

MILFORD CITY COUNCIL
MINUTES OF MEETING
April 27, 2020

The City Council of the City of Milford convened in a Workshop Session by way of a video conferencing website on Monday, April 27, 2020 at 6:35 p.m.

PRESIDING: Mayor Archie Campbell

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

STAFF: Interim City Manager Mark Whitfield, Police Chief Kenneth Brown and City Clerk Terri Hudson

COUNSEL: Solicitor David Rutt, Esquire

In an effort to adhere to social distancing protocols and best practices imposed by Governor John Carney's State of Emergency Declaration effective March 13, 2020, the City of Milford has canceled all public meetings and gatherings until further notice. See April 13, 2020 Council Meeting agenda for additional information.

PLEDGE OF ALLEGIANCE

The Workshop began with the Pledge of Allegiance led by Mayor Campbell.

COST OF ELECTRIC SERVICES STUDY

Mayor Campbell deferred to Interim City Manager Mark Whitfield who explained that Utility Financial Solutions has completed previous cost of service studies for the City of Milford.

Mr. Whitfield recalled the most recent electric study was done three to four years ago and he has asked for an update. There were several customers who had asked the City to consider an agricultural (AG) rate and the other major goal was to eliminate the summer and winter rates, and instead have a consistent rate all year round.

It was also found the City had a \$3 million surplus accumulated over the past three years following the completion of the last study and asked they could incorporate that funding.

Utility Financial Solutions President Mark Beauchamp and Manager Mike Johnson, Manager, both of Utility Financial Solutions provided a presentation (see attached).

The following report was provided:

The City retained Utility Financial Solutions, LLC to review utility rates and cost of service and make recommendations on the appropriate course of action. This report includes results of the electric cost of service and unbundling study and recommendations on future rate designs.

The specific purposes of this rate study are:

- *Determine electric utility's revenue requirements for fiscal year 2021
- *Identify cross-subsidies that may exist between rate classes
- *Recommend rate adjustments needed to meet targeted revenue requirements
- *Identify the appropriate monthly customer charge for each customer class

This report includes results of the electric cost of service study and financial projection and recommendations on future rate designs

To determine revenue requirements, the revenues and expenses for fiscal years 2018 and 2019, 2020/2021 budget were analyzed, with adjustments made to reflect projected operating characteristics. The projected financial statements are for cost of service purposes only.

Table 1 is the projected financial statement for the Electric Department from 2021-2025. The 2021 rate of return calculation established an operating income target of \$1.1M (See Table 5). Operating income for 2021 is projected at \$1.85M and decreases to \$1.5M in 2025. Operating income is one target that helps to determine if rate adjustments are needed. The following pages review cash flow and debt coverage ratio which are also important indicators.

Table 2 is the projected cash flow for 2021-2025, including projections of capital improvements as provided by the Milford. Changes in the capital improvement plan can greatly affect the cash balance and recommended minimum cash reserve target. The cash balance for 2021 is projected at \$13.4M and \$20.4M in 2025. The recommended minimum cash reserve level for 2021 is \$7.6M and \$8.2M for 2025.

Cash balances are strong and increasing throughout projection. \$0 debt principal as debt paid off in 2021 by a \$4.3M defacement.

Minimum level of cash reserves is required to help ensure timely replacement of assets and to provide financial stability of the utility. The methodology used to establish this target is based on an assessment of working capital needs to fund operating expenses, capital improvements, annual debt service payments, and utility's exposure to risks related to catastrophic events, exposure to market risks, changes in fuel costs, loss of major customers, and utility's ability to timely recover changes in power supply expenses. Based on these assumptions, Milford should maintain a minimum of \$7.6M in cash reserves for 2021 and \$8.2M in 2025.

Table 4 is the projected debt coverage ratios with capital additions as provided by Milford. The coverage required in bond ordinances is typically 1.15 – 1.20; however, the minimum recommended debt coverage ratio is established at 1.35 – 1.40 for projection purposes, a 0.20 premium to ordinance. Maintaining a higher debt coverage ratio is good business practice and helps to achieve the following:

*Helps to ensure adequate funds are available to meet debt service payments in years when sales are low due to temperature fluctuations.

*Obtain higher bond rating, if revenue bonds are sold in the future, to lower interest cost.

Debt coverage is not an issue for Milford as existing electric debt will be defeated in FY2021.

The optimal target for setting rates is the establishment of a target operating income to help ensure the following:

- A. Funding of interest expense on the outstanding principal on debt. Interest expense is below the operating income line and needs to be recouped through the operating income balance.
- B. Funding of the inflationary increase on the assets invested in the system. The inflation on the replacement of assets invested in the utility should be recouped through the Operating Income.
- C. Funding of depreciation expense.
- D. Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.
- E. The rate of return identifies the target operating income and is used to identify the appropriate funding for replacement of existing infrastructure to recover in rates charged to customers.

As improvements are made to the system, the optimal operating income target will increase unless annual depreciation expense is greater than yearly capital improvements. The revenue requirements for the study are set on the utility basis. Table 5 identifies the utility basis target established for 2021 is \$1.1M and increases to \$1.25M in 2025.

Current rates are projected to exceed the target operating income for each year. Projection assumes existing debt defeated in FY2021.

The study identifies decreasing current revenues in 2021, and maintaining at that level thereafter to carry on exceeding minimum cash targets and reducing operating income. Table 6 is a summary of the financial results detailing the recommended revenue adjustments required to meet target operating income.

Milford is currently 53% depreciated compared with similar utilities around the nation. Average infrastructure is approximately 50% to 55% depreciated, indicating Milford has consistently funded replacement of infrastructure. Replacement of infrastructure tends to indicate the utility's ability to consistently provide a reliable system to customers, its ability to withstand catastrophic weather events, and unexpected replacement of system infrastructure. Milford system age indicates it will remain in the lower to average ranges of infrastructure age.

Table 7 identifies the depreciated plant.

A cost of service study was completed to determine the cost of providing service to each class of customers and to assist in design of electric rates for customers. A cost of service study consists of the following general steps:

- 1) Determine utility revenue requirement for test year 2021.
- 2) Classify utility expenses into common cost pools.
- 3) Allocate costs to customer classes based on the classes' contribution to utility expenses.
- 4) Compare revenues received from each class to the cost of service.

The cost of service summary is included as Table 8 which compares the projected cost to serve each class with the revenue received from each class. The "% change" column is the revenue adjustment necessary to meet projected cost of service requirements. The cost of service summary uses the current rates, including any adjustment factors. No utility charges 100% cost of service-based rates because retail rates are based on customers usage patterns that are largely driven by variations in weather. Due to these variations it is recommended that rates move toward cost of service slowly with a general tolerance of a 10% variation between projected revenue and cost of service. The cost of service summary "% change" column indicates all major customer classes fall within this variation.

Table 9 shows the average cost of service per kWh and compares the cost to the average revenue per kWh for each customer class. This table is for information purposes only and is not used in the setting of rates. Average cost per kWh varies due to fixed cost recoveries such as meter costs and infrastructure needs of the customer. In general customer classes that use energy consistently have a lower average kWh cost to serve compared with customer classes that use energy only part of the day or year.

Cost differences result from usage patterns of customers and how efficiently each class of customer use facilities based on load data provided by Milford.

Separation of distribution cost helps identify distribution charges for each customer class and the fixed monthly customer charge. Distribution rates include separation of the following costs:

- Operation and maintenance of distribution & transmission system
- Contributions to general fund
- Customer service
- Customer accounting
- Meter reading

- Billing
- Meter operation & maintenance
- Administrative expenses

The distribution rates consist of two components:

- Monthly customer charge to recover the costs of meter reading, billing, customer service, and a portion of maintenance and operations of the distribution system.
- Distribution rate based on billing parameters (kW or kWh) to recover the cost to operate and maintain the distribution system. Table 10 identifies the cost-based distribution rates for customer classes.

Table 11 identifies the average cost of providing power supply to customers of Milford.

Demand recovers costs for power supply and transmission fixed demand related costs. Energy is cost recovery for variable power supply costs.

Combined Cost Summary

Table 12 identifies the cost of service rates for each customer class. Charging these rates would directly match the cost of providing service to customers identified in this study.

Residential Customer Charge

The customer charge consists of expenses related to, 1) providing a minimum amount of electricity to the residential customer, and 2) expenses related to servicing a meter on the customer's premises; together they reflect the cost to deliver a single kWh of electricity to the customer. The methodology used in this study is consistent with methodologies and practices used in the electric industry.

The customer charge includes two types of charges called minimum system charges and direct charges.

