility requirements.

When asked the City's incentives outside of what the State of Delaware offers, Mr. Pierce advised that all building permit fees are waived, which includes the general fund portion of the building inspection. The water, sewer and electric impact fees are also waived.

The only thing the City collects are the Carlisle Fire Company fee and the Kent County impact fee.

In addition, the City offers full and partial tax abatements for different levels of investment. Increasing the property's value by double, is a full abatement. A partial abatement is provided for lesser investments.

He feels Milford has aggressive incentives in an attempt to promote growth.

He recalled that Council approved the incentives prior to the City applying for the DDD designation.

Councilman Culotta said he is concerned with our continuing efforts to improve Milford's downtown and the increase by \$10,000 though he understands the simplicity to align with the State's criteria.

Mr. Pierce said the \$15,000 threshold was added to the code only because that was the minimum State threshold at the time of the application. From a tracking standpoint, it is easier to align Milford's requirements with the State of Delaware incentives.

Councilman Culotta pointed out this only applies to the downtown area and not the entire City. For example, opening a small boutique downtown may not require a \$25,000 investment. To him keeping it at \$15,000 is a benefit to someone interested in our downtown. He believes every impact fee and permit fee adds up to a small investor.

Mr. Pierce pointed out that most of the \$15,000 projects involve roof, siding or windows. Pennant fit outs are usually higher. Councilman Culotta agrees but noted that things like roofing and siding can drastically improve the downtown area.

Mr. Pierce reminded Council the initial application to the State of Delaware in 2016 required local incentives. At that time, Milford did what was necessary to be awarded the district designation. Besides the City of Dover, Milford has what he believes is the most aggressive in terms of waivers by forgoing all revenues on qualifying projects.

He emphasized that though it is staff's recommendation to have it match the threshold of the State of Delaware, it is Council's decision.

City Manager Norenberg agreed with some of Councilman Culotta's points of incenting smaller projects. However, the biggest stumbling block of having two different thresholds can be confusing to investors. Most people expect to receive incentives from both the City and the State. It can be done, but the City will need the cooperation of builders and businesses to help provide accurate information.

Mr. Pierce feels that of all the 25 to 30 projects completed, there were only a handful of projects that did not meet the \$25,000 threshold and a lot did not apply for the State rebate.

Though they have already approved the increase, Mr. Pierce does not believe he would have to return to the State to ask for another change in the approved program should Council prefer keeping the \$15,000 minimum for small projects.

When asked for comments from the public, Jennifer Contravo said that as a person who is going to be starting a new business by summer, she would not mind having two options. She is unsure how much she will be spending, but increasing it to \$25,000 could impact her. Though there were only a few projects that didn't qualify, she referenced the people that do not have \$15,000 to spend. Increasing that threshold could have stopped them before they even started.

She said that culturally minorities have a greater disadvantage and having a greater disadvantage might cause the City to shoot themselves in the foot, unless the City says down the road it could be raised. She is excited to be here in Milford with these opportunities and was one of the points that encouraged her to stay here. Now to say it is changed is discouraging. Other people have come to Council meetings who are thinking about starting businesses here too. She concluded by saying there is a lot going on and it is all positive. She does not want to see that taken away.

When no one else responded, Mayor Campbell closed the floor to further public comments.

Councilman Boyle moved to postpone the matter until a future meeting and review the pros and cons of each position, seconded by Councilman Culotta.

Mr. Pierce interjected stating that he will provide a summary of the projects to date and their values for Council to review at the next meeting.

Motion carried.

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

Public Works Director Whitfield reporting that back in 2019, Council approved funding for the replacement and upgrade of the Public Works Administrative Building HVAC system. The present system has reached the end of its useful life and has become both costly to repair as well as unreliable.

On February 1, 2019, bids for the HVAC work were opened. The low bidder, Joseph T. Richardson, Inc, of Harrington came in at \$324,000. The engineer's estimate for the work was \$308,672. In addition, engineering fees for the project are expected to be \$25,000. The combination of the work to be completed, as well as the engineering fees, are within the current budget.

Councilman Morrow moved to award the Public Works Administrative building HVAC contract to Joseph T. Richardson of Harrington in the amount of \$324,000 with funding of \$162,000 from Electric Reserves, \$81,000 from Water Reserves and \$81,000 from Sewer Reserves, seconded by Councilman James. Motion carried.

#### NEW BUSINESS

#### *Authorization/Milford Community Cemetery/Relief Water Charge*

Parks and Recreation Director Brad Denehy informed Council that Mayor Campbell, City Manager Norenberg and he are members of the Milford Community Cemetery. Several years ago, Parks and Recreation was tasked with the maintenance of the cemetery grounds which is supposed to be self-sustained. Cemetery funds are supposed to pay for the workers which they do. However, the economic outlook of cemeteries in this country is not good because of the increasing number of people being cremated today.

As a result, the Milford Community Cemetery is facing a financial hardship. In December, a 1,000 plus feet water line that runs from Brightway Commons and across the soybean field sprung a leak. The line uses approximately 1,400 gallons of water and over the long weekend went undiscovered. Approximately 100,000 gallons of water was used as a result.

The cemetery board met and it was agreed to ask for relief from the City of Milford for the water bill of \$533.32 due to the cemetery being a non-profit and its current financial situation. In the meantime, improvements are being made to prevent this from occurring in the future.

Councilman Brooks moved to approve relief of the water bill in the amount of \$533.32, seconded by Councilman Culotta. Motion carried.

*Approval/Funding Appropriation/Milford Community Cemetery/Equipment Loan*

Mr. Dennehy continued by stating that the cemetery is located on North Walnut Street and US Route 113 and the arterial routes into the City. There are several matters being attended to, including the old wall which needs to be replaced.

The cemetery board requested \$100,000 from the Odd Fellows perpetual fund to get money for the removal of the wall, installation of a new fence and purchase of equipment. PNC Bank, who oversees the funds, denied the request though the cemetery is continuing to pursue it.

In the meantime, the grass needs to be maintained over the summer. As a result, he is asking for a low-interest loan to purchase the equipment. The replacement equipment will be solely used in the cemetery.

Mr. Dennehy shared that three temporary workers are assigned to the cemetery five days a week. Once they finish mowing the cemetery, they go back and start again. The request is to use City funds which will be paid back on a quarterly basis at the same time the City submits invoices for payment of the temporary workers.

He confirmed that the \$57,000 budget this fiscal year was a pass-thru to pay for the temporary workers. The purchase costs of cemetery lots should pay for the maintenance costs though overall sales are down. However, the City is still responsible for its maintenance based on the agreement signed by the City several years ago.

Mayor Campbell then provided Council with a synopsis of the \$750,000 currently in the Odd Fellows Fund of which the City only has access to the interest that is being earned on the account. PNC is the trustee and Solicitor Rutt is investigating how to get access to those funds considering the increasing maintenance needs and upkeep of the cemetery.

Mayor Campbell asked that a line item be added to the budget for financial and informational purposes.

Councilman James then questioned the reference of the low-interest loan and recommended it be called a zero-interest loan, if that is what is being considered.

Mr. Norenberg is of the impression it will be very difficult to get the funds from the trust. State law provides for a perpetual or care funds be established for all cemeteries to ensure ongoing maintenance. As a result, the board is looking at several options that includes selling some of its land for development. This could provide some funding for future improvements that would be beneficial to the long-term financial stability of the cemetery.

Councilman James suggested that the loan be evidenced by a note to ensure there is a document on file for evidence the Milford Community Cemetery is obligated to repay the money over a four-year period.

Solicitor Rutt offered to create the agreement.

Mr. Norenberg confirmed the cemetery board recently approved increases in lot prices and grave openings. Councilman Brooks recalled those items were increased a year ago as well and expressed concern of the continuing rise in prices to people often in a very vulnerable situation.

Mr. Norenberg added that Board Member Scott Sipple had a survey of fees from similar cemeteries and these fees are still on par with their fees. He agrees it should be kept affordable for the residents of the community and the reason the Cemetery Board was set up with representatives of the City and lot holders.

Councilman James moved to authorize the zero-interest loan to Milford Community Cemetery to be paid through quarterly payments over a four-year period, as invoiced by the City of Milford, and secured by a loan note, seconded by Councilman Morrow. Motion carried.

*Vacancy/City of Milford Planning Commissioner*

Mayor Campbell reminded Council that there is a vacancy on the Planning Commission due to Jason James' appointment to City Council. Presently, he is waiting to hear a response from a Fourth Ward applicant, though there is a pending residency question.

When questioned about the residency requirement for a Planning Commission, it was confirmed there is no requirement. However, it has always been the City's desire to have resident representation on the commission.

Solicitor Rutt confirmed that though there is no residency requirement in the State Code, nor is there a prohibition that the municipality could not make that a requirement.

Mr. Rutt said the reason that the State Code does not require a residency requirement is to allow property owners with summer residences to serve on the resort town's planning commission which meet on n Friday nights and Saturday mornings.

Councilman Boyle suggested revising the chapter to include a one to two-year residency requirement.

Mr. Norenberg recommended that any person interested in serving on the Planning Commission meet with Mr. Pierce to learn more about the role, in addition to completing the brief application that is available on the website.

*Acceptance/FY2017-2018 Audit*

City Accountant Suzannah Frederick reported that the audit was discussed in the Finance/Public Works Committee Meeting and it was agreed its acceptance would be postponed until the February 25<sup>th</sup> meeting. That will allow Council members more time to review the document.

Any questions should be referred to the City Manager.

Councilman James explained that in the private sector, audits have to be completed much faster. He noted that the City's fiscal year ends on June 30<sup>th</sup> and the audit report is dated January 5, 2019. Ms. Frederick explained the auditors were originally scheduled for August, but were deferred until September. In addition, there was an employee resignation that delayed the documents being provided to the auditors. That caused the process to begin later, in addition to the audit firm having other obligations they had to attend to during that time frame.

Councilman James said he is not familiar with the government process, but it seems like a long time to report the results of the audit.

Ms. Frederick confirmed that last year's audit was presented to Council around January.

The matter would be added to the February 25<sup>th</sup> agenda.

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

Mayor Campbell introduced Ordinance 2019-01:

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 as follows (see Council packet).

Public Works Director Whitfield reported that the Public Works staff, as well as the Public Works Committee, has been reviewing the Water Code. The ordinance includes a schedule of rates, fines and fees be established and separated from the ordinance.

He then provided a brief synopsis of the proposed changes.

The ordinance is scheduled for adoption on February 25, 2019.

*Resolution 2019-01/Updated Water Rates*

To be acted upon by Council on February 25, 2019.

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

Mayor Campbell introduced the following ordinance:

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.

*Resolution 2019-02/Updated Sewer Rates*

To be acted upon by Council on February 25, 2019.

*Introduction/Ordinance 2019-05/Yoder Properties LLC*

Mayor Campbell introduced Ordinance 2019-05:

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

Mr. Pierce explained this involves a conditional use application for the construction of a semi-detached dwelling on it on Southeast 2<sup>nd</sup> Street. It requires a variance approval which is scheduled for Thursday, February 14<sup>th</sup> before the Board of Adjustment.

EXECUTIVE SESSION

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

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

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

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:46 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

*Return to Open Session*

Council returned to Open Session at 8:58 p.m.

*MPD Teamsters Negotiations*

*Council Appointees Reviews/Discussions*

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

ADJOURNMENT

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

The Council Meeting adjourned at 8:59 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 25, 2019

A Meeting of the City of Milford Police Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, February 25, 2019.

PRESIDING: Chairperson Katrina Wilson

IN ATTENDANCE: Mayor Arthur Campbell

Committee Members:  
Councilmembers Michael Boyle and Lisa Peel

Councilmembers Todd Culotta and Jason James

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

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

*Update/Replacement Milford Police Station*

City Manager Norenberg provided an overview of the process over the past year, referencing his Council-authorized goal of making progress toward the replacement of the police station. As a result, he worked on developing an RFP and in May, Council approved an architect and engineering firm. The six proposals received were evaluated by City staff. Those employees, along with Police Committee Chair Wilson, then conducted interviews which resulted in Becker Morgan Group being selected.

Following a presentation by Becker Morgan Group, Council authorized the scope in November. The contract was then negotiated and approved by Council in January.

A week and a half ago, a kick-off meeting was held with Becker Morgan Group, key staff from the police department, Mr. Norenberg and other stakeholders who will be part of the process.

Settlement on the Growmark and A1 Glass Company properties occurred on Friday.

An update is being provided by Becker Morgan Group, in addition to what future action is needed.

Brenden Frederick, AIA, LEED AP, then introduced himself, along with Dean Johnson of Richard Y. Johnson.

Mr. Frederick reported the following:

The facility needs to be developed to meet the functionality of the 21<sup>st</sup> police needs, that its sized for potential growth, a clear understanding of associated costs. They brought Richard Y Johnson on board to bring expertise on the construction side. Design, construction and projects revolved around three key pieces. The owner's stake (need, want and desire, the design team to help execute that and the contractor to help see come to fruition.

All three play in important part in the design phase because they bring matrix to help save dollars and establishing a schedule.

The building itself has complexity.

In order to get a concept design that will have a scope that the police have dictated through their meetings, a budget proforma that is based on the scale and scope of the project, and a potential construction schedule.

The other piece of the puzzle is now to get the funding pieces in the schedule and how it will roll out with a start date and completion date.

The City has hired a PR firm to help with the public relations aspect to ensure Milford's residents are properly informed.

A space needs analysis has already been submitted to the staff for their input. That data will be collected to understand how the department operates, what makes sense and the size of the building it is needed.

Security, public/private access and site matters will then be discussed and how to integrate and allow the police to operate in the most efficient manner while protecting and serving. A key component is determining how to engage the public within the community room and how the police station can become a place for community togetherness.

Once the programming document is completed, a two-day charette will held during which time they talk and work through all the details. At its conclusion, they will understand the must have's, the like to have, etc.

Mayor Campbell arrived at this time

That will provide them the location information, such as a certain office needs to be next to this department, etc.

The data on the spreadsheet will then be transformed into color blocks that will form a future floor plan and building shape.

Before the next step is taken, they will work with RY Johnson and begin to with budget needs, projected costs, etc.

Once the budget and the scope are worked out, they will repeat the process at a little higher level and discussing the floor plan. The building plan will then have doors, walls, and the exterior of the building. At that point, they will invite the public to comment.

RY Johnson will again be involved that will result in more refined information that will help project a more accurate budget.

The site for the police department has a substantial amount of land of which the residual lands could be for some other use. The public will be included in those conversations.

Following that, a concept floor plan, renderings, elevations and a concept budget will be presented.

All the steps along with way will be checkpoints for the team to determine it is in line with what is needed, meets the intent of what the police need, while being fiscally responsible.

In his experience, and comparing to similar facilities that were built for the Delaware State Police, a time line of three to four months is needed to complete the collective work, understand the information while providing adequate time to digest the information. However, that time line can be accelerated or prolonged, depending on how quickly the City wants to proceed.

The key is understanding the public input process and understanding that when it goes to referendum, how it ties in and how to engage the public. Moving slower, may result in as many voices heard as possible.

However, there is more time associated with how the project is rolled out that may need to overlap if the City prefers the design process is in line with the public process.

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Councilwoman Peel confirmed that the three to four-month timeline started when the information was handed out to collect data on the needs' assessment, until the time a clear budget and floor plan can be provided. Mr. Frederick stated that is correct and that clock started at the kickoff meeting a week and a half ago.

He emphasized that if more dialogue is need at some point in the future, that time line will be extended. If expediting the process, they are able to do that as well. They will do what is necessary to meet the schedule established by the City.

Mr. Frederick referenced the photo of the parcel, divided into two sites. A decision on whether to place the police department in the front of the property or the back portion will need to be decided. Once that is determined, discussions about what can occur on the other half will take place.

The first charette will be for the police view only as it will include more internal items. A clear delineation will be needed for what is public purview and what is not. Anything that can be seen from Google maps or from the streets is public domain and more appropriate for public input. The public portion includes the floor plan, lobby and how the community room is laid out. Anything beyond that should remain as private as possible for safety reasons.

Giving people the opportunity to provide recommendations on how the building looks and the specific style, is a great way to engage the public. The opportunity for the residential land use, depending on which direction the City wants to go, is another opportunity. For example, whether the public feels it would be appropriate for use as a park.

Mr. Frederick then presented a calendar of February 2019 thru February 2020 that will be used to plug projected dates into.

Construction costs are increasing five to six percent annually. Projections from Turner Construction Company, one of the largest construction management companies in the United States, averages a five to seven percent escalation. As a result, this facility will cost at least fifteen percent more three years from now. The sooner it can be started, the most cost effective it will be on budgets.

Mr. Johnson confirmed that construction costs continue to rise. Richard Y Johnson does a lot of school work and the Department of Education allows an escalation of five percent compounded annually which by year three, is 18%. He recommends adding no less than five percent per year. He shared there is a lot of work available and the sooner the project can be bid, the better.

Mr. Frederick explained that on average, a project of this size takes a year to design and a year to build. A lot is predicated on the site approval process, depending on the agency, though the minimum is typically ten months. The new Delaware State Police Troop 7 is on schedule though construction may be completed somewhat earlier. It can be done in a little less time, but it takes a lot of behind the scenes work to save even a month or so.

When questioned, Mr. Frederick referenced several requirements related to the CALEA accreditation. The purpose of CALEA is to improve the delivery of public safety services. That is done primarily by maintaining a body of standards, developed by public safety practitioners, covering a wide range of updated public safety initiatives; establishing and administering an accreditation process; and recognizing professional excellence.

Patricia Rivera from Hook PR Group then addressed Council. She reported they have met with Chief Brown and his staff to discuss how to best tell the story of what gaps exist in terms of public perception. Chief Brown is focusing on the idea of community policing and how to better describe that to the public.

Though they have created some initial messaging, moving forward will be dependent on City Council's strategy and how they want her firm to approach it with the public.

She said they are here to support the City and will proceed with additional information as it is provided.

Mr. Norenberg feels that as the project progresses, there is a need to connect with and keep the public informed.

He stated that once Council adopts the resolution to proceed with the referendum, a lot of communication will be needed during that thirty to sixty-day window.

Mr. Frederick noted there are several avenues for community engagement, including civic clubs and downtown and chamber groups. He spoke about a number of the projects they have completed, and the numerous ways police officers were interacting and providing information to residents and business owners. He emphasized the importance of getting those voters' input prior to a vote, whether it is a school or government referendum.

Mayor Campbell confirmed that Becker Morgan Group will be attending the informational sessions to assist Milford's staff officers.

Chairperson Wilson agrees the visual and estimated budget will help as this is discussed with the public. She feels that City Council needs to sell this to our constituents to ensure it is successful. She asked that everyone be on the same page as far as the information that is disseminated.

Ms. Rivera reiterated that they started some preliminary messaging though a lot more information is needed. That would then be presented to City Council for their input. At that point, they would provide more specific points for conversations and meetings as well.

Mr. Norenberg recalled talking about developing a video that will show the behind-the-scene challenges, as well as comments from our officers. In addition, there will be 3D renderings and images of the projected facility. It will also be helpful to provide these presentations to civic clubs, church groups, HOA's, etc. Tables can also be set up at various events where our officers can reach and talk to the public and answer questions.

Mr. Frederick said there is a lot of work that will need to be done. There is a message that needs to get out and there is a need to meet with as many people as possible.

In discussing the overall schedule, the make or break is the referendum vote and there is a need to decide the best time to schedule that. He is also familiar that Milford School District is preparing to go out for referendum possibly around January-February 2020 though that is not yet set in stone.

Councilman Boyle pointed out the forestry and wetlands on the site and asked if the land is all usable; Mr. Frederick explained that is why the upper half has a little more acreage. The back portion includes a tributary stream that could actually be advantageous from a stormwater perspective and the reasons the trees will remain.

Mr. Frederick believes the usable acreage is fifteen acres. The field work will be complete this week which should provide the topographic data and boundary. That will provide a better idea of grading though the ideal scenario would be a balance cut fill though still needs to be determined based on the topo information.

Council then discussed funding mechanisms and whether a tax increase would be needed to fund the facility. Councilman James pointed out he has been a Milford resident his entire life and is fully supportive.

It was noted that the City is very limited in terms of financing without the voter's authorization.

Solicitor Rutt then explained there is a process that requires the adoption of a resolution to hold a public hearing after which a referendum or special election is scheduled. He agreed there are other alternative financing options with bonds being one.

Mr. Norenberg explained that any form of financing more than five years requires voter authorization. Considering the magnitude of the project and the projected costs, a public vote is required. He added that the City has been very successful in the past using USDA loans though the Finance Director may have other options to consider.

It was noted the City has an AA- bond rating.

Mr. Rutt also pointed out that USDA funding is not available as it was in the past.

Councilwoman Peel stated that she would in favor of exploring other options as well. She does not recall making any decisions as to a specific form of financing. She also has the same concerns about competing referendums because she believes that both are needed.

Mr. Frederick shared there is a potential, based on Becker Morgan's timeframe of three to four months, and assuming the design will be completed by June, the City referendum could be held during the late third to early fourth quarter of 2019 which would put them ahead of the school district.

Councilman James understands that both referendums are needed and Council needs to be sensitive to that. He will gladly propagate and tell his constituents this police station is needed, but with Chief Brown's help of explaining the need and what is in it for them. He wants to be able to say this body has explored and selected the best funding for the citizens of this City.

It was pointed out that the last tax increase in the City was in 2012.

Councilwoman Wilson understands that no one wants an increase in taxes, though everyone understands that a project of this size, along with sound financing in whatever form, is going to create a tax increase. That is the only way this project can be paid for in her opinion. Though there have been a number of school tax increases, she does not feel the City is competing and instead are giving our citizens what they will have asked for in the form of a safer facility for the police and its residents and businesses.

It was agreed a new police department has been needed for many years and recalled the work that was done from 2010 to 2012. At that point, support for the new facility came to a standstill.

Councilman Culotta believes the problem will be to convince the public that a tax increase is needed for a building that most people never walk in. In comparison, the school district has difficulty getting a referendum passed by people whose children attend those schools.

He referenced the recent Del Tech referendum needed to improve their building that did not even get off the ground.

Councilman Culotta pointed out that a \$14 million project at 3.75% interest will cost a half million dollars a year in interest. To him that seems much more conceivable for the voters to agree we need a police station without the tax increase.

Councilman James feels the need is easy to get across. It will be this body's responsibility to seek the best way to finance it. If a referendum is needed and the best method of financing, then that is what needs to be done.

It was agreed that Council will continue to explore other sources of financing sources available to the City. Whether it is through a conventional loan, USDA or some sort of bond issue.

Mr. Norenberg said this is beyond the scope of the conversation tonight and recommends finishing the conversation with Becker Morgan. The financing aspect can then be discussed with the Finance/Public Works Committee and the Police Committee.

Mr. Frederick stressed the reality is that if for some reason the project is delayed, waiting two to three years later will cost more. He will work with the PR Firm to include that in the bullet points when the project is being sold. Not only will they share what the beautiful and modern police station will look like, they can show how this will be a smart fiscal decision even though it might encumber them.

He then asked what is the earliest date Council wants to go out. With that information, Becker Morgan can set their critical path and work towards completing their tasks.

(Inaudible conversation).

Mr. Frederick then asked if Council would be privy to taking a vote in July-August. Chairperson Wilson said this committee cannot answer that question. Based on tonight's discussion, the preference is to meet with our finance experts first. She feels there is still some work to be done as Council pursues the financing aspect.

As soon as she can, they will provide that information, but she is unwilling to do that tonight.

Council and Chief Brown agreed.

Mr. Frederick shared that they will work and progress as if it were to be complete in the four-month time frame. He is looking for a benchmark and hopefully can get at least a 'no earlier than ---'. However, they will proceed and work toward the projected four-month timeframe. They will be working with Hook as well to understand the overall time frame of opportunities between now and the summer.

Councilwoman Peel reported that regardless of the financing option, the public will need to be engaged as far as how the police station will serve them. She recommends that be carried on as planned and the public engaged and shown the visuals as they are created.

Chief Brown said most people that have talked to him want to know how it will be paid for; that is the first question that needs to be answered. Councilwoman Peel understands but pointed out that is the reason for the discussion to ensure everyone is providing the same answers.

Chief Brown does not want to turn people off by not having answers to these questions before we start providing these renderings and photos.

It was agreed to schedule a meeting and invite the Finance Director and City Auditor.

Mr. Frederick said he is available for any questions in the meantime as they move forward with the first piece, find opportunities to engage the public and work with Mr. Norenberg and Evan Miller. Hopefully this will be decided in March so they can proceed with the next piece of the project.

## NEW BUSINESS

### *Discussion/Business License*

Mayor Campbell recalled discussing the advantages of having a business license for the police department though it was shot down by Council.

Chairperson Wilson recalled attending the IACP Conference where she talked with a gentleman who discussed how the business license had helped communication within their town. For example, one store had changed owners on multiple times though the City only had the original store owner's information.

Having a business license would force each business owner to register with the City. That information would be readily available especially in an emergency situation. According to Chief Brown, this often creates a lot of work for his employee and often creates a delay in reporting because of obsolete information that is on file.

Councilman James said he has worked in a number of jurisdictions where business licenses are required. Most businesses expect it when they open a business. He compares it to the rental license required in Milford and does not see a downside to having a general business license.

Chief Brown pointed out that along the same lines, the City has an alarm ordinance that requires someone to be fined after a certain number. Those alarms are monitored by each address. They often fine a property owner who may have never had a false alarm. But the police department's records are showing three offenses, for example.

Also, over the years, the police department has tried to maintain an emergency contact list for all businesses. Because there are so many more today, it is difficult for his employees to keep that current. Businesses move in and out of locations and because they are not required to contact them, no one knows. The first time an emergency occurs, the previous owner is called, because they are listed, and they have no idea who the person is they should be calling. It has caused his staff a lot of work.

A business license would simplify that process and fine the correct person when it comes to alarms.

Councilwoman Peel recalled when it was discussed in the past and the Council Chambers was standing room only with people who did not want it. All the people in attendance were legitimate business owners that were all doing the right thing. She asked who would enforce it on those that were not doing that right thing.

It was confirmed that Rob Pierce oversees the planning and inspections department. They have been working hard to clean up the records and get all the landlords registered, as in the case of the rental licenses. Three years ago, there were a lot of unregistered rentals.

At one point, Mr. Pierce was encouraged to consider a business license. Some research was done and a proposal was created and supported with the assistance of the police department. However, City Council voted against it in the end.

The City Manager asked if the Committee wants Chief Brown and Mr. Pierce to revisit the proposal from two years ago, refine it and bring it back for Council to consider again.

When asked why it was denied, Councilman Culotta said the general consensus was the City was adding another fee a business owner would have to pay. He is a contractor and is required to have a contractor license in Milford. A real estate agent or cosmetic salesman that works from home is a location that will unlikely cause Chief Brown to respond to if a fire alarm goes off. If there is a commercial building downtown or a manufacturing plant, that is fine, but the differentiation needs to be made. In addition, the fee should not be excessive and he recalls it was presented with a \$100 fee.

Councilman James said he has seen the municipal business license cost anywhere from \$20 to \$100, though that is expected by most business owners.

Councilman Culotta prefers we remain business friendly adding we are not Rehoboth. They have plenty of people lined up to open businesses but that is not the case in Milford. That was the perception and the reason for the backlash.

He said to Chairperson Wilson's point, he appreciates the oversight and the help to the police department and city government, but as a business owner who believes in small government, he does not understand why the City needs to be in his business. He is not doing anything that is impacting the City to create the need to regulate.

It was agreed that communication is needed so that people understand the advantage of the business license. Councilman James said in his opinion, the reason is clear and in his type of business it is expected. However, not every type of business is required to have a license based on the type of activity.

Councilman James recommends we investigate it and does not see any negativity in pursuing it.

Councilman Culotta added that the \$50 for the rental license pays for the inspection and the business is getting something in addition to covering the cost to the city. In addition, the rental license protects the renter which was the whole idea behind the ordinance.

Solicitor Rutt added that his firm in Georgetown pays two business licenses. The land is owned by an LLC and is charged a landlord fee. The law firm pays another for the rent of the building.

In Georgetown, they have a clerk that keeps track of the properties and looks at the tax rolls for any activity.

Councilwoman Peel said she does understand the need and would entertain looking at the draft. However, she does not want to penalize someone who is already doing the right thing. Instead, the City needs to solve the problem of people that are changing their addresses and not contacting the police department.

She sees the benefit of the business license and was also surprised that Milford did not have one in place.

Chief Brown said he does not care about the fee, he only wants the registry. Councilwoman Peel said the registry is a good idea though she agrees this is another expense to the business owner.

Mayor Campbell recommended it be less than \$100 and possibly \$50 or less. Councilman Culotta recommends it be free because we want to be busy friendly.

The Committee agreed it needs to be revisited and brought back. Councilman Boyle pointed out the fee should be enough to cover any expenses incurred. He also pointed out that if these business owners are not registering with the City, they are most likely not informing the State either. Therefore, he would not count on that.

#### *Public Crime Mapping Application Demonstration*

Matter postponed.

#### *Lights On-Milford Strong Initiative*

The following press release was included in the packet:

*SEAFORD, DELAWARE, October 9, 2018 — The HELP Initiative, Inc. will administer, and program manage a collaborative effort and matching funds campaign between the City of Seaford, in partnership with the Delaware Municipal Electric Corporation (DEMEC), Seaford Police Department and the Delaware Sustainable Energy Utility to reduce concentrated areas of criminal activity and improve public safety by utilizing energy efficient lighting measures. This campaign will also provide education and awareness about how to reduce energy burden in the home and provide a roadmap for improving the health and safety of its occupants.*

*The HELP Initiative Inc. is an IRS-designated 501(c)(3) non-profit organization based in Dover, Delaware, that specializes in energy efficiency programs and service offerings for statewide communities in need. The Lights-On Campaign launched in Dover during the Summer of 2017 and recently completed final phase in the Summer of 2018. A total of three hundred sixty-seven homes received Dusk to Dawn Energy Efficiency LED lights for their front porches and Solar Powered LED Motion Flood lights for their back yards.*

*Each resident participating in this campaign pledged in writing to keep their front porch light switch on, encourage their neighbors to participate in the Lights-On campaign and to report any suspicious activity to the Emergency 911 service. The City of Dover Police Department crime statistics during this campaign's period of performance demonstrated that concentrated areas of criminal activity were reduced in size and that Emergency 911 call volume increased for the targeted campaign areas. Members of the community also conveyed their full support of the Lights-On campaign by actively participating in a community celebration at the end of each installation phase of the campaign.*

*The Lights-On Seaford Strong Campaign will be planned and managed by the HELP Initiative, Inc. in partnership with the City of Seaford, DEMEC, Seaford Police Department, Delaware Sustainable Energy Utility, Habitat for Humanity, NCALL, Northeast Regional Council of Carpenters, United Seaford, and The Home Depot. This campaign is funded by the City of Seaford Green Energy Funds and the Delaware Sustainable Energy Utility. This collective street by street community campaign will educate and empower residents to increase public awareness of criminal activity, save energy, and demonstrate a unified community approach toward public safety in the City of Seaford neighborhoods.*

*The “Lights-On Seaford Strong” Campaign will be conducted during the Fall of 2018 and target approximately 400 homes within the Seaford target area.*

Mr. Norenberg stated that because of the success in Dover and Seaford, Milford is interested in the same initiative. They are looking at approximately 400 plus homes in the DDD and surrounding areas. Chief Brown and Planning and Development Director Pierce are working together to map out the area that would fit the low to modern income criteria, but also meet some of the at-risk neighborhoods.

The packet includes an agreement currently being reviewed by the City Solicitor, along with some links to stories about the success of the program in Seaford. They would like to present the MOU to City Council at their March meeting.

Charles Kistler, Executive Director of the HELP Initiative, informed Council they are an IRS-designated 501(c)(3) non-profit organization based in Dover, Delaware, that specialize in energy efficiency programs and service offerings for statewide communities in need. He said they have worked with NCALL in Dover, the City of Seaford and the SEU (Sustainable Energy Utility). They are trying to find ways to match funds to get as much outcome from this type of installation. He concluded by saying it is a very simple lightbulb that works in an unbelievable way of moving away crime in concentrated areas where criminal activities are prevalent.

In the meantime, they want to stress the importance of energy efficiency methods to reduce the burden of their utilities.

He confirmed the matching funding in Dover came from NCALL and the Wells Fargo Foundation. The funding in Seaford came from DEMEC and the SEU. They plan to do the same business model in Milford. There is also an interest in the City of Wilmington.

Chairperson Wilson thanked Mr. Kistler for attending the long meeting.

Mr. Norenberg stated that the business license proposal will be brought back before a joint Finance/Public Works and Police Committee meeting to discuss both the financing for the new police department and the business license proposal.

Councilmember Boyle moved to recommend City Council authorize and execute the MOU for the Lights On campaign, seconded by Councilmember Peel. Motion carried.

There being no further business, Chairperson Wilson adjourned the Police Committee meeting at 7:10 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 25, 2019

Milford City Council held a Public Hearing on Monday, February 25, 2019 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Archie Campbell

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

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

COUNSEL: Solicitor David Rutt, Esquire

ABSENT: Councilman Christopher Mergner

Mayor Campbell called the Public Hearing to order at 7:17 p.m.

*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*

Mr. Pierce reviewed the application, adding the following:

The applicant proposes to subdivide a parcel of land in two and construct a single-family semi-detached dwelling. The property formerly contained a two-family dwelling which was demolished in 2017 after it was damaged in a fire.

This application falls under the newly adopted administrative minor subdivision process and tonight's vote is only on the conditional use for the duplex. Under Chapter 230-10(C), single-family semidetached dwellings are 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 and the maximum lot coverage and reviewed by the Board of Adjustment at their February 14, 2019 meeting.

The public notice was advertised in the Milford Beacon and all properties within 200 feet were mailed notices.

The Planning Commission recommended approval at their February 19, 2019 meeting by unanimous vote. No one from the public was present to offer comments for or against the application.

Yoder Properties LLC Owner Jay Yoder was in attendance. He explained the property is in the Downtown Designation District and his goal is to provide a single-family detached property so that each side could be sold separately. In that manner, someone who may not be able to afford a traditional home may be able to purchase one of the approximate 1,500 square foot units.

There being no questions from City Council, Mayor Campbell opened the floor to public comment. No one responded and the floor was closed.

Councilmember Boyle moved to adopt Ordinance 2019-05 for a Conditional Use to allow a single-family semidetached dwelling on 0.22 +/- acres in an R2 zone at 703-705 SE Second Street, seconded by Councilmember Peel.

Motion carried by the following roll call vote:

Boyle-votes yes stating it conforms with the zoning and has been approved by the Planning Commission.

Peel-votes yes for same reasons stated by Councilman Boyle.

Culotta-votes yes and agrees with the reasons that have been stated.

Brooks-votes yes based on the Planning Commission recommendation.

Morrow-votes yes for the same reasons, believes it is will be good for the area and will provide more affordable housing.

James-votes yes because it conforms to the zoning and the DDD and there are similar homes in the area.

Wilson-votes yes for the same reasons stated by Councilman James.

There being no further business, Mayor Campbell adjourned the meeting at 7:25 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 25, 2019

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, February 25, 2019.

PRESIDING: Mayor Archie Campbell

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

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

COUNSEL: Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Campbell called the Council Meeting to order at 7:25 p.m.

INVOCATION AND PLEDGE

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

COMMUNICATION & CORRESPONDENCE

Included in packet.

UNFINISHED BUSINESS

*Appointment/City of Milford Planning Commissioner*

Councilman Brooks moved to appoint the following resident to the City of Milford Planning Commission, seconded by Councilman James:

Duvanel Louis of 401 North Street

Motion carried.

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

*Adoption/Resolution 2019-01/Updated Water Rates*

Public Works Director Mark Whitfield was in attendance, noting that for close to a year, the water code has been under review. It was presented to the Finance and Public Works Committee for comments as well.

He then highlighted the following proposed changes:

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 ever time Kent County changes theirs, simply refer to Kent County in the Code.
6. Increase fines from minimum \$25/maximum \$300 to \$50 minimum/\$1000 maximum. The proposed fines are in line with other municipalities in the area.
7. 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.
8. 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 acres or more – 256 parcels = 3813 acres  
2.5 acres or more – 302 parcels = 3939 acres  
2 acres or more – 352 parcels = 4049 acres  
1.5 acres or more – 426 parcels = 4174 acres  
1 acre or more – 558 parcels = 4327 acres

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, 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 two 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.

Councilman Boyle recommended adding EDU to definitions.

Councilman Culotta expressed concern about the increase of fines from minimum \$25/maximum \$300 to \$50 minimum/\$1000 maximum. Because of the fee, he feels that someone with a problem would simply overlook asking for the City's advice to prevent paying the fee. In addition, the City will already receive revenues from the water usage and he does not recommend the increase.

Mr. Whitfield explained the initial fees are \$100 which includes two inspections. Typically, they are called for the backfill inspection just prior to meter replacement. What occurs many times is the contractor calls for an inspection when they are not ready. The inspector responds to the call and has to wait for an hour or more before they tell the inspector they will not be ready.

Councilman James stated that if the current \$35 fee does not cover the initial fee, and that needs to be increased.

Mr. Whitfield shared the estimated cost associated with the inspector, the vehicle and the inspection time and travel is roughly \$50. Councilman Culotta pointed out that Sussex County's inspectors encourage contractors to call him anytime to prevent any mistakes from later having to be corrected.

Councilwoman Peel asked if this is being increased to punish the people that are doing the right thing and whether the focus should be on those creating the problem. She suggests a cancellation fee be created, similar to what a doctor charges for no shows.

Mr. Whitfield pointed out that even though most people follow the rules, the City is not recouping its costs. He recommends that the fee be amended to at least cover the costs for the one inspection or make it \$50 per inspection.

Council then discussed a cancellation fee, which could be equal to the inspection fee. Councilman James pointed out that in that situation, only the offenders pay in that situation. However, there is still a need to increase the basic cost of one inspection, though it may be less with this cancellation fee implemented.

Mr. Whitfield confirmed that on average, two inspections are needed. He also verified that if someone needed some questions answered, they would not be assessed a fee. The goal is to have the work done correctly.

Councilwoman Peel recommends an incremental cost that would increase with each subsequent inspection.

It is recommended the ordinance be amended to reflect an escalation fee, cancellation fee and a \$50 base inspection fee to cover the cost of the first inspection.

Mr. Whitfield also noted that once the UFS study is complete, he will be returning with some additional fee recommendations.

Councilman Culotta then referenced item 14 and suggests adding similar language that would allow certain fees to be reviewed and waived by a vote of Council, such as impact fees for a new business. In that manner, it would not just be left up to the City Manager.

Mr. Norenberg pointed out that is already incorporated into the code. In terms of fee waivers, #14 only applies to very unique or limited circumstances, and more often reconnect or late fees. Those fees have been waived in the past though there was no clear direction on how or why that could be done and the reason it is being added.

Councilperson Peel pointed out that City Council does not have the authority over non-regulatory guidance. Instead that falls under the management of the City.

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

The ordinance and resolution will be brought back on March 11<sup>th</sup> for a final determination.

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

*Adoption/Resolution 2019-02/Updated Sewer Rates*

The Public Works Director pointed out the same language is in the sewer ordinance and follows the same outline.

He then reviewed the following changes:

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" is 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 ever 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).

It was agreed to defer action on the sewer code and resolution as well and focus on the inspection fee as discussed previously.

Councilman Boyle recommends rewording Section 185(3)(c) and 185(3)(d).

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 when 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.

Mayor Campbell then opened the floor to public comments. No one responded and the floor was closed to further comment.

This ordinance and resolution will also be added to the March 11<sup>th</sup> agenda.

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

Mr. Norenberg recalled that at the February 11, 2019 meeting, City of Council discussed proposed Ordinance 2019-06 regarding drug testing for employees. 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.

*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.*

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

*1. 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.*

2. *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.**
3. *The word Alcohol shall be added to Section 12.5.C. Testing Procedures.*

HR Manager Jamesha Eaddy was present and stated that we currently use DFIT and we do not drug test after every workman compensation claim. Most claims come from the police department and involve a thumb jam or maybe a human bite. The situations do not create the need for drug testing. There would have to be some reasonable suspicion to send them forward. He stated that overall, the City has very few workers compensation claims other than those from the police department.

Councilman Boyle referenced the following language:

*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.*

He pointed out there is no probable cause paragraph in the policy; Ms. Eaddy confirmed she is referring to reasonable suspicion.

Councilman Boyle then questioned:

*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.*

He said it was agreed that this policy now covers all employees and not just someone driving a vehicle. He asked how that translates to someone in the building who falls down the steps and breaks their foot and where is the probable cause or reasonable suspicion adding the standards for operating a motor vehicle are addressed and nothing else.

Mr. Norenberg said the sentence in the middle of the paragraph refers to only the controlled substances. The key sentence is the requirement that two trained supervisors must witness the conduct. If there was an odor or odd behavior, the supervisor would bring in a second supervisor. There is no procedure for reasonable suspicion which is being developed.

Solicitor Rutt pointed out the ordinance states these observations MAY include indications though the City is not bound by them. He said this provides a standard. The City is not limited by the definition though it can be used though it is really the call of the two supervisors.

Councilman Boyle then referenced 12.5.C and asked the standard or national standards for certified, qualified individuals. He asked if there is a separate issue with police officers. Mr. Norenberg explained that is the testing for all employees though Chief has separate jurisdiction over someone that is impaired. The City Manager confirmed the police labor contract includes permission and testing procedures.

Mr. Rutt informed Councilman Boyle he could make a motion to amend the ordinance to strike the language in 12.5.B.3. Councilman Boyle stated that he does not feel that is necessary.

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

Councilmember Wilson moved to adopt Ordinance 2019-06, Chapter 55, Personnel Code, Random Drug Testing/Addiction, seconded by Councilmember Culotta. Motion carried.

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

As requested, Mr. Pierce provided a list of 40 projects that occurred in the DDD program, along with investment amounts, rebates from the State, City waivers, etc.

He then provided a background of the DDD designation awarded to the City. At that time, the minimum threshold for local incentives matched the minimum \$15,000 State eligibility requirement. In hindsight, he feels the language should have been more flexible for the City to stay consistent with the State, as those incentives change. As has been discussed, the minimum amount has been increased by the State of Delaware to \$25,000.

At the last meeting when this was discussed, Council expressed concern that if the threshold was raised, it would impact improvements for lower income properties. He noted there are other low-income programs, including the Delaware State Housing and CDBG programs that provide full grants with no minimum investment for housing rehabilitation and other needs.

Mr. Pierced noted that of the forty eligible DDD projects, only eight would have been below the \$25,000 threshold. Seven of those eight were residential and a couple applications did not require permits. Another applicant was awarded tax abatements when the residential unit was converted from a rental to an owner-occupied unit. As a result, there were six properties below the threshold.

Councilman Culotta said he had the concerns that increasing the threshold to \$25,000 could impact future improvements in the downtown area. Though there are only eight or so properties that would have been impacted, it is still a total investment of \$100,000 in the downtown area.

He referenced one property owner who received a waiver of \$155 to improve some houses next to their office to be used as rentals and other purposes. Though that does not seem like a lot of money, every little bit counts when it involves a small business owner.

To Councilman Culotta, he does not care what the State decides or does. He prefers it remain at \$15,000.

Councilwoman Peel pointed out this list involves people that are buying multiple properties and investing their money. Mr. Pierce agreed there may have been only one of the eight that was owner-occupied. All others were investment properties or residential rental properties. One of the eight was a commercial fit out within the Riverwalk Plaza.

Mr. Pierce confirmed that the only reason he requested the change was to remain consistent with the State requirements. To Councilman Culotta's point, Council could consider lowering the threshold or keeping it at Milford's current threshold.

Mr. Norenberg stated that staff is comfortable keeping it where it is. Mr. Pierce will simply need to clarify to potential investors there are two different thresholds.

Mr. Pierce said the one thing he would like Council to consider is that the \$15,000 was initially established to align with the State's guidelines. Councilman Culotta reiterated that he prefers lowering the threshold to between \$5,000 to \$10,000. Councilwoman Peel feels that any incentive we can provide to improve properties to attract new business owners and homeowners is worth considering.

Councilman James said he is not hearing any benefit to changing the threshold and prefers it remain where it is. Councilman Culotta pointed out that spending \$5,000 to \$7,000 to paint a house, for example, will make a huge improvement and goes a long way aesthetically.

Mayor Campbell then opened the floor to public comment.

Nina Pletcher said she is very involved with DMI. The incentive to get businesses to come to our downtown is what the organization is all about. Any support Council can help with is a win for everyone. It sounds like keeping it at \$15,000 will provide more people the opportunity to come to Milford and do their thing.

No one else responded. The floor was then closed.

The City Manager then referenced several other incentives offered by DMI. Councilman Culotta said he would like to tell people to come to the DDD District and that there is no minimum amount to invest. At the end of the day, this only involves permit fees and a few impact fees, but it sounds good in that Milford is business friendly.

He recommends deferring any action until more data is brought back to Council.

Mr. Pierce said he can provide a list of all the permits issued over the past two years. But attributing them to the DDD would take a significant amount of time. Reports would have to be run and employees involved.

Mr. Norenberg recommends this be sent to the Community and Economic Development Committee which meets prior to the Council meeting on March 11<sup>th</sup>.

Councilmember Peel moved to refer the DDD Incentives thresholds to the Community and Economic Development Committee for further discussion, seconded by Councilmember Wilson. Motion carried.

#### *Acceptance/City of Milford FY17-18 Audit*

Mr. Norenberg reported that City Auditor is working out of State and they have not been able to obtain the answers to Councilman James' recent questions. He asked that the matter be deferred until March 11<sup>th</sup> and Council agreed.

#### NEW BUSINESS

#### *Council Member Appointment/Finance & Public Works Committee and Police Committee*

Mayor Campbell advised that he is appointing Councilman James to the following committees:

Finance & Public Works Committee  
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*

Mr. Pierce reported the Planning Commission reviewed the Hickory Glen application in January and deferred the matter until the February meeting. They had asked for more information from minutes, agency approvals, construction plan reviews comments and other related items. They also wanted to make sure the plan was up to code and there were no amendments over the past five to six years while the project has been in the review stage.

Upon receipt and review, the Planning Commission voted 4 to 2 to recommend approval of the preliminary Major subdivision extension request. At that time, they also approved the preliminary site plan for the multi-family area at that meeting by the same vote.

They are close to getting their full agency approvals according to the Planning Director, and are working with the City Engineer to get construction plan approval to move forward.

Phil Tolliver of Morris and Ritchie Associates of New Castle, Delaware and John Paradee of Baird, Mandalas, Brockstedt, LLC were present on behalf of the applicant.

Mr. Tolliver stated this is the fifth extension and should be the last one. The project has been around for a while and has gone through a recession, a recovery and some other issues. There have been some delays in getting comments back. Most recently a complete construction plan package was submitted in January 2018 and it was June before all final comments were received from the City. Typically, it takes approximately 45 days from other municipalities and counties.

DBF was the City Engineer when the project started; it is now KCI. That handoff has also created some delays. All other agency approvals have been received. The one final extension is needed to have the record plats recorded and construction plans approved.

Mr. Tolliver confirmed the stormwater plans are code compliant and up to date. He is in possession of a no-objection letter from the Kent Conservation District.

The City Manager asked the plan to disclose or any extra soundproofing planned in the homes that will be close to Baltimore Air Coil to prevent the City from getting complaints that drive negative economic development.

Mr. Tolliver confirmed that there are certain notes that are added, similar to someone that lives next to an agricultural use, for example, and are willing to do so.

He noted that Baltimore Air Coil has been there for many years and it precedes this project. Anyone purchasing a home or looking at the property will see BAC. If required, they could add some disclosure language that there is an industrial practice next door into the covenants and restrictions.

Mr. Norenberg wanted to make sure Council was aware of its location to this project adding that the Amberwood Development previously approved is no longer planned.

Mr. Tolliver said it would not be a problem to add it, though Mayor Campbell said he believed that was discussed many years ago by the Planning Commission.

Councilwoman Wilson moved to authorize Preliminary Site Plan & Preliminary Major Subdivision/Extension #5 for Hickory Glen, seconded by Councilmember James. Motion carried by the following roll call vote:

Boyle-votes yes based on recommendation from the Planning Commission.

Peel-votes yes for the same reason based on the recommendation put forth by the Planning Commission.

Culotta-votes yes based on the recommendation of the Planning Commission. He also thinks it has opened up room for discussion about the process to help developers like this. We know the project sat around because of the economy and things. He stated that Rob does a great job but he thinks that Rob drinks from the fire hose sometimes because he is so busy and something that needs to be considered and helping that investment in town.

Brooks-votes yes and he has been involved in the last four extensions.

Morrow-votes yes for the reasons stated.

James-votes yes adding he believes he was involved in the initial introduction of the project and an extension or two and the diligence that has been done by the Planning Commission. He knows the amount of work that Rob and the Planning Commission has done.

Wilson-votes yes based on the recommendation of the Planning Commission.

*Budget Adjustment/Public Works/Wastewater Division/Wastewater Treatment I&I Line Item*

Public Works Director Whitfield reported that the City collects wastewater via our sewer system and transmits the wastewater to Kent County for treatment. Due to inflow and infiltration 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 to prevent this. Due to greater rainfall than anticipated thus far this fiscal year, the City's I&I costs are exceeding the budgeted allocation.

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 will be needed over the next six months.

Councilmember Wilson moved to authorize an increase of \$125,000 to \$600,000 to be funded from Sewer Reserves, seconded by Councilmember Peel. Motion carried.

#### *Budget Adjustment/Customer Service Department/Overtime Costs*

City Accountant Suzannah Frederick said she addressed the Finance and Public Works Committee meeting last about the unexpected changes at Customer Service in volume and work demand due to the AMI project needs. When the AMI project began, they did not forecast the amount of extra time staff was going to be working to learn the new software and to work through all the associated problems.

She said that even though they talked with other communities prior to beginning the AMI project, they were unaware of the demands on Customer Service staff that the AMI project would require. Now that the project is underway, they have learned that other communities have experienced similar situations and that Milford is not alone. Other communities have reported working a year of long workdays to balance the changes in procedures and software related to the new metering program.

She is asking City Council to authorize additional funding of \$20,000 to cover current and projected overtime through end of year by authorizing \$10,000 be paid from Electric Reserves, \$5,000 from Water Reserves and \$5,000 from Sewer Reserves.

Ms. Frederick confirmed a lot of the overtime has been worked and by the end of November, the \$6,000 that was budgeted, had been spent. Though that was sufficient for the past five years, they were unprepared for the amount of work associated with the project.

Councilmember Peel moved to authorize additional funding of \$20,000 to cover current and projected overtime to be paid with \$10,000 from Electric Reserves, \$5,000 from Water Reserves and \$5,000 from Sewer Reserves, seconded by Councilmember Boyle. Motion carried.

#### *Authorization/State Mosquito Control Spray Policy*

Councilmember Wilson moved to authorize the annual State of Delaware Mosquito Control Spray Policy for 2019, seconded by Councilmember James. Motion carried.

#### EXECUTIVE SESSION

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

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

Motion carried.

Mayor Campbell recessed the Council Meeting at 8:54 p.m. for the purpose permitted by the Delaware Freedom of Information Act.

*Return to Open Session*

Council returned to Open Session at 9:46 p.m.

*Ratification/Milford Police Teamsters Agreement*

Councilmember Boyle moved to ratify the Milford Police Department Teamsters Local 326 Labor Contract, seconded by Councilmember Brooks. Motion carried.

*Authorization & Funding Appropriation/MPD Teamsters Agreement*

Councilmember Boyle moved to authorize and fund from General Fund Reserves the Milford Police Department Teamsters Local 326 Contract, in the amount of \$197,382 for Fiscal Year 2018-2019, seconded by Councilmember Wilson. Motion carried.

ADJOURNMENT

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

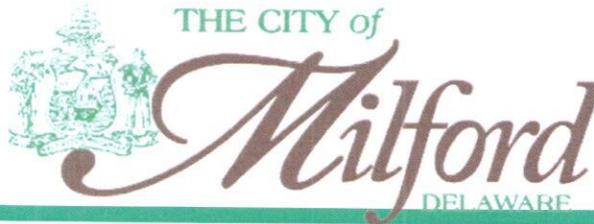
The Council Meeting adjourned at 9:50 p.m.

Respectfully submitted,

Terri K. Hudson, MMC  
City Clerk/Recorder



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



400 NE Front Street  
Milford Delaware 19963  
302.422.8081 Fax 302.424.2330

TO: Mayor and Members of City Council  
FROM: Kenneth L. Brown, Chief of Police **(KLB)**  
DATE: March 6, 2019  
RE: Activity Report/February 2019

### **Monthly Stats:**

A total of 531 arrests were made by the Milford Police Department during February 2019. Of these arrests, 104 were for criminal offenses and 427 for traffic violations. Criminal offenses consisted of 3 felonies and 101 misdemeanors. Traffic violations consisted of 103 Special Duty Radar, 11 Drunk-Driving charges, 313 other.

Police officers investigated 50 accidents during the month and issued 139 written reprimands. In addition, they responded to 1075 various complaints including city requests and other agency assistance.

### **Monthly Activities:**

Met with Ellendale Recovery Center and several with other Chief's and politicians at the Town Hall in Ellendale on February 1, 2019.

Met with Barefoot Studios in reference to departmental photos on February 1, 2019.

Attended Training at Hersey PA from February 3, 2019, thru February 5, 2019.

Met with John Gardner in reference to Disorderly Premises Warning on February 8, 2019.

Held a mandatory Departmental Meeting on February 13, 2019, to inform employees of new changes for the coming year.

Attended Delaware State Police Academy Graduation on February 14, 2019, at the Dover High School.

Attended the Police Station Replacement Project Kickoff Meeting on February 15, 2019.

Attended a Meet & Greet at Bright Way Commons on February 19, 2019.

Met with Archology Architecture Design reference A1 Auto construction on February 27, 2019.

Attended a Senior Center Board Meeting at the Milford Senior Center on February 28, 2019.

**Training –**

All officers attended In-Service Training for House Bill 2 (Sexual Assault), HB457 (Taser), & STOPS in the month of February 2019.

Four officers attended Concerns for Police Survivors training held in Hersey, PA. from February 4, 2019 thru February 6, 2019.

Two officers attended FBI-LEEDA Supervisor Leadership training held at Dover Police Department from February 25, 2019 thru March 1, 2019.

One officer attended DEMA AWR-345 Unmanned training held at the Delaware State Fire School on February 19, 2019.

**SRO –**

S/Cpl. Bloodsworth participated in a staff talent show at Lulu Ross Elementary School.

S/Cpl. Bloodsworth attended a family night event at Mispillion Elementary School.

S/Cpl. Bloodsworth attend a Special Olympics of Delaware event held at the Elks Lodge.

As plans continue for the 25th Annual Milford's Night Out on August 6, 2019, Sgt. Masten was notified by Grotto Pizza that they plan to continue their longtime support of the event. They will once again bring the pizza truck and staff to the event.

Sgt. Masten assisted staff at Milford Senior High School with an Intruder Drill. Delaware law requires each school in Delaware to complete both intruder drills and tabletop exercises each school year.