Minimum System Charges

The cost to provide the minimum level of service. Milford provides wires to connect the transmission system to customer homes and businesses. This wire is required to provide even the minimal amount of service to a customer. For cost of service purposes, the total cost of the distribution infrastructure is broken into two components: 1) the minimum system costs, in effect to provide a customer with a single kWh of electricity which should be recovered through the customer charge, and 2) demand related costs to recover the additional infrastructure costs for when a customer uses more than a single kWh, which should be recovered through the usage component. The distribution system is sized to handle the customers' peak demands and the cost above the minimum system is recovered through the usage component (for residential customers this is included in the kWh charge).

The first step in identifying the cost related to the minimum system is obtaining information on the number and current replacement costs of Milford distribution system. For example: UFS used information on the number and size of all the poles and the cost to replace the poles. The minimum size pole was identified and the cost to construct Milford's system at the minimum sizing was determined. This process was completed for all Milford's distribution system, including overhead and underground conductors and devices, line transformers, etc.

Costs related to maintaining a customer's account. These costs include the cost to operate and maintain the meter, including meter installation, meter repair and replacement costs, the cost to read the meter, billings and collections, customer service personnel to assist with questions and maintain the account, and the cost of the "service drop" to connect the home to the distribution line. These costs are direct costs of serving a residential account.

Based on UFS experience with similar size utilities, Milford's residential customer charge, in total, is within a normal range.

Functionalization of Costs

Delivery of electricity consists of many components that bring electricity from the power supply facilities to the communities and eventually into customer facilities. The facilities consist of four major components: transmission, distribution, customer-related services, and administration. Following are general descriptions of each of these facilities and the sub-breakdowns within each category.

Transmission

The transmission system is comprised of four types of subsystems that operate together:

- 1) Backbone and inter-tie transmission facilities are the network of high voltage facilities through which a utility's major production sources are integrated.
- 2) Generation set-up facilities are the substations through which power is transformed from a utility's generation voltages to its various transmission voltages.
- 3) Sub-transmission plant consists of lower voltage facilities to transfer electric energy from convenient points on a utility's backbone system to its distribution system.
- 4) Radial transmission facilities are those that are not networked with other transmission lines, but are used to serve specific loads directly.

Operation of the transmission system also consists of providing certain services that ensure a stable supply of power. These services are typically referred to as ancillary services. The Federal Energy Regulatory Commission (FERC) has defined six ancillary service charges for the use of transmission facilities. For Milford, these charges will be passed-through charges by the control area operator. Ancillary services consist of the following:

- Mandatory Ancillary Service Charges: Reactive Supply and Voltage Control Regulation and Frequency Response Service Energy Imbalance Charges

Operating Reserves Spinning Operating Reserves Supplemental Reactive Power Supply
Power losses from use of transmission system.

Distribution

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles, and line transformers that are jointly used and in the public right-of-way.

Substations typically separate the distribution plant from the transmission system. The substation power transformer "steps down" the voltage to a level that is more practical to install on and under city streets. Distribution circuits are divided into primary and secondary voltages with the primary voltages usually ranging between 35 kV and 4 kV and the secondary below 4 kV.

Distribution Customer Types

Sub-transmission customers are served directly from the substation feeder and bypass both the secondary and primary distribution lines. The charges for this type of customer should reflect the cost of the substation and not include the cost of primary or secondary line charges. Primary customers are typically referred to as customers who have purchased, owned, and maintained their own transformers that convert the voltage to the secondary voltage level. The rates for these customers should reflect the cost of substations and the cost of primary distribution lines and not include the cost of secondary line extensions.

Secondary customers have the services provided by the utilities directly into their facilities. The utility provides the customer with the transformer and the connection on the customers' facilities.

Customer-Related Services

Certain administrative-type services are necessary to ensure customers are provided service connections and disconnections in a timely manner and the facilities are in place to read meters and bill for customer usages. These services typically consist of the following components:

- Customer Services – The cost of providing personnel to assist customers with questions and dispatch personnel to connect and disconnect meters.
- Billing and Collections – The cost of billing and collections personnel, postage, and supplies.
- Meter Reading – The cost of reading customers' meters.
- Meter Operation and Maintenance – The cost of installing and maintaining customer meters.

Administrative Services

These costs are sometimes referred to as overhead costs and relate to functions that cannot be directly attributed to any service. These costs are spread to the other services through an allocator such as labor, expenses, or total rate base. These costs may consist of City Commission expenses, property insurance, and wages for higher level management of the utility.

System Losses

As energy moves through each component of the transmission and distribution system, some of the power is lost and cannot be sold to customers. Losses vary based on time of day and season. Typically, as system usage increases or ambient temperature increases, the percentages of losses that occur also increase. These losses are recovered from distribution customers through an analysis of the peak losses that occur in the system. The average system losses and unaccounted for energy for Milford are approximately 4.3%. (Typical municipal system losses are approximately 5.4%)

Unbundling Process

The cost of power supply, distribution, and customer services are identified as part of the unbundling process and are the first step in determining unbundled charges to customers. The total revenue requirements of \$24.65M are separated into four categories identified in Table 13.

Table 13 – Breakdown of Milford Cost Structure

Milford is projected to expend 66.9% of its total costs toward power supply. Distribution/transmission related costs are 16.1%; transfers to the city represent 10.1%, and customer service 6.9%. These components are broken down into each of the subcomponents and are identified in the following sections.

Distribution Breakdown

Distribution rates consist of several different components. Total distribution-related costs of \$3.95M for 2021 are broken down into the main components including substations, transformers, transmission, and distribution lines. Figure 1 shows the breakdown of distribution components identified in the study.

Each of these components is allocated to customer groups based on certain factors established in the study. These factors are based on the efficiency of each customer class and the time of day or the season the electricity is used. Other factors are also considered, such as the length of line extensions to reach certain customer classes.

Customer-Related Cost Breakdown

Milford total expenses for customer-related costs are \$1.7M for 2021. The cost is broken down into the components identified in Figure 2.

Power Supply Cost Breakdown

Power supply costs for 2021 were made up of purchased power expenses.

Significant Assumptions

This section outlines the procedures used to develop the cost of service and unbundling study for Milford and the related significant assumptions.

Forecasted Operating Expenses

Forecasted expenses were based on 2018 and 2019, 2020/2021 budget adjusted for power supply costs and inflation. The table below is a summary of the expenses used in the analysis. The projected operating expenses include an adjustment for any city contributions.

Table 14 – Projected Operating Expenses for 2021– 2025

Power supply costs from 2021 – 2025 are based on Milford’s current charges adjusted for system growth factors and inflation.

Load Data

Load data is one of the most critical components of a cost of service study. Information from the billing statistics were used to determine the usage patterns of each customer class after reconciling revenues with financial statements to ensure a good basis for development of the study.

Annual Projection Assumptions

The kWh sales forecast is based on FY2019 actual adjusted for growth. Table 15 details growth, inflation of expenses, changes in purchase power costs, interest earned on investments.

Table 15 – Projection Annual Escalation Factors 2021– 2025

System Loss Factors

Losses occurring from the transmission and distribution of electricity can vary from year to year depending upon weather and system loading.

Revenue Forecast

The revenue forecast was based on FY2019 usages adjusted for growth rate assumptions.

Recommendations and Additional Information

Milford Financial Considerations

Milford is exceptionally financially stable as shown by the following:

- 3) Milford is not projected to require increases in rates charged to customers and is projected to meet or exceed all financial targets over the projection period.
- 4) Cash balances are strong and increasing due to lower than average capital improvement program. Projected cash balances are above the recommended minimums throughout the projection period.
- 5) Current rate related revenues are projected to result in operating income exceeding the target operating income for each year indicating that current rates in total are appropriately recovering costs.
- 6) Milford system losses are below average resulting in lower power supply cost for customers. The average system losses and unaccounted for energy for Milford are approximately 4.3% compared to typical municipal system losses of approximately 5.4%.

Rate-Related Considerations:

- 5) Revenue recovered by each major class of customers closely resembles the cost of providing service to the customer class.
- 6) Customer charges are under-recovering and energy rates are over-recovering for most customer classes. The table below compares the current customer charges with the cost-based customer charge. It is recommended that movements toward the cost-based customer charge occur with the additional revenue used to lower the energy rates for customers in the class.

Power Cost Adjustment (PCA) mechanism is reset to \$0.00/kWh in the rate design. The PCA, as stated above, is a major factor in assuring the current and future financial stability of the utility. However, the PCA needs to be periodically trued up and placed back into the rates charged to customers. Power supply costs consist of two components a demand related charge and energy related charge, the PCA is charged to customers entirely on energy use resulting in high load factor customers subsidizing low load factor customers if not periodically trued up to zero. We recommend Milford update the PCA when power supply costs are known for 2022 to ensure power supply rate revenue collected appropriately and the utility doesn't build up or have declining cash due to over/under collection of power supply expenses. PCA base revenues at retail in rates are \$0.0731.