**K9 Unit –**

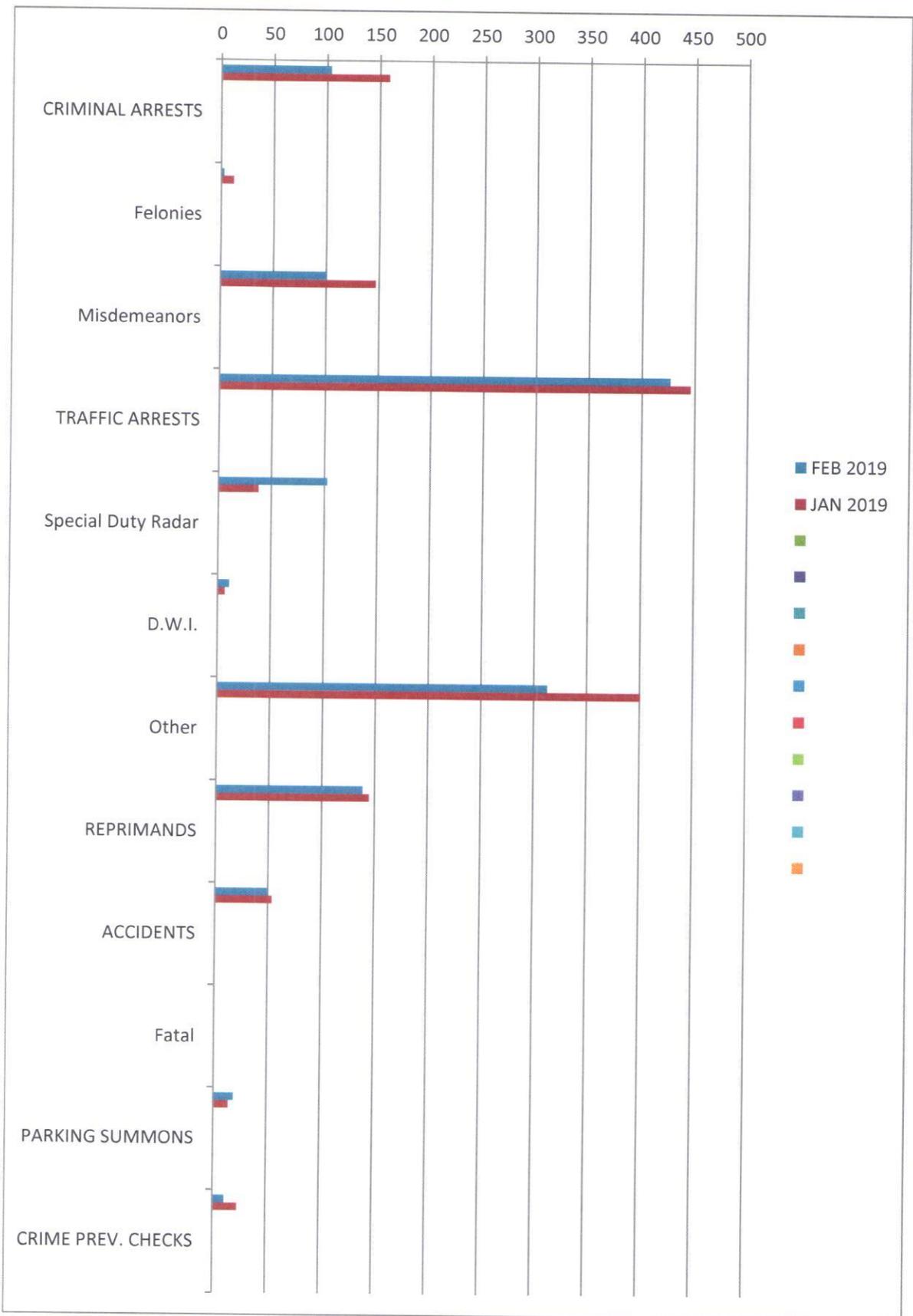
For the month of February 2019 the Milford Police Department K9 unit had the following stats:

- Utilized 10
- No bite Apprehensions 2
- Building Searches 5
- Drug Sniff 3

<b><u>Seized Items</u></b>	<b><u>Amount</u></b>	<b><u>Value</u></b>
• Marijuana	2 grams	
• Heroin	.1 gram	
• Other	Drug Paraphernalia	

FEB 2019 ACTIVITY REPORT

	FEB 2019	TOTAL 2019	FEB 2018	TOTAL 2018
COMPLAINTS	1075	2265	1092	2335
CRIMINAL ARRESTS	104	263	135	289
Felonies	3	15	27	49
Misdemeanors	101	248	108	240
TRAFFIC ARRESTS	427	873	386	860
Special Duty Radar	103	141	134	272
D.W.I.	11	18	10	22
Other	313	714	242	566
REPRIMANDS	139	284	92	188
ACCIDENTS	50	104	40	78
Fatal	0	0	0	0
PARKING SUMMONS	19	33	22	40
CRIME PREV. CHECKS	11	34	27	49
FINES RECEIVED	\$7,820.52	\$ 14,265.11	\$6,457.67	\$ 12,519.59



City Manager's Monthly Update Report

<b>Human Resources Office</b>	Same Month Last Year	Current Month	FY18 YTD (07/01/17-02/28/18)	FY19 YTD (07/01/18-02/28/19)
Vacant Positions	1	5	0	6
Full Time Employees	101	108	109	104
Part Time/Seasonal Employees	8	10	8	13
<b>Finance Department</b>	Same Month Last Year	Current Month	FY18 YTD (07/01/17-02/28/18)	FY19 YTD (07/01/18-02/28/19)
Accounts Billed		No Information Submitted.		
Payments Received		No Information Submitted.		
IT Assistance Offered	84	141	904	860
<b>Parks &amp; Recreation Department</b>	Same Month Last Year	Current Month	FY18 YTD (07/01/17-02/28/18)	FY19 YTD (07/01/18-02/28/19)
Program Participants	330	239	1037	572
Programs Offered	5	4	17	9
Events Held	0	0	4	3
<b>Planning &amp; Economic Development Department</b>	Same Month Last Year	Current Month	FY18 YTD (07/01/17-02/28/18)	FY19 YTD (07/01/18-02/28/19)
<i>Building Inspections &amp; Permitting</i>				
Total Residential Permits Issued	19	22	163	237
New Housing Construction Permits Issued	5	12	67	112
Residential Inspections Performed		No Information Submitted.		
Total Commercial Permits Issued	6	5	63	45
New Commercial Construction Permits Issued	1	3	44	24
Commercial Inspections Performed		No Information Submitted.		
<i>Code Enforcement &amp; Licensing</i>				
Code Enforcement Cases Opened	3	3	93	125
Code Enforcement Cases Closed	0	17	276	303
Contractor & Vendor Licenses Issued	78	112	416	501
Rental Licenses Issued	164	727	1649	2146
Rental Inspections Performed	0	213	0	716
<i>Economic Development</i>				
Economic Development Incentive Applications Received	0	0	0	0
Downtown Development District Applications Received	0	2	7	12
- Private Investment	\$ -	\$ 829,501.00	\$ 116,660.00	\$ 1,513,541.00
- State Investment	\$ -	\$ 135,000.00	\$ 60,037.00	\$ 167,701.00
- Milford Waivers	\$ -	\$ 330.00	\$ 17,244.60	\$ 10,782.40
<i>Planning &amp; Zoning</i>				
Land Use Applications Received	0	2	17	20
<b>Public Works Department</b>	Same Month Last Year	Current Month	FY18 YTD (07/01/17-02/28/18)	FY19 YTD (07/01/18-02/28/19)
<i>Electric Division</i>				
Kilowatt Hours Sold		No Information Submitted.		
Service Calls	11	23	30	51
Outages	0	1	9	8
<i>Engineering Division</i>				
Water Treated (Millions of Gallons)	75.18	77.87	641.56	674.64
Wastewater Transferred (Millions of Gallons)	79.67	89.18	660.52	763.18
Construction Plans Received	0	0	4	8
Construction Plans Approved	0	0	4	5
Bids Advertised	0	2	1	4
Bids Awarded	0	0	0	1
Projects Underway	6	10	9	12
<i>Public Service Division</i>				
Refuse Collected (Tons)	221.90	233.99	3087.26	2109.64
Recycle Collected (Tons)	54.02	49.22	732.43	483.28
Yard Waste Collected (Tons)	10.50	22.00	590.75	361.38
Fuel Use-Diesel (Gallons)	1096.37	837.84	8623.51	9129.18
Fuel Use-Gas (Gallons)		21.00		350.40

**CITY OF MILFORD  
FUND BALANCES REPORT**

Date: January 2019

Cash Balance - General Fund Bank Balance	4,366,805
Cash Balance - Electric Fund Bank Balance	4,012,855
Cash Balance - Water Fund Bank Balance	1,651,299
Cash Balance - Sewer Fund Bank Balance	54,825
Cash Balance - Trash Fund Bank Balance	77,746

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Economic Development <u>Fund</u>
Beginning Cash Balance	171,939	256,571	2,587,824	\$303,648
Deposits		67,639	175,378	
Interest Earned this Month	311	586	4,923	
Disbursements this Month			(41,666)	
Investments				
Ending Cash Balance	\$172,250	\$324,796	\$2,726,459	\$303,648

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	2,492,831	8,660,195	4,065,692	9,561,501
Deposits				
Interest Earned this Month	11,500	33,507	15,572	40,159
Disbursements this Month	(24,223)	(11,488)	(365)	(35,626)
Investments				
Ending Cash Balance	\$2,480,108	\$8,682,214	\$4,080,899	\$9,566,034

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>
Beginning Cash Balance	2,227,399	\$1,383,026	\$623,815
Deposits	34,080	\$24,766	\$8,400
Interest Earned this Month			
Disbursements this Month			
Investments			
Ending Cash Balance	\$2,261,479	\$1,407,792	\$632,215

INTEREST THROUGH THE SEVENTH MONTH OF THE FISCAL YEAR:

General Fund	44,039	Water Fund	19,300
GF Capital Reserves	29,428	Water Capital Reserves	85,744
Municipal Street Aid	2,795	Sewer Fund	4,805
Real Estate Transfer Tax	30,524	Sewer Capital Reserves	39,850
Electric Fund	43,077	Trash Fund	788
Electric Reserves	102,764		

TOTAL INTEREST EARNED TO DATE \$403,114

**REVENUE REPORT**

Page Two

58% of Year Expended

Date: January 2019	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Economic Development Fund	125,000	0	113,845	91.08%
General Fund Reserves	518,455	249,177	249,177	48.06%
GF Reserves-New Police Officers	69,994	19,778	69,994	100.00%
Realty Transfer Tax-Police	500,000	41,667	291,667	58.33%
Real Estate Tax	3,927,717	921	3,910,532	99.56%
Business License	50,000	16,950	26,150	52.30%
Rental License	85,000	21,650	31,175	36.68%
Building Permits	160,000	40,612	151,222	94.51%
Planning & Zoning	15,000	1,720	26,140	174.27%
Grasscutting Revenue	16,000	0	8,000	50.00%
Police Revenues	462,485	11,879	346,821	74.99%
Misc. Revenues	376,065	14,919	170,497	45.34%
Transfers From	3,370,720	279,893	1,966,253	58.33%
<b>Total General Fund Revenues</b>	<b>\$9,676,436</b>	<b>\$699,166</b>	<b>\$7,361,473</b>	<b>76.08%</b>
Water Revenues	2,848,500	266,799	1,642,590	57.67%
Sewer Revenues	2,614,709	235,148	1,454,183	55.62%
Kent County Sewer	1,850,000	159,134	1,015,774	54.91%
Solid Waste Revenues	1,178,243	110,837	655,958	55.67%
Electric Revenues	25,547,000	2,617,896	15,146,257	59.29%
<b>TOTAL REVENUES</b>	<b>\$43,714,888</b>	<b>\$4,088,980</b>	<b>\$27,276,235</b>	<b>62.40%</b>
YTD Enterprise Expense		(33,489)		
YTD Enterprise Revenue		29,460		
LTD Carlisle Fire Company Building Permit Fund		453,125		

**EXPENDITURE REPORT**

Page Three

Date: January 2019

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
<b>City Manager</b>					
Personnel	522,678	\$43,817	295,047	56.45%	227,631
O&M	117,430	\$12,082	63,004	53.65%	54,426
Capital	0	\$0	0		0
<b>Total City Manager</b>	<b>\$640,108</b>	<b>\$55,899</b>	<b>\$358,051</b>	<b>55.94%</b>	<b>282,057</b>
<b>Planning &amp; Zoning</b>					
Personnel	129,534	\$11,456	80,881	62.44%	48,653
O&M	38,475	\$5,796	21,576	56.08%	16,899
Capital	0	\$0	0		0
<b>Total P, C &amp; I</b>	<b>\$168,009</b>	<b>\$17,252</b>	<b>\$102,457</b>	<b>60.98%</b>	<b>65,552</b>
<b>Code Enforcement &amp; Inspections</b>					
Personnel	287,466	\$21,948	112,022	38.97%	175,444
O&M	109,875	\$2,752	80,642	73.39%	29,233
Capital	0	\$0	0		0
<b>Total P, C &amp; I</b>	<b>\$397,341</b>	<b>\$24,700</b>	<b>\$192,664</b>	<b>48.49%</b>	<b>204,677</b>
<b>Council</b>					
Personnel	31,230	\$861	16,280	52.13%	14,950
O&M	55,000	\$4,948	27,420	49.85%	27,580
Council Expense	17,500	\$2,329	14,227	81.30%	3,273
Contributions	175,500	\$0	75,000	42.74%	100,500
Codification	10,000	\$0	6,614	66.14%	3,386
Employee Recognition	21,000	\$0	14,966	0.00%	6,034
Insurance	18,200	\$0	13,047	71.69%	5,153
Christmas Decorations	10,000	\$0	9,581	95.81%	419
Economic Development	5,000	\$0	845	16.90%	4,155
Resident Survey	15,000	\$0	0	0.00%	15,000
Kent Economic Partnership	30,000	\$0	30,000	100.00%	0
Repair Parking Lot	15,000	\$0	0	0.00%	15,000
Armory Expenses	12,000	\$120	4,640	38.67%	7,360
Capital	30,400	\$0	0	0.00%	30,400
<b>Total Council</b>	<b>\$445,830</b>	<b>\$8,258</b>	<b>\$212,620</b>	<b>47.69%</b>	<b>233,210</b>
<b>Finance</b>					
Personnel	427,660	\$33,622	218,514	51.10%	209,146
O&M	84,850	\$4,908	40,312	47.51%	44,538
Capital	0	\$0	0		0
<b>Total Finance</b>	<b>\$512,510</b>	<b>\$38,530</b>	<b>\$258,826</b>	<b>50.50%</b>	<b>253,684</b>
<b>Information Technology</b>					
Personnel	159,366	\$11,111	87,700	55.03%	71,666
O&M	200,450	\$5,066	50,254	25.07%	150,196
Capital	49,000	\$0	42,863	87.48%	6,137
<b>Total Information Technology</b>	<b>\$408,816</b>	<b>\$16,177</b>	<b>\$180,817</b>	<b>44.23%</b>	<b>227,999</b>

**EXPENDITURE REPORT**

Page Four

Date: January 2019

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
<b>Police Department</b>					
Personnel	4,199,720	\$345,033	2,394,008	57.00%	1,805,712
O&M	611,882	\$77,546	369,139	60.33%	242,743
Capital	95,100	\$0	92,946	97.74%	2,154
<b>Total Police</b>	<b>\$4,906,702</b>	<b>\$422,579</b>	<b>\$2,856,093</b>	<b>58.21%</b>	<b>2,050,609</b>
<b>Streets &amp; Grounds Division</b>					
Personnel	394,200	\$29,276	201,982	51.24%	192,218
O&M	444,305	\$25,864	188,481	42.42%	255,824
Capital	182,000	\$0	68,068	37.40%	113,932
<b>Total Streets &amp; Grounds</b>	<b>\$1,020,505</b>	<b>\$55,160</b>	<b>\$458,531</b>	<b>44.93%</b>	<b>561,974</b>
<b>Parks &amp; Recreation</b>					
Personnel	701,515	\$34,511	378,407	53.94%	323,108
O&M	286,100	\$18,438	133,321	46.60%	152,779
Capital	189,000	\$0	48,415	25.62%	140,585
<b>Total Parks &amp; Recreation</b>	<b>\$1,176,615</b>	<b>\$52,950</b>	<b>\$560,143</b>	<b>47.61%</b>	<b>616,472</b>
<b>Total General Fund</b>					
<b>Operating Budget</b>	<b>\$9,676,436</b>	<b>\$691,505</b>	<b>\$5,180,202</b>	<b>53.53%</b>	<b>4,496,234</b>

**EXPENDITURE REPORT**

Page Five

Date: January 2019

58% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
<b>Water Division</b>					
Personnel	269,170	\$19,329	143,886	53.46%	125,284
O&M	1,216,187	\$106,268	612,468	50.36%	603,719
Capital	1,033,378	\$0	0	0.00%	1,033,378
Debt Service	329,765	\$0	111,948	33.95%	217,817
<b>Total Water</b>	<b>\$2,848,500</b>	<b>\$125,597</b>	<b>\$868,302</b>	<b>30.48%</b>	<b>1,980,198</b>
<b>Sewer Division</b>					
Personnel	267,659	\$18,666	139,378	52.07%	128,281
O&M	1,201,036	\$123,430	828,182	68.96%	372,854
Capital	750,524	\$0	158,209	0.00%	592,315
Debt Service	395,490	\$12,734	286,151	72.35%	109,339
<b>Sewer Sub Total</b>	<b>\$2,614,709</b>	<b>\$154,830</b>	<b>\$1,411,920</b>	<b>54.00%</b>	<b>1,202,789</b>
Kent County Sewer	1,850,000	\$126,113	1,097,649	59.33%	752,351
<b>Total Sewer</b>	<b>\$4,484,709</b>	<b>\$280,943</b>	<b>\$2,509,569</b>	<b>56.21%</b>	<b>1,955,140</b>
<b>Solid Waste Division</b>					
Personnel	346,828	\$26,106	187,362	54.02%	159,466
O&M	831,415	\$63,536	503,231	60.53%	328,184
Capital	0	\$0	0	0.00%	0
<b>Total Solid Waste</b>	<b>\$1,178,243</b>	<b>\$89,642</b>	<b>\$690,593</b>	<b>58.61%</b>	<b>487,650</b>
<b>Total Water, Sewer Solid Waste</b>	<b>\$8,491,452</b>	<b>\$496,182</b>	<b>\$4,068,464</b>	<b>47.91%</b>	<b>4,422,988</b>
<b>Electric Division</b>					
Personnel	1,394,940	\$102,327	734,710	52.67%	660,230
O&M	2,055,683	\$129,313	877,412	42.68%	1,178,271
Transfer to General Fund	2,500,000	\$208,333	1,458,333	58.33%	1,041,667
Capital	976,412	\$38,712	90,493	9.27%	885,919
Debt Service	319,965	\$0	268,558	83.93%	51,407
<b>Electric Sub Total</b>	<b>\$7,247,000</b>	<b>\$478,685</b>	<b>\$3,429,506</b>	<b>47.32%</b>	<b>3,817,494</b>
Power Purchased	18,300,000	\$1,544,638	10,345,257	56.53%	7,954,743
<b>Total Electric</b>	<b>\$25,547,000</b>	<b>\$2,023,323</b>	<b>\$13,774,763</b>	<b>53.92%</b>	<b>11,772,237</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$43,714,888</b>	<b>\$3,211,010</b>	<b>\$23,023,429</b>	<b>52.67%</b>	<b>20,691,459</b>

**INTERSERVICE DEPARTMENTS REPORT**

Page Six

Date: January 2018

ACCOUNT	AMOUNT BUDGETED	MTD	58% of Year Expended		UNEXPENDED BALANCE
			YTD	YTD%	
<b>Garage</b>					
Personnel	91,215	6,880	52,048	57.06%	39,167
O&M	106,393	10,643	59,985	56.38%	46,408
Capital	50,000	0	41,859	83.72%	8,141
<b>Total Garage Expense</b>	<b>\$247,608</b>	<b>17,523</b>	<b>\$153,892</b>	<b>62.15%</b>	<b>93,716</b>
<b>Public Works</b>					
Personnel	554,980	41,756	298,361	53.78%	256,619
O&M	206,055	19,688	96,488	46.83%	109,567
Capital	10,000	0	0	0.00%	10,000
<b>Total Public Works Expense</b>	<b>\$771,035</b>	<b>61,444</b>	<b>\$394,849</b>	<b>51.21%</b>	<b>376,186</b>
<b>Billing &amp; Collections</b>					
Personnel	559,820	49,110	340,235	60.78%	219,585
O&M	225,650	14,671	116,311	51.54%	109,339
Capital	20,000	0	16,675	83.38%	3,325
<b>Total Billing &amp; Collections</b>	<b>\$805,470</b>	<b>63,781</b>	<b>\$473,221</b>	<b>58.75%</b>	<b>332,249</b>
<b>City Hall Cost Allocation</b>					
Personnel	0				0
O&M	63,300	5,844	55,049	86.97%	8,251
Capital	0				0
<b>Total City Hall Cost Allocation</b>	<b>\$63,300</b>	<b>5,844</b>	<b>\$55,049</b>	<b>86.97%</b>	<b>8,251</b>

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



**DELAWARE LEAGUE OF LOCAL GOVERNMENTS  
THE DUNCAN CENTER  
500 W. LOOCKERMAN STREET, 5<sup>TH</sup> FLOOR, DOVER**

\*\*\*\*\*

THURSDAY, MARCH 28, 2019  
REGISTRATION/SOCIAL HOUR: 5:30 P.M. - 6:15 P.M.  
DINNER: 6:30 P.M. – 7:15 P.M.  
PROGRAM: 7:15 P.M.

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PROGRAM:

Guest Speakers are Tony DePrima, Executive Director, Delaware Sustainable Energy Utility, and Susan Love, Administrator, DNREC Climate & Sustainability.

The DLLG wishes to thank Delaware Sustainable Energy Utility for sponsoring this month’s dinner meeting and complimentary social hour drinks.

**PLEASE RSVP TO CHRISTINE NO LATER THAN 03/18/19.**

Mail To/Make Payable to: Delaware League of Local Governments • PO Box 484 • Dover, DE 19903-0484  
Phone: 302-678-0991 • Email: [cfluft@udel.edu](mailto:cfluft@udel.edu)

**City of Milford will have X attendees**

List Attendees:

- ( ) Check enclosed for ( ) dinners @ \$30 each
- ( ) Payment will be made at the door
- ( ) Check mailed for ( ) dinners @ \$30 each

\*\*\*\*\*

**Next Meeting: Thursday, April 25, 2019**



7850 Walker Drive  
2<sup>nd</sup> Floor  
Greenbelt, MD 20770

February 11, 2019

Re: Xfinity TV Channel Updates

Dear Sir or Madam:

We are committed to keeping you and our customers informed with Xfinity TV changes and enhancements. Below we share details regarding new programming that we are launching, the drop of channels from our line-up, and a general reminder about expiring programming contracts.

**New Channel Effective April 12, 2019**

For our customers who subscribe to the Xfinity Latino package, in April we will begin offering a new Spanish-language channel, RCN Novelas. RCN Novelas is a Spanish-language network designed for women with a focus on telenovelas and dramas.

**Loss of Channels Effective April 8, 2019**

We also wanted to remind you that Comcast's programming agreement with TuTV to carry Bandamax, De Película, De Película Clásico, Telehit and RMS/Ritmoson expires on April 8, 2019, at which time these channels will no longer be available. These channels are carried on Xfinity Latino. We are communicating this change to our affected customers through a bill message.

**General Reminder About Programming Contract Expirations**

We regularly inform our customers in their bills and annual notices that we maintain an updated website (<https://my.xfinity.com/contractrenewals/>) and toll free number ((866) 216-8634)) to reflect the programming contracts that are set to expire in the coming months and the channels we might or will lose the rights to continue carrying.

We are excited about the addition to our robust entertainment offerings and for the opportunity to continue enhancing our Xfinity TV product. Please feel free to contact me at (301) 836-9519 if you have any questions or issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Adeyinka Ogunlegan", with a horizontal line underneath.

Adeyinka Ogunlegan  
Manager, Government & Regulatory Affairs



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: Water and Sewer Code Revisions  
Date: March 6, 2019

After Council's review and comments of the Water and Sewer Ordinances on February 25, 2019, staff has made the following changes to the Ordinances:

1. Added a definition of EDU (Equivalent Dwelling Unit)
2. Revised both the Water and Sewer Rate schedule to reflect at \$35 inspection fee, with a \$50 reinspection fee.
3. Revised Sewer Ordinance 185.3.B and 185.3.C to strike the first "*shall*" and replace with "*to*".

After further review of inspection fees with staff, while there have been issues with reinspection necessitated due to the contractors not being ready at the time of scheduled inspections, it was also revealed that often the sewer inspection and water inspection is done at the same time. Additionally, for multi-family units, inspections for several water or sewer lines are done with one scheduled inspection. For this reason, staff is content that the \$35 fee, on average, will cover the cost of the initial inspection, and \$50 will cover re-inspection costs, when necessary.

**Recommendation:** Staff recommends adoption of the Water and Sewer Ordinances as well as the rate schedule for each, with the above noted changes.

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.**

**EQUIVALENT DWELLING UNIT (EDU)-A term used to express the load produced on a water system approximately equal to one dwelling place and as further defined in the most recent impact fee ordinance adopted by the Kent County Levy Court.**

**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.**

**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 they 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
<del>Three-bowl commercial sink</del>	2
<del>Washstand or lavatory</del>	1
<del>Toilet</del>	2
<del>Bath and shower</del>	1
<del>Mop sink or service sink</del>	1
<del>Flush urinal</del>	1
<del>Continuous flush urinal</del>	3
<del>Convenience outlet</del>	1
<del>Domestic dishwasher</del>	1
<del>Commercial dishwasher</del>	4
<del>Drinking fountain</del>	1
<del>Garbage disposal</del>	1
<del>Residential washing machine</del>	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 (02/25/19 with revisions)

Adoption: 03/11/2019

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](http://www.cityofmilford.com).

**CITY OF MILFORD  
RESOLUTION 2019-01  
WATER FEE SCHEDULE**

**Now, Therefore, be it Resolved, the following resolution was adopted by majority vote of City Council on March 11, 2019:**

<b>MONTHLY BILLING FEES</b>			
	<i>Description</i>	<i>Fee</i>	
Usage Fee; Residential; In-City Users	0 gallons of metered water	\$3.25 per month	
	1-4,000 gallons of metered water consumption	\$3.25 per 1,000 gallons, per month	
	4,001-8,000 gallons of metered water consumption	\$3.50 per 1,000 gallons, per month	
	Over 8,000 gallons of metered water consumption	\$4.00 per 1,000 gallons, per month	
Usage Fee; Residential Out-of-City Users	0 gallons of metered water	\$3.25 per month	
	1-4,000 gallons of metered water consumption	\$4.88 per 1,000 gallons, per month	
	4,001-8,000 gallons of metered water consumption	\$5.25 per 1,000 gallons, per month	
	Over 8,000 gallons of metered water consumption	\$6.00 per 1,000 gallons, per month	
Usage Fee; Commercial	1" meter	Up to 10,000 gallons	\$32.50 per month
		10,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	1.25" meter	Up to 15,000 gallons	\$48.75 per month
		15,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	1.5" meter	Up to 25,000 gallons	\$81.25 per month
		25,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	2" meter	Up to 50,000 gallons	\$162.50 per month
		50,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	3" meter	Up to 125,000 gallons	\$406.25 per month
		125,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	4" meter	Up to 300,000 gallons	\$975.00 per month
		300,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	6" meter	Up to 800,000 gallons	\$2,600.00 per month
		800,001-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
	8" meter	Up to 1.2M gallons	\$3,900.00 per month
		1.21M-31M gallons	\$2.60 per 1,000 gallons, per month
		Over 31M gallons	\$3.25 per 1,000 gallons, per month
10" meter	Up to 1.6M gallons	\$5,200.00 per month	
	1.61M-31M gallons	\$2.60 per 1,000 gallons, per month	
	Over 31M gallons	\$3.25 per 1,000 gallons, per month	
12" meter	Up to 2M gallons	\$6,500.00 per month	
	2.1M-31M gallons	\$2.60 per 1,000 gallons, per month	

	Over 31M gallons	\$3.25 per 1,000 gallons, per month
Temporary Water Usage Fee		\$50.00 per day, plus \$4.00 per 1,000 gallons, per month
Fire Line/Hydrant, Private	Availability Fee	\$15.00 per month
Late Monthly Utility Payment Fee		1.50% per month
Water Tampering Fee		\$250.00 per occurrence
Water Account Set Up Fee		\$50.00 each
Water Service Re-connection Fee		
Service Call; during normal business hours		\$50.00 per occurrence
Service Call; after normal business hours		\$100.00 per occurrence
Water Meter Testing Fee		\$100.00
PERMITTING FEES		
<i>Description</i>		<i>Fee</i>
Water Tap/Connection Permit		\$10.00
Water Tap/Connection Fee		Actual City cost
Water Line Installation Fee		Actual City cost, plus 10%
Water Line Inspection Fee		\$35.00
Water Line Re-inspection Fee		\$50.00
Water Meter Fee	Residential, 1”	\$200.00
	Commercial, 1”	\$350.00
	Over 1”	Calculated on individual basis
Water Meter Installation Fee		\$35.00
Fire Line	2” line size	\$2,500
	4” line size	\$3,000
	6” line size	\$3,500
	8” line size	\$4,000
	10” line size	\$6,000
Impact Fee, City	July 1, 2018	\$2,840 per EDU
	July 1, 2019	\$2,954 per EDU
	July 1, 2020	\$3,072 per EDU
	July 1, 2021	\$3,195 per EDU
	July 1, 2022	\$3,323 per EDU
	July 1, 2023	\$3,456 per EDU
	July 1, 2024	\$3,594 per EDU
	July 1, 2025	\$3,738 per EDU
	July 1, 2026	\$3,887 per EDU
July 1, 2027	\$4,043 per EDU	
Impact Fee, Irrigation		\$2,840 per connection
MISC FEES		
<i>Description</i>		<i>Fee</i>
Penalties & Fines		Not less than \$50 nor more than \$1,000 plus cost of prosecution

**Be it further Resolved, that to remain consistent with the effective date of Ordinance 2019-01, Resolution 2019-01 shall become EFFECTIVE MARCH 21, 2019.**

CITY OF MILFORD  
PUBLIC NOTICE

ORDINANCE 2019-02  
CODE OF THE CITY OF MILFORD  
PART II-GENERAL LEGISLATION  
CHAPTER 185-SEWERS

WHEREAS, the City of Milford provides sewer services to its customers within City limits and to some customers outside the City limits; and

WHEREAS, the City of Milford has previously adopted sewer regulations and established rates; and

WHEREAS, the City's Public Works Staff proposed changes to the Code, that include additional definitions, reference Kent County Delaware's code when applicable, move fees, rates and fines from the Chapter and create a new Resolution for them, increase fines, increase inspection fees and installation fees, and add service line specifications and permit requirements; and

WHEREAS, City Council found that the updated provisions are in the best interest of the health, safety, convenience and general welfare of the citizens of the City.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

*Section 1.*

Chapter 185 is hereby amended by deleting language indicated by strikethrough and adding language shown in bold and underlined.

*Section 2.*

§ 185-2. - Definitions and word usage.

**CITY MANAGER-The duly appointed or designated chief administrative officer of the City.**

**CITY STANDARDS – Construction standard specifications as approved by the City Manager.**

**CLEANOUT - A capped vertical pipe installed on the sewer lateral service between the building and the main for accessing the sewer line to remove blockages. The cleanout is typically installed at the right-of-way or appropriate property line denoting the extents of the City's maintenance responsibilities. In cases where a cleanout is not present, the limits of the City's maintenance responsibilities shall be the right-of-way or appropriate property line. The City is not responsible for maintenance of any sewer lateral connections on private property.**

**EQUIVALENT DWELLING UNIT (EDU)-A term used to express the load produced on a sanitary sewerage system approximately equal to one dwelling place and as further defined in the most recent impact fee ordinance adopted by the Kent County Levy Court.**

**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 **to** 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 **to** 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
<del>Three bowl commercial sink</del>	<del>2</del>
<del>Washstand or lavatory</del>	<del>1</del>
<del>Toilet</del>	<del>2</del>
<del>Bath or shower</del>	<del>1</del>
<del>Mop sink or service sink</del>	<del>1</del>
<del>Flush urinal</del>	<del>1</del>
<del>Continuous flush urinal</del>	<del>3</del>
<del>Convenience outlet</del>	<del>1</del>
<del>Domestic dishwasher</del>	<del>1</del>
<del>Commercial dishwasher</del>	<del>4</del>
<del>Drinking fountain</del>	<del>1</del>
<del>Garbage disposal</del>	<del>1</del>
<del>Residential washing machine</del>	<del>1</del>

*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 (02/25/19 with revisions)

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](http://www.cityofmilford.com).

**CITY OF MILFORD  
RESOLUTION 2019-02  
SEWER FEE SCHEDULE**

Now, Therefore, be it Resolved, the following resolution was adopted by majority vote of City Council on March 11, 2019:

<b>MONTHLY BILLING FEES</b>		
<i>Description</i>		<i>Fee</i>
Usage Fee; In-City Users	0-1,000 gallons of metered water consumption	\$10.00 per month
	Over 1,000 gallons of metered water consumption	\$2.78 per 1,000 gallons per month
	Kent County Sewer Treatment	As determined by Kent County per month
Usage Fee; Out-of-City Users	0-1,000 gallons of metered water consumption	\$15.00 per month
	Over 1,000 gallons of metered water consumption	\$4.17 per 1,000 gallons per month
	Kent County Sewer Treatment	As determined by Kent County per month
Late Monthly Utility Payment Fee		1.50% per month
<b>PERMITTING FEES</b>		
<i>Description</i>		<i>Fee</i>
Sewer Utility Permit		\$10.00
Sewer Tap/Connection Fee		Actual City cost
Sewer Inspection Fee		\$35 per inspection
Sewer Re-inspection Fee		\$50.00 per inspection
Impact Fee, Kent County	As determined by Kent County	Per EDU
Impact Fee, City	July 1, 2018	\$1,501 per EDU
	July 1, 2019	\$1,561 per EDU
	July 1, 2020	\$1,623 per EDU
	July 1, 2021	\$1,688 per EDU
	July 1, 2022	\$1,756 per EDU
	July 1, 2023	\$1,826 per EDU
	July 1, 2024	\$1,899 per EDU
	July 1, 2025	\$1,975 per EDU
	July 1, 2026	\$2,054 per EDU
	July 1, 2027	\$2,136 per EDU
<b>MISC FEES</b>		
<i>Description</i>		<i>Fee</i>
Penalties & Fines		Not less than \$100 nor more than \$1,000 plus cost of prosecution

Be it further Resolved, that to remain consistent with the effective date of Ordinance 2019-02, Resolution 2019-02 shall become EFFECTIVE MARCH 21, 2019.

**CITY OF MILFORD**

Milford, Delaware

Financial Statements

For The Year Ended June 30, 2018

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CITY OF MILFORD, DELAWARE

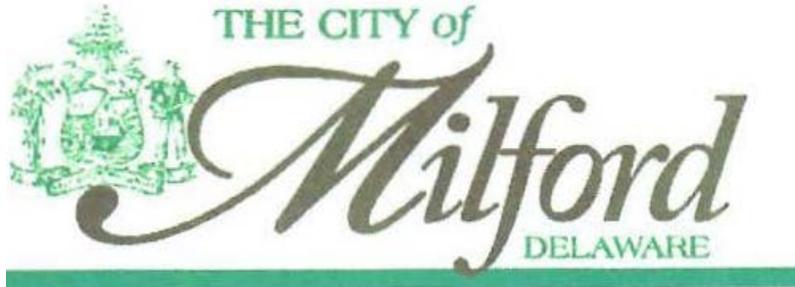
Table of Contents

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	PAGE
<b>TRANSMITTAL LETTER</b> . . . . .	i-iv
<b>INDEPENDENT AUDITOR'S REPORT</b> . . . . .	1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> . . . . .	4-13
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position . . . . .	14
Statement of Activities . . . . .	15
<b>Fund Financial Statements</b>	
<b>Governmental Funds</b>	
Balance Sheet . . . . .	16
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position . . . . .	17
Statement of Revenues, Expenditures and Changes in	
Fund Balances . . . . .	18
Reconciliation of the Statement of Revenues, Expenditures,	
and Changes in Fund Balances of Governmental Funds to the	
Statement of Activities . . . . .	19
<b>Proprietary Funds</b>	
Statement of Net Position . . . . .	20
Statement of Revenues, Expenses and Changes in Net Position . . . . .	21
Statement of Cash Flows . . . . .	22
<b>Agency Fund</b>	
Statement of Fiduciary Net Position . . . . .	23
<b>Notes to Basic Financial Statements</b> . . . . .	24-47
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund . . . . .	48
Schedule of Proportionate Share of Net Pension Liability . . . . .	49
Schedule of Employer Contributions - Pension Plan . . . . .	50
Notes to Required Supplementary Information . . . . .	51-52
<b>ADDITIONAL INFORMATION AND REPORTS</b>	
Schedule of Expenditures of Federal Awards . . . . .	53
Notes to Schedule of Expenditures of Federal Awards . . . . .	54-55

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 . . . . .	56-57
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance required by the Uniform Guidance . . . . .	58-59
Schedule of Findings and Questioned Costs . . . . .	60-62

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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](http://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>
<b>Revenues</b>						
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>
<b>Expenses</b>						
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
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,600</b>	<b>\$ 16,652</b>	<b>\$ 18,600</b>	<b>\$ 16,652</b>

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: [jpportmann@milford-de.gov](mailto:jpportmann@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>
<b>ASSETS</b>			
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
<b>Total Current Assets</b>	<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)
<b>Net Capital Assets</b>	<u>16,856,113</u>	<u>44,469,761</u>	<u>61,325,874</u>
<b>Total Assets</b>	<u>26,505,857</u>	<u>79,254,202</u>	<u>105,760,059</u>
<b>Deferred Outflows of Resources</b>	<u>1,354,931</u>	<u>355,901</u>	<u>1,710,832</u>
<b>LIABILITIES</b>			
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
<b>Total Current Liabilities</b>	<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
<b>Total Noncurrent Liabilities</b>	<u>1,726,759</u>	<u>16,221,687</u>	<u>17,948,446</u>
<b>Total Liabilities</b>	<u>2,549,299</u>	<u>20,127,278</u>	<u>22,676,577</u>
<b>Deferred Inflows of Resources</b>	<u>370,286</u>	<u>-</u>	<u>370,286</u>
<b>NET POSITION</b>			
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
<b>Total Net Position</b>	<u>\$ 24,941,203</u>	<u>\$ 59,482,825</u>	<u>\$ 84,424,028</u>

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

CITY OF MILFORD, DE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
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)
<b>General Revenues:</b>							
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>
<b>ASSETS</b>				
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
<b>Total Assets</b>	<u>\$ 5,841,604</u>	<u>\$ 3,381,255</u>	<u>\$ 213,042</u>	<u>\$ 9,435,901</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
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
<b>Total Liabilities</b>	<u>700,063</u>	<u>35,320</u>	<u>8,737</u>	<u>744,120</u>
<b>Fund Balances:</b>				
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
<b>Total Fund Balances</b>	<u>5,141,541</u>	<u>3,345,935</u>	<u>204,305</u>	<u>8,691,781</u>
<b>Total Liabilities and Fund Balances</b>	<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>
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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>
<b>OTHER FINANCING SOURCES (USES)</b>				
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)
<b>Fund Balances - Beginning</b>	<u>5,102,059</u>	<u>3,826,165</u>	<u>10,295</u>	<u>8,938,519</u>
<b>Fund Balances - Ending</b>	<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>
<b>ASSETS</b>						
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
<b>Total Current Assets</b>	<b>16,471,828</b>	<b>12,184,358</b>	<b>5,830,722</b>	<b>297,533</b>	<b>34,784,441</b>	<b>213,843</b>
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	(15,914,733)	(8,545,439)	(9,086,862)	(927,001)	(34,474,035)	(83,459)
<b>Total Non-Current Assets</b>	<b>16,200,756</b>	<b>14,796,202</b>	<b>12,899,662</b>	<b>573,141</b>	<b>44,469,761</b>	<b>46,659</b>
<b>Total Assets</b>	<b>32,672,584</b>	<b>26,980,560</b>	<b>18,730,384</b>	<b>870,674</b>	<b>79,254,202</b>	<b>260,502</b>
<b>Deferred Outflows of Resources</b>						
<b>Deferred Charges on Refundings</b>	<b>199,154</b>	<b>-</b>	<b>156,747</b>	<b>-</b>	<b>355,901</b>	<b>-</b>
<b>LIABILITIES</b>						
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	216,964	170,727	263,372	-	651,063	-
<b>Total Current Liabilities</b>	<b>2,928,978</b>	<b>195,347</b>	<b>625,329</b>	<b>155,937</b>	<b>3,905,591</b>	<b>78,420</b>
Non-Current Liabilities:						
Compensated Absences	137,803	16,394	16,394	16,662	187,253	85,624
Bonds, Notes and Loans Payable	4,754,285	6,706,302	4,573,847	-	16,034,434	-
<b>Total Non-Current Liabilities</b>	<b>4,892,088</b>	<b>6,722,696</b>	<b>4,590,241</b>	<b>16,662</b>	<b>16,221,687</b>	<b>85,624</b>
<b>Total Liabilities</b>	<b>7,821,066</b>	<b>6,918,043</b>	<b>5,215,570</b>	<b>172,599</b>	<b>20,127,278</b>	<b>164,044</b>
<b>NET POSITION</b>						
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	12,113,272	9,559,868	4,057,581	124,934	25,855,655	49,799
<b>Total Net Position</b>	<b>\$ 25,050,672</b>	<b>\$ 20,062,517</b>	<b>\$ 13,671,561</b>	<b>\$ 698,075</b>	<b>\$ 59,482,825</b>	<b>\$ 96,458</b>

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>	
<b>REVENUES</b>						
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>
<b>OPERATING EXPENSES</b>						
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>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
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>
<b>Net Position - Beginning of Year,</b>	<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>
<b>Net Position - End of Year</b>	<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	
<b>Cash Flows from Operations:</b>						
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)
<b>Net Cash Provided by Operating Activities</b>	<u>5,376,575</u>	<u>1,516,310</u>	<u>1,274,556</u>	<u>98,517</u>	<u>8,265,958</u>	<u>67,981</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Operating Transfers (Out)	(2,500,000)	-	-	-	(2,500,000)	-
<b>Net Cash Flows Used in Non-Capital Financing Activities</b>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,000)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
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	-
<b>Net Cash Flows Provided by (Used in) Capital and Related Financing Activities</b>	<u>(2,513,174)</u>	<u>(50,011)</u>	<u>(1,762,570)</u>	<u>(274,742)</u>	<u>(4,600,497)</u>	<u>(9,493)</u>
<b>Cash Flows from Investing Activities:</b>						
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	-
<b>Net Cash Flows Provided by (Used in) Investing Activities</b>	<u>(1,514,572)</u>	<u>(594,026)</u>	<u>456,099</u>	<u>1,937</u>	<u>(1,650,562)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(1,151,171)</u>	<u>872,273</u>	<u>(31,915)</u>	<u>(174,288)</u>	<u>(485,101)</u>	<u>58,488</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>4,173,700</u>	<u>2,970,600</u>	<u>1,716,867</u>	<u>334,424</u>	<u>9,195,591</u>	<u>83,549</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 3,022,529</u>	<u>\$ 3,842,873</u>	<u>\$ 1,684,952</u>	<u>\$ 160,136</u>	<u>\$ 8,710,490</u>	<u>\$ 142,037</u>
<b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</b>						
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
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 5,376,575</u>	<u>\$ 1,516,310</u>	<u>\$ 1,274,556</u>	<u>\$ 98,517</u>	<u>\$ 8,265,958</u>	<u>\$ 67,981</u>
<b>Noncash Capital and Financing Activities</b>						
Additions to Property, Plant and Equipment Financed by:	\$ (2,387,306)	\$ (127,652)	\$ (1,499,022)	\$ (274,742)	\$ (4,288,722)	\$ (9,493)
Delaware Revolving Loan	-	386,408	-	-	386,408	-
Net Cash	<u>\$ (2,387,306)</u>	<u>\$ 258,756</u>	<u>\$ (1,499,022)</u>	<u>\$ (274,742)</u>	<u>\$ (3,902,314)</u>	<u>\$ (9,493)</u>
Reduction of Drinking Water Loan		\$ (1,341,507)			\$ (1,341,507)	\$ -
Forgiveness of Debt by State of Delaware		1,341,507			1,341,507	-
Net cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

<b>ASSETS</b>	<u><b>AGENCY</b></u>
Cash and Cash Equivalents	<u>\$ 254,045</u>
Total Assets	<u><u>\$ 254,045</u></u>
 <b>LIABILITIES</b>	
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>&amp; 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>&amp; 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				
	Balances 07/01/17	Adjustments Additions	Deletions	Balances & Transfers	06/30/18
<b>Electric Fund:</b>					
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
<b>Total Capital Assets</b>	<b>29,728,181</b>	<b>1,866,258</b>	<b>-</b>	<b>521,050</b>	<b>32,115,489</b>
Accumulated Depreciation	( 14,986,742)	( 927,991)	-	-	( 15,914,733)
<b>Net Book Value</b>	<b><u>\$14,741,439</u></b>	<b><u>\$ 938,267</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 521,050</u></b>	<b><u>\$16,200,756</u></b>
<b>Water Fund:</b>					
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
<b>Total Capital Assets</b>	<b>23,213,989</b>	<b>127,652</b>	<b>-</b>	<b>-</b>	<b>23,341,641</b>
Accumulated Depreciation	( 8,040,065)	( 505,374)	-	-	( 8,545,439)
<b>Net Book Value</b>	<b><u>\$15,173,924</u></b>	<b><u>\$ ( 377,722)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$14,796,202</u></b>
<b>Waste Water Fund:</b>					
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
<b>Total Capital Assets</b>	<b>20,487,502</b>	<b>197,636</b>	<b>-</b>	<b>1,301,386</b>	<b>21,986,524</b>
Accumulated Depreciation	( 8,631,888)	( 454,974)	-	-	( 9,086,862)
<b>Net Book Value</b>	<b><u>\$11,855,614</u></b>	<b><u>\$ ( 257,338)</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,301,386</u></b>	<b><u>\$12,899,662</u></b>
<b>Trash Fund:</b>					
Buildings and Improvements	\$ 5,650	\$ -	\$ -	\$ -	\$ 5,650
Vehicles and Equipment	1,219,750	274,742	-	-	1,494,492
<b>Total Capital Assets</b>	<b>1,225,400</b>	<b>274,742</b>	<b>-</b>	<b>-</b>	<b>1,500,142</b>
Accumulated Depreciation	( 847,832)	( 79,169)	-	-	( 927,001)
<b>Net Book Value</b>	<b><u>\$ 377,568</u></b>	<b><u>\$ 195,573</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 573,141</u></b>
Description	Balances 07/01/17	Adjustments Additions	Deletions	Balances & Transfers	06/30/18
<b>Total Enterprise Funds</b>					
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
<b>Total Fixed Assets</b>	<b>74,655,072</b>	<b>2,466,288</b>	<b>-</b>	<b>1,822,436</b>	<b>78,943,796</b>
Accumulated Depreciation	( 32,506,527)	( 1,967,508)	-	-	( 34,474,035)
<b>Net Book Value</b>	<b><u>\$42,148,545</u></b>	<b><u>\$ 498,780</u></b>	<b><u>\$ -</u></b>	<b><u>\$1,822,436</u></b>	<b><u>\$44,469,761</u></b>

**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 &amp; 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 &amp; 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**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
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>
<b>EXPENDITURES</b>				
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
<b>OTHER FINANCING SOURCES</b>				
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				
<b>DEFICIENCY FUNDED BY</b>				
General Fund Prior Balance and Reserves	663,000	680,000	(39,482)	(719,482)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Revenues, Other Financing Sources, Prior Fund Balances and Expenditures</b>				

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>
<b><u>County &amp; Municipal Police and Firefighters' Pension Plan</u></b>			
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%
<b><u>County &amp; Municipal Other Employees' Pension Plan</u></b>			
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>
<b><u>County &amp; Municipal Police and Firefighters' Pension Plan</u></b>			
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>
<b><u>County &amp; Municipal Other Employees' Pension Plan</u></b>			
Contractually required contribution	\$ 259,355	\$ 225,472	\$ 235,458
Contributions in relation to the contractually determined contribution	<u>259,355</u>	<u>225,472</u>	<u>235,458</u>
Contribution (excess) deficiency	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered-employee payroll	<u>\$ 3,476,349</u>	<u>\$ 3,628,008</u>	<u>\$ 3,630,778</u>
Contributions as a percentage of covered-employee payroll	<u>7.46%</u>	<u>6.21%</u>	<u>6.49%</u>

See accompanying notes to required supplementary information.

**CITY OF MILFORD, DELAWARE**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1 - GENERAL**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered part of the basic financial statements.

**NOTE 2 - BUDGETARY BASIS**

The budgetary comparison schedule is prepared on a basis that is consistent with generally accepted accounting principles (GAAP).

**NOTE 3 - PENSION PLANS**

The following notes pertain to both the County and Municipal Police and Firefighters Pension Plan and the County and Municipal Other Employees' Pension Plan.

Changes in Benefit Terms

None

Changes in Assumptions

The changes in assumptions used to determine total pension liability are described in Note 13 to the financial statements.

Method and Assumptions used in calculations of actuarially determined contributions

The actuarially determined contribution rates in the Schedule of Employers' Contributions are calculated as of the June 30 two years prior to the end of the fiscal year in which the contributions are reported. Complete descriptions of the methods and assumptions used to determine the contribution rates for Fiscal Year 2018 can be found in the June 30, 2016 actuarial valuation reports. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

- Actuarial Cost Method - Entry Age Normal
- Amortization Method - Open 10 Year Level Percent of Payroll
- Remaining Amortization Period - 10 Years
- Asset Valuation Method - 5 Year Smoothed Market
- Actuarial Assumptions
  - o Discount Rate - 7.0%
  - o Amortization Growth Rate 3.0%
  - o Price Inflation - 3.0%

**CITY OF MILFORD, DELAWARE**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3 - PENSION PLANS (CONTINUED):**

10-year Reporting Requirements

The preceding required supplementary schedules, as related to pensions, are intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF MILFORD, DE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass- Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. Department of Agriculture, Rural Utilities Service Direct Loan for Water and Waste Disposal Systems	10.760	N/A	\$ 4,385,660
Environmental Protection Agency Passed through State of DE Department of Health and Social Services Capitalization Grants for Drinking Water State Revolving Funds	66.458	51-6000177	<u>1,232,132</u>
Total Expenditures of Federal Awards			<u>\$ 5,617,792</u>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF MILFORD, DELAWARE**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Milford, Delaware under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only the selected portion of the operations of the City of Milford, Delaware, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Milford.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

The City of Milford has elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

**NOTE 4 - FEDERALLY FUNDED LOAN PROGRAMS**

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

In June 2013, the City issued bonds in the amount of \$5 million in connection with its Southeast Water Expansion project. The funding for the project is being provided by the United States Department of Agriculture (USDA) under the federal direct loan for water and waste disposal systems program. Under the program, the City receives proceeds from the loan only after incurring project expenditures. The balance of the loan as of June 30, 2018 is \$4,477,243, which represents total expenditures incurred on the project to date, less principal payments made. Under the terms of the note, the City is making quarterly payments of \$46,500, which include interest calculated at a rate of 2% on the balance outstanding. The agreement with the USDA also calls for the City to utilize the remaining unliquidated funds for the project by September 30, 2017.

**Clean Water State Revolving Funds (CFDA 66.458)**

The City receives loans from the State of Delaware by way of capitalization grants awarded to the state to create and maintain Clean Water State Revolving Funds (CWSRF) programs. The state uses the funds to provide long-term sources

**CITY OF MILFORD, DELAWARE**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018

**Clean Water State Revolving Funds (CFDA 66.458)-(CONTINUED):**

of financing for construction of wastewater treatment facilities and implementation of water management activities. As of June 30, 2017, a total of \$1,895,587 received by the City under the loan program were federal awards, while the remaining portion of the total outstanding loan of \$3,705,224 were state award funds. CWSRF outstanding loans for which the related project is completed do not have continuing compliance requirements.