Mr. Beauchamp encouraged Council to contact him with any further questions. He agreed to provide more detailed information which will be emailed to Councilmembers.

Interim City Manager Whitfield reported there is an ordinance introduction for City Council's consideration with public comments scheduled and final determination scheduled on May 11th. It is the City's goal to establish new rates so they would go into effect on June 1, 2020. That is typically when the summer rates kick in, which result in a rate decrease versus a rate increase.

Mr. Whitfield confirmed it is approximately 1.8% reduction from the existing current rates, or almost a 10% rate reduction when compared to the summer rates. On an annual basis, residents will see a 5% annual deduction and takes the increase in the customer service charge into account.

This rate will be in place until July 1, 2021 at which time the customer charge will increase slightly, though the kilowatt hour rate will be lowered for a net increase/decrease over the next two years.

When asked the average rate net change, Mr. Beauchamp explained that in years two and three, the dollar is an approximate 25 cent increase for anyone using less than 1,000 kilowatt hours a month. Using over 1,000 kilowatt hours per month is a slight reduction from 25 cents to over \$1 dollar.

He confirmed the average kilowatt hours used in Milford are 960 per month.

The overall impact to the City in the last two years of the rate reduction is zero overall. Given the 5% reduction in year one in the residential classification, the current \$9.24 million a year in revenues will drop to \$8.77 million. Mr. Beauchamp also verified that the revenues of all classes combined will be reduced by \$1.2 to \$1.3 million. He noted that even though the rates are being reduced, at the end of FY20-21, the cash balances are still projected to increase.

Copies will be emailed or mailed should any Councilmember wish to review in more depth.

There being no further business, the Council Workshop concluded at 7:19 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

City of Milford - Electric Rate Design

3/31/2020

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Submitted Respectfully by:
Mike Johnson
Manager, Utility Financial Solutions



City of Milford - Electric
Rate Design
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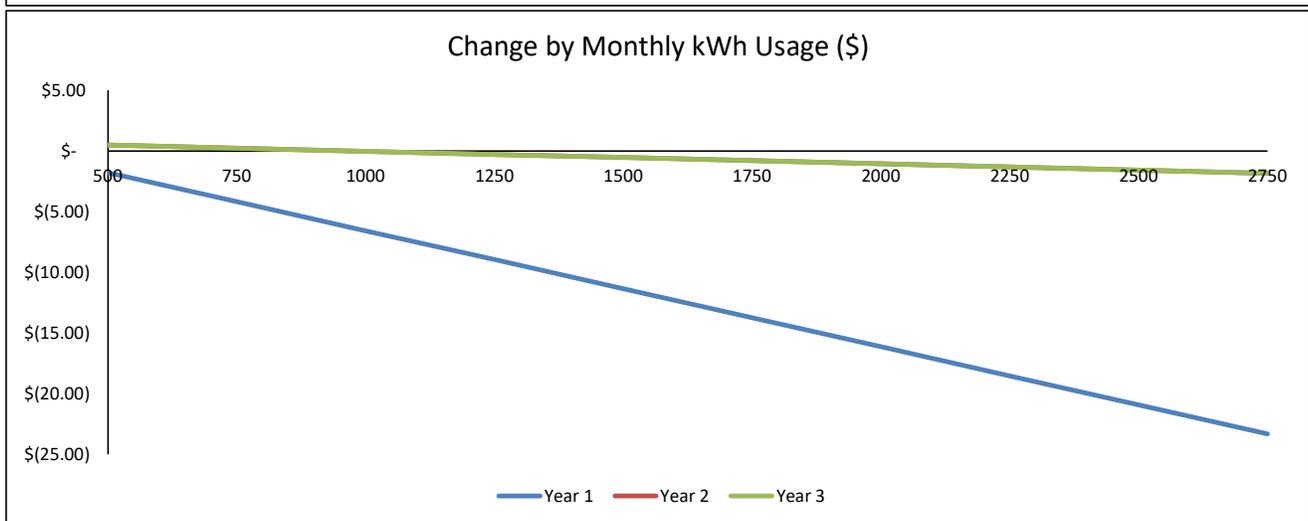
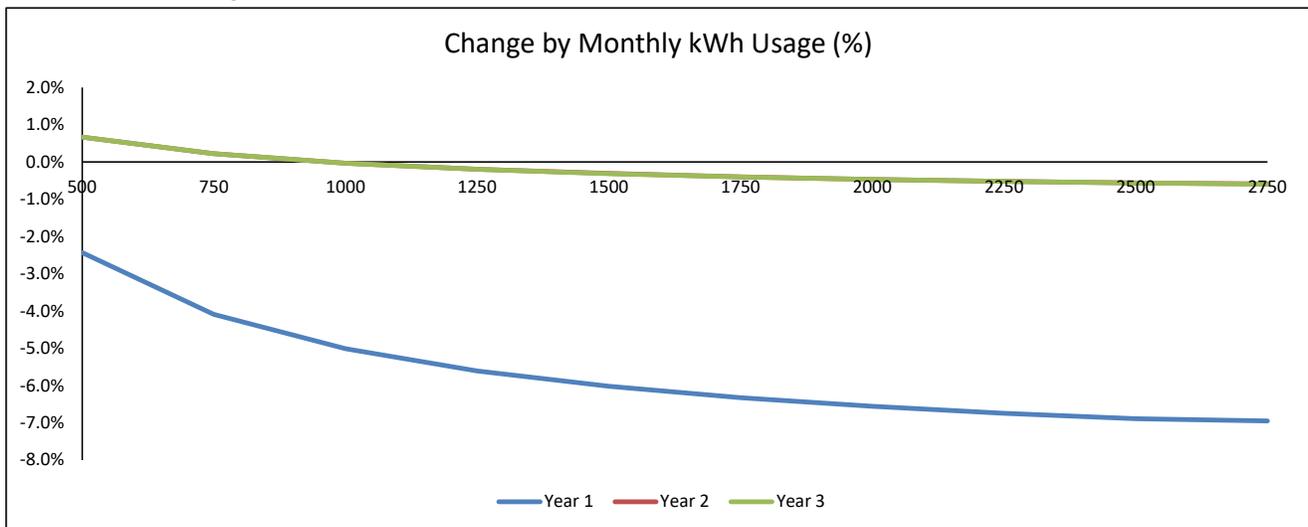
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City of Milford - Electric
Rate Design
Rate Design Summary

Customer Class	Projected Revenues Under Current Rates	Projected Revenues Under Proposed Rates Year 1	Projected Revenues Under Proposed Rates Year 2	Projected Revenues Under Proposed Rates Year 3
Residential	\$ 9,243,542	\$ 8,777,827	\$ 8,777,827	\$ 8,777,827
Small General Service	1,218,785	1,157,379	1,157,379	1,157,379
Private Area Lighting	39,962	39,962	39,962	39,962
Municipal Street Lighting	81,739	81,739	81,739	81,739
Medium General Service	5,210,550	4,948,029	4,948,029	4,948,029
Large General Service	704,056	672,104	672,104	672,104
General Service Primary	2,763,450	2,624,220	2,624,220	2,624,220
Special Contract Primary	6,092,607	5,785,645	5,785,645	5,785,645
Agriculture	61,956	58,126	57,999	57,999
Totals	\$ 25,416,648	\$ 24,145,031	\$ 24,144,904	\$ 24,144,904
Change		-5.0%	0.0%	0.0%

City of Milford - Electric
Rate Design
Projected Residential Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 16.00	\$ 19.00	\$ 20.00	\$ 21.00
Energy Charge:				
Winter Block 1 (0 - 2,500 kWh)	\$ 0.11587	\$ 0.10560	\$ 0.10456	\$ 0.10353
Winter Block 2 (Excess)	\$ 0.12787	\$ 0.11760	\$ 0.11656	\$ 0.11553
Summer Block 1 (0 - 2,500 kWh)	\$ 0.12587	\$ 0.10560	\$ 0.10456	\$ 0.10353
Summer Block 2 (Excess)	\$ 0.13787	\$ 0.11760	\$ 0.11656	\$ 0.11553
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 9,243,542	\$ 8,777,827	\$ 8,777,827	\$ 8,777,827
Change from Previous		-5.0%	0.0%	0.0%