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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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**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



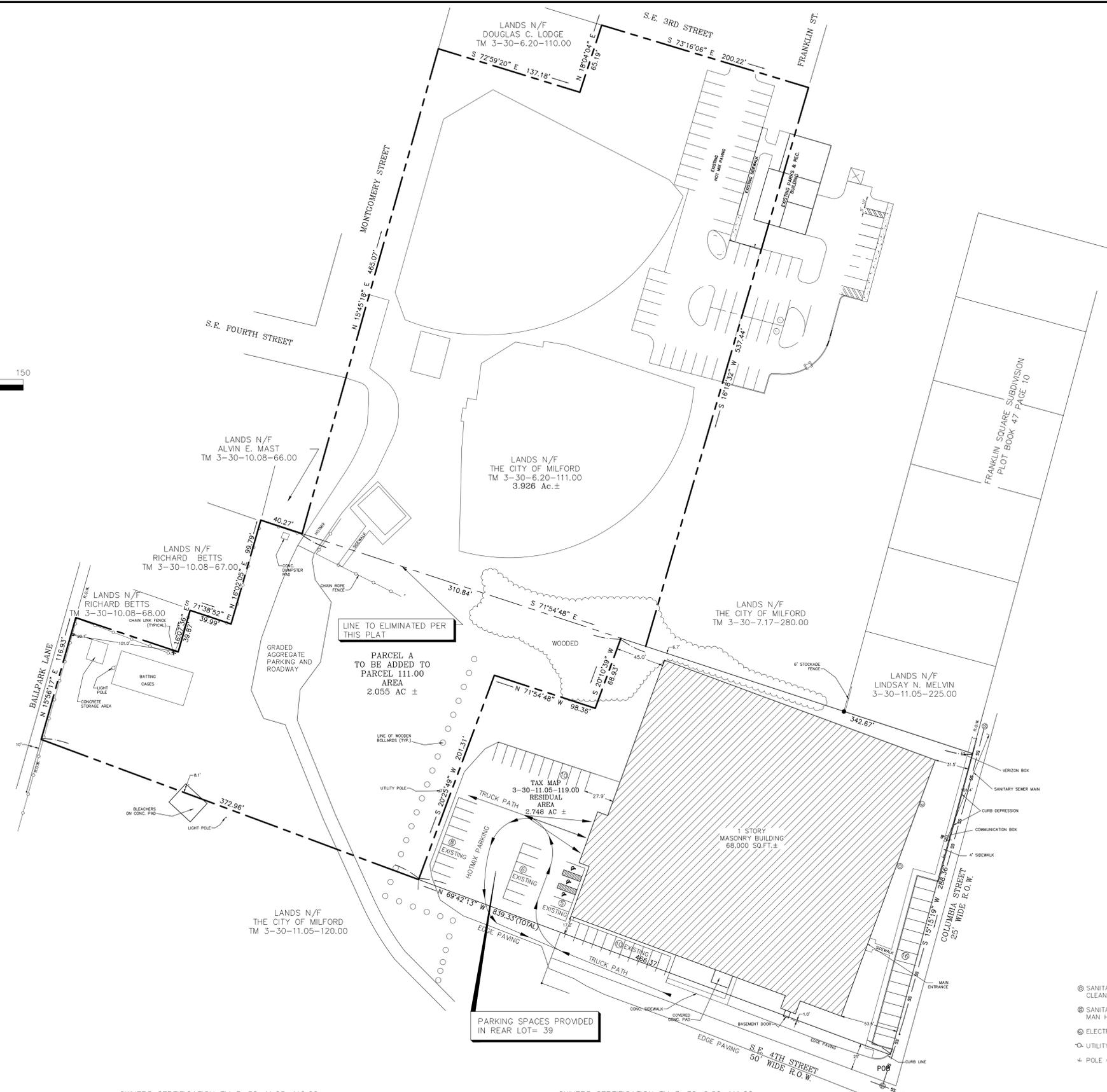
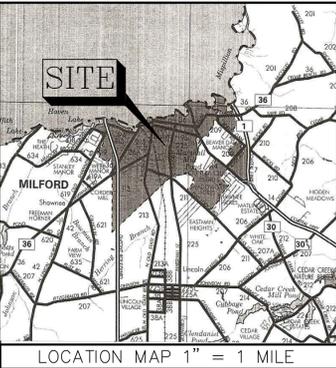
**TO:** Mayor and City Council  
**FROM:** Rob Pierce, Planning & Development Director  
**DATE:** March 11, 2019  
**RE:** GrowUSA, LLC (First State Manufacturing) and City of Milford – Land Exchange

On October 26, 2015, City Council authorized the execution of a Sales Agreement with GrowUSA, LLC (First State Manufacturing) in order to exchange 2.055 acres of land owned by GrowUSA adjacent to the Milford Little League for a portion of Lot 13 in Independence Commons consisting of 2.022 acres. Please find the enclosed final minor subdivision plats showing the affecting parcels for your reference. Final Minor Subdivision approvals were obtained on both parcels in 2015 and 2016; however, the subdivision plans were never recorded and the two parties never settled on the land exchange. GrowUSA, LLC has recently requested the City honor the previously executed Sales Agreement and move forward with settlement within the next few months.

An appraisal dated November 10, 2014 was prepared by W.R. McCain & Associates for both properties. The appraised value of the GrowUSA property was \$88,000 per acre and the value of the City property was \$92,000 per acre (as shown in the table below).

	Acreage	\$/acre	Value
GrowUSA, LLC Parcel	2.055	\$88,000.00	\$180,840.00
Lot 13b Independence Commons	2.022	\$92,000.00	\$186,024.00
			\$5,184.00

GrowUSA, LLC would pay the City the difference in the appraised values between the two parcels in addition to covering settlement costs.



NOTE: WHERE MONUMENTATION RECOVERED AT THE TIME OF THE FIELD SURVEY CONFLICTED WITH BEARINGS AND DISTANCES DESCRIBED IN THE DEED OF RECORD, THE ACTUAL MONUMENTATION WAS HELD.

BASIS OF BEARINGS= SURVEY BY BOB NASH ASSOCIATES DATED JULY 18, 2011  
 SURVEY CLASS= SUBURBAN  
 NO EASEMENTS PROVIDED

**SURVEYOR'S CERTIFICATION**  
 I, ROBERT W. NASH, P.L.S. #551, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF DELAWARE, THAT THE INFORMATION SHOWN HEREON HAS BEEN PREPARED UNDER MY SUPERVISION, AND TO THE BEST OF MY KNOWLEDGE AND BELIEF REPRESENTS GOOD SURVEYING PRACTICES AS REQUIRED BY THE APPLICABLE LAWS OF THE STATE OF DELAWARE.

ROBERT W. NASH, PLS 551 \_\_\_\_\_ DATE \_\_\_\_\_

**OWNERS CERTIFICATION TM 3-30-11.05-119.00**  
 WE, GROW USA, LLC., HEREBY CERTIFY THAT WE ARE THE 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 DEVELOPED AS SHOWN IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

\_\_\_\_\_  
 SIGNATURE/TITLE DATE

**OWNERS CERTIFICATION TM 3-30-6.20-111.00**  
 WE, THE CITY OF MILFORD, HEREBY CERTIFY THAT WE ARE THE 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 DEVELOPED AS SHOWN IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

\_\_\_\_\_  
 MAYOR OF THE CITY OF MILFORD DATE

DATA COLUMN	
<b>OWNER OF RECORD</b>	GROWUSA, LLC 301 SE 4TH STREET MILFORD, DELAWARE 19963 C/O MR. DAVID HITCHENS
<b>TM#</b>	3-30-6.20-111.00 3-30-11.05-119.00
<b>CURRENT ZONING</b>	I-1(3-30-11.05-119.00) R-2(3-30-6.20-111.00)
<b>LAND AREA</b>	PARCEL A 2.055 AC.± RESIDUAL 2.748 AC.± TOTAL 4.803 AC.± 3-30-6.20-111.00 3.926 AC.± COMBINED LAND AREA 5.981 AC.±
<b>RESIDUAL FRONTAGE:</b>	754.73'
<b>PARCEL A FRONTAGE:</b>	118.93'(BALLPARK LANE)
<b>REQUIRED SETBACKS</b>	FRONT 75 FEET SIDE 40 FEET REAR 45 FEET
<b>REQUIRED LAND AREA</b>	2 AC. MIN. PROPOSED LAND AREA 2.748 AC.
<b>MAX. COVERAGE</b>	PER CODE 60% PRE ADJUSTMENT 49.3% POST ADJUSTMENT 78.7% (RESIDUAL LOT)
<b>SEWER WATER</b>	CITY OF MILFORD CITY OF MILFORD
<b>REQUIRED PARKING RATIONALE</b>	38 SPACES SALES OFFICE 1 PER 200 SQ.FT. AREA= 2200 SQ.FT.= 11 SPACES MANUFACTURING 1 PER 2 EMPLOYEES SHIFT OF GREATEST NO. OF EMP. EMPLOYEES= 53 SPACES= 27
<b>PARKING PROVIDED</b>	TOTAL= 55 OFFICE 16 SPACES MANUFACTURING 39 SPACES
<b>EXCESS PARKING WILL ACCOMMODATE</b>	34 ADDITIONAL EMPLOYEES

**NOTES:**  
 NO STATE WETLANDS ARE PRESENT ON THIS SITE PER THE DNREC ENVIRONMENTAL NAVIGATOR MAP.  
 PER F.I.R.M. PANEL 1000SC0041K, EFFECTIVE MARCH 16, 2015 THIS SITE LIES ENTIRELY IN ZONE X. AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.

- ⊙ SANITARY SEWER CLEAN OUT
- ⊙ SANITARY SEWER MAN HOLE
- ⊙ ELECTRIC METER
- ⊙ UTILITY POLE
- ⊙ POLE GUY

**SITE PLAN AND MINOR LOT LINE ADJUSTMENT PLAN FOR:**

REVISIONS		Property of:	
Oct. 28, 2015 NOTE		GROWUSA, LLC.	
APRIL 16, 2015 PER CITY			
APRIL 20, 2015 PER CITY			
APRIL 29, 2015 PER CLIENT			
JUNE 4, 2015 ADD PARKING			
JUNE 23, 2015 PER CITY			
JULY 9, 2015 PER CITY			
JULY 22, 2015 HC PARKING			
		<b>MERESTONE CONSULTANTS, INC.</b> ENGINEERS - PLANNERS - SURVEYORS 5215 WEST WOODMILL DRIVE WILMINGTON, DE 19808 PH: 302-992-7900 FAX: 302-992-7911 19633 BLUE BIRD LANE, SUITE F REHOBOTH BEACH, DE 19971 PH: 302-226-5880 FAX: 302-226-5883	
		CITY OF MILFORD	SUSSEX COUNTY, DELAWARE
		DATE: APRIL 10, 2014	W.O.: 23008N
		SCALE: 1" = 30'	F.B.: BNA-6 DRAWN BY: RWN
		T.M.: 3-30-11.05-119.00	DISK: FSM-MINOR

PARCEL 12  
CITY OF MILFORD  
MD-16-173.00-01-02.16  
DR 286-59

LOT 13A  
CITY OF MILFORD

A 32.00'  
R 53.00'  
Δ 34°35'53"  
B N 03°12'38" E  
C 31.52'

A 63.33'  
R 53.00'  
Δ 68°27'31"  
B S 13°43'31" E  
C 59.63'

WEST LIBERTY WAY

CANTERBURY ROAD STATE RD 15  
WIDTH VARIES

LOT 13B  
2.022 Ac.±

CRBF 0.79' EXTENDED  
INTO RIGHT OF WAY

PARCEL 14  
4BLAINE, LLC.  
MD-16-173.00-01-02.18  
DR 5763-202

SHARED ACCESS EASEMENT  
BENEFITTING BOTH  
PARCELS 13A & 13B

AIRPORT ROAD KCR 407  
WIDTH VARIES



- ⊙ CAPPED REBAR FOUND
- ⊙ CAPPED REBAR SET

BASIS OF BEARINGS= PLOT OF MILFORD  
INDEPENDENCE COMMONS  
RECORDED IN PLOT BK. 103 PG. 2  
SURVEY CLASS= SUBURBAN  
NO EASEMENTS PROVIDED



10/20/15

CRD: LOT 13 LIBERTY

PROFESSIONAL LAND SURVEYOR DATE

Lands to be conveyed to:

FIRST STATE MANUFACTURING, INC.



**MERESTONE**  
CONSULTANTS, INC.

ENGINEERS - PLANNERS - SURVEYORS

5215 WEST WOODMILL DRIVE 19633 BLUE BIRD LANE, SUITE 9  
WILMINGTON, DE 19808 REHOBOTH BEACH, DE 19971  
PH: 302-992-7900 PH: 302-226-5880  
FAX: 302-992-7911 FAX: 302-226-5883

CITY OF MILFORD

KENT COUNTY, DELAWARE

DATE: SEPT. 14, 2015

W.O.: 23009N

SCALE: 1" = 100'

F.B.: JRN

DRAWN BY:  
RWN

T.M.: MD-16-173.00-01-02.17

DISK: FSM LOT 13B

## AGREEMENT OF SALE

THIS AGREEMENT OF SALE is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015, by and among GROW USA, LLC, a Delaware Limited Liability Company (hereinafter referred to as "GROWUSA") and THE CITY OF MILFORD, a municipal corporation of the State of Delaware (hereinafter referred to as "the City").

### WITNESSETH:

WHEREAS, GROWUSA is the owner of all that certain tract, piece, or parcel of real property, situated in or near the City of Milford, in Sussex County, Delaware, comprising approximately 2.055 +/- acres, more or less, and otherwise identified as Tax Parcel #3-30-11.05-119.00, all as more particularly shown or described in Exhibit "A" attached hereto, together with the improvements (if any) thereon erected (hereinafter referred to as "Parcel A"); and

WHEREAS, the City is the owner of all that certain tract, piece, or parcel of real property, situated in or near the City of Milford, in Kent County, Delaware, comprising approximately 2.022 +/- acres, more or less, and otherwise identified as Tax Parcel #MD-16-173.00-01-02.17, all as more particularly shown or described in Exhibit "B" attached hereto, together with the improvements (if any) thereon erected (hereinafter referred to as "Parcel B"); and

WHEREAS, the City desires to acquire all of Parcel A from GROWUSA and GROWUSA desires to acquire all of Parcel B from the City, excepting and reserving a subdivided portion to be retained by the City of Milford, in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and the Seller do hereby agree as follows:

1. Exchange of Properties.

The City agrees to acquire from GROWUSA, and GROWUSA agrees to convey to the City, all of Parcel A, for the consideration and upon the other terms and conditions set forth herein. Likewise, GROWUSA agrees to acquire from the City, and the City agrees to convey to GROWUSA, all of Parcel B, excepting and reserving the subdivided portion retained by the City for the consideration and upon the other terms and conditions set forth herein.

2. The Consideration.

As consideration the City's acquisition of Parcel A from GROWUSA and GROWUSA's conveyance of Parcel A to the City, the City agrees to convey Parcel B to GROWUSA, free and clear of all liens and encumbrances. As consideration for GROWUSA's acquisition of Parcel B, excepting and reserving a portion to be subdivided and retained by the City of Milford, from the City and the City's conveyance of Parcel B, as subdivided, to GROWUSA, GROWUSA agrees to convey Parcel A to the City, free and clear of all liens and encumbrances, and further, GROWUSA agrees to pay to the City the sum of \$5,184.00.

3. Title.

a. Title to the properties to be exchanged by the parties pursuant to this Agreement shall be good and marketable title, fully insurable at standard rates by a licensed title company authorized to do business in the State of Delaware, and free and clear of all liens and encumbrances, except as to restrictions of public record, publicly recorded easements for public utilities, or any other easement(s) which may be observed by an inspection of the properties.

b. If, at the time of Settlement, title to either of the properties to be exchanged by the parties pursuant to this Agreement is subject to any conditions or exceptions, the party acquiring the property in question shall have the option of: (i) taking such title as the other party can cause to be conveyed and waiving the unfulfilled condition, without abatement of any consideration therefore, whereupon the parties hereto shall complete the transactions herein contemplated and the

provisions relating to condition of title shall be deemed waived by the acquiring party; or (ii) requiring the other party to pay any special premium or deliver any indemnities required by the acquiring party's title insurance company, if the acquiring party is willing to accept a title objection which the acquiring party's title insurance company is willing to insure over or remove from the acquiring party's title insurance policy, which requirement the other party may, at its election, reject; or (iii) terminating this Agreement by notice to the other party, whereupon this Agreement shall become null and void, and thereafter, neither party hereto shall have any further liability or obligation whatsoever hereunder.

4. Settlement.

The exchange and conveyances of Parcel A and Parcel B (“the Settlement”) shall take place within thirty (30) days of the satisfaction of all Conditions Precedent (as hereinafter defined), at the offices of to be determined; provided, however, that if all Conditions Precedent are not satisfied within one (1) year from the date of execution of this Agreement, then and in such event, unless otherwise specifically provided to the contrary herein, either party to this Agreement may elect to terminate this Agreement, and in such event, this Agreement shall be deemed null and void and neither party hereto shall have any further liability or obligation whatsoever hereunder.

5. Conditions Precedent.

The parties’ mutual obligations to proceed to Settlement and consummate the transactions contemplated by this Agreement are subject to and contingent upon the satisfaction of each of the following conditions precedent (“Conditions Precedent”). In the event that any one (or more) of the Conditions Precedent set forth below are not satisfied within one (1) year of the date of execution of this Agreement (as indicated above), then and in such event, unless otherwise specifically provided to the contrary herein, either party to this Agreement may elect to terminate this Agreement, and in such event, this Agreement shall be deemed null and void and neither party hereto shall have any

further liability or obligation whatsoever hereunder. Alternatively, any unfulfilled Condition Precedent may be waived only by the particular party specifically identified below as having the right to waive such condition, whereupon the parties hereto shall complete Settlement (subject, however, to the satisfaction of all other conditions of this Agreement).

The Conditions Precedent are as follows:

a. Minor Lot Line Adjustment for Parcel A. The obligations of the parties under this Agreement of Sale are subject to and expressly contingent upon GROWUSA's receipt of final and non-appealable approval from the City, granting the Minor Lot Line Adjustment approval required to create a subdivided parcel from Parcel A, in the shape and dimension shown on Exhibit "A" attached hereto and comprising 2.055+/- acres of land, with no other land use permits or approvals required in order to convey Parcel A to the City. Within five (5) days of the date of execution of this Agreement, GROWUSA shall file and thereafter diligently pursue, at GROWUSA's sole cost and expense, an application for Minor Lot Line Adjustment approval.

b. **Disclaimers.** Except as specifically stated herein, this Agreement does not create any other obligation or relationship such as a partnership, joint venture or other similar legal relationship under the laws of any state or the federal government. Any correspondence, documents or other reference to "partners," "joint ventures" or other similar terms will not be deemed to alter, amend or change the relationship between the parties hereto unless there is a formal written agreement specifically detailing the rights, liabilities and obligations of the parties as to a new, specifically defined legal relationship. The parties specifically acknowledge that GROWUSA must apply to the City for lot line adjustments for Parcel A and that such application shall be considered by the City Planning

Commission and, if deemed necessary, by the City Council pursuant to Chapter 230 of the Code of the City of Milford. This Agreement shall not be considered as an endorsement of such application and the implementation of this Agreement is strictly conditioned upon the approval of any GROWUSA application on its merits.

c. Parcel B is subject to the Declaration of Covenants, Conditions, Restrictions and Easements for Independence Commons adopted September 2008. One of the conditions include that each building shall be owner occupied upon completion, and if construction of a building has not commenced within two years from the date of settlement, the City of Milford shall have the option of purchasing the property back at the previous purchase price. This shall be considered running with the land and shall survive settlement.

d. This agreement is expressly contingent upon GROWUSA taking all steps required to subdivide Parcel B in to two separate parcels (Lot 13A and Lot 13B), including the preparation and delivery of two new deeds, whereby the City will retain ownership of Lot 13A and GROWUSA will receive all of Lot 13B. For purposes of this Agreement any reference to “Parcel B” shall refer exclusively to Lot 13B.

6. Additional Conditions and Agreements.

- a. At Settlement, GROWUSA shall execute and deliver to the City:
- (i) a special warranty deed conveying good marketable fee simple title to Parcel A to the City, free and clear of all liens and encumbrances (the Deed shall be prepared by GROWUSA’s attorney at GROWUSA’s expense);
  - (ii) a title affidavit setting forth that there are no unpaid bills or claims for labor performed and/or materials furnished to or for the benefit of Parcel A (excluding labor or

materials furnished at the order of the City) for which mechanics' liens can be filed, in the form required by the title company;

(iii) an affidavit stating that there are no outstanding leases or tenancies affecting Parcel A, except for those leases and tenancies assigned by GROWUSA to the City, if any;

(iv) an affidavit certifying, under the penalty of perjury, GROWUSA's U.S. Taxpayer Identification Number and the fact that GROWUSA is not a foreign person within the meaning of Sections 7701(a)(1), 7701(a)(5), and 1445 of the Internal Revenue Code; and

(v) any other document or item reasonably required by the City in order to effectuate the transaction(s) contemplated by this Agreement of Sale; provided, however, that any such other document or item required by the City shall not constitute or otherwise represent a material modification of the terms of this Agreement of Sale or otherwise create additional duties or obligations that would survive Settlement.

b. At Settlement, the City shall execute and deliver to GROWUSA:

(i) a special warranty deed conveying good marketable fee simple title to Parcel B to GROWUSA, free and clear of all liens and encumbrances (the Deed shall be prepared by the City's attorney at the City's expense);

(ii) a title affidavit setting forth that there are no unpaid bills or claims for labor performed and/or materials furnished to or for the benefit of Parcel B (excluding labor or materials furnished at the order of GROWUSA) for which mechanics' liens can be filed, in the form required by the title company;

(iii) an affidavit stating that there are no outstanding leases or tenancies affecting Parcel B, except for those leases and tenancies assigned by the City to GROWUSA, if any;

(iv) an affidavit certifying, under the penalty of perjury, the City's U.S.

Taxpayer Identification Number and the fact that the City is not a foreign person within the meaning of Sections 7701(a)(1), 7701(a)(5), and 1445 of the Internal Revenue Code; and

(v) any other document or item reasonably required by GROWUSA in order to effectuate the transaction(s) contemplated by this Agreement of Sale; provided, however, that any such other document or item required by GROWUSA shall not constitute or otherwise represent a material modification of the terms of this Agreement of Sale or otherwise create additional duties or obligations that would survive Settlement.

7. Settlement Adjustments.

a. All property taxes, water, sewer, and other utilities or assessments against Parcel A which are payable by GROWUSA in advance of Settlement shall be pro-rated, and the City shall reimburse GROWUSA at Settlement for the City's pro-rata share of same (i.e., those prepaid utilities and assessments accruing during or attributable to periods of time subsequent to Settlement). Likewise, all property taxes, water, sewer, and other utilities or assessments against Parcel B which are payable by the City in advance of Settlement shall be pro-rated, and GROWUSA shall reimburse the City at Settlement for GROWUSA's pro-rata share of same (i.e., those prepaid utilities and assessments accruing during or attributable to periods of time subsequent to Settlement).

b. Pursuant to 30 Del.C., §5401(m), all state, county, and municipal transfer taxes are waived.

c. Each party shall bear sole responsibility for its own attorneys' fees incurred in connection with consummation of the transaction contemplated by this Agreement.

d. All other settlement expenses associated with the City's acquisition of Parcel A, including but not limited to the costs of title search, title insurance, and document recording, shall be paid by the City at or before the time of Settlement. Likewise, all other settlement expenses

associated with GROWUSA's acquisition of Parcel B, including but not limited to the costs of title search, title insurance, and document recording, shall be paid by Grow at or before the time of Settlement.

8. The City's Default.

In the event that the City does not proceed to final Settlement as defined herein, and all of the contingencies, terms and conditions of this Agreement of Sale have been satisfied or waived by the parties hereto, then GROWUSA shall have the option of voiding this Agreement of Sale, whereupon the City shall reimburse GROWUSA for any and all out-of-pocket costs incurred by GROWUSA in pursuit of GROWUSA's Intended Use of Parcel B; or GROWUSA may elect to seek specific performance of this Agreement of Sale by the City in equity; and/or GROWUSA may pursue and enforce any other remedy which may be available to GROWUSA at law or equity.

9. GROWUSA's Default.

In the event that GROWUSA does not proceed to final Settlement as defined herein, and all of the contingencies, terms and conditions of this Agreement of Sale have been satisfied or waived by the parties hereto, then the City shall have the option of voiding this Agreement of Sale, whereupon GROWUSA shall reimburse the City for any and all out-of-pocket costs incurred by the City in pursuit of the City's Intended Use of Parcel A; or the City may elect to seek specific performance of this Agreement of Sale by GROWUSA in equity; and/or the Purchaser may pursue and enforce any other remedy which may be available to the City at law or equity.

10. Notices.

Any notice, election, or consent required to be given hereunder shall be deemed to have been duly given when delivered by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To GROWUSA: Eliseo Valenzuela  
GrowUSA, LLC  
301 S.E. 4<sup>TH</sup> Street  
Milford, Delaware 19963

To the Purchaser: Jeff Portmann  
City of Milford  
201 S. Walnut Street  
Milford, Delaware 19963

or such other address(es) as may be specified from time to time as herein provided. The time of rendition of such notice shall be when the said notice is deposited in an official United States Post Office.

11. Miscellaneous.

a. This Agreement of Sale constitutes the entire agreement and understanding between the parties hereto and supersedes all prior and/or other agreements and representations, written or oral, in connection with the purchase contemplated herein.

b. This Agreement of Sale may be executed in any number of counterparts and in separate counterparts, each of which, if so executed, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same Agreement.

c. It is understood and agreed that this Agreement of Sale may be amended or modified by mutual agreement of the parties hereto, provided that such amendment or modification is duly signed by the parties hereto and incorporated into the terms of this Agreement of Sale.

d. This Agreement of Sale shall not be recorded in any public office.

e. Any headings preceding the text of the several paragraphs hereof are inserted only as a matter of reference and convenience for the parties hereto, and in no way define, limit, or describe the scope or intent of this Agreement of Sale, nor affect its terms and provisions.

f. The singular of any word may denote two or more, the plural one alone, and

the words of one gender may denote another gender whenever appropriate under actual circumstances.

g. This Agreement of Sale shall be construed under and governed by the laws of the State of Delaware.

h. Each party agrees to cooperate with respect to the other's treatment of the sale of all or part of the Property as one or more tax-deferred like-kind exchanges pursuant to Section 1031 of the Internal Revenue Code, as amended, and to execute any amendment to or assignment of this Agreement, or other documents which are necessary or desired to set forth the terms and conditions for such a tax-deferred like-kind exchange; provided, however, that each party shall indemnify the other for costs incurred as a result of each party's request(s) for such a tax-deferred like-kind exchange.

i. The parties hereto agree to execute and deliver any other instrument(s) and document(s) that may be necessary or convenient to carry into effect the provisions of this Agreement of Sale, and the parties agree to otherwise cooperate in good faith as may be necessary to complete the settlement contemplated herein.

j. Neither party has made any deliberately false representations herein.

k. This Agreement of Sale shall be binding upon the heirs, executors, administrators, and assigns of the parties hereto. The parties acknowledge and agree that neither party may assign its rights under this Agreement to any other party, successor, or assigns without the prior written consent of the other party.

l. Both parties hereto warrant that they are empowered to execute this Agreement of Sale and bind themselves to their respective obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Sale to be executed the day and year written below.

Signed, Sealed, and  
Delivered in the  
Presence of:

GROW USA, LLC

\_\_\_\_\_  
Attest

BY: \_\_\_\_\_ (Seal)  
Eliseo Valenzuela  
Managing Member

THE CITY OF MILFORD:

\_\_\_\_\_  
Attest

BY: \_\_\_\_\_ (Seal)  
Bryan Shupe  
Mayor

## MILFORD LITTLE LEAGUE Water Main Issues

Milford Little League's water mains burst at some point between January and February, causing thousands of gallons of water to leak undetected. That resulted in two significant water bills.

Unfortunately, it occurred in both the main concession stand and the softball concession stand.

This required significant work by a plumber who they are hoping will not charge them as well.

In addition, they are having to rebuild the entire interior of the concession stands as a result of the damage.



A Public Power Community

119 S. Walnut St  
Milford, DE 19963



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



Visit us online:  
www.cityofmilford.com



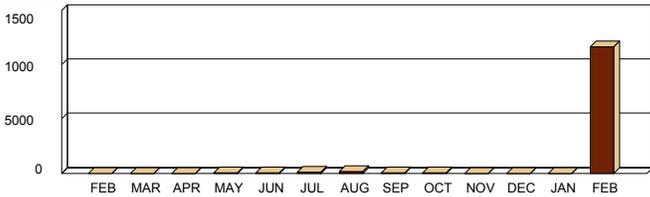
**CURRENT METER INFORMATION**

Type	Service Period	Days	Meter Number
WA	01/04/19 02/01/19	28	W07910473HE

**Account History/Water**

PERIOD	DAYS	GAL USED	DAILY AVG GAL
CURRENT	28	117000	4179
LAST MONTH	32	10	0
YEAR AGO	28	0	0

**YOUR MONTHLY WATER USAGE IN GALLONS**



**ACCOUNT STATEMENT**

**ACCOUNT INFORMATION**

**CUSTOMER NAME:** MILFORD LITTLE LEAGUE  
**ACCOUNT #** 18827-72360 **CYCLE-ROUTE:** 01-05  
**SERVICE ADDRESS:** 110 SE FOURTH ST  
**BILL DATE:** 02/11/19  
**DUE DATE:** 03/04/19

**ACCOUNT ACTIVITY**

PREVIOUS BILL 42.52  
 PAYMENTS -42.52

**NEW CHARGES**

SE SEWAGE 606.26  
 WA WATER 310.70  
**TOTAL CURRENT CHARGES 916.96**

**STATEMENT SUMMARY**

BALANCE FORWARD 0.00  
 CURRENT CHARGES 916.96  
**TOTAL AMOUNT DUE 916.96**

**SPECIAL MESSAGE**

**AUTOPAY AMOUNT DUE**

**916.96**



A Public Power Community  
P.O. Box 159 • Milford, DE 19963

**REMITTANCE INFORMATION**

**ACCOUNT NUMBER** 18827-72360  
**CYCLE-ROUTE:** 01-05  
**SERVICE ADDRESS:** 110 SE FOURTH ST  
**DUE DATE:** 03/04/19  
**TOTAL AMOUNT DUE** 916.96

AMOUNT ENCLOSED

**AUTOPAY**

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

# 00002422 PDF 3461245 00 00005785



MILFORD LITTLE LEAGUE  
PO BOX 404  
MILFORD DE 19963-0404



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



00001882700007236091696

Service Period	Days	Meter Number	Units	Current	Previous	Multiplier	Usage
WA 01/04/19 02/01/19	28	W07910473HE	GALS	35115	23415	10	11700
				WATER USAGE FOR 02/18			0



**Know what's below.  
Call before you dig.**

Call Miss Utility of Delmarva at  
800-282-8555 or 800-441-8355

Service	Consumption	Charge	Total
WA BASE 0-10,000 GAL	10000.00	32.50	
WA ALL REMAINING USAGE	107000.00	278.20	
<b>TOTAL WATER</b>			<b>310.70</b>
SE BASE CHARGE	1000.00	10.00	
SE OVER 1,000 GALS.	116000.00	322.48	
SE SEWAGE TREATMENT	117000.00	273.78	
<b>TOTAL SEWER</b>			<b>606.26</b>

**PAYMENT OPTIONS**

- Customer Service office at  
119 S. Walnut St , Milford DE
- Online
- ACH
- Drop Box at City Hall - 201 S. Walnut St  
NO CASH IN DROP BOX
- Mail (envelope enclosed)



Cash - Check - Money Order

**CHANGE OF CONTACT INFORMATION**

First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_ Last Name \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Telephone Number ( ) \_\_\_\_\_ Business Telephone Number ( ) \_\_\_\_\_

Cell Telephone Number ( ) \_\_\_\_\_ E-mail \_\_\_\_\_

Comments \_\_\_\_\_



A Public Power Community

119 S. Walnut St  
Milford, DE 19963



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



Visit us online:  
www.cityofmilford.com



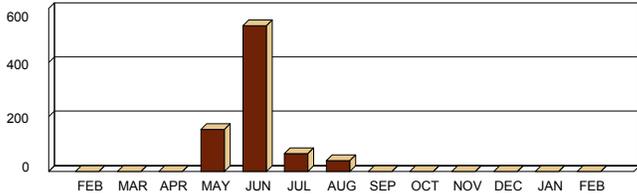
**CURRENT METER INFORMATION**

Type	Service Period	Days	Meter Number
EL	01/04/19 02/01/19	28	E76454893
WA	01/04/19 02/01/19	28	W08713330HE

**Account History/Electric**

PERIOD	DAYS	KWH USED	DAILY AVG KWH
CURRENT	28	0	0
LAST MONTH	32	0	0
YEAR AGO	28	0	0

**YOUR MONTHLY ELECTRIC USAGE IN EL-KWH**



**ACCOUNT STATEMENT**

**ACCOUNT INFORMATION**

**CUSTOMER NAME:** MILFORD LITTLE LEAGUE  
**ACCOUNT #** 5627-50300 **CYCLE-ROUTE:** 01-05  
**SERVICE ADDRESS:** 6 GUYER FIELD  
**BILL DATE:** 02/11/19  
**DUE DATE:** 03/04/19

**ACCOUNT ACTIVITY**

PREVIOUS BILL 15.25  
 PAYMENTS -15.25

**NEW CHARGES**

EL ELECTRIC 12.00  
 WA WATER 526.52  
**TOTAL CURRENT CHARGES 538.52**

**STATEMENT SUMMARY**

BALANCE FORWARD 0.00  
 CURRENT CHARGES 538.52  
**TOTAL AMOUNT DUE 538.52**

**SPECIAL MESSAGE**

**AUTOPAY AMOUNT DUE**

**538.52**



A Public Power Community  
P.O. Box 159 • Milford, DE 19963

**REMITTANCE INFORMATION**

**ACCOUNT NUMBER** 5627-50300  
**CYCLE-ROUTE:** 01-05  
**SERVICE ADDRESS:** 6 GUYER FIELD  
**DUE DATE:** 03/04/19  
**TOTAL AMOUNT DUE** 538.52

AMOUNT ENCLOSED

**AUTOPAY**

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

# 00002422 PDF 3461245 00 00005777



MILFORD LITTLE LEAGUE  
PO BOX 404  
MILFORD DE 19963-0404



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



00000562700005030053852

	Service Period	Days	Meter Number	Units	Current	Previous	Multiplier	Usage
EL	01/04/19 02/01/19	28	E76454893	KWH	2	2	40	0
					ELECTRIC USAGE FOR 02/18			0
WA	01/04/19 02/01/19	28	W08713330HE	GALS	320345	307057	10	13288
					WATER USAGE FOR 02/18			0



**Know what's below.  
Call before you dig.**

Call Miss Utility of Delmarva at  
800-282-8555 or 800-441-8355

Service	Consumption	Charge	Total
EL	FACILITIES CHARGE	12.00	
	<b>TOTAL ELECTRIC</b>		<b>12.00</b>
WA	BASE CHARGE	1000.00	3.25
WA	1001-4000 GALS	131880.00	523.27
	<b>TOTAL WATER</b>		<b>526.52</b>

- PAYMENT OPTIONS**
- Customer Service office at  
119 S. Walnut St , Milford DE
  - Online
  - ACH
  - Drop Box at City Hall - 201 S. Walnut St  
NO CASH IN DROP BOX
  - Mail (envelope enclosed)



Cash - Check - Money Order

**CHANGE OF CONTACT INFORMATION**

First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_ Last Name \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Telephone Number ( ) \_\_\_\_\_ Business Telephone Number ( ) \_\_\_\_\_

Cell Telephone Number ( ) \_\_\_\_\_ E-mail \_\_\_\_\_

Comments \_\_\_\_\_

## **CHAPTER 5**

### **ADMINISTRATION OF THE DISTRICT**

Once designated the local government is responsible for administering the DDD program in their local community. The Downtown Development District Program is a partnership between the State of Delaware and the local governments with Designated Districts. The State provides considerable staff time and technical assistance resources for the program from the OSPC and DSHA, and funds the DDD Rebate Program. Local governments with Designated Districts are expected to provide a package of local incentives to compliment the DDD Rebate Program. In addition, the local government must expect to expend staff time and other resources to administer the DDD program in their community.

A District Administrator must be appointed by the local elected body. The District Administrator will be the chief point of contact for the program and responsible for all economic development outreach, marketing, record keeping, and reporting related to the DDD program. The District Administrator must be a local government staff person or an elected or appointed official. The District Administrator can be assisted in their tasks by other local government staff or consultants, however the District Administrator will supervise and ultimately be responsible for all tasks involved in implementing the local government's DDD program.

**New Districts:** The District Administrator must be appointed by a resolution of the local elected body within two months of the date of District Designation.

**Designated Districts:** The existing eight Designated Districts must formally appoint the District Administrators by resolution of the local elected body within two months of the date of the publication of this document.

**All Districts:** In the event of a change in the District Administrator it is the responsibility of the local government to inform the OSPC of the change as soon as is practical. The local elected body must officially appoint the District Administrator by resolution as soon as is practical, but no more than two months from the assignment of the new District Administrator.

The following is a summary of some of the tasks the local government and the District Administrator will be responsible for:

#### Economic Development Outreach and Marketing

The local government is the primary economic development agency responsible for working with property owners and potential investors in their communities. Local governments should be proactive in identifying potential investment opportunities consistent with their District Plan, and are the first point of contact whenever a project is proposed. As such, the District Administrator and other local government staff and consultants must be knowledgeable about the DDD program requirements, the DDD Rebate program, and all local incentives.

# City of Milford



## RESOLUTION 2019-04 Appointment of DDD Administrator

**WHEREAS**, the Downtown Development District Program is a partnership between the State of Delaware and local governments with Designated Districts; and

**WHEREAS**, in addition to funding the DDD Rebate Program, the State provides considerable staff time and technical assistance resources from OSPC and DSHA; and

**WHEREAS**, the City of Milford is responsible for administering the DDD program in Milford's Downtown Development District; and

**WHEREAS**, the City of Milford provides an aggressive package of local incentives to compliment the DDD Rebate Program; and

**WHEREAS**, the Delaware DDD Program Guidelines require a District Administrator be appointed by Milford City Council to be the chief point of contact for the program responsible for all economic development outreach, marketing, record keeping, and reporting in relation to the DDD program; and

**WHEREAS**, the District Administrator can be assisted by other City staff or consultants, but shall supervise and is responsible for all tasks involved in implementing the City of Milford's DDD program.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council, that Planning and Economic Development Director Rob Pierce is hereby appointed the City of Milford's DDD District Administrator, in accordance with Chapter 5, Administration of the District, as established by the Office of State Planning Coordination as revised on January 23, 2019.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Official Seal of the City of Milford to be affixed this 11<sup>th</sup> day of March 2019.

Mayor Arthur J. Campbell

Attest:

City Clerk Teresa K. Hudson

# City of Milford



## REVISED NOTICE OF 2019 CITY OF MILFORD MUNICIPAL ELECTION

Cast your ballot on **Saturday, April 27, 2019** between the hours of 10:00 a.m. and 6:00 p.m.

THE POLLING PLACE FOR ELIGIBLE CITY OF MILFORD 1<sup>st</sup> WARD VOTERS IS:

**MILFORD CITY HALL - 201 SOUTH WALNUT STREET**

Voting will not take place in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Wards due to uncontested races.

An election will be held for the following seat:

***Office of City Council–1st Ward–Two Year Term***

**\*\*\*\* Qualified Persons who wish to vote in the 2019 City of Milford Municipal Election must be properly registered in the City of Milford by March 28, 2019 \*\*\*\***

To determine if you are currently **REGISTERED TO VOTE**, please contact City Hall at 302-422-1111.

Qualified electors, duly registered in the 1<sup>st</sup> Ward may cast their vote by **ABSENTEE BALLOT**. If you are unable to vote at the polls, please call 302-422-1111 for information on how to obtain an **ABSENTEE BALLOT**.

The following candidates have submitted their nominating petitions to run for the Office of City Council 1st Ward:

Daniel Marabello  
1 Windy Drive  
Meadows at Shawnee

Samuel J. Passwaters III  
317 Columbia Street

The following candidates have submitted their nominating petitions to run for the Office of City Council:

F. Todd Culotta	211 South Walnut Street	2 <sup>nd</sup> Ward Council Seat
Douglas E. Morrow	803 North Walnut Street	3 <sup>rd</sup> Ward Council Seat
Jason L. James Sr.	1 James Drive	4 <sup>th</sup> Ward Council Seat

Pursuant to 15 Del.C. 7555(j), there being only one candidate for the Office of City Council in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Wards, said candidates are entitled to assume office without a formal election, following a declaration by the City of Milford Board of Election.

For additional information, including **ABSENTEE AFFIDAVIT AND BALLOT** questions, please contact the City Clerk's Office at 302-422-1111.

# City of Milford



03-04-2019

Notice is hereby given the following residents have been appointed as members of the City of Milford Election Board for the 2019 City of Milford Election on April 27, 2019:

City of Milford Election Board:

Karen Boone	303 Parson Thorne Apts
Joanne Leuthauser	509 Ashley Way
Katrina White	122 S.E. Second Street

For additional information, please contact the City Clerk's Office at 302-422-1111.

03/13/19 03/25/19

CITY OF MILFORD  
NOTICE OF PUBLIC HEARINGS\*

NOTICE IS HEREBY GIVEN the City of Milford Planning Commission will hold a Public Hearing on the following ordinance on Tuesday, March 19, 2019.

A FINAL REVIEW AND PUBLIC HEARING is scheduled before Milford City Council on Monday, March 25, 2019.

All persons interested in this application are encouraged to attend. The public hearings will begin at 7:00 p.m. on the said dates in the Milford City Hall Council Chambers, 201 South Walnut Street, Milford, DE 19963.

**ORDINANCE 2019-09**

*An Ordinance for a Conditional Use to allow a Planned Unit Development to be known as Cypress Hall (Residential) consisting of 546 dwelling units (162 single-family detached units, 96 townhouse units and 288 multi-family units) on 91.69 +/- acres in an R3 zone located on the west side of Route 113 approximately 3,100 feet south of the Shawnee Road intersection, Milford, Delaware. Tax Parcels 1-30-3.00-261.01, 1-30-3.00-562.00 thru 659.00.*

*Section 1.*

*Whereas, City Council granted Final Major Subdivision for Cypress Hall- Phase I on June 22, 2009; and*

*Whereas, the applicant, Shawnee Farm, LLC, proposes to revise the plan for the garden apartment area; and*

*Whereas, in lieu of applying for a variance from the Board of Adjustment, the applicant is seeking permission to deviate from Chapter 230 through the Planned Unit Development review process; and*

*Whereas, this notice, as required by the City's Zoning Code, has been published in the Milford Beacon and mailed to property owners within 200 feet of subject parcel(s); and*

*Whereas, the Planning Commission and the City Council has each conducted Public Hearings on the conditional use application to allow a Planned Unit Development, wherein public comment was requested and considered.*

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

*City Council grants Shawnee Farm LLC a Conditional Use to allow a Planned Unit Development, to be known as Cypress Hall, consisting of 546 dwelling units (162 single-family detached units, 96 townhouse units and 288 multi-family units) on 91.69 +/- acres in an R3 zone and affixes any conditions it determines will tend to safeguard the public health, convenience and general welfare in the City.*

*Section 2. Dates*

*City Council Introduction: March 11, 2019*

*Planning Commission Public Hearing: March 19, 2019*

*City Council Public Hearing: March 25, 2019*

*Effective (Projected): April 4, 2019*

CITY OF MILFORD  
NOTICE OF PUBLIC HEARINGS\*

NOTICE IS HEREBY GIVEN the City of Milford Planning Commission will hold a Public Hearing on the following ordinance on Tuesday, March 19, 2019.

A FINAL REVIEW AND PUBLIC HEARING is scheduled before Milford City Council on Monday, March 25, 2019.

All persons interested in this application are encouraged to attend. The public hearings will begin at 7:00 p.m. on the said dates in the Milford City Hall Council Chambers, 201 South Walnut Street, Milford, DE 19963.

**ORDINANCE 2019-10**

An Ordinance approving an Amendment to the Preliminary Major Subdivision/Residential, Phase I, commonly referred to as Cypress Hall, located on the west side of Route 113 approximately 3,100 feet south of the Shawnee Road intersection, Milford, Delaware.

Tax Parcels 1-30-3.00-261.01, 1-30-3.00-562.00 thru 659.00

*Section 1.*

*Whereas, City Council granted Final Major Subdivision for Cypress Hall- Phase I on June 22, 2009; and*

*Whereas, the current record plan consists of 96 townhouses and 288 garden apartments, for a total of 384 units; and*

*Whereas, the applicant, Shawnee Farm, LLC, proposes to revise the plan for the garden apartment area by reducing the number of required parking spaces required from 2.5 spaces to 2 spaces per unit and increasing the number of units per building from 12 to 24; and*

*Whereas, at the time of submission, applicants may request the varying or waiving of requirements of Chapter 200, and the Planning Commission may recommend to City Council the varying or waiving of said requirements and request conditions that substantially secure the objectives of the requirements so waived; and*

*Whereas, the applicant is seeking Preliminary Major Subdivision approval for Phase I along with Preliminary Site Plan approval\* for the multi-family area; and*

*Whereas, this notice, as required by the City's Zoning Code, has been published in the Milford Beacon and mailed to property owners within 200 feet of subject parcel(s); and*

*Whereas, the Planning Commission and the City Council has each conducted Public Hearings on the application for the Amended Preliminary Major Subdivision/Residential Phase I, wherein public comment was received and considered on the Application.*

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

*A revision to the Final Major Subdivision Plan Phase I is hereby granted, as specified in the motion granted by a majority vote of City Council.*

*Section 2. Dates*

*City Council Introduction: March 11, 2019*

*Planning Commission Public Hearing: March 19, 2019*

*City Council Public Hearing: March 25, 2019*

*Effective (Projected): April 4, 2019*

*\*Planning Commission Review Only*



TO: Mayor and City Council

FROM: Rob Pierce, Planning & Development Director

DATE: March 11, 2019

RE: Downtown Development District – 2019 Expansion

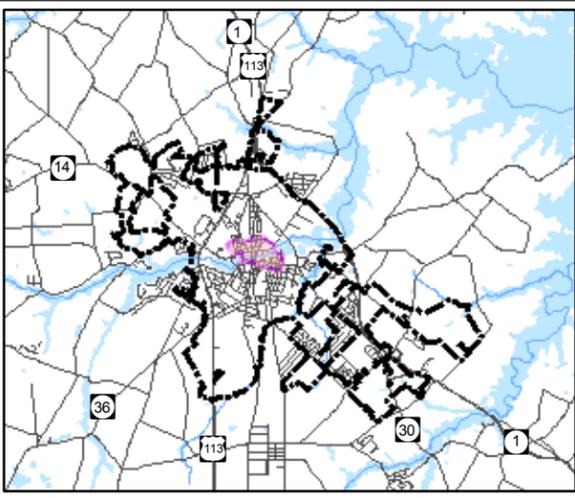
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In January 2019, the State of Delaware, Office of State Planning Coordination (OSPC) issued updated Downtown Development District (DDD) program guidelines which increased the local district acreage for municipalities with populations between 9,000 to 30,000 persons from 170 acres to 185 acres. The City of Milford DDD area currently includes 169 +/- acres of land; therefore, the City has the opportunity to expand the DDD area by 15 acres. Areas adjacent to the District were analyzed for low income populations, high vacancy rates, available vacant land, property maintenance violations and blighted structures and higher than normal crime rates. As a result, staff has prepared two options for DDD expansion which are enclosed for your review.

Option 1 includes land adjacent to the northwest portion of the District and includes parcels north of NW Fifth Street between Truitt Avenue and North Street. Within this area, there are 91 tax parcels containing approximately 17 vacant lots, and the character of the neighborhood is older single-family detached and semi-detached dwellings. These properties area are zoned R-3 Garden Apartment and Townhouse District and would permit by-right single-family detached, semi-detached, townhouse and apartment units. The proposed expansion area is located within Milford's Opportunity Zone and is in close proximity to planned investments through the Delaware State Housing Authority (DSHA) Strong Neighborhood Housing Fund (SNHF) program.

Option 2 includes land along S. Washington Street between SE Second Street and Ball Park Lane, including those lots north of the Little League fields and Parks & Recreation administrative building. Within this area, there are 76 tax parcels containing approximately 5 vacant lots, and the character of the neighborhood is older single-family detached dwellings. These properties are primarily zoned R-2 Residential District which permits single-family detached dwellings by-right and semi-detached by conditional use. There is also a small cluster of C-1 parcels that contain single-family detached dwellings and a few parcels zoned C-2 Central Business District which contain residential and institutional uses.

Staff is seeking a recommendation from City Council on which area should be submitted to the Cabinet Committee on State Planning Issues for review. Upon approval from the CCSPI, the boundary amendment would be presented again to City Council for official adoption.



# City of Milford Downtown Development District

2019 District Expansion

Aerial Map

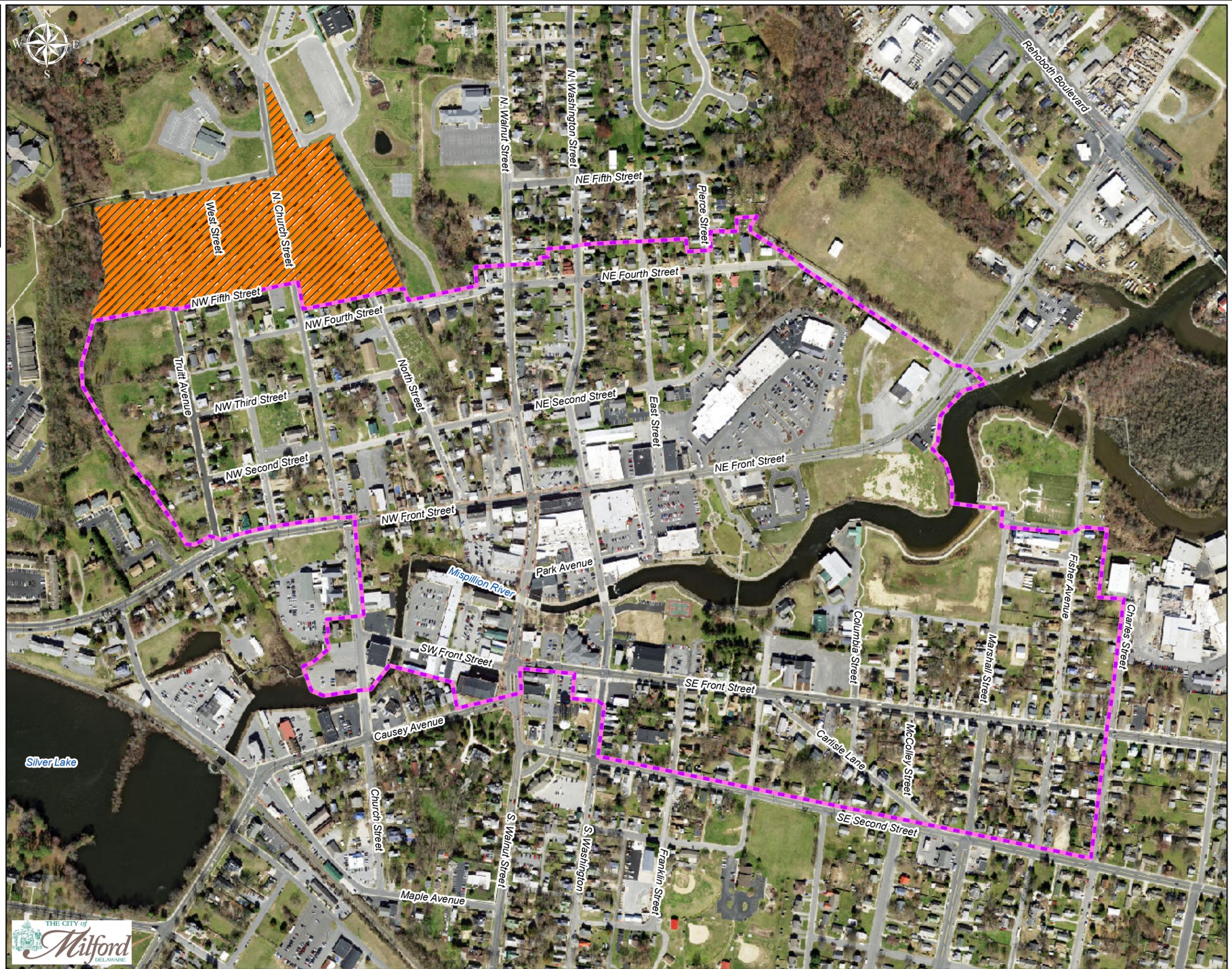
Exhibit 1a

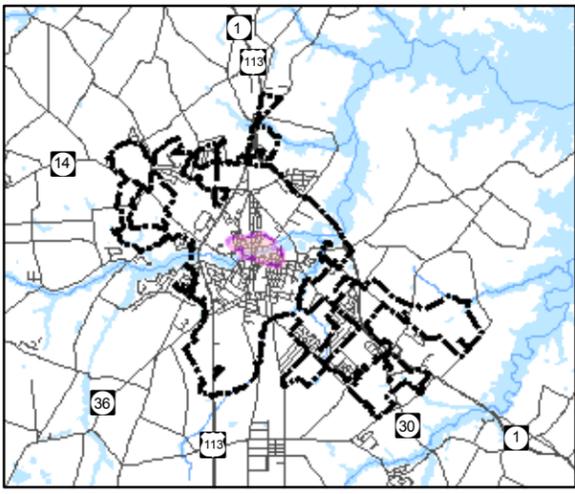


-  Existing Downtown Development District Boundary
-  Possible Expansion #1 - 15 Acres



Date: 2/20/2019 User Name: RPierce  
2019\_DDD\_Aerial\_Option1





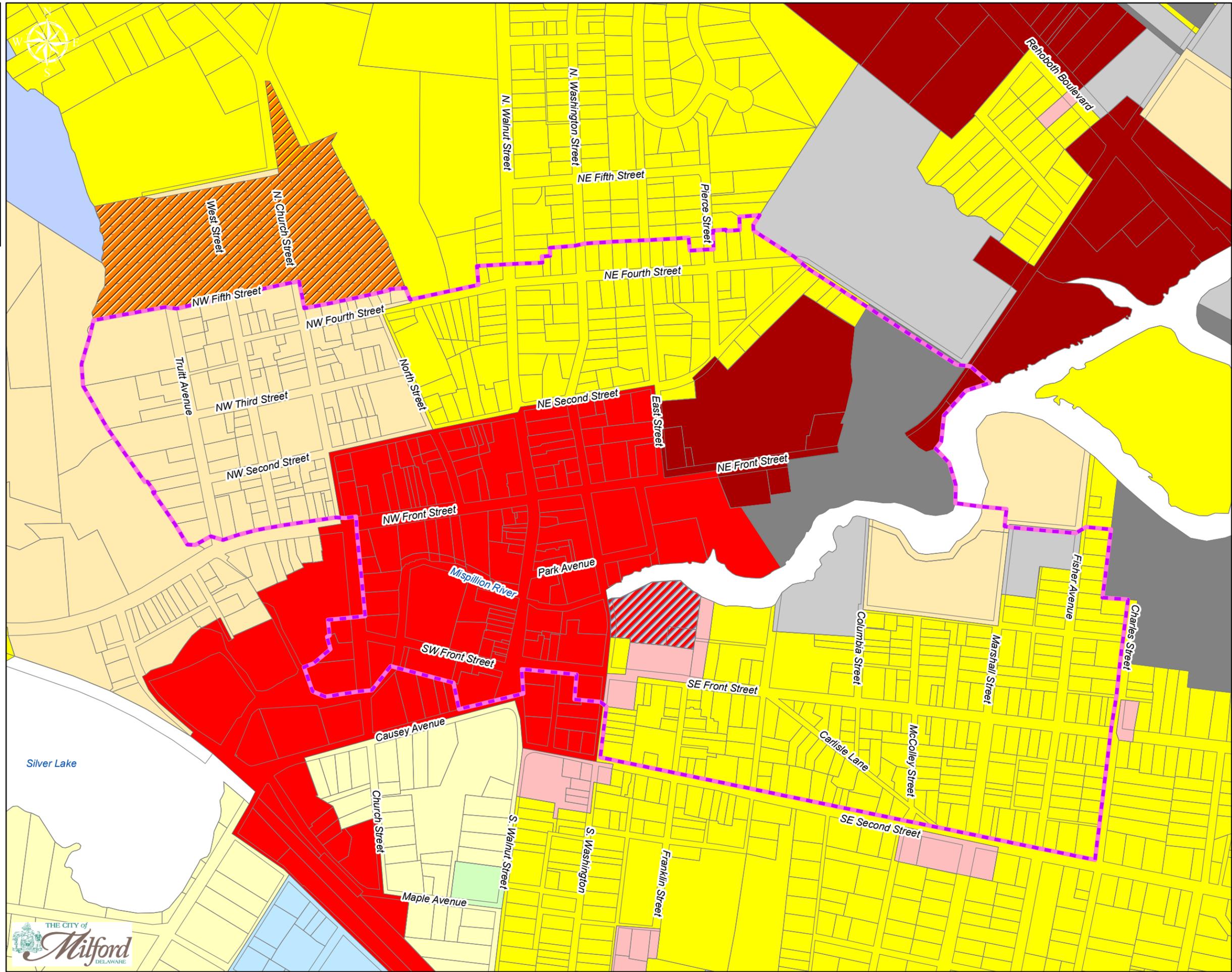
**City of Milford  
Downtown Development District**  
2019 District Expansion  
Zoning Map  
**Exhibit 2a**