City of Milford - Electric
Rate Design
Projected Residential Rates

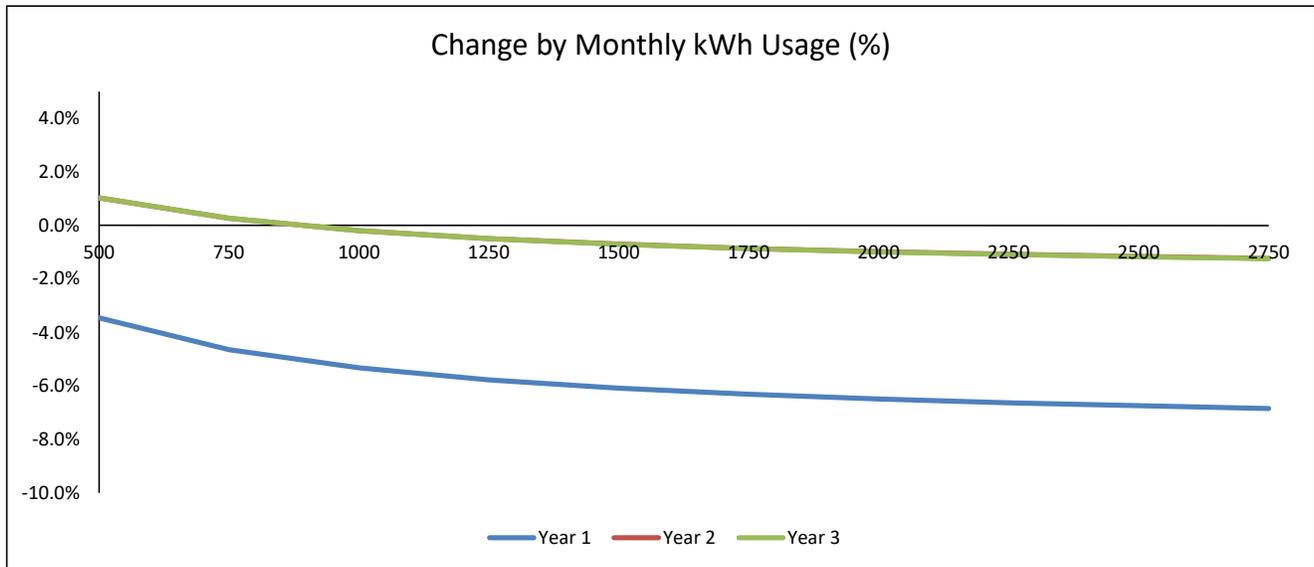
Monthly Energy	Average Monthly Bill by Energy Usage					
	Current \$	Year 1 \$	Year 2 \$	Year 3 \$	Year 4 \$	Year 5 \$
500	\$ 73.59	\$ 71.80	\$ 72.28	\$ 72.76	\$ 25.00	\$ 26.29
750	\$ 102.38	\$ 98.20	\$ 98.42	\$ 98.65	\$ 32.50	\$ 34.62
1000	\$ 131.17	\$ 124.60	\$ 124.56	\$ 124.53	\$ 40.00	\$ 42.95
1250	\$ 159.97	\$ 150.99	\$ 150.70	\$ 150.41	\$ 47.50	\$ 51.29
1500	\$ 188.76	\$ 177.39	\$ 176.84	\$ 176.29	\$ 55.00	\$ 59.62
1750	\$ 217.55	\$ 203.79	\$ 202.98	\$ 202.18	\$ 62.50	\$ 67.95
2000	\$ 246.35	\$ 230.19	\$ 229.13	\$ 228.06	\$ 70.00	\$ 76.29
2250	\$ 275.14	\$ 256.59	\$ 255.27	\$ 253.94	\$ 77.50	\$ 84.62
2500	\$ 303.93	\$ 282.99	\$ 281.41	\$ 279.82	\$ 85.00	\$ 92.95
2750	\$ 335.73	\$ 312.39	\$ 310.55	\$ 308.71	\$ 116.38	\$ 126.84

Monthly Energy	Change by Monthly kWh Usage (%)				
	Year 1	Year 2	Year 3	Year 4	Year 5
500	-2.4%	0.7%	0.7%	-65.6%	5.1%
750	-4.1%	0.2%	0.2%	-67.1%	6.5%
1000	-5.0%	0.0%	0.0%	-67.9%	7.4%
1250	-5.6%	-0.2%	-0.2%	-68.4%	8.0%
1500	-6.0%	-0.3%	-0.3%	-68.8%	8.4%
1750	-6.3%	-0.4%	-0.4%	-69.1%	8.7%
2000	-6.6%	-0.5%	-0.5%	-69.3%	9.0%
2250	-6.7%	-0.5%	-0.5%	-69.5%	9.2%
2500	-6.9%	-0.6%	-0.6%	-69.6%	9.4%
2750	-7.0%	-0.6%	-0.6%	-62.3%	9.0%

Monthly Energy	Change by Monthly kWh Usage (\$)				
	Year 1	Year 2	Year 3	Year 4	Year 5
500	\$ (1.79)	\$ 0.48	\$ 0.48	\$ (47.76)	\$ 1.29
750	\$ (4.18)	\$ 0.23	\$ 0.23	\$ (66.15)	\$ 2.12
1000	\$ (6.58)	\$ (0.03)	\$ (0.03)	\$ (84.53)	\$ 2.95
1250	\$ (8.97)	\$ (0.29)	\$ (0.29)	\$ (102.91)	\$ 3.79
1500	\$ (11.37)	\$ (0.55)	\$ (0.55)	\$ (121.29)	\$ 4.62
1750	\$ (13.76)	\$ (0.81)	\$ (0.81)	\$ (139.68)	\$ 5.45
2000	\$ (16.15)	\$ (1.07)	\$ (1.07)	\$ (158.06)	\$ 6.29
2250	\$ (18.55)	\$ (1.32)	\$ (1.32)	\$ (176.44)	\$ 7.12
2500	\$ (20.94)	\$ (1.58)	\$ (1.58)	\$ (194.82)	\$ 7.95
2750	\$ (23.34)	\$ (1.84)	\$ (1.84)	\$ (192.32)	\$ 10.45

City of Milford - Electric
Rate Design
Projected Small General Service Rates

Rates	Current	Year 1	Year 2	Year 3
Customer Charge:				
All Customers	\$ 23.00	\$ 25.00	\$ 27.00	\$ 29.00
Energy Charge:				
Winter Energy	\$ 0.12264	\$ 0.11258	\$ 0.11039	\$ 0.10821
Summer Energy	\$ 0.13264	\$ 0.11258	\$ 0.11039	\$ 0.10821
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 1,218,785	\$ 1,157,379	\$ 1,157,379	\$ 1,157,379
Change from Previous	-	-5.0%	0.0%	0.0%



City of Milford - Electric
Rate Design
Projected Private Area Lighting Rates

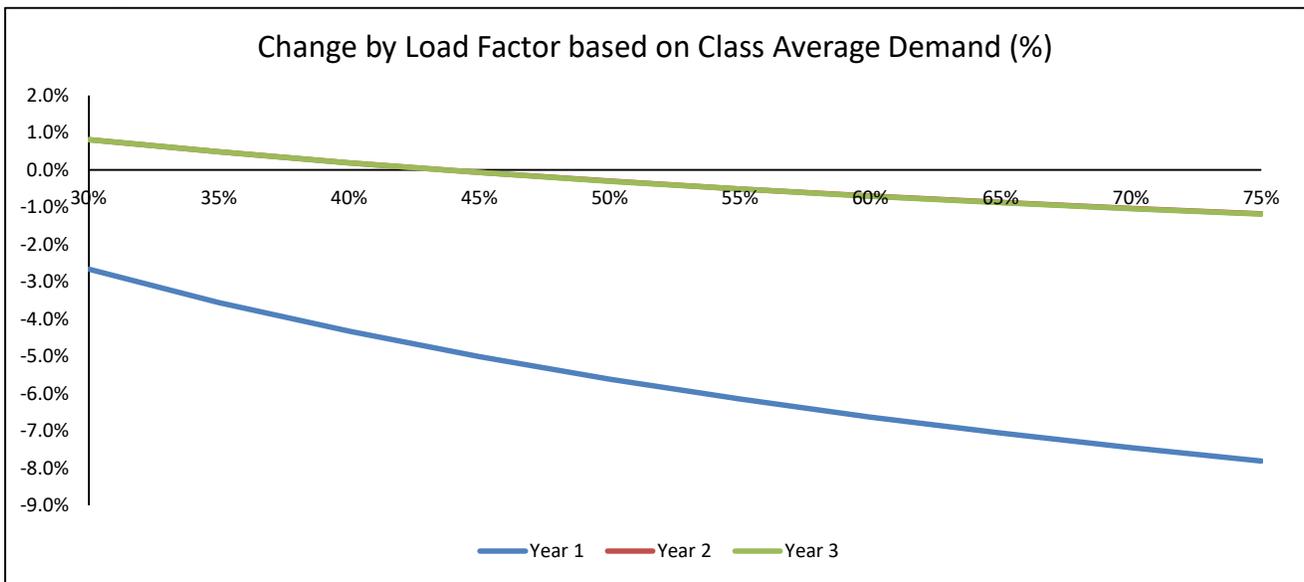
Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
LED (100W)	\$ 7.89	\$ 7.89	\$ 7.89	\$ 7.89
LED (400W)	\$ 10.85	\$ 10.85	\$ 10.85	\$ 10.85
HPS (9500 Lumens)	\$ 7.89	\$ 7.89	\$ 7.89	\$ 7.89
HPS (16000 Lumens)	\$ 10.85	\$ 10.85	\$ 10.85	\$ 10.85
Mercury (22500 Lumens)	\$ 22.69	\$ 22.69	\$ 22.69	\$ 22.69
HPS (50000 Lumens)	\$ 24.27	\$ 24.27	\$ 24.27	\$ 24.27
Mercury (8600 Lumens)	\$ 11.34	\$ 11.34	\$ 11.34	\$ 11.34
250 Watt	\$ 12.36	\$ 12.36	\$ 12.36	\$ 12.36
MH (110000 Lumens)	\$ 53.27	\$ 53.27	\$ 53.27	\$ 53.27
MH (40000 Lumens)	\$ 24.27	\$ 24.27	\$ 24.27	\$ 24.27
Revenue from Rate	\$ 39,962	\$ 39,962	\$ 39,962	\$ 39,962
Change from Previous		0.0%	0.0%	0.0%