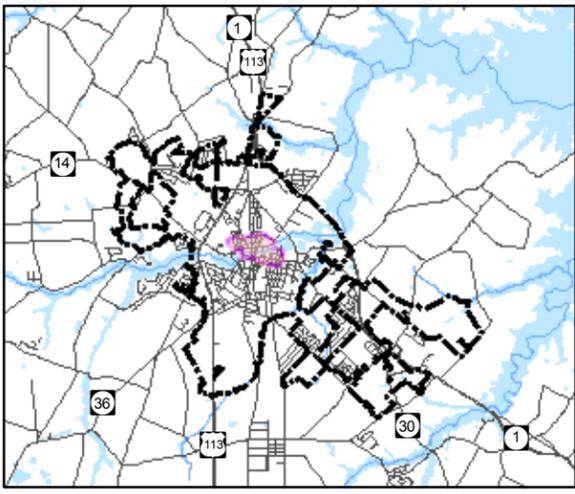


- Existing Downtown Development District Boundary
- Possible Expansion #1 - 15 Acres
- BP
- C-1
- C-2
- C-2A
- C-3
- H-1
- I-1
- I-2
- IM
- IS
- OB-1
- OC-1
- R-1
- R-2
- R-3
- R-8



Date: 2/20/2019 User Name: RPierce  
2019\_DDD\_Zoning\_Option1





# City of Milford Downtown Development District

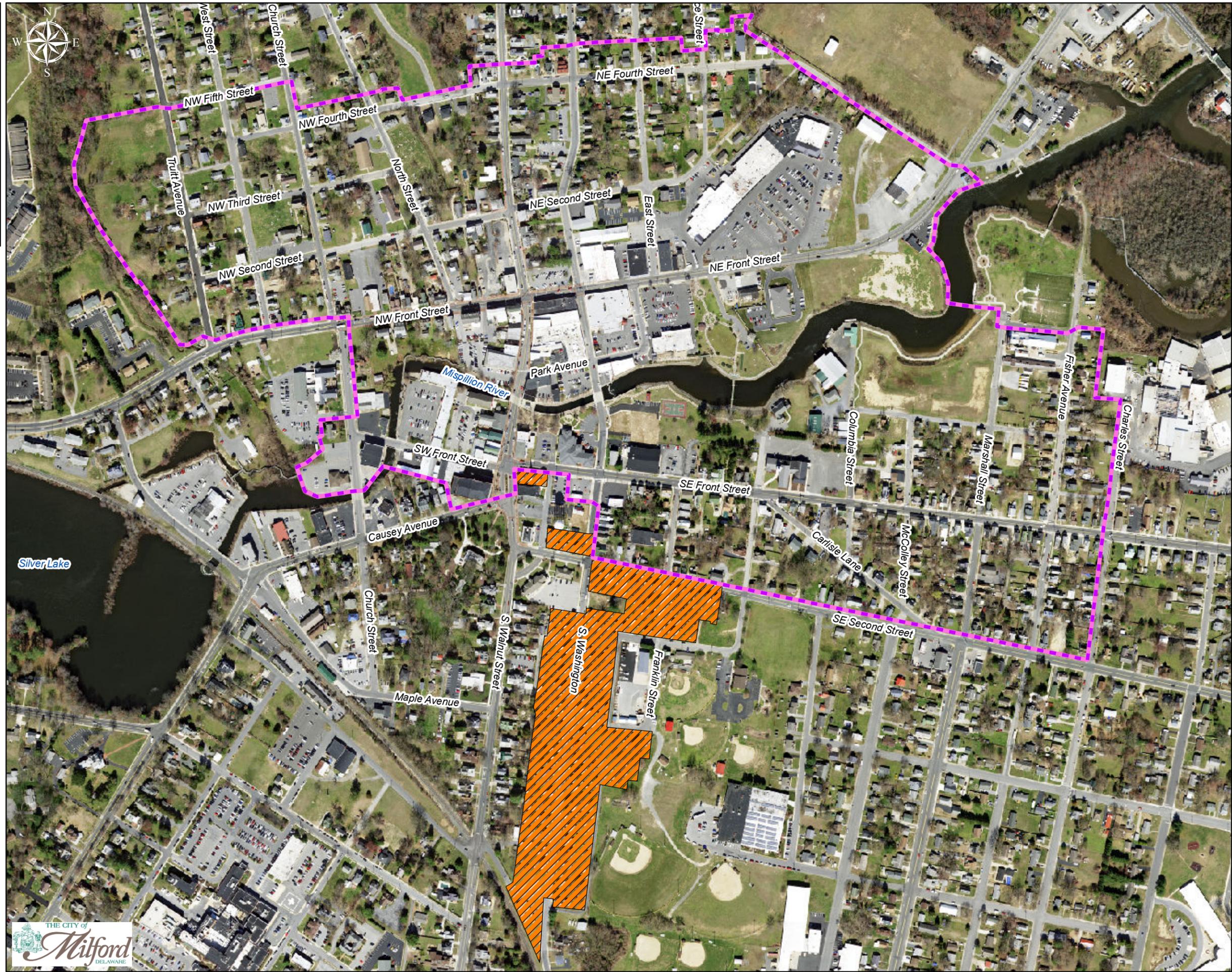
2019 District Expansion  
Aerial Map  
**Exhibit 1a**

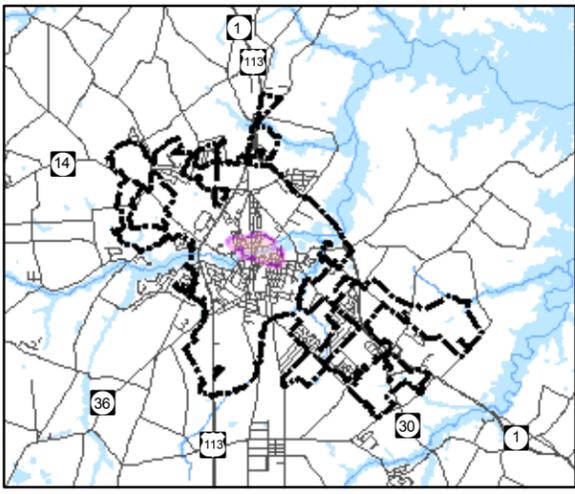


-  Existing Downtown Development District Boundary
-  Possible Expansion #2 - 14.4 Acres



Date: 2/20/2019 User Name: RPierce  
2019\_DDD\_Aerial\_Option2





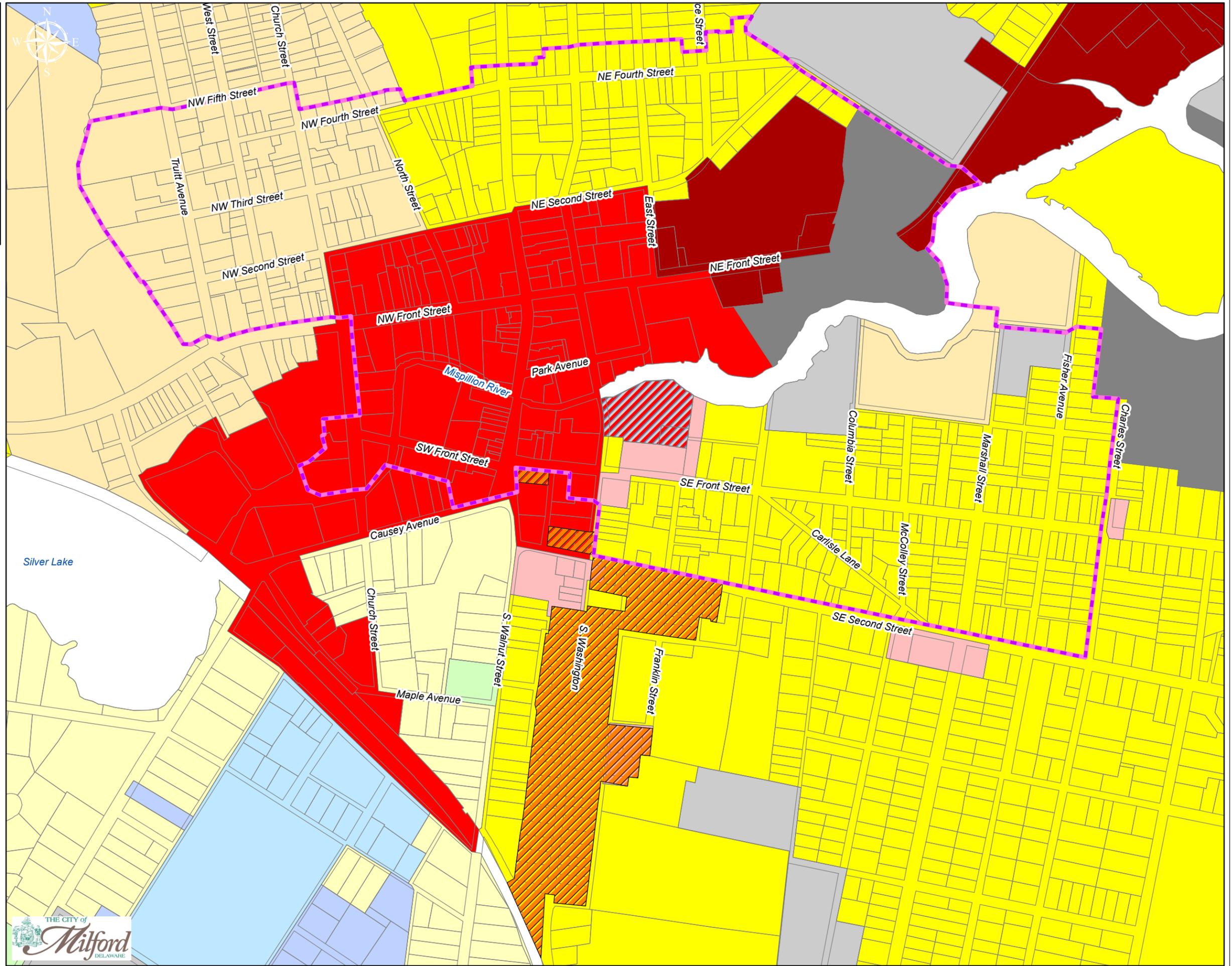
**City of Milford  
Downtown Development District**  
2019 District Expansion  
Zoning Map  
**Exhibit 2b**



- Existing Downtown Development District Boundary
- Possible Expansion #2 - 14.4 Acres
- BP
- C-1
- C-2
- C-2A
- C-3
- H-1
- I-1
- I-2
- IM
- IS
- OB-1
- OC-1
- R-1
- R-2
- R-3
- R-8



Date: 2/20/2019 User Name: RPierce  
2019\_DDD\_Zoning\_Option2



## WATER TOWER LEASE AGREEMENT

This Agreement, made this \_\_\_ day of \_\_\_\_\_, 2019, between the City of Milford, a municipal corporation, with its principal offices at 201 South Walnut Street, Milford, Delaware 19963, hereinafter designated LESSOR, and New Cingular Wireless PCS, LLC, a Delaware limited liability company, having a mailing address of 575 Morosgo Drive NE, 13F Atlanta, GA 30324, hereinafter designated LESSEE. The LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

### WITNESSETH

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties hereto agree as follows:

1. PREMISES. LESSOR hereby leases to the LESSEE a portion of that certain space ("the Tower Space") on the LESSOR's water tower, hereinafter referred to as the "Tower", located at 110 South Washington Street, Milford, DE 19963, City of Milford, in Sussex County, Delaware as shown on the Sussex County Tax Map, Parcel 3-30-06.20-0042.00 in the City of Milford (the entirety of LESSOR's property is referred to hereinafter as the "Property" and is described in Exhibit "A" attached hereto and incorporated by reference), together with a parcel of land (the "Land Space") sufficient for the installation of LESSEE's equipment building; together with the non-exclusive easement for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, except as limited herein, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along said easement for the installation and maintenance of utility wires, poles, cables, conduits, and pipes. The Tower Space, Land Space, Right of Way and Further Rights of Way, if any, are substantially shown in Exhibit "B", attached hereto and made a part hereof demised premises and are collectively referred to hereinafter as the "Premises".

In the event any public utility is unable to use the Right of Way or Further Rights of Way, the LESSOR hereby agrees to grant an additional right-of-way(s) either to the LESSEE or to the public utility at no out of pocket cost, if any, to the LESSEE; provided, however, that: (i) LESSOR shall have the right to approval of the location(s) of any such additional right-of-way, such approval not to be unreasonably withheld, delayed or conditioned; (ii) LESSEE agrees to pay LESSOR's costs incurred in review and approval of any such additional right-of-way; and (iii) in the event that LESSOR does not respond to LESSEE regarding same within fifteen (15) days after LESSEE's request, then LESSOR's approval shall be deemed given.

LESSOR hereby grants permission to LESSEE to install, maintain and operate the radio communications equipment, antennas and appurtenances described in Exhibit "B" attached hereto; provided however that LESSOR shall have the right to review and approve the plans for LESSEE's communications facility prior to LESSEE installing its equipment, such approval not to be unreasonably withheld, delayed or conditioned. In the event that LESSOR does not give a

response regarding same within thirty (30) days after submission by LESSEE, LESSOR's approval shall be deemed given. The Parties further agree that LESSEE's installation shall be performed by contractors that are approved by LESSEE. LESSEE shall notify LESSOR of its chosen contractors prior to installation of the communications facility. LESSOR will have the right to object to any such LESSEE chosen contractor should LESSOR provide LESSEE with tangible evidence of any wrongdoing by such contractor affecting the Property or LESSOR.

LESSEE reserves the right to replace the aforementioned equipment with similar and comparable equipment provided said replacement does not increase tower loading of said Tower.

SURVEY. LESSEE shall, perform a survey of the Property and Premises, and said survey, upon approval by LESSOR, shall then become Exhibit "C" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "B". Cost for such work shall be borne by the LESSEE.

## 2. TERM; RENTAL; ELECTRICAL.

a. This Agreement shall be effective as of the date of execution by both Parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments shall commence and be due at a total annual rental of Twenty Five Thousand Eight Hundred Thirty Six and No/Dollars (\$25,836.00) to be paid in equal monthly installments of Two Thousand One Hundred Fifty Three and No/Dollars (\$2,153.00) on the first day of the month. The "Commencement Date" shall be the first day of the month after LESSEE begins installation of LESSEE's communications equipment. The Parties agree to acknowledge the Commencement Date in writing. LESSOR and LESSEE acknowledge and agree that initial rental payment(s) shall not actually be sent by LESSEE until thirty (30) days after the Commencement Date. By way of illustration of the preceding sentence, if the Commencement Date is January 1, LESSEE shall send to the LESSOR the rental payments for January 1 and February 1 by February 1.

Upon agreement of the Parties, LESSEE may pay rent by electronic funds transfer and in such event, LESSOR agrees to provide to LESSEE bank routing information for such purpose upon request of LESSEE.

b. LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") evidencing LESSOR's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to LESSEE in LESSEE's reasonable discretion, evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to LESSEE, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation that LESSEE may reasonably request for compliance with applicable governmental requirements. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. The Rental

Documentation shall be provided to LESSEE in accordance with the provisions of and at the address given in Paragraph 25.

Within fifteen (15) days of obtaining an interest in the Property or this Agreement, any assignee(s), transferee(s) or other successor(s) in interest of LESSOR shall provide to LESSEE Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE.

c. LESSOR shall, at all times during the Term, provide electrical service access (at LESSEE's Cost) within the Premises (LESSEE to secure its own telephone service access). If permitted by the local utility company servicing the Premises, LESSEE shall furnish and install an electrical meter at the Premises for the measurement of electrical power used by LESSEE's installation. In the alternative, if permitted by the local utility company servicing the Premises, LESSEE shall furnish and install an electrical sub-meter at the Premises for the measurement of electrical power used by LESSEE's installation. In the event such sub-meter is installed, the LESSEE shall pay the utility directly for its power consumption, if billed by the utility, and if not billed by the utility, then the LESSEE shall pay the LESSOR thirty (30) days after receipt of an invoice from LESSOR indicating the usage amount based upon LESSOR's reading of the sub-meter. All invoices for power consumption shall be sent by LESSOR to LESSEE at LESSEE'S Notice Addresses as per Section 25 below . LESSEE shall be permitted at any time during the Term, to install, maintain and/or provide access to and use of, as necessary (during any power interruption at the Premises), a temporary power source, and all related equipment and appurtenances within the Premises, or elsewhere on the Property in such locations as reasonably approved by LESSOR. LESSEE shall have the right to install conduits connecting the temporary power source and related appurtenances to the Premises.

3. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term. The initial term and all extensions shall be collectively referred to herein as the "Term".

4. EXTENSION RENTALS. The annual rental for the second (2nd) and each subsequent year of this Agreement, including any extensions thereof, shall be equal to one hundred three percent (103%) of the annual rental payable for the immediately preceding year.

5. ADDITIONAL EXTENSIONS. Intentionally Omitted.

6. TAXES. LESSEE shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property which LESSOR demonstrates is the result of LESSEE's use of the Premises and/or the installation, maintenance, and operation of the LESSEE's improvements, and any sales tax imposed on the rent (except to the extent that LESSEE is or may become exempt from the payment of sales tax in the jurisdiction in which the Property is located), including any increase in real estate taxes at the Property which LESSOR demonstrates arises from the LESSEE's improvements and/or LESSEE's use of the

Premises. LESSOR and LESSEE shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by LESSOR or LESSEE at the Property. Notwithstanding the foregoing, LESSEE shall not have the obligation to pay any tax, assessment, or charge that LESSEE is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Property. Nothing in this Paragraph shall be construed as making LESSEE liable for any portion of LESSOR's income taxes in connection with any Property or otherwise. Except as set forth in this Paragraph, LESSOR shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

LESSEE shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which LESSEE is wholly or partly responsible for payment. LESSOR shall reasonably cooperate with LESSEE at LESSEE's expense in filing, prosecuting and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal or other similar document. In the event that as a result of any appeal or challenge by LESSEE, there is a reduction, credit or repayment received by the LESSOR for any taxes previously paid by LESSEE, LESSOR agrees to promptly reimburse to LESSEE the amount of said reduction, credit or repayment. In the event that LESSEE does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, LESSOR will pursue such dispute at LESSEE's sole cost and expense upon written request of LESSEE.

7. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a wireless communications facility and uses incidental thereto. All improvements, equipment, antennas and conduits shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, during the Term. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as a satisfactory structural analysis which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely manner; (iv) LESSEE determines that any soil boring tests or structural analysis is unsatisfactory; (v) LESSEE determines that the Premises is no longer technically or structurally compatible for its use, or (vi) LESSEE, in its sole discretion, determines that the use the Premises is obsolete or unnecessary, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's

exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder.

8. INDEMNIFICATION. Subject to Paragraph 10 below and to the fullest extent permitted by law, LESSEE shall indemnify and hold LESSOR, elected and appointed officials, employees, and agents harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the LESSEE, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the LESSOR, or its employees, contractors or agents.

9. INSURANCE.

- a. Notwithstanding the indemnity in section 9, the Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.
- b. LESSEE will maintain at its own cost;
  - i. Commercial General Liability insurance with limits not less than \$1,000,000 for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence
  - ii. Commercial Auto Liability insurance on all owned, non-owned and hired automobiles with a minimum combined limit of not less than one million (\$1,000,000) per occurrence
  - iii. Workers Compensation insurance providing the statutory benefits and not less than one million (\$1,000,000) of Employers Liability coverage.
  - iv. LESSEE will include the LESSOR as an additional insured on the Commercial General Liability and Auto Liability policies.

- c. LESSOR will maintain at its own cost commercial general liability insurance with limits not less than \$1,000,000 for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence. LESSOR will include the LESSEE as an additional insured.
- d. In addition, LESSOR shall obtain and keep in force during the Term a policy or policies insuring against loss or damage to the Tower with a commercially reasonable valuation, as the same shall exist from time to time without a coinsurance feature. LESSOR's policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and earthquake unless required by a lender or included in the base premium), including coverage for any additional costs resulting from debris removal and reasonable amounts of coverage for the enforcement of any ordinance or law regulating the reconstruction or replacement of any undamaged sections of the Tower required to be demolished or removed by reason of the enforcement of any building, zoning, safety or land use laws as the result of a covered loss, but not including plate glass insurance.

10. LIMITATION OF LIABILITY. Except for indemnification pursuant to paragraphs 9 and 31, neither Party shall be liable to the other, or any of their respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

11. ANNUAL TERMINATION. Intentionally Omitted.

12. ACCESS TO TOWER. LESSOR agrees the LESSEE shall have free access to the Tower at all times for the purpose of installing and maintaining the said equipment, provided that: (i) LESSEE agrees to provide LESSOR with at least forty-eight (48) hours' telephonic notice (at (302) 422-6616 or such other number as LESSOR may provide LESSEE from time to time) for non-emergency, routine site work; (ii) for emergency access LESSEE will provide as much prior telephonic notice to LESSOR as is practical under the circumstances and if not possible to so notify LESSOR beforehand than LESSEE shall notify LESSOR as soon as is practicable thereafter; and (iii) LESSEE agrees to provide LESSOR with the names of those engineers, employees or properly authorized contractors of LESSEE or persons under their direct supervision who are authorized to access the site and all such personnel shall carry due identification at all times when on the Property.

13. TOWER COMPLIANCE. LESSOR shall be responsible for keeping the Tower in good repair as required by all Laws (as defined in Paragraph 35 below) and for compliance with all applicable rules and regulations. LESSEE shall be responsible for determining that the Premises are in compliance with all Laws, policies, and regulations applicable to the installation and maintenance of LESSEE's equipment and materials, including but not limited to any such laws or regulations promulgated by the Federal Communications Commission. No materials may be used in the installation of the antennas or transmission lines that will cause corrosion or rust or deterioration of the Tower structure or its appurtenances.

All antenna(s) on the Tower must be identified by a marking fastened securely to its bracket on the Tower and all transmission lines are to be tagged at the conduit opening where it enters any user's equipment space.

Upon request from LESSEE, LESSOR agrees to provide LESSEE with copies of all structural analyses regarding the Tower.

Upon request of the LESSOR, and on no more than one (1) occasion per ten (10) years (except for emergency repairs to the Tower), LESSEE agrees to temporary removal of its equipment on a temporary basis (a "Temporary Relocation") for the purpose of LESSOR performing maintenance, repair or similar work at the Property or on the Tower provided:

- a. LESSOR gives LESSEE at least ninety (90) days written notice prior to requiring LESSEE to such Temporary Relocation;
- b. LESSEE is allowed, if necessary, in LESSEE's reasonable determination, to place a temporary installation on the Property during the pendency of such Temporary Relocation; and
- c. Upon the completion of any maintenance, repair or similar work by LESSOR, LESSEE is permitted to return to its original location with all costs for the same being paid by LESSEE.

14. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LESSOR or other lessees of the Property which existed on the Property prior to the date this Agreement is executed by the Parties. In the event any after-installed LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

15. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of the Agreement, remove its building(s), antenna(s), equipment, conduits, fixtures and all personal property and restore the Premises to

its condition as of the date of the Commencement Date, reasonable wear and tear and casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws. If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

16. HOLDOVER. LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 16 herein, unless the Parties are negotiating a new lease or lease extension in good faith. In the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith, LESSEE holds over in violation of Paragraph 16 and this Paragraph 17, then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 16 shall be equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

17. PAYMENT UPON LESSEE'S TERMINATION. Except for termination at the end of a given five (5) year term, termination by LESSEE in the event of LESSOR's default and expiration of applicable cure period(s), termination due to casualty or condemnation as hereinafter provided or termination by LESSEE pursuant to Paragraphs 8(i) through 8(v), LESSEE shall be required to pay LESSOR a one (1) time, lump sum and non-refundable termination fee that is equal to six (6) months' rent under the current term, such termination fee to be considered as "additional rental".

18. RIGHTS UPON SALE. Should LESSOR, at any time during the Term decide (i) to sell or transfer all or any part of the Property or the Tower thereon to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Tower and or Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to this Agreement and any such purchaser or transferee shall recognize LESSEE's rights hereunder under the terms of this Agreement. To the extent that LESSOR grants to a third party by easement or other legal instrument an interest in and to that portion of the Tower and/or Property occupied by LESSEE for the purpose of operating and maintaining communications facilities or the management thereof and in conjunction therewith, assigns this Agreement to said third party, LESSOR shall not be released from its obligations to LESSEE under this Agreement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of this Agreement.

19. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

20. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

21. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

22. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the State in which the Property is located.

23. ASSIGNMENT AND SUBLEASING. This Agreement may be sold, assigned or transferred by the LESSEE without any approval or consent of the LESSOR to the LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, the Premises or any portion thereof may not be subleased without the prior written consent of the LESSOR and this Agreement may not be sold, assigned or transferred without the prior written consent of the LESSOR. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

24. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by U.S. First Class Mail, certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: City of Milford  
201 South Walnut Street  
Milford, Delaware 19963

LESSEE: New Cingular Wireless PCS, LLC  
Attn: Network Real Estate Administration  
Re: Cell Site #: DEL05361; Cell Site Name: DT Milford (DE)  
Fixed Asset #: 14510304  
575 Morosgo Drive NE  
Atlanta, Georgia 30324

WITH A COPY TO: New Cingular Wireless PCS, LLC  
Attn.: Legal Dept – Network Operations  
Re: Cell Site #: DEL05361; Cell Site Name: DT Milford (DE)  
Fixed Asset #: 14510304  
208 S. Akard Street  
Dallas, TX 75202-4206

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing, or in the case of U.S. First Class Mail, within three (3) business days after mailing.

25. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

26. SUBORDINATION AND NON-DISTURBANCE. Intentionally Omitted.

27. RECORDING. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

28. DEFAULT.

a. In the event there is a breach by a Party with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, the non-defaulting Party shall give the defaulting Party written notice of such breach. After receipt of such written notice, the defaulting Party shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days to cure any non-monetary breach, provided the defaulting party shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and the defaulting Party commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. The non-defaulting Party may not maintain any action or effect any remedies for default against defaulting Party unless and until the defaulting Party has failed to cure the breach within the time periods provided in this Paragraph.

29. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a provision of this Agreement, without limiting the non-defaulting Party in

the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, that each Party shall use reasonable efforts to mitigate its damages in connection with a default by the other Party.

30. ENVIRONMENTAL.

a. LESSOR will be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the Tower or Property, unless such conditions or concerns are caused by the specific activities of LESSEE in the Premises.

b. LESSOR shall hold LESSEE harmless and indemnify LESSEE from and assume all duties, responsibility and liability at LESSOR's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such non-compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Tower or Property or activities conducted thereon, unless such environmental conditions are caused by LESSEE.

31. CASUALTY. In the event of damage by fire or other casualty to the Tower or Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE or LESSOR may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement upon fifteen (15) days prior written notice to the other Party. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

32. CONDEMNATION. In the event of any condemnation of all or any portion of the Property, this Agreement shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If as a result of a partial condemnation of the Premises or Tower, LESSEE, in LESSEE's sole discretion, is unable to use the Premises for the purposes intended hereunder, or if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, LESSEE may, at LESSEE's option, to be exercised in writing within fifteen (15) days after LESSOR shall have given LESSEE written notice of such taking (or in the absence of such notice, within fifteen (15) days after the condemning authority shall have taken possession) terminate this Agreement as of the date the condemning authority takes such possession. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the equipment, conduits, fixtures, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement. If LESSEE does not terminate this Agreement in accordance with the foregoing, this Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable area of the Premises taken bears to the total rentable area of the Premises.