City of Milford - Electric
Rate Design
Projected Municipal Street Lighting Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
City Security Lights - CISL	\$ 1,080.00	\$ 1,080.00	\$ 1,080.00	\$ 1,080.00
City Street Lights - CIST	\$ 5,681.50	\$ 5,681.50	\$ 5,681.50	\$ 5,681.50
Street Lights - State - STAT	\$ 50.12	\$ 50.12	\$ 50.12	\$ 50.12
Revenue from Rate	\$ 81,739	\$ 81,739	\$ 81,739	\$ 81,739
Change from Previous		0.0%	0.0%	0.0%

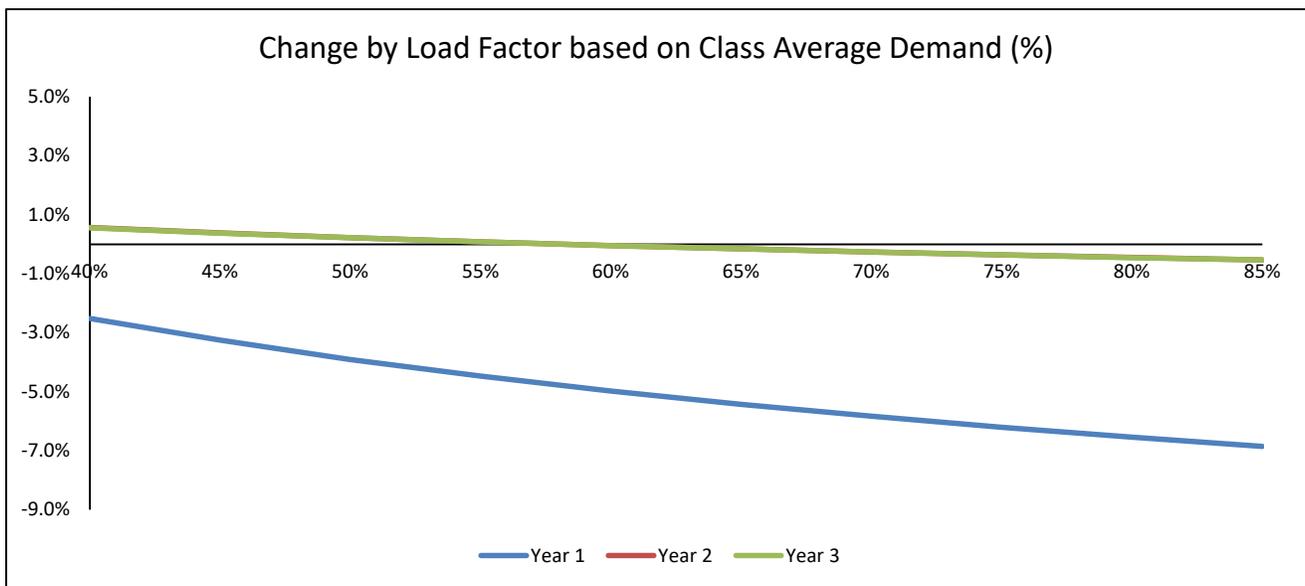
City of Milford - Electric
Rate Design
Projected Medium General Service Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 75.00	\$ 82.50	\$ 90.00	\$ 97.50
Energy Charge:				
Winter Energy	\$ 0.06270	\$ 0.05246	\$ 0.05008	\$ 0.04770
Summer Energy	\$ 0.07270	\$ 0.05246	\$ 0.05008	\$ 0.04770
Demand Charge:				
Winter Demand	\$ 13.25	\$ 14.80	\$ 15.30	\$ 15.80
Summer Demand	\$ 14.80	\$ 14.80	\$ 15.30	\$ 15.80
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 5,210,550	\$ 4,948,029	\$ 4,948,029	\$ 4,948,029
Change from Previous		-5.0%	0.0%	0.0%



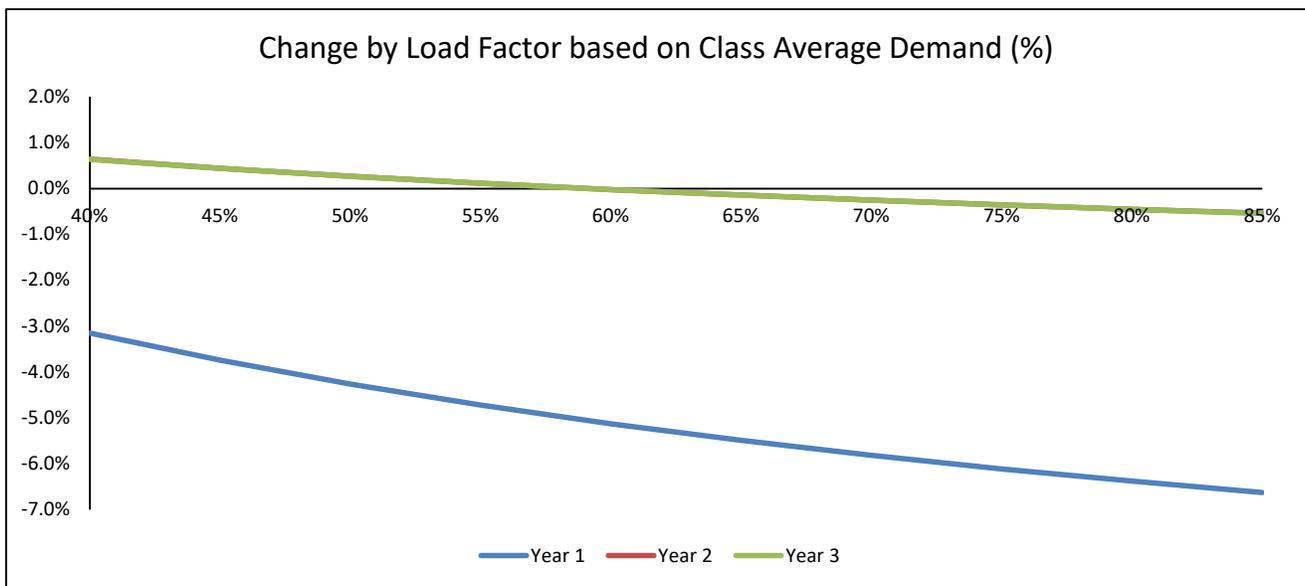
City of Milford - Electric
Rate Design
Projected Large General Service Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 150.00	\$ 165.00	\$ 180.00	\$ 195.00
Energy Charge:				
On-Peak Energy	\$ 0.07480	\$ 0.06185	\$ 0.06045	\$ 0.05906
Off-Peak Energy	\$ 0.06480	\$ 0.05185	\$ 0.05045	\$ 0.04906
Demand Charge:				
Winter Demand	\$ 12.75	\$ 15.25	\$ 15.75	\$ 16.25
Summer Demand	\$ 15.25	\$ 15.25	\$ 15.75	\$ 16.25
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 704,056	\$ 672,104	\$ 672,104	\$ 672,104
Change from Previous		-4.5%	0.0%	0.0%