33. SUBMISSION OF AGREEMENT/PARTIAL INVALIDITY/AUTHORITY. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

34. APPLICABLE LAWS. During the Term, LESSOR shall maintain the Property and all structural elements of the Tower, and LESSEE, at its sole cost and expense, shall conduct its activities on the Premises in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws").

35. SURVIVAL. The provisions of the Agreement relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

36. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

37. TIME IS OF THE ESSENCE. Time is of the essence for purposes of performing the rights and obligations under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

**LESSOR:**

City of Milford, a municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

**LESSEE:**

New Cingular Wireless PCS, LLC, a  
Delaware limited liability company

By: AT&T Mobility Corporation

Its: Manager

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

**Exhibit A**

Legal Description

(See Attached)

**Exhibit B**

Tower Space, Land Space, Right of Way and Further Rights of Way

Up to twelve (12) panel antennas at a centerline mount height of 112' AGL

Up to nine (9) remote radio heads at a centerline mount height of 112' AGL

Up to nine (9) transmission lines

(See Attached Plans)

**Exhibit C**

Survey

(TBD)



PUBLIC WORKS DEPARTMENT  
180 Vickers Drive  
Milford, DE 19963

PHONE 302.422.1110  
FAX 302.422.1117  
[www.cityofmilford.com](http://www.cityofmilford.com)

To: Eric Norenberg, City Manager  
From: Mark A. Whitfield, Public Works Director  
Subject: Washington Street Water Tower Lease Recommendation – New Cingular Wireless  
Date: March 8, 2019

The Public Works Department requests City Council consider a recommendation to enter into a lease with New Cingular Wireless PCS, LLC for use of the Washington Street Water Tower for the purpose of installing cellular equipment. The lease is for a 5 year period, commencing on the date of construction and includes an automatic four (4) additional 5 year renewal options. The City will receive \$2,153/month initially, with a 3% annual escalator. The lease is similar in terms and conditions as the SE Tower lease with Cellco Partnership.

The draft lease is attached.

**Recommendation:** Staff recommends City Council authorize the execution of the attached lease with New Cingular Wireless PCS, LLC.



March 7, 2019

TO: Mayor and City Council  
FROM: Eric Norenberg  
SUBJECT: Power Cost Adjustment

**Purpose**

As a result of favorable investments and energy contracts, power costs from DEMEC have decreased for 2019. We have the option of passing along the reduction to consumers as was done in 2018.

**Background**

During the summer, the City passed along an across the board electric rate reduction to consumers effective for the July billing. This was a result of power costs being lower than forecasted when the rate reductions and other changes were implemented as part of our three-year rate design in 2017. Last summer, we gave our electric customers a \$0.0013/kWh rate reduction. This was implemented using the power cost adjustment (PCA) authority provided in the Code. Historically, this has been an adjustment used when power costs spike due to high generation charges, but we are also able to use this as a negative adjustment to reduce the power charge when rates decrease. At the time, City Council was alerted that we would re-evaluate after the 2019 DEMEC budget was approved.

**Fiscal Impact**

Utility Financial Solutions reviewed the 2019 DEMEC rate relative to the rate structure they recommended and that was approved by City Council in 2017. They calculated there would be a \$747,009 reduction in the City's power supply cost for 2019. So, a PCA reduction totaling \$0.0034/kWh could be implemented to pass along the savings, replacing the prior PCA. For the winter rate period, the combined rate reduction is 2.87% rate reduction compared with this time last year.



## For Immediate Release

Contact: Harold E. Stafford –  
Board President  
(302)359-7289 |  
hstafford@helbinitiative.org



### **City of Seaford and Delaware Sustainable Energy Utility Launch “Lights-On Seaford Strong” Campaign**

#### ***Energy Efficient LED Lights coupled with Energy Education Intended to Reduce Criminal Activity and Energy Consumption in the City of Seaford High Risk Areas***

SEAFORD, DELAWARE, October 9, 2018 — The HELP Initiative, Inc. will administer, and program manage a collaborative effort and matching funds campaign between the City of Seaford, in partnership with the Delaware Municipal Electric Corporation (DEMEC), Seaford Police Department and the Delaware Sustainable Energy Utility to reduce concentrated areas of criminal activity and improve public safety by utilizing energy efficient lighting measures. This campaign will also provide education and awareness about how to reduce energy burden in the home and provide a roadmap for improving the health and safety of its occupants.

The HELP Initiative Inc. is an IRS-designated 501(c)(3) nonprofit organization based in Dover, Delaware, that specializes in energy efficiency programs and service offerings for statewide communities in need. The Lights-On Campaign launched in Dover during the Summer of 2017 and recently completed final phase in the Summer of 2018. A total of three hundred sixty-seven homes received Dusk to Dawn Energy Efficiency LED lights for their front porches and Solar Powered LED Motion Flood lights for their back yards.

Each resident participating in this campaign pledged in writing to keep their front porch light switch on, encourage their neighbors to participate in the Lights-On campaign and to report any suspicious activity to the Emergency 911 service. The City of Dover Police Department crime statistics during this campaign’s period of performance demonstrated that concentrated areas of criminal activity were reduced in size and that Emergency 911 call volume increased for the targeted campaign areas. Members of the community also conveyed their full support of the Lights-On campaign by actively participating in a community celebration at the end of each installation phase of the campaign.

The Lights-On Seaford Strong Campaign will be planned and managed by the HELP Initiative, Inc. in partnership with the City of Seaford, DEMEC, Seaford Police Department, Delaware Sustainable Energy Utility, Habitat for Humanity, NCALL, Northeast Regional Council of Carpenters, United Seaford, and The Home Depot. This campaign is funded by the City of Seaford Green Energy Funds and the Delaware Sustainable Energy Utility. This collective street by street community campaign will educate and empower residents to increase public awareness of criminal activity, save energy, and demonstrate a unified community approach toward public safety in the City of Seaford neighborhoods.

The “*Lights-On Seaford Strong*” Campaign will be conducted during the Fall of 2018 and target approximately 400 homes within the Seaford target area. Please contact Harold Stafford at the number above who is the primary point of contact for this initiative.

###

# MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MEMORANDUM OF UNDERSTANDING ), hereinafter referred to as the Memorandum, entered into on March 15, 2019 (effective date), by and between HELP Initiative, Inc. residing at 101 W. Loockerman, Suite1B, Dover Delaware 19904, hereinafter referred to as the "HELP," and City of Milford located at 201 South Walnut Street, Milford DE 19963 hereinafter referred to as the "CITY", and collectively known as the "Parties" for the purpose of establishing and achieving a Scope of Work relating to the Project named "Lights On Milford Strong" Campaign.

**WHEREAS**, the Parties desire to enter into the herein described agreement in which they shall work together to accomplish a common purpose and Scope of Work set forth;

**AND WHEREAS**, the Parties have a need to establish an understanding, thus setting out all necessary working arrangements that both Parties agree shall be necessary to complete this project;

## **1. PURPOSE**

The Parties to this Memorandum of Understanding intend to establish a mutual working relationship that would improve Public Safety in the geographical Target Areas as specified in Attachment "C" and provide energy efficient lighting measures and health and safety education for the residents of the City of Milford. The "*Lights-On Milford Strong*" Campaign is planned to increase residential security and public safety in collaboration with the City of Milford Police Department and Community Stakeholders. The Campaign will provide Dusk to Dawn Energy Efficiency LED lights for the front porches and Solar Powered LED Motion Flood lights for the back yard of those homes in the targeted area. This same initiative increased security and public awareness around concentrated areas of criminal activity within the Central Dover area.

## **2. SCOPE OF WORK**

The Parties shall work together to carry out the Scope of Work as detailed in Attachment "A" Scope of Work.

## **3. FUNDING OBLIGATION**

The City of Milford shall fund the HELP Initiative for its Work, at rates specified in Attachment "B" Cost Proposal.

## **4. RESPONSIBILITIES AND OBLIGATIONS OF THE PARTIES**

It is the desire and the wish of the aforementioned Parties to this Memorandum of Understanding Agreement that this document should not and thus shall not establish nor create any form or manner of a formal agreement or indenture, but rather an agreement between the Parties to work together in such a manner that would promote a genuine atmosphere of collaboration and alliance in the support of an effective and efficient partnership and leadership meant to maintain, safeguard and sustain sound and optimal managerial, financial and administrative commitment with regards to all matters related to this project.

## **5. TIMELINE**

The above outlined scope and objective shall be contingent on the Parties obtaining the necessary funds required for the project as described within any grant or business loan application, if any. Responsibilities under this Memorandum of Understanding may coincide with the funding period.

## **6. TERMS OF UNDERSTANDING**

The term of this Memorandum of Understanding shall be for a period of six (6) months from the effective date and may be extended upon written agreement of both Parties.

## **7. AMENDMENT OR CANCELLATION OF THIS MEMORANDUM**

This Memorandum of Understanding may be amended or modified at any time in writing by mutual consent of both parties.

In addition, the Memorandum of Understanding may be cancelled by either party with 30 days advance written notice, with the exception where cause for cancellation may include, but is not limited to, a material and significant breach of any of the provisions contained herein, when it may be cancelled upon delivery of written notice to the other party.

## **8. GENERAL PROVISIONS**

The Parties acknowledge and understand that they must be able to fulfill their responsibilities under this Memorandum of Understanding in accordance with the provisions of the law and regulations that govern their activities. Nothing in the Memorandum is intended to negate or otherwise render ineffective any such provisions or operating procedures. The parties assume full responsibility for their performance under the terms of this Memorandum.

If at any time either party is unable to perform their duties or responsibilities under this Memorandum of Understanding consistent with such party's statutory and regulatory mandates, the affected party shall immediately provide written notice to the other party to establish a date for resolution of the matter.

## **9. NON-DISCRIMINATION PROVISIONS**

HELP will not discriminate against any employee, volunteer or recipient/prospective recipient of services under this agreement because of race, creed, color, religion, citizenship status, gender, age, national origin, ancestry, disability, sexual orientation, gender identity or expression, marital status, pregnancy, military veteran status, political beliefs or affiliation, genetic history, or other characteristic protected by law. These protections apply to all areas of employment, including recruitment, hiring, training and development, promotion, transfer, dismissal, layoff, compensation, benefits, social and recreational programs.

## **10. COMPLIANCE WITH THE LAW**

Parties shall comply with all applicable federal, state and local laws, ordinances, codes and regulations.

## **11. CONFLICT OF INTEREST\POLITICAL ACTIVITY**

The elected officials, public officials, employees and agents of the City shall comply with all applicable laws and regulations relating to conflicts of interest with regard to the work and compensation covered by this Agreement.

HELP shall not use the compensation paid through this Agreement for political activities or legislative activities. For the purpose of this Agreement, the terms “political activities” and “legislative activities” shall have the meanings ascribed to them by the Internal Revenue Service.

## **12. INSURANCE**

During the entirety of the period covered by this Agreement, the HELP shall maintain in full force and effect liability insurance providing coverage against all claims for damage to both persons and property caused by the agents and employees of the HELP. Liability insurance coverage shall be in an amount not less than one million dollars per episode (\$1,000,000.00). Upon request of the CITY, the HELP shall furnish the CITY with copies of such policies or, if the CITY so chooses, a Certificate of Insurance evidencing proper insurance coverage, and shall name the CITY as an additional insured or certificate holder on said policies.

## **13. INDEMNIFICATION**

The HELP shall indemnify and hold the CITY harmless from any and all liabilities, suits, judgments, costs and expenses, including attorneys’ fees arising from the HELP’s performance of this Memorandum of Understanding or any act, omission or negligence of the HELP’s employees, officers, subcontractors or licensees.

## **14. NOTICE**

Any notice or communication required or permitted under this Memorandum shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such address as one may have furnished to the other in writing.

## **15. GOVERNING LAW**

This Memorandum of Understanding shall be governed by and construed in accordance with the laws of the State of Delaware.

## **16. SEVERABILITY CLAUSE**

In the event that any provision of this Memorandum of Understanding shall be deemed to be severable or invalid, and if any term, condition, phrase or portion of this Memorandum shall be determined to be unlawful or otherwise unenforceable, the remainder of the Memorandum shall remain in full force and effect, so long as the clause severed does not affect the intent of the parties. If a court should find that any provision of this Memorandum to be invalid or unenforceable, but that by limiting said provision it would become valid and enforceable, then said provision shall be deemed to be written, construed and enforced as so limited.

**17. ASSIGNMENT**

Neither party to this Memorandum of Understanding may assign or transfer the responsibilities or agreement made herein without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.

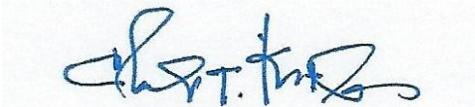
**18. ENTIRE UNDERSTANDING**

The herein contained Memorandum of Understanding constitutes the entire understanding of the Parties pertaining to all matters contemplated hereunder at this time. The Parties signing this Memorandum of Understanding desire or intend that any implementing contract, license, or other agreement entered between the Parties subsequent hereto shall supersede and preempt any conflicting provision of this Memorandum of Understanding whether written or oral.

**19. AUTHORIZATION AND EXECUTION**

The signing of this Memorandum of Understanding does not constitute a formal undertaking, and as such it simply intends that the signatories shall strive to reach, to the best of their abilities, the goals and objectives stated in this Memorandum of Understanding.

This Agreement shall be signed by HELP Initiative, Inc. and the City of Milford and shall be effective as of the date first written above.



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(HELP Signature)  
HELP Initiative, Inc.  
Charles T. Kistler, Executive Director

March 15, 2019

(Date)

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(CITY Signature)  
City of Milford

Arthur J. Campbell, Mayor

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(Date)

## **ATTACHMENT A**

### **Scope of Work Lights-On Milford Strong Campaign**

The HELP Initiative will be administering and performing project management roles and responsibilities to include but not be limited to the following:

#### **1. Pre-Launch Program Deliverables:**

- a. Negotiate an agreement with funding agent specifying a scope of work, budget, reporting requirements and milestone schedule
- b. Establish a branded appearance for that City (ID Badges, T-Shirts, Whistles, Mace)
- c. Identify Program Information Handouts (City/Electric/Public Safety Committee Brochures, SEU Brochures, HEC2 Brochures, Smart911.com brochures) to be used during the door to door installation process
- d. Identify City Information Handouts (i.e. voter registration forms, Utility Bill Payment News) to be used during the door to door installation process
- e. Define Lights-On Target Area in collaboration with the Police Department and Code Enforcement representatives including location and disposition of abandon and vacant properties
- f. Formalize Security Protocols with Police Department & others about high risk areas within the target areas including abandon and vacant properties
- g. Establish a Timetable for the procurement of lighting measures & other material and equipment to launch the Lights-On Campaign
- h. Establish the framework for collecting and reporting pre/post Lights On criminal statistics and mapping lighting measure installations within the target area using GIS mapping technology
- i. Identify warehouse & office space for conducting Lights-On Operations & Maintenance (O&M) requirements
- j. Develop community partners including Rotary Club, Boys & Girls Club, Carpenters Union, Habitat, & Faith based Organizations
- k. Develop Municipal stakeholders including E911 CAD representatives, community police representatives, Volunteer Fire representatives, City Customer Service representatives, Library representatives and School District representatives

#### **2. Launch Program Deliverables:**

- a. Procure warehouse equipment & material for the Lights-On Campaign
- b. Outreach & Awareness
  - i. Kickoff Event in collaboration with Community Partners
  - ii. Provide Door Hangers in advance of face to face introductions
  - iii. Identify social hall space during installation process for Energy Workshops
  - iv. Develop and launch a Social Media campaign in collaboration with the City
- c. Install energy efficient lighting measures by zone within the target area over the contract period of performance

- d. Maintain an Installation Report by key data points including Point of Contact information, lighting measures removed and replaced by watts, healthy home hazards (29) identified by location, energy savings and utility usage >20Kwh
- e. Use a tablet-based device for Client Data Collection & Tracking
- f. Satisfy the Lights-On Reporting Requirements as specified in Attachment C
- g. Establish and execute a Plan of Actions & Milestones as specified in Attachment D

**3. Post Launch Program Deliverables:**

- a. Calculate total Energy Savings identified on the Installation Report and report/input those savings to the Statewide Energy Savings Database
- b. Track & illustrate the movement of concentrated areas of criminal activity within the target area over the period of performance of the Lights -On contract using GIS Mapping technology and E911 Computer Aided Dispatch resources in collaboration with the City Police Department
- c. Track & illustrate the installation of energy efficient lighting measures by street address in the form of a GIS Map in collaboration with the City Planning & Public Works Department
- d. Generate a report with supporting pictures of all vacant and abandon properties that received solar motion flood lights with the location of each light fixture
- e. Schedule and conduct Energy Efficiency Workshops within the target area with an emphasis on reducing the burden of energy consumption, improving public safety and community policing and providing education around energy efficiency and financial literacy.
- f. Prioritize homes in the target area with utility meter usage >20K Kwh to participate in the energy workshops
- g. Identify and track properties referred to social service organizations based on Healthy Home Rating System hazards identified and Home Energy Counseling & Checkups (HEC2) performed.
- h. Out Brief the City Council regarding Lessons Learned and Community Feedback

## ATTACHMENT B: COST PROPOSAL

No.	Cost Category	Unit Cost	Clients served	Total funding
	<b>Direct Costs:</b>			
1	Installation and general administration of the Lights On Milford Strong Campaign	\$ 82.50	200	\$16,500.00
2	Dusk to Dawn Energy Efficiency LED light bulb	\$ 5.20	200	\$1040.00
3	Solar Powered LED Motion Flood lights (300 Lumens)	\$ 12.50	200	\$2500.00
4	Solar Powered LED Motion Flood Light (900 Lumens)	\$35.00	15	\$525.00
<b>5</b>	<b>Total Program Costs Not to Exceed (NTE)</b>			<b>\$20,565.00</b>

**Note(s):**

**(1)** Milford will fund the program cost to install Energy Efficiency lighting measures for 200 of the 400 total homes in the target area using Green Energy Funds. The DESEU will fund the lighting measures for the other 200 homes and non-eligible Green Energy Fund materials such as switch guards, stickers, door hangers and social hall usage fees.

**(2)** HELP Initiative will invoice the City of Milford for every fifty (50) homes completed

**(3)** Solar Motion Flood Lights (900 Lumens) used because the PV collector needs to be removed due to tree coverage

## ATTACHMENT C:

### REPORTING REQUIREMENTS

**1. Invoice Reporting to include the following with every 50 properties completed:**

- a. *Invoice* – specifying the invoice number, invoice date, quantity, description, rate, and amount for each line item billed to the funding agent
- b. *Status Report* – for the invoice period will include program points of contact, work completed, work in process, partnership opportunities, quality control issues, program concerns and milestone schedule
- c. *Budget Burn Rate Report* – will include invoice number, pre / post balance for each cost category line item for the budget with a total remaining budget and comment section
- d. *Installation Report* – comprehensive list of those properties installed with energy efficient lighting measures including lighting measures removed and installed, energy savings, applicable healthy home hazards identified, energy savings by property location, those properties with >20k Kwh metered consumption over 12 months and breakdown by wattage of each lighting measure removed
- e. *Vacant Property Report* – property location, party identifying the property as a risk factor (PD vs. Code enforcement), risk status, and disposition of solar motion flood lights installed by location with pictures of where the lighting measured were installed

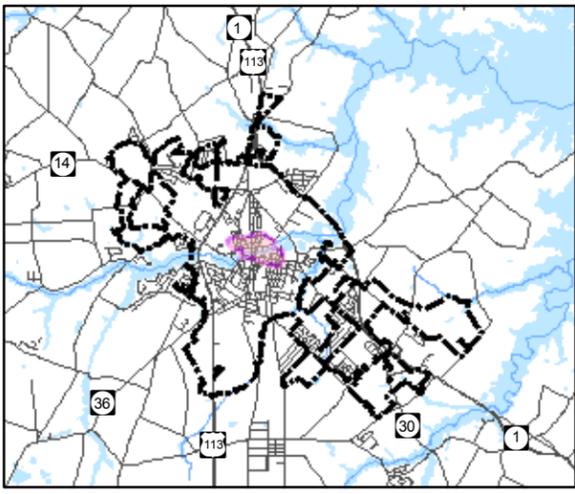
**2. Contributions to City of Milford Public Relations material to include:**

- a. Total number of Energy Efficiency (EE) Lighting Measures installed for contract period of performance
- b. Total Energy Savings with third party evaluation
- c. Testimonials from the recipients of EE lighting measures
- d. Testimonials from Stakeholder organization actively participating in the Lights-On Program

## ATTACHMENT D: MILESTONE SCHEDULE

No.	Milestone Activity	Target Date Range
1	MOU Executed – <b>START</b>	April 1, 2019
2	Pre-Launch Program Deliverables	April 2-12, 2019
3	Launch Program Deliverables	April 15 – July 1, 2019
4	Post Launch Program Deliverables	July 2 – July 19, 2019
5	Out Brief City Council	July 22, 2019

Note: (1) Milestone schedule can be impacted by inclement weather



**City of Milford  
Lights-On Milford Strong  
Program Area**



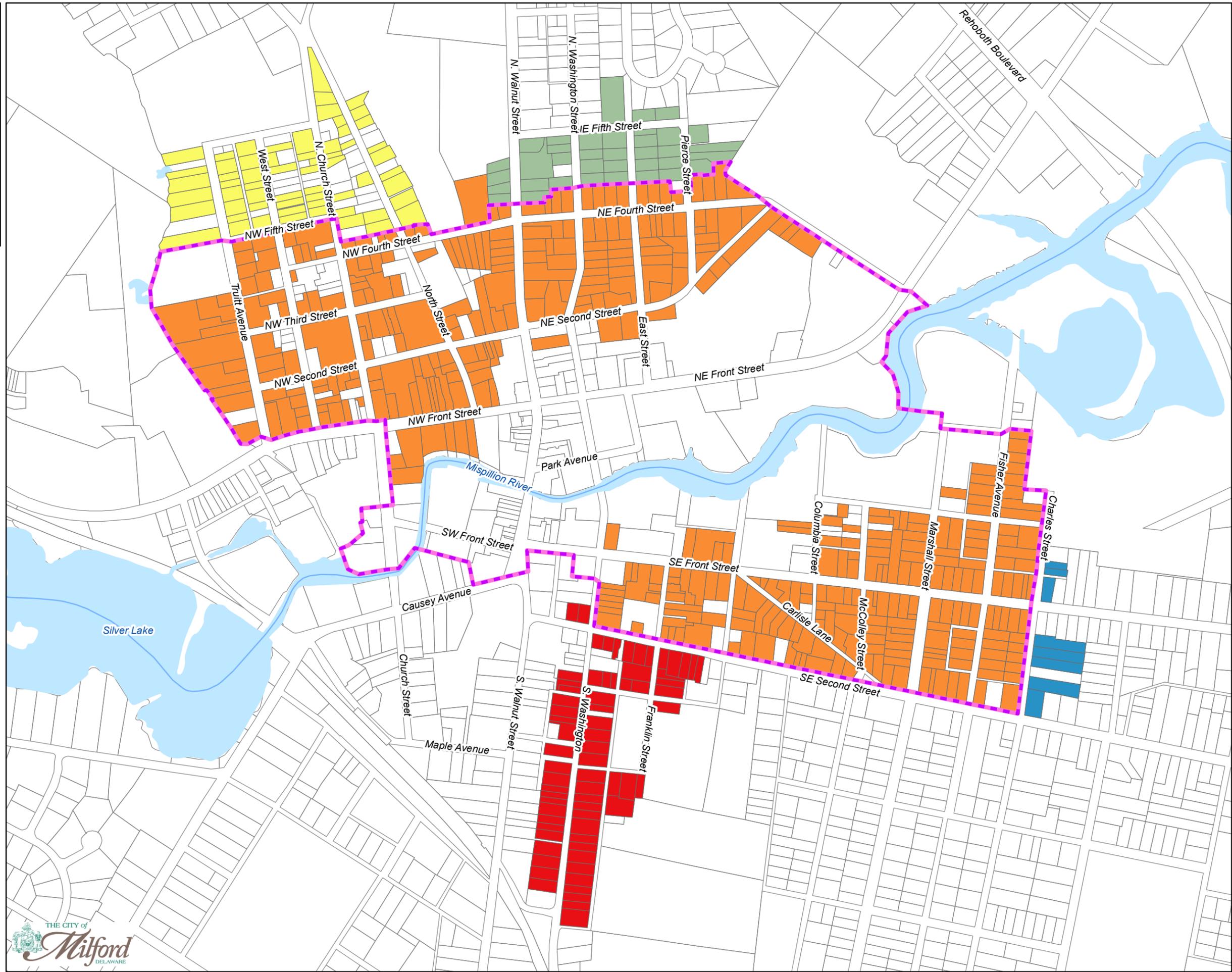
Downtown Development District Boundary

**Residential Units**

- Phase 1 - 412
- Phase 2A - 60
- Phase 2B - 36
- Phase 2C - 8
- Phase 2D - 69



Date: 3/6/2019 User Name: RPierce  
LightsOnMilfordStrong



## Efficiency Smart

### Memorandum of Understanding

**Subscribing Member Utility (the “Utility”):** The City of Milford Delaware

**Participating Agency (the “Agency”):** City of Milford Code Enforcement & Licensing Division

#### Purpose

Efficiency Smart is the energy efficiency provider for the Utility listed above. Efficiency Smart is partnering with Agency to provide free energy-efficient measures and outreach to residential electric customers of the Utility who participate in Agency programs. Energy efficiency improvements help customers save money on electricity and this partnership is designed especially to serve vulnerable populations including low-income families and senior citizens. Any qualification guidelines will follow Agency’s eligibility requirements.

#### Energy Efficiency Measures

Efficiency Smart will provide energy efficient lighting products for redistribution through Agency programs. Efficiency Smart and Agency will agree to a distribution protocol as identified below:

Program Name	Distribution Protocol	Data Collection	Number Bulbs Provided	Data Reporting
Agency programs	Distribute a single LED light bulb during inspections to customers of the Utility. Customers will be qualified by the Agency.	The Agency will supply verification that the bulbs were delivered to the City of Milford utility customers.	624	Verification to be received by Efficiency Smart by the 25 <sup>th</sup> of each month the bulbs are distributed.

#### Materials for Distribution:

624 Individually packaged LED bulbs (9W) Energy Star rated and informational letter

#### Logistics Planning & Reporting

Efficiency Smart staff will:

- Arrange for delivery of LED bulbs to the destination of the Agency’s request.

Agency staff will:

- Distribute 1 bulb to each targeted Milford Electric Utility Customer.
- Provide Efficiency Smart with verification that bulbs were distributed to Efficiency Smart and the City of Milford Electric Utility customers.

**Liability**

- Efficiency Smart will assume responsibility for ordering and delivering materials.
- Efficiency Smart will assume responsibility for bulbs once customer receives them; any broken or malfunctioning bulb issues will be addressed by Efficiency Smart staff
- Agency will ensure that deliveries of products are kept in a safe and controlled environment to avoid damage or theft
- Agency is responsible for any discrepancy in inventories once energy efficiency kits are received and will replace any lighting products that are missing from inventories

**Term**

Either party, for any reason can opt out of this agreement at the end of the first month's reporting period or at the end of any reporting period thereafter. Unless this MOU is terminated early, the MOU will automatically end on December 31, 2019.

By signing below, each party agrees to the conditions of this MOU.

For Agency:

Signature



Name

Eric Norenberg

Title

City Manager

Date

March 5, 2019

For Efficiency Smart:

Signature

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Date

\_\_\_\_\_