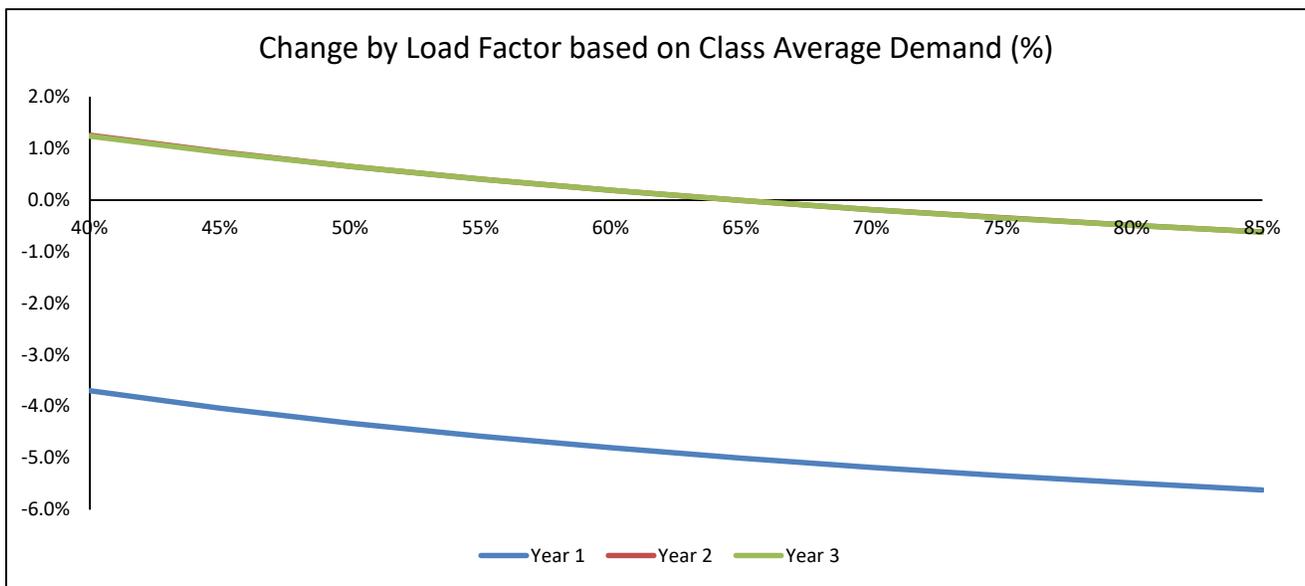
City of Milford - Electric
Rate Design
Projected General Service Primary Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 290.00	\$ 330.00	\$ 370.00	\$ 410.00
Energy Charge:				
On-Peak Energy	\$ 0.07480	\$ 0.06290	\$ 0.06143	\$ 0.05997
Off-Peak Energy	\$ 0.06480	\$ 0.05290	\$ 0.05143	\$ 0.04997
Demand Charge:				
Winter Demand	\$ 12.62	\$ 14.29	\$ 14.79	\$ 15.29
Summer Demand	\$ 14.29	\$ 14.29	\$ 14.79	\$ 15.29
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 2,763,450	\$ 2,624,220	\$ 2,624,220	\$ 2,624,220
Change from Previous		-5.0%	0.0%	0.0%



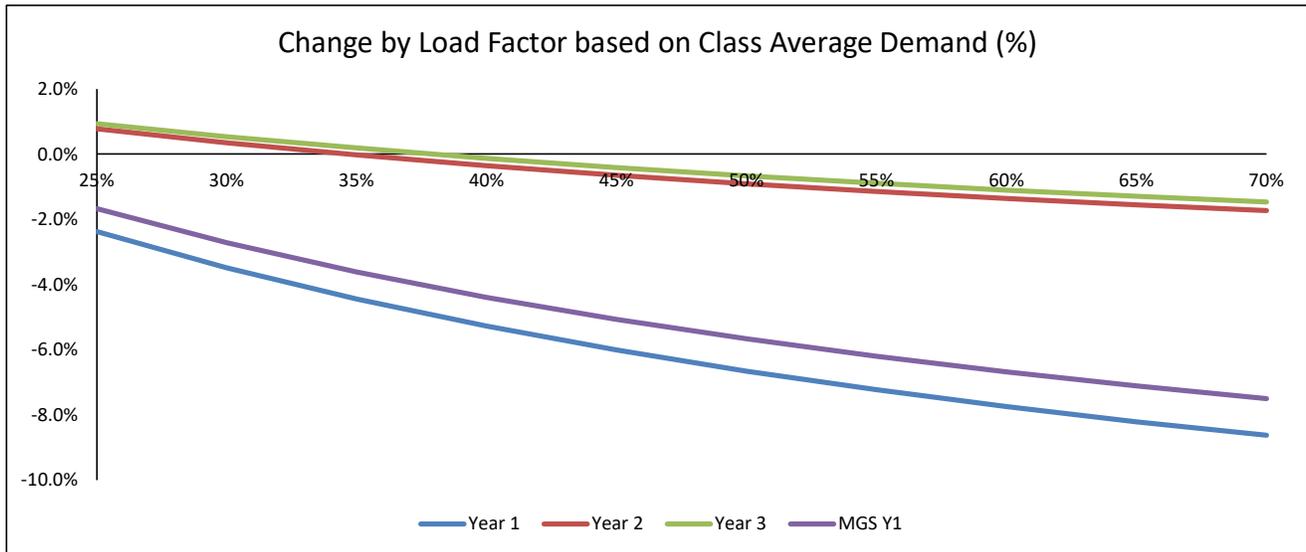
City of Milford - Electric
Rate Design
Projected Special Contract Primary Rates

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 385.00	\$ 395.00	\$ 405.00	\$ 415.00
Energy Charge:				
On-Peak Energy	\$ 0.07560	\$ 0.06595	\$ 0.06382	\$ 0.06170
Off-Peak Energy	\$ 0.06560	\$ 0.05595	\$ 0.05382	\$ 0.05170
Demand Charge:				
Winter Demand	\$ 12.00	\$ 12.68	\$ 13.68	\$ 14.68
Summer Demand	\$ 12.68	\$ 12.68	\$ 13.68	\$ 14.68
Power Cost Adjustment:				
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -
Revenue from Rate	\$ 6,092,607	\$ 5,785,645	\$ 5,785,645	\$ 5,785,645
Change from Previous		-5.0%	0.0%	0.0%



City of Milford - Electric
Rate Design
Projected Agriculture Rates

Rates	Current	Year 1	Year 2	Year 3	MGS Y1
Monthly Facilities Charge:					
All Customers	\$ 75.00	\$ 82.50	\$ 90.00	\$ 97.50	\$ 82.50
Energy Charge:					
Winter Energy	\$ 0.06270	\$ 0.05141	\$ 0.04847	\$ 0.04577	\$ 0.05246
Summer Energy	\$ 0.07270	\$ 0.05141	\$ 0.04847	\$ 0.04577	\$ 0.05246
Demand Charge:					
Winter Demand	\$ 13.25	\$ 14.80	\$ 15.30	\$ 15.80	\$ 14.80
Summer Demand	\$ 14.80	\$ 14.80	\$ 15.30	\$ 15.80	\$ 14.80
Power Cost Adjustment:					
All Energy	\$ (0.00403)	\$ -	\$ -	\$ -	\$ -
Revenue from Rate	\$ 61,956	\$ 58,126	\$ 57,999	\$ 57,999	\$ 58,658
Change from Previous		-6.2%	-0.2%	0.0%	-5.3%



Last 12 Months Usage	MGS	Agriculture	Savings
Hill Farms Inc	\$ 6,796.49	\$ 6,741.93	\$ 54.56 0.8%
Lednum Branch 3 & 4	\$ 16,567.19	\$ 16,429.70	\$ 137.50 0.8%
MCCOLLEY LYNNE75515822	\$ 11,952.09	\$ 11,852.79	\$ 99.30 0.8%
MCCOLLEY, LYNNE76454852	\$ 12,468.85	\$ 12,369.63	\$ 99.22 0.8%
YUTZY, DANIEL J	\$ 8,693.30	\$ 8,606.97	\$ 86.33 1.0%

MILFORD CITY COUNCIL
MINUTES OF MEETING
April 27, 2020

The City Council of the City of Milford convened their regular meeting by way of a video conferencing website on Monday, April 27, 2020. The meeting was available for public view and participation as permitted.

PRESIDING: Mayor Archie Campbell

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

STAFF: Interim City Manager Mark Whitfield, Police Chief Kenneth Brown and Deputy City Clerk Christine Crouch

COUNSEL: City Solicitor David Rutt, Esquire

In an effort to adhere to social distancing protocols and best practices imposed by Governor John Carney's State of Emergency Declaration effective March 13, 2020, the City of Milford has canceled all public meetings and gatherings until further notice. See April 13, 2020 Council Meeting Agenda for additional information.

CALLED TO ORDER

The Meeting was called to order at 7:19 p.m.

INVOCATION

The invocation was given by Councilmember Wilson.

PUBLIC HEARINGS

*Ordinance 2020-09
Code of The City of Milford
Part I-Administrative Legislation
Chapter 55-Personnel*

Mayor Campbell introduced Ordinance 2020-09.

Interim City Manager Whitfield recalled the previous discussions regarding the amendment to the Personnel Code relating to tuition reimbursement that City Council favored moving forward.

Councilman Boyle requested the annual reimbursement limit of \$5,250 per employee. He asked how this would be budgeted and whether there would be a cap placed on it or will it be left open for anyone that qualifies. Councilman James recalled this being discussed during HR's presentation and believes the numbers were based on other municipalities.

Interim City Manager Whitfield confirmed that will be handled by each division/department's budget and will be added to the training line item. There would be a limit citywide, which will be included as part of the budget. Councilmember Peel recalled that would be coordinated with each employee's evaluation to identify goals. In that manner, each department know what was needed to accomplish the goals and would be included in the budget based on those recommendations.

Mayor Campbell asked if anyone from the public wished to comment. No one responded. In addition, the agenda directed anyone who wished to comment to email cityclerk@milford-de.gov. She verified that no comments were received.

Councilmember James moved to adopt the following ordinance, seconded by Councilmember Wilson:

ORDINANCE 2020-09
CODE OF THE CITY OF MILFORD
PART I-ADMINISTRATIVE LEGISLATION
CHAPTER 55-PERSONNEL

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

WHEREAS, the Chapter is intended to inform employees with important information about the City's rules, policies, practices, and procedures, as well as educated them on their own privileges and responsibilities; and

WHEREAS, the City of Milford encourages our employees to explore opportunities for personal and professional development including degree programs at accredited institutions of higher learning; and

WHEREAS; tuition reimbursement is designed to help employees pay for eligible expenses related to pursuing an undergraduate and/or graduate degree.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1. The following text is hereby amended by adding a new Section 7.14, as set forth below:

SECTION 7 - EMPLOYEE BENEFITS

7.14 TUITION REIMBURSEMENT

Regular full-time employees are eligible for tuition reimbursement after completing six (6) months of full-time employment with the City.

The employee must be enrolled in an approved degree program that is related to the current job position held or must be appropriate for preparation for another position within the City. Courses are only eligible for reimbursement if they are required as part of the curriculum for the approved degree the employee is pursuing. Undergraduate and Graduate degrees are eligible, however law degrees, medical degrees, doctorate degrees, or PhDs are not eligible. The immediate supervisor, Department Director, and the City Manager will determine whether the course and/or degree program is eligible for tuition reimbursement.

Police officers shall apply for any financial grants from the Delaware Criminal Council Tuition Program available throughout the State at the same time as applying for the City program. If the Delaware Criminal Council Tuition Program is discontinued, then this provision will be void. The officer shall only be responsible to reimburse funds received through the City's program. A partial payment from the Delaware Criminal Tuition Program does not preclude an officer from asking for the balance of the total amount as long as the course/and or degree program meets the eligibility requirements of this policy.

Eligible expenses include:

- **Tuition**
- **Books**
- **Mandatory non-refundable fees, such as registration, admission, matriculation, activity fees, and lab/shop fees.**

Expenses not covered include, but are not limited to:

- **Deferment fees or installment plan charges**
- **Late fees**
- **Transcript fees**
- **Entrance exams**
- **Test preparation fees or courses**
- **Graduation or diploma fees**

- Parking
- Athletic fees
- Health fees

The employee must submit an unofficial transcript showing successful completion of each course. A successful completion is earning a C/equivalent or better in a course. The employee must also submit an itemized invoice of tuition and fees, and proof of payment. At the completion of the degree program, an official transcript must be submitted.

The annual reimbursement limit for tuition is \$5,250 per employee and may be subject to change based on IRS regulations. Taxation of employer provided tuition assistance is governed by the IRS tax code, Section 127. Reimbursements will be counted towards the annual limit based on the year in which the reimbursement is paid. Funds for tuition reimbursement do not carry over from year to year.

The employee must remain employed with the City for one year following the completion of the degree program.

The employee will be required to reimburse the City if they elect to voluntarily terminate their employment before the one-year anniversary of the completion of the degree program. The City may retain all unpaid earnings, accrued vacation, sick, and holiday time, or any other pay towards the satisfaction of the repayment obligation.

A temporary, flexible work schedule may be approved for an employee to attend courses. The flexible work schedule, whether only for a particular day or week, must be arranged in advance and the employee and supervisor must mutually agree upon the schedule and then obtain the written approval of the Department Director. At all times, normal business hours as well as the operational needs of the department must be maintained.

Section 2. Dates.

City Council Introduction: March 9, 2020

City Council Public Hearing: March 23, 2020

Effective: April 2, 2020

Motion carried.

RECOGNITION

Proclamation 2020-06/Municipal Clerks Week

Interim City Manager Whitfield read the following proclamation into record:

PROCLAMATION 2020-06

Municipal Clerks Week

Whereas, The Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world; and

Whereas, The Office of the Municipal Clerk is the oldest among public servants; and

Whereas, The Office of the Municipal Clerk provides the professional link between the citizens, the local governing bodies and agencies of government at other level; and

Whereas, Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

Whereas, The Municipal Clerk serves as the information center on functions of local government and community; and

Whereas, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state, provincial, county and international professional organizations; and

Whereas, It is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.

Now, Therefore, I, Arthur J. Campbell, Mayor of the City of Milford, do recognize the week of May 3 through May 9, 2020 as Municipal Clerks Week, and further extend appreciation to our Municipal Clerk Teresa Hudson and Deputy Municipal Clerk Christine Crouch and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

Ms. Hudson thanked the City for the recognition.

COMMUNICATIONS & CORRESPONDENCE

Fourth Ward

Councilman James expressed concern on behalf of his constituents regarding the uptick in cases in the Milford community. They had asked if there was any direction from the City to assist with this situation.

Mayor Campbell provided an update of what was occurring in the Milford area at the Perdue Plant as well as the Genesis Care Facility. Several precautionary measures are in place and guidelines are currently being updated in an effort to slow the spread of this virus down.

A new community testing site has been added at the State Service Center in the Riverwalk Shopping Center for the convenience of Milford residents. Chief Brown emphasized that the testing is only available to Perdue and their families.

Mayor Campbell then talked about Chief Brown asking s local daycare to provide get well cards to Generis residents.

He also shared that Chief Brown and his officers have spent some significant time dealing with COVID-19 patients who were placed in area hotels by the State. However, the situation has gotten better.

A conversation followed about a number of concerns relating to some Milford churches who are continuing to hold services. Chief Brown said he will be happy to contact any of the churches in violation of this order, particularly if there it involves more than ten people. He confirmed Milford Police are tasked with enforcing the Declaration of Emergency and when it is brought to their attention, they will continue to address it.

It was agreed that the scope of the City's involvement is very important and should be communicated to our residents.

Mr. Whitfield plans to put together an update of what the City has been done and plans as we move forward, considering the amount of time involved with conference and telephone calls.

UNFINISHED BUSINESS

None to discuss.

NEW BUSINESS

*Introduction/Ordinance 2020-13/City Code/Appendix B/Electric Rules & Regulations
/Eliminates Summer/Winter Electric Rates/Adds Agricultural Classification*

Interim City Manager Whitfield introduced the following ordinance related to the reduced electric rates discussed during the earlier workshop with UFS.

ORDINANCE 2020-13

CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
APPENDIX B ELECTRIC RULES AND REGULATIONS

WHEREAS, the purpose of Appendix B of the Code of the City of Milford is to establish Rules and Regulations for the distribution and delivery of electric service to the City of Milford's electric system; and

WHEREAS, Appendix B, accompanied by the Tariff, provides the charges and rates for electric services; and

WHEREAS, the City's Electric Division has completed an electric rate and cost of service study through the consulting firm of Utility Financial Solutions, LLC, who is recommending electric rate adjustments for City Council's consideration; and

WHEREAS, the last comprehensive electric rate adjustments, taking into account cost of service and cost of power, were adopted by City Council on May 8, 2017 and became effective June 1, 2017; and

WHEREAS, City Council has studied the consultant's proposed adjustments and amendments, and considered the City's electric funds and public comments, and thereby desires to amend the monthly facility charge, adopt reduced electric rates and remove any variations created by seasonal provisions.

Now, Therefore, Be It Resolved by the City of Milford that:

Section 1.

Section 24 – FEES, CLASSIFICATIONS AND SCHEDULES are hereby amended by adjusting electric rates indicated by inserting language shown as bold and underlined and removing language indicated by strikethrough as shown in the public notice included in the packet.

Dates.

City Council Introduction: April 27, 2020

City Council Public Hearing: May 11, 2020

Effective: May 21, 2020

Introduction/Ordinance 2020-14/Chapter 26/Carlisle Fire Co Enhancement Funds/Adds Process

Interim City Manager Whitfield introduced Ordinance 2020-14 and during discussions about the funding agreement, they had requested a written procedure be added outlining how they request and receive funds from the City.

ORDINANCE NO. 2020-14
AN ORDINANCE AMENDING
THE CODIFIED ORDINANCES OF THE
CITY OF MILFORD, PART I ADMINISTRATIVE LEGISLATION
CHAPTER 26 – ENHANCEMENT FEES

WHEREAS, in 2004, the City of Milford ("City") adopted an ordinance as a means of collecting alternative funds for the Carlisle Fire Company;

WHEREAS, City Council authorized surcharges, to be paid and collected by the City on all building permit fees for new construction projects, expansion projects or other building projects that increase building size;

WHEREAS on May 28, 2019, the Code of the City of Milford was amended by adding a new Chapter 26, entitled Enhancement Funds; and

WHEREAS, it is appropriate that from time to time an update is required to ensure that efficient procedures are being used and followed which will be in the best interest of the Carlisle Fire Company and the City.

NOW, THEREFORE, the City of Milford hereby Resolves, the following procedures be established for the award and payment of the Carlisle Fire Company Enhancement Fee:

Section 1.

§26-2 Rates, Paragraph A(1), is hereby amended by adding new subparagraphs to be referenced as §26-2(A)(1)(a), §26- 2(A)(1)(b) and §26-2(A)(1)(c).

Section 2.

§26-2 is hereby amended by adding language shown in bold and underlined.

§ 26-2. - Rates.

- Carlisle Fire Company Equipment and Facilities:
 - City Council may award to the Carlisle Volunteer Fire Company grants for equipment purchases and facility improvements, which shall be in addition to any other payments provided by the City.
 - **Carlisle Fire Company shall identify the amount and need for the grant by written request to the City Manager.**
 - **In accordance with Delaware's Freedom of Information Act, the request will be placed on the next permitted City Council agenda.**
 - **Upon a favorable determination by City Council, the funds will be dispersed within sixty days of the date of approval.**

Dates:

City Council Introduction: 04/27/2020

Scheduled Adoption: 05/11/2020

Ordinance 2020-14 becomes effective on the tenth day following its adoption.

Funding Authorization/Tenth Street Well Project/Drilling of Two Test Wells

Mr. Whitfield provided a synopsis of what is needed and was discussed during the previous Capital Improvement Plan.

City Engineer James Puddicombe continued by recalling the recommendation to abandon the two wells in the City used for water production - Well #1 (on Washington Street across from the library) and Well #16 (at the Southeast Tower site).

Well #1 is the oldest well in the City (1930's vintage) and has had problems with sand and grit being pulled into the system due to the deterioration of screens at the bottom. Well #16 is a very low production well with high iron and manganese.

To replace these wells, staff is recommending a new well be drilled at the Tenth Street facility (east of Route 1), and a second well to serve the southeast part of the City, at a site yet to be determined.

We have received a quote from A.C. Schultes of Delaware Inc. for the drilling and testing of a 4" test well to a depth of 450'. The following is a breakdown of expected costs for the drilling of two test wells.

- Secure permit, drill, and test two new wells at a cost of \$28,000 each for a total of \$56,000.
- Clear or otherwise improve site locations to allow for well drilling at a cost of \$2,500 each for a total of \$5,000
- Additional engineering monitoring or assistance for the test wells at \$5,000 per well for a total of \$10,000
- A contingency in the amount of \$9,000 to cover any field changes needed.

Councilmember Marabello moved to authorize the allocation of \$80,000 from reserves for the drilling of test wells at the Tenth Street facility and at a location to be determined, seconded by Councilmember Boyle. Motion carried.

Authorization/Change Order/2019 Road Rehabilitation Project A/Contract 2020-ST-002

City Engineer Puddicombe talked about the 2019 Road Project and when work was done on Roosa Road, Masten Circle, and SE Fifth Street, significant roadway base and subbase issues were found that resulted in a need for field changes to the construction process:

- 1) Two areas on SE Fifth Street where base was not present. These areas measured 300' x 10' and 30' x 3'.
- 2) The area on Masten Circle in front of the Verizon truck access had significant degradation to the base resulting from heavy truck traffic in the area coming off of Route 14.
- 3) Roosa Road had dirt showing through in some areas where subbase should have been present.

In order to ensure that the new roads maintained a useful life that would make the project viable, we performed repairs in these areas as follows:

- 1) On SE Fifth Street the 300' x 10' section had a wedge of asphalt placed to repair the subbase and base portions. The area of 30' x 3' had an increased top coat placed to reduce concerns with longevity. The 30' x 3' area was found to have been properly compacted and was not moving under load, further examination of this area showed it had been compacted with an adequate fill material. For this reason, we were able to increase the top coat to 2.5" instead of 2" and resolve the problem.
- 2) On Masten Circle the heavy truck traffic had worn down the base and subbase to a point that the area needed to be replaced with 6" patching.
- 3) On Roosa Road the asphalt top was increased to 2.5" as the areas showing through showed no movement under load and long-term impacts should be minimal.

Contract amounts were exceeded for 6" Hot Mix Patching at 388.6% of budget, Type C at 106.11% of budget, and Stop Bars at 150% of budget. These increased amounts were offset through using none of the 12" Hot Mix Patch and none of the Undercut. In addition, we reduced the amount of external engineering support which was budgeted under separate contract for \$10,000 to around \$2,500.

Council approved \$206,643 for the project however the contracted amount was for \$221,643, which included a contingency of \$15,000 for roadway base repairs. Not including the contingency funds, we are overbudget by \$29,970.43 having spent \$236,613. In order to limit overages in the future we will be performing core samples prior to performing road repairs which should give us a good indication of base and subbase conditions.

Councilmember Boyle moved to authorize an additional \$29,970.43 be paid from Municipal Street Aid until depleted, and any remaining invoices be paid from the Real Estate Transfer Tax. This is needed to pay for the change to Contract 2020-ST-002, increasing the total to \$236,613.43, seconded by Councilmember James. Motion carried.

Authorization/City of Milford 2021-2025 Capital Improvement Plan

Interim City Manager Whitfield pointed out this was the Capital Improvement Plan for 2021-2025 presented to Council by multiple employees that participated at the April 13th meeting. The Plan recommends capital projects over the next five years, with \$2,352,268 in projects/equipment recommended for 2021. Capital Projects include those items that have a value of \$5,000 or higher and a useful life of six or more years. The Plan requires General Fund contributions, as well as contributions from Municipal Street Aid, Real Estate Transfer Tax, Sewer Fund, Water Fund, Electric Fund, Solid Waste Fund, Electric Fund, Economic Development Fund, Federal Bridge Program, and various State and Federal Grants.

There being no recommendations to any changes, Mr. Whitfield is asking Council to adopt the 2021-2025 Capital Improvements Plan as was presented.

Councilmember Boyle moved to adopt the 2021-2025 Capital Improvements Plan for the City of Milford, seconded by Councilmember Peel. Motion carried with no one opposed.

Reappointment/Board of Elections/Annual Election

City Clerk Hudson asked that City Council reappoint the Board of Elections, from those members originally approved for the April 25th election. That date was a conflict due to the Head Judge/Inspector being out of town. With that the most recent change to June 13th, she is now available.

She is asking that the board be reappointed with the inclusion of Karen Boone and removal of Carlene Wilson, who will participate in another fashion, seconded by Councilmember Katrina Wilson. Motion carried.

EXECUTIVE SESSION

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

Pursuant to 29 Del. C. §10004(b)(9) Personnel matters in which the names, competency, and abilities of individual employees or students are discussed

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

Motion carried.

Mayor Campbell recessed the Council Meeting at 7:57 p.m. for the purposes as are permitted by the Delaware Freedom of Information Act.

Return to Open Session

Council returned to Open Session at 9:00 p.m.

Employment Contract

Councilmember Boyle moved to appoint Mark Whitfield from his Interim City Manager position to Milford's City Manager effective May 1, 2020, seconded by Councilmember James. Motion carried with no one opposed.

Councilmember Culotta moved to enter into a contract with Mr. Whitfield as City Manager, as discussed in Executive Session, subject to the amendment, Section 10(b) regarding severance as follows:

If the employee is terminated as City Manager prior to July 31, 2021, the employee shall be retained as a City employee in an administrative capacity to be determined, until at least July 31, 2021. If employee is terminated as City Manager after July 31, 2021, employee shall be entitled to severance pay at the then current rate of salary, for a six-month period, or until April 30, 2022, whichever is the shorter time frame.

Motion seconded by Councilmember James. Motion carried with no one opposed.

Funding Authorization/Legal Action Settlement

Councilmember Boyle moved to authorize \$70,000 be transferred from General Fund Reserves to Legal Expenses to cover the costs of the legal settlement discussed in executive session, seconded by Councilmember James. Motion carried with no one opposed.

No action required on additional items.

ADJOURNMENT

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

The Council Meeting adjourned at 9:05 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